USING OF (IFRS13) ACCOUNTING THE FAIR VALUE OF THE MERGED COMPANIES- APPLIED STUDY

Amna Ahmed SLMAN 1
Researcher, College of Administrative Technology, Iraq

Fidaa Adnan OUBID
Prof. Dr., College of Administrative Technology, Iraq

Abstract:
Through this research, the researcher seeks to use the International Financial Reporting Standard (IFRS13) fair value accounting on the financial assets of the merged companies before and after the merger, and then demonstrate its use on the financial assets before and after the merger, applied research in the International Islamic Bank (joint stock company) i.e. merger The International Islamic Bank with the First Capital Islamic Bank). To find out the use of the International Financial Reporting Standard (IFRS13) fair value accounting for financial assets, the detailed financial statements of the merged companies represented by the International Islamic Bank (a joint stock company) were used.

The problem of the research was the existence of the phenomenon of inflation, which led to a reconsideration of the use of the historical cost method and the search for an accounting alternative for measurement that reflects the price changes realistically for the different market conditions, which generated the need for the merged companies to use an alternative to the historical cost basis based on the International Financial Reporting Standard for fair value (IFSR13) as a value that reflects the values of the market elements at the time of preparing the financial statements that meet the needs of the many parties used for this data. The importance of the research using fair value accounting in the accounting application and the extent to which the community of the merging companies and their dealers of investors, auditors and clients benefit from the activities of the merging companies.

Through this study, a number of conclusions were reached, the most important of which is the use of the international standard (IFSR13) fair value accounting for the merged

http://dx.doi.org/10.47832/2717-8293.25.9

1 amnahahmed003@gmail.com
companies, which leads to the preparation of financial statements that honestly and fairly express the result of the activity and the different results of the financial position, which is reflected in rational decision-making, and the increase in the amount of financial assets as a result. The merger and the use of criterion measurements by measuring financial assets based on the declared prices in the market, and the researcher recommends to the management of the merging companies in Iraq to use the standard (IFSR13) in order to provide appropriate information for users of the financial statements for the purpose of making economic decisions that reflect the economic reality.

**Key Words:** Fair Value Accounting, International Financial Reporting Standard (IFSR13), Merger.

**Research Methodology**

The researcher has prepared the research based on the scientific research framework, which includes (the research problem, the importance of research, research objectives, hypotheses, spatial boundaries, method of data collection and information, as follows:

1. **The search problem**

   The existence of the phenomenon of inflation has led to a reconsideration of the use of the historical cost method and serious consideration in the search for an accounting alternative to the measurement that reflects the price changes realistically for the different market conditions of financial assets, which generated the need for merged companies to use an alternative to the historical cost basis based on the International Financial Reporting Standard for fair value (IFSR13), then a value reflecting the values of the market elements of financial assets at the time of preparing the financial statements meets the needs of many parties using these data and depends on economic realities.

   A research problem can be identified by the following question:

   Does the merger of companies have a positive impact on the fair value of financial assets?

2. **The importance of research**

   1. The importance of activating one of the modern and contemporary topics is the measurement of fair value, which is one of the concepts that expresses the value of the elements of financial statements fairly, as this concept still needs to be explained more to those interested, especially to clarify how to use it in merged companies on financial assets.
2. The ability of financial reports prepared on the basis of fair value to provide users of financial reports (investors) in merged companies with appropriate and useful financial information and data for making rational economic decisions.

3. The importance of the research highlights the importance of highlighting the integration processes of companies that are moving rapidly in the world by taking advantage of the capabilities of each other’s companies in the development of commercial, industrial and economic activities.

3. Research objectives

1. Learn about the reality of accounting for mergers in economic units, view the types of mergers, reasons and justifications for mergers, advantages and disadvantages of the merger process in the reality of the merged companies.

2. A statement of the most acceptable or applied levels of fair value measurement in the business environment of merged companies for financial assets and identification of fair value measurement entries.

3. Use the fair value accounting standard (IFSR13) in accounting procedures on financial assets and identify the nature of measurements and fair value entries.

4. Research hypothesis

The research is based on a basic premise ((the merger of companies has a positive impact on the financial assets of the bank)).

5. community and research sample

The study community is represented by the merged companies listed on the Iraqi Stock Exchange, and the research sample is represented by the merger of two banks (joint stock company), namely (International Islamic Bank merged with the first capital Islamic Bank)

6. Research limits

The boundaries of the research can be clarified as follows:

1. Spatial boundaries: the research dealt with an applied study of merged companies in the Iraq Stock Exchange, including these merged companies (Joint Stock Company), merger (International Islamic Bank with the first capital Islamic Bank).

