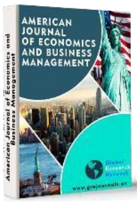

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Article

CAMLES Indicators' function in evaluating Iraqi banks' financial performance (an applied study in the Iraqi Ashur Bank)

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Abstract: Technology breakthroughs and more access to international markets have significantly changed the corporate climate in recent years, escalating competition amongst economic entities. In order to evaluate these entities' strengths and shortcomings and support decision-making, performance evaluation has emerged as a critical tool. The main objective of this study is to use the CAMELS framework to assess Ashur International Bank's performance.

The study came to the conclusion that using the CAMELS evaluation method is crucial because it improves monitoring and control procedures, which aids in achieving the goals of shareholders and customers. Increased efficiency is made possible by recognizing the bank's operational strengths and limitations. This helps to discover the underlying causes of any inefficiencies and efficiently rectify them. Ashur International Bank had a score of 2.062, placing it in the second category (B2) according to the CAMELS criteria.

The research also proposed that the Central Bank of Iraq reassess the indicators of the CAMELS system in order to better reflect the distinctive characteristics of the regional banking industry. This was done in order to accomplish the aforementioned goal. It was suggested that other indicators, such as a customer satisfaction index, be included in order to provide a more comprehensive review. In addition, the research highlighted how important it is to encourage financial institutions to make effective use of their liquidity, invest deposits in new ventures, and give investment loans in order to boost profitability and provide support for the greater national economy.

Keywords: CAMELS, Financial Performance, Iraqi Banks, Ashur Bank, Capital Adequacy, Asset Quality, Management Efficiency, Profitability, Liquidity, Risk Assessment.

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1. Introduction

Because of its strong relationship to the control system, the concept of performance is not new to the field of accounting studies and administrative literature. Businesses have historically and more recently worked to accomplish their objectives that were developed for the company's sustainability and continuity in light of the conditions and difficulties it faces, such as the rise in competition and the use of information and communication technology, as well as the pursuit of new and modern approaches that are in line with changes at the level of the external environment, such as the spread of the globalization phenomenon and other contemporary management concepts, which attracted the attention of banks and improved their performance.

Because it is similar to comparing an organization's performance to that of its competitors in order to determine, enhance, and minimize its strengths and weaknesses, as well as because it reflects how the organization uses and exploits its human and financial resources in a way that enables it to accomplish its goals, the performance appraisal process has become increasingly important.

In the banking industry, the significance of performance evaluation is very clear, especially in the wake of the global financial crisis of 2008, which had a significant negative influence on the US economy. The banking industry's practice of making high-risk loans secured by flimsy collateral—most notably real estate—was the main cause of the crisis. Banks were compelled to liquidate the real estate when borrowers failed to make loan payments. The financial crisis was made worse by the rapid drop in real estate values brought on by this increase in the supply of real estate and the lack of demand.

The performance evaluation process determines whether a bank survives or not. Banks offered real estate for sale, but due to a shortage of demand and an increase in supply, real estate prices dropped sharply from the loan value, creating a gap that sparked a global financial crisis.

In the banking industry, the importance of performance evaluation is strongly highlighted, especially in the wake of the global financial crisis of 2008, which had a significant effect on the US economy. The banking industry's habit of providing high-risk loans backed by shoddy collateral was a major contributing factor to the crisis. Real estate was used as collateral, and banks started selling the properties when borrowers stopped making loan payments. A global financial crisis resulted from the gap created by real estate prices falling sharply below loan values as a result of the increasing supply and lower demand. Consequently, a bank's ability to survive is dependent on its performance review procedure.

Selecting the most effective performance evaluation technique aids the organization in making the greatest choices possible for policymakers.

The significance of the performance review process is further demonstrated by the wide variety of performance evaluation criteria and methodologies used worldwide. According to CAMELS standards, performance evaluation is the most popular and widely used of these techniques. The six fundamental components of CAMELS standards—capital adequacy, asset quality, managerial effectiveness, profitability, liquidity, and sensitivity to market risks—are used to assess a bank's performance. As a result, we can use this approach to assess Assyria International Bank and ascertain how well it complies with the guidelines and directives provided by the Central Bank of Iraq in compliance with CAMELS criteria.

