

**MANAGING TRANSPARENCY IN CORPORATE
FINANCIAL DECISIONS: A CASE STUDY OF THE
BANKING SECTOR IN THE UK
DISSERTATION (LCMB7020_LON)**

Velichka Todorova Proklinova

Student N 2010826

Supervisor Dr. Jia Miao



PRIFYSGOL CYMRU
Y Drindod Dewi Sant
UNIVERSITY OF WALES
Trinity Saint David

Master's Degrees by Examination and Dissertation

Declaration Form.

1. This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

Signed – DocuSigned by:
Velichka Proklinova
4E898A463C30459...

Date – 15/10/2021

2. This dissertation is being submitted in partial fulfilment of the requirements for the degree of Master in Business Administration.

Signed: DocuSigned by:
Velichka Proklinova
4E898A463C30459...

Date: 15/10/2021

3. This dissertation is the result of my own independent work/investigation, except where otherwise stated.

Other sources are acknowledged by footnotes giving explicit references.

A bibliography is appended.

Signed candidate: DocuSigned by:
Velichka Proklinova
4E898A463C30459...

Date: 15/10/2021

4. I hereby give consent for my dissertation, if accepted, to be available for photocopying, inter-library loan, and for deposit in the University's digital repository

Signed (candidate): DocuSigned by:
Velichka Proklinova
4E898A463C30459...

Date: 15/10/2021

Supervisor's Declaration.

I am satisfied that this work is the result of the student's own efforts.

Signed: Jia Miao

Date: 15/10/2021

University of Wales: Trinity Saint David

E-Thesis Deposit Agreement

Details of the Work

I would like to deposit the following item in the digital repository maintained by the University, and/or in any other repository authorized for use by the University:

Title

MANAGING TRANSPARENCY IN CORPORATE FINANCIAL DECISIONS: A CASE STUDY OF THE BANKING SECTOR IN THE UK

This item is a product of my own research endeavours and is covered by the agreement below in which the item is referred to as “the Work”. It is identical in content to that deposited in the Learning Resources Centre, subject to point 4 below.

I agree that the University of Wales: Trinity Saint David may electronically store, copy or translate the Work to any approved medium or format for the purpose of future preservation and accessibility. The University is not under any obligation to reproduce or display the Work in the same formats or resolutions in which it was originally deposited.

UW: TSD Digital Repository

I understand that work deposited in the digital repository will be accessible to a wide variety of people and institutions, including automated agents and search engines via the World Wide Web.

I understand that once the Work is deposited, the item and its metadata may be incorporated into public access catalogues or services, such as national databases of electronic theses.

I agree as follows:

1. That I am the author or have the authority of the author/s to make this agreement and do hereby give the University of Wales: Trinity Saint David the right to make available the Work in the way described above.
2. That the electronic copy of the Work deposited in the digital repository and covered by this agreement, is identical in content to the paper copy of the Work.
3. That I have exercised reasonable care to ensure that the Work is original, and to the best of my knowledge, does not breach any laws including those relating to defamation, libel and copyright.
4. That I have, in instances where the intellectual property of other authors or copyright holders is included in the Work, gained explicit permission for the inclusion of that material in the Work, and in the electronic form of the Work as accessed through the open access digital repository, *or* that I have identified and removed that material for which adequate permission has not been obtained and which will be inaccessible via the digital repository
5. That University of Wales: Trinity Saint David does not hold any obligation to take legal action on behalf of the Depositor, or other rights holders, in the event of a breach of intellectual property rights, or any other right, in the material deposited.
6. That I undertake to indemnify the University of Wales: Trinity Saint David against all actions, suits, proceedings, claims, demands and costs occasioned by the University in consequence of any breach of this agreement

Signature:  DocuSigned by:
Velichka Proklineva
4E898A463C30459...

Date: 15/10/2021

Table of Contents

CHAPTER ONE: INTRODUCTION	8
1.1 Background of the Study	8
1.2 Problem Statement	11
1.3 Research Questions	12
1.4 Research Aims and Objectives	13
1.5 Rationale of the Study	13
1.6 Significance of the Study	14
1.7 Structure of the Study	15
CHAPTER TWO: LITERATURE REVIEW	16
Introduction	16
Transparency in Financial Reporting	17
Significance of Transparency in Financial Reporting	20
Exploring the Culture of Transparency	21
Improved Communication	21
Improvement in Customer Relations	22
Disclosures and Corporate Governance	24
Transparency in the UK Banking System	25
Deciphering Quality of Disclosure and Transparency of Financial Reporting	27
Transparency and Risk Management	30
Exploring Disclosure Practices in the Banking Sector	31
Theoretical Framework	34
Theoretical Aspect Regarding Corporate Governance and Disclosure	34
CHAPTER THREE: RESEARCH METHODOLOGY	36
Introduction	36
Research Framework	37
Research Data	38
Research Method	39
Data Analysis	39
Advantages and Disadvantages of Content Analysis	41
Research Limitations	41

<i>Ethical Consideration</i>	42
<i>Gantt chart.....</i>	43
CHAPTER FOUR: FINDINGS, ANALYSIS AND DISCUSSION	44
<i>4.1 Introduction</i>	44
<i>4.2 Analyzing Recent Transparency and Disclosure Practices</i>	45
<i>4.3 Analyzing the Role of Board of Directors</i>	47
<i>4.4 Findings regarding Corporate Governance</i>	48
<i>4.5 Deciphering Recent Developments</i>	49
<i>4.7 Central Bank's Controlling Mechanism</i>	52
<i>4.8 Examining Governance of the Banking System.....</i>	53
<i>4.9 The Role of Regulatory Bodies</i>	54
<i>4.10 Discussion</i>	56
<i>5.1 Introduction</i>	58
<i>5.2 Conclusion of the Study</i>	58
<i>5.3 Recommendations</i>	60
<i>References</i>	62

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The need for transparency and effective corporate decisions in the governance of banking system has been one of the significant concerns for the UK banking sector. Moreover, corporate governance has been regarded as a contemporary issue owing to its adequate contribution to the development and economic growth of countries. Lack of unanimous and effective financial decisions is, thus, a major cause for meager performance of the UK banking sector (Okike and Turton, 2009). This is why transparency and fair decisions is imperative to create a secure financial environment, improve business profitability and, most importantly, support the economy. Furthermore, it has been acknowledged that transparency is one of the fundamental principles for corporate governance to function well. Due to the fact that effective corporate governance is essential to serve the stakeholders in terms of being better informed, the role of disclosure in this respect is significant regards of the disclosure form whether it is voluntary or mandatory (Geraats, 2014). It is also equally recognized that financial reporting is an imperative part of efficient business management since it increased investors' confidence and enhance better coordination at the management level. However, despite the fact that financial functions of global firms have come under great scrutiny, intermittent changes in dealing with financial and non-financial disclosure has put transparent roles of institutions under increasing concern (Idowu and Caliyurt, 2014). Since the financial crisis of 2008-2009, global banking in general and that of the UK in particular has been witnessed generating profits as a result of adopting greater

public disclosure. This is one of achieving transparency for effective corporate governance. And this is why business communities including regulatory bodies, stakeholders and governments as a whole seem to be putting more efforts to ensure standardization of financial reports. They are of the view that paucity of uniform standards sometimes create information obstacles for individuals or entities associated with a particular corporate firm as a result of which investment ratio remains at decline. Thus, considering financial transparency framework as one of the important elements of stable market environment, more research on different variables for disclosure, relation between voluntary and mandatory disclosure, increasing transparent culture within organisations, and different consequences of legal and mandatory disclosure system make the conglomerate of consolidated financial decisions at the corporate level.

The study of Hemalin (2014) highlighted proper enforcement and supervision of actions drawn out from corporate financial decisions in order to achieve financial accountability. The study also stated the important of the banking sector to remain transparency as well as for the overall management to be responsible for their respective actions. It has been recognized how important it has become for banks and business to update regulatory systems, maintain information sharing and disseminate fiscal clarity in order to improve transparency.

At the same time, trust in financial information which entail creditors, shareholders and investors require to adopting better accounting practices especially after financial crisis battered in 2008. Nevertheless, the sector has appeared to provide effective financial reporting, make business continuity plans and perform quality audits with the help of new technologies in order to ensure transparency in corporate practices.

Keeping in view the increasing need for managing transparency in corporate financial decisions, this study aims to analyse the banking system of the UK as a case study and the extent to which transparency regarding information sharing and accountability influence corporate actions (Kohn, 2011). By incorporating previous studies and analyzing business performance of UK banks, it was assessed how profitability and reputation of banks have increased as a result of financial disclosure practices.

Retrospection of Transparency in UK banks

Transparency is considered as a watchword when it comes to monetary policy of UK central banks, which is also explicit by their monetary policy strategies. In the words of former chief of central bank, "...transparency manifest greater openness which is the hallmark of the modern central bank. In the retrospect, banks used to regard relative financial obscurity a virtue, because they perceived that secrecy is a requisite condition for success. Also, they would long believe that allowing public to partake in confidential discussions could only wrest the prerogatives for autonomy in policy making. This approach was initially advocated by 'Montagu Norman', who remained the Governor of the Bank of England between 1921 and 1944. In contrast to this, Ben Bernanke, who was one of the leading experts during the era of Norman, sought to pursue a new policy regime. Earlier, the maxim of 'never explain, never excuse' dominate the UK banking sector, which was later on superseded by a widely acknowledged governing team with a consensus to central banking policies. As a result, communication and information sharing began arising in virtue and, thereby, taken for a primary toolkit for central bankers (Warsh, 2014). With the passage of time, it was unequivocally appreciated that transparency is not solely a virtue in itself, but also an arrow for central bank's quiver, a

necessary means to accomplishing policy objectives. Thus, the trend towards increasing transparency did not occur in an abrupt way, but it happened in the UK with other inter-related developments during the last three decades. Greater independence was gained by monetary policy from fiscal authorities coupled with granting new powers to central bankers, which rendered them with a responsibility to serve to public demands of greater accountability. It is important to note that the global financial crisis of 2008 and 2009 market another milestone in disguise towards enhancing transparency among UK banks. For this, central banks started engineering massive responses to deploy monetary policy tools together with public funds in order to shore up crisis-laden banks (Bradley, 2011). This unprecedented response led to greater openness and transparency in the post-crisis economic environment that served a useful purpose to ensure information disclosure.

