Indonesian Journal of Sustainability Accounting and Management
ISSN 2597–6214 | e–ISSN 2597–6222
http://unpas.id/index.php/ijsam
DOI: 10.28992/ijsam.v3i2.91

# Integrated Reporting Practice and Disclosure in Bangladesh's Banking Sectors

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**Abstract:** Integrated reporting (IR) is a new form of corporate reporting that has emerged after decades of calls by academics and practitioners for more holistic and integrated corporate reporting on the economic, environmental, and social aspects of business. The present research relied on a critical review of the literature on IR practices and sustainability reporting. Indexed journals were reviewed, and evidence was drawn upon to develop a model examining the possible determinants of IR in annual reports. To this end, reports from 20 different banks from 2012 to 2017 were considered. Analyzing the financial statements of these banks through their annual reports provided insightful disclosures concerning triple bottom lines (social, environmental, and economic); the findings of the study suggested that very few banks have taken initiatives to disclose such information in their annual reports. Using annual report content analysis, the findings showed that in 2017, companies started providing non-financial information regarding the environment, society, and governance along with financial figures. However, it is noteworthy that companies still provide this information in disconnected strands and as part of corporate governance or corporate social responsibility disclosures instead of linking such information to financial information and providing it within integrated reports.

**Keywords:** corporate disclosure, integrated reporting, sustainability reporting.

**Article info:** Received 12 May 2019 | revised 3 June 2019 | accepted 2 July 2019

**Recommended citation:** Mohammad, N. (2019). Integrated Reporting Practice and Disclosure in Bangladesh's Banking Sectors. *Indonesian Journal of Sustainability Accounting and Management*, *3*(2), 147–161. https://doi.org/10.28992/ijsam.v3i2.91.

## INTRODUCTION

The complexity of the business world has led to growing demands being made of companies regarding the information provided on their financial performance, management, corporate governance and sustainability record (Odoemelam & Okafor, 2018). In response, some leading companies have begun to publish integrated reporting in Bangladesh providing a coherent summary of this information, thus facilitating decision-taking by different stakeholders. Unlike financial statements, the document will include a mix of historical and prospective qualitative and quantitative data which gives rise to concerns about the validity and reliability of the report (Cohen & Simnett, 2015; Atkins & Maroun, 2015). While the International Integrated Reporting Council (IIRC) does not mandate the audit of an integrated report, it vests responsibility for high quality reporting with those charged with governance and states that the reliability of information is 'Enhanced by mechanisms such as robust internal control and reporting systems, stakeholder engagement, internal audit (or similar functions) and independent, external assurance'.

Past studies suggest that the practicing organizations' underlying motive behind their non-financial disclosures is to maximize their financial capital and profit. This argumentation is related with many conceptual theories in academic literature that seek to justify the rationale for integrated reporting. The agency theory, stewardship theory, institutional theory and legitimacy theory are involved for disclosing integrated and sustainability reporting (Adeniyi & Fadipe, 2018; Onyali & Okafor, 2019).

In the twentieth century, corporations were clearly distinguishing the difference between the ownership and control of wealth. The business owners were considered as principals as they employed executives (agents) to manage their firms. The executives acted as agents for the principals, and they were morally responsible to maximize their shareholders' wealth (i.e. the principals' wealth). The executives accepted their agents' status because they perceived the opportunity to maximize their own utility. The agency theory suggested that the company executives and their principals are motivated by opportunities for their own personal gain (Eisenhardt, 1989). Rightly so, the principals invest their wealth in profitable companies and will probably design governance systems in ways that will maximize their investments. On the other hand, agents accept the responsibility of managing their principals' undertakings to secure their employment prospects. However, at times, there may be divergences between the managers and their principals. There may be situations where the agents may feel constrained by their principals' imposed structures and controlling mechanisms (Davis et al., 1997). This matter may lead to unproductivity outcomes and could ultimately bring significant losses to the principals themselves.

