

The Disclosure of Integrated Reporting Elements and its Effect on Firm Value: Empirical Study on Jordanian Commercial Banks

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Abstract

The aim of this study was to recognize the disclosure of Integrated reporting element and its effect on firm value: empirical study on Jordanian commercial banks.

The study population is formed all Jordanian commercial banks, where the number of the banks (13) that listed in the Amman Stock Exchange for the period (2017-2021), all the data gathered for these banks were extracted from their annual reports and from Amman Stock Exchange.

The disclosure of integrated reporting was measured using elements defined by the International Integrated Reporting Council (IIRC), and includes external environment, Governance, business model, risks and opportunities, strategy and resource allocation, performance, outlook, and firm value was measured using two measures: market value, and earnings before interest, taxes, depreciation, and amortization (EBITDA), this study was prepared using content analysis and many statistical methods have been used through the statistical program (E-Views), The study found the existence of a wide discrepancy between the market value of the share, and this is a clear indication of the difference between the dealers in the financial market in evaluating bank prices, which leads to a difference in demand for shares, and therefore a difference in the value of the share. The results also showed a discrepancy between the ratio of profits before interest and taxes to total assets This is an indication of the difference in the ability of commercial banks to achieve total revenues and meet expenses, and this is related to the nature of the bank's work, management policies, and the nature of services provided to customers.

The researcher recommended several recommendations, including: The need for dealers in the financial market not to limit their evaluation of the shares of commercial banks to the volume of supply and demand, and to pay attention as well to the information that the bank discloses, in order to increase the efficiency of the financial market, and to make the value of the share reflect the largest possible amount of information about the bank, in addition to the need for banks to be interested in Comply with and disclose all elements of the integrated reports, and prepare an indicator aimed at placing the bank among other banks, according to its level of disclosure of the elements of the integrated reports.

Keywords: commercial banks listed on the Amman Stock Exchange, enterprise reports, enterprise value, integrated reports, value creation.