Analyzing the Performance of Commercial Banks Banking Performance Indicators for a Sample of Iraqi Commercial Banks for the Period (2010-2020)

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Abstract: The research aims to identify the concept of liquidity and profitability indicators and analyze them to know the performance of commercial banks, the research sample As the research started from the problem facing the banks in the research sample Determining a certain level of liquidity to be held to achieve the ability to fulfill its financial obligations upon request, and at the same time how to use this liquidity to achieve profitability for banks and improve the level of performance As the use of liquidity and profitability ratios in analyzing the financial statements of banks will lead to discovering the weaknesses of those banks and trying to avoid them.

The research reached a set of conclusions, the most prominent of which was that the research sample banks witnessed fluctuations and fluctuations in the ratios of liquidity and profitability, and this gives a clear picture of the low performance of those banks, and the research reached a number of recommendations, the most prominent of which wasThe need for banks to exercise caution in their work to avoid risks, and to rely on the indicator of the liquidity coverage ratio, in which banks should have the ability to meet the operating liquidity requirements for a period of not less than a month.

The first topic: research methodology

Research problem

One of the most important problems facing banks is determining a specific level of liquidity to be kept to achieve the ability to fulfill their financial obligations upon request, and at the same time how to use this liquidity to achieve profitability for banks and improve the level of performance, And stand out problem HLook for liquidity management problems banking in Research sample banks In the presence of liquidity that fluctuates more or less than the required standard ratios, or there is a lack of liquidity, and for this reason, the research problem can be described from during wondering following:

➢ What is the impact of liquidity and profitability on banking performance?

Research hypothesis

The research stems from the hypothesis that the use of liquidity and profitability ratios in analyzing the financial statements of the research sample banks will lead to discovering the weaknesses of those banks.

research importance

The importance of research comes from the importance of evaluate on the performance financial for banks role in determining the situation financial to the bank And the extent of his ability to fulfill his obligations in light of them indicator liquidity and profitability, so Liquidity and profitability ratios are among the most used methods for evaluating the performance financial for banks commercial.

research aims

The research aims to identify the concept of liquidity and profitability indicators and analyze them to know the performance of commercial banks, the research sample

Research Methodology

proceeding from the problem of the research And goals The approach followed is the methods Descriptive-analytical by relying on the information provided by the sources, in addition to using the applied approach, by applying the study to a sample of Iraqi commercial banks for the period (2010-2020) and analyzing and interpreting the results.

The second topic: the conceptual framework of indicators of profitability, liquidity and banking performance

Banking performance indicators are among the most important stages of performance measurement in commercial banks, and a basic pillar of their pillars.

First: the concept of banking liquidity

Despite the multiplicity of concepts that dealt with the issue of liquidity, they all give the same meaning, with Existence Some differences Which results from differing views on determining the degree of liquidity of the asset or located.

It is known as liquidity capacity ato a bank on ato pay off cash Money for all of his obligations commercial, Responding to credit requests, or granting new loans, requires availability Cash I have a for banks, or the possibility of obtaining it monetization Some of its assets, ie converted to liquid cash quickly and easily.**(Abu Hamad and Qaduri, 2005: 225)**

It also refers to the ability to replace current wealth with assets or others such as goods and services easily and without loss, in other words, liquidity is the ability to obtain cash when needed, and the meaning of liquidity is confirmed on two important issues, the first describes liquidity as a concept of flow, while the second relates liquidity In the ability to achieve these flows, failure to achieve this will make the financial institution not have sufficient liquidity, so liquidity is defined as a balance of money that does not fully absorb all its characteristics, and therefore it is necessary to focus on the time value of liquidity.**(Gudni, 2014:23)**

Bank liquidity has several indicators, most notably:

A. The cash balance ratio index (Hanafi and Qarbaqas, 2008: 57):

This ratio is called (cash liquidity) and expresses the relationship between the bank's liquid cash resources and its financial obligations, as it indicates the extent of the cash balances in the fund, the central bank and other banks, and any other balances such as foreign currencies and gold coins in the bank. to fulfill the

financial obligations incurred by the bank and which must be settled on the specified date, Deposits and the like mean all liabilities except for owned capital As the higher this ratio, the greater the bank's ability to fulfill its obligations incurred by it, and the lower this ratio, the more liquidity deficit is form ed. Any that There is a direct relationship between the cash balance ratio and liquidity, and is calculated according to the following equation:

Cash balance ratio = cash on hand + cash at the central bank + other liquid balances / deposits and the like×100

B. turnover indicator(Indian2011: 175):

This ratio refers to measuring the ability of banks to meet their due obligations and their components, This ratio consists of current assets / current liabilities, which tcounting of the most proportions Good measure of liquidity They are either cash assets or cash equivalents, This percentage is calculated through a to equalize coming:

The percentage of trade= (current assets / current liabilities) x 100%

C. c. The legal reserve ratio index (Abdul Reda: 23: 2008):

to get to know The legal reserve ratio rate a for deposits held by banks central bank adding to it cash reserve, This percentage is mandatory and on Two types They reserve the Is mandatory and reserve used for cover, Since This percentage varies between central banks from one country to another, and This ratio can be calculated through equation a following:

Legal Reserve Ratio = Cash at the Central Bank / Total Deposits×100.

Second: the concept of banking profitability

The concept of profitability occupies an important place for various businesses. Profits are the primary goal pursued by financial institutions and companies, through which work efficiency is measured.

Profitability can be defined that are derived From two words profit and capacity, profit means operational performance and efficiency to a bank, while ability means strengthBank to earn earnings, Van profitability she The ability to use and invest in a particular thingwith a goal Get returns And use it a once again(Fahd et al., 2020: 426)

Prepare Profitability is the end result of a perform ancebankfinal, which Explain the most important the in fluenceatpolicies and activities bank, during the fiscal year, so Many factors influence the profitability of a to a bank like inflation, And politician Haccountantj and level of competition high, Profitability expresses power financial position for bank and extent his ability to Avoid any loss machine, so Profitability focuses on all the profits already made and also focuses on knowing the volume of the profit Actual and potential returns. **(Al-Kaabi and Al-Jubouri, 2021: 152)**

The profitability index has several indicators, most notably:

ⁱ**. The rate of return on assets(ROA)(Muhammad and Radi, 2011: 48-58):**

This indicator shows the extent of the bank's success in investing its assets and its ability to direct these assets towards profitable investment opportunities. The most used indicators in the financial analysis of profitability, and the rate of return on assets can be reached through the following equation:

The rate of return on assets = net income after tax / the rate of total assets×100.

Since: net income after tax = total operations revenues - total operations expenses - taxes

ب. The rate of return on equity(ROE)(Al-Momani, 2013: 66):

This indicator shows the extent of the bank's ability to generate profits from the use of money, with the aim of maximizing the wealth of the owners. Achieved from the return on equity (capital owned) and the rate of return on equity can be reached through the following equation:

Return on equity = net income after tax / equity×100.

As: Equity = Paid-up Capital + Reserves + Profits

ج. The rate of return on deposits(ROD):

This indicator shows capacity a to a bank on generation the Earnings from deposits received Different Types and employment in various investment activities, and It is calculated by dividing net profit after tax by total deposits (current, savings and fixed), and the rate of return on deposits can be calculated through the following equation:

The rate of return on deposits = net income after tax / total deposits×100.

Second: The concept and importance of banking performance and the factors affecting it

1. Basic concepts of performance and banking performance

a. performance concept:

performance can be defined that it, The performance with burdens Function from Responsibilities and tasks According to the speed required to be performed by the worker competent the coach(Shehab, 2011: 31).

And he knows alsoon it"The ability to convert inputs especially By organizing to output in the form of commodity or service(Farhan and Abdullah, 2013: 29)

As he knew it (Al-Hiti, 2005: 195) as The process of measuring strengths and weaknesses for people working in the organization,

From the previous definitions, we can understand that performance represents the main motive for the existence of any bank or not, as it is considered the most contributing factor in achieving its main goal, which is survival and continuity, and we also conclude that it is performing work and converting inputs into outputs and obtaining a final result.

B. The concept of banking performance:

pointed out**(David, 2001: 308)** that the performance banker he The results of the activities Expect To achieve goals aplaced.

And he knew it**(Meyer, 2003:22)** BaIt is an achievement that can be directly observed and can then be measured, compared and evaluated,

And he knew him too**(AI_Dahiree, 2003:6)**that he capacity of the bank To achieve its goals through the use of resources the diedoasisin an efficient manner, taking into account pMy hope Desire and ability have in dividuals.