The institutional theory clarifies how firms respond to their surrounding environments where they operate (Rokhmawati & Gunardi, 2017; Rokhmawati et al., 2017). Stakeholders including: governments, regulatory authorities, NGOs and other organizations within the supply chain can exert their influence on businesses. Organizations must conform to the institutional norms and rules that are prevailing in their operating environment. As a result, their compliance with the formal regulations will earn them legitimacy among stakeholders. In this case, CSR practice and its reporting rests on the dichotomy between the corporations' voluntary engagement and their socially binding responsibilities (Brammer et al., 2012). The fact that CSR disclosures remained a "voluntary" practice in many contexts is a clear reflection of the organizations' institutional context (Camilleri, 2015; Stacchezzini et al., 2016; de Villiers & Maroun, 2017). Numerous institutions have played a dynamic role, both individually and collectively in the development of integrated reporting (Jackson & Apostolakou, 2010; Jensen & Berg, 2012; Ghani et al., 2018).

Institutional theory and legitimacy theory can delineate the reasons behind the adoption of integrated reporting. As of Stakeholder theory, companies are not only liable to their owners or shareholders but also accountable to the stakeholders who have specific interests in the companies (Freeman, 1984). Companies, whose primary motive is to earn the profit for the shareholders, are required to perform the social responsibility of meeting the legitimate interests and needs of different parties (stakeholders). The practices of voluntary disclosures by the companies to sustain the positive relationship with the stakeholders and to gain support for its strategy demonstrates stakeholder theory (Magnaghi & Aprile, 2014). Legitimacy theory on the IR theories' list, especially from the perspective of stakeholders' legitimacy (de Villiers & van Staden, 2006; Bebbington & Larrinaga, 2014). Carnegie & Napier (2010) explain the relevance of the legitimacy theory in connection to stakeholders' needs and expectations, as not only investors are affected by the activity of the organization, because the main client of the company is the "society as a whole" (Barone et al., 2000; de Villiers & van Staden, 2006; Carnegie & Napier, 2010).

Corporate reporting seeks to communicate a company's performance to its stakeholders. Voluntary disclosure, a part of this communication process, has grown exponentially over the last two decades (Kolk, 2008) and has become a key issue for regulators, accountants and researchers. To facilitate a holistic understanding of the different types of information disclosed, some companies publish IRs to demonstrate the use and interdependence of their different resources (financial, productive, human, intellectual, social, or natural) and the outcomes of their activities (products and services, effects on the environment, social outcomes, and so forth). Voluntary disclosures can become a strategic decision where the board of directors formulates policies and monitors organizational activities and their disclosure, while the senior management carries out formulated policies that generate organizational activities. As organizational activities are shaped by the organizational content (e.g. products, services, markets, and ideals) and organizational context (e.g. organizational characteristics and the environment in which the organization conducts its affairs), the appropriateness of voluntary disclosure becomes a matter of inquiry adjudicated by the intentions of the board of directors (Abeysekera, 2008), strategically deciding which disclosures are appropriate to stakeholders and faithfully represent organizational activities, rather than making disclosures neutrally based on a set of rules (Westley & Mintzberg, 1989). The strategic thinking of the board, organizational intent, and the operational activities undertaken by the senior management, disclosing activities to faithfully represent the organization to stakeholders, are cornerstones in combining accountability and reporting transparency of activities which are of monetary and non-monetary nature.

The integration of financial and sustainability information is a fairly new phenomenon in the overall development of sustainability-related disclosure (Fifka, 2013; Hahn & Kühnen, 2013). Earlier literature began by describing the connection of financial with non-financial information and proponents of integrated reporting often call for a more holistic view on companies (e.g. Yongvanich & Guthrie, 2006). In this regard, terms such as 'triple-bottom-line reporting' arose in order to describe such an integrated perspective (Archel et al., 2008; Kent & Monem, 2008; Skouloudis et al., 2010).

The impact and validity of the proposed benefits of integrated reporting remain ambiguous, and only a few studies have hitherto attempted to assess the costs and benefits of integrated reporting. Azam et al. (2011) described how integrating financial and non-financial information could improve, for example, stakeholder trust, reputation, and customer loyalty. More specifically, Serafeim (2015) concluded that firms adopting integrated reporting are associated with more long-term-oriented and fewer transient investors. Similarly, Churet & Eccles (2014) described the positive effect of integrated reporting on the effectiveness of sustainability management, thus creating long-term firm value. In contrast, Maniora (2017) indicated that companies do not benefit in terms of economic and sustainability performance by switching from stand-alone non-financial reports to integrated reports. In summary, the few studies on the effects of integrated reporting have yielded heterogeneous results.