Research Problem

Given the substantial economic shifts impacting both the domestic and international business environments, the banking industry is essential to the Iraqi economy. The industry faces a number of difficulties as it develops further and fortifies its connections to local and international financial markets. The assessment of bank performance is one of the most important issues since it has a direct effect on the bank's capacity to carry on with business as usual and establish the extent of its banking operations. The Central Bank of Iraq-approved classification of the bank according to the CAMELS standards has a significant impact on its performance and prospects for the future.

Research goals:

The research aims to achieve many objectives:

1.Determining what banking performance is, how to assess it, and how important itis.

2. Determining the CAMELS criterion for assessing banking performance.

3. Using Ashur International's CAMELS banking performance evaluation criteria Bank.

4.Determining Ashur International Bank's classification level in compliance with the CAMELS guidelines.

Research Hypothesis:

That "adherence to the CAMELS criteria for evaluating the performance of Ashur International Bank contributes to raising the level of the bank's classification" is the foundation of the study.

This study's temporal scope spans the years 2015–2020, while its spatial reach is restricted to Ashur International Bank.

2. Materials and Methods

The researcher employed the descriptive strategy in order to accomplish the goals of the study on the one hand and validate or refute the hypothesis on the other.

3. Results and discussion.

An assessment of the performance of banks

A crucial topic that has drawn more attention recently is the assessment of bank performance. This is because the commercial sector is becoming more competitive, especially with the opening of international markets and the arrival of foreign banks. Competition has increased as a result of these foreign organizations' frequent substantial technological and banking-related advantages. Local banks must therefore reevaluate their operations in order to enhance and adjust to these changes (Manandhar & Tang, 2002: 2). According to studies, banks that have effective performance evaluation systems in place are typically more profitable than those that don't, with better cash flows, sales, and stronger securities. The ability of financial institutions to concentrate on Their ability to successfully compete is facilitated by their internal operational performance, which provides them with a competitive advantage. For banks to be sustainable over the long run, the comprehensive performance evaluation approach is essential (Wu et al., 2009: 10135).

Due to the fact that it improves both the financial performance and the productivity of banks that have such programs, the process of performance assessment is an essential stage in the supervisory process. The primary purpose of the procedure is to evaluate the success of the bank's internal operations or the success of the bank as a whole by comparing the actual performance of each activity to particular indicators that have been specified.

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Performance evaluation serves the function of diagnosing and reevaluating the process of enhancing individual performance as well as the overall performance of banks (Carmona et al., 2014:2). Assessing the bank's performance reveals how well the objectives set by shareholders and management have been met. Banks have different goals for each other. Some banks wish to accomplish their long-term growth objectives and expand more quickly. Some people would rather live a calm, low-risk life. One of the key pillars of banking governance is transparency, which is necessary for the application of international accounting standards and the availability of information in order to effectively oversee bank performance. The first stage in preparing for future performance is performance evaluation. Additionally, the performance evaluation procedure contributes to improving the caliber and effectiveness of the Achieving the goals of an economic unit depends on the performance of its employees. This is achieved by assessing the degree of alignment between the unit's overall performance standards and the actual performance of its staff (Dahkoul, 2018: 84).

Expanding upon this, the researcher contends that the performance review process serves as a tool for the unit to objectively evaluate its operations, pinpoint areas of weakness for reduction or deletion, and identify areas of strength for improvement. However, to guarantee that the intended goals are successfully met, this assessment needs to be carried out in a coherent and persuasive way.

In order to determine whether the bank's senior management's goals have been met or not, as well as whether the exploitation of the available resources—both human and material—has been properly carried out, or whether the control has been carried out effectively—by indicating how those resources have been disposed of during the current and previous period and indicating the extent to which such control has succeeded or failed in achieving the objectives of the economic unit—performance appraisal has become increasingly important.

Performance evaluation, then, is a gauge of how well banks accomplish their financial activities in order to meet their goals. Additionally, it informs different levels of the bank about the significance of this information to parties outside the bank as well as planning, control, and decision-making based on scientific facts. In light of financing and investment choices and the risks involved, performance evaluation also aids in understanding the bank's financial standing, guaranteeing liquidity, and gauging profitability. Dahkoul (2018), p. 84

The primary objective of the performance evaluation process is to provide qualitative and quantitative data that is gathered from the financial statements of economic units and non-financial operations (Buyukozkan & Karabulut, 2018: 254) for the purpose of serving as a strategic tool for identifying the performance of units in a transparent manner and working to improve that performance if there are any weaknesses.
It is also helpful in revising anticipated budgets and directing their indicators in a way that strikes a balance between ambition and current opportunities. This is another benefit of performance assessment. It is possible to build realistic and scientific plans and strategies that are free from whims and fancies by using the results of performance evaluations, which give a lot of data exaggerated projections (Jerry et al., 2019: 114).

