The Effect of Corporate Risk Disclosure on Firm Value: An Empirical Study

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Abstract

The study aims to determine the effect of corporate risk disclosure on firm value. A content analysis was used based on a sample of the annual reports of the non-financial listed companies on EGX 100 index. We found that risk disclosure level has a weak significantly negative effect on firm value. Leverage has a significantly negative effect on firm value but profitability has a positive effect on firm value. Firm size, liquidity and industry type has no effect on interpretation of firm value in terms of risk disclosure level.

Keywords: Corporate Risk Disclosure - Firm Value - Content analysis.

1) Research problem

In response to feedback received by the International Accounting Standards Board in 2013 at its public Discussion Forum on Financial Reporting Disclosure to improve the disclosure of financial information and feedback received through its 2015 Agenda Consultation; the International Accounting Standards Board (the Board) plans to focus on projects that will improve communication in financial reporting (IASB 2017).

In 2017, a discussion Paper "Disclosure Initiative - Principles of Disclosure" was published by the International Accounting Standards Board (the Board) for comment only due to some reasons: help entities apply better judgments and communicate information more effectively; improve the effectiveness of disclosures for the primary users of financial statements; and Assist the Board to improve disclosure requirements in Standards. This disclosure initiative discussed disclosure problem which is (Not enough relevant information, irrelevant information and Ineffective communication of the information provided) and discussed improving disclosure.

Compared with other disclosure types, the risk disclosure literature suffers from a shortage in studies that examine the corporate governance mechanisms of risk disclosure, particularly in developing countries (Ntim et al., (2013), Mokhtar and Mellett (2013), Moumen et al. (2015), Ibrahim et al., (2019) and Salem et al., (2019).

Improving financial reporting is so necessary to increase the confidence of users of financial statements, enable them to predict the future firms' performance and fair assessment of firm value, So, Some accounting literature (e.g., Miihkinen (2013), Campbell et al., (2014) emerged that the disclosure is one of the factors that affects the firm value and emphasized the importance of the risk disclosure to fulfill the demand of their stakeholders to assess the company's risk profile and the firm market value (Campbell et al., (2014) and Salem et al., (2019).

Previous research in risk disclosure focused on risk disclosure nature, usefulness and determinants but there are little studies about the effect of risk disclosure and governance mechanisms on firm value generally and specially in Egypt. Up to my knowledge, there is no study tested the effect of corporate risk disclosure types on firm value.

In Egypt, there were little professional efforts related to risk disclosure such as standard (7) "following events after the budget date" and standard (13) "The effects of changes in foreign exchange rates" concentrated on foreign exchange rates only.

Standards (25) and (26) "financial instruments" and finally the modified standard (40) "financial instruments – disclosures" concentrated on risks disclosures about financial instruments. These standards did not obligate disclosure explicitly about all risks

- except financial risk about financial instruments; these risks are (Market risks / Credit risks / Liquidity risks / Cash flow interest rate risk).

- Egyptian Code of Corporate Governance (2016) indicates that risk management committee shall be made up of independent and non-executive members of the Board of Directors, the managing director, manager of the risk management department, or any executive managers may be invited to the committee's meetings, where appropriate, this committee is responsible for:

1) Setting executive frameworks, measures and rules approved by the Board, as necessary for addressing different types of risks that may face the company.
2) Assisting the Board of Directors to identify and evaluate the company's risk appetite and ensuring that the company does not overstep those limits.
3) Supervising and checking the effectiveness of risk management in performing the tasks.
4) Preparing a periodic report on its outcomes and recommendations for submission to the Board of Directors to take the necessary action.

The Egyptian Capital Market law number 95 in 1992 item number (6) stated that: Firms must disclose the essential events which firm faces and affect its activities, While Egyptian listing rules did not indicate any thing about risk disclosure.

