THE ROLE OF INTEGRATED REPORTING INFORMATION DISCLOSURE ON ENHANCING THE FIRM VALUE: AN APPLIED STUDY TO A SAMPLE OF BANKS LISTED IN THE IRAQI STOCK EXCHANGE

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ABSTRACT

The objective of this research is to test and analyze the relationship between the level of disclosure of integrated reporting information and the firm value in a sample of (15) banks listed on the Iraqi Stock Exchange. The time limits of this sample were 10 years from (2011) to (2020) so that the number of views covered by the research are (150) views. The research found a positive significance impact of the level of disclosing integrated report information in the value of the research sample banks, indicating that the disclosure of integrated reports contributes to many benefits and advantages, including: providing financial and non-financial information that contribute to meeting the needs of stakeholders and enhance their confidence in the information provided by the Banks, and clarifying the extent to which the Banks is able to create and maintain a value in the long term in addition to the threats and consequences that the Banks is likely to face in the future.

Keywords: Banks, Exchange, Stock, Firm, Iraqi.

INTRODUCTION

Financial reports submitted by enterprises are a key tool and are approved by stakeholders in collecting information about the enterprise and evaluating its financial position to make different decisions and because of external pressures by exchanges, organizations, bodies and stakeholders to disclose more transparent reports in terms of the performance of the enterprises' activities in all respects and to reflect the ability of enterprises to create value for them in the long term, enterprises' interest in developing their reports has increased and the traditional financial-focused reports have been inadequate in disclosing independent reports containing financial, non-financial, environmental, social and governance information in a coherent and integrated manner that meets all the needs of different stakeholders, as well as providing comprehensive information on the enterprises' strategy and how to create value for it in the long term.

As a result, integrated reports emerged which aimed at providing comprehensive information on the performance of economic, social and environmental enterprises that contribute to the enterprise's long-term value by expanding the disclosure of non-financial information in these reports as well as incorporating strategic dimensions, sustainability and governance, to demonstrate the enterprise's responsibility to the environment and society, improving the quality of information and increasing confidence in it and enhancing the understanding of stakeholders in understanding the enterprise's performance.

Research Problem

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The preparation of integrated reports has gained great importance by enterprises rapidly since the establishment of the International Integrated Reporting Council (IIRC) in 2010. Due to criticisms of enterprises for reiterating the correlation of the information of these reports after the separate disclosure of financial reports has adversely affected stakeholders' decisions not to understand the link between financial and non-financial information; enterprises tended to disclose an integrated and comprehensive report containing information on economic, social, environmental and governance performance, collecting financial and non-financial information in a quantitative and qualitative manner and demonstrating the causal link between financial and non-financial information and helping the enterprise to create value for it in the long term.

Based on the aforementioned, the research problem can be formulated with the following question:

Does the Disclosure of Integrated Reports Affect in enhancing the Firm value?

Research Importance

It is important to seek to demonstrate the importance of disclosing integrated reporting information and its role in enhancing the firm value by providing financial and non-financial information that enable different stakeholders to develop a comprehensive image of the enterprise's performance and its ability to create value in the long term, and to indicate the expected usefulness of these reports if they are properly adopted in Iraqi enterprises.

Research Objective

In the light of what has been presented regarding the problem and importance of the research, the main objective of this research is to identify the extent to which the information of integrated reports is disclosed in order to enhance the value of the enterprise. The following sub-objectives derive from the main objective:

1. Providing a theoretical framework on the formation and development of disclosure of integrated reports and their importance and objectives.
2. Identifying the firm value and how it is configured.
3. Describing the relationship of the firm value and disclose the integrated reports.

Research Methodology

The research is based on an inductive approach based on frequent sightings from particular items, i.e., in which the researcher goes from private to public, by extrapolating the reality of the financial reports of the (10) banks listed on Iraq's Stock Exchange for the period from (2011-2022) and collecting all data and information through the method of analyzing the content of these reports with a view to using them in quantification in measuring research variables and then statistically analyzing them to clarify the extent of the impact of research variables in order to arrive at the results. Secondary sources, including literature related to research, research, university letters and articles, have been used in specialized periodicals.