The second axis: The CAMELS banking performance evaluation system and its indicators

The CAMELS banking performance rating system comes a close second.
Using the CAMELS principles, financial institutions are able to assess their current state of financial health and get notifications when it is necessary for them to take preventative measures connected to continuity. The CAMELS performance assessment standards are one of the most effective methods for evaluating the performance of banks, determining the resilience and stability of banks in the face of risks and changes, and determining the strengths and weaknesses in banking performance (Ferrouhi, 2014:624). Furthermore, these standards are one of the most efficient approaches ever developed.

A strategy for evaluating the safety of banks, as well as identifying and predicting the many risks that might lead to the failure of banks, was characterized as the CAMELS rating system (Sarker, 2005;8).

In addition, he said that it is a method that is typically used in the banking sector for the purpose of analyzing performance in both financial and non-financial area. Based primarily on the financial ratios that can be found in the bank's financial accounts, the

Unified Financial Institutions Evaluation System (UFIRS) is responsible for the creation of this complex categorization system.
It is possible to determine which banks are the best and which are the worst by rating them in each of the camel's criteria from one to five, with one being the best and five being the worst (Desta, 2016:9). The CAMELS performance evaluation system is therefore a system for determining the general status of the bank and determining its strengths and weaknesses in the financial, operational, and administrative aspects because it is based on a set of financial and non-financial indicators that are used in an integrated manner between their parts. This is done in order to evaluate performance in a manner that takes into account the technical nature of the bank.

Measures (standards) for evaluating the performance of financial institutions are the second topic. THE CAMELS
The following is a description of the indicators that are used in the process of evaluating the performance of the bank:
1. Sufficient Sufficient Capital: Capital adequacy refers to the link that exists between the capital of a bank and the risks that are associated with its financial operations. These activities include loaning money to various sectors and providing advances to those companies. The bank has to have sufficient capital to protect its customers and to enhance the consistency and efficiency of its internal business procedures in order to reduce the risk of incurring losses as a consequence of its operations. Because of this, capital adequacy serves as a gauge for the bank's financial solvency, indicating whether or not it is likely to go bankrupt. The likelihood of insolvency decreases with increasing solvency (Fatima, 2014:772).
2.**Asset Quality**: The quality of the assets is one of the most important indicators that is used to evaluate the degree of financial strength, and the banking sector places a significant emphasis on maintenance of the quality of the assets. When it comes to asset quality assessment, the main objective is to guarantee the ratio of non-performing assets to total assets.
There is a direct correlation between the quality of assets and the quality of loans, therefore the evaluation of assets helps to determine the extent and amount of credit risk that is associated with company activities. Additionally, the evaluation focuses on the quality of loans that produce profits for the bank. Both loans and advances are assets held by banks, and it is essential that their quality be evaluated in a consistent manner. When referring to assets that are susceptible to financial risks and the amount of possible losses that might result from these assets, this word is often used in the banking industry (Nzoka, 2015:4").

3.**Efficiency of Management administration:** The capacity of management to guarantee the safe functioning of the institution and to comply with both internal and external norms and laws, as well as the capacity to plan and adapt to changes in the environment and leadership, are all indications of management efficiency (Babu & Kumar, 2017:3) according to Babu and Kumar.
4. The Accumulation of Profits:"Earnings quality" is a word that describes the capacity of a bank to maintain a consistent level of returns, to estimate future returns, and to anticipate the future performance of the economic unit. Because it determines the ability to absorb losses by constructing a suitable capital base, funding expansions, and paying sufficient dividends to shareholders, profitability in the banking industry is a reflection of the bank's capability to sustain future financial activities. Not only does the quality of earnings represent the number and direction of profits, but it also takes into account the aspects that may have an impact on the long-term viability of earning potential. Ineffective management may result in loan losses, which then need a rise in loan provisions or contribute to a high degree of market risk. Profits are the conventional metric of