1.2 Problem Statement

The period of post financial recession of 2008-2009, which was marketed as a decline of national economies globally, increasing attention has been veered towards transparency in financial reporting methods. Governments all around the world and particularly the UK began establishing rules and regulations that could ensure trustworthy corporate activities of business as well as public-private banks. This is considered to be imperative with a view to nudging the smooth running of the national economy. Besides, there is a proximate association between transparency and corporate decisions. The sheer aim of transparency is to communicate adequate and

relevant information as well as identify measures that could consequently enable firms to make meaningful business or investment decisions (Ortega, 2021).

Better financial information is the positive outcome of corporate accounting and reporting system that gauge routinely disclosed data pertaining to the performance and financial position of firms. Be it income statements, cash-flow statements, audited balance sheets, all collectively form the basis for transparent information as a result of which trust from the investors' and regulators' side substantially increase (Sari, 2015). Thus, creating a transparent financial disclosure mechanism ensues better banking corporate governance. When there will be consistent performance in corporate governance, on the other hand, it will showcase the overall financial stability of firms and subsequent wellbeing of the economy. Such a performance has been experienced within the UK banks, which is attributable to effective corporate financial decisions (Greenwood, 2018). This betterment in decisions results in realization of more investment and reduction of profitable risks, which can be evinced from the improvement management of banking companies in recent times.

1.3 Research Questions

The above discussion on managing transparency in corporate financial decisions drew the following research question to be addressed:

“How is transparency maintained in corporate financial decisions of the UK banks”?

1.4 Research Aims and Objectives

As regard to the objectives of the study, the main purpose of the study is to analyze transparent management in corporate financial decisions of the UK banks. Therefore, the researcher set the following objectives to be addressed:

- To investigate the transparency management in corporate financial decisions
- To build an in-depth analysis of the transparency in the banking sector in the UK
- To emphasize the importance of transparent corporate financial decisions
- To provide with suggestive recommendations of opting for transparency tools for better corporate financial decisions

1.5 Rationale of the Study

Rationale is basically a reason for conducting the research. Therefore, it is very important to have a specific purpose before carrying out the study. This study too is not without the rationale. The main purpose of this study is to investigate how banks in the UK have so far managed to ensure transparency in corporate financial decisions. The main motivation behind this topic is its significance to the banking sector as well as to the overall economy of the country. By examining transparency tools and corporate practices, the performance of the banking sector in attracting investment, shareholders and improving the overall economic activity is necessary to be examined in order to assess how banks are complying with disclosure practices and making it competitive for stakeholders to have equitable level of accessibility vis-à-vis financial data. For instance, it has been observed in the past that potential stakeholders have been wary in making investment decisions due to relevant financial statements from the banking sector and lack of providing clear information on systematic risks associated with

corporate structure (Mohammadi and Nezhad, 2015). In addition to that, an efficient financial disclosure system is critical to the development of country economically in terms of viable public corporations as well as public security markets, which may sometimes fall a prey to limitation and asymmetry of information and consequently compel agents like controlling shareholders to prevent themselves from making investments. In a similar way, as more assessments towards corporate governance are being witnessed to alleviate lack of transparency and weaknesses in disclosure rules, development of credible regulatory frameworks is indispensable especially for the banking system (Khan, 2016). Though the degree of trust and credibility in making rational decisions from the banking sector has somehow been experienced, a number of shareholders have been unable to fathom frequent profitable risks and deterioration of financial statues of manifold enterprises. Also, the lack of ample systematic literature review articles related to managing transparency in corporate financial decisions of the UK banking sector also vindicates the rational of this study.

1.6 Significance of the Study

It has been learned through previous studies that there are some significant prerequisites regarding financial disclosure, which attract shareholders entailing transparency in providing financial services, openness with regard to accountability procedures and management capacity to fix transparency issues. The capability and motivation being resolving disparities that directly influence market players influence the level of transparency. In addition to this, it has been realized after the financial recession of the last decade that if establishment of efficient transparent data framework

is ensured, financial markets will spontaneously be able to develop and perform better for the overall economic improvement of the country (Saidi, 2008). Another major significant of the study is that there exists some risk factor from corporate directors especially those who fail to meet minimal transparency criteria while making financial decisions. As a result, the strong reputation they have maintained for a prolonged period of time gets undermined (Pallisserry, 2012). In this respect, there is an essential need to delve deep into transparency tools and methods for effective corporate financial decisions in the UK banking sector.

On the other hand, governments of developed countries in general and that of the UK in particular are different forms of incentives in order to secure direct investment as well as fill the vacuum in capital formation essential for transparent dealing of financial matters. With an aim to achieving this objective, they are treating transparency in corporate governance and decision-making process as a vital factor in ensuring full disclosures to both financial and non-financial information related to participating entities in capital markets (Okike and Turton, 2009). The same endeavor is, therefore, required from UK governments in ensuring transparency in corporate financial decisions vis-à-vis the banking sector.

1.7 Structure of the Study

Any comprehensive study is based on several sections. This study too was divided into several chapters revolved around the gist of the study that is, to investigate transparency management in corporate financial decisions of the UK banking system. For this, the first chapter involved background of the study coupled with history of transparency in the UK, research objectives and significance. It was followed by the

second chapter, which is based on literature review. In this chapter, the concept of transparency, its culture within financial institutions, corporate governance, financial reporting, and other important themes were incorporated with the help of existing literatures, books, past reports from the UK banks, newspapers, magazines, and surveys conducted to investigate transparency. Chapter three is based on methodology where the research method including procedure of data collection, analysis, ethical approach, and timeline of the study were separately discussed. Concerning with the fourth chapter, it provided for the overall findings drawn out from addressing the research questions and subsequent analysis of the results. The analysis was carried out by evaluating the reports of the UK banks from the last ten years to analyse the extent to which transparency in financial matters has been ensured. Finally, the fifth chapter involved conclusion of the study altogether along with suggestive recommendations to improve transparency for viable corporate financial decisions.

CHAPTER TWO: LITERATURE REVIEW

Introduction

This chapter provided for a comprehensive discussion on the concept of transparency coupled with its culture among organizations and essentiality for financial disclosures. Different existing or previous studies were explored and subsequently incorporated in this chapter with an aim to know how transparency is managed by organizations especially when revealing financial information and making corporate

decisions. A general overview of transparency management in the UK banking system was also articulated.

Transparency in Financial Reporting

According to the study of Schnackenberg and Tomlinson (2016), transparency is simply a proper access and disclosure of information like audited financial reports of the company. Moreover, it involves clarity with investment funds and firms that surround various due or default fees. Since financial decisions are made on the basis of assessment of any given financial situation, companies endeavour to analyse financial statements in order to determine whether any stock is worth buying. Besides, it is important to have balanced interest rates, adequate disclosure of information and penalties for ensuring sound decisions. To infer, transparency is essential for accountability to be held among market participants, business groups, investors and financial institutions.

When it comes to financial reporting, the sheer objective to maintain it is to provide with pertinent information with regard to financial position of the company. It entail balance sheet, income statements, cash flow statements, and frequent changes in financial position. Moreover, the transparency in financial reporting is preserved through full and impartial disclosure as well as by providing proper presentation of information necessary for making financial decisions. Within the content of public disclosure, financial reporting appears to be easy to interpret (Uwuigbe, Erin and Jafaru, 2017). While the provision of information can be expensive, more information is always better than less for the benefit of a company. That is why corporate businesses around the world adopt internationally recognized accounting standards in order to facilitate

transparency and assure fair interpretation of financial statements. Such statements are usually prepared by perceiving that a specific enterprise is continuing to operate as a going concern and that each event is recorded on accrual basis.

Furthermore, it has experienced by organizations that leadership is one important thing that may purposefully withhold some important financial data from a wide array of statements, thereby, sometimes result in a deception to potential investors and customers. Thus wrongful financial statements present a vague picture about the firm's administration and operations (Goldsetin and Yang, 2017). It is also complex to properly understand their financial situations without delving deep into relevant data or documents. Thanks to increasing focus on transparency in fair information in accounting disclosure that lenders, retail investors and all other relevant shareholders can now analyse financial situation of business entities in a more effective way. At the same time, financial institutions and government regulators need to strive immensely in order to guarantee that stakeholders have equitable access to fair and competitive business data and market value. Nevertheless, there are many organizations especially the banking sector with opaque financial statements along with convoluted financial structures that render them with poor and less profitability. With such a state of organizational mind, investors remain unable to determine their exposure to corporate risks that address their obligations.

Transparency in financial reporting is also fundamental for efficient corporate governance since it permits members of board to evaluate performance of the company and, if needed, execute early remedial measures to ward off any form of deterioration within the firm's financial status (Fung, 2016). Resultantly, it become important for all

corporate entities to ensure and provide with a clear, trustworthy and complex picture of their financial condition as well as hitherto performance.

In addition, it has been argued in the study of Roychowdhury, Sroff and Berdi, (2019) that there exist enterprises which go full length in misleading their potential investors with a view to becoming more appealing. This makes them higher in risk investment with the probability of low-level returns. The similar study propounded with an instance to illustrate why it is significant for a company to be transparent in financial reporting. Two companies whose shares have an equal market value and their total market risk exposure coupled with financial leverage are same as in their corporate financial, income or expenses. The major difference between them is that the first company is only engaged with one business venture and that market analysts often take into account which company would be efficient to invest in.

When it comes to the application of financial reporting transparency, companies opt for high levels of cross checking and auditing after carrying out financial reporting with an objective to make it fraud or error free. One thing besides ensuring proper elaboration of financial reporting is that each figure is essential to be truly recorded along with availability of each entry in making financial statements transparent. This results in facilitation regarding detection of earnings management.

As far as the study of Oino (2019) is concerned, several companies often struggle with transparency. The very reason for lack of accurate financial reporting emanates from the company's intention to defraud investors. Also, the accentuation in stock-option compensation ensues greater incentives to misinterpret vital information. That is why information sharing is regarded as a blueprint to improve transparency,

which encompass production of a comprehensive financial report as well as making consumers acquainted with matters relevant to them.

Significance of Transparency in Financial Reporting

With the above discussion, it has become clearer that financial statements need to be clear, comprehensive, uniform, and transparent. Also, there is no denying the fact that financial statements give a framework for dispensing financial reporting in a way that ensures informed decisions to be made. Accurate and fair relevant principles and accounting process are always needed to financial reporting with an aim to deliver facts that are demanded by policy makers and shareholders. Concerning with the study of Marcinkowska (2016) that financial statements are regarded as a mainstay for any sort of business owing to the reason that it present a summary of the firm's whole year of performance.

