

The impact of financial performance on the market value of the Islamic banks listed on the Damascus Stock Exchange Using the Dupont de Pont system

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Abstract

The study aimed at identifying the effect of financial performance on the market value of Islamic banks using the Dupont system. The study was applied to the Islamic banks listed on the Damascus Securities Exchange, namely Syria Islamic International Bank, Al Baraka Islamic Bank and Al Sham Islamic Bank, The study was based on the analytical method, using the financial data during the period (2010-2015). The variables studied were the market value of the stock as a dependent variable, the rate of return on ownership, the rate of return on investment, the multiplier of ownership rights and the turnover of assets as independent variables, The results of the measures of central tendency were presented when analyzing the study data. In order to arrive at the results of the research, the simple regression was performed to test the sub-hypotheses and to perform the multiple regression test to test the main hypothesis.

The most important results of the study were: - There is a positive relationship with statistical significance between the financial performance and the market value of the Islamic banks under study, and a positive relationship between the average strength of statistical significance between the rate of return on the right of ownership and the rate of return on investment and the market value of Islamic banks, The relationship between the equity multiplier and market value of Islamic banks was weak, and the correlation between asset turnover and market value of Islamic banks was strong.

The increase in the multiplier of property rights and the turnover of assets contributes to raising the rate of return on the right of ownership and the rate of return on investment, which contributes to raising the value of the market share.

The study recommended that financial management in Islamic banks should strive to increase the multiplier of ownership rights, asset turnover and profit margin, which would increase the rate of return on equity and the rate of return on investment in order to raise the value of the market share.

Keywords: Islamic Banks, Financial Performance, Stock Market Value, Depot System, Equity multiplier.

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