Theoretical Framework

Formation and Development of Integrated Reports Information Disclosure

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Owing to developments in business and criticism of traditional financial reports about their clarification of the relationships between economic, social and environmental performance, this has led to guidance towards greater disclosure through sustainability reports and corporate social responsibility reports, but it has not provided financial and non-financial information in an integrated manner. So accountability pressures increased on enterprises both by stakeholders and by international organizations that called for greater disclosure by demonstrating the environmental and social impacts of the enterprise's activities as well as economic impacts.

As a result, what is known as the disclosure of integrated reports to meet the needs of different stakeholders and assist them in making a conscious assessment of enterprises' performance from a strategic perspective and evaluating the ability of enterprises to create value (Mohaisen et al., 2021: 330). The first attempts to prepare and publish these reports date back to (1989) when the National Bank of Canada issued a social responsibility report as part of a sustainability report, and enterprises have been publishing such reports in the period (2000-2008) and adopting the principles of the Global Reporting Initiative Committee (GRI). One of these enterprises, to name a few, The Danish Novozymes enterprise, issued in 2002 an integrated report on their operations and activities, as well as in (2004) joined by Novo Nordisk. While in (2008), the Brazilian Natura enterprise issued an integrated report and in the same year the Dutch Phelps enterprise joined (Al-Karaghoula, 2020: 19; Eccles et al., 2015: 9).

In (2010), the International Integrated Reporting Council (IIRC) was established by (GRI) leaders, a global alliance whose membership includes the (IASB) and the International Federation of Accountants (IFC), the World Business Council for Sustainable Development (WBCSD) and the Global Reporting Initiative (GRI).

The purpose of (IIRC) is to present an integrated reporting model that combines (financial, management, governance and sustainability reports) in a coherent set that demonstrates the enterprise's ability to create long-term sustainable value (Steyn, 2014: 480).

The researcher considers that the reason for the formation and development of Integrated Report Disclosure is due to the lack of financial reports in meeting the needs of stakeholders as well as to external pressures by exchanges, organizations, bodies and stakeholders by disclosing more transparent reports in terms of the performance of enterprise activities in all respects and reflecting the ability of enterprises to create value for them in the long term. Therefore, enterprises began disclosing financial and non-financial information in a separate report covering economic, environmental and social aspects to assist stakeholders in conducting an assessment of the enterprise from a strategic perspective and the enterprise's ability to create value. The objective of the enterprise is not only to generate profits but also to create value for all stakeholders (Muda, 2021).

The Concept of Integrated Report Disclosure

The disclosure of integrated reports is a new revolution in the world of reports disclosed by enterprises, the concern of many professional organizations and bodies, and as a result of developments in the disclosure of integrated reports over successive periods by the International Integrated Reporting Council (IIRC) and many professional organizations have shown many concepts about the disclosure of integrated reports. (IIRC) indicates that the disclosure of integrated reports is a clear and concise statement of how enterprises create short, medium and long-term value by compiling financial and non-financial information on the enterprise's strategy and governance and economic, environmental and social performance (IIRC, 2013: 10).

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As defined by Shaaban, (2019: 22), the disclosure of financial and non-financial information and disclosure of the company's strategy, governance, sustainability, financial performance, opportunities and risks in a single report, shows stakeholders the ability of the company to create value in the short, medium and long term.

Al-Sabbagh, (2022:142) believes that the disclosure of integrated reports is a means of communicating financial and non-financial information to its users about the strategy and activities of the enterprise so that they can fully understand the content of the enterprise reports in the long term in order to expand the level of disclosure of quantitative and objectively measurable information and thereby improve the quality of information.

From the above, the researcher believes that the disclosure of integrated reports is a separate optional report disclosing financial, non-financial, environmental and social essential information in a way that enables stakeholders to assess the current and future sustainable performance of the enterprise and how the enterprise manages its activities and strategy in how to link aspects of its economic, environmental, social and governance dimensions, which contributes to creating value for the enterprise in the short, medium and long term.

The Importance and Objectives of Integrated Reports Disclosing

Several studies (Slack & Tsalavoutas, 2018: 2); (de Villiers & Sharma, 2017: 4); (Masoud, 2020: 8); (Ali, 2017: 21) agreed that the importance of disclosing integrated reports is represented in its effective role in clarifying to stakeholders the relationship between financial, social, environmental and governance performance by enterprises by providing information that enables them to understand this relationship and assess the ability of enterprises to create value in the long term, and that the preparation of these reports will ensure the sustainability of the institutional performance of enterprises and improve financial performance in the long term.