Also, there were little academic efforts about risk disclosure in Egypt, Mokhtar and Mellett (2013) measured the extent of mandatory and voluntary risk reporting and investigate the impact of competition, corporate governance and ownership structure on risk reporting practices in annual reports of Egyptian companies and (Khalil & Maghraby (2017) examined the determinants of corporate risk disclosure CRD in the internet reporting for a sample of Egyptian listed companies on the Egyptian Stock Exchange EGX. There is no study in Egypt investigated the relationship between risk disclosure and firm value. **Thus, the current research gap is indicated in the shortage of studies about the effect of risk disclosure on firm value. So, the current research tries to examine the effect of corporate risk disclosure on firm value in the Non-Financial companies listed on EGX 100 during the period 2011 to 2016.**

2) Research objectives:

The main objective of the study is determining the effect of corporate risk disclosure on Firm value on Non-Financial companies listed on EGX 100 Index; it have two sub-objectives:

First: Measuring corporate risk disclosure level

Second: Measuring the effect of corporate risk disclosure level on firm value.

3) Research importance:

The study focuses on corporate risk disclosure and its effect on firm value for two reasons:

First: The prior studies (e.g., Beretta and Bozzolan (2004), Kravet & Muslu (2013), Abraham and Shrives (2014), Elshandidy and Neri (2015), discussed the usefulness and benefits of corporate risk disclosure, There are few studies about the effect of risk disclosure and governance mechanisms on firm value in developing countries and specially in Egypt and prior studies focused on risk disclosure nature, usefulness and determinants.

Second: The research provides the analysts with the most important factors which affect the firm value and the most risk disclosure type which affect the firm value which help them to assess the real value of the firm.

4) Research Question:

"To what extent the corporate risk disclosure affects the firm value in the Egyptian environment?" There are some sub-questions from this question:

- Do the Egyptian companies listed on the Egyptian Stock Exchange on EGX 100 index are in equal degree in risk disclosure level?
- What are the determinants of corporate risk disclosure in Egypt?
- Which risk disclosure type has the most significant effect on firm value?

5) Research Scope:

1. Measuring risk disclosure level. Risks won't be measured.
2. Measuring the effect of the corporate risk disclosure level on firm value of non-financial listed companies in EGX from 2011 to 2016.
3. The firm characteristics used are (Firm size, Profitability, Liquidity, Industry Type and Leverage).

6) Literature review and hypothesis development:

6.1 The nature and usefulness of risk disclosure:

Linsley and Shrives (2000) assessed the merits and demerits of risk disclosure in annual reports both for enterprise and investor point of view carried out voluntarily in the UK. Findings prove that the voluntary disclosure level was inadequate that there needs to be sound regulations in place for risk disclosure.

Beretta and Bozzolan (2004) developed a framework for the analysis of risk communication and an index to measure the quality of risk disclosure in a sample of nonfinancial Italian companies. Results show that the index of disclosure quantity is not influenced either by size or industry.

Lajili and Zéghal (2005) examined risk information disclosures in Canadian annual reports to provide insights into the current risk disclosure environment, its characteristics and the analytical usefulness of the information disclosed to the firm's stakeholders among

Canadian firms based on annual reports. Results showed a high degree of risk disclosure intensity reflecting both mandatory and voluntary risk management disclosures and lack uniformity, clarity and quantification.

Deumes (2008) examined whether companies report risk-relevant information to prospective investors in Dutch firms. Results support the view that prospectuses of Dutch companies provide adequate information about material investment risks.

Uddin and Hassan (2011) Investigating the effect of risk disclosure on uncertainty of investment and market risk in UAE companies listed in the Dubai and Abu Dhabi stock exchanges. More disclosure of risk information may increase uncertainty of investment but with more information investors can effectively diversity their portfolio to minimize the level of market risk.

Kravet & Muslu (2013) examined the association between changes in companies' textual risk disclosures in 10-K filings and changes in stock market and analyst activity around the filings. The result revealed that annual increases in risk disclosures are associated with increased stock return volatility and trading volume around and after the filings and the textual risk disclosures increase investors' risk perceptions. These results lend support for critics' arguments that firm-level risk disclosures are more likely to be boilerplate.