The importance of giving fair financial framework helps companies identify psychology of investors. For this, they try to enhance usefulness and impartiality of financial information by addressing main characteristics including comparability, understandability, verifiability, and timelines. While comparability shows ability of firms to compare their previous information with others companies as well as with their present own, understandability shows ability to comprehend information with rational effort. On the other hand, verifiability shows ability of various independent and knowledgeable observers to reach decisive consensus, whereas timelines refer to provision of information in an accurate time in order to influence decision making. Though these characteristics make the compendium of fair financial reporting, scant actions have been witnessed from a business perspective where organizations identify

and reform loopholes in their financial conditions by complying with these features (Mohammadi, 2016).

Exploring the Culture of Transparency

In a business, transparency can be defined as a sincere and two-way openness between management, employees and involved general populace. When a company considers transparency as a part of its workplace culture, it subsequently come along with greater level of employee advocacy and engagement, effective communication and reinforced trust. It is due to the fact that without ensuring transparency, employees may seem to feel unappreciated, fearful about their future employment, ambiguity of management practices and decisions made by those in authority position (O'Toole and Bennis, 2009).

Creating transparency within the organizational workplace is always important not only to amplify respect and trust among employees but also to attract potential investors and customers. When conscious efforts are made to provide with adequate level of transparency, it improves workplace culture, which consequently leads to consistent firm trust and profitability. When delving deep into the study of Mohammadi and Nezhad (2015), transparent workplace culture is imperative at least for three reasons.

Improved Communication

When a company's management and employees engage and develop a workplace transparency, effective and open communication emanates naturally. Moreover, it is important for organizations to remain open about regular missteps or success as a result of which employees get motivated to address issues rather than

shifting blame or hiding. Through improved communication, resolving issues help employees share confidential details, maintain service levels expected by clients and work assiduously to meet deadlines (Grove and Lockhart, 2019). These efforts make the compendium of better organizational performance as a whole.

Improvement in Customer Relations

Cultural transparency encourages employees to care more about performance of the company for which it is essential to treat customers with amicability and high level of willingness. The perception developed by the employees regarding the company often translates into customer satisfaction. Furthermore, transparency involves each individual and department in the organization especially when it comes to making financial decision.

When analysing the study of Bennis and O'Toole (2009), it proposed several phases for establishing a culture of transparency in an organization's workplace. It encompasses empowerment to others to dare to speak truth before authorities without manipulating words, getting acquainted with complex conversations with board of directors, getting relevant information from varied sources for clarification on financial issues, encouraging transparency within the organization, and owning up to individual errors. Thus, responsibility to establish an environment of transparency, accountability and openness should be borne by firms' executive boards. They must meticulously overhaul and manage transparency, engage with one another to clarify things, ensure that realities will not be obscured, and assure that conflicts of interest are prevented. In a similar way, the firm's administration is responsible for establishing processes and

procedures that can further enhance implementation policies regarding transparency principles.

Another study proposed by Fung (2014) is of the view that developing a transparent organizational culture is the most indispensable step in gaining trust. Transparency occurs only when the organization strives to create a culture of respect and candour as a result of which stakeholders like business investors, partnered financial institutions and customers. The study of Busu (2015) propounded seven steps that make the conglomerate of a transparent culture in the organization. These entail encouragement to the people to speak truth, acknowledge errors or mistakes, practice having amicable interaction, establish organizational support for transparent workplace, diversification of information sources, reward contrarian, and fulfilling individual responsibility.

It is not possible to ensure transparency without assembling and making information available to relevant parties and, thereby, develop a communicative and informed atmosphere. For this a board of directors within the enterprise bears responsibility to cultivate a culture of accountability. Boards which remain truly independent are supposed to create policies that could ensure and reward transparency. Also, diligent monitoring of implementation of policies coupled with decisive intervention for their complete execution and assurance revelation of facts are major aspects of responsibilities carried out by organizations to pervade transparency.

Two forms of transparency, i.e. internal transparency and external transparency, exist and both are difficult to achieve. While internal transparency is reckoned as assembling the right information at the right time, external transparency manifest

communication of values to the firms' consumers and customers (Lakhani, 2016). Thus, keeping in view several complexities and stimulate that hamper and encourage, respectively, enterprises to adopt a culture of transparency and significantly contribute to their financial stability

Disclosures and Corporate Governance

Corporate governance is regarded as an important tool for investment since there are a multitude of research findings such as those in the studies of Marcinkowska (2016) and Goldstein and Yang (2017) that have shown a positive relation between corporate governance and financial valuations, ratios and share-price performance. In this regard, business investors are increasingly looking at corporate governance as one of the strong elements to probe before making investment decisions. If corporate governance in an organization appears to be at risk, there is an essential need to improve standards regarding corporate governance with an aim to attract more investment capital.

Financial entities in general and banking systems in particular have experienced financial disclosure and regarded it as an effective instrument for influencing conduct and safeguarding investors of the company, as empirically evinced in the study of by identifying dynamic and strong financial markets. In contrast to this, when there is opaque processes and inadequate transparency, it leads organizations to adopt immoral kind of behaviours, which adversely degenerate their authenticity in the marketplace. Both of these consequences come at a high cost to firms as well as to the investors. This is why private buyers and investors require accurate, relevant and regular material in abundance, so that they can firmly evaluate staff's stewardship together with make

independent and sagacious judgments regarding ownership, share pricing and casting. Thus, it can be deduced that ambiguous and impertinent information may impair capability of business to perform in a better way and ultimately lower their capital cost, lest it could lead them to inefficient resource distribution.

Transparency in the UK Banking System

Greater openness is the watchword for monetary policy, while transparency is the hallmark of UK Central Bank. As far as the Bank of England (BOE) is concerned, it boasts of being an early pioneer in the pursuit of transparency in financial matters. When observing the global financial crisis that batter global financial institutions in 2008 and 2009, the BOE's policies and practices have remained subjected to great level of scrutiny, not least in the transparency realm. Moreover, transparency, at least to BOE, is a virtue if employed in the pursuit of important policy motives. In accordance with Monetary Policy Committee of the Central Bank, there are four strategic transparency objectives which the UK Banking System as a whole (Warsh, 2014). These entail sound policy decisions, effective communication, accountability, and history. The Central Bank is liable to make the most effective decisions while conducting policy. In addition, effective communication is important for better implementation of monetary policies. Besides, The Bank is also responsible to ensure accountability for all its decisions. It is due to the fact that if banks errs systematically in its assessment of financial risks, the general populace has a right to know. Thus, accountability brings discipline and rigor to deliberations at institutional level.

However, there is an increasing concern among economic historians with regard to accuracy in preserving primary source material for corporate-level financial decisions.

Preservation of key records coupled with facilitation of access to document release are some of important Transparency and Accountability Initiatives (TAI) thus so far been taken by BOE vis-à-vis its monetary policy.

With UK Central Bank being consistently transparent, the outcomes of economic policy has rendered banks with increasing trust and credibility from investors and customers. It also have an optimal level of transparent monetary policy making, which helps stakeholders in making decisions regarding future financial situation of the sector. The aftermath of financial crisis has cause the UK Government to redesign a 'tripartite framework' for maintaining supervision of its banking system. With new responsibilities to design macroprudential policies along with regulating financial firms of individual nature, financial matters can be conducted with better scrutiny and overhauling (Oino, 2019). More importantly, in its Financial Stability Report of 2018, it was found that the Bank and relevant stakeholders would revisit proposed reforms after every quarterly period. Thus, navigation of banking financial services and macroprudential regulations depict a positive picture of efficient transparency practices.

Presently, it is being witnessed that most of the countries are willing to upgrade their laws and regulations to bring compliance with financial standards and subsequently value their corporate governance sector with a view to signalling quality and ameliorating current practices. There exist five major elements of transparency and disclosure as separately discussed below:

Completeness: whatever information is revealed must be enough to enable business investors to make informed decisions. Such an information ought to include both financial and non-financial issues.

Timeline: Disclosed information should timely be available to the investors to respond as promptly as possible.

Truthfulness: Revealed information must render accurate detail of circumstances.

Information materiality: All the information is supposed to be material that can influence investment decisions.

Accessibility: Disclosed information should be made easily accessible to investors and available to customers at all cost (Roychowdhury et al., 2019).

Sometimes, it is not easy for businesses to incorporate transparency and disclosure as an essential element for maintaining a robust corporate governance framework. Opting for it effectively can undeniably provide the basis for informed decision making by potential stakeholders, shareholders and investors with regard to corporate transactions, capital allocation and monitoring of company's financial performance. Therefore, it can be deduced that constructive and functional transparency and disclosure does not only serve as a tool to investors but also assist regulators in managing system stability and market confidence.

Deciphering Quality of Disclosure and Transparency of Financial Reporting

It has been noticed in the study of that lack of information asymmetry between managers and investors, voluntary form of disclosure and low level of consciousness are the explicit reason for consistent snags in enhancing disclosure quality and maintain transparency of financial reporting. However companies often appear to be reluctant in disclose all information in a voluntary manner. They end up giving opaque and complex financial reports, which depict no idea about impending risks associated with the company (Lakhani, 2016). With respect to the banking sector in specific, minimal

evidence is available regarding having inscrutable financial and complex business structures, which usually put banks at a riskier position and render them with less valuable investments.

However, since there has been an increasing focus on enhancing transparency mechanism and disclosure quality, business entities in general and banking systems in particular are taking benefit of accounting rules in different manner that retain transparency. This consolidates company's level of debt. As long as organizations are able to disclose their debt, investors could easily estimate their market value and, thereby, probability of any bankruptcy risk. Transparent accountability is also essential because it enables board of directors to assess effectiveness of a firms' management and, when needed, execute corrective measures to address flaws in the financial condition of organizations (Busu, 2015). For financial decisions to provide with adequate information required by investors and other decision makers, it is imperative to have consistent and meaning accountability standards. This is the reason that good financial disclosure is considered to be an effective corporate governance tool to form expectations pertaining to future performance of companies.

In today's corporate world, it has been understood that quality information disclosure and transparency is no longer limited to financial reporting or decisions only, but entail a wide array of additional matters that are also required to be disclosed, so that potential investors can avail critical information they need to value their investments. More importantly, disclosure of an increasing number of non-performance metrics of organizations seems to be required (Mohammadi, 2016). As per the publication of 'Corporate Governance Disclosure' by the United Nations Conference on

Trade and Development (UNCTAD), there is an emphasis on a range of both financial and non-financial disclosure like shareholder and ownership rights, changes in transactions and control, company objectives, and governance policies. When taking the present economic volatility of global financial institutions and international capital markets especially after the advent of health crisis, the need and demand for quality disclosure and adequate transparency is necessary.