The disclosure of integrated reports also achieves many internal and external benefits. Internal integrated reports help in the way of enhancing the interconnection between economic, environmental, social and ethical factors, how to allocate resources in the facility, and the awareness of the enterprise management of the volume of activities and challenges it faces, thereby directing the enterprise towards greater sustainability in the long term as well as improving the reputation of the enterprise and reducing the risks it faces well.

Regarding external benefits, the disclosure of integrated reports deepens links with all stakeholders to meet their needs for environmental and social information as well as economic information and providing information on the governance model applied by enterprises and information on risk management.

The researcher believes that the importance of disclosing integrated reports is to explain the company's strategy to maximize its value in the long term and to communicate information to stakeholders and enable them to conduct a full assessment of the financial and non-financial performance of the company as the best solution to give stakeholders confidence in the financial reports of enterprises by filling the communication gap between the operations carried out by the company and stakeholders who seek environmental, social, strategic and governance information in addition to financial information.

With regard to the objectives, (IIRC, 2020: 2) in its new update confirmed four objectives for integrated reports:

1. Improving the quality of information available to capital providers in order to achieve greater efficiency and productivity.

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2. Providing reports with a more effective, comprehensive and coherent approach by adopting standards that accommodate all other reporting paragraphs, in order to reach a complete picture of all the factors that directly affect the ability of the enterprise to create value over time.
3. Enhancing accountability and supervision in relation to the six capitals (financial, manufacturing, human, intellectual, natural and social) and enhancing the understanding of their interconnection.
4. Supporting integrated thinking, decision-making and actions focused on generating value in the long term as well as the medium and short term.

From the above, the researcher believes that the purpose of disclosing integrated reports is to fill the information gap between the enterprise's management and all stakeholders and to highlight the manner in which the enterprise determines the available resources within a systematic process that takes into account the risks facing the enterprise and provides a comprehensive assessment of the enterprise's performance that includes all economic, social, environmental and governance dimensions and the strategy of the enterprise in how to use its capital to create value.

Motives for Integrated Reports Disclosing

The researcher believes that due to the crises that have occurred at the global level over the past decades, it has led to the statement of the unreliability of traditional reports issued by enterprises with a short-term financial perspective, due to their inability to provide integrated information on environmental and social performance in addition to financial performance and disclosure of the company's strategy in using its resources and employing its capital so that stakeholders can determine the efficiency of enterprises and the ability of these enterprises to create value in the long term.

As a result, what is known as sustainability reports emerged as a voluntary, non-mandatory activity for leading enterprises that have social awareness, and these reports work to disclose the economic, environmental and social impacts in a balanced manner without focusing on one without the other by providing non-financial information besides financial ones. Nevertheless, there are shortcomings in these reports due to their inability to link sustainability issues with the company's strategy.

In light of this, it required agreement from all parties interested in producing and communicating financial reports to stakeholders on the need to make radical changes in the content of financial reports submitted by enterprises by providing comprehensive information on the performance of enterprises that contribute to creating value over the long term by expanding the disclosure of non-financial information, improving the quality of information and increasing confidence in it by developing the content of reports through including strategic and governance dimensions as well as economic, environmental and social dimensions and providing an integrated view of the ability of enterprises to create value for stakeholders. For this reason, what is known as the disclosure of integrated reports has emerged, where all financial, environmental, social and governance information are disclosed in one independent, consistent and comparable report that shows comprehensive information about the overall performance of the enterprise and its vision within the framework of accountability and transparency and its ability to create value in the short, medium and long term.

The Concept of Value from an Accounting Perspective

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It is also known that enterprises seek to increase profits and maximize their market value. The firm valueis one of the most important elements that determine the efficiency and effectiveness of enterprise management, because it is considered a reflection of the efficiency of decisions taken by the management of the enterprise. The accounting thought was concerned with determining the value of the enterprise, especially after the change of the goal that the enterprise management seeks to achieve from maximizing profitability to maximizing the firm valuein the market.

The value of an entity is defined as one of the indicators that reflects the level of operational performance of the enterprise, which is positively reflected on its prosperity through the rise in the value of its shares in the market (Al-Darraji, 2022: 43).

It is also defined by (Nissim, 2010: 120) as the amount of cash flows that shareholders expect to receive in the future as a result of investing their funds in the shares of an enterprise, that is, the firm valueis determined by the market value of shares in the financial market.