As Stubbs & Higgins (2014) assert, the IR is not a 'radical innovation'. However, significant change is occurring in corporate reporting. Little is known about this new way of reporting, which opens paths to new research (Cheng et al., 2014; Adams, 2015; Simnett & Huggins, 2015). It is particularly significant to consider the determinants that affect the decision to issue an IR.

Finally, there is a growing body of experimental research on aspects of non-financial reporting that tackles the different aspects of individual decision-making inspiring the present study. Ghosh & Wu (2012) confirmed in their experiment that both financial and non-financial information are generally used by analysts when making financial judgments (a similar finding was reported by Alwert et al., 2009). Further experiments indicate that the use and impact of sustainability-related information can vary according to cross-national determinants (Smith et al., 2010), the qualitative and quantitative nature of the given information (Rikhardsson & Holm, 2008), the disclosing entity (Reimsbach & Hahn, 2015), or the type of media used (Cho et al., 2009).

Previous studies discussed about the benefits of IR in international perspective, sustainability in developed countries but this research mainly focused on developing countries. Corporate reporting in banking sectors is still good but recent scandals create burning questions about corporate image. To mitigate this weakness, IR plays a vital role towards stakeholders. Since integrated reporting is still voluntary in Bangladesh, but the recent annual report shows the movement of presenting non-financial information in the annual report. Institute of Chartered Accountants of Bangladesh (ICAB) has issued some guidelines in the form of checklist to specify the areas of reporting which helps organizations to identity organization overview and environment, governance, stakeholder relationships etc. The policy and practice relating to the assurance of the integrated report is material for disclosing the financial and nonfinancial information.

In Bangladesh, IR has been not made mandatory yet. But few companies have attempted to shift from traditional reporting apprehending the benefits of all the stakeholders as well as for creating the robust impression of it among the stakeholders. Recently, ICAB has issued a checklist concentrating on the content elements suggested by IIRC in its International Framework. So, this study considers the annual reports of banks since information are readily available for banks as compared to other sectors. So, in this study IR checklists are taken into consideration issued by ICAB whether the listed companies are disclosing integrated reports properly than traditional financial reports. 20 banks are taken into consideration listed in Dhaka Stock Exchanges. Data are collected in from the annual reports from last six years. Research findings show that the very few banks started initiatives to disclose the social, environmental information. Finally, some guidelines are provided to formulate the conceptual framework to regulatory authorities.

Banks play a vital role in the modern economy. In terms of corporate reporting, information is readily available in the annual reports. The aim of this study is to identify the compliance status of twenty listed banks in their annual reports whether they disclose the financial and non-financial information or not in the form of integrated reports or not. In Bangladesh still integrated reporting is voluntary, how much information is disclosed separately by banks is needed for faithful representations. The primary purpose of an integrated report is to explain to providers of financial capital how an organization creates value over time.

## METHODS

Most of the banks in Bangladesh present their sustainability report and integrated report separately in their annual report. Also, some banks just report sustainability report only. For this reason, the data are analyzed initially on the basis of sustainability and then integrated reporting.

Here data are mainly collected from annual report from twenty listed banks in Bangladesh from 2012 to 2017. Total 20 banks (out of 59) were selected randomly listed in Dhaka Stock Exchange. This study considers the guidelines issued by the ICAB in the form of 'Integrated Reporting Checklist'. This included discussions on how risk assessments should be framed, the type of procedures performed and the nature of any non-financial information given on an integrated report. At first, we traced the sustainability reporting indexes under Global Reporting Initiative (GRI) guidelines and then integrated reporting checklist under IIRC to verify whether they comply those components of reporting or not.

The concept of integrated reporting is elementary. Generally Bangladeshi companies are adopting this because of their tendency to be transparent to all of the stakeholders and their desire to legitimate their operations. The first integrated report has been produced in 2015 in Bangladesh following the issue of an integrated reporting checklist by ICAB taking into account the content elements suggested in the IR framework. Since banks are presenting their information in the form of integrated reporting and sustainability reporting separately. The focus of this research is to find out the reporting environment in banks in the form of sustainability reporting first and then integrated reporting later.