Corporate Governance in Banks and Financial Intermediaries

In recent times, a special emphasis has been put on certain features that are peculiar to financial institutions in general and banks in particular that influence the governance structure. According to the study of Grove and Lockhard (2019), regular oversight is regarded as an integral part in the financial services of banking operations. As a result, regulatory compliance and oversight play a significant role in governing banking systems. In addition to that, much of the regulatory overhauling that is unique to the banking sector entail regulators interacting with and accumulating information from directors who are largely covert to external parties like credit and equity analysts. Eventually, a proper set of governance mechanism existent in the banking sector reflect not only those mechanisms which are instituted to service the interest of various public entities, but also implemented effectively by shareholders in order to resolve conflict among directors and managers. Sometimes, regulatory capital requirements constrain the investments and assets of financial institutions. Along with this, banks duly provide with liquidity incentives as well as access systems that serve the basis for requisite demand performance.

When considering the study of Goldstein and Yang (2019), the emerging nature of banks, regulations and expectations from the public for safe and secure financial institutions supplements an additional layer of complexity when it comes to governance and information atmosphere of such institutions. It ensues different reaction towards equity insurances, given the fact that banks tend to issue equity to preserve regulatory capital in contrast to non-financial firms that tend to fund investment opportunities.

Transparency and Risk Management

Strong corporate governance together with effective transparency always go hand in hand. Moreover, they are essentially important in both domestic as well as international transactions and, more importantly, at all investment phases. In this regard, global financial institutions endeavour to push for better availability of transparent data. It is due to the fact that they recognize transparency of data to be an integral part of risk management functions and establishment of exposure information.

Much of the discussion has already been made about improving governance mechanism with the help of efficient internal financial controls. Risk managers appear to conceivably latch on to incorporating credible financial controls as they pursue to become more engaged in risk management of institutions and the information required to support that system. Besides, laden with close scrutiny of risks involved in corporate governance and the stimulation to amplify shareholder value, information transparency is always reckoned as a good tool against exposure to risks. When a shift from conventional to agile methods of transparency in financial decisions, effectual governance and enhanced value of shareholders can be ensured.

Increasing stress on good corporate governance has also been witnessed since financial investors seek to gather more concentrated share proportions. Since the decisions made by investors depend on governance metrics, management often face pressure to upgrade their corporate governance standards for which they become compelled to adopting best practices on governance. In accordance with this perspective, financial institutions must also keep a vigilant eye on reporting on corporate governance, lest capital markets may not work up to their efficiency.

To infer, it can be deduced with the above arguments that transparency lies at the intersection between right to know and right to privacy between public and corporate authorities, respectively. The former relates to interest from the stakeholders' side in obtaining corporate information with regard to management and financial decisions. As evinced in the study of. Corporate shareholders have a legitimate right to know information about corporation's intents and interests. The latter, on the other hand, entails right of corporations to control the collection, utilization and revelation of all information and management strategies pertaining to a particular institutions. If the sector remains devoid of ensuring materialization of these two aspects, it would ensue opacity in understanding information and management decisions. When information is unclear, it cannot be trusted; when it is concealed, it can be believed that credibility is missing in acquiring that information.

Exploring Disclosure Practices in the Banking Sector

There are a few literatures that have primarily focused on actual disclosure practices by banks and their implications on subsequent financial matters and business structure. Commencing from a presumption that disclosure practices do not only require

the dissemination of information, rather, such an information should be understandable by the involved stakeholders and other reckoning audience. Moreover, the study of ... argues investigation of the readability of documents from the customer's point of view. Besides, the results in the study of ... showed that annual reports, when revealed, are sometimes difficult to read or comprehend. Such reports drawn out from the UK banks are not frequently documented an effort to enhance their understandability, thus, a problem regarding readability often emerges. The makes the level of risk disclosure increased with the passage of time, as evinced between the period of 2008 and 2010 especially among smaller banks. Taking this view into consideration, the study of.... Stated that the beginning point for an effective disclosure practices require proper understanding that the audience to whom it is revealed is basically the consumer and, as a result, it is necessary for a good disclosure to incorporate more common and simple language without adding legal clauses which are sometimes difficult to understand, thus, implying it as concrete rather than abstract information. Effectiveness of disclosure within the UK banking sector has adversely been battered with controversies of risk disclosure practices. In most of the cases, the element of risk in the annual reports has appeared to have increased overtime where policy and accounting have remained two most disclosed matters. Even in this respect, UK banks do not provide with full risk disclosure as a result of which managers seem to be reluctant to disseminate too much information, thus, not giving any advantage to their competitors.

Most of the disclosure practices are found in large banks and other UK financial firms, thus, implying significantly evidenced relation of banks' size with disclosure. It is also argued that it is not necessary that large-sized banks have been more exposed to

disclosure. Between 2009 and 2014, large banks, since more visible to the general public, have therefore effective incentive to increase their corporate image and reputation. Those banks which have complied by such a practice have experienced a little or no intervention from the government end. Such banks are of the view that since they are more exposed to disclosure practices, this requires them to create more demand for their financial securities especially in the capital market. It is not that disclosure practices of smaller banks have relatively been below par, non-executive directors have for a prolonged period of time ensured effectiveness of the board by providing with adequate checks and balances in financial affairs and compel banks to more disclosure practices.

Furthermore, a number of the least existent disclosure by global banks in general and European banks in particular have fallen more into the ambit of auditing and accounting. However, the most troubling gap in such disclosure practices is the lack of pertinent requirements to disclose coupled with paucity of disclosure on impact of alternative financial decisions. Perhaps the most explicit consistency vis-à-vis mandatory disclosure practices has emerged within the exercise of control rights and ownership structure. This has been explained by the difficulty in denoting precisely which particular disclosure items must be regarded as good indicators or viceversa.

The 'Basel Committee's' transparency group has performed risk disclosure studies. According to its review, as many as seventeen banks in the UK were surveyed out of which most of them have duly complied by prevalent disclosure practices. Banking supervision has also been improved by smaller banks when larger ones reveal and review their annual reports not only to apprise costs incurred or profits acquired, but

also to increase reputation of their service dealings with consumers and shareholders. Thus, by inferring improved disclosure practices across the UK, it can be articulated that though the risk of strengthening market process and partnerships with stakeholders may be affected, improving transparency and increasing trust of consumers will consequently reinforce corporate governance in the banking sector as well as reduce managerial deficiencies regarding financial decisions.

Theoretical Framework

Theoretical Aspect Regarding Corporate Governance and Disclosure

Concerning with needs of modern stakeholders for information transparency, they want it to be more sophisticated. For this, they often ask for supplementary information other than the one which is provided through financial statements. At present, corporate stakeholders does value the company not only by assessing financial numbers but also by its strategic and non-financial performance. They consider annual reports to be a primary source of corporate information disclosure. In addition to compulsory information, reports also provide voluntary information that serve the basic purpose for stakeholders to maintain association with institutions. As proposed in the study of... efficiency of disclosure process lies in the needs of stakeholders as well as interests of the management of a specific sector. Thus, disclosure of a crucial element in assuring effective resource allocation and imperative in mitigating information asymmetry between stakeholders and the company.

The study of ... have conducted a descriptive quantitative analysis on disclosure and its determinants, while that of... has performed a qualitative study regarding

disclosure regulations and the cost of capital for financial enterprises. These and many other studies have appeared to concentrate towards indispensability to pervade information disclosure that can ensure transparency of corporate functions as well as decisions that directly associate with corporate aims and objectives.

When it comes to practicing voluntary disclosure, two economic-based theories explicitly explain it namely 'agency theory' and 'signalling theory'. As far as agency theory is concerned, it is usually employed to evaluate major determinants related to accounting choices. Many authors such as... have explained disclosure policy by this theory. According to their view, financial statements are the main driver of diminishing agency problems, though other mechanisms are also existent like efficiency of market for government regulation, corporate control and managerial stock ownership plan. Besides, the study of... considered that by disclosing additional and not mandated information, corporate owners and managers will be able to reduce agency costs.

In relation to signalling theory, on the other hand, it fulfils the description of corporate disclosure. Identified information asymmetry as a problem that emerges when an individual, for instance, is willing to purchase a used vehicle. The seller is more aware than the buyer. This difference in information about the product is the asymmetry between the seller and the buyers. When it comes to capital markets, such an issue is called 'lemons' problem. This problem scenario is often compared to the problem that evolves when the company goes public. The incumbent owners of initial public offerings are more acquainted about the firm (product) than investors (buyer). Hence, disclosure of both financial and non-financial information to potential investors will eventually result in a reduction of information asymmetry. To round off the analysis, it can be articulated

that corporate disclosure policy with regard to financial sustainability is always based on understanding the principles of voluntary disclosure.

CHAPTER THREE: RESEARCH METHODOLOGY

Introduction

This part of the study explained the research methodology the researcher used to investigate how transparency is managed in corporate financial decisions with an emphasis on the UK Banking System as a case study. Besides, the investigation was carried out to assess ownership structure, financial disclosure and transparency, credit risk assessment, and corporate governance.

The study of Kumar (2018) described research methodology as a philosophical framework, which helps in conducting a comprehensive research on. Moreover, it is a specific technique or procedure employed to identify, choose, process, and subsequently analyse data or information about a particular issue. There are various types of research methods that are applied by considering the nature of the study as well as objectives set to disseminate information on the topic issue. Generally, it is occurred in two ways, either generating responses primarily by bringing research participants or evaluating the already published studies with the help of content analysis. It is pertinent to mention that in any research paper, the methodological part allows readers on critical evaluation of the overall reliability and validity of the study. To put simply, the methodological section addresses two main questions, i.e. collection of data and its analysis.

This chapter is divided into several sections entailing research framework, research design, technique, data collection and analysis, and ethical approach. In this respect, the research endeavoured to provide a detailed description of how information was collected in this study in order to meet objectives.