measuring financial performance, and they are the primary factor in determining whether or not a company is successful. (Kr Nag, 2014:76) Profitability is a measurement of the profits earned by core operations, and it reflects the bank's capacity to make profits on a regular basis at all times.
5. **Liquidity**: A key component in assessing the bank's performance, liquidity is expressed as cash or assets that are readily convertible into cash to satisfy obligations. For banks, the mismatch between assets and liabilities adds to the risks. Banks must maintain healthy flow of liquids ratios since their assets are long-term and their liabilities are typically short-term. By keeping an eye on the loan-to-deposit ratio, banks can control liquidity. Metrics measuring profitability may suffer from low liquidity levels. Conversely, extremely It is possible that high liquidity ratios indicate that capital is being underutilized, which in turn reduces profitability (Chen et al., 2018:4). The capacity to finance assets and pay obligations on time is known as liquidity. In order to provide the required capital for expansion and to offset both anticipated and unforeseen variations in the balance sheet, liquidity is required. The danger of not being able to get money at a fair price in a fair amount of time to pay bills on time is known as liquidity risk (Hawkins, 2017:11).

The third axis: Ashur International Bank's performance assessment using CAMELS criteria
The Central Bank oversees all banks—public and private—by assessing their ongoing performance. It is among the instruments for performance evaluation that implement the so-called CAMEL standards.
It assesses the performance of Iraqi private commercial and Islamic banks using these standards. From 2007 to 2010, and then again in 2013 and 2017, he assessed the Central Bank of Iraq's banks' performance using the camel criterion.

Because of the delay in publishing and inspecting the annual lists, the review is conducted over a period of three consecutive years and relies on the interim lists. An outline of the Central Bank of Iraq's CAMEL evaluation process for banks is provided below: Each camel item's rating scores

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Table 1 Classification of camels

5	4	3	2	1
weak	Limit	good	Very good	Excellent

Source: Based on the directives issued by the Central Bank to make use of the camels standard (2010).

Weights of camel members 2-
Table (2) Weight of camel elements

Liquidity %20	Profitability 15%	Management Efficiency 25%	Asset Quality 20%	Capital adequacy %20

Source:: Based on the directives issued by the Central Bank to make use of the camels standard (2010).

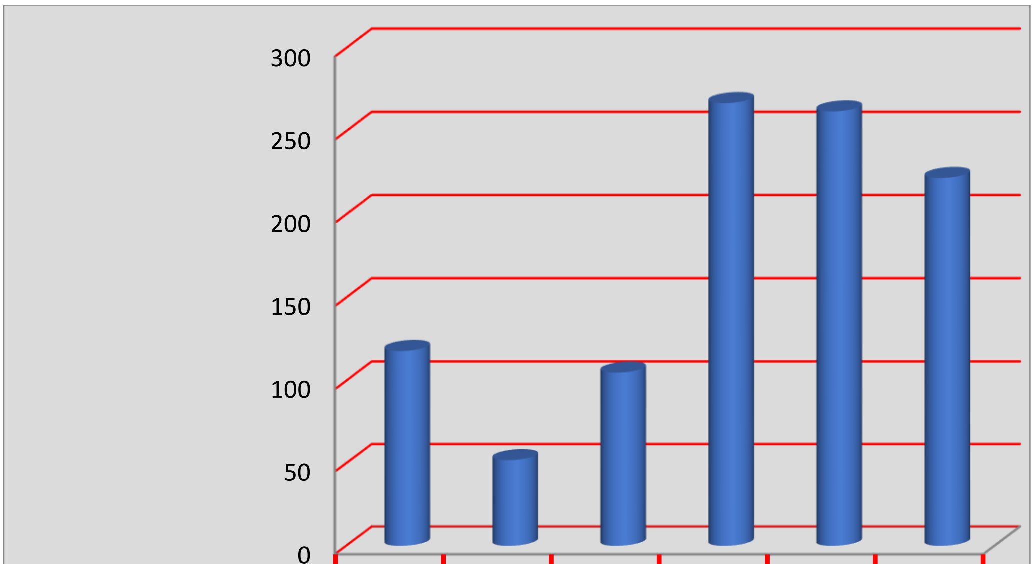
Aggregate Ratio and Rating Scores. 3-
Table (3) Aggregate Ratio and Rating Scores

