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IMPROVE PERFORMANCE SINKS IRAQI USING SYSTEM EVALUATION BANKER AMERICAN CAMELS

(Study applied to a sample Banks listed on the Iraq Stock Exchange for the period 2015 - 2017)

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Abstract

The study aimed to evaluate the performance of the Bank of Baghdad using the method CAMELS, and the study relied on evaluating the performance of banks using the CAMELS method in terms of capital adequacy, asset quality, profitability, liquidity, and finally the management component., and to achieve the objectives of this study, and to apply the research in the field and achieve its hypotheses, the Bank of Baghdad, which is listed on the Iraq Stock Exchange, was chosen as a research community, representing a “sample for the fiscal years.” (2015-2017), and the study concluded that the use of the CAMELS system leads to detecting defects in banks and determining their soundness, as well as leading to improving financial control and giving indicators about the financial position of the bank and better identifying its strengths and weaknesses. The study recommended the necessity of adopting modern systems in evaluating the performance of the bank and financial departments to find out the real performance of banks and reduce problems.

Keywords: CAMELS Model, Performance evaluation, banking performance.

Introduction

No doubt that a sector banker by looking at The characteristics and nature of his activities Represent place Distinguished between institutions and sectors Economic differences, And stands out its importance in its effect on Most aspects of Finance and variables Economic for the economy the National to side his job as an intermediary Financial get up assembling savings from Different sectors and push it to channels investment different on-road loans and facilities fiduciary and services banking that submit it for the sector general and sector private and society all. that Bezel efficiency and effectiveness this role that gets up with it sector banker Affected to Limit big with structure this sector and degree organize it and tasks entrusted with it and powers authorized, addition to being sector Administrator on Create coins and guide Economy, He is downstream that It flows mechanism savings and deposits individuals and institutions and installations, and he that direct Use This is amazing savings and deposits in fields investment different, And on it the development Role this sector necessary to contribute effectively in to support Economy the National And achieve development Economically.

where that sector banker for him Importance extreme in moving wheel activity The economist purposeful to development overall sustainable, And that With what get up with it from to gather for savings from all sectors other and direct it to faces investment different on-road what get up with it from Grant for loans and facilities fiduciary and services banking that submit it that effectiveness role that playing it sector banker in Energizing the movement Economic Affected affirmatively And negatively by structure structural For this sector and degree organize it and powers authorized for him, And on it from useful throw a look Simple on ingredients structure sector banker upscale.
Try this search evaluation of the performance of banks commercial workers in Iraq using model evaluation The American CAMELS from during Procedure study comparison between them, where Acquire evaluation the performance Importance big in sinks it is through it Could you sink Identify on Bezel its ability in investigation its goals the basic, And get acquainted on points Power In which For confirmation on her and strengthen it and points Weakness In which and work on avoid it And get rid Of which or her contraction, and this is from would that Lifts from performance bank and increases its profitability, And it helps in survival bank and its development And his growth.

Research Methodology

The solution to a problem lies in knowing it and searching for solutions. Therefore, the research aims to address the problem with a methodology that adopts steps to find appropriate answers to the problem of the study.
Firstly: Research problem:
The safety of the banking sectors is one of the very important topics for developing the banking sectors and making them more robust and robust in the face of shocks and all financial crises that are expected to occur. the main following:
What is the role of using the CAMELS model in evaluating and classifying the performance of Iraqi commercial banks? The following sub-questions stem from this question:
- What is the extent of its ability to indicate the strengths and weaknesses of the bank's performance?
- What is the ability of the CAMELS model to give an accurate assessment of each element of the model?
- What is the appropriate ratio applied in the model to the process of evaluating the performance and the soundness of the financial position of the banks?
- What is the level of skills and efforts exerted in implementing the actual performance of the work phases?
-What is the impact of evaluation results on performance?
Secondly: The importance of Research :
The importance of research comes by identifying the theoretical aspect of the CAMELS model as one of the tools used to evaluate the performance of banks instead of relying on several systems or tools that can give inaccurate results or conflicting results among them on the safety of the financial position of these institutions,
While it is of great importance in our banks to highlight the study of the six CAMELS indicators used by the American evaluation system (capital adequacy, quality of assets, quality of

management, returns, liquidity, and the index of sensitivity to market risks, which help users and investors in making their economic decisions by identifying the level banking performance.

Third: Search Target

The main objectives of this study, which it seeks to achieve, are crystallized, the most important of which are: -

1. Presentation of a conceptual presentation of the American Banking Rating System (CAMELS) and the credit policy of banks.
2. A statement of the extent to which the Bank of Baghdad needs to apply the American Banking Evaluation System (CAMELS) method to control credit policy.
3. Measuring the effect of the Banking Evaluation System (CAMELS) to monitor the credit policy of Iraqi banks, the study sample.

Fourthly: Study hypothesis :

Hypotheses for the study:

1. There are no risks in the capital adequacy ratio of the Bank of Baghdad according to the indicators of the CAMELS banking evaluation system.
2. The assets owned by the bank are characterized by quality.
3. The CAMELS banking evaluation system shows the efficiency of the Bank of Baghdad management in managing profitability.
4. The bank has ample liquidity for recruitment and retention.

Fifth: Research Methodology:

The research is based mainly on the case study approach, where a theoretical presentation of some of the literature and references that dealt with the CAMELS evaluation model is interspersed with a practical presentation represented in the compilation and analysis of the financial data published for the research sample banks and the application of the CAMELS evaluation model by calculating the indicators and ratios related to each element of the model and the degrees of The classification related to it and the interpretation of these ratios to know the degree of classification of banks according to this model, and accordingly to determine the level of their performance.

sensitivity to market risk

As for the two elements of management quality and liquidity quality, they have no effect on credit risks The most important findings and recommendations

Researcher's name and year	Hussein, Sarah Sabah: 2022
Study Title	System useCAMELS and MANGO's performance appraisal model
Study type	Master's thesis, Central Technical University, Administrative Technical College
Objectives of the study	This study sought to achieve the following objectives: - Examining the extent of the Iraqi banking sector's commitment to implementing a systemCAMELS. Evaluating the performance of Iraqi banks according to the Mango model
Study style	To apply this research in the field and test its hypotheses, and as a comparative study, it was tested Iraqi private banks, Sumer Commercial Bank, Abra Bank, Iraq, Khaleej Commercial Bank, Middle East Bank, Ashur International Bank, United Bank for Investment, Al-Mansour Al-Ahly Bank, Bank (Baghdad during the period from 2016 to 2020)
The most important findings and recommendations	The research reached a set of conclusions, the most important of which is the need to adopt modern systems for performance evaluation and financial departments to find out the real performance of the economic unit and reduce problems. The need to include the results of the systemCAMELS and the Mango model within the annual financial statements and then achieve a high degree of transparency, Iraqi banks adopt the CAMELS system and the Mango model to evaluate the performance of banks.
Researcher's name and year	**Aisha Alkubaisi, 2018**
Study Title	THE IMPACT OF CAMELS FRAMEWORK ON THE BANK'S MARKET PERFORMANCE frame effectCAMELS on the bank's market performance
Study type	Master's thesis, Qatar University
Objectives of the study	This study aims to assess the general financial position and the strengths and weaknesses of the Qatari banks listed on the Qatar Stock Exchange using a frameworkCAMELS and the