Putu et al. (2014: 35) explained that the value of an enterprise is represented by investors' awareness of the success of the enterprise, which is often related to stock prices, where the main goal of the management of the entity is to maximize its value and thus maximize the wealth of shareholders, that is, the firm valueis a reflection of its market value, the greater the demand for the shares of the entity, the higher its value.

The accountants agreed that there is no independent theory of the value of the enterprise, but there are several concepts and interpretations of the value of the enterprise, and the concepts that accounting deals with are (Yusuf, 2017: 91; Al-Hasnawi, 2020: 74):

1. **Par Value:** this value is determined in accordance with the laws and instructions issued by the enterprise and is written on the share document. The nominal value does not reflect the real value of the share, and is determined by the minimum amount of the basic capital of the enterprise to provide a reasonable amount of liquidity, considering that issuing it with a small nominal value would attract investors with limited incomes.
2. **Book Value:** this value is determined according to the value of the share from the enterprise's records, and is calculated by dividing the value of the ownership right by the number of ordinary shares issued.
3. **Fair Market Value:** this value is determined by the share price in the stock markets, and this price is affected by market conditions in terms of supply and demand, and that these conditions often reflect the political and economic environment. International Reporting Standard No. (13) defined fair value as the value that can be received to sell an asset or paid to repay an obligation on the measurement date for a regular transaction between parties dealing in the market in the current market conditions.
4. **Investment Value:** it is one of the important values for shareholders (investors) as it means the amounts paid by the investor to obtain shares. The calculation process is based on the risk of the share and the expected returns from it because for each share there are two sources of return, the first is capital gains and the second is the annual dividend payments, which increase the higher the market price of the share.
5. **Liquidation Value:** it is determined after the revaluation of the elements of the financial statements in the circumstances of liquidation of the enterprise and determining the value of equity and then divided by the number of issued shares, i.e. the value of the enterprise's market assets minus the liabilities of the enterprise.

The Firm Value and How to Configure Them

Having previously explained the concept of enterprise value and the interest of accounting thought in determining the firm valueas a result of the change in the goal that the enterprise management seeks to achieve from maximizing profitability to maximizing the firm valueas a strategic goal in the capital market, we show in this paragraph how to form this value and what steps to determine.

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Enterprises can create value represented by the added value for them and for all stakeholders through the interaction of their activities and the interrelated relationships between their various resources (Al-Hasnawi, 2020: 79). In order to learn about the enterprise's ability to create value, the enterprise must focus on the broad range of stakeholders as indicators of value creation and not rely on financial indicators only as an expression of value, such as shareholders by maximizing profits and maximizing stock prices and employees by providing them with an appropriate environment for work and appreciating their efforts through promotions and bonuses, and customers by providing their needs for products and services as expected and desired by them, and financial analysts through providing information in the financial reports of the enterprise that shows the extent of the enterprise's stability and its ability to sustainability and considering investment in it as a promising opportunity. This information will also be appropriate to their future expectations, and lenders by providing information that show the extent of the enterprise's ability to repay its obligations. This is confirmed by several studies, including (Ioannou & George, 2010; Ann-Kristin et al., 2010).

Sharaf, (2015: 49) regards that the firm valuehas become for shareholders and other stakeholders alike, and that there is a need to take into account the society, the environment and all stakeholders, that is, a combination of social and financial values, and that value creation has become represented in several aspects, namely innovation factors, quality, customer relations, management capabilities, technological alliances, brand value, relations with employees, environmental and social issues.

From the above, it is clear to the researcher that the value of enterprises consists of specific indicators, foremost of which are financial indicators, and supplemented by non-financial indicators such as stakeholder engagement, fulfillment of customers' wishes, attention to social responsibility, environmental and governance obligations, product quality, staff skills, technology and others are all important non-financial indicators in creating value and have an impact on the reputation of the enterprise in the long term.