Percent	Classification	Scores
1 – 1	A1	Excellent
1.3 – 1.2	B1	
1.4 – 1.3	C1	
1.8 – 1.5	A2	Very good
2.1-1.9	B2	
2.4– 2.2	C2	
2.8 – 2.5	A3	good
3.1– 2.9	B3	
3.4– 3.2	C3	
3.8 – 3.5	A4	Limit
4.1 – 3.9	B4	
4.4– 4.2	C4	
4.7-4.5	A5	Weak
4.9-4.8	B5	
5-5	C5	

Source:Prepared by the researcher based on the instructions of the Central Bank to use the camels standard (2010)
It can be seen from the above table that classification A1 represents classification B1 indicates an intermediate degree of quality, classification C1 represents the lowest level of excellence and is closer to extremely good, or classification 2, and classification C1 represents the greatest level of excellence. As with the other classes, A2 is the greatest level of very excellent and grows closer to excellence (C1), B2 is very good medium, and C2 is very good weak and gets closer to good (A3). B2 is the medium level of very good. This dual classification technique was created by the Central Bank of Iraq because, despite the fact that numerous banks are classified in the same manner, namely, 1 to 5, their performance differs, and one example of this would be (1). It was decided to use the dual categorization in order to produce a classification that was more accurate. Also, in this part of the research, we make an effort to use the CAMELS criteria in order to assess Ashur International Bank from the years 2015 to 2020 based on the indicators that are associated with each CAMELS component. Due to the fact that the following

1- The Adequacy of Capital Assur International Bank maintains the capital structure and makes the necessary modifications to it on a consistent basis in response to changes in the conditions and environment surrounding the banking business. This is done in order to cover the risks that are associated with the financial and banking operations that the bank conducts. In accordance with the ratios that were created by the Central Bank of Iraq and that originated from the relevant international organizations, in particular the Basel Committee 3, the minimum capital adequacy for the Basel Convention (1) for the year 1988 and the Basel Convention (2) for the year 1999 is now set at 8%. The process of determining whether or not enough capital is available is also included in this capital management process. A capital adequacy rate of at least 12% is required to be maintained by banks in accordance with Article (16) of Iraqi Banking Law No. (94) of 2004, which also applies to the Central Bank of Iraq. As a result, the major objective of managing the capital of the bank and ensuring that all regulations and standards are adhered to is to protect the interests of the shareholders and depositors of the bank, while also providing assistance with the financial operations of the bank. As can be seen in Figure 1, the capital adequacy ratio saw a range of fluctuations throughout the course of the research period, with some instances showing an increase and others showing a decrease. This volatility was brought about by the bank's capacity to utilize its resources in the most effective manner possible without freezing them, to provide banking services, and to comply with the abominable bureaucracy, which is one of the things that causes clients to leave the bank.

Figure (1) Evolution of the Capital Adequacy Index of Assyria Bank for the period 2015-2020



	2015	2016	2017	2018	2019	2020
Capital Adequacy Ratio	118	52	105	267	262	222

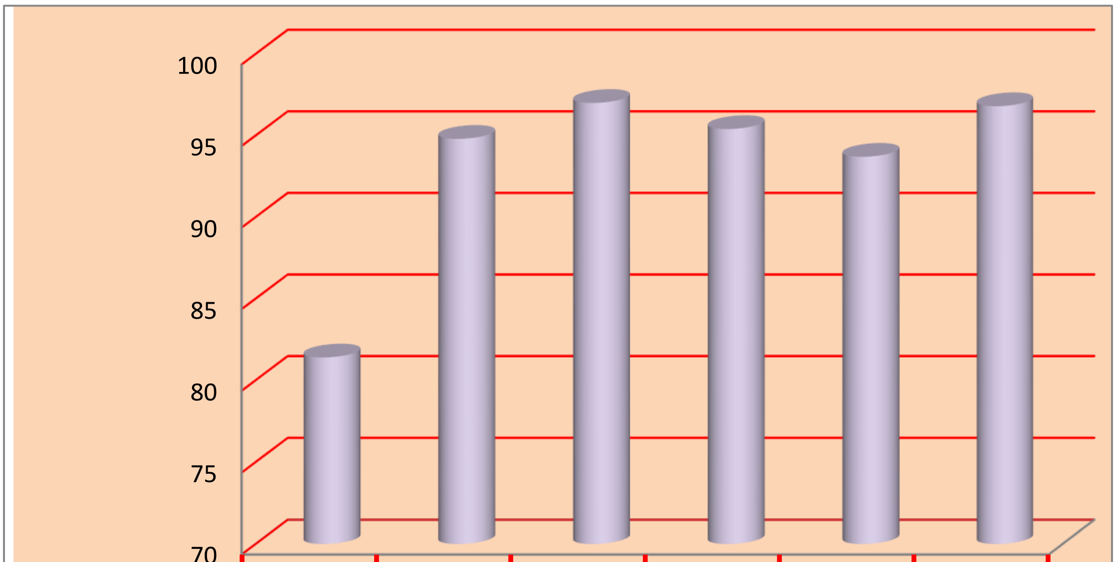
Source: Prepared by the researcher based on the Iraqi Stock Exchange, annual bulletins for the period 2015-2020