In addition to the above, banking performance has been defined as: The means necessary for the various aspects of activity and efforts to do the banks in turn ,and implementation its functions within the banking environment the OceanH To provide banking services that achieve goals. (Salam, 2004: 245)

From the foregoing, it appears that there is a significant difference in tAref Caused by a difference perspectives of researchers and writers, **And can Definition of performance banker** It's the end result capacity a for banking institutions and its potential to achieve its objectives".

2. The importance of banking performance

take over the management of the drains Great importance to performance in order to know their position and how to compete they Their ability to face the competition sharpin the financial markets.**(Zhang & Li, 2009:206)**

Come The importance of performance banker from As it is the main part of our economic system so It has a vital role in the development process economics, which is similar**(Chowdhury & Ahmed)** to be like the heart in structure The economist and capitalheblood that As long as there is in the circulatory system to stay devices Salim H And healthy H, if sectors are not provided Economic, agricultural, industrial and commercial, will lead to its destruction.

MMa Above, show us that the performance processenjoy BGreat import ancefortodrains commercial can highlightH apips My agencies:

➢ Associated banking performance Directly related to the achievement of multiple goals, whether these goals are common or not Especially its connection to the goals of the owners of the pain righteous Those represented by (Malkene and stockholders And employees, lenders and customers), And It is an important tool to make all business organizations competitive in the market It is as prompt to the organization of the tTPoint to the directions required For improvement in operations activity.**(Al-Sudani and Shouna, 2017: 157)**

➢ stand out The importance of performance banker Through its impact on the profitability of the business And also affects profitability a for business SOA And affects in a way Directly on the earnings of the servants at, Appear also By knowing the center strategic for bank Within the environment in which ja job In which, And Determine priorities and change situations required to improve the strategic position of bank, and It is an important way to improve profitability (return).institutions, Because it shows all points Strength and weakness**(Al-Dawi, 2010: 217)**

Factors affecting banking performance:

Banking performance is affected by several factors, including what is internal (organizational factors) and what is external (environmental factors), and the most important of these factors follow (Al-Husseini and Al-Douri, 2000: 229-231):-

أ**. Organizational factors:** Organizational factors mean that they are the internal factors specific to the bank itself, such as the volume of business or activities in banks, the technology used and the efficiency of management.

➢ **business size :**that The amount of resources held by the bank And the nature of its composition and movement represent important and influencing factors In determining the efficiency and productivity of banking activities, The more The size of these resources is increasing And go down its total cost and I said quantity Draws From her, help to increase operating capacity available in bank, than Yasa they To improve the productivity and profitability of the bank.

➢ **technology used:** They are the methods that are used in the completion of banking work and the degree of automation in work. The greater the use of technology and the higher the degree of automation in banking work, the more it leads to raising the quality of banking services, reducing costs and increasing profitability.

➢ **Administrative competence:** pass On the management's ability to achieve the set goals by mobilizing energies and skills And Personal capabilities are available and rationalized exploited To ensure optimal use of all resources available and what it reflects in terms of service quality and reputation Good deed Of bank.

ب. **Environmental factors:** They are factors that are out of control, and can be divided into (Al-Husseini, 2008: 229-230):

✓ **Legal and political environment:** what Include Circumstances the country's politics The works in it bank In addition to Laws that define and regulate banking.

✓ **Economic environment:** And It mainly includes the nature of the economic system resources available in the country, and climate venture And the investment opportunitiesyah the died oasis.

✓ **Social environment:** Which prevailing customs and traditions Which the individual believes in, the level of awareness and culture, which affect the individual's decisions deal with The nature of the banking business and services provided by banks.

The third topic: studying the indicators of profitability and banking liquidity for the research sample

For the period (2010-2020) and the performance of commercial banks

First: Iraqi commercial banks, the study sample

The study population consists of a group of banks operating in Iraq that are concerned with risks and the development of banking performance in them, and they were chosen randomly because the establishment of these banks was before the year (2003), according to the size of their activity and leadership in the banking business and the availability of their data, and banking performance indicators were used to judge the performance of the bank and the selected sample consisted of three private banks, namely (Bank of Baghdad, National Bank of Iraq, Sumer Commercial Bank), which represents the current study population for the period (2010-2020).
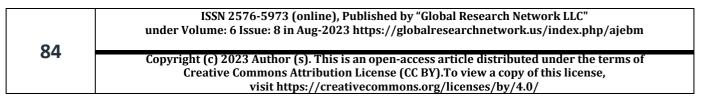
Table (1) details of the study sample banks

current capital	capital at incorporation	Date of Establishment	Bank name	T
250	100	2/18/1992	**Baghdad Bank**	1
250	400	2/1/1995	**National Bank of Iraq**	2
250	400	7/8/1999	**Sumer Commercial Bank**	3

