



Designing a Risk Disclosure Model for Banks Listed on the Iranian Capital Market

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ABSTRACT

In financial markets, banks play a fundamental role in providing financial services, managing risks, and maintaining the stability of the financial system. Since banks act as intermediaries between customers and the financial market, the management and disclosure of financial risks are of particular importance. The aim of this study is to design a risk disclosure model for banks listed on the Iranian capital market. The statistical population in the qualitative phase of the research includes managers, academic professors, and experts familiar with banking and capital markets, considered as experts in this field. Nine experts participated in the interviews, and the sample size was determined using the theoretical saturation method. Data were collected and analyzed through interviews. The data collection tool at this stage was MAXQDA software. The results indicated that risk disclosure in Iranian banks contributes to enhancing financial transparency, improving corporate governance, and building public trust. Moreover, factors such as laws and standards, legal interactions, and regulatory oversight influence the risk disclosure process. Ultimately, achieving more effective economic and financial objectives requires increased transparency and improvement of the risk disclosure process in Iranian banks.

Keywords: Disclosure, Risk, Risk Disclosure, Capital Market

1. Introduction

Banks, as one of the most critical pillars of economic systems in any country, play a key role in providing financial resources and establishing economic infrastructure. In Iran's capital market, banks—particularly as one of the main financial institutions—have played a significant role in financing various economic sectors and facilitating large-scale projects. However, banks face various risks, including economic, political, and financial risks, which can pose threats to their sustainability. In this context, transparent disclosure of risk-related information is one of the fundamental tools for reducing uncertainty and maintaining the trust of investors and stakeholders (Ghazali Siameni et al., 2024). Risk disclosure in banks is of particular importance, as this process can influence investors' decisions, banking policies, and ultimately the stability of financial markets. Studies have shown that effective risk disclosure during periods of economic instability—such as financial crises or pandemics—has positive effects on enhancing market transparency and building investor confidence (Triariti et al., 2024). Furthermore, research conducted in the financial markets of other countries indicates that the disclosure of both financial and non-financial risks influences investor behavior and stock price volatility (Al-Sahli & Al-Adheem, 2024). The heterogeneous nature of risk disclosure has also been examined, revealing that excessive risk disclosure can lead to the misinterpretation of a company's value, especially in the context of initial public offerings (He et al., 2025). This complexity necessitates a careful approach to risk communication—one that balances the need for transparency with the potential for misinterpretation. Furthermore, the interaction between private loan issuance and risk disclosure suggests that borrowers may increase their risk disclosure after loan agreements, which benefits both lenders and equity investors by reducing uncertainty (Dai et al., 2024). This close relationship between various financial instruments and their influence on risk communication highlights the need for an integrated perspective.

The role of internal control disclosures has also been emphasized, showing that while such disclosures can enhance market perceptions, they may indirectly reduce the effectiveness of financial reporting (Deng & Wang, 2024). In Iran's capital market—where banks play a fundamental role in providing financial

resources—the need for a transparent model for risk disclosure is more critical than ever. Recent studies have also shown that factors such as firm size, profitability, ownership structure, and corporate governance characteristics influence the quality and effectiveness of risk disclosure. Particularly, changes in competitive conditions and global crises can impact the pattern of risk disclosure in banks (Shivani & Nishat, 2020). Corporate governance metrics can moderate the occurrence of risk and help prevent potential losses (Alkardi et al., 2019). In this regard, banks must disclose risk information in a timely and transparent manner to gain investor trust and maintain their financial stability (Madrigal et al., 2015). According to existing theories, firms and banks that provide more extensive disclosures—especially during times of crisis—are more likely to attract long-term investors. This tendency can help reduce stock price volatility and increase financial stability (Bushee & Noe, 2000).