Factors Affecting the Value of the Enterprise

Several studies including: (Natsir & Yusbardini, 2020; Muda, et al., 2021; Luckieta, et al., 2021; Adiputra & Hermawan, 2020; Witasarinin & Cahyagdyah, 2021) have indicated that there are many factors that significantly affect the value of the enterprise, including:

1. **The Size of the Enterprise:** the size of the enterprise has an important impact in determining its value, large enterprises mean that they have operating assets commensurate with their size, which indicates that they have a very high value due to the assets they own. The size of the enterprise is usually measured based on the total assets owned by the enterprise, and the more the assets of the enterprise, the larger the size of the enterprise. Since large enterprises have the ability to manage their business more, than the above, it can be concluded that the size of the enterprise has a positive impact in enhancing its value.
2. **Profitability:** net profit is the profit that the enterprise can obtain from its operating activities, and profitability is a ratio of the enterprise's valuation to profit. This ratio shows the efficiency of the enterprise in achieving an increase in its profits through all the resources and capabilities available to it. From this it becomes clear that increasing profitability leads to enhancing the value of the enterprise.
3. **Capital Structure:** The study of (Witasarinin & Cahyagdyah, 2021: 52) indicated that after the financial crisis in (2015) it was concluded that the capital structure affects the value of enterprises, as the results showed that the capital structure had a positive and important impact on the firm value before the global crisis of (2015) to increase the value of the enterprise, and that the capital structure has a significant impact on the value of the enterprise. When the capital is fully owned by the enterprise, this refers to the future benefits related to them and the consequent weakening of the enterprise's capacity and low liquidity. Unlike enterprises where the capital structure is deliberately based on loans and debts, this means that they suffer

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from the consequences of those debts, which will weaken the ability of the financial institution and thus affect its value. From the above, it is clear that a more debt-based capital structure will have a positive impact on the value of the enterprise.

4. **Solvency:** it means the ability of the enterprise to fulfill all its obligations in the event of liquidation, so increasing the solvency of the entity affects the increasing of its value.
5. **Modern Technology:** it is important that enterprises keep abreast of modern technological developments, so the possession of modern technology by enterprises is an important influencing factor in raising the level of production efficiency and optimal utilization of the resources available to the enterprise, increasing production and reducing all, which contributes to achieving profits and thus affects the value of the enterprise.

The Importance of Determining the Value of the Enterprise

After reviewing many studies and researches that have dealt with the issue of value determination, the researcher believes that the main reason for the importance of determining the value of an enterprise is the change in the goal that enterprises seek to achieve from maximizing profits to maximizing the firm valuein the securities market, and that determining the value of an enterprise is an important and vital topic, especially in the fields of finance and investment, as it is an important goal for many users of reports and financial statements, as correct and reliable estimates of value enable investors to make rational decisions in buying, selling or holding securities, as well as helping them make their credit decisions not only in the short term but also in the long term.

Determining the value of an enterprise is a strategic goal that enterprises seek to achieve after it turns out that the goal of maximizing profitability is no longer appropriate in light of the changes taking place in the business environment, the unity of competition between enterprises and how it will continue in the long term, and the interest of different stakeholders in the firm valuebecause its determination shows the extent of the ability, efficiency and effectiveness of the enterprise management to make decisions in various aspects of its activities, whether in the present or in the future.

Additionally, shareholders who invest their money in the enterprise in exchange for receiving future returns are determining the firm valueis considered a proof to them of the efficiency of the enterprise management in employing their funds correctly, as well as its identification is considered a guide for lenders, safe and implicit in them in recovering their funds on their due dates, which leads to an increase in the firm valuein the long term and its ability to survive and continuity under any development and its ability to meet the needs of all parties related to the enterprise.

Creating Enterprise Value through the Disclosure of Integrated Reports

(Eccles & Michael, 2010; Venanzi, 2010; Neumann et al., 2010; Phillips et al., 2011; Slotta et al., 2013) consider that the enterprise can make the content of disclosing integrated reports expressing value by providing comprehensive information that helps stakeholders to demonstrate the company's ability to create value. These information should include information about the company's strategy, sustainability risks, social, environmental and governance dimensions. These studies indicated that a tool is needed to link non-financial aspects to financial aspects and clarify the impact of non-financial aspects on financial ones (Adams, 2015).

IIRC, (2020: 16-22) stressed that value creation is carried out through the enterprise's business model, and explained that it is a system that shows how the enterprise uses its activities and converts inputs into outputs and the goals it seeks to achieve in order to create value in the

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short, medium and long term. It also stressed that value creation is the essence of integrated reporting. Enterprises create value through the combination of all factors under economic, social and technological conditions, and the interaction of these elements with each other to create value and clarify the interconnection of various aspects of performance.