Source: The researcher's numbers based on the annual reports of the Iraqi commercial banks, the study sample

1. Bank of Baghdad

Establish bank Baghdad as a private shareholding company and its capital when Its establishment is (100) million dinars Iraqi according to the certificate of incorporation Mnumber H (not4512)And issued by the Company Registration Department at And It was on 18/2/1992 under the Companies Lawpain No. (36) Lgeneral (1983) the average, And Prepare first bank Iraqi It was approved by the Central Bank under Law No. (12) lgeneral (1991), and proceeded to bank currency authorized banker as of9/12/1992 Then Capital arrived subscribed bank to (250)billion Iraqi dinars, The number of bank branches increased until it reached (38) branches in year end(2020) deployed in Baghdad and other provinces of Iraq. (Bank of Baghdad Annual Report 2020: 13-14)

2. The National Bank of Iraq

The bank was established according to the incorporation license numbered (M.S / 5802), dated 1/2/1995, with a capital of (400) million Iraqi dinars, and the Central Bank of Iraq approved on 3/28/1995 to practice banking as a consulting bank in the name of (The National Bank for Agricultural Investment and Finance), and on 4/8/1995 the bank began to practice its banking business, and the Central Bank allowed banks to amend their articles of incorporation to enable them to practice comprehensive banking on 10/25/1998, and accordingly, the articles of incorporation of the National Bank were amended to practice Comprehensive banking, in addition to increasing its capital several times until it reached (250) billion Iraqi dinars until (2014), and the bank has (14) branches and (3) offices as well as (55) ATMs distributed throughout Iraq until the end of the year (2020), (346) employees work in the bank. (Annual Report of the National Bank of Iraq, 2020: 2)

3. Sumer Commercial Bank

The bank was established with a fully paid-up capital amounting to (400) million Iraqi dinars, according to the provisions of the Central Bank Law No. (64) of (1969), as amended, and the provisions of the Companies Law No. (21) of (1997), and in (1999) according to the certificate of incorporation numbered (M.S / 6913) On 5/26/1999, the Sumer Commercial Bank Company (a private shareholding) was considered an Iraqi bank licensed to practice banking after the approval of the Central Bank of Iraq on 11/4/1999, and it began practicing its banking activity on 1/3/2000. Its capital was modified several times until it reached (250) billion Iraqi dinars in the year (2014), and the bank has (9) branches operating in Iraq, (6) of which are spread in the regions of Baghdad governorate, and (3) of them operate in the rest of the governorates of Iraq. It has (231) employees, in addition to owning a network of correspondents to cover all its activities abroad, consisting of (10) banks spread around the world. number staff in bank (230) associates. (Annual report of the Sumer Commercial Bank, 2020: 1)

The indicators of profitability and bank liquidity are among the most important indicators that show the banking performance of banks and its efficiency. The researcher is a time series consisting of (11) years, spanning from the year (2010) to the year (2020).

Second: Analyzing the liquidity indicators of the study sample banks

a. Cash balance ratio indicator

Also called (cash ratio), and indicate the amount of the Cash In the central bank wafer banks other existing in the box and any H admonitory other Like the coins Gold and foreign currencies have to a bank for a purpose Fulfillment Performance of its banking obligations, B is meant All deposits and the like a for liabilities except M Capital own, so The higher the percentage of cash balance, the greater the capacity bank on fulfillment of its financial obligations their dates, except if This negatively affects the performance of a to a bank to Failure to use these obligations Cash in investments that can generate financial returns for Bank. (Ramadan and Quality, 2000: 273)

Table (2) Indicator of the cash balance ratio of banks, the study sample, and for the period (2010-2020)

Sumer Commercial Bank	National Bank of Iraq	Baghdad Bank	the year
144.80%	98.03%	67.89%	2010
122.71%	145.25%	62.17%	2011
141.43%	166.39%	74.3%	2012
176.14%	106.32%	68.86%	2013
181.96%	108.57%	64.65%	2014
223.24%	116.40%	84.35%	2015
316.99%	132.97%	89.17%	2016
292.27%	131.60%	91.83%	2017
371.30%	159.37%	93.14%	2018
379.72%	141.24%	80.38%	2019
368.86%	105.22%	91.21%	2020

Source: prepared by the researcher based on the annual reports of the banks, the study sample for the period (2010-2020).