Research Framework

A research framework is the one that helps in providing an underlying model or structure to support collective research efforts. It illustrates clearly how the research plan is going to be structured, which consequently helps the research formulate relevant research questions. Research framework is also regarded as a research design, which explains the type of research incorporated in the study. The study of Sun and Lipsitz (2018) is of the view that a research design provides with a synthesis and review of previously published literatures, which are associated with the research problem. Another feature of research design is that it effectively describes the data or information which guides the research in meeting study objectives. There are basically two types of research design used to conduct a study, i.e. empirical research design and non-empirical research design. While empirical design is the one whereby the researcher strives to collect fresh data with the help of primary sources, non-empirical design is relatively convenient to use in which the research does not himself draw out the data but instead, uses secondary data by analysing already published studies (Schnackenberg and Tomlinson, 2016)..

Therefore, the main focus of this study was to assess transparency management in corporate financial decisions by opting for a UK banks as a case study. All the data

collected and analysed in this study materialized by using non-empirical design. Thus, the study specifically focus on secondary data analysis.

Research Data

Research data can be categorized in two places: qualitative and quantitative. As far as qualitative data is concerned, it describes characteristics and quality. In a more descriptive way, qualitative data is expressed in words. It is utilized to understand thoughts, experience and concepts. Furthermore, this kind of research enables the research to assemble in-depth insights on the topic. Sometimes, precise measurement and analysis of qualitative data can be difficult (Rahi, 2017). The data, which is usually in descriptive words, is examined for meaning or patterns. To infer, the conceptualization of qualitative data is mainly concerned with comprehending human behaviour from the perspective of an informant.

In contrast, quantitative data is numerical in form. It is mainly expressed in graphs and numbers. Such a data is utilized to test or assert assumptions and theories. This kind of research is particularly used to develop generalized facts regarding a topic. As per the study of Flick (2015), quantitative data is used when the research tries to quantify a problem. As a result, the main focus put by the research on 'what' and 'how many' aspects of a research problem. When accumulated, quantitative data is compared or counted on a numerical scale. To deduce, the conceptualization of quantitative is specifically concerned with exploring facts about a social phenomenon. As far as this study is concerned, qualitative research data was analysed and incorporated by identifying relevant and authentic studies which are already published.

Research Method

Different types of research methods are used by researchers, given the nature of research methodology, to achieve results while analysing data and testing theories (Lin and Lin, 2020). As it has been known that researchers and analysts use either qualitative or quantitative research design for data interpretation, each of these methods are particularly employed by choosing a specific research method. Simply put, research methods are considered to be processes used to collect data. One can use the data to assess current procedures or methods as well as to gain supplementary information on a research topic.

When it comes to quantitative research data, methods used to gain information involve experiments, surveys with close-ended questions and observations recorded as numbers. On the other hand, qualitative research data is attained by conducting interviews with open-ended questions, literature reviews to explore theories and concepts, and observations which are described in words (Kumar, 2018). Since this study opted for secondary research data, the material already published in research reports and related documents were analysed with the help of content analysis.

Data Analysis

To be simply data analysis is described as the process of applying logical and/or statistical technique systematically to illustrate and evaluate data. According to Rahi (2017), there are various processes of data analysis that provide for a way of drawing inferences and, thereby, distinguishing the phenomenon of interest present in the data. While data analysis in a qualitative study may entail statistical technique, analysis often

becomes an iterative process whereby data is collected and assessed in a simultaneous manner. Researchers verily generalize patterns of observations through the entire phase of data collection.

Since there are two ways of conducting a research involving primary and secondary research methods, the process of data collection is also different in both the methods. Regarding primary research, the researcher endeavours to collect and analyse data by himself by conducting surveys, interviews, experiments and field observations. In most of the cases, surveys and interviews take place when the study intends to produce a qualitative analysis of a given problem. On the other hand, secondary data analysis refers to analysing existing or already published data, which in precedence was collected by other authors. This type of analysis affords the opportunity to evaluate research questions with the help of large-scale data sets that are inclusive of groups, while at the same time save resources and time. However, in spite of the immense potential for secondary data analysis as a guide for researchers, it is sometimes met with sharp criticism particularly due to infringement or breach of data that may result in forgery. These considerations were duly addressed in this study since it aimed at conducting secondary data analysis.

The systematic review of the literature in this study was based on PRISMA technique. For this, the research used the content and reviewed it in a systematic way in order to conduct the findings and ultimately form a comprehensive analysis of the secondary data. The content incorporated include data available on the internet, research articles, financial reports of the banking sector, books on transparency and corporate culture, and so on. Databases such as Google Scholar along with websites

like JSTOR, Emerald, Taylor & Francis, Web of Knowledge, and other were aptly used to access the required content. This makes the compendium of 'content analysis' usually done for collecting secondary data. Thus, the study concentrated on interpretational and non-empirical research data with a major focus on the contributions made by business scholars in the area of the study.

Advantages and Disadvantages of Content Analysis

One of the advantages of using content analysis is that the research is already acquainted with relevant information or data to be incorporated, which has already been considered as accurate and genuine. Besides, content analysis helps in directly interpreting transcripts and texts by looking at different aspects of social interaction. In contrast, the disadvantage of using content analysis is that it can sometimes be extremely time consuming, which subsequently becomes a subject of increased error especially when relational analysis is employed to get a higher level of interpretation. Sometimes, content analysis is difficult to automate or computerized.

Research Limitations

The limitations of the study are considered as those characteristics of methodology that influence or impact the interpretation of the overall findings of the study. They are basically the constraints or restrictions on applications to practice, generalizability or utility of findings (Sun and Lipsitz, 2018). Any limitation that might influence research results must be mentioned. Therefore, this study too has limitations. The researcher primarily focused on the banking sector of the United Kingdom

specifically rather than analyzing transparent management of the entire corporate sector of the chosen region. Thus, investigating the area of transparency in financial reporting of UK banks appeared to be a primary limitation of this study. This was done by analysing relevant studies which revolve around the phenomenon of transparency, information disclosure and financial decisions in the corporate sector in general and banking system in particular. Another limitation of this study is that the analysis was carried out by selecting the last ten years of financial reports. Therefore, the study only comprised the contributions of the authors after 2010.

Ethical Consideration

Research ethics are basically moral guidelines that help the researcher to conduct the study in a responsible manner by not intending to harm or deceive study participants. Moreover, it educates the researcher with a view to ensuring prevention of data misinterpretation and the need to comprehend relevant data adequately. Ethical issues with regard to using secondary always remain subject to individual consent. Ethical considerations are necessary to be addressed by embracing the responsibility for not misinterpreting the data and retaining its authenticity. The consideration here mainly refers to aiding ethical research practice for previous researcher who played an important role in archiving the data. Two probable ethical issues such as infringement and security of the data spoil the entire research, which was adequately followed by the researcher in this study. Also, there exists a restricted access to research journals, which was successfully obtained with the help of licensed secondary data. Finally, the researcher took discreet care of the fact that all the cited in this study should properly be

referred to. The data used solely for the present research and nothing was cited in the content in an inappropriate manner.

Research Contribution

Research contribution is the creation of a new knowledge based on the previously available knowledge that is fruitful to disseminate future knowledge. Since any comprehensive study contributes well to the subject matter of research, this study too is not without some main contributions. It can be noted from the above exhaustive discussion that since transparency and financial disclosures is a mainstay for proper interpretation of financial statements and an opportunity for potential investment within the UK banking system, this is the gist of the study which will significantly contribute future studies which may aim at analyzing transparency in the banking systems of other EU countries. Also, the research would facilitate corporate owners and managers in identifying bottlenecks or drawbacks in their financial reporting, so that transparency in financial decisions can duly be emphasized on.

Gantt chart

This study was divided into different phases. The researcher has the responsibility each week to cater to study sections, which was well illustrated as under:

Task	Week 1	Week 2	Week 3	Week 4
Research aims and objectives				
Literature Review				
Data collection				
Analysis and discussion				

CHAPTER FOUR: FINDINGS, ANALYSIS AND DISCUSSION

4.1 Introduction

The following section of the study represented the results and findings identified from a variety of sources in the context of transparency and financial disclosures in the UK banking system. Thus, analysis in this chapter was carried out by performing ‘content analysis’. As articulated above, content analysis is a basic research tools employed in secondary research methods to determine the presence of certain themes, concepts and words in a qualitative data. All the meaning and relationships of relevant themes and concepts were, therefore, incorporated in this section in a non-replicable but systematic manner.

Based on the data constructed from annual reports of the selected sample, the analysis entailed descriptive statistics of transparency and risk disclosure with a view to exploring corporate practices rendered by the UK banks. All the relevant reports and other studies were taken from the last ten years, which the researcher considered ample to assess the extent to which transparency is managed in the UK banks as far as corporate governance and financial decisions are concerned. In addition to this, various aspects like role of supervisors and managers in improving transparency along with information needs and potential drawbacks to public disclosure were comprehensively discussed (Overesch and Wolff, 2019). More importantly, much concentration was put on financial regulatory framework enforced and executed firmly in the UK banking system together with availability of corporate information for better relationships among stakeholders and ensuring persistent domestic and foreign investments. Examining transparency and risk disclosure from corporate governance has proved to be fundamental to understand improvement in financial decision-making process (Joshi, Outslay and Venkat, 2020).

4.2 Analyzing Recent Transparency and Disclosure Practices

As can be evaluated from literature review, central banks in the United Kingdom in recent times have been making strides in improving transparency and disclosure practices in their corporate matters. The review by has drawn on the analytical framework for transparency by calculating several indices for major banks. FIGURE

From the above graphical representation, few things can be noticed entailing overwhelming trend by smaller and larger banks towards greater level of transparency. The aggregate transparency score for 2017 has surpassed the central banks of

Sweden, Belgium and other European nations. This reveals that the management of corporate sector in the banks have witnessed increased trust and credibility from consumers and stakeholders, respectively. Moreover, since 1998, the banks' absolute transparency score has increased and, thereby, found to be in close proximity to the US Federal Reserve (James, 2018).

With regard to economic transparency, it has been comprehensively assessed that the Bank of England quarterly publishes medium-term forecasts for output, and reveals in some detail the macroeconomic tools employed to serve transparency requirements. In association with other relevant authorities in the UK, it has so far published most of the key economic data pertaining to the effective conduct of monetary policy (Gulko, Hyde and Seppala, 2017). When it comes to operational transparency, on the other hand, it was noticed that the bank assesses regularly the implementation of its disclosure policy, so as to evaluate the appropriateness of its monetary practices. However, in the last ten years, the banking sector has performed below par when concerning with the category of policy transparency. Banks have also not provided reliably a timely rationale for its fluctuating policy decisions and, thus, have not systematically provided with an indication of future transparency actions.