**Table 1 GRI Guidelines for Sustainability Reporting**

| Category | Economic | | Environmental | |
|---|---|---|---|---|
| Aspects | • Economic performance<br>• Market presence<br>• Indirect economic aspects<br>• Procurements practices | | • Materials<br>• Energy<br>• Water<br>• Biodiversity<br>• Emissions<br>• Effluents and waste<br>• Products and services<br>• Compliance<br>• Supplier environmental assessment<br>• Environmental mechanisms | |
| Category | Social | | | |
| Subcategories | Labor practice and Decent work | Human Rights | Society | Product Responsibility |
| Aspects | • Employment | • Investment | • Local communities | • Customer health and safety |
| | • Labor management relation | • Nondiscrimination | • Anticorruption | • Product and service leveling |
| | • Occupational health and safety | • Freedom of association and collective bargaining | • Public policy | • Market communications |
| | • Training and education | • Child labor | • Anticompetitive behavior | • Customer privacy |
| | • Diversity and equal opportunity | • Forced or compulsory labor | • Compliance | • Compliance |
| | • Equal remuneration for men and women | • Security practices | • Supplier assessment for impacts in society | |
| | • Supplier assessment for labor and practice | • Indigenous rights | | |
| | • Labor practice Grievance mechanism | • Assessment | | |
| | | • Supplier human rights assessment | | |
| | | • Human rights Grievance mechanism | | |

Source: GRI (2013)

According to Global Reporting Initiative (GRI) guidelines the following aspects of sustainability reporting must be taken into consideration. Here it is important to discuss sustainability reporting because sustainability reporting has now become a mainstream activity among the financial institutions globally, but most of the banks in Bangladesh are not practicing the reporting system known as Independent Sustainable Reporting (ISR). Sustainability reporting is a method of reporting as regards to economic, environmental and social performance of an organization. Each of the bank has to publish the reporting following the international standard of Global Reporting Initiative (GRI), but none except a few are abide by the rules. A survey of Bangladesh Institute of Bank Management (BIBM) disclosed the information at a seminar on "Sustainability Reporting Practice in Bangladeshi Banks" in 2017 The BIBM survey revealed that among 56 scheduled banks, only three – Bank Asia, Prime Bank and Mutual Trust Bank–published the sustainability report independently following the guidelines of GRI. The banks should follow GRI guidelines in annual reporting and should present it in AGM for review.

## RESULTS AND DISCUSSION

Research has shown that reporting influences behaviour. Integrated Reporting results in a broader explanation of performance than traditional reporting. It makes visible an organization's use of and dependence on different resources and relationships or "capitals" (financial, manufactured, human, intellectual, natural and social), and the organization's access to and impact on them. Reporting this information is critical to: a meaningful assessment of the long-term viability of the organization's business model and strategy; meeting the information needs of investors and other stakeholders; and ultimately, the effective allocation of scarce resources.

**Table 2 Integrated Reporting Checklist (IIRC Guidelines)**

| | | | |
|---|---|---|---|
| 1.1. | | Organization overview and external environment | Elements |
| | a. | Culture, ethics and value | Organizational overview, |
| | b. | Ownership and operating structure including size of the organization, location of its operations | business model. |
| | c. | Principal activities and markets | |
| | d. | Competitive and market positioning | |
| | e. | Position within value chain | |
| | f. | Key quantitative information: Include aspects of the legal, commercial, social, environmental and political context. | |
| 1.2. | | Governance | Corporate governance report, code of conduct and ethical guidelines. |
| | a. | Organizations leadership structure | |
| | b. | Mandatory and voluntary code of corporate governance | |
| | c. | Ethical conduct | |
| | d. | Culture | |
| | e. | Strategic directions | |
| | f. | Innovation | |
| | g. | Value creation | |
| 1.3. | | Stakeholder identification/relationships | Stakeholder engagement, stakeholders' information, human capital, capital planning and management, business model and value creation. |
| | | Capitals: | |
| | a. | Financial capital | |
| | b. | Manufacturing capital | |
| | c. | Intellectual capital | |
| | d. | Human capital | |
| | e. | Social and relationship capital | |
| | f. | Natural capital | |
| 1.4. | | Business Model | |
| | a. | Inputs | |