Risk disclosure in banks is recognized as one of the key tools for promoting financial transparency and reducing uncertainty in capital markets. Currently, in Iran's capital market, the concept of risk disclosure is still evolving, and many banks face challenges in this regard. Since banks play a vital role in providing financial resources and directing capital within the economy, a lack of transparency in risk disclosure can lead to reduced investor confidence and serious issues in financial markets. Therefore, designing a comprehensive and effective model for risk disclosure in banks listed on Iran's capital market is essential. This study aims to identify the factors and concepts influencing risk disclosure in these banks in order to present an efficient model for risk management and reporting. The necessity of this research arises from the fact that, given the critical role of banks in Iran's economy, transparency in risk disclosure can significantly affect investor decisions and the performance of capital markets. In recent years, due to global financial crises and domestic economic developments, the issue of risk disclosure in banks has gained increased importance. The lack of adequate frameworks for risk disclosure in Iran's capital market, along with the need to enhance transparent financial reporting processes in banks, has led this research to be considered a tool for improving transparency, investor trust, and managerial processes in banks. Ultimately, by designing an appropriate model for risk

disclosure in banks, this study can take an effective step toward improving the country's financial and economic conditions. Given the need for greater transparency and improved risk reporting processes, the main research question of this study is:

How can a risk disclosure model be designed for banks listed on Iran's capital market? This research seeks to answer this question and, by presenting an effective model, aims to enhance transparency and build greater investor confidence in Iranian banks so that they can make more informed decisions regarding investment and risk management.

2. Theoretical Foundations

Risk disclosure functions as a mechanism for transparency, enabling investors to make more informed decisions based on their understanding of the level of risk involved in banking activities. This becomes particularly important in situations where uncertainty prevails in economic policies, as the tone of narrative disclosures can significantly influence stakeholders' perceptions and, ultimately, the overall risk profile of banks (Albert et al., 2025).

Risk disclosure encompasses comprehensive information regarding the principles of risk and the methods of risk management across various dimensions, including the position, scope, and nature of risks (Dobler, 2008). The main objectives of risk disclosure include transparency, risk communication, and risk management (Disterhoft et al., 2023). Different countries apply different standards for risk disclosure, which are important for firms as these standards determine how effectively investors understand the disclosed risk information. Ultimately, these standards shape investor expectations of a company and influence their valuation, which is reflected in the company's stock price. Existing literature affirms the relevance of risk disclosure for capital market participants (Alhashandy & Sherif, 2016).

According to Heinle and Smith (2017), "As investors become more aware of banks' risk exposures and risk management practices, appropriate risk disclosure can reduce uncertainty premiums and significantly contribute to economic stability." Risk disclosure proves valuable under general market conditions, but becomes especially critical during bearish or recovering markets compared to bullish periods, and during economic recessions, as investors

tend to be more cautious and demand more detailed risk information (Miihkinen, 2013).

Moreover, the relationship between banks' risk profiles and the disclosure of environmental, social, and governance (ESG) information is also significant. Research has shown that banks with higher risk profiles tend to increase their level of ESG disclosures in order to mitigate reputational risks and align with stakeholder expectations (Manta et al., 2025).

The role of corporate governance in risk management disclosure is likewise highly important. Strong governance frameworks can lead to improvements in risk management practices and, consequently, enhance the disclosure of risk-related information (Budiah, 2025). The impact of non-financial information on the functioning of capital markets highlights the evolving nature of risk disclosure. Non-financial disclosures—such as those related to sustainability and social responsibility—are increasingly recognized as influential in asset pricing decisions and resource allocation (Ye & Zheng, 2025).

Recent research on risk disclosure in banks listed on the capital market highlights several key areas. First, a systematic review of the literature reveals that empirical studies on bank risk disclosure are expanding and emphasize the need for further exploration of its role in investor perception and market stability (Mees, 2024).

Second, the relationship between capital market openness and bank credit risk has been examined, indicating that transparency in risk disclosure can significantly affect credit risk assessments (Gu & Wu, 2024). Third, studies in emerging markets show a connection between risk management disclosure and financial performance, suggesting that effective risk communication can improve a bank's market position (Iqbal et al., 2024).

Moreover, research into corporate governance practices shows that strong governance frameworks positively influence risk management disclosure and, in turn, enhance overall bank performance (Grypka, 2024). Finally, the integration of non-technical information in risk disclosures has attracted increased attention, as it plays an important role in asset pricing and resource allocation in capital markets (Ye & Zheng, 2025). Oliaei (2023) examined the effect of corporate governance characteristics on risk disclosure and found that attributes such as board size and the presence of independent directors have a negative

relationship with risk disclosure, while the type of auditor is positively associated with it. Furthermore, the impact of risk disclosure on firm value—measured by Tobin's Q—was found to be negative.