In 2016, the capital adequacy ratio (based on the Cook Index) dropped to 52% from 2015, when it was approximately 118%. It should be noted that this percentage increased after 2016 and very significantly to reach 267 percent in 2018. This decrease is due to the bank's increased credit activity and its ability to use its resources optimally, which helps to achieve the development goal in general with the achievement of the bank's objectives primarily to achieve the largest amount of revenues. This is because the bank's financial resources are becoming less effective at making investments and have poor operating capabilities. It stayed high, hitting 222% in 2020, even though it decreased during the next

two years. This high percentage suggests that the bank's financial performance is subpar. These percentages generally surpass the Central Bank's directives and the criteria of international standards as
represented by the Basel Committee.

2-Asset Quality Index
One of the key factors in the statement of the capacity to collect distressed credit and, consequently, the potential to profit from it and generate the highest amount of income is the Asset Quality Index 2. This statistic is shown in the ratio of unproductive credit to total cash credit. We observe that Assyria Bank has a very high ratio of unproductive credit to total credit, which suggests a serious flaw in the terms and conditions under which credit and guarantees are granted. Additionally, Figure (2) shows that the asset quality index value increased from around 81.39% in 2015 to approximately 96.8%, indicating that the bank has not established a clear plan to collect defaulted debts. This shows that a significant portion of the bank's total cash credit is unproductive, which has a detrimental effect on the bank's classification based on the Kamles indications.

Figure (2) Evolution of Asset Quality Index in Ashur Bank for the period 2015-2020