| | | | |
|---|---|---|---|
| | b. | Business activities | Business model and value creation, our products and services, business review, external environment. |
| | c. | Outputs | |
| | d. | Outcomes | |
| 1.5. | | Performance | Financial highlights, directors' report, horizontal and vertical analysis, financial review, business review, sustainability report, NPL management, human resources accounting, stakeholder engagement. |
| | a. | Qualitative indicators | |
| | b. | Effect on capital | |
| | c. | Key stakeholder relationships | |
| | d. | Linkage between past and present performance | |
| 1.6. | | Risk, opportunities and internal control | Risk management, external environment, business review, corporate governance. |
| | a. | Source of risk and opportunities | |
| | b. | Risk management report | |
| | c. | Internal control and boards responsibility | |
| 1.7. | | Strategy and resource allocation | Value creation for the stakeholders, strategic priority, business model, external environment, directors' report, value added statement, EVA, business model and value creation, review of the managing director and CEO, stakeholder engagement. |
| 1.8. | | Outlook | Business review, external environment, capital planning and management, chairman's statement, review of the managing director, directors' report, risk management. |
| 1.9. | | Basis of preparation and presentation | Scope and boundary of integrated annual report. |
| 2.0. | | Responsibility for an integrated report | Scope and boundary of integrated annual report. |
| 3.0. | | Other qualitative characteristics | |
| 3.1. | | Conciseness | An integrated report should be concise. |
| 3.2. | | Reliability and completeness | An integrated report should include all material matters, both positive and negative, in a balanced way and without material error. |
| 3.3. | | Consistency and comparability | The information in an integrated report should be presented: On a basis that is consistent over time in a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time. |
| 3.4. | | Connectivity of information | Interrelatedness and dependencies between the factors that affect the organization's ability to create value over time. |
| 3.5. | | Materiality | An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term. |
| 3.6. | | Assurance of the report | Scope and boundary of integrated annual report. |

In recent years, then, a belief has arisen in businesses and in society that reporting has a wider role than that expressed in the traditional 'stockholder/shareholder' perspective. Importantly, one need not hold to the 'deep green' end of the argument to hold these views: there are strategic reasons why a wider view of accountability may be held and, accordingly, why initiatives such as social, environmental and economic reporting may be supported. In this research we have developed this following checklist for integrated reporting (Table 2).

In this study we identified most of the banks started to disclose sustainability and integrated reporting from the year 2012 to 2017. From 2012-2015, very few banks include that information by incorporating in their annual report. Some banks separately disclosed sustainability and integrated reports in the annual report section, while others just disclose sustainability report. Corporate reporting has a significant and material effect on related parties, stakeholders and creditors. Some banks separately disclosed the sustainability and integrated reports. We chalked out the following reporting practices in the selected banks during our study.

**Table 3 Disclosure of Sustainability and Integrated Reporting**

| Bank Name | Sustainability Reporting (Social, Environmental, Economic) | Integrated Reporting |
|---|---|---|
| BRAC Bank | Summary of sustainability report, Report on going concern and CSR activities. | Scope, external assurance, responsibility over the integrity of the sustainability report. |
| Dutch Bangla Bank Limited | Measures taken by DBBL to maximize value for its stakeholders and to increase its contribution to the economy and society in a sustainable way. | Not found. |
| Standard Chartered Bank | Sustainability reporting is embedded across annual report. | Not found. |
| Mutual Trust Bank | Materiality, economic aspects, Indirect economic aspects, energy, emissions, employment, local communities and CSR, anticorruption, customer charter. | Not found. |
| Southeast Bank Limited | Sustainability appraisal. | Materiality, assurance approach, key drivers for value creation. |
| Prime Bank Limited | Sustainability report, social responsibility initiative, green banking, environmental and social initiatives. | Statement of value added and its distribution, EVA and MVA statement. |
| Islami Bank Bangladesh Ltd | Separately issue sustainability report. | Separately issue integrated report (financial inclusion, tackling financial crime, promoting sustainable finance, employer of choice, protecting environment). |
| City Bank | Not properly disclosed. | Not properly disclosed. |
| Eastern Bank Limited | Disclose sustainability report separately. | Disclose in the supplementary information of the annual report. |
| Mercantile Bank Limited | Provide sustainability report separately. | Value addition and distribution to economy, Financial inclusion, Protecting environment, |
| The Premier Bank | Social responsibility initiatives, environment related initiatives, Social obligations. | No report on integrated reporting. |
| United Commercial Bank Limited | Report on CSR and green banking in sustainability reporting. | No report on integrated reporting. |
| Bank Asia | Separate sustainability report to measure, disclose and be accountable to internal and external stakeholders in terms of governance, economic, environmental and social aspects. | Organizational overview, external environment, governance, stakeholder relationships, business model, performance, risk opportunities and internal control, outlook, basis of preparation, other qualitative characteristics. |