IIRC also explained the main and essential inputs that an enterprise must determine to understand the business model that represents the objectives and strategy of the enterprise in describing the activities and operations entering and exiting and how it relates to the capital on which the enterprise depends: 1- Financial Capital, 2- Manufacturing Capital, 3- Intellectual Capital, 4- Human Capital, 5- Social Capital, 6- Natural Capital, and demonstrating the correlation between capital and the financial performance of the enterprise in the long term and its impact with external factors such as social and environmental changes, technological progress, governance and its ability to adapt to changes and minimize risks.

In addition, the business model should accurately describe the activities of the enterprise and how the enterprise distinguishes itself from its competitors through excellence in its products in terms of design, manufacturing, dissemination of specialized skills and knowledge in providing services, encouraging a culture of innovation and introducing new products expected by customers, enhancing efficiency and using modern technology in the input process to minimize adverse environmental and social impacts and finding alternative uses for outputs.

The role of integrated reports in creating value for the enterprise is to provide financial and non-financial information that helps stakeholders to identify the ability of the enterprise to create value because it is a tool that shows the extent of the enterprise's ability to create and maintain value not only as a monetary value, but a value that includes a wide range of economic, social, environmental, governance and strategic issues. The value creation process is carried out by the extent to which the enterprise is able to convert resources and operations into added economic value in the long term to enable investors and stakeholders to identify the extent to which value is created and maintained by the enterprises.

Research Hypothesis

The research is based on the following two main hypotheses:

First Main Hypothesis: There is a morally significant relationship between the disclosure of integrated reporting information and the value of the enterprise.

Second Main Hypothesis: There is a morally significant impact on the disclosure of integrated reporting information and the value of the enterprise

Research Model

After reviewing the theoretical framework of research variables and methods of measuring variables, the second step of this research is to test hypotheses and discuss the results.

Data Collection

The research community included the (47) banks listed on the Iraq Stock Exchange at the end of (2022), while (15) banks were selected as a sample for research, and the time limits of this sample were represented by ten years spanning from (2011) to (2020), so that the number of views covered by the research becomes (150) views. This sample was determined according to two basic conditions: the first is the availability of financial data for the year (2020), and the

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second condition is that banks continue to disclose their data for the selected years without interruption.

Variables Measurement

The research included three variables, the first variable is the independent variable represented by the disclosure of integrated reporting information, and it was measured by conducting an analysis of the information content of the reports disclosed by the banks of the research sample, by capturing words representing the dimensions of this type of disclosure (45) phrases, where a score of (1) was given for the disclosed item, and given a score of (0) in case of non-disclosure of the item, based on the study of (Melegya & Alain, 2020; Mohaisen et al., 2021: 338). The integrated reporting information were divided into eight dimensions, and the dimensions of disclosing integrated reporting information and its items can be shown in Table 1.

Table 1
DIMENSIONS OF INTEGRATED REPORTING INFORMATION

No.	Dimensions of Integrated Reporting Information	Code	No. of Items
First	Overview of the facility and its external environment	(IRD1)	5
Second	Reporting on the governance of the enterprise	(IRD2)	5
Third	Business model	(IRD3)	6
Fourth	Risks and opportunities	(IRD4)	6
Fifth	Strategy and resource allocation	(IRD5)	6
Sixth	Performance	(IRD6)	4
Seventh	Future outlook	(IRD7)	8
Eighth	Fundamentals of preparation and presentation	(IRD8)	5
	Total disclosure of integrated reporting information	(IRD)	45

Source: Table prepared by the researcher.

The level of disclosure of integrated reporting information was measured by the following equation:

The level of disclosure of integrated reporting information (indicator value)
= Total actual disclosure item scores/total index disclosure item scores....1

Whenever the indicator value approaches (0), this indicates a weakness in the level of disclosure of integrated reporting information, while if the indicator value approaches (1), this indicates that most of the items have been disclosed, which means an increase in the level of disclosure of integrated reporting information.

The second type of variables is the dependent variable, which represents the value of the bank, and it was measured by the (Tobin's Q) index in agreement with the study of (Abdullah & Hussein, 2021; Jasim et al., 2018) as shown by the following equation:

FV = (Equity Market Values + Liabilities) / Assets Book Value……2

The higher the value is than the correct one, it indicates an increase in the value of the bank, and vice versa.