The results further showed in the study of Basuony, Mohamed and Samaha (2018) reveal that disclosure practices in recent times by the UK banking sector have resulted in better earning quality. The reason for this can be ascribed to the fact that board independence within banks have led to higher level of accrual management, thereby, increasing complex vigilance regarding disclosure practices. In addition to that, explanations about positive externality together with informational symmetry of

regulated disclosure have enhanced banking system stability by enabling market discipline with a view to better gauging subsequent risks and performance. In addition to this, the findings obtained from Papadopoulos (2014) have shown a positive relationship between corporate governance earning quality and disclosure, indicating that increased level of corporate governance has reformed the earning quality along with reputation among shareholders. Thus, there is a direct relation between levels of disclosure practices and earning improvements as far as the UK banks are concerned.

4.3 Analyzing the Role of Board of Directors

When looking at the results identified by Yekini, Adelopo and Adegbite (2017), governance indicators of composition and board role, compliance and auditing and quality of risk management within banking institutions in the UK have significantly impacted their financial performance. This is in line with the findings revealed by Khanifah, Hardiningsih and Udin (2020) which noted that several features of board of directors can play a decisive role in determining the quality of banks' annual reports. However, evidences attributing to the effect of transparent corporate practices on financial stability of banks have indicated that non-executive directors in particular have played the least role in being proponents of sharing corporate details of banks.

As far as evidence from UK regulators are concerned, which are directly associated with corporate practices of the UK banks, have also employed transparency as an effective tool to encourage the corporate sector to ameliorate their decision-making mechanism. Disclosure settings by the regulators have also sought to improve banks' behaviour regarding complaints data issued by shareholders. The benefits of publishing complaints data has benefits in terms of influencing shareholders'

engagement, which in turn promote cooperation (Business Data, 2020). In the absence of any regulatory intervention, it will be unlikely for regulators to find a transparent way for financial information or data or come into the market. Thus, cooperation among financial regulators and managements of banks improve disclosure and transparency behaviours in the relevant market.

4.4 Findings regarding Corporate Governance

When it comes the focus on corporate governance, it was found that the responsibility is clearly on the board, be it one or two-tier board or the supervisory board or the management as a whole. It is due to the fact that that financial crisis of 2008-2009 has shown that many of misdemeanors and negligence at the forefront of UK banks have been perpetrated by advisors and dealers who are well below the board level (Adel, Hussain and Basuony, 2019). Bank management which is actually undertaking risk disclosure efforts must be prioritized over those who are only interested on bonus structures (Basuony et al., 2018). This is why in terms of bank governance and banking regulation, key disclosure and transparency functions must be covered by adequate governance requirements. Besides, it has also been experienced that banking governance have been not amply transparent to its depositors, shareholders and other related stakeholders in addition to market participants. Because transparency is not a supplementary but obligatory function, keeping the supervisory board informed has been considered as fundamental with a view to facilitating targeted intervention. Specifically to smaller and larger UK banks, opaque and complex structures give consistent rise to risks associated with financial decisions, which has fortunately led to a

greater need of requirements regarding transparency and disclosure in the aftermarket of banking crisis (European, 2015).

4.5 Deciphering Recent Developments

Furthermore, on the basis of comparison of disclosure and transparency practices made between the period of 2004 and 2018, it has been observed that there is has been a consistence growth in the level of information disclosed particularly on risk disclosure of banks. In this regard, much of the disclosure appeared to be lined to usual risk causes where banks have reported that they have remained subjected to various kinds of risks which have impacted their operations. Such disclosure comprises of those ones that linked to internal control systems, statements regarding risk management policy, corporate financial decisions, and control systems (Jizi, Salama and Stratling, 2014). Another striking feature appears in the wilfulness of banks' directors to disclose information linked to the future (Ehsan, Nazir and Ahmed, 2018). As suggested by, the provision of future information would be useful especially when it comes to shareholders and specifically investors. However, such a feature entails as majority of disclosure practices were understood as necessary to increase engagement between relevant stakeholders including consumers, board of directors and financial market. Evidence from Alex Spooner (2021) suggests that bank directors withhold negative information especially related to future financial dealing when they perceive that this is essential in order to avoid any excessive reputation concerns or legal cost. Nevertheless, there have remained several difficulties associated with quantifying risk for better transparency, corporate governance and, most importantly, improvements in financial decision-making process.

Other recent trends in risk disclosure tell that there has been a persistent increase in users' demands for impartial and prompt corporate information. Banks are being put under pressure to make disclosure of corporate information better and effective especially those linked to risks and uncertainties. The results in the study of Henry, Pollard and Coombes (2017) show that the average disclosure ascribed to each category encompassing strategic risk vis-à-vis adverse financial decisions and operational risk. When it comes to operational risk disclosure, it has been dominated by fluctuated risk management policies cash flow risk, liquidity risk, and compliance risks.

Financial distress battered by bank governance has also been considered as one of the important challenges especially for stakeholders. A rise in financial distress in the retrospect must be localized, if not contained, to prevent any adverse repercussions. Moreover, potential defaults along with subsequent runs by fire sales of assets and creditors were experienced during recent financial crisis, which must be taken for a reminder of potential financial cost associated with the distress (Schoenmaker, 2017). The probability of such adverse outcomes is largely owing to the nature of banks' assets as well as comparatively swift speed at which the value of their assets plummet. In a similar way, changes in governance setup in the midst of financial distress like replacing the board and management, has remained difficult in the UK banking sector, despite the notion often perceived that banks must be held to a higher level of accountability.

4.6 Improvements in Information Flow

When it comes to recent improvements in information flow between internal and external stakeholders, it has been considered an important element particularly in the

findings of Karkowska (2020) and Christofi (2018). This is reckoned as essential for ensuring efficient corporate governance of all financial institutes in general and banking system in particular. Modification in governance structures has been focused on in order to accomplish the desire results encompassing both benefits and costs that could guarantee careful evaluation of information. Besides, in the recent report published by European (2015) several mechanisms were identified through which the banking sector could amplify its flow of timely information to outsiders. For instance, separating the portfolio of board chair and chief executive officer has rendered potential benefit to accurately disclosure timely information to regulators. Such an information also entails help to avert huge losses borne by stakeholders. This has somehow provided several larger banks with a window for assessing deficiencies in taking financial decisions as well as vulnerabilities in shareholders' cooperation on accessing business, market behaviour and other important financial reports for assessing risks associated with corporate structures and financial decisions (Venturelli, Cosma and Leopizzi, 2018).

Furthermore, identification of creditable management team including chief executive officer and chief financial officer was one thing that banks particularly larger ones have emphasized on. Since some executives may appear to be incapable of executing their duties that could impart transparency, a credible replacement is essential in order to avoid any unanticipated event. In this regard, identifying credible replacement has been regarded as incentivising incumbent officers for the overall benefit of banks' management (Gulko et al., 2017). However, consideration regarding publicly disclosing succession plan to regulators may ensue adverse outcomes when

executive officers appear to unwilling to reveal deficiencies or vulnerabilities in financial dealings among the board, consumers and other relevant shareholders.

4.7 Central Bank's Controlling Mechanism

Regarding transparency issues, it was analyzed from incorporated studies that all UK banks include internal operational policy has now been offered to operate their functions under codified values shared by the governance. Almost all national banks as a result have now organized their policy-making framework under government disclosure mechanism. Events that took place in the post-Brexit era compelled financial institutions to seek clear guidance on information that require to be shared with controlling mechanism set by the government. Unfair dealings with consumers coupled with lobbying activities of some banks have pushed almost all smaller and larger banks to negate short-term profits which ensue excessive risk-taking results and, instead, embrace societal purpose of credit provision with a view to ensuring a sound and stable financial system (Schoenmaker, 2017). It will be done only if culture of transparency is integrated in banks. Promotion of integrity performance may require concentration of long-term rather than short-term goals. Notwithstanding, banks have undeniably faced transparency integrity issues when they became complicit in laundering schemes. As a result, several banks have now been stressed on conducting periodic overhauling of suspicious activities in order to increase trust among clients and credibility among major stakeholders. When the central bank, i.e. Bank of England, is able to be more transparent with its creditors, investors and policyholders, it will be optimal for designing effective monitoring policy that do not make information flow risky (Seyfang and Gilbert-Squires, 2019).

According to some eminent economists especially those who have concentrated on monitoring policy-making are of the view that if central banks appear to becoming more transparent and outward, it could lead to uncertainty in manner that lots of information shared to the public will lead to complexity of managing deficiencies or vulnerabilities. Overloaded information is always perilous as it carries risk of deviation of shareholders from one bank to another. Also, investment processes and credit flow are also impacted when optimal transparency become too excessive. Though according to the study of Christofi (2018), more transparency within central banks leads to less volatility in exchange rates, other factors such as monitoring and fiscal policy in addition to coordination, better exchange of opinions among shareholders and political pressure are few things that preserve information from being too much public. This is why criticism is validated when similar information become too much confidential that extreme transparency become an argument of dispute among banks' relevant stakeholders.

4.8 Examining Governance of the Banking System

Keeping in view that governance structure of banks reduce vulnerabilities and risks associated with financial system, the Financial Service Act of 2012 made some peculiar changes with regards to it. This included establishment of a Financial Conduct Authority with a responsibility to simplify and strengthen governance structure. In addition to that, improvement in accountability and transparency of banking procedures was also emphasized where Banks require to publish minutes of meetings and subsequently establish a new overhauling function in order to improve accountability. According to de-Ramon, Francis and Milonas (2017), the bank is now believing in the

effectiveness of a unitary board with a view to managing itself as well as delivering with a more rigorous framework for accountability. It is also believed that to establish legitimate accountability and promote effective overhauling, the policy committees and Prudential Regulation Authority (PRA) must be placed on a similar footing. This simplification of the structure will definitely improve transparency of monetary responsibilities on the banking side.

4.9 The Role of Regulatory Bodies

With regards to Financial Reporting Council (FRC), it is the regulatory body which is in charge of establishing standards for accountability. Recently, the council has directed the operations of several banks to split their business operations away from their respective auditing units. This move, as experts say, would definitely improve transparency. Some analysts have foreseen a situation where other EU countries have been mandated to follow the suit that consequently promoted independence in the matters of auditing and accounting decisions. However, one issue for them is a challenge for governance restructuring in terms of financial resources (Bouvard, Chaigneau and De Motta, 2014). But discussion regarding new principles have been put forward to the banks to engage stakeholders as well as maintain public interest.