2. Time limits: this research will be based on the published financial statements of the merged companies listed on the Iraqi Stock Exchange in a year (2020 -2021-2022).
7. Methods of data collection

The means of collecting data for the achievement of research in its theoretical and applied aspects were as follows:

1. Data related to the theoretical aspect: I adopt the inductive method, i.e. I adopt books, journals, published research, master's theses, Arabic and foreign doctoral theses related to the subject, the internet, and on sober websites, because of the availability of more modern topics.

2. Data related to the practical aspect: the deductive method was adopted, i.e. it was based on the annual reports of the bank listed on the Iraqi Stock Exchange.

Chapter II: International Financial Reporting Standard (IFSR13) fair value accounting

1. The concept of fair value

The aim of using the principle of measurement at fair value was to address the shortcomings of historical cost that cannot accurately and truly show the financial position of the economic unit, and by looking at the large investment expansion imposed on the accounting profession for the need of shareholders and investors to face the real situation of the actual financial position of the economic unit and what can happen to the enterprise and changes in their finances, traditional historical cost accounting is unable to face and meet these requirements, which strengthened this shift towards measurement at fair value (obert, 2010)

The International Financial Reporting Standard issued (2011) (13) IFRS defined the measurement of fair value as “fair value is the price that will be obtained for the sale of assets or that will be paid for the transfer of liabilities in a regular transaction between market participants on the measurement date”. when measuring at fair value, an economic unit should look at the characteristics of assets and liabilities in the event that market participants wish to take those characteristics into account when valuing assets or liabilities at the time of measurement, as these characteristics consist of the following: (Sayyad, 2013)

1. Status and location of assets
2. No restrictions imposed on the sale or use of assets
3. It is likely that an asset or liability that is measured at fair value is one out of two:
   - The existing or required entity is independent of itself (existing financial or non-financial)
   - A group of assets or liabilities (a business enterprise or a cash generating unit).
4. In the case of measurement at fair value, it is assumed that the exchange of assets or liabilities is completed by a regular transaction between market participants for the sale of assets or the transfer of liabilities at the measurement date in accordance with current market conditions.
5. The sale transaction of assets or liabilities in the case of measurement at fair value must be in the original market of the assets or liabilities.

We conclude from this that the best definition of fair value is what is stated in the International Accounting and Financial Reporting Standards (IFRS 13), which states that "it is the price that will be received when selling assets or will be paid for the transfer of liabilities in an organized transaction between market participants at the measurement date under market conditions" and that the measurement of fair value is based on four basic requirements: (reciprocal price, regular transaction, market, market participants).

2. The importance of fair value

1. Assisting lenders by providing accounting information, the truth about the financial position of the economic unit, as well as its ability to provide the necessary liquidity for settlement of its obligations, this is done by measuring short-term assets and liabilities at fair value. (Osman, 2016)

2. Addressing the inefficiency resulting from an application, the concept of historical cost. (Bashiri, 2017)

3. The measurement at fair value reflects the market judgments of the prevailing economic conditions, the effects of economic changes.

4. The measurement of fair value is characterized by accuracy, reliability and high relevance compared to the historical cost, because it measures the level at which the company can improve the allocation and preservation of its resources, as well as helps investors evaluate the investment strategy of the company's financial management, especially assessing the degree of certainty of future net cash flow. (Al-Najjar, 2019)

3. Fair value objectives

Users of financial statements need reliable, relevant and comparable information to assess the financial position of the unit and the result of its implementation, and therefore this information is useful for making economic decisions for users of financial statements. Therefore, the application of measurement at fair value seeks to achieve many goals. (Shantawi, 2018)

1. Valuation of assets and liabilities on the basis of fair value, they express the economic position of the unit because they took into account market prices.

2. Fair value measurement seeks to provide users of financial statements with the most up-to-date data, to be closer to predicting future decisions, by expressing the financial position as close as possible to the future, which is the present. (Zoghbi, 2005)

3. Enable the economic unit to measure its financial instruments at the fair value of several internal operations in order to: (Mardan, 2012)

- Making appropriate investment and business decisions.
• Management and measurement of various risks.
• Determine the amount of capital that should be devoted to diversified and future lines of business.