| | | |
|---|---|---|
| Dhaka Bank Limited | Corporate social responsibility reporting. | No information about integrated reporting. |
| IFIC Bank Limited | Corporate social responsibility and report on sustainable finance. | No report on integrated report. |
| Trust Bank Limited | Corporate social responsibility. | No information about integrated report. |
| Jamuna Bank Limited | The various aspects mentioned in the GRI guidelines and sector specific guidelines were evaluated and considered material based on their significance to business operations and to our stakeholders in accordance with the Global Reporting Guidelines. | Separately report financial statements, management commentary, governance reports, environmental and social impacts, and corporate communications. |
| AB Bank Limited | Corporate social responsibility report. | No information about integrated reporting. |
| NCC Bank Limited | Only corporate social responsibility report. | No information about integrated reporting. |
| National Bank Limited | Corporate social responsibility initiatives, environment related initiatives, environmental and social obligations. | No information about integrated reporting. |

This Table 4 showed that company-wise integrated reporting index indicates the level disclosures of the total possible items under all the eight content elements by each of the sample companies in each year. Actually, this index demonstrates the trend of disclosing the items related to integrated reporting by the sample companies over the time and answers the questions whether the companies are eventually going towards the integrated reporting. From organizational overview and external environment, there is a upward trend in disclosing those contents by most banking companies. All the companies have reported ownership and operating Structure, principal activities and markets, key quantitative information in their integrated or annual reports over all the selected years. Disclosures of all the items under governance have been increased over the years. It is important to note that, for the adoption of integrated reporting sample companies have started to report items i.e. reflection of culture, ethics and values on the capital, responsibility for promoting and enabling innovation from 2015. Outcomes and business activities are the two items under the business model which have been reported by all the sample companies from 2014 to 2017. Disclosure of specific risks and opportunities by the sample companies has been declined over the years. Among the reported companies, a tendency to present risks in the annual reports has been found more robust than reporting specific opportunities to them. Most of the reported companies have reported performance between past and current performance in the Financial Highlights, Message from Chairman, Director's Report, Managing Director's review, and supplementary information section of the annual reports. The total possible item of outlook elements has been disclosed properly. And finally reporting of items related to the basis of preparation and presentation has been increasing steadily. Some banks already consider those items from 2015 but others on the basis of preparation and presentation have been reported in 2014 while in 2015 to 2017 the sample companies have disclosed most of these items respectively. This denotes that the companies are heading toward reducing information asymmetry to a greater extent through adopting this which elicits how the company will create value in short and long term.