On the other hand, Tabatabaei et al. (2022) investigated market reactions to the disclosure of different types of risk (financial, operational, and strategic) and found that such disclosures have a positive and significant effect on cumulative abnormal stock returns.

Iqbal et al. (2024) also emphasized the importance of risk management disclosure in reducing information asymmetry between managers and external stakeholders, demonstrating that managers' negative sentiments in this regard affect the future performance of banks.

Subsequent research, such as the works of Ahmadi et al. (2021) and Khan et al. (2022), has focused on developing models for measuring risk disclosure. Ahmadi and colleagues proposed a multi-criteria decision-making model to evaluate corporate risk disclosure, which can help clarify the extent of risk information disclosed. Khan et al. showed that voluntary risk disclosure leads to efficient investment, whereas mandatory disclosure has a negative impact.

Mahmoud et al. (2024) also demonstrated that risk disclosure is an effective strategy for enhancing corporate social responsibility in the banking sector. Triarity et al. (2024) concluded that risk disclosure helps reduce information asymmetry, although few studies have investigated its impact on investor perception. They also stressed the need for further research on risk assessment and market risk disclosure, noting that studies are increasing in countries such as China, India, and other parts of Asia. Future research, they suggested, will likely focus on Russia, South America, and Africa.

Raji and Dagunduro (2024) found that financial risk disclosure has a positive and significant effect on firms' financial performance, whereas operational risk disclosure has a negative but significant impact. These findings suggest that financial transparency can enhance investor confidence, while the disclosure of operational risks may decrease trust due to concerns over operational stability and profitability.

Sharma and Kumar (2025) showed that effective risk management and its disclosure play a key role in maintaining financial sustainability and companies' ability to cope with crises.

Ultimately, these studies collectively indicate that risk disclosure can play an effective role in improving investors' decision-making processes as well as enhancing corporate social responsibility. Consequently, the development of appropriate models for risk disclosure in banks and companies holds particular significance.

3 -Research Methodology

This research is of a qualitative nature. Farhangi et al. (2015) define qualitative research as the study of phenomena in their natural context and an effort to interpret meanings in an understandable way. Considering the combination of qualitative research methods in the present study, the grounded theory approach was employed in the first phase. Grounded theory is a method aimed at understanding and interpreting individuals' experiences of events and occurrences within a specific context. In grounded theory, the pattern of data collection differs, and data collection and analysis occur simultaneously. In this context, interviews are considered an appropriate method for data collection in grounded theory (Moshakhi et al., 2016).

The statistical population of this study includes managers, university professors, and experts familiar with banking activities and capital markets, who are identified as experts with experience in the field of risk and banking. The number of experts examined is 15. The sampling method is non-probability purposive/snowball sampling, and individuals must possess at least three out of the following five characteristics: Holding advanced degrees relevant to risk and banking,

At least 3 years of work experience in risk or banking, at least 3 years of teaching experience in risk and banking, Authorship or translation of books in the field of risk and banking, at least two valid and relevant academic papers on risk and banking.

The sample size is determined using the theoretical saturation method; in other words, sampling continues until theoretical saturation is achieved. A total of 9 experts responded to the interviews. Of these, 5 are aged between 40 and 50 years, and 4 are over 50. Additionally, 3 hold a master's degree, and 6 have doctoral degrees. Their work experience varies: 2 individuals have 15 to 20 years of experience, 3 have 20 to 25 years, and 4 (17.6%) have more than 25 years

of experience. Furthermore, 2 have studied banking, 2 financial management, 3 accounting, and 2 economics.

To ensure the validity of the qualitative part of the research, Creswell's validity evaluation strategies have been applied. In qualitative research, when a concept is evaluated and discussed from various perspectives by the researcher or others and similar conclusions are reached, it can be said that the required validity has been obtained. For qualitative validity in this research, the peer review strategy was used. Two professors with significant expertise in qualitative research evaluated the axial coding paradigm, and their insights were incorporated into the model development process. Their feedback and suggested corrections were received and applied during the research process. To assess the reliability of qualitative research, various criteria have been proposed by qualitative researchers. For test-retest reliability, three interviews from the conducted interviews were selected as samples and each was coded twice at a short and defined time interval. The codes generated at both times for each interview were then compared, and the stability index for the study was calculated based on the level of agreement and disagreement between the two coding stages. To measure the reliability of the designed model, the Kappa coefficient was used. The results indicated that the reliability of the coding was confirmed.