We also conclude from this that there are other objectives to apply the fair value measurement by economic units, such as, adding transparency to the financial statements issued by the economic unit, to address the shortcomings resulting from the application of the concept of historical cost, as well as further improve the future operating performance of economic units.

4. Fair value strengths

Before preparing international standards, the preparers rely on consulting the users of financial statements because they are driving the change in them and are looking for their advantages and benefits (Rajni Devi, 2012), especially with volatile and dynamic markets, measurement at fair value has become a required measure in the current period, whether buying or selling (ELFAKİ, 2015), so the strengths of measurement at fair value can be mentioned as follows:

1. The fair value depends on the market and is not affected by the factors specific to the economic unit, however there is less chance of manipulating the financial and accounting statements using the measurement at fair value (Penman, 2007).

2. Measurement at fair value enhances the informational power of financial statements, unlike historical cost, as measurement at fair value requires the unit to disclose data and complete information about the methodology used, assumptions made and other things that lead to a complete financial statement by including more information.

3. Measurement at fair value provides an accurate estimate that can be observed through market prices, and through this, the financial statements and information produced on this basis increase the transparency of the economic unit, which is especially important and positive for the beneficiaries (investors, contractors, potential lenders) as it gives them a better positive perception of the stability of the unit and an insight into its value.

4. Measurement at fair value provides information in the appropriate period because it uses information specific to the period and current market conditions, which helped to make decisions and take appropriate correct actions. (BETAKOVA, 2014)

5. Valuation methods and methods used to measure fair value

There are three ways to measure fair value according to IFRS 13: (Andrew, 2012)

1. Market approach: means that organizations rely on the information and data available in the market to assess fair value. This approach uses prices and related information arising from market transactions for enterprises with identical and similar assets and liabilities. The most important feature of using this approach is that it relies mainly on real data, which are often in the form of documented prices available to the public
and recorded in active markets such as stock trading operations. Also, other data and information used in the market approach may not be readily available such as stock prices, however, they have objectivity and reliability such as prices at which production lines, certain units or divisions are sold. (Zack, 2009)

2. Income approach: this approach follows the conversion of future amounts of cash flows or income and expenses into a single amount, and then the fair value reflects the current expectations of the market about future amounts. The income approach is based on estimating future cash flows that are expected to arise through an asset, then those expected cash flows are deducted required in the rate of return that reflects the time value of money and the most important risks associated in achieving the estimate of future cash flows, and also that the income approach is often useful in order to obtain an estimate of the fair value of intangible assets acquired in the process of development and research.

3. Cost approach: On the basis of this approach, the fair value is the cost of acquiring the asset for a similar benefit adjusted for obsolescence as a result of technological, physical and economic obsolescence, and this approach is based on the economic principle that says, that the buyer will not exceed the cost of the asset to obtain an asset of equal benefit, the amount that the buyer will pay taking into account functional, technological and economic obsolescence inflation.

We conclude from this that the best appropriate approach to measurement is the market approach to measure fair value, so this market will be relied on for several reasons, namely:

- There is an active market for securities represented by the Iraq Stock Exchange.
- It is considered one of the most convenient entrances in the Iraqi environment, and for the ease of using this entrance in terms of the complexities and difficulties available in the Iraqi environment.
- The portal provides reliable and appropriate data and information to the portal represented by the merged company.

6. Inputs to fair value valuation methods

The evaluation and measurement of fair value is based on the inputs of valuation methods, which are of two types (observable inputs and non-observable inputs), and were classified according to the fair value hierarchy, which consists of three levels (Level I, Level II, Level III), the fair value standard (13Ifrs) determined the inputs of valuation methods that were used to measure fair value, and the term input denotes “the assumption used by market participants in the pricing of assets and liabilities, including the assumption about the risks” and the inputs of valuation methods can be divided into for observation and unobservable entries: (Sara, 2015)

1. Observable inputs: they are inputs that are based on market data and information obtained from sources independent of the economic unit that prepares financial reports,
which reflect the assumption used by market participants in pricing the existing or required.

2. Unobservable inputs: these are those inputs that reflect the assumptions of the unit preparing the financial reports by means of the assumptions of market participants, which is based on the most important and best available information contained in those circumstances, and when using the fair value measurement method, it is taken into account to maximize the use of the highest possible amount of "observable inputs", and to minimize the use of unobservable inputs.