	analysis of the relationship between the indicators of the CAMELS framework and the stock market price of the bank
Study style	The sample used in this study consisted of eight Qatari banks listed on the stock exchange. Three ratios were used for each frame indexCAMELS. The analysis consists of several parts: descriptive analysis, scoring, Islamic analysis vs. Conventional banks, comparative analysis, and regression.
The most important findings and recommendations	After analyzing the six indicators in the frameworkCAMELS, the only ratios that have a direct impact on the market price are the Leverage ratio, non-performing loans/loans at amortized cost, non-performing loans/risk-weighted assets, liquid assets to total assets, and liquid assets to (deposits + short-term liabilities).
Researcher's name and year	**Yamin 2016**
Study Title	system application ((CAMEL) to evaluate the performance of private banks
Study type	Published research
Objectives of the study	The study examined the effect of elements of the American performance model on one element fiduciary risks
Study style	An applied study in a sample of Iraqi private bank branches according to a systemCAMEL
The most important findings and recommendations	The study found: The elements of the model together affect the element of credit risk in the Jordanian commercial banks, while when testing each element of the model independently in the credit risk, the results were as follows: There is an effect of capital adequacy, quality of assets, and sensitivity to market risk As for the two elements of management quality and liquidity quality, they have no effect on credit risks

the theoretical side

banking performance appraisal system(CAMELS)

introduction:

The development and complexity of the banking business and the expansion and diversification of its operations have created the need to provide visible control systems that help in measuring the soundness of the financial positions of banks, and indicate and describe the risks that the banking system is exposed to and disclose them in a way that helps users of the financial statements to judge the extent of the bank’s ability to manage and control risks.

To this end, the method began to be used CAMELS at the beginning of the year 1980 by the US Federal Bank, where this method is represented in a set of indicators through which the financial function of any bank is analyzed, and the degree of its classification is known.

Firstly. The concept and importance of the banking evaluation system(CAMELS)

The performance appraisal is Performance Evaluating is one of the complements of the control process, and it is a very important method for planning the work of any organization., and it consists in expressing an opinion if it is successful working in general has been in a satisfactory manner or not. To achieve goals and enhance their survival in the competitive market and keep banks away from bankruptcy and failure in their performance, commercial banks pay great attention to the issue of performance evaluation to achieve the optimal use of resources and achieve the desired level of profitability and liquidity and reduce activity costs with the least possible risks, there are many risks In the activities of banks and the mission of early warning systems and leading financial indicators is to direct attention to these risks)Risk), and early detection helps policy makers to take preventive measures to prevent or limit the effects of them by minimizing losses to the lowest possible extent if there is no possibility to avoid these risks (Al-Toukhi, 2008: 6).

Therefore, there was a need for a new evaluation system to keep pace with the developments taking place and to move away from traditional methods and improve for the better to achieve safety and security in banks. (CAMELS), which has proven effective in evaluating the performance of banks, determining the strength and durability of their financial centers and management conditions, and then determining their ability to deal and adapt to any changes or developments related to their activity, and identifying the elements of strength and weakness in the performance of banks, which enhances the capabilities of the supervisory authorities (Gilbert & Meyer, 2000: 6).

The US Bank Rating System (200127Fraser & Gup & Kolai) as a system to determine the safety and security of banks by dealing with the problems of banks that are not compatible with banking rules and legislation, and it can also be defined as a quick indicator of knowledge of the reality of the financial position of any bank and knowing the degree of its classification, and the standard is one of the direct control means that It is done through field inspection (Ahmed, 3: 2005).

It is defined as a set of indicators through which the financial situation of any bank is known and the degree of its classification is known (Bourgaba: 2009, 144). And also defined by the Basel Committee: It is a supervisory system for evaluating the soundness of financial institutions on a unified basis to identify banks that require special supervisory focus, attention, and care.

Secondly, the importance of CAMELS)

Studies have shown the importance of implementing a supportive system for banking control and inspection operations carried out by the Monetary Authority, where aspects have been highlighted and its role as an important tributary in feeding inspectionsCAMELS positive application of the system and information control that reveal some aspects of weakness and shortcomings, which constitute important inputs to search for the roots of banking problems and their causes

The importance of applying the systemCAMELS in shedding light on the strengths and weaknesses of the banking work systems in theory and practice, which leads to directing attention towards them and thus achieving the goals of depositors, investors, and shareholders alike, which contributes to increasing the efficiency of banking work and strengthening its effectiveness in the banking arena locally, regionally and internationally, which has become a strategic It is indispensable to keep abreast of developments in the banking industry.

The basic premises on which the control and inspection system is based in its traditional form (require further development and modernization in light of the era of the information technology revolution in the banking arena, which confirms the hypothesis of integration and interdependence with the banking evaluation systemCAMELS Noureddine, 2012)

The phases of monitoring and field inspections are related to the evaluation elementsCAMELS are substantially positive and characterized by integration, strength, and effectiveness in the application of banking control and inspection processes.

system worksCAMELS to conduct a comprehensive analysis of the bank's performance and patterns of its activities and compare it with the level of the industry in the banking arena, which contributes to the formulation of tight plans for inspections and the implementation of their stages with extreme accuracy, with a focus on the negative elements that need greater attention and attention (Shahin 2006).

This system performs a comprehensive analysis of the bank, by ensuring the safety of banking assets and operations during field inspection rounds, through which the management's ability to bear risks and how to manage and deal with them (16.Dang, 2011, p.

It is the advantages of the modelCAMELS (Ahmed 2018, p. 675)

There are many advantages brought by a rating systemCAMELS as follows (Imam, 23:2010):

Provide a comprehensive and unified approach to assessing the performance of banks.

Improving financial control and giving indications about the financial position of the bank, and a better assessment of its strengths and weaknesses.

Careful analysis of the potential effects that may result from financial crises.

Giving a clear picture of the financial level and banking security enjoyed by the banking sector in the country.

The rating system helps the supervisory authority identify banks that need attention and care.

Third: defects and criticisms of the system (CAMELS):

The main disadvantages of the method can be summarizedCAMELS in the following points: (Anne, 2001: 2-4), (Bourgaba, 5), (Ameed, 2010: 7)

The criterion gave fixed weights to the elements that make up the criterion, regardless of the relative importance of each element, and this reduces the efficiency of the criterion and its accuracy in analysis and dependence on the results that are reached. Even if appropriate weights were reached for each element, it is very difficult to fix it throughout the evaluation period. Without considering the variables, this may also reduce the accuracy of the standard and the importance of its results.