Riley and Taylor (2014) examined the effect of the Risk Disclosure Readability on the Investors and searching for a solution for improving communication of complex information to users. Readability significantly influences investors' perceptions of probability and size of loss, economic worry and overall risk. Further, these effects interact with type of risk factor. Readability does not appear to influence investment decisions or perception of management credibility. Investors report that they do not use item 1a risk factors in their investment analyses in practice. Results suggest that this area needs further research before future mandates for plain English and risk factor disclosures are enacted.

Abraham and Shrives (2014) developed a model for assessing the quality of risk disclosures and applies the proposed model to four companies in the food production and processing sector. Company managers prefer providing disclosures that are symbolic rather than substantive. They argue that institutional factors and proprietary costs contribute towards and can explain this behavior. Findings highlight the role that stakeholders including managers, users, regulators and auditors can play in improving the quality of risk reporting.

Papa (2016) performed a quantitative and qualitative analysis of risk reporting within IPO prospectuses for a sample of six manufacturing and six information technology IT Italian companies. Finding show that external risks are stated while other sources of risks

are neglected. Qualitative risk disclosure was more prominent compared to quantitative risk.

Au (2017) In USA, using text analysis and categorizing risk disclosure in 10-K filings into four main categories: aggregate, idiosyncratic, systematic and other risks form 2005 and 2008. These results uncover a new factor that affects future innovation activity -disclosure of risk- and has implications for how policy makers can spur firm innovation.

The financial risk disclosure and non-financial risk disclosure is voluntary in Egypt except the risks for financial instruments it's mandatory, so the risk disclosure may vary from a company to other and the risk disclosure also differ according to four quality variables: risk disclosure categories (Financial risks, Non-financial risks), News timeframe (future, past); the nature of evidence (Qualitative versus Quantitative) and the type of news (Bad, Good, neutral) so the hypothesis is: ***The companies listed on EGX 100 index are not in Equal degree of risk disclosure.***

6.2 Firm value and risk disclosure:

Hassan et al., (2009) examined the value of voluntary and mandatory disclosure in a market that applies International Accounting Standards IAS with limited penalties for non-compliance. Results revealed a highly significant but negative relationship with firm value. The voluntary disclosure has a positive but insignificant association with firm value. This lack of statistical significance supports the view that there is a complex interplay of different factors determining the relationship between disclosure and firm value.

Siagian et al. (2013) investigated whether corporate governance practices and the quality of reporting are associated with firm value for public firms in Indonesia. Results revealed positive associations between corporate governance and different proxies of firm value. These findings suggest that firms that implement better corporate governance have higher values. There is a negative association between reporting quality and the proxies for firm value. These findings indicate that lower value firms tend to disclose more information than higher value firms.

Mouselli and Hussainey (2014) examined the impact of a firm's corporate governance mechanisms on the number of financial analysts following UK firms .Results revealed that after Examined the joint effect of both corporate governance quality and the number of analysts following on firm value, we find no significant effect for both variables on firm value.

Campbell et al. (2014) Examined the information content of the newly created section after year 2005 Form 10-K. Findings revealed that firms facing greater risk disclose more risk factors and that the type of risk the firm faces determines whether it devotes a greater portion of its disclosures towards describing that risk type that means managers provide risk factor disclosures that meaningfully reflect the risks they face. The

information conveyed by risk factor disclosures is reflected in systematic risk, idiosyncratic risk, information asymmetry and firm value.

Moumen et al., (2015) examined whether voluntary risk disclosure in the annual report contains value-relevant information for investors to predict future earnings using a large-scale sample firms from MENA emerging markets. The positive association provides with the first empirical evidence of the usefulness of risk disclosure in annual reports. Second, the level of proprietary costs tends to moderate the perceived relevance of risk information.

Ibrahim and Hussainey (2019) Measured RD score from different perspectives on a sample of 150 annual reports of UK firms during 2005 – 2015, formulates new keywords lists, measures. Results show a positive and significant relationship between all the RD scores and the market firm value at 1%.