It is measured through the following equation (Al-Kurdi, 2009: 7):

Cash balance ratio = cash on hand + cash at the central bank + other liquid balances / deposits and the like.

Table (2) shows the results of the analysis of the cash balance indicator, which recorded varying percentages to a large extent for the Iraqi private banks, the study sample, for the period (2010-2020), as the Bank of Baghdad recorded the highest percentage in (2018) amounting to (93.14%), while the lowest percentage It was in (2011) when it reached (62.17%), while the National Bank of Iraq recorded the highest rate in (2012) at (166.39%), while the lowest rate was in (2010) at (98.03%), while Sumer Bank recorded the highest rate In 2019, it reached (379.72%), and the lowest rate in (2011) was (122.71%).

It is concluded from this that most of the sample banks have gone through large fluctuations in the cash balance ratio during the research period, and it may be due to the poor management of liquidity in the banks referred to, as well as the conditions that the country went through, whether economic or political, which have repercussions on the performance of banks.

B. Turnover ratio index

This ratio refers to measuring the bank's financial balance by showing the degree of coverage of the bank's current assets for its current liabilities (liabilities). This indicator indicates a decrease in the bank's liquidity risks, as it reflects the rise in current assets compared to current liabilities. (Al-Alaq, 2001: 122)

Table (3) the indicator of the turnover ratio for banks, the study sample for the period (2010-2020)

Sumer Commercial Bank	National Bank of Iraq	Baghdad Bank	AgeH
2.56%	1.89%	1.11%	2010
2.56%	2.28%	1.14%	2011
2.27%	1.81%	1.15%	2012

2.58%	1.43%	1.16%	2013
2.49%	1.20%	1.15%	2014
3.23%	1.14%	1.09%	2015
3.90%	1.38%	1.14%	2016
3.03%	1.3%	1.16%	2017
2.71%	1.24%	1.26%	2018
3.97%	2.27%	1.26%	2019
4.32%	2.01%	1.19%	2020

Source: prepared by the researcher based on the annual reports of the banks, the study sample for the period (2010-2020).

It is measured through the following equation (Al-Alaq, 2001: 122): Trading Ratio = Current Assets / Current Liabilities.

Table (3) shows that the trading ratios index for the study sample banks witnessed clear fluctuations throughout the study period (2010-2020). %), while the National Bank of Iraq recorded the highest rate in (2011) at (2.28%), and the lowest rate in (2017) at (1.3%), while Sumer Bank recorded the highest rate in (2020) at (4.32%), and the lowest The percentage for the year (2012) amounted to (2.27%), and the high percentage for banks indicates the presence of idle cash or cash equivalent, which reflects a manifestation of mismanagement of the working capital of banks, which negatively affects banking profitability.

c. The legal reserve ratio indicator

This indicator indicates that commercial banks retain a percentage of money as a deposit with the Central Bank, out of the value of the amounts available to them and without interest. . (Al-Musawi, 2012: 59)

Table (4) indicator of the legal reserve ratio of banks, the study sample, and for the period

(2010-2020)

Sumer Commercial Bank	National Bank of Iraq	Baghdad Bank	AgeH
1.42%	0.98%	11.4%	2010
1.24%	1.45%	10.0%	2011
1.45%	1.66%	10.3%	2012
1.77%	1.06%	11.5%	2013
1.83%	1.21%	12.8%	2014
2.29%	1.16%	9.5%	2015
2.62%	2.07%	11.9%	2016
2.42%	1.47%	14.0%	2017
2.69%	1.08%	11.6%	2018
3.31%	1.42%	0.69%	2019
3.69%	1.05%	0.78%	2020

Source: prepared by the researcher based on the annual reports of the banks, the study sample for the period (2010-2020).

It is measured through the following equation (Al-Shammari, 2012: 380): Legal Reserve Ratio = Cash at the Central Bank / Deposits and the like×100.