The criterion is based on the division of banks into similar groups according to the size of the assets, given that the average values of the ratios used reflect the entire group, although the

average varies significantly from one bank to another within the same group, and therefore it does not reflect the true conditions of the group.
Standard depends is based on measuring performance based on the other banks that make up the similar group, and accordingly, in the event of any structural change that occurs in the performance of that group or the performance of the entire banking system, the evaluation indicators are usually not changed accordingly when calculating the final rating scores.
Fourth: The general principles of the banking evaluation system(CAMELS)
There are several general principles for applying the banking evaluation system (CAMELS), which are as follows: (Akbar, 2007: 3-4)
This system is applied to all banks and on specific general bases.
This system is mainly applied by the field control apparatus of the Central Bank so that at the end of each inspection conducted on banks, an evaluation of the bank's performance is prepared according to this system.
longer ratingCAMELS is a secret order by the Central Bank, and the bank's classification is disclosed to the bank's board of directors and the bank's senior management to take appropriate action.
The evaluation of the elements of banks' performance depends on two groups of factors:
quantitative factors (Quantitative: It can be quantitatively measured through a set of financial indicators that depend on the bank's financial statements.
qualitative factors (Qualitative: It is subject to the personal assessment and evaluation of the inspectors who carry out the inspection rounds and assess the risks in the banks.
Setting the evaluation level for each element is the responsibility of the responsible inspector (inspection team leader) in partnership with the concerned inspectors. As for the overall (combined) evaluation, it is the responsibility of the field control department in cooperation with the responsible inspector.
Fifth: Evaluating the performance of banks using a method CAMELS):
* Profitability Index:
The decrease in these ratios may indicate problems in the profitability of companies and financial institutions, while the high rise in these ratios may reflect an investment policy in risky financial portfolios. There are a number of ratios that can be considered in assessing the profitability of financial institutions, the most important of which are: (2015, Rostami)
Return on assets This ratio is measured by net profits to total assets, and this ratio can be calculated with different definitions of profits before and after interest and taxes, profits excluding exceptional profits, and others.
Return on equity This ratio measured to net profits to the rate of capital reflects the rate of return obtained by investors who hold the capital of banking institutions. It can be explained by the decrease in profits or the increase in capital in general. This ratio cannot be calculated until its meaning is ascertained by taking the capital in its different definitions, the capital of the first and second tranches, and the ratio of capital in its different definitions to the total capital can be calculated in the same way. Take different definitions of profits.)Rozzani (2014).
Income and expenditure rates: Such ratios can give a clear picture of the composition of profits and expenditures, the extent of the continuity of making profits for financial institutions, and the extent of the amount of risk that these institutions take. These ratios are very useful in that

they give an idea of the source of profit-generating operations, such as Income from lending portfolios or financial portfolios, etc., and so that any of the investment operations that generate profits (investment in stocks, bonds, exchange rates ...) can be determined, while expenditure ratios can give an idea of weaknesses in generating profits and expenses that absorb these Earnings. Expenses ratios can be calculated according to the type of expenses, such as administrative expenses, wage expenses, interest payments, and other expenses. (Hamad, 2003) Structural indicators There are other measures other than profitability measures that can be relied upon, and they give a future view of the position of financial institutions, including the degree of expansion of the banking institution’s customer base. And expanding its scope of work to include a wider sector of companies, the family sector, and even economic sectors, and has an impact on the total costs of the financial institution and its profitability.

Sixth: Measurement indicators for a standard CAMELS

It is a quick indicator of knowing the reality of the financial position of any bank and knowing the degree of its classification. CAMELS is more than the CAEL standard and reliance on it in regulatory decisions because it reflects the real reality of the bank’s position, and the standard takes into account five elements

Main:

1- Capital adequacy
2- Asset quality
3- Management
4- Profitability
5- Liquidity
6- Sensitivity to Marketer Risk

the character stands for C for the adequacy of capital to protect depositors and cover risks and the letter A for the quality of products and what is expected to be collected from their net value inside and outside the budget and the extent to which there are provisions to meet doubtful assets, while the letter M stands for management and its level of efficiency and depth and its commitment to the laws regulating banking work and the extent of the efficiency of the internal and institutional control devices and the presence Future policies and planning. The letter E symbolizes the level of profitability and the extent of its contribution to the bank’s growth and capital increase. Finally, the letter L stands for measuring the soundness of the liquidity position and the bank’s ability to fulfill its expected and unexpected current and future obligations. The rating ranges from rating 1, which is the best, to rating 5, which is the worst.

Seventh: The overall classification of the banking evaluation system(CAMELS)

After the elements have been explained The six CAMELS) shows the need to understand the overall classification, which will be allocated to all banks, as both (Al-Karasneh, 2006: 20) and (Babar, 2011: 36) agree that the overall classification depends based on the accurate assessment of the institution at the administrative, operational, and financial levels, as well as About compliance with the provided regulations, instructions, and guidelines. The six main components that were explained above are used to evaluate the financial and operational status of the bank, which are capital adequacy, asset quality, management efficiency, profitability, liquidity, and sensitivity to market risks.) on the best, and (5) indicates the lowest. Before the detailed explanation of each of the classification degrees, we present a table showing the classification degrees, the description of each degree, and the averages of the classification (the Composite range), as follows:

Rating scores of the banking rating system CAMELS

Classification degree	Censorship	Administration	nature of the performance
Rating 1	——	Management is sound	strong performance
Classification 2	Unnecessary	compliance with regulations	Intrinsically sound
Classification 3	in a specific way	unsatisfactory practices	Weaknesses
Rating 4	Close supervision	Improper practices	Not safe
Rating 5	Direct supervision	out of control	Unsafe

Source Prepared by the researcher based on theoretical literature

Below is a detailed explanation of each classification, as follows:

1- Strong rating (1):

When this rating is given, it means that the bank enjoys a sound financial position and does not have any significant problems (Al-Ramahi,2010:2). And if there are weaknesses, they are minor and can be dealt with by the board of directors and senior management in the bank, and banks that fall within this classification are considered strong banks and can resist any influential external conditions such as economic instability and are fully committed to laws and regulations (the central bank Al-Iraqi, 2: 2006) (Comptroller's Handbook, 2012: 44)

2 Satisfactory rating (2)

A bank that falls under this rating is fundamentally sound and secure, reflects above-average performance, and has well-established operational management and a sound financial position. (Datta, 2012: 28), and that its ability to withstand challenges is good except for sharp economic fluctuations, but this requires the existence of regulatory supervision as a minimum to ensure the continuity and validity of basic banking safety (Suleiman, 2012: 6)

3- average rating (3)

Banks falling within this rating are a concern for the regulatory authorities as they generally have weaknesses in one or more areas of the rating that are not corrected within a reasonable time frame and may cause significant solvency and liquidity problems and risk management applications are less than satisfactory and banks fall within this category Classification in case of clear non-compliance with laws and instructions. The Central Bank of Iraq, and these banks need attention from the regulatory authorities (Bearing point, 2006: 47).

4- Marginal classification (4)

Banks that fall into this classification have severe problems, and if these problems are not addressed, this bank may be exposed to bankruptcy, and the level of control required for this bank must be vigorous, and the bank must be visited by the supervisory authorities at frequent intervals (every 6 months), And it is required to put in place a corrective program within a certain period to solve the problems it has, in addition to that, the supervisory authorities may ask the bank to stop some activities (the Central Bank,2014: 4).

5 unsatisfactory rating (5)

Banks that fall within this degree suffer greatly from dishonest and unstable practices and suffer from significant weakness in performance and significant weakness in risk management in relation to the size of the bank, its degree of complexity, and its degree of risk. And it constitutes a major concern for the supervisory authorities, and to correct it, these banks need emergency assistance if these banks are to continue. These banks also need continuous monitoring and the possibility of failure of these banks is great (Al-Karasnah,2006:22).