4- Research Findings

To address the research questions, data collected from in-depth interviews with experts were coded and then analyzed. In axial coding, grounded theory selects a category from the open coding stage and places it at the center of the process being examined (as the core phenomenon). Then, other categories are related to it. These other categories include: "Causal Conditions," "Strategies," "Contextual and Intervening Conditions," and "Consequences." This stage involves creating a diagram called the "coding model." In this model, there are six boxes (or categories) of information:

- **Causal Conditions:** Categories related to conditions that affect the core category.
- **Context:** Specific conditions that affect strategies.
- **Core Category:** A mental representation of the phenomenon that is central to the process.

- **Intervening Conditions:** General contextual conditions that affect strategies.
- **Strategies:** Specific actions or interactions that emerge from the core phenomenon.
- **Consequences:** Outcomes resulting from the application of strategies.

In open coding, the smallest conceptual units in the qualitative data gathered through interviews are extracted based on the levels of causal factors, contextual factors, intervening conditions, strategies, and consequences in grounded theory, using an exploratory approach.

In this research, the main source of data was interviews. Through open coding, the codes were extracted, and in the same manner, the coding process for 9 interviews was conducted.

Step 1: Open Coding

Open coding is part of the analysis process, where data is thoroughly examined, named, and classified. To categorize concepts accurately into categories, each concept, after being separated, is labeled, and raw data is conceptualized by carefully examining interview texts and field notes. The data collected from the interviewees are coded to more easily identify similarities and differences. The results of the open coding analysis in each of the dimensions of the paradigmatic model are presented below.

Step 2: Axial Coding

Axial coding is the second step in the analysis process of grounded theory. Axial coding connects the categories and subcategories derived from open coding based on their characteristics and dimensions. This process is done by the researcher using the paradigmatic model, which helps the theorist to conduct the theory development process more easily. The paradigmatic model is a tool developed by Strauss and Corbin for analyzing and studying qualitative data. The main components of the paradigmatic model are: conditions, actions/reactions, and consequences. The process of linking in axial coding is based on expanding and extending one of the categories. The findings from the axial coding in the various dimensions of the paradigmatic model are presented below.

A) Causal Conditions

Based on the analysis of the conducted interviews, the causal conditions affecting the risk disclosure model are presented in Table 1.

Table 1 – Identified Concepts and Categories Related to Causal Conditions

Main Category	Concepts	Final Codes	Frequency
Causal Conditions	Definition and Importance	Definition of risk disclosure	5
		Importance of risk disclosure	3
	Laws and Standards	Legal sources and risk disclosure standards	1
	Impacts and Connections	Impact of risk disclosure on the capital market	3
		How risk disclosure is conducted	2
		Role of decision-makers in risk disclosure	1
		Commitment to accurate and complete disclosure	3
		Strategies to improve risk disclosure	1
	Interactions and Various Factors	Impact of risk disclosure on customer relations	3
		Confidentiality in risk disclosure	2
		Impact of technology on risk disclosure	2
		Attention to shareholders' needs	1
		Interaction with regulators	2
		Use of past experiences	2
		Level of detail in risk disclosure	2
		Interaction with capital market participants	1
Impact of banking competition on risk disclosure	3		

B) Contextual Conditions

The contextual conditions in this study are presented in Table 2.

Table 2 – Identified Concepts and Categories Related to Contextual Conditions

Main Category	Concepts	Final Codes	Frequency
Contextual Conditions	Standards and Regulations	International accounting standards	1
		Islamic accounting standards	2
		Disclosure principal regulations	3
		Risk improvement reports by the Financial Stability Board	3
	Legal Requirements and Supervision	Legal requirements related to risk disclosure	4
		Impact of central bank regulations	2
		Use of International Financial Reporting Standards (IFRS)	1
	Banking Business Environment and Corporate Governance	Impact of banking business environment	1
		Corporate governance in risk disclosure	5
		Role of decision-making in defining risk disclosure conditions	2
	Interactions and Commitment to Disclosure	Commitment to use of standards	2
		Interaction with capital market regulations	1
		Interaction with other institutions	1
Commitment to accurate and reliable disclosure		2	
Impact of transparency on risk disclosure		2	
Impact of banking competition on risk disclosure conditions	3		

C) Intervening Conditions

In this study, following the analysis of the interviews, the concepts and categories related to the intervening conditions were identified as shown in Table 3.