Table (4) shows the results of the analysis of the legal reserve ratio, and it varied between increase and decrease for the Iraqi private banks, the study sample, and for the period from (2010-2020), so the Bank of Baghdad had recorded the highest percentage in (2017) amounting to (14.0%), and the lowest percentage in (2019).) amounted to (0.69%), while the National Bank of Iraq recorded the highest rate in (2016), which amounted to (2.07%), and the year (2010) recorded the lowest rate, which amounted to (0.98%), while Sumer Bank recorded the highest rate in (2020). (3.69%), while the year (2011) recorded the lowest rate at (1.24%). The higher the legal reserve ratio, the greater the capacity of sinks mentioned on fulfill his obligations Finance ensuing on him, especially in Circumstances not regular And in Crisis times which You can't In which balances I have other banks on Pay his obligations Finance.

Third: Analysis of the profitability indicators of the study sample banks

A. return on assets index(ROA)

The return on assets index is a measure of the profits earned per monetary unit of assets, and it also reflects the efficiency of the bank's investment of its assets in generating profits, and the high rate of this rate indicates a set of indicators represented in the use of more assets in high-income investments or higher interest rates on Investments and loans. (Al-Amiri, 2007: 17)

Table (5) the return on assets index for banks, the study sample, for the period (2010-2020)

Sumer Commercial Bank	National Bank of Iraq	Baghdad Bank	AgeH
0.47%	1.26%	1.4%	2010
0.15%	1.35%	2.39%	2011
0.44%	4.57%	1.93%	2012
0.43%	2.56%	1.82%	2013
0.47%	1.48%	1.52%	2014
0.93%	0.78%	0.86%	2015
1.07%	4.05%	1.58%	2016
0.10%	0.47%	0.56%	2017
0.22%	1.52%	0.37%	2018
0.4%	1.35%	0.64%	2019
0.3%	4.3%	14.0%	2020

Source: The researcher's numbers based on the annual reports of the banks, the study sample for the period (2010-2020)

It is measured by the following equation(Weaver & Weston, 2008: 214): rate of return on assets = net profit / total assets×100.

Table (5) shows the results of the analysis of the return on assets index, and it witnessed clear fluctuations for the Iraqi private banks, the study sample, and for the period (2010-2020), as it had recorded the highest rate in the Bank of Baghdad in 2020, which amounted to (14.0%), and it had recorded the lowest The percentage in 2018 amounted to (0.37%), while the National Bank of Iraq recorded the highest rate in (2012) at (4.57%), and the lowest rate was recorded in the year (2017) at (0.47%), while the Sumer

Commercial Bank recorded The highest rate in 2016 amounted to (1.07%), and the lowest rate was recorded in (2020) at (0.3%). Makes weak profits.

B. return on equity index(ROE)

This indicator measures the return achieved on shareholders' investments in equity, and when measuring this ratio, it is easy to know the return that shareholders get in the bank compared to other shareholders in other banks. (Tim, 2009: 52)

Table (6) return on equity index for banks, study sample, for the period (2010-2020)

Sumer Commercial Bank	National Bank of Iraq	Baghdad Bank	the years
0.75%	2.55%	10.37%	2010
0.27%	2.75%	13.13%	2011
1.17%	11.77%	10.86%	2012
1.10%	9.86%	9.69%	2013
1.04%	4.2%	8.89%	2014
1.62%	10.3%	2.08%	2015
1.66%	9.7%	7.15%	2016
0.18%	2.0%	2.21%	2017
0.36%	2.91%	1.55%	2018
0.4%	4.5%	2.66%	2019
0.5%	11.7%	7.25%	2020

Source: prepared by the researcher based on the annual reports of the banks, the study sample for the period (2010-2020).