The Central Bank is the regulatory body responsible for evaluating and classifying banks to maintain the integrity of the financial positions of banks, and the degree of classification is what determines that, table (3) Explains the control measures that are taken based on the degree of classification of the bank:

Table (3) Control procedures taken based on classificationCAMELS))

Classification degree	control procedure	bank position
1	Take no action	The position is correct
2	Address the negatives	Relatively healthy with some shortcomings
3	Continuous monitoring and follow-up	Shows strengths and weaknesses
4	Field reform and follow-up program	risk that may lead to failure
5	permanent censorship	very dangerous

Source: ((Buniak, 2000: 35).

banking performance

Firstly: The concept of bank performance and performance

Performance is a fundamental concept for business organizations in generalPerformance occupies a special place within any institution as it is the outcome of all its activities, at the level of the individual, the organization, and the state. As it represents the common denominator of the interest of management scholars, it is also a pivotal element for all fields of management knowledge Including strategic management, in addition to being the most important dimension of different business organizations, around which the existence of the organization revolves or not (Hada, 2015: 8), as the term performance (performance) is derived from the Old French (performance), which means to perform, to perform, or to perform in the sense ofto perform" means doing an action that helps to reach the set goals, and the concept of performance means "the outputs or goals that the system seeks to achieve, and it is a concept that reflects both the goals and the means necessary to achieve them, that is, it links the aspects of the activity with the goals that these systems seek to achieve. (Kazem, 2015: 3)

As for the banking performance, we noticed through looking at the sources that the abundance of literature that dealt with the concept of performance and banking performance, whose concepts we will address in the table below, there is difficulty in giving a specific definition of performance.

he has pointed out that Wright, et at), refers to banking performance as "the desired results that the bank seeks to achieve" (Wright, et at, 1998: 259).

Both agreed on Robins and Wiersema) with (Eccles), who defined bank performance as "a reflection of the bank's ability and ability to achieve its long-term goals" (Eccles, 1991: 131) (Robins Wiersema, 1995: 278).

(Al-Qutb) commented on the concept of banking performance (that it is a vivid image that reflects the outcome and level of the bank's ability to exploit its resources and its ability to achieve its goals set through its various activities and according to criteria that suit the bank and the nature of its work) (Al-Qutb2002: 19).

And some tried to define banking performance through many related approaches, including Naif, 2007: 83 (Daft: 2001, 64-75).

(Naraynan & Nath: 1993: 163-172) These entries are:

Objectives Entrance Goal Approach: It means the extent of the organization's ability to achieve the goals entrusted to it through the management's use of goals because the success of the bank's management confirms the bank's ability and effectiveness to achieve the goals.

System resource entry System Recourses Approach: It means the extent to which the bank can obtain the scarce resource

s it needs from its environment while there is strong competition to obtain

They must also employ qualified staff and borrow at the lowest possible cost.

Introduction to the internal process Approach: Refers to the quantity and quality of activities

This approach contributes to reducing tension, achieving integration between the bank and employees, and satisfying employees.

Stakeholders entrance (beneficiaries)Stakeholders (Constituencies) Approach: It is represented by the bank's ability to satisfy the needs and desires of (lenders, employees, suppliers, customers, and others) that affect and are affected by the environment.

Introduction to competitive values Competing Values Approach

The concept of performance has multiple aspects, including mental, psychological, and physical, that intertwine with each other(Yan & Gray, 1994: 147). Despite this discrepancy, most researchers express the banking performance through the bank's ability to succeed in achieving its objectives.

Second: the importance of banking performance

The importance of banking performance can be summarized (Ashouri,2011: 63) as follows:-

Demonstrates the bank's ability to implement its planned objectives by comparing the results achieved with the target ones, detecting deviations, and proposing appropriate solutions to them, which enhances the performance of banks and the continuation of survival and continuation of work.

The importance of performance appears by knowing the strategic position of the bank within the framework of the environment in which it operates and then determining the priorities and cases of change required to improve the strategic position of the bank.

Performance is an important means of improving the profitability (return) of the institutions, as it shows all the strengths and weaknesses and helps to analyze the results.

Third: Key Performance Areas

There are many areas of performance that institutions seek to measure on the basis that each of them reflects a goal that it seeks to achieve.2008: 234).

The areas that cover the objectives of the organization's parties vary from their different orientations and aspirations so it can be said that the institution's success reflects its performance so that its performance covers all areas through which the various parties can stand on what they aspire to (Smith & Getat, 1985: 90).

Writers and researchers differ in defining the areas of performance, as they explained that the areas of banking performance include three dimensions that together form an integrated model for measuring and evaluating the efficiency of performance, and these dimensions are:

1- Effectiveness:(Effectiveness): Defined as the ability to implement goals, which is the actual realization of the goals, objectives, and benefits of projects, government curricula, and public institutions, through the actual use of approved work methods in the implementation of established plans and policies, and it is assumed that this will be done at the lowest reasonable cost and within the specified or pre-planned dates and standard specifications. (Emirate, 2011: 50_ 51) It is a measure of the degree or level of achieving the objectives of the unit (48: 2013, Šakalytė& Bartusevicciene.)

2- Efficiency(Efficiency): Efficiency is expressed as the relationship between outputs and inputs. The outputs represent goods or services. As for the inputs, they represent everything that was used in the production of those outputs. The study of the relationship between outputs and inputs aims to accomplish the work with the best possible performance (Guan, et.al.2009:269). It means how the organization uses its human, financial, and informational resources. (Al-Hasnawi, 2011: 113) There is a set of measures of efficiency, which are as follows:

the quality(Quality): is to meet customer's needs.

cycle time (cycle time)It is the time between the customer's request for products and services to the time of delivery of the products or services (the end of the process).

Productivity:(productivity)The added value of the process is divided by the value of labor, capital, and all the supplies used, and this criterion refers to the measurement of the relative relationship between the outputs and inputs of the organization.

safety:(Safety) Measuring aspects of the overall general fitness of the organization and the work environment for employees. (Al-Jubouri, 2015: 44)

output sufficiency(Throughput efficiency: It is the ratio of the time spent adding value to the customer through products and services divided by the total cycle time, and it is also defined as the ratio of the total time to the waiting time. (Saeed, Al-Dhahabi, 2017: 5)

3- Enterprise competitiveness: It expresses the ability to produce goods and services with good quality, at the right price, and at the right time, and this means meeting the needs of consumers more efficiently than other establishments.

4- Environment: (Environment)It allows the administrator to obtain information about his work environment, and enables him to direct his work properly. These measures also provide insights into complementary activities. (Al-Omari, 11:2010)

Fourth: Evaluation of banking performance

The concept of banking performance appraisal:

Almost all banks seek to monitor their performance through performance appraisal systems. We can ask the following questions: Is the institution performing its functions well? Are there deviations in performance or problems that hinder its work? What are the pros and cons of its activity? All these questions are answered by the performance appraisal system because performance appraisal is a tool that takes the initiative in organizing, monitoring, and planning the organization (Chowdhury, 2008: 62.