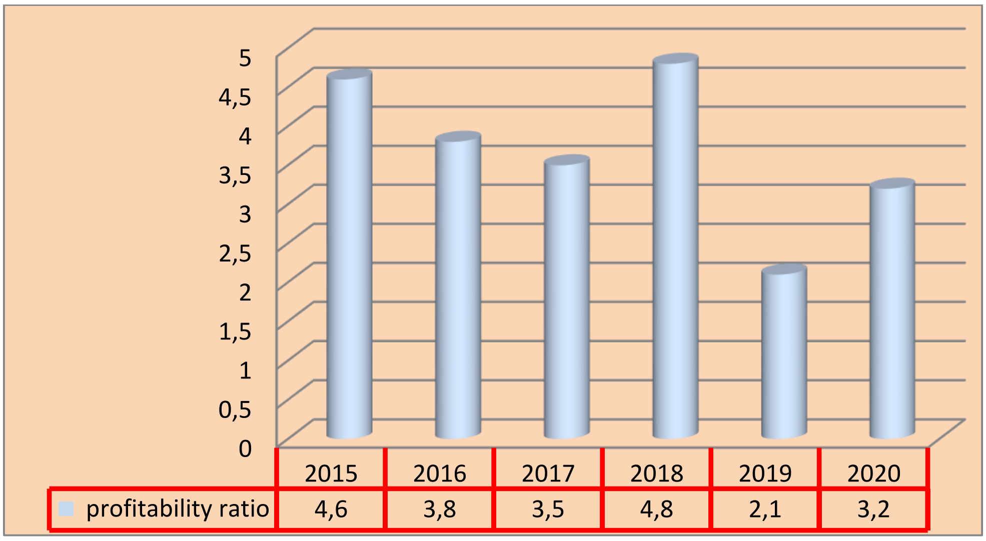


	2015	2016	2017	2018	2019	2020
Asset quality	81,4	94,8	97	95,4	93,7	96,8

Source: Prepared by the researcher based on the Iraqi Stock Exchange, annual bulletins for the period 2015-2020
.Profitability Index 3-
Figure (3) makes it evident that Assyria International Bank's profitability ratio, which compares net income to average assets, clearly decreased over the course of the study. Naturally, this is a result of the overall state of the economy at the time and its detrimental impacts on all economic sectors, including the financial industry. Between 2015 and 2020, this percentage dropped from roughly 4.6% to 3.2%. This decline is Because of the exposure of the national economy to the Corona pandemic and the subsequent economic contraction that Iraq experienced, as well as the high costs that the bank incurred as a result of its banking operations and its adherence to the guidelines and regulations in light of the regulations and programs it acquired to comply with those imposed by the Central Bank of Iraq, the bank was unable to meet its obligations. Furthermore, the decrease in the number of working days throughout the year had a detrimental influence on the bank's

capacity to attract clients and, as a result, the financial institution's potential to generate the largest possible amount of income.

Figure (3) Evolution of the profitability index in Assur Bank for the period 2015-2020

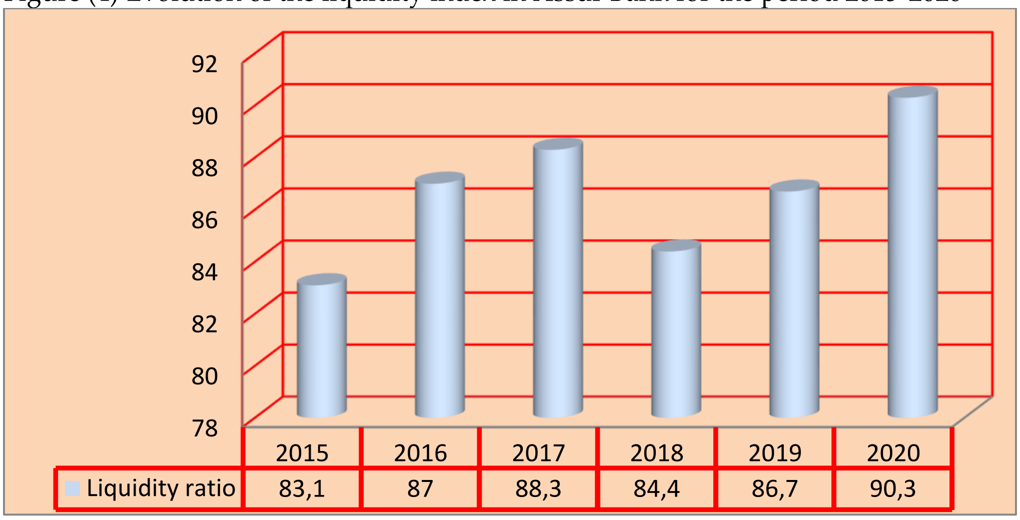


Source: Prepared by the researcher based on the Iraqi Stock Exchange, annual bulletins for the period 2015-2020

.Liquidity Index 4-

According to the Central Bank of Iraq's guidelines, the bank must have an allowed liquidity ratio of at least 30% in order to accommodate any unforeseen customer withdrawals. Figure (4) makes it evident that the Assyrian Bank has attained a high liquidity ratio that is three times greater than that required by the Central Bank of Iraq. It rose from roughly 83.10 percent in 2015 to roughly 90.3% in 2020, indicating the bank's capacity to handle any unforeseen withdrawals. Although this is a favorable indicator, it also shows the bank's inability to fully utilize its resources and generate the most revenue, which is a bad indicator.

Figure (4) Evolution of the liquidity index in Assur Bank for the period 2015-2020



Source: Prepared by the researcher based on the Iraqi Stock Exchange, annual bulletins for the period 2015-2020