The third type is the control variables, represented by three variables which are volume (SIZE), leverage (LEV) and Return on Assets (ROA), the following is the model of the regression equation:

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$$FV\ it = \beta 0 + \beta 1\ IRDit ++ \beta 2\ SIZEit + \beta 3\ LEVit + \beta 4\ ROAit\ \varepsilon it \ldots .3$$

Where the:
(FV): represents the value of the bank as measured by the (Tobin's Q) index
(IRDit): represents the disclosure of the bank's integrated reporting information (i) for the year (t)
(SIZE): the size of the bank is measured by the natural logarithm of total assets.
(LEVit): financial leverage is measured by dividing total liabilities by total equity.
(ROA): return on assets is measured by dividing net profit by total assets.

Description of Research Variables

Table 2 shows the arithmetic mean and standard deviation for the research variables and for the total sample.

Table 2
DESCRIPTION OF RESEARCH VARIABLES

	Variables	Arithmetic Mean	Standard Deviation	Lowest Value	High Value	Coefficient of Variation
Independent	(IRD)	0.382	0.148	0.100	0.670	39%
	(IRD1)	0.464	0.210	0.200	0.800	45%
	(IRD2)	0.231	0.227	0.000	0.600	98%
	(IRD3)	0.471	0.081	0.000	0.667	17%
	(IRD4)	0.340	0.234	0.000	0.667	69%
	(IRD5)	0.569	0.216	0.167	1.000	38%
	(IRD6)	0.398	0.203	0.000	0.750	51%
	(IRD7)	0.202	0.108	0.000	0.375	53%
	(IRD8)	0.000	0.000	0.000	0.000	--
Dependent	(FV)	0.375	0.209	0.102	0.932	56%
Control	(SIZE)	11.748	0.213	11.160	12.262	2%
	(LEV)	0.275	0.670	0.002	4.169	244%
	(ROA)	0.027	0.112	-0.015	1.417	408%

Source: Table prepared by the researcher based on the outputs of the (SPSS) program.

It is noted from Table 2 that there is consistency and non-dispersion in the levels of disclosure of information of integrated reports at the total level in terms of the coefficient of variation of less than (50%), as well as the case for the first, third and fifth dimensions. Whereas there was a difference and inconsistency in the disclosure levels of the second, fourth, sixth and seventh dimensions. While the eighth dimension did not show any results indicating the disclosure of the sample banks for any information within this dimension. It is also noted that the fifth dimension was the most revealing dimension of its information, followed by the third dimension in terms of the arithmetic mean. As for the value of the bank, there is a slight dispersion and inconsistency in the levels of that value between the banks of the research sample, as well as a significant decrease in the value of the banks of the research sample, as it reached the highest value (0.932), i.e. did not exceed the correct one, which indicates the weakness of the market value of the Iraqi banks of the research sample. This may be due to the effects left by the COVID-19 crisis, which severely affected the stock prices in the Iraq Stock Exchange and also shows a significant decline in the level of return on assets as well as the variation of the level of this return among banks of the research samplein addition to the presence of a high percentage of leverage.

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RESULTS DISCUSSION

The research includes two hypotheses, namely the relationship hypothesis and the influence hypothesis, and the following is a test of those hypotheses:
(H1) the first hypothesis: there is a significant correlation between the disclosure of integrated reporting information and the value of the bank.

Using the Pearson correlation coefficient, the level of correlation between the disclosure of integrated reporting information and the value of the bank was tested, and Table 3 shows the correlation matrix between the research variables.

Table 3
CORRELATION BETWEEN THE DISCLOSURE OF INTEGRATED REPORTING INFORMATION AND THE VALUE OF THE BANK

	(IRD)								
	(IRD)	(IRD1)	(IRD2)	(IRD3)	(IRD4)	(IRD5)	(IRD6)	(IRD7)	(IRD8)
(FV)	0.645**	0.659**	0.453**	0.410**	0.466**	0.650**	0.426**	0.531**	0.b
Sig	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0

Source: Table prepared by the researcher, based on the outputs of the statistical program (SPSS).
** means that correlation is significant at (1%)
* means that correlation is significant at (5%)

It is noted from Table 3 that there is a positive correlation (direct) with a significant moral between the disclosure of integrated reporting information and the value of the bank, and this indicates that the higher the level of disclosure is accompanied by an increase in the value levels of banks, and the strength of the positive relationship between these dimensions is also noted.