Kamaruzaman et al., (2019) examined the relationship between ownership structure namely, managerial ownership, institutional ownership, family ownership and corporate risk disclosure. This study also examines the relationship between corporate risk disclosure and firm value of public companies listed in Malaysia. Using content analysis on the annual reports of 200 top public listed firms over a two-year period. The study shows that institutional ownership influences corporate risk disclosure. This study also shows that corporate risk disclosure influences firm value but in a negative way.

Prior studies about risk disclosure and firm value were done in (USA, Malaysia, UK), No study was done in Egypt. In Egypt, Hassan et al., (2009) found that mandatory disclosure has a highly significant but negative relationship with firm value but voluntary disclosure has a positive but insignificant association with firm value. *Campell et al., (2014) and Kamaruzaman (2019) found a negative relationship between risk disclosure and with firm value;* Campell et al., (2014) Examined the information content of the newly created section after year 2005 Form 10-K, they found a negative relationship between risk disclosure and with firm value. Kamaruzaman et al., (2019) examined the relationship between ownership structure (managerial ownership, institutional ownership, family ownership) and corporate risk disclosure, then examined the relationship between corporate risk disclosure and firm value. They found that there is a significantly negative relationship between corporate risk disclosure and firm value. Ibrahim and Hussainey (2019) found positive and significant relationship between all the risk disclosure and market firm value.

Based on the results of previous research, it can be *hypothesized that: **There is a significant negative relationship between corporate risk disclosure level and firm value.***

7 Research design and sample selection procedure:

7.1 Sample Selection and data collection:

The sample used in this study represents the Non-Financial companies listed on EGX 100 index from 2011 to 2016 and includes the companies which continued on EGX 100 index, the companies which get out from the EGX 100 for one year were excluded. The data were collected from Egypt for Information Dissemination company (EGID).

Table (1): The sample companies:

	Type of industry	Number of Companies
1	Food and Beverage	6
2	Oil and Gas	1
3	Basic Resources	3
4	Industrial Goods and Services and Automobiles	4
5	Chemicals	2
6	Travel & Leisure	1
7	Real Estate	5
8	Construction and Materials	1
	Total	23

7.2 Control Variables:

Many variables have been used in empirical literature to explain the determinants of risk disclosure including firm characteristics (e.g., Firm size, Profitability). To assess the effect of some variables on risk disclosure, it is necessary to have a sufficiently large number of studies that have empirically addressed relationship between these variables and risk disclosure. Five control variables of firm characteristics (Firm size, Profitability, Liquidity, Industry type and Leverage) were used in this research.

7.2.1 Firm size

Firm Size is a very important factor that affect disclosure level and has been used in many risk disclosures studies. A lot of studies found a positive relationship between firm size and risk disclosure (e.g. Linsley and Shrives (2006), Abraham and Cox (2007).

7.2.2 Profitability:

Profitability is another factor that may affect risk disclosure levels, some studies found a positive relationship between profitability and disclosure (e.g. Haniffa and Cooke (2002) and Ibrahim et al., (2019) found a positive significant association

7.2.3 Liquidity

Firm liquidity information is an important for many parties, such as regulatory bodies, shareholders, debt holders (lenders), investors and governmental agencies interested in firm's going concern, Elshandidy and Neri (2015) found a positive relationship.

7.2.4 Industry type:

The industry type also can influence the corporate disclosure, some studies found a positive relationship between industry type and risk disclosure such as (e.g. Abraham and Cox (2007) and Elzahar and Hussainey (2012).

7.2.5 Leverage:

Leverage also can influence the corporate disclosure, some studies found a relationship between leverage and risk disclosure such as Madrigal et al., (2015) and Abdallah et al., (2015).