.Management Efficiency 5-

Since management effectiveness is closely linked to profitability, liquidity, market risk tolerance, and investment quality, it is dependent on other criteria. The effectiveness of management is also influenced by the bank's safe and proper operation, the degree of legal and regulatory compliance, the compliance with the recommendations of supervisory authorities and auditors, the efficiency of internal control, the capacity to react to risks arising from altering working circumstances, and the ability to remain current with changes are all important factors to consider. The Department of Combating the Laundering and Financing of Terrorism at Ashur International Bank has been boosted with finances, and the Risk Management Department has been bolstered with highly qualified professional individuals, in order to increase the efficiency of the supervision over banking operations. Additionally, it has focused on the training and development of banking employees by giving them all the information they need to know about banking work, exposing them to training programs both inside and outside the bank, and expanding their professional competence through job rotation that builds experience. By following to the regulations and guidelines of the Central Bank of Iraq as well as the Anti-Money Laundering and Terrorism Law No. (39) of 2015, the Bank has taken the necessary procedures to prevent the laundering of money and the financing of terrorist organizations. The department's reports cover the operations of the bank, with the exception of the credit department, which was not well covered. Additionally, the department of internal control has been strengthened by the addition of a department that is devoted and experienced. It is imperative that the management be aware of the fact that there is a problem with the manner in which the observations made by the Internal Control Department are being applied. Ashur International Bank has attempted to restructure their organizational structure in order to achieve independence and increase regulatory effectiveness. This is due to the fact that the compliance and risk departments are directly linked to the Board of Directors. When it comes to human resources, the Bank has maintained its training and development efforts in order to assist its employees in acquiring the skills that are essential for them to effectively and efficiently carry out their responsibilities. The final evaluation of Ashur International Bank in compliance with the fulls criteria is presented to us in Table 4, which can be seen here. The results of the table demonstrate

that Ashur Bank received a weighted rating rate of (B2) based on the Asset Quality Index after obtaining a weight of (2.01) and a rating of (C2) in the Capital Adequacy Index. When the weighted weight reached 1.7a measure of the effectiveness of management

likewise recorded an A2 grade. With a score of 2.1, a rating of B2, and a weight of 2.4 for the liquidity index, the profitability index was assigned a category of (C2). Lastly, the Assyrian International Bank was recognized as a category (B2) after obtaining (2.062) based on the general categorization according to Kamles' norms.

Table (4The ultimate categorization of the Ashur International International Bank

Weighted Rating(1*2)	**Classification (2)**	**Weighted weight (1)**	**Indicators CAMELS**
0.44	2.2	20%	**Capital Adequacy**
0.402	2.01	20%	**Asset Quality**
0.425	1.7	25%	**Efficiency, Management**
0.315	2.1	15%	**Profitability**
0.48	2.4	20%	**Liquidity**
2.062	FINAL CLASSIFICATION		

Theme 4 : Conclusions and Recommendations

4. Conclusion

1.Due to the fact that the banking sector plays a significant part in the economy, the Kamles system contributes to the process of performance assessment by promoting trust in the banking system among depositors and investors who interact with it. Because of this, the banking sector is strengthened, which is beneficial to the economy.

2. It is essential to make use of the CAMELS assessment system because it makes the process of supervision and inspection easier to carry out, and it supports the achievement of the objectives of shareholders and customers by drawing attention to both the good and bad elements of banking operations. As a result, the operations of the bank become more efficient, and it becomes easier to detect and rectify the factors that contribute to shortcomings.

3. The report on the performance assessment that was used in this investigation and was generated utilizing the Camels method

can help the bank accomplish its long-term objectives.

4-Ashur International Bank's capital adequacy was categorized under the second capital adequacy criterion classification, which is (C2) highly, which shows the amount and proportion of capital that satisfies all regulatory standards. Although there is a weakness in the amount of investments, the management can assess the risks associated with the activities and determine the right capital levels to hedge the risks. The bank was categorized based on the management efficiency index and the asset quality index (B2). The profitability index (B2) comes after the classification (A2), and the liquidity index received a weight of (2.4). As a result, it falls into category (C2) due to certain shortcomings that management can handle without the need for regulatory oversight.

5. After achieving (2.062), Assur International Bank was categorized as a category (B2) based on the combined Kamles standards in the second category.

Second, recommendations:

To boost profitability in particular and assist the national economy in general, banks must be encouraged to take advantage of liquidity, use deposits for new initiatives, and offer investment loans.

2. Because the banking industry is more susceptible to hazards due to the changing financial climate, regulatory bodies must make the evaluation results of banks publicly available alongside the financial statements in order to promote transparency and disclosure.

3. The Central Bank of Iraq must reevaluate the camels system's metrics to take into account the characteristics of the regional banking landscape and what may be added to them, particularly the customer satisfaction index.

4. Banks should regularly assess how well their assistance in the control process is working and offer thorough data to Help the management team see and address both the positive and negative aspects of the situation.

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