

**Ability of Financial Analysis Procedures to Predict Future Earnings
Quality: An Empirical Study on Jordanian Islamic Banks**

Prepared by: Belal Khaled Raja Al – Hanini

Supervised by

Professor Abdelrazaq Qasem Al– Shhadeh

ABSTRACT

This study aims to demonstrate the ability of financial analysis procedures to predict the quality of future profits earning in Islamic banks in Jordan. The study community is composed of three Islamic banks: Jordan Islamic Bank, Jordan Dubai Islamic Bank (Safwa Islamic Bank), Arab Islamic Bank In order to achieve the objectives of the study, the researcher followed the descriptive analytical approach to the financial statements and data of the Islamic banks of Jordan for the financial period (2016-2011), using the simple and multiple linear regression method in analyzing the data. Test of double or linear interference between study variables.

The study finds that there is no statistically significant ability of financial analysis procedures to predict the quality of future profits in Islamic banks in Jordan. While there is a statistically significant ability to perform financial analysis of profitability ratios, liquidity ratios, debt ratios, Future profits in Jordanian Islamic banks.

Based on previous findings, the researcher recommends that Jordanian Islamic banks should take into account the procedures for calculating the profitability, liquidity, indebtedness, activity and market ratios, as they are of great importance in predicting the quality of future profits. To a reasonable assurance about the quality of future profits, a statement of commitment and fulfillment of the obligations and factors affecting them, and the discovery of the factors that affected the inability of the rates of activity to predict the quality of future profits.

Key words: financial analysis, financial analysis procedures, profit quality.