7.3 Variable Coding and Measurement:

Table (2)

Symbol	Abbreviation	Variable	Measurement
Independents Variables:			
X1	RDL	Risk disclosure Level	Number of risks sentences at the annual reports by content analysis
X21	BSize	Board Size	The number of board of directors
X22	AC	Audit committee	The number of audit committee
Controlling Variables:			
C11	FSize	Firm size	Natural logarithm of total assets
C12	Prof	Profitability	Natural logarithm of return on equity
C13	Liq	Liquidity	Current Ratio = Current assets divided by current liabilities
C14	Indus	Industry type	dummy variable from 1 to 8 at the sector type (number (1) for Food and Beverage companies, number (2) for Oil and Gas companies, number (3) for Basic Resources companies, number (4) for Industrial Goods and Services and Automobiles companies, number (5) for Chemicals companies, number (6) for Travel & Leisure companies, number (7) for Real Estate companies and number (8) for Construction and Materials companies
C15	Lev	Leverage	Total debit divided by Common Equity
Dependent Variable:			
Y	FV	Firm value	Tobin's Q=((Total debt + market value of equity) / book value of total assets.

7.4 Measuring the risk disclosure level:

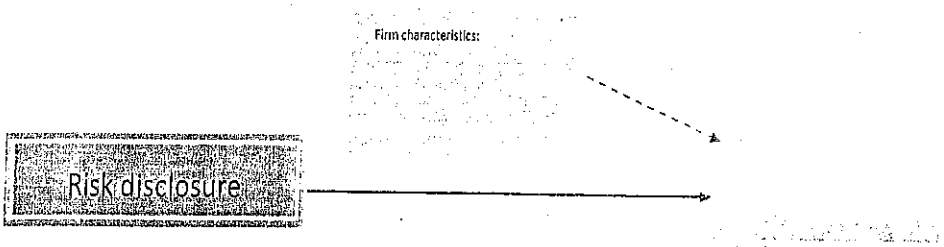
In this study, a content analysis was used to measure the risk disclosure level in the annual report. Content analysis is a method of analyzing and categorizing items of texts and documents and can be used where a large amount of qualitative data needs analyzing, Content analysis helps to code texts which are measured by words, sentences or other types of measurement technique.

A (sentences number) was used as a unit of analysis in this study because the sentence is the smallest integrated unit of text that communicate an idea (more

meaningfully than words) and using sentences avoids multiple counting of the same risk-related information (Kravet and Muslu (2013).

7.5 Research Framework of the Study:

Figure (1)



7.6 Empirical Model:

Relationship between Risk disclosure level and firm value

To test second hypothesis ***"There is a significant negative relationship between corporate risk disclosure level and firm value"***, the following regression model was used:
Firm value = constant + Risk disclosure level + Firm size + Profitability + Liquidity + Industry type + Leverage+ e

7.7 Statistical methods used:

To achieve the objectives of the study and test the hypotheses, data were analyzed using Statistical Package for the Social Sciences (SPSS V.20).

Descriptive Analysis:

The Descriptive statistics is employed in description of data. It consists of the minimum, maximum, mean and standard deviation.

Correlation:

After descriptive statistics analysis, the correlation among the variables is shown by Pearson correlation. This explains the degree of linear association between two variables and ranges from +1 to -1, where a correlation of ±1 means that there is a perfect linear relationship between the variables.

Stepwise Regression:

A stepwise regression is a statistical technique that measures and describes the effect of two or more independent variables on a dependent variable. The stepwise regression is used to test the effect of corporate risk disclosure determinants and risk disclosure level on firm value.

8 Findings and discussion:

8.1 The Descriptive statistics:

The Descriptive statistics are employed for the description of the distribution and scores of data. It involves the minimum, maximum, mean and Standard deviation.
The results of content analysis for risk disclosure types among EGX 100 companies for the period of 2011-2016

Table (3): Descriptive Statistics for risk disclosure types

		N	Minimum	Maximum	Mean	Std. Deviation
X1	Risk disclosure level	144	0	35	8.92	8.398
X21	Board Size	144	5	17	9	2.893
X22	Audit committee	144	2	10	4	1.342
Y	Firm Value	144	0.19	8	1.22	1.131
C11	Firm size	144	5	8	6.24	.838
C12	Profitability	144	-313-	50	6.58	30.311
C13	Liquidity	144	0.34	33	2.57	4.029
C14	Industry type	144	1	9	4.21	2.525
C15	Leverage	144	-275-	534	48.31	82.458

The mean and standard deviation were employed in this study to evaluate central tendency of the variable. The mean value has been employed to find the trend of risk disclosure for the period of 2011-2016, which developed by its categories and dimensions.