Chapter three: Corporate Mergers

1. The concept of integration

A merger means that more than one economic unit agrees to the survival and continuation of only one economic unit with the expiration of the rest of the other merged units and their dissolution into the personality of the remaining economic unit, through the transfer of its net assets and liabilities to it. The remaining unit is usually called the merged company and is called the unit or Mortal units, the merged company. The latter operates after the merger as divisions, branches or units completely subordinate to the remaining or merged unit (Mansour, 2010), merger is a form of joining economic units to each other to take advantage of the complementary economic resources available to them, and in the field of financial and strategic management, writers and researchers have presented multiple concepts of merger and the accompanying many financial terms, as merger expresses the collection of two or more economic business units into one unit (Brockinton, 1994) and affirms that merger is a process by which two or more previously independent companies or projects become under one management, while defining it as "two independent economic units in joining each other and forming a new economic unit, as a result of losing both units. A merger is defined as "a union of interests between two or more companies, and this union of interests may be through the complete combination of two or more companies for the emergence of a new company or the incorporation of one or more companies into it, as the merger may be carried out in whole or in part, or full or partial control, as well as the merger may be done voluntarily or involuntarily, and the merger is also defined as" the collection of separate economic units into one economic unit, and is carried out in a variety of ways specified in light of other legal or tax reasons, and may include the purchase of a unit of equity in another unit or the purchase of the net assets of the unit (Al-Qadi, 2007).

2. Types of Fusion

Types of Fusion can be divided

1. Horizontal merger: this merger occurs when two economic units operating in the same sector merge (i.e. a company operating in the oil industry sector merges with a company operating in the oil industry sector) because it leads to an increase in the value of
the merged economic institutions, and the motives behind resorting to this type of merger deals are (strengthening financial resources by increasing market power and increasing profits, as a result of exploiting synergy) which means that the merged or United companies formed from the merger will be larger than the sum of their existing parts based on cost and revenue one of the advantages of this type of merger is that it leads to reducing the number of competitors in the market, creating a monopoly and increasing efficiency (Shalabi, 2002)

2. **Vertical merger**: this type of merger means the merger of companies that each of them practices a certain activity, in the sense that the activity of one of them is complementary to the activity of the second unit (Watson, 2001) either the buyer expands backward towards the source of raw materials or forward, i.e., the nearest point of the final consumer, which is a merger that is between two companies engaged in production in two sequential stages of production of a commodity, complementing each other to reach the desired product. An example is in the merger that occurs between an automobile manufacturer and a tire manufacturer to unite all efforts in this industry into one company that achieves efficiency and reduces costs. (Depamphilis, 2001)

3. **Mixed Merger**: also called integration merger, this merger has emerged in recent years and is the merger of two or more companies, each of which operates a different activity from the other (Shalabi, 2002) this type of merger is characterized by the investment of capital in different and diverse projects with the aim of transferring or diversifying risk through different projects and also across different markets and multiple industries.

4. **Congeneric Merger**: this type of merger means the merger of two companies whose activities are compatible and compatible, such as banks, banks and insurance companies, and converge, but without reaching the stage of vertical or horizontal merger companies do this type of merger to take advantage of technologies, product lines and marketing, and in some sources combine mixed merger and homogeneous merger to form a single type known as diversified merger that achieves geographical extension of the market, and diversification of products. (Al-Shammari, 2005)

3. **Advantages and disadvantages of Fusion**

   The merger achieves a set of benefits and advantages as follows: (Habtoor, 2007)

1. **Advantages of integration**:

   - Achieving economic efficiencies of manufacturing, purchasing, selling or other operations.

   - Take advantage of the administrative and production competencies existing in the units of the two parties to the merger.

   - High degree of stability of profits for the unit and access to additional resources.

   - An increase in UNIT stock prices in the market and a trend towards new investments.
Reduction of taxes as a result of recycling loss or obtaining special tax savings in countries whose tax legislation allows exemption in case of merger.

2. Disadvantages of integration:

- **Monopoly problems:** One of the most important possible disadvantages of the merger of the merger is the presence of a monopolistic company for a particular product or service and then negates the advantages of the merger, because achieving the savings resulting from the merger is associated with the presence of competition in the market and the high competitiveness of the company, and also monopoly leads to harm to the consumer or customer and the occurrence of misuse of available resources as a result of the lack of competition (Al-Desouki, 2003) Therefore, in most countries of the world that apply a market economy, there is a competition law and antitrust prevention, and the authority is responsible for applying and supervising the law and the terms of the merger are set and its objective is to prevent the merger that results in a monopoly, and the antitrust law has been issued in most countries of the world that apply a market economy competition and antitrust prevention law, and the authority is responsible for applying the law and supervising it, and United States of America American in 1972.