Table 3 – Identified Concepts and Categories Related to Intervening Conditions

Main Category	Concepts	Final Codes	Frequency
Intervening Conditions	Role of Institutions and Organizations	Role of the Banking Supervision Committee	8
		Legal requirements for reporting	1
		Interaction with the Money and Credit Council	1
		Role of bank management	1
		Responsibilities of the Accounting Regulatory Body	4
		Interaction with supervisory organizations	1
	Laws and Auditing	Impact of auditing laws	5
		Presence of the board of directors in disclosure	2
		Use of auditing experts	2
		Role of independent auditors	1
	Technology and Confidentiality	Use of technology in risk disclosure	1
		Compliance with Sharia requirements	6
	Development of Risk Disclosure Culture	Development of risk disclosure culture	3

D) Strategies and Actions

This section identifies the strategies and actions within the risk disclosure model. These strategies and actions represent the initiatives and practices that are

recommended to be implemented for improving the risk disclosure model. The related concepts and categories are presented in Table 4.

Table 4 – Identified Concepts and Categories Related to Strategies and Actions

Main Category	Concepts	Final Codes	Frequency
Strategies	Standards and Auditing System	Use of International Financial Reporting Standards (IFRS)	2
		Strengthening the auditing system	1
	Development of Risk Disclosure Policies and Culture	Development of risk disclosure policies	1
		Development of a risk disclosure culture	1
		Strengthening communication with shareholders	6
		Encouraging the use of technology	2
		Adoption of innovative approaches	8
		Strengthening interaction with supervisory institutions	3
		Enhancing the capabilities of bank management	1
		Development of reporting tools	4
Promoting transparency	1		

E) Consequences

This section identifies the consequences resulting from the implementation of the strategies and actions related

to the risk disclosure model. The associated categories and concepts are presented in Table 5.

Table 5 – Identified Concepts and Categories Related to Consequences

Main Category	Concepts	Final Codes	Frequency
Consequences	Impact on Decision-Makers	Role of decision-makers in the risk disclosure process	1
		Role of managers and decision-makers in setting disclosure strategies	2
		Impact of risk disclosure on investors' decisions	1
	Transparency and Corporate Governance	Importance of transparency in banking	1
		Role of transparency in increasing shareholders' and customers' trust	5
		Impact of transparency on bank sustainability	5
		Role of corporate governance in risk management	3
		Impact of corporate governance on risk disclosure decisions	1
	Impact on Regulations and Technology	Impact of governmental decisions on the risk disclosure process	1
		Role of government supervision in banking information disclosure	1
		Impact of supervisory decisions on banking competition and positioning	1
		Impact on regulations and laws	3
		Development of banking technology	3

F) Core Category

This section identifies the concepts and categories related to the core category of the model, namely the

Risk Disclosure Model. The identified categories and related concepts are presented in Table 6.

Table 6 – Identified Concepts and Categories Related to the Core Category

Main Category	Concepts	Final Codes	Frequency
Core Phenomenon	Development of the Internal Audit Profession and Increased Financial Transparency	Development of the internal audit profession	1
		Increase in financial transparency	1
	Impact on Risk Management, Shareholder Relations, and Regulatory Interaction	Impact on risk management	5
		Relationship with shareholders	4
		Impact on interaction with regulatory bodies	6

Step Three: Selective Coding or Theory Emergence

The goal of grounded theory is to generate theory, not merely to describe a phenomenon. In order to transform the analyses into a theory, the categories must be systematically related to one another. Selective coding—based on the results of the previous two coding stages (open and axial coding)—is the main stage of theory development. In this stage, the core category is systematically connected to the other categories, and these relationships are presented within the framework of a narrative. Additionally, categories

that require further improvement and development are revised.