A joint report by Financial Conduct Authority (FCA) and Prudential Regulatory Authority (PRA) propounded in 2014 the introduction of new approval regimes. This is necessary for a clarification in terms of responsibility of banks' directors and managers. This can enhance ability of the regulators to hold people accountable and evaluate strength of financial procedures of banks in order to bring them under one umbrella of

accountability. This will also ensure that financial institutions are secure and structurally safer (Amupitan, 2015).

Several other steps taken in recent times also require some deliberation. For instance, the Bank of England in 2016 revealed proposal that would ensue disclosure of minutes of rate-setting deliberations. The proposal also entail making audio recording and transcripts of financial decision-making available to the general public. Such an approach is for a prolonged period of time in practice in the United States, where the Federal Reserve duly release minutes of its policy meetings, while the Central Banks in the East Asian region publish quarterly. Thus, it has been realised that publishing officials' meetings would allow the public with a greater level of insight for making dealings, which would ultimately foster cooperation and competition among smaller and larger banks (Warsh, 2014).

The fall of Lehman Brothers in 2008 marked the importance of banks to be transparent and responsibility on the upper managers to make information sharing an integral part of financial dealings. It also showed how significant fiscal clarity, updating regulatory system and information sharing are to ensure transparency. According to the Bank of England, development of a framework for internal control system can resultantly provide with a reliable managerial and financial reporting together with regulatory compliance, which is necessary to reduce the risk of reputational damage (Heemsbergen, 2016)

One report released by the Bistro Consulting Group, a global management consulting company identified that improving IT and data capabilities can help accelerate decision-making processes. For enhancing data delivery capabilities, it is

indispensable that a special foundation must be in place for aggregating risk data and report within banks. But this should be preceded by establishing full-fledged transparency of critical measures required to address regulation coupled with ensuring data governance and quality (Broll, Eckwert and Eickhoff, 2011). Banks ought to also redefine nature of risks associated with current control frameworks and press more compliance systems and thinking within their operating systems.

4.10 Discussion

With the overall discussion made with respect to transparency and disclosures in the banking system of the UK by incorporating different studies and reports, it can be inferred that corporate governance practices require to be strengthened despite the fact that the Central Bank has taken swift steps to improve transparency and disclosure practices. It appears from the above findings that board of directors are unequivocal in ensuring rigorous control environment. But it demands them to bring financial experts for overseeing and comprehending risks associated with financial decisions. When accounting and auditing evaluation are undertaken periodically, it can provide useful insights into deficiencies and risks for publicizing information especially those communicated with internal stakeholders. More financial and non-financial disclosures should be regarded as a mainstay for banking corporate governance. Also, boards need to be further encouraged to disclose what they reckon their risks to be in addition to their approach for managing those risks in an effective manner. The events of laundering and suspicious credit lines have made the sector realise the potential of financial reporting in order to reduce information asymmetry that often exist between inside and outside shareholders.

The bank's governance structure and its disclosure environment have evolved together overtime in order to maintain good cooperation with investors, consumers and others as well as manage transparent dealings when it comes to taking financial decisions and releasing annual reports. Designing macroeconomic tools to serve transparency requirements by the Bank of England is an essential riddance to avoid financial mistrust among shareholders and allow them to assess financial situations of firms and banks. For this, relevant authorities have striven to guarantee fair, competitive and accessible data to administration and operations carried out within the control system. Unnecessary policy fluctuation and paucity of rationale for undue changes have somehow tainted the smooth flow of information and transparent actions, an indication of accumulating risks to financial performance of banks.

More importantly, adequate governance mechanism is not without considering key disclosure and transparent functions that collectively demand information symmetry. This is a challenge especially for stakeholders when confidentiality of information amplify financial stress and, thereby, hold banks to a higher level of accountability as a result of credit loss and depreciation of potential banks' assets. Since judgements from private buyers, investors and other individuals on pricing, market capability and contingency of losses is a remedy to commit to developing transparent culture, it will significantly prompt management and the board especially to engage with them and prevent ambiguous perceptions about banks' financial position. Thus, financial reporting of banks must be preceded by reforming governance structure, assimilating responsibilities on the management side and establishing the accountability framework in order to ensure effective monitoring of financial reporting and decisions.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter of the study has been providing the conclusion of the study which has been derived from the findings of the study in the previous chapter by the application of the selected research methodology. In addition to that, there are some of the recommendations which have also been provided to the UK banking sector for improving their performance by the effective corporate financial decision making.

5.2 Conclusion of the Study

The aim of the study was decided to be evaluate that how the transparency is being maintained in the banks of UK for the financial decision making process. For that particular reason, the researcher has applied the selected research methodology which has made it clear that there are several aspects that are required to be focused and prioritized by the banks in order to maintain the transparency in their financial decision making. This is mainly due to the reason that the transparency in the financial decision making plays a vital role for the banking sector as the clients and the investors who have been depositing their money to the bank or doing business activities with the services provided by the bank are required ensure that their investment would be safe. Therefore, in such a case, it becomes evident that the major role in this regard is being played by the factors which derives the trust of the people over the banking sector. The findings of the study has made it clear that the banks which would be reluctant in order to share the information regarding their financial decision making, would be at high risk of losing the trust of their customers and the investors. This makes it clear that the banks should ensure that the organizational strategy should be aligned in a way that the disclosure of company's information should be ensured.

The study has specifically focused the financial crisis of 2008-2009, where the financial investors beard a huge amount of loses. However, in this regard, people who have been solely relying over the investments in the banking sector didn't lost their hope

and entered the business again. However, the financial crises made it difficult for the new investors to take decision for the investment in the banking sector. Therefore, it becomes necessary that the banks should ensure the corporate governance responsibility at their own and also make it clear to the market that they have been taking actions to maintain the corporate governance at their organization. However, in this regard, the major role is being played by the board of directors of the organization. This refers to the condition where the board of directors of the organization are required to be actively taking part in board meetings and having the financial advisors in board as well. This helps them to ensure that the decision making for the financial aspects of the company should be aligned with the overall business strategy of the company.

Another aspect which has been observed in this study is that there are recent developments for the information disclosure policies during the past two decades. Therefore, it has become clear that the banks are required to ensure that the information disclosure policies should also be complied by the company. This will also contribute to the positive impression of the organization to the investors and the depositors as well as the customers of the bank. Furthermore, there are some of the information technological advancement which have been observed during the past few years which have made it easier for the businesses to make the flow of information smoother and more accurate. However, in this regard, one of the major challenge for the banks is to make the information secure in order to ensure that the business related information and specifically the data of their customers and the stakeholders should not be leaked.

In addition to that, it has also become clear that the central banks which have been maintaining the business policies and ensuring that all the banks should be following the same policy are required to be updated. For that particular reason, the IT infrastructure can also be used to share the information with the central bank in real time. This will make it easier for the central bank to keep monitoring the banks' performance and they would be able to manage the banking activities with the centralized banking policies. When it comes to discuss about the banking regulatory bodies, it is necessary to mention that there are mainly two authorities which directly affects the banking policies such as the central bank and the different councils and authorities of UK which have been reporting

the financial aspects of the banks to the government and releasing report for the investors and depositors.

Along with that, it has also been observed that there is a Financial Conduct Authority which has developed Financial Service Act that has bound the banks to comply with the policies which have been developed to secure the rights of both the parties. Therefore, in such a case, it becomes clear that there are certain policies and regulatory which a bank must have to comply with in order to keep operating in a hassle free manner. However, the financial decisions of the banks are required to be closely monitored by every investor and the depositor having concerns about their investments and the returns as well.

5.3 Recommendations

Based upon the findings of the study, there are several suggestive recommendations which have been provided to the banks in order to bring transparency in their financial decision making process.

As there are number of regulatory and authorities which have been developing policies for the banking sector and the banks are complying with them so that their business activities should keep on running in an effective manner, it has been recommended that the banks should work on spreading awareness regarding these policies. This will contribute to their performance as the investors and depositors would be able to know the difference between the banks which are complying with the regulatory and those who are not.

In addition to that, the board of directors should take part in board meetings actively and deploy the right resources for bringing the transparency in the corporate financial decision and take advisory help to the consultants wherever needed so that the process of bringing transparency should become more effective. Another aspect that is necessary to mention that this will increase the credibility of the bank in the market and contribute to the level of trust of the investors over the banks so that they would be able to evaluate the importance transparency and take the maximum advantage of it. Therefore, it will directly contribute to the financial performance of the banks as well.

During the past two decades the disclosure of information has become one of the most important aspect in the banking sector, therefore, it is needed that the banks should ensure that their quarterly financial reports should also be published and easily accessed by their customers and prospect customers. This will also create a good will of the bank in the market and ultimately ensures the corporate governance as the decisions taken by the banks will be self-evaluated after each quarter. Therefore, the banks would be able to know where their organizational strategy has been lacking and how they can further enhance their performance in the market.

Another aspect that is needed to be ensured by the banks that IT infrastructural development and information security should be ensured in order to maintain the secure flow of information inside the bank, to the customer, among the branches and for the central bank. Furthermore, the information should also be shared to the authorities, regulatory and councils which are required to develop the financial policies as this information will act as the feedback system for the banks. Along with that, it is also needed that the banks should invest in the research and development at their own so that they would be able to know what are the opportunities which can be tapped in order to enhance the transparency of the corporate financial decision making process.

It was observed that the central banks are required to control the banking system of the country, therefore, it is being recommended that the banks should work for the relationship building with the central bank as well. This is mainly due to the reason that the strong relationship with the central bank will make it easier for them to closely work for the financial policy development and they would be able to make a clear picture to the authorities. In such a way, it would be easier for them to ensure that the policies developed by the central bank should be friendly and easy to be comply with. In such a case, if the bank would be adopting these recommendations, there are chances that the banks would be able to increase the transparency in the corporate financial decision making and build the trust of investors and depositors in an effective manner.