- **Socio-economic problems of integration:** among the most important economic and social problems resulting from the expansion of integration, they are as follows: (Al-kharashi, 2006)

  1. The merger process is often accompanied by reorganization and restructuring of the unit, and the merger often leads to the dismissal of some administrative staff and workers and their retirement, which will lead to more social and economic problems in society.

  2. That some types of mergers do not lead to a distinctive and new addition at the national level in terms of keeping the volume and level of products and their quality the same as before the merger.

  3. The recession that affects companies after the merger and the failure to achieve the merger goals, i.e. economic concentration, resulting in the loss of most of the economies of scale, difficulties and technical problems in management (Al-Qadi, 2007)

**Chapter Four: the practical side**

**Fair value of financial assets before and after the merger (2020, 2021, 2022)**

In this research, the researcher studied the fair value of the financial assets of the International Islamic Bank before and after the merger, noting that the financial assets of the bank are measured at fair value, so the financial assets will be studied measured at fair value for the year (2020) before the merger and after the merger for the years (2021) and (2022).
1- commitment to international standards

The International Islamic Bank prepares financial statements in accordance with international accounting standards and according to the directives of the Central Bank of Iraq issued during (2016) in the form of instructions and laws, including directing private banks to switch from local accounting standards to international accounting standards when preparing financial statements.

The financial statements have been prepared in accordance with the historical cost principle, excluding financial assets at fair value through comprehensive income, which are shown at fair value at the date of preparation of the financial statements.

2- Input methods for assessing the fair value of financial assets and their hierarchy of the International Islamic Bank

The fair value represents the price that will be obtained when selling assets or that will be paid to settle an obligation in an organized transaction between market participants on the measurement date, the fair value is measured based on the premise that the sale of assets is carried out through the main markets for assets, in the absence of the main market, the most appropriate market is used for assets. the bank needs to have access to the main market or the most appropriate market, the bank measures the fair value of assets using the assumptions used by market participants when pricing assets, assuming that market participants are acting in accordance with their economic interest, if Taking into account the ability of market participants to generate economic benefits by using the assets in the best way or selling it to another participant who will use the assets in the best way, the bank uses appropriate valuation methods that are appropriate to the circumstances and provide sufficient information to measure the fair value and clarify the use of directly observable inputs and reduce the use of indirectly observable inputs. All assets for which fair value is used to measure, disclosed in the financial statements or written off using the following levels of fair value, and based on the lowest level of inputs that have a significant impact To measure fair value as a whole:

1. The first level: the declared market prices in the effective markets for similar assets and liabilities.

2. The second level: valuation techniques that take into account inputs that have an important impact on fair value and can be observed directly or indirectly.

3. Level III: valuation techniques where inputs are used that have an important impact on fair value but are not based on observable market information, the bank determines whether any of the assets and liabilities have been transferred between fair value levels by revaluing the classifications based on the lowest level of inputs that have a material impact on the measurement of fair value as a whole at the end of each financial period.
3- Fair value of financial assets before and after the merger

The International Financial Reporting Standard (IFRS 9), which replaced the International Financial Reporting Standard (IAS) 39, has been applied to make it easier for users of financial reports to estimate the amounts, period and extent of cash flows resulting from financial assets. The bank has classified and measured financial assets at fair value, organized partial statements of both the balance sheet and its explanatory notes through comprehensive income and the list of changes in the rights of shareholders and to show the changes that occurred to financial assets after the merger.

Table (1) shows the statement of clarifications of the item of financial assets by other comprehensive income at the end of the year before the merger 2020 and after the merger for 2021 and 2022.

<table>
<thead>
<tr>
<th>Account name</th>
<th>Pre-merger 2020</th>
<th>post-merger 2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares of companies listed on the financial markets</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Shares of companies not listed on the financial markets</td>
<td>19,667,000</td>
<td>27,577,000</td>
<td>27,577,000</td>
</tr>
<tr>
<td>Participatory investments</td>
<td>0</td>
<td>47,851,998</td>
<td>33,737,615</td>
</tr>
<tr>
<td>Real estate investments</td>
<td>0</td>
<td>0</td>
<td>30,565,120</td>
</tr>
<tr>
<td>Add / subtract fair value difference</td>
<td>/</td>
<td>/</td>
<td>/</td>
</tr>
<tr>
<td>Total</td>
<td><strong>19,667,000</strong></td>
<td><strong>75,428,998</strong></td>
<td><strong>91,879,735</strong></td>
</tr>
</tbody>
</table>

prepared by the researcher based on the bank’s annual financial reports.