Figure 1 presents the paradigmatic model of risk disclosure. Since the grounded theory method adopted in this study follows the Strauss and Corbin approach, the resulting framework includes the following dimensions:

- Causal Conditions of the Risk Disclosure Model
- Contextual Conditions of the Risk Disclosure Model

- Intervening Conditions of the Risk Disclosure Model
 - Strategies of the Risk Disclosure Model
 - Consequences of the Risk Disclosure Model
 - The Core Risk Disclosure Model
- Figure 1 also illustrates the final model output generated by the MAXQDA software, taking into account the subcategories and their frequency.

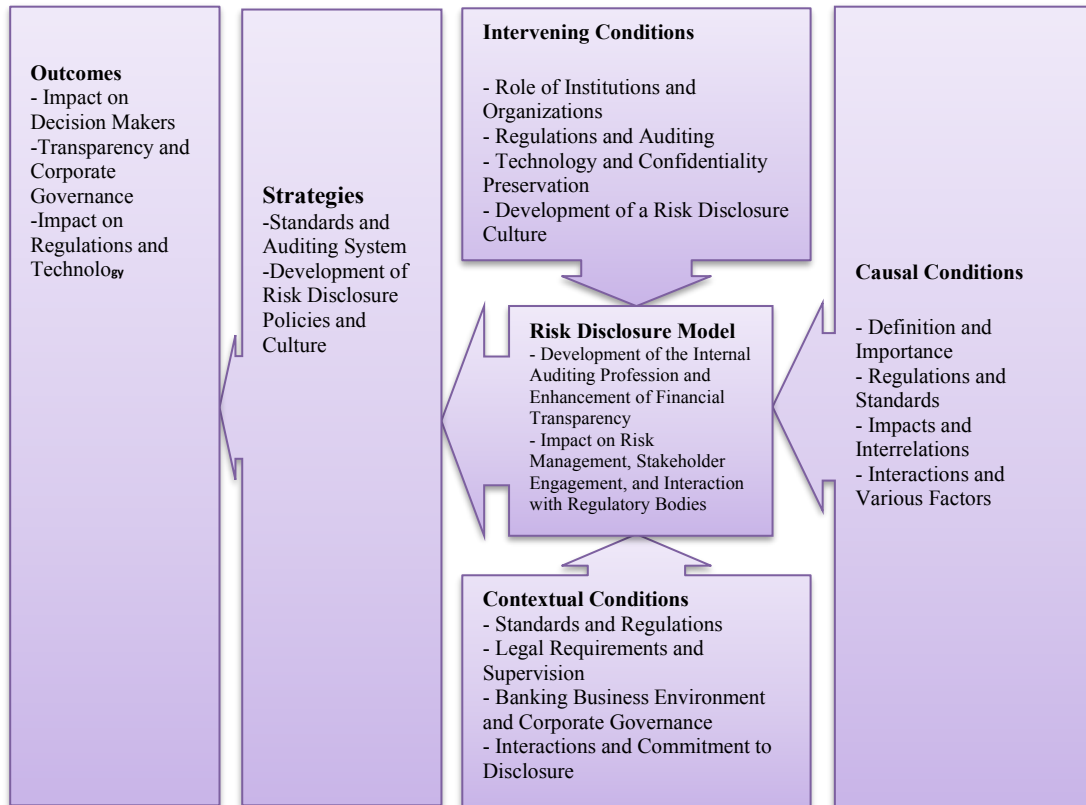


Figure 1 – Paradigmatic Model of Risk Disclosure

5- Discussion and Conclusion

In financial markets, banks play a fundamental role as one of the most important financial and economic institutions. Their primary responsibility is to provide financial services, manage various risks, and maintain the stability of the financial system. Given that banks handle financial transactions and act as intermediaries between customers and the financial market, the management and disclosure of financial risks are of particular importance. Through the analysis of interviews, the causal conditions affecting the risk disclosure model in banks listed on the Iranian capital market were identified. These conditions include factors such as the definition and significance of risk disclosure, legal sources and risk disclosure standards,

the impact of risk disclosure on the capital market, the role of decision-makers in risk disclosure, commitment to accurate and complete disclosure, and strategies for improving risk disclosure.