**Table 4 The Overall Findings**

<table>
<tr><th>Name of the Bank</th><th>Overview</th><th>Governance</th><th>Business Model</th><th>Risk and Opportunities</th><th>Strategy and Resource Allocation</th><th>Performance</th><th>Outlook</th><th>Basis of Preparation</th></tr>
<tr><td>BRAC Bank</td><td colspan="8">Disclosed all the items in the integrated report. They also report sustainability report separately.</td></tr>
<tr><td>Summary</td><td colspan="8">They have disclosed almost 90% of sustainability and integrated reporting in their annual report and considered as Outstanding.</td></tr>
<tr><td>Dutch Bangla Bank Ltd</td><td colspan="8">Disclosed organization overview and external environment, governance, risk and opportunities, business model. But they do not disclosed performance and outlook.</td></tr>
<tr><td>Summary</td><td colspan="8">They have satisfactory present information about sustainability and integrated reports.</td></tr>
<tr><td>Standard Chartered</td><td colspan="8">They disclosed basis of preparation and presentation, outlook, performance, business model but no separate sustainability report is found.</td></tr>
<tr><td>Summary</td><td colspan="8">They have presented good volume of information about integrated reports.</td></tr>
<tr><td>Mutual Trust Bank Ltd</td><td colspan="8">They disclosed organization overview, Governance, Performance, outlook, Risk opportunities but no information about business model, strategy and resource allocation.</td></tr>
<tr><td>Summary</td><td colspan="8">They have presented separately integrated and sustainability report and rated as good.</td></tr>
<tr><td>Southeast Bank Ltd</td><td colspan="8">Disclosed organizational overview and external environment, governance, business model performance but risk and opportunities, outlook, strategy and resource allocation are missing.</td></tr>
<tr><td>Summary</td><td colspan="8">Here a good number of information is presented in their annual reports.</td></tr>
<tr><td>Prime Bank Ltd</td><td colspan="8">They disclosed some components of integrated reporting but sustainability reporting is not presented in detailed.</td></tr>
<tr><td>Summary</td><td colspan="8">Prime bank satisfactorily present information in their annual reports.</td></tr>
<tr><td>Islami Bank Ltd</td><td colspan="8">They disclosed almost all the elements of sustainability and integrated reporting components.</td></tr>
<tr><td>Summary</td><td colspan="8">Islami Bank disclosed almost 80% of sustainability and integrated reporting in their annual report and considered as Outstanding.</td></tr>
<tr><td>City Bank Ltd</td><td colspan="8">No information about integrated reporting and sustainably reporting.</td></tr>
<tr><td>Summary</td><td colspan="8">Unsatisfactory.</td></tr>
<tr><td>Eastern Bank Ltd</td><td colspan="8">All the elements of sustainability and integrated reporting are presented.</td></tr>
<tr><td>Summary</td><td colspan="8">Eastern Bank disclosed almost 80% of sustainability and integrated reporting in their annual report and considered as Outstanding.</td></tr>
<tr><td>Merchantile Bank Ltd</td><td colspan="8">No information about integrated reporting and sustainably reporting.</td></tr>
<tr><td>Summary</td><td colspan="8">Unsatisfactory.</td></tr>
<tr><td>Premier Bank Ltd</td><td colspan="8">No information about integrated reporting but social, environmental and economic information is provided in sustainability report.</td></tr>
<tr><td>Summary</td><td colspan="8">Unsatisfactory.</td></tr>
<tr><td>United Commercial Bank</td><td colspan="8">No information about integrated reporting but CSR and green banking information is provided.</td></tr>
<tr><td>Summary</td><td colspan="8">Unsatisfactory.</td></tr>
<tr><td>Bank Asia</td><td colspan="8">Disclosed all the items in the integrated report. They also report sustainability report separately.</td></tr>
<tr><td>Summary</td><td colspan="8">Bank Asia presented almost 80% of sustainability and integrated reporting in their annual report and considered as Outstanding.</td></tr>
</table>

| | |
|---|---|
| Dhaka Bank Ltd | There is no separate information about integrated report but sustainability report is presented. |
| Summary | Unsatisfactory. |
| IFIC Bank Ltd | No information of integrated reporting but corporate social responsibility information is presented. |
| Summary | Unsatisfactory. |
| Trust Bank Ltd | There is no information about integrated reporting but sustainability report is present in the form of corporate social responsibility. |
| Summary | Unsatisfactory. |
| Jamuna Bank Ltd | Disclosed organization overview, external environment, governance, performance, basis for preparation but no information about strategy and resource allocation, risk opportunities. |
| Summary | A good volume of information is disclosed in the annual report. |
| AB Bank Ltd | There is no separate information about integrated reporting. Sustainability reporting is shown in the form of Corporate Social Responsibility. |
| Summary | Unsatisfactory. |
| NCC Bank Ltd | There is no separate information about integrated reporting. Sustainability reporting is shown in the form of corporate social responsibility |
| Summary | Unsatisfactory. |
| National Bank Ltd | There is no information about integrated reporting. Sustainability reporting is shown in the form of corporate social responsibility. |
| Summary | Unsatisfactory. |

This study is motivated by a need to provide empirical evidence substantiating the claimed benefits of IR, which is an emerging corporate disclosure approach that has been described by some as the 'future of corporate reporting' (IIRC). The significance of IR is evidenced by: the growing number of companies voluntarily producing integrated reports; the convening of multiple influential parties including investors under the global authority of the IIRC to provide guidance and impetus to IR; and the increasing number of regulations around the world that pay attention to IR.