Knowing the performance appraisal Kinney & Raiborn, 2011: 599)): It is a "key tool for harmonizing the efforts and objectives of workers, managers, and owners, as it is a control system that determines the effectiveness and efficiency of the efforts made in the institution to achieve the set goals."

While Carson defined it as “evaluating both financial and non-financial performance by transforming the organization’s vision and mission into strategic goals” (Al-Kawaz, Al-Khafaji, 2019: 99), and expressed performance appraisal as a process of evaluating the effectiveness, efficiency, and ability of procedures, the system, and the implementation of set goals (Sangwa, Sangwa, 2017: 3)

As for the evaluation of banking performance, there are many concepts to explain the concept of performance evaluation, as it is defined as measuring the performance of the activities of the economic unit combined based on the results achieved at the end of the accounting period, which is usually one calendar year (Al-Douri, 17:2013), and presents ((Chen and the concept of performance appraisal more comprehensively tells us how employees define their work, and that it contributes to decision-making and communication to improve banking performance (2: 2009), (Chen also knew that the goal of the performance appraisal process is to indicate the level of interdependence between available resources and the ability to use them efficiently by the bank according to the follow-up of the development of this interdependence in a specific period of time in the light of a comparison between what is planned and what has been achieved in terms of goals using specific and possible measures and indicators, as the performance evaluation aims to discover the factors that lead to raising the bank’s ability to develop inputs into outputs (Batal Al-Khazraji, 2012: 191).

As for Rahim)) believes that the evaluation of banking performance is represented in the form of a set of indicators that reflect the success, growth, and development of the economic unit, and thus the indicators become criteria by which it is possible to estimate the degree or extent to which the economic unit achieves its objectives and measure the effectiveness of the results of aspects of the activity. Therefore, the evaluation indicators are linked to the basic objectives. The establishment of economic unity and one of these goals is to identify strengths and weaknesses in the bank to give recommendations or some measures to overcome problems and to identify means and ways to address them (Rahim, 2012: 386).

A number of researchers in this field believe that the performance appraisal process, in the opinion of (Levine, 2005), proposed five channels that have an impact on the financial system and economic growth, namely: financial intermediaries, investment control, risk management, savings mobilization, and facilitating the exchange of goods and services. A study on banks and the stock market found that they affect economic growth positively. (Levine & Beck, 2004), they say that the development and expansion of the banking system can have positive results on the economic growth of the country, while the report prepared by the European Central Bank in (2010 AD) when it analyzed the performance of banks indicated that banking performance affects the ability of The bank is to generate sustainable profitability, as profitability is the first line of defense against unexpected losses, and by measuring and analyzing banks, two other factors were found: efficiency and risk, which affect the performance of banks, as efficiency indicates that the bank can generate revenue,

In the opinion of the researchers, it can be said that the process of evaluating the performance of banks means finding a measure through which it is possible to know the extent to which the bank achieves the goals for which it was established and compare those goals with the planned goals, knowing and determining the number of deviations and methods of treatment, or that it means a tool used to identify the activity of the project to measure the results. achieved and compared with previously planned objectives to identify deviations and determine their causes by identifying means to address them.

Objectives Bank performance appraisal

The essence of the process of evaluating banks is to improve and develop their performance to achieve the goals that they seek efficiently and effectively, through optimal exploitation of the available human, material, and information resources, as the performance appraisal process is considered a form of control, according to which assistance is provided. To detect deviations early It is an indicator of the organization's progress or delay. Banking performance evaluation aims to achieve the following:

Ensuring the efficient use of the resources available to the bank and their best use.

Create a spirit of competition between the bank's departments to improve the level of overall performance.

Disclosing the disadvantages of wasteful use of funds, as well as the formalities of work, in a way that is inconsistent with the rules and sound foundations of public performance.

Improving the planning process at the national, local, or organizational level by ensuring that economic balance and consistency are achieved between economic sectors.

Increasing the degree of disclosure and harmony between the strategic objectives on the one hand and their relationship to the competitive environment on the other hand.

Developing and improving the performance of officials by detecting shortcomings and weaknesses in the efficiency of workers and their level of productivity and finding effective solutions through training and development.

Based on scientific and objective facts provided by the performance appraisal process. (Al-Janabi, 2010: 29)

Fourth: the importance of evaluating banking performance

The importance of the banking system is summarized as follows: (Kazem, 2022: 4)

Ensuring the efficient use of the resources available to the bank and their best use.

Create a spirit of competition between the bank's departments in order to improve the level of overall performance.

Disclosing the disadvantages of wasteful use of funds, as well as the formalities of work, in a way that is inconsistent with the rules and sound foundations of public performance.

Improving the planning process at the national, local, or organizational level by ensuring that economic balance and consistency are achieved between economic sectors.

Increasing the degree of disclosure and harmony between the strategic objectives on the one hand and their relationship to the competitive environment on the other hand.

Developing and improving the performance of officials by detecting shortcomings and weaknesses in the efficiency of workers and their level of productivity and finding effective solutions through training and development.

Fifth: Steps for evaluating bank performance

The steps for evaluating performance in banks or any economic unit, whether service or production, come in a sequential, interrelated, and coherent manner, as they can be modified in accordance with the specificity, activity, and nature of the unit, as follows: (Wheelen, Thomas, 2011: 328) (Al-Adhari, 2020: 62).

1. Determine what to measure: Determine what to measure Within the framework of each of the organization's mission and goals, senior management and operational managers need to define the implementation processes and results that will be monitored and evaluated. Processes and results must be measurable in an objective and reasonably consistent manner. That is, setting the goal against which strategic performance will be judged and measured

2. Setting Performance Standards: Establish standards of performance: At this stage, appropriate standards are formulated to carry out the strategic performance evaluation process, as the standards used to measure performance are detailed expressions of strategic objectives and are measures of acceptable performance results.

3. Actual Performance Measurement: Measure actual performance: It means that the organization measures what has been implemented and accomplished in terms of activities and events in the field of inputs and outputs through a set of financial and non-financial measures in order to give a comprehensive and clear picture of performance.

4- Performance Comparison Compare actual performance to established standards: Compare actual performance with the standard: At this stage, the actual performance is compared with the previously defined standards and objectives. It aims to detect deviations and identify their causes. If the actual performance results are within the required variation range, the measurement process stops here.

5- The stage of not taking any action if the performance conforms with the pre-determined criteria: -. (Thanaraksakual & Pupruksapharat, 2009: 985)

5- Take corrective action: Take Corrective Actions, which is the last step of the evaluation process if the achieved performance does not conform to the previously established standards, as shown in Figure (12).