The interviews also identified the contextual factors related to risk disclosure, including international and Islamic accounting standards and regulations, legal requirements regarding risk disclosure, the banking business environment, corporate governance, interactions and commitment to disclosure, and the impact of transparency in risk disclosure. These factors influence the determination of risk disclosure conditions in banks listed on the Iranian capital market. Based on the analysis of these causal and contextual conditions, it can be concluded

that multiple factors contribute to the continuity and quality of risk disclosure in banks listed on the Iranian capital market. These include legal requirements, standards, managerial decision-making, and corporate governance, all of which have a direct impact on risk disclosure and help create confidence and transparency in the financial market.

Through the analysis of interviews, the intervening factors that affect risk disclosure in banks listed on the Iranian capital market were identified. These factors include the role of institutions and organizations such as the Banking Supervisory Committee and the Accounting System Organization, laws and auditing, including the impact of auditing laws, as well as technology and maintaining confidentiality through the use of technology in risk disclosure. These factors highlight the need for attention and active collaboration among various institutions and organizations to enhance transparency and confidence in the financial market.

Additionally, the strategies and actions identified for improving the risk disclosure model in banks listed on the Iranian capital market include the use of international financial reporting standards, the development of risk disclosure policies and culture, strengthening communication with shareholders, utilizing innovative approaches, and promoting transparency. These strategies and actions suggest that banks need to adopt modern approaches and technology in their risk disclosure processes to provide appropriate information to shareholders and regulatory bodies and achieve greater transparency.

In general, a better understanding of the needs and demands of the financial market and effective solutions for improving the risk disclosure process in banks listed on the Iranian capital market can be gained. Considering the study of the consequences resulting from the implementation of strategies and actions of the risk disclosure model, it can be concluded that these factors have a direct impact on decision-makers and managers. Additionally, transparency and corporate governance are of great importance in banking and have a positive effect on shareholder and customer trust as well as the sustainability of banks. Furthermore, the development of technology in banking also plays an important role in improving the risk disclosure process.

In the main category, the development of the internal audit profession and increased financial

transparency were identified as the primary factors. These concepts play a crucial role in risk management and communication with stakeholders and regulatory bodies, and are essential for enhancing transparency and improving the risk disclosure process. It is clear that various factors influence risk disclosure in banks listed on the Iranian capital market. These factors include the impact on decision-makers, transparency, corporate governance, regulations and technology, and the development of the internal audit profession. These important factors play a significant role in creating trust and stability in banks and the capital market and should be seriously considered.

Various studies, such as those by Oliaei (2023) and Tabatabai et al. (2022), show that corporate governance features and the type of auditor have a significant impact on risk disclosure, and the market reacts positively to the disclosure of risk factors. Additionally, research by Ahmadi et al. (2021) has shown that risk disclosure index models can help measure the risk information of companies accurately, and risk disclosure has a positive relationship with the bank's value and price. International studies, such as those by Iqbal et al. (2024) and Mahmood et al. (2024), have also shown that managers' negative sentiments in risk disclosure are linked to the future performance of banks, and risk disclosure can facilitate the improvement of corporate social responsibility in banks. Research by Shorma and Kumar (2025) further emphasizes the importance of risk disclosure in maintaining financial stability within companies.

In summary, these studies highlight that risk disclosure provides important information that can influence performance and investments. Therefore, the use of effective models for risk disclosure in banks listed on the Iranian capital market can help improve risk management, increase transparency, and build public trust in banks. The development of a culture of transparency and risk disclosure within banking organizations can also assist in improving managerial processes and reducing financial and operational risks. These actions will ultimately strengthen the stability and security of Iran's banking system and contribute to the country's economic development.

Based on the results of the research, the following recommendations are provided:

- **Enhancing reporting systems and processes:** Banks should focus on improving reporting processes and increasing transparency in

providing risk-related information. This action can help reduce market uncertainty and increase investor confidence.

- **Developing appropriate standards:** Developing clear and standardized guidelines for risk disclosure in banks is a powerful tool to facilitate the reporting process and enhance the quality of risk-related information.
- **Raising awareness and training:** To ensure the proper execution of the risk disclosure process, banks need to familiarize themselves with risk management standards and approaches. Organizing training sessions and raising staff awareness in this area is essential.
- **Addressing the needs of stakeholders:** Banks should provide risk-related information according to the needs of stakeholders, such as investors, customers, and regulatory bodies. This information should be presented clearly, comprehensively, and in an understandable manner for all.

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