

The effect of Fair Value Accounting on profitability indicators in Jordanian Insurance Companies

By

Safia Mohammed abdalwahed

Supervisor

Dr. Ahmad Adel Jamil

Al Zaytoonah University of Jordan 2023

Abstract

The aim of this study was to recognize The Impact of Fair Value Accounting on profitability Indexes in Jordanian Insurance Companies, The study population is formed all (19) Jordanian insurance companies listed on the Amman Stock Exchange for the period (2017-2021), all the data gathered for these companies from the annual financial reports of the listed Jordanian insurance companies, which are published on the two websites (Amman stock exchange and the Jordan Securities Commission), The fair value was measured through the change in net income, the change in the profits of financial instruments, the cumulative change in the fair value, and the change in the profits distributed to shareholders. Profitability indicators were measured through the gross profit margin ratio, the operating profit margin ratio, the net profit margin ratio, the return on assets ratio, and the return ratio on property rights, and this study was prepared using the positive approach, and many statistical methods were used that are commensurate with the study and through the statistical program (E-Views), and the study reached many results, including, that the change in net income and profits of financial instruments and dividends Shareholders contribute positively to increasing the total profit of Jordanian insurance companies, and the results also showed that increasing the positive change in both net income and profits distributed to shareholders contributes positively to improving the levels of returns on assets and returns on equity for Jordanian insurance companies. Work to improve the utilization of the company's assets, especially financial and cash assets, and not keep them idle without exploitation, to improve the rate of return and increase profitability, and search for alternative sources and solutions to face the sudden risks that Jordanian insurance companies are exposed to instead of keeping unexploited assets.

Keywords: Profitability indicators, fair value, financial performance, Amman Stock Exchange, insurance companies.