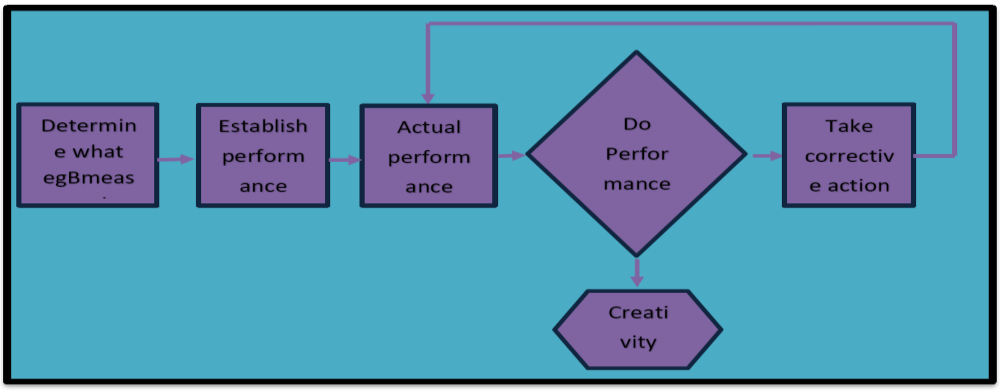

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Figure (12) stages of performance appraisal

Sixth: Risks facing banking performance

There have been many opinions of researchers and writers about the types of risks that banks are exposed to, as some of them divided the risks into two types: Systemic, which arise from fluctuations in securities prices, and which cannot be avoided through portfolio diversification (Al-Amiri,2012: 41) and the other type: irregular, which is unique to the establishment and has nothing to do with market risks (Al-Ardhi, 2013: 167) such as the fluctuation of stock returns associated with the risks of events and actions of all holding companies (Belkhir, 2005: 5) and others divided the risks into four Risks (credit, liquidity, interest rate, operating),

Among the risks to which banking performance is exposed are:

1. Credit risk Credit Risk

Credit risks are always related to advances, loans, account statements, or any credit facilities offered to customers. It is represented in the possibility of a decrease in the value of the bank's assets, and thus its exposure to losses that eventually lead to its bankruptcy, because banks have little capital relative to the value of the total assets because a small percentage of poor loan management leads the bank to failure.

2. Liquidity risk liquidity Risk

pointed out (Rose, 1991: 141) that liquidity is of great importance to banks because of their need to meet depositors' requests and meet credit requests immediately and continuously, and when the bank is unable to meet these obligations sometimes due to the lack of sufficient cash to cover withdrawal requests and credit requests of customers and its inability to Responding to other monetary needs, and the bank may be forced to borrow to cover the cash needs and the decrease in its profits.

3. Market riskMarketRisk

This risk is embodied in the change in the interest rate, which affects a large number of the bank's assets, each of them to a greater or lesser extent(Ross, et al, 2002: 287)

4. Interest rate riskInterestRateRisk

Interest rate risk is defined as the fluctuations in the returns of securities as a result of changes in the levels of interest rates (Jones, 1996: 140).

as pointed out (Rose) indicated that interest rate risk “is the change in asset returns due to interest rates. By increasing these rates on the funds borrowed by the bank, it leads to lower profits for the bank because of the interest expenses that the bank pays for these borrowed funds.” Rose, 1999: 173),

5. Risky returnsEarning Risk

It means the fluctuation in net profit after tax and interest. Profits may decline suddenly due to factors within the bank or external factors such as changes in economic conditions and changes in laws

Rose, 1999: 174) (Al-Serafi, 2007: 65).

6. The risk of non-paymentSolvency risk

Bankers should take great care of the risk of non-payment. Because if the bank provides a large percentage of bad loans to customers, or a large part of the market value of the bank's securities portfolio decreases, this may generate large losses for the capital owned. -Rose, 1999: 174))

The Practical Side

Application of the banking performance appraisal system CAMELS

In this study, we will apply the system CAMELS) to evaluate the performance of banks, as we will apply it to the National Bank of Baghdad for the period from (2015) to (2017).

Firstly. system application(CAMELS) on private banks study sample the system will apply(CAMELS) on the sample of the study consisting of the National Bank of Baghdad for the period from (2015 AD to 2017 AD). It should be noted that the element of sensitivity to the market was not taken into account in this study due to the inefficiency of the Iraqi financial market, in addition to that this indicator requires prices Fixed interest because interest rates in Iraq have been liberalized since 2004 AD, which is not available in the Iraqi market.

The first element: is capital adequacy Capital adequacy

Capital adequacy is the critical element in facing the risks of the banking business, which determines the extent to which the bank can overcome shocks in its balance sheet, and in order to classify the bank’s capital, we calculate the following ratio according to the following table:

Table (1) shows the results of the assessment of the capital adequacy component of the National Bank of Baghdad for the years2015 - 2017

sinks / **capital adequacy ratios**		**Category Total enough capital**	**Category partial capital sufficiency**	**Baghdad National Bank**
2015				
capital growth rate	Capital growth rate = Capital for the current year – Capital for the previous year ÷ Capital for the previous year.	4	3	38.02%
Asset growth rate	Assets growth rate = current year's assets - last year's assets ÷ last year's assets			38.55%
capital adequacy	Capital adequacy ratio = basic capital + supporting capital ÷ total risky assets within the balance sheet + total risky assets outside the balance sheet			130%
Capital hiring				160%
2016				
capital growth rate	Capital growth rate = Capital for the current year – Capital for the previous year ÷ Capital for the previous year.		4	39.44%
Asset growth rate	Assets growth rate = current year's assets - last year's assets ÷ last year's assets			42.43%
capital adequacy	Capital adequacy ratio = basic capital + supporting capital ÷ total risky assets within the balance sheet + total risky assets outside the balance sheet			199%
Capital hiring				70.44%
2017				

capital growth rate	Capital growth rate = Capital for the current year – Capital for the previous year ÷ Capital for the previous year.		5	35.02%	
Asset growth rate	Assets growth rate = current year's assets - last year's assets ÷ last year's assets			32.15%	
capital adequacy	Capital adequacy ratio = basic capital + supporting capital ÷ total risky assets within the balance sheet + total risky assets outside the balance sheet			130%	
Capital hiring				52.82%	

Source: Prepared by researchers based on the annual financial reports of the Bank of Baghdad for the period (2015-2017).

It is noted from Table (1) that the capital adequacy ratio of the three-year study sample banks appeared above. In 2015, the capital adequacy ratio reached 130%, and in 2016 it reached199%, and in 2017 the percentage increased to 230%. It is noted that all these percentages are good according to the Basel Committee standard, noting that the minimum limits for the international standard according to Basel are (8%) and the Banking Law No. (94) of 2004, whose percentage is (12%). Central Bank instructions (15%).
As we can see from Table (1) of the capital and asset growth rates of the National Bank of Baghdad during the study years from (2015) to (2017), the capital growth rates are according to the sequence of years (38.02%, 39.44%, 35.2%), and the growth rates reached The assets are as follows (38.55%, 42.43%, 32.15%) and we note through the growth rates of capital and assets for the years 2015 and 2016 that the growth of capital is greater than the growth of assets due to the increase in capital for the year 2016, and the percentage decreased in 2017 and due to the increase in capital in a way that does not match with According to international standards, the growth of assets must be less than or equal to the growth of capital.
As for capital adequacy, the ratio was in 2015 (160%), while in 2016 it reached (199%) and finally in 2017 it reached (130%). It is noted that the adequacy ratio in 2015 and 2016 is high due to the bank's retention of large cash balances. It is a good indicator of the good of the bank as per the requirements of the banking evaluation systemCAMELS.