References

- Adel, C., Hussain, M.M., Mohamed, E.K. and Basuony, M.A., 2019. Is corporate governance relevant to the quality of corporate social responsibility disclosure in large European companies?. *International Journal of Accounting & Information Management*.
- Alex Spooner, D., 2021. *ESG risk disclosures for banks | The path to transparency*. [online] Passle. Available at:
<https://ukfinancialservicesinsights.deloitte.com/post/102guay/esg-risk-disclosures-for-banks-the-path-to-transparency>
- Amupitan Moses Dare, M.B.A., 2015. Corporate governance in the Nigerian banking sector: Issues and challenges. *European Journal of Accounting Auditing and Finance Research*, 3(5), pp.64-89.
- Basuony, M.A., Mohamed, E.K. and Samaha, K., 2018. Board structure and corporate disclosure via social media: an empirical study in the UK. *Online Information Review*.
- Bouvard, M., Chaigneau, P. and De Motta, A., 2014. Transparency in the financial system: rollover risk and crises. *Journal of Finance*, forthcoming.
- Bradley, C., 2011. Transparency is the new opacity: Constructing financial regulation after the crisis. *Am. U. Bus. L. Rev.*, 1, p.7.
- Broll, U., Eckwert, B. and Eickhoff, A., 2011. *Transparency in the banking sector* (No. 05/11). Dresden Discussion Paper Series in Economics.
- Buşu, M., 2015. Corporate Governance Codes in Romania and European Union Countries. *Revista de Management Comparat Internațional*, 16(1), pp.119-128.

- Business Data. 2020. *More transparency seen in financial reporting as UK leads change*. [online] Businessday NG. Available at: <https://businessday.ng/news/article/more-transparency-seen-in-financial-reporting-as-uk-leads-change/>
- Christofi, D., 2018. The Cypriot Banking Sector During the Financial Crisis and Its Reforms: An Examination in Light of the Case of the UK. *The Cyprus Review*, 29(1), pp.43-66.
- de-Ramon, S., Francis, W. and Milonas, K., 2017. An overview of the UK banking sector since the Basel accord: insights from a new regulatory database.
- Ehsan, S., Nazir, M.S., Nurunnabi, M., Raza Khan, Q., Tahir, S. and Ahmed, I., 2018. A multimethod approach to assess and measure corporate social responsibility disclosure and practices in a developing economy. *Sustainability*, 10(8), p.2955.
- European, F., 2015. *The importance of transparency for banks*. [online] Europeanceo.com. Available at: <https://www.europeanceo.com/finance/the-importance-of-transparency-for-banks/>
- Flick, U., 2015. Introducing research methodology: A beginner's guide to doing a research project.
- Fung, B., 2014. The demand and need for transparency and disclosure in corporate governance. *Universal Journal of Management*, 2(2), pp.72-80.
- Geraats, P.M., 2014. Monetary policy transparency. *The Oxford Handbook of Economic and Institutional Transparency*, p.68.
- Goldstein, I. and Yang, L., 2017. Information disclosure in financial markets. *Annual Review of Financial Economics*, 9, pp.101-125.

- Greenwood, D.J., 2018. *Corporate governance and bankruptcy*. Brook. J. Corp. Fin. & Com. L., 13, p.99.
- Grove, H. and Lockhart, J., 2019. Evolution of corporate governance towards intrinsic value. *Corporate Law & Governance Review*, 1(1), pp.8-13.
- Hermalin, B.E., 2014. Transparency and corporate governance. In *Enterprise Law*. Edward Elgar Publishing.
- Idowu, S.O. and Çaliyurt, K.T. eds., 2014. Corporate governance: an international perspective. Springer Science & Business Media.
- Khan, A., 2016. Central Bank Governance and the Role of Nonfinancial Risk Management. International Monetary Fund.
- Kohn, D., 2011. Enhancing Financial Stability: The Role of Transparency. [online] Brookings. Available at: <<https://www.brookings.edu/on-the-record/enhancing-financial-stability-the-role-of-transparency/>>
- Kumar, R., 2018. *Research methodology: A step-by-step guide for beginners*. Sage.
- Lin, L. and Lin, L., 2020. Research Design and methods. *Perspectives on the Introductory Phase of Empirical Research Articles: A Study of Rhetorical Structure and Citation Use*, pp.101-138.
- Lakhani, A., 2016. Imposing Company Ownership Transparency Requirements: Opportunities for Effective Governance of Equity Capital Markets or Constraints on Corporate Performance. *Chi.-Kent J. Int'l & Comp. L.*, 16, p.122.
- Marcinkowska, M., 2012. Corporate governance in banks: problems and remedies. *Financial Assets and Investing*, 3(2), pp.47-67.

- Mohammadi, S. and Nezhad, B.M., 2015. The role of disclosure and transparency in financial reporting. *International Journal of Accounting and Economics Studies*, 3(1), pp.60-62.
- Mohammadi, S., 2016. The Relationship between Disclosure Quality and Company Performances Using SPSS Software.
- Mohammadi, S. and Nezhad, B.M., 2015. *The role of disclosure and transparency in financial reporting*. *International Journal of Accounting and Economic Studies*, 3(1), pp.60-62.
- Oino, I., 2019. Do disclosure and transparency affect bank's financial performance?. *Corporate Governance: The International Journal of Business in Society*.
- Okike, E. and Turton, A., 2009. Corporate governance reform within the UK banking industry and its effect on firm performance. *Corporate Ownership and Control*, 456.
- Ortega, S., 2021. *Impact of Corporate Governance on Financial Reporting and Profitability of Banking* (Doctoral dissertation, Walden University).
- O'Toole, J. and Bennis, W., 2009. A culture of candor. *Harvard business review* , 87 (6), pp. 54-61.
- Pallisserry, F., 2012. True and fair financial reporting: a tool for better corporate governance. *Journal of Financial Crime*.
- Rahi, S., 2017. Research design and methods: A systematic review of research paradigms, sampling issues and instruments development. *International Journal of Economics & Management Sciences*, 6(2), pp.1-5.

- Roychowdhury, S., Shroff, N. and Verdi, R.S., 2019. The effects of financial reporting and disclosure on corporate investment: A review. *Journal of Accounting and Economics*, 68(2-3), p.101246.
- Saidi, N., 2008, December. Transparency & Disclosure Challenges in the Banking Sector. In *Conference held by the Central Bank of Syria* (pp. 21-22).
- Sari, E.N., 2015. Accounting practices effectiveness and good governance: Mediating effects of accounting information quality in municipal office of Medan City, Indonesia. *Research Journal of Finance and Accounting*, 6(2), pp.1-20.
- Schnackenberg, A.K. and Tomlinson, E.C., 2016. Organizational transparency: A new perspective on managing trust in organization-stakeholder relationships. *Journal of Management*, 42(7), pp.1784-1810.
- Schoonenboom, J. and Johnson, R.B., 2017. How to construct a mixed methods research design. *KZfSS Kölner Zeitschrift für Soziologie und Sozialpsychologie*, 69(2), pp.107-131.
- Sun, M. and Lipsitz, S.R., 2018, April. Comparative effectiveness research methodology using secondary data: A starting user's guide. In *Urologic Oncology: Seminars and Original Investigations* (Vol. 36, No. 4, pp. 174-182). Elsevier.
- Uwuigbe, U., Erin, O., Uwuigbe, O., Igbinoba, E. and Jafaru, J.I.M.O.H., 2017. Ownership structure and financial disclosure quality: Evidence from listed firms in Nigeria. *Journal of Internet Banking and Commerce*, 22(8), pp.1-12.
- Warsh, K., 2014. Transparency and the Bank of England's Monetary Policy Committee. London: Bank of England.

- Gulko, N., Hyde, C. and Seppala, N., 2017. Disclosure of corporate risks and governance before, during and after the global financial crisis: case study in the UK construction industry in 2006–2009. *International Journal of Disclosure and Governance*, 14(3), pp.207-223.
- Heemsbergen, L., 2016. From radical transparency to radical disclosure: Reconfiguring (in) voluntary transparency through the management of visibilities. *International Journal of Communication*, 10, pp.138-151.
- Henry, N., Pollard, J., Sissons, P., Ferreira, J. and Coombes, M., 2017. Banking on exclusion: Data disclosure and geographies of UK personal lending markets. *Environment and Planning A*, 49(9), pp.2046-2064.
- James, S., 2018. The structural-informational power of business: Credibility, signalling and the UK banking reform process. *Journal of European Public Policy*, 25(11), pp.1629-1647.
- Jizi, M.I., Salama, A., Dixon, R. and Stratling, R., 2014. Corporate governance and corporate social responsibility disclosure: Evidence from the US banking sector. *Journal of business ethics*, 125(4), pp.601-615.
- Joshi, P., Outslay, E., Persson, A., Shevlin, T. and Venkat, A., 2020. Does public country-by-country reporting deter tax avoidance and income shifting? Evidence from the European banking industry. *Contemporary Accounting Research*, 37(4), pp.2357-2397.
- Karkowska, R., 2020. Business model as a concept of sustainability in the banking sector. *Sustainability*, 12(1), p.111.

- KHANIFAH, K., HARDININGSIH, P., DARMARYANTIKO, A., IRYANTIK, I. and Udin, U.D.I.N., 2020. The effect of corporate governance disclosure on banking performance: Empirical evidence from Iran, Saudi Arabia and Malaysia. *The Journal of Asian Finance, Economics, and Business*, 7(3), pp.41-51.
- Nasution, A.H., Nasution, B. and Saidin, O.K., 2020, April. Transparency standards and information disclosure of bank business activities. In *IOP Conference Series: Earth and Environmental Science* (Vol. 452, No. 1, p. 012040). IOP Publishing.
- Overesch, M. and Wolff, H., 2019. Financial transparency to the rescue: effects of country-by-country reporting in the EU banking sector on tax avoidance. *Available at SSRN 3075784*.
- Papadopoulos, B., 2014. Transparency in the banking sector via electronic means.
- Schoenmaker, D., 2017. The UK financial sector and EU Integration after Brexit: The issue of passporting. In *The Economics of UK-EU Relations* (pp. 119-138). Palgrave Macmillan, Cham.
- Seyfang, G. and Gilbert-Squires, A., 2019. Move your money? Sustainability transitions in regimes and practices in the UK retail banking sector. *Ecological economics*, 156, pp.224-235.
- Venturelli, A., Cosma, S. and Leopizzi, R., 2018. Stakeholder engagement: An evaluation of European banks. *Corporate Social Responsibility and Environmental Management*, 25(4), pp.690-703.
- Warsh, K., 2014. *Transparency and the Bank of England's Monetary Policy Committee*. London: Bank of England.

Yekini, K.C., Adelopo, I. and Adegbite, E., 2017, September. The impact of community expectations on corporate community involvement disclosures in the UK. In *Accounting Forum* (Vol. 41, No. 3, pp. 234-252). No longer published by Elsevier.