One of the main assumptions of IR adoption is about decrease quantity of report, even more than one disclosure. In order to test this assumption Havlová (2015) investigated quantity of report versus number of disclosures. In this study, author found numbers of report are decreasing adoption of IR. They find IR adopter disclose more information than non-adopter.

Lee & Yeo (2016), investigated the linkage between integrated reporting and firm valuation. They find that disclosures of integrated reporting have positive associations with firm valuation. The results imply that Integrated Reporting's benefits go above its costs. Therefore, they argued IR able to reduce cost related to information procession where the environment operation and information is complex. They also find that high IR outperforms low content IR in regard to both stock market performances and accounting performances.

Zhou et al. (2017) carried an exploratory research, IR to capital market benefits. They find a high level of alignment with IR and reduction in cost of capital. Their findings indicate that IR enhances the information quality and companies' reporting environment. They also found that the level of alignment of integrated reports is negatively associated with the analysts' earnings forecast error, demonstrating that information contained in the integrated report is helpful for analysts in formulating their prediction for earnings, probably because the integrated report contains information on corporate strategy, business model and future-oriented information.

Steyn (2014) looked for chief executive officers and chief finance officers perception about benefits of implementing IR for organization. They found that "substantial changes to management information systems, with associated costs, would be required by companies to satisfy the requirements of the report content. The study revealed that the anticipated benefit of a company reconsidering its business model and encouraging sustainable product development is not perceived to be a material outcome in companies that implement IR, nor is assessing economic value creation and strategy considered a key motive for companies to compile an integrated report".

## CONCLUSION

It's a challenge for banking sector to overcome the deficiency of practicing sustainability reporting as per GRI guideline and integrated reporting. As the progress was not satisfactory the central bank needs to be revised policy guidelines. In the absence of regulatory requirements some banks in Bangladesh have stepped forward to report sustainability and integrated reporting with a view to creating a positive image (Nakib & Dey, 2018). Still very few banks have started to disclose integrated reports included in the annual report. From the above discussions an analysis we can conclude that banking sector in Bangladesh is regulated to a considerable extent in terms of practicing sustainability and integrated reporting in their annual reports. It is seen from the analysis that some companies practice such reporting recently while others are presenting from the beginning voluntarily. Regulatory authorities like Bangladesh Bank, ICAB, and Securities and Exchange Commission can play a vital role to enforce financial institutions to present social, environmental and economic information. Investors as well as customers awareness can be raised regarding integrated and sustainability disclosure for implementing this in a standard way. The findings of this paper suggest that IR has provided a passive avenue for the legitimization of corporations and large entities (Brown & Deegan, 1998); (Dacin, Oliver, & Roy, 2007); (Adams, Potter, Singh, & York, 2016); (Beck, Dumay, & Frost, 2017); (de Villiers & Hsiao, 2017); (Maroun, 2018) among stakeholders, as responsible organizations can disclose material information on their financial, manufactured, intellectual, human, social and natural capitals. It suggests that the integrated disclosures of the organizations' capitals and their value-creating activities could catalyse positive behavioural changes in society and the environment. This research lays the foundation of future research in the field of integrated reporting as well as sustainability reporting in Bangladesh. Since no other theoretical study was found in the developing country as well as integrated reporting has not identified this study helps to contribute significantly in this regard. This research only considers the banking sectors which can be extended to other sectors also. Hence, this study can be used as a guideline to perform a study to determine the extent of compliance by the banking companies with the guiding principles of the ICAB checklist. So, there is a scope for future study to identify the elements of integrated and sustainability reporting by Bangladeshi companies to represent financial and non-financial information in the annual report. In a nutshell more listed companies in Bangladesh will be willing to adopt integrated and sustainability reporting as the industry practice in future.

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