It is measured by the following equation(Ross & Westerfield, 2006:65):

Return on Equity = Net Profit / Equity×100

Table (6) shows the results of the analysis of the return on equity index, as it recorded varying percentages to a large extent for the Iraqi private banks, the study sample, for the period from (2010-2020), and the Bank of Baghdad recorded the highest rate in the year (2012), which amounted to (10.86%), while The lowest rate in (2018) was (1.55%), while the National Bank of Iraq recorded the highest rate in (2012) at (11.77%), and the lowest rate in (2017) was (2.0%), while the Sumer Bank recorded the highest rate in the year (2016) amounted to (7.66%), and the lowest percentage in (2014) amounted to (1.04%), as the higher the percentage of this indicator with banks, this leads to good profits for owners.The more decreasedThis ratio indicates that the bank is unable to distribute more profits onpainalkene.

c. The rate of return on deposits(ROD)

This indicator measures the bank's ability to generate profits from deposits, and its ability to compete to obtain the funds that it succeeds in obtaining, and it measures the share of each unit of deposits from the net profit due to the bank after paying taxes, and it can be considered as the price or the cost of attracting deposits, so if The bank has become more efficient in collecting deposits and converting them into profitable investments, making the value of deposits higher than before. (Al Ali, 2002: 300)

Table (7) the return on deposits index for the study sample banks and for the period (2010-2020)

Sumer Commercial Bank	National Bank of Iraq	Baghdad Bank	AgeH
1.49%	2.20%	1.69%	2010
0.49%	3.29%	2.99%	2011
1.14%	9.95%	2.39%	2012
1.27%	3.85%	2.30%	2013
1.45%	2.05%	1.86%	2014
3.92%	0.85%	0.63%	2015
5.58%	15.86%	2.56%	2016
0.45%	1.60%	0.82%	2017
1.13%	4.16%	0.53%	2018
1.61%	3.18%	0.87%	2019
1.96%	12.91%	1.88%	2020

Source: prepared by the researcher based on the annual reports of the banks, the study sample for the period (2010-2020).

It is measured through the following equation (Fahad, 2009: 60): Rate of return on deposits = net profit after tax / total deposits×100.

Table (7) shows the results of the analysis of this indicator, which recorded fluctuating rates to a large extent for the Iraqi private banks, the study sample, for the period (2010-2020), and the highest rate was recorded in the Bank of Baghdad in the year (2011) amounted to (2.99%), while the record The lowest rate in 2018 was (0.53%), while the National Bank of Iraq recorded the highest rate in (2016) at (15.86%), and the lowest rate in (2015) was (0.85%), while the Sumer Bank recorded the highest rate in (2016) amounted to (5.58%), and the lowest percentage in (2017) amounted to (0.45%). The aforementioned banks to retain their customers.

Conclusions

1. longer performance banker An important way to improve profitability (return)institutions, Because it shows all points Strength and weakness, And Helps analyze results Which enhances the performance of banks and the continuation of survival and continuation of work

2. Banking performance is affected by several factors, including what is internal (regulatory factors) and what is external (environmental factors).

3. that most banks The research sample It has undergone significant fluctuations in the cash balance ratio during the research period because of The conditions that the country went through, whether economic or political, that have repercussions on the performance of banks., Which means Poor liquidity management in the aforementioned banks.

4. The trading ratios of the banks, the research sample, fluctuated during the research period, as the high ratio of banks indicates the presence of cash or quasi cash, which reflects a manifestation of mismanagement of the working capital of banks, which negatively affects bank profitability.

5. The return on assets index of the research sample banks witnessed fluctuations during the research period. As the higher the ratio indicates that the bank is making good profits, and the lower the ratio, the lower the efficiency of the bank in investing its assets, which achieves weak profits.

6. The return on equity index witnessed varying rates. As the higher the ratio of this indicator to the banks, this leads to good profits for the owners, and the lower this ratio, this indicates that the bank is unable to distribute more profits to the owners.

7. The return on deposits index witnessed fluctuating rates to a large extent for the research sample banks. Whenever the percentage is high, this indicates the efficient use of deposits by the aforementioned banks in granting profitable loans compared to the rest of the study sample banks, and when the percentage decreases, this means the inability of the aforementioned banks to retain their customers.

Recommendations

1. In tersest up data Finance and records accounting to bea base strong And a statement of the financial position and identification The position of liquidity and capital to overcome any potential risks that the bank may be exposed to.

2. Necessity Be careful by banks In what get up doing business to avoid risks, And Accreditation On the index liquidity coverage ratio that should for banks to befor them The ability to meet liquidity requirements working for durationnoless than a month.

3. Z The need to improve financing and employment mechanisms money and investment To increase liquidity and maximize earnings from order ability to Fulfilling its obligations towards others.

4. to improve policies Finance For sample research banks to manage Liquidity in an optimal way, because of the importance of liquidity in achieving the desired goals and maximizing profits.

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