This result is consistent with the study of (Barth et al., 2017), having found a positive correlation between the level of disclosure of integrated reports and the value of the Banks, based on the above, the first main hypothesis is accepted. (H2) The second hypothesis: there is a significant impact between the disclosure of integrated reporting information on the value of the bank.

A simple linear regression equation has been formulated to estimate the value of the bank in the research sample banks in terms of disclosure of integrated reporting information, in order to find out the extent of the latter's impact on the level of the bank's value, and Table 4 below shows the results of the impact test.

Table 4
EQUATION OF THE REGRESSION OF THE IMPACT OF DISCLOSING INTEGRATED REPORTING INFORMATION ON THE VALUE OF THE BANK

Dimensions	Constant Coefficient (0β)	Regression Coefficient (β)	The Value of (T) (Sig.)	The Value of (F) (Sig.)	(R^2)	Modified (R^2)
(IRD)	3.381	0.775	9.466 (0.000)	57.364 (0.000)	0.597	0.586
(SIZE)		0.284-	5.275- (0.000)			
(LEV)		0.134	7.424 (0.000)			
(ROA)		0.013-	0.137- (0.891)			

Source: Table prepared by the researcher, based on the results of statistical analysis

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Table 4 shows the following:

1. The stability of the regression model in terms of the value (F) of (57.364), which is significant at a moral level (5%), meaning that the value of the bank can be estimated in terms of disclosure of integrated reporting information, and this indicates the validity of the model.
2. The stability of the fixed limit coefficient of the value of (T), in a significant sign (0.000), which is less than 5%, which indicates the significant impact of disclosure of integrated reporting information on the value of the bank.
3. The positive beta (β) value of (0.775) indicates that the positive effect, i.e. the higher the level of disclosure of information of integrated reports of banks, this is reflected in the higher level of the bank's value.
4. The value of the adjusted R2 coefficient (0.586) indicates that the disclosure of integrated reporting information explains (58.6%) of the changes in the value of the bank, which is the largest percentage, and the smaller percentage of explanation (41.4%) is due to other reasons and factors that are not apparent in the current model.

This result is consistent with the study of (Mohaisen et al., 2021: 347) which indicated the presence of a moral impact below the level of (0.01) of the index of disclosing the information of integrated reporting and the value of the Banks.

This means that there is a positive moral impact of the level of disclosure of integrated reporting information on the value of the bank, and based on the above, the second hypothesis is accepted.

CONCLUSIONS

1. The importance of disclosing integrated reports is to explain the company's strategy to maximize its long-term value and to communicate information to stakeholders and enable them to conduct a full assessment of the financial and non-financial performance of the company.
2. The role of integrated reports in creating value for the Banks is to provide financial and non-financial information that helps stakeholders to identify the ability of the Banks to create value because it is a tool that shows the extent to which the Banks can create and maintain value, not only as monetary value, but a value that includes a wide range of economic, social, environmental, governance and strategic issues.
3. There is a positive correlation with a moral significance between the disclosure of integrated reporting information and the value of banks in the research sample, and this indicates that the higher the level of disclosure, accompanied by an increase in the value levels of banks, which indicates that the disclosure of integrated reporting information contributes to enhancing the value of the Banks.
4. The existence of a positive moral impact of the level of disclosure of integrated reporting information in the value of banks research sample, which indicates that the disclosure of integrated reports contributes to the achievement of many benefits and advantages, including: providing financial and non-financial information that contribute to meeting the needs of stakeholders and enhancing their confidence in the information provided by the Banks, and clarifying the extent of the Banks ability to create and maintain value in the long term and the threats that the Banks is likely to face as well as the effects arising from it in the future.

Recommendations

1. The research recommends the need for the attention of legislative and regulatory bodies associated with the Iraq Stock Exchange in the development of issuing guidance clarifying the detailed steps and the level of disclosure required in the disclosure of integrated reports to achieve more transparency.
2. The need to activate the role of regulatory authorities and encourage them to set appropriate penalties in relation to the obligation of Iraqi Banks in various sectors registered in the Iraq Stock Exchange to disclose integrated reports in accordance with the rules and mechanisms specified in the manual of corporate governance rules and standards.

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