We note from the table above

1. That the assets were classified into two types during 2020 investments in shares listed in the financial markets and investments in shares of companies not listed in the financial markets, which means that the shares of companies not listed in the financial markets before the merger (19,667,000) dinars and after the merger (27,577,000)dinars, i.e. the shares of companies not listed in the financial markets increased after the merger with a difference of (7,910,000)dinars, i.e. the merger has a positive effect and achieved an increase in shares of companies not listed in the Iraq securities for the year 2021, 2022.

2. Also, a new item was added after the merger, which is investments with participation in the amount of (47,851,998)dinars, and a year after the merger in 2022, the item of investments with participation increased by (33,737,615)dinars, and another item was also added for the year 2022, which is investments in real estate in the amount of (30,565,120) dinars.

3. We conclude from this that the merger has a positive impact on financial assets, i.e. the total financial assets account after the merger for the year 2021 amounted to (75,428,998)dinars and for the year 2022 increased by (91,879,735)dinars, i.e. the difference amount of (16,450,737)dinars.
Table (2) financial assets at fair value through the list of change in equity before and after the merger

<table>
<thead>
<tr>
<th>Account name</th>
<th>Pre-merger 2020</th>
<th>post-merger 2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of term balance</td>
<td>18,917,000</td>
<td>19,667,000</td>
<td>75,428,998</td>
</tr>
<tr>
<td>Add-ons (downloads)</td>
<td>750,000</td>
<td>55,761,998</td>
<td>16,450,737</td>
</tr>
<tr>
<td>Reserve for change in fair value</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Balance at the end of the period</td>
<td>19,667,000</td>
<td>75,428,998</td>
<td>91,879,735</td>
</tr>
</tbody>
</table>

prepared by the researcher based on the bank’s annual financial reports.

Table (2) the disclosure of financial assets at fair value through the list of changes in equity indicated that the merger has a positive impact on financial assets, i.e. the amount of additions before the merger for the year 2020 amounted to (750,000) dinars and after the merger for the year 2021 the amount of additions amounted to (55,761,998) dinars, i.e. additions increased after the merger with an increase of (55,011,998) dinars, which led to a continuous increase in the year 2022 with a value of (16,450,737) JD, as for the reserve of change in fair value there was no change on the reserve of fair value, we note that the balance at the end of the period for the year 2020 before the merger amounted to (19,667,000) JD and after the merger for the year 2021 the balance (75,428,998) dinars, an increase by a difference of (55,761,998) dinars, and the balance continued to increase for the year 2022 by (91,879,735) dinars.

Table (3) partial balance sheet with respect to the fair value of financial assets before and after the merger

<table>
<thead>
<tr>
<th>Asset</th>
<th>Pre-merger 2020</th>
<th>post-merger 2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td>19,667,000</td>
<td>75,428,998</td>
<td>91,879,735</td>
</tr>
</tbody>
</table>

prepared by the researcher based on the bank’s annual financial reports.

We note through Table (3) of the partial balance sheet of the financial assets account that the financial assets had a balance before the merger for the year 2020 in the amount of (19,667,000) dinars and the balance of financial assets after the merger for the year 2021 in the amount of (75,428,998) dinars, an increase of (55,761,998) dinars, and the balance of financial assets for the year 2022 in the amount of (91,879,735) that is, an increase from the year 2021 of (16,450,737) dinars, and we conclude from this that the merger of the International Islamic Bank with the First Capital Bank has achieved a continuous increase in the account of financial assets at fair value and that this merger has positive effects on the account of assets. Through the above, hypothesis No. (3) of the merger proves a positive impact on the bank’s financial assets due to the continuous increase in the account of financial assets after the merger.
References


Al-Shammari, A. A. (2005). "merger strategies and holding company and their overlaps in the real value of the share a test study on a sample of the Iraqi private banking sector". master thesis Faculty of management and economics, Kufa University.


Osman, I. Y. (2016). "The impact of using fair value as a basis for measurement, disclosure and audit on achieving the quality of accounting information, a field and applied study on a sample of companies listed on the Khartoum stock exchange*. 17. Sudan, Sudan University of Science and Technology, PhD thesis.