The Minimum of all risk disclosure level is (0) sentence and the Maximum is (35) sentences and the mean of risk disclosure level is (8.96) sentence. These numbers are very low comparing to Linsley & Shrives (2006) which the Minimum of all risk disclosure type is (20) the Maximum is (275) and the mean is (78.08) sentence. But it is more than the mean of risk disclosure of Mokhtar (2010) which is (7.85).

The minimum of board Size is (5) members, the maximum is (17), estimated mean is (9) and the mean is (9) members. These results may agree with Allini et al., (2014) board's mean is (11) and Allini et al., (2016) board's mean is (10) and Alkurdi et al., (2019) is (10) members that means that the board size in Egypt like the boards in other countries. This number is more than the number of the mean of (Mokhtar and Mellett (2013) which applied in Egypt and the mean is (8) members.

The minimum of Audit committee is (2) members, the maximum is (10) and mean is (4), it is lower than Alkurdi et al., (2019) which the mean of the Audit committee member is (6).

The minimum of Firm Value is (0.19) and the maximum is (8) and estimated mean is (1.22), this number is more than Mouselli and Hussainey (2014) which the mean is (0.501) but lower than Kamaruzaman et al., (2019) the mean is (2.044).

The minimum of Firm size is (5) and the maximum is (8) and estimated mean is (6.24) it is lower than Alkurdi et al., (2019) which the mean of Firm size is (9.22)

The minimum of profitability is (-0.313-) and the maximum is (50) and estimated mean is (6.58) and that lower than Allini et al., (2016) which the mean is (12) and lower than Alkurdi et al., (2019) which the mean of profitability is (9.48).

The minimum of liquidity is (0.34) and the maximum is (33) and estimated mean is (2.57) it is more than Elshandidy and Neri (2015) which the mean in (0.65) in UK and (1.14) in Italy.

The industry type, the dummy variable represents (1) for financial sector and (0) for non-financial sector) Hassan (2009), but this study has a dummy variable from 1 to 8 at the sector type because there are (8) sectors used in this study.

The minimum of Leverage is (-275-) and the maximum is (534) and estimated mean is (48.31) it's lower than (Allini et al., (2016) which the mean is (0.60) and lower than (Alkurdi et al., (2019) which the mean is (0.82).

8.2 Risk disclosure level and Firm value:

Table (4): Correlation between RDL and FV

Symbol	Variable	R	R Square	Adjusted R Square	Sig. (2-tailed)
X1	Risk disclosure level	-0.375-**	0.141	0.135	.000
C15	Leverage	0.158	0.020	0.013	.064
C12	Profitability	-0.141-	0.025	0.018	.100

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Table (5): Stepwise Regression between RDL and FV

Symbol	Variable	Constant	coefficient	Std. Error of the Estimate	Sig.
X1	Risk disclosure level	1.795	-0.053-	0.011	0.000
C15	Leverage		-0.003-	0.001	0.019
C12	Profitability		0.007	0.003	0.022

The regression model is:

The regression model is: Y= 1.795- 0.053 X1 – 0.003 C15 +0.007 C12

Where (Y: firm value) and (X11: Risk disclosure level, C15: Leverage and C12: profitability

This model indicates that risk disclosure level has a significantly negative effect on firm value, whenever the Risk disclosure level increases with one unit the firm value decreases with (-0.053) with statistical significance level 1%, so the hypothesis will be

accepted: (***There is a significant negative relationship between corporate risk disclosure level and firm value***). and this result agree with Hassan et al., (2009), Garay et al., (2013), Siagian et al., (2013), Elzahar et al., (2015) which found a negative relationship between disclosure and firm value. This result also agrees with Miihkinen (2013) which stated that the impact of information risk on firm value is always negative and also agree Kamaruzaman et al., (2019) which found that there is a significantly negative relationship between corporate risk disclosure and firm value.