Table (2) Analysis of the results of the capital adequacy of the National Bank of Baghdad according to the test for one sample

Statement	degree of confidence CONFIDENCE	average mean	Moral level Sig	degrees of freedom df	T
capital adequacy ratio	0.95	12.44	0.05	4	2,213

The source is prepared by the researchers based on the program spss v.25.

Through the table analyzing the results of the capital adequacy of the National Bank of Baghdad, it appeared that the degree of freedom was 4, the degree of confidence was 95%, and the level of significance was 0.05. The tabular t was 2.213, while the calculated one was 2.111, and the average was 12.44 for the variables of the capital adequacy ratios, and since the calculated ones are less than the tabular ones, this indicates that there is a statistically significant relationship between the capital adequacy ratios for the three years of the National Bank of Baghdad, and this proves the validity of the first hypothesis She says: no There are risks in rate Adequacy had the money to a bank Baghdad According for indicators system Evaluation banker CAMELS

The second hypothesis: falls on Baghdad Bank Strong rating according to the banking rating system CAMELS.

1 The second element: the quality of Assets Quality

Jude's rating assets based on directives and distribution of assets and the problems they suffer from, the size of doubtful assets, classified, past due and non-performing assets, restructured assets from within and outside the balance sheet, the adequacy of reserves against loan losses, the ability to identify and manage the collection of doubtful assets, the diversity of the elements of the loan portfolio, and the appropriateness of policies and procedures Lending and credit concentrations and the effectiveness of credit management procedures. The quality of the assets includes the indicators listed in Table (3):

Table (3) the results of the assessment of the quality of the assets of the National Bank of Baghdad for the period from 2015 - 2017

Indicators years	2015	2016	2017
public sector allocations	119,111,000	13,910,817,000	5,062,033,000
sector allocations private	16,170,482,000	11,000,000,000	6,256,875,000
total allowances	16,289,593,000	24,910,817,000	11,318,908,000
paid Capital	250,000,000,000	250,000,000,000	250,000,000,000
Precautions	41,252,414,000	42,419,198,000	18,488,373,000
Property rights	262,144,618,000	282,821,705,000	276,942,042,000
weighted rating ratio	17.09276659	12.3533693	25.46720496

Source: prepared by the researcher based on the annual financial reports of the Baghdad National Bank for the period (2015-2017).

Through table (3): we note that the public sector allocations in 2015 amounted to 119,111,000 million dinars, while in 2016 the public sector allocations increased to 13,910,817,000 million dinars, and in the year 2017 the public sector allocations decreased to 5,062,033,000 million dinars, as well as through the table (3) That in 2015 the private sector allocations increased to 16,170,482,000 million dinars, and in 2016 they decreased to 11,000,000,000, and in 2017 they decreased to 6,256,875,000 million dinars, so the total allocations in 2015 amounted to 16,289,593,000 million dinars, and in the year 2016 rose to reach24,910,817,000 million dinars, while in 2017 it decreased to 11,318,908,000 million dinars, and as we notice there is an increase in the capital by 250,000,000,000, the reserves for the year 2015 amounted to 41,252,414,000 dinars, while in 2016 they amounted to 42,419,198,000 dinars And in the year 2017, it amounted to 18,488,373,000 dinars, and this indicates the instability of reserves. As for property rights, we notice that in 2015 it increased to 262,144,618,000 dinars, while in 2016 it amounted to 282,821,705,000 dinars, and in 2016 it decreased to 276,942,042,000 dinars, and by calculating the weighted classification ratio, we obtained 17.09 for the year 2015, 12.35 for the year 2016, 25.4 of 2017, and as We note an instability in the weighted rating ratio.

Table (4) Analysis of the results of the adequacy of asset quality for the National Bank of Baghdad test

Statement	t	degrees of freedom	Moral level	average	degree of confidence CONFIDENCE
weighted rating ratio	3,661	df	sig	mean	95%
Overall rating ratio	2,413	4	0.020	3.6	95%

The source is prepared by the researchers based on the program spss v.25

Table (4) shows the analysis of the results of the adequacy of asset quality for the National Bank of Baghdad. For the weighted classification, it showed a degree of freedom of 4 and a confidence level of 95% with an average of 4.8. It indicates the existence of a statistically significant relationship between the three different years of the weighted assets ratios of the Baghdad National Bank, as is also evident, which shows a degree of freedom of 4, a degree of confidence of 95%, a significant level of 0.132, with an average of 2.1, and tabular 2.413, while the calculated one was 2.330 for the total classification, and since: Calculated less than tabular This indicates a statistically significant relationship between The three years The different levels of the National Bank of Baghdad in relation to the total classification

This confirms the second hypothesis, which states: Located bank Baghdad in Rank classification strong According to system Evaluation banker CAMELS for quality assets.

The third element: profitability Earning

Profitability is considered one of the objectives of the bank, as it determines its performance and ensures its continuity so that profitability is affected by the quality of the bank's assets. To know the profitability of the Algerian foreign bank, we calculate the following:

1- The rate of return on assets: This rate measures the management's efficiency in using the bank's assets optimally in achieving profits by investing in various of these assets and is represented by the following relationship:

Return on assets = net income / average assets

2-Return on Equity = Net Income / Equity

As this element is evaluated by measuring the quality and quantity of revenues to their ability to provide sufficient capital through retained revenues, the level, direction, and stability of revenues, the quality and sources of revenues, the level of expenditures in relation to operations, the adequacy of provisions against loan losses, dependence on unusual gains or losses, the contribution of unusual items and transactions Stocks and the effect of taxes on net income. This element has several indicators, as shown in the following table (5):

Table (5) results of the profitability assessment of the study sample banks for the years 2015-2017

sinks pedigree	the findings	Overall rating	Partial classification	return on equity ROE	Return on investment ROA
2015					
the findings	1,472,742.693,000	3.2	3.8		
Property rights	262,144,618,000				
Revenues	35,838,591,000				
profits	6,448,486,000				
				13.6	4.33
2016					
the findings	1,200,424, 117,000		4.5		
Property rights	282,821,705,000				
Revenues	35,699,550,000				
profits	20,009,291,000				
			29.7	1.6	
2017					
the findings	1,090,152,647,000	3.2			
Property rights	276,942,042,000				
Revenues	31,039,906,000				
profits	6,122,480,000				
			11.2	5.6	

Source: Annual financial reports of the National Bank of Baghdad for the period (2015-2017)

B- Presentation and discussion of the results of the profitability component analysis

Table No. (4) shows that assets are increasing, as they were estimated in 2015 at1,472,742.693,000Dinars and decreased in 2016 and 2017 from1,200,424, 117,000to1,090,152,647,000Dinars, and the average assets show the highest value compared to the assets in 2015 compared to the years 2016 and 2017, and the property rights component, we note that its values are declining as it was estimated262,144,618,000Billion dinars in 2015, and in 2016, an increase in value a year by20,009,291,000billion dinars, while in 2017 the value of property rights decreased to276,942,042,000One billion dinars. As for the net profit, we notice a decrease during the year 2015 6,448,486,000Dinars, while the year 2016 has a clear increase to20,009,291,000Dinars, while in 2017 it decreased to6,122,480,000Dinars, and the rate of return on assets was 4.33 in 2015, 1.6 in 2016, and 6.5 in 2017, and the return on equity was estimated at13.6for the year 2015 and the year 201629.7As for the year 2017, it is a low percentage compared to the years with11.2.