This model also indicates that leverage has a negative effect on firm value, whenever the leverage increases with one unit, interpretation of firm value by risk disclosure level decreases with (0.003) with statistical significance level 5%, the result does not agree with Kodongo et al., (2015) which found that leverage has no effect on firm value and Cheng and Tzeng (2011) which found a positive effect on firm value, this model also refers that profitability has a positive effect on firm value, whenever the profitability increases with one unit, interpretation of firm value by risk disclosure level increases with (0.007) with statistical significance level 5%, that result agrees with Sucuahi and Cambarihan (2016) that profitability shows significant positive impact on the firm's value.

In addition, The model also indicates that there is no relationship between firm size and firm value, this result agrees with Setiadharma and Machali (2017) which stated that there is there is no direct or indirect effect of firm size on the firm value but Kodongo et al., (2015) found a positive insignificant relationship between firm size and firm value, The model also refers that there is no relationship between liquidity and firm value.

9 Conclusion

A content analysis was conducted to the annual reports of the Non-Financial companies listed on EGX 100 index to measure the level of corporate risk disclosure. Results have revealed that the Non-Financial companies listed on EGX 100 index are not equal in the degree of risk disclosure. The Financial risk disclosure sentences percentage is 89.65 % while the Non-Financial risk disclosure sentences percentage is 10.35 %.

Firm value is an economic measure that reflects the market value of the business. It is a measure of a company's total value. It has many measures in the literature review. A Tobin's q measure was used to measure firm value. The relationship between the Risk disclosure level and firm value has different results in the literature review. Risk disclosure level has a weak negative significant effect on firm value with statistical significance level 1%.

This model also refers that leverage has a negative effect on firm value, whenever the leverage increases with one unit, interpretation of firm value by risk disclosure level decreases with (0.003) with statistical significance level 5%.

This model also refers that profitability has a positive effect on firm value, whenever the profitability increases with one unit, interpretation of firm value by risk disclosure level increases with (0.007) with statistical significance level 5%. But firm size, liquidity and industry type has no effect on interpretation of firm value by risk disclosure level.

10 Recommendation and future avenues:

The risk disclosure in Non-Financial companies listed on EGX 100 is very weak. There was a (0) disclosure sentences in some companies. The main explanation is the lack of vision among managers about the risk disclosure, listing rules do not make the risk disclosure mandatory and costs associated with risk disclosure are more than benefits. The recommendations of the study are:

1) Developing the listing rules that requires the risk disclosure to be mandatory to assess the real value of the firm.
2) Developing the Egyptian Accounting standards by issuing a new special standard for risk disclosure.
3) Stakeholder should use profitability and leverage in order to reach to the real value of the firm in terms of risk disclosure level.
4) Universities should develop accounting education with adding the benefits of risk disclosure in curricula.

Future research should study the other economic consequences of risk disclosure.

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المستخلص:

استهدفت الدراسة تحديد تأثير الإفصاح عن مخاطر الشركات على قيمة الشركة. تم إجراء تحليل محتوى للتقارير المالية للشركات غير المالية المدرجة في مؤشر EGX 100 وذلك لقياس مستوى الإفصاح عن مخاطر الشركات واختبار تأثيرها على قيمة الشركة.

كشفت **النتائج** مستوى الإفصاح عن المخاطر له تأثير سلبي ضعيف على قيمة الشركة. الرافعة المالية لها تأثير سلبي على قيمة الشركة ولكن الربحية لها تأثير إيجابي على قيمة الشركة. ليس لحجم الشركة والسيولة ونوع الصناعة أي تأثير على القدرة التفسيرية لقيمة الشركة بدلالة مستوى الإفصاح عن المخاطر

الكلمات المفتاحية:

الإفصاح عن المخاطر – قيمة المنشأة – تحليل المحتوى