It is noted through the above percentages for the three years The bank's ability to generate profits is good, and this is a good indicator of the bank's efficiency in managing profitability according to the requirements of the banking evaluation system CAMELS Table (6) Analysis of the results of profitability ratios for the National Bank of Baghdad, according to a test

Statement	**t**	**degrees of freedom**	**Moral level**	**average**	**degree of confidence CONFIDENCE**
Return on investment	7,554	df	Sig	mean	95%
return on equity	4,654	4	0.04	3.55	95%

The source is prepared by the researchers based on the program spss v.25

Through table (6) related to the analysis of profitability ratios, we note that the rate of return on investment with a degree of freedom of 4 and a degree of confidence of 95% with an average of 3.55, and the tabular was 7.554 while the calculated was 7.224, and the level of significance for it was 0.04, less than 0.05, and this indicates the existence of a relationship Statistically significant between profitability ratios for the three years of Baghdad National Bank. It is also noted that the rate of return on equity shows a degree of freedom of 4, and a degree of confidence of 95%, with an average of 26.22, and tabular 4.654, while the calculated one was 4.354, with a significant level of 0.03, and this is less than 0.05, and this also indicates the existence of a statistically significant relationship between the three-year ratios of the Bank. Baghdad Al-Ahly. This proves the validity of the third refusal, which says: The banking evaluation system appears CAMELS efficient management Baghdad Bank in profitability management.

1The fifth element: liquidity liquidity

Rating torrents The management of assets and liabilities about the general trend of deposits and their stability, the degree of dependence on short-term volatile sources of financing, including any unjustified reliance on borrowing, the extent of providing assets that can be easily converted into cash without significant losses, the possibility of entering money markets, access to other financing sources, and the adequacy of liquidity sources. The ability to meet liquidity needs, the adequacy of liquidity policies and practices, money management strategies, management information systems, contingency funding plans, and management's ability to designate, monitor and control liquidity. It has the element or criterion for the indicators shown in Table (7):

Table (7) results of the liquidity assessment of the study sample banks for the years2015 - 2017

sinks pedigree	**2015**	**2016**	**2017**
the findings	1,472,742,593,000	1,200,424, 117,000	1,090,152,647,000
loans	261,797,030,000	195,066,079,000	145,602,262,000
Cash on hand	230,750,758,000	276,377,930,000	248,211,609,000
liquid assets	795,650,150,000	541,806,853,000	500,901,780,000

sinks **pedigree**	**2015**	**2016**	**2017**
Liquid liabilities (customer deposits)	1,216,897,975,000	917,602,412,000	813,210,605,000
Liquidity Ratio = MSM / MSM	0.653834723	0.590459273	0.615955789
Cash ratio = cash on hand / m. s	0.189622107	0.301195732	0.305224265
The ratio of loans to total assets	0.177761566	0.16	0.133561353
for partial classification	2.8	3.6	3.2

Source: Annual financial reports of the study sample banks for the period (2015-2017)

And The following are the results of the liquidity component analysis:

Table (10) related to liquidity and cash liquidity ratios, where the liquidity ratio in 2015 amounted to 65.3%, in 2016 it was 59%, and 2017 it reached 61.5%, and the cash liquidity ratio reached 18.9% in 2015, and 2016 it reached 30.1%, and in The year 2017 amounted to 30.5%, and the researcher notes from the above ratios that the liquidity ratios of the bank for the above-mentioned years are good according to the requirements of the banking evaluation systemCAMELS.

Table (7) Analysis of the results of liquidity ratios for the National Bank of Baghdad, according to the test: for one sample degree of confidence

Statement	**T**	**degrees of freedom**	**Moral level**	**average**	**degree of confidence CONFIDENCE**
Liquidity ratio	4,033	df	sig	mean	95%
cash flow ratio	4,089	4	0.03	45.88	95%

The source is prepared by the researchers based on the programs spss v.25

Bank name	**2015**		**2016**		**2017**	
	Class	Evaluation	Class	Evaluation	**Class**	**Evaluation**
Baghdad National Bank	3b	good	3a	Good	2b	very good

The source is prepared by the researchers based on the programs spss v.25

Table (7) shows the results of the analysis of liquidity ratios for the National Bank of Baghdad. The liquidity ratios showed a degree of freedom, and a 95% confidence level, with an average of 45.88. The tabular was 45.88, while the calculated was 60.88. That is, less than 0.05 for the three years of the National Bank of Baghdad, and this indicates the existence of a statistically significant relationship between the liquidity ratios. The same table also shows that the cash liquidity ratio showed a degree of freedom, 4, and a degree of confidence of 95%, with an average of 32.44. And the level of significance for it was 0.04, and this also indicates the existence of a statistically significant relationship between percentages less than 5 .. 15 .. and this proves the validity of the fourth hypothesis that says: There are no risks to fulfilling obligations to the Baghdad National Bank according to the banking evaluation system CAMELS Liquidity Management.

Second: the overall (composite) evaluation according to a system CAMEL))

An overall rating of the bank is given after Conducting a study and analysis of all elements of the system (CAMEL), as this system gives all banks a number evaluation from (1-5) from the strongest to the weakest, as well as writing from (excellent – very good – good – marginal – weak). Table No. (8) presents the overall classification of the study sample banks for the period from 2015 to 2017 as follows: Table (8) the overall evaluation of the study sample banks

Conclusions and recommendations

Firstly. conclusions

system use of CAMELS leads to detecting defects in banks and determining their safety. It also leads to improving financial control, giving indicators about the financial position of the bank, and better identifying its strengths and weaknesses.

Evaluation of banking performance is one of the vital renewable issues because the banking sector is one of the most important sectors in the economic system because of its vital role in the process of economic development and the provision of funds for investment projects.

A- There are no risks in the capital adequacy ratio of the National Bank of Baghdad according to the banking evaluation system CAMELS for capital adequacy.

Bank of Baghdad is in a strong rating arrangement according to the banking rating system CAMELS for asset quality

Show system CAMELS that the National Bank of Baghdad has a rating of 3b good in 2015 And in 2016 good 3a And in 2017 good 2b

Second: Recommendations

The necessity of adopting modern systems in evaluating the performance of the bank and financial departments to find out the real performance of banks and reduce problems.

Necessarily applying the banking evaluation system to all Iraqi banks, which means activating the role of the internal inspection apparatus and the Central Bank of Iraq (bank control).

The United Investment Bank should take many measures to improve financial management, reduce risks and improve the bank's liquidity level.

The National Bank of Baghdad should take several measures to improve financial management, reduce risks, and improve the bank's liquidity level.

We recommend banks carry out a feasibility study to invest the money in important investment and economic projects for the country, as well as to obtain returns instead of keeping them in the treasury.

Paying positive attention to the development of the human resources that the bank has in terms of diversification between banking competencies to form a second and third row that enables them to take the right banking decision at the right time, which directly affects the bank's profits.

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