

The relationship between the statement of cash flows and financial performance:
An applied study of a sample of Iraqi commercial banks listed in the Iraq Stock
Exchange

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Abstract : The current research aims to highlight the role of the statement of cash flows in evaluating the financial performance of a sample of commercial banks, as the statement of cash flows provides additional information that cannot be obtained from the rest of the other financial statements, and according to International Standard No. (7) the statement of flows must be classified cash into three main operating activities. This standard requires that this list be generated according to two methods, the direct method and the indirect method. The analysis of financial ratios is one of the oldest tools used in evaluating the financial performance of economic units, and useful indicators in the process of evaluating financial performance have been derived from the cash flow statement. The researchers reached a set of conclusions, the most important of which are: the existence of the importance of the relationship between the indicators of the cash flow list and performance indicators in evaluating the performance of commercial banks.

Keywords: cash flow statement, financial performance

INTRODUCTION: The cash flow list is considered one of the basic and necessary lists, as it discloses the sources from which the cash comes, and how it is spent, as this list enables creditors and investors to make decisions related to the economic unit by interpreting the cash receipts and payments that took place during Period. The process of improving financial performance is considered one of the important administrative functions that the economic unit must perform, in order to measure the success of the plans that have been developed in advance. Weakness in these activities and work to maximize its positive effects and reduce its negative effects by taking all necessary corrective measures to address them and work to prevent them from recurring in the future, which leads to improving the performance of the economic unit on the one hand and improving its performance measures on the other hand.

The first topic: Research Methodology:

1- Research problem: In the past, reliance was on financial statements (income statement and financial position), which are prepared on an accrual basis, that is, the fiscal year bears the revenues and expenses related to it, regardless of whether these revenues have been received or not, or have been paid these expenses or not. While the statement of cash flows, which is distinguished from other statements, shows that it was prepared on the basis of the cash basis because it depends on the inflows and outflows, regardless of whether these flows relate to the current year or not, and whether the indicators from the statement of cash flows indicate the truth, fairness, or credibility. The financial performance of the banks, the research sample, the research problem crystallizes in the following question:

Is there a relationship between cash flows and financial performance for a sample of commercial banks?

2- Research objectives: - The research aims to clarify a number of points:

- Statement of the importance of preparing the statement of cash flows.
- Comparison and analysis of cash flow indicators and financial performance indicators in a sample of Iraqi commercial banks.
- Determine the relationship between the cash flow statement indicators and the financial performance indicators based on income data and financial position.

3- Research of The Importance

This research derives its importance from the importance of applying the statement of cash flows and showing the financial performance and ensuring the honesty and integrity in presenting the financial statements for decision-making by internal and external parties, because it is a control tool on the financial statements. Prepared on the basis of accrual, because it contributes to the provision of financial data and accounting records of quality, which makes it suitable for evaluating financial performance and making rational financial decisions, whether in the field of financing, investment, profit distribution or operational activity. All of this is reflected in improving the company's financial performance, which is One of the basic objectives of the companies, and that is through providing appropriate financial indicators and measures based on sound foundations, which contributes to strengthening the position of the companies. Banks and increasing their credibility with the parties associated with them, whether they are partners, investors, or financiers.

4- Research hypothesis :

The research is based on a basic hypothesis as follows: -

- There is a relationship between the cash flows and the financial performance of a sample of Iraqi commercial banks.

5-Boundaries Research :

- ❖ Spatial limits: - The spatial limits of the research were represented by a sample of Iraqi commercial banks listed in the Iraq Stock Exchange.
- ❖ Time Limits:- It includes three years for the period (2020, 2021, 2022).

6- Justifications for selecting the research sample

There are several reasons why Iraqi commercial banks are appropriate to study the relationship between statement of cash flows and financial performance.

- ❖ Iraqi commercial banks are among the most important financial institutions in Iraq. It provides financing to companies and individuals, and plays a major role in the Iraqi economy.
- ❖ Iraqi commercial banks have good financial statements. They are required to prepare regular financial reports, which include a statement of cash flows.
- ❖ Iraqi commercial banks are diversified. They differ in their size, financial capacity, and business strategy. This diversity allows the relationship between the statement of cash flows and financial performance to be studied in a variety of circumstances.
- ❖ The presence of recent data for the year 2022 for these banks.

Previous studies

1- (Kazem, Hawra Faisal, 2022)

The relationship between cash flows and financial performance according to the International Accounting Standard (7) An applied study of a sample of industrial companies listed in the Iraq Stock Exchange Applied study, master's thesis, Department of Accounting, College of Administration and Economics, University of Al-Qadisiyah

One of the most important objectives that the study aimed to achieve is Comparing and analyzing cash flow indicators and financial performance indicators in the research sample companies. Determine the relationship between the cash flow statement indicators and the financial performance indicators based on the income and financial position statements. Among the most important results of the theoretical aspect are the following : The use of cash flow statement indicators indicates the possibility of enhancing the results of the analysis, i.e. the results of the financial analysis of the indicators of liquidity ratios and profitability ratios for the income statement and financial position showed integration with the indicators of liquidity quality and profitability quality of the cash flow list for each of the research sample companies The financial analysis of the cash flow statement, the income statement and the financial position statement shows that the financial indicators extracted from the cash flow statement are less valuable than the financial indicators extracted from the income statement and the financial position. Based on accruals, it represents the financial position of the economic unit only and does not concern itself with the monetary position of the economic units, which is also important through updating its investments and distributing profits to shareholders. The most important results of the applied side are the following: There is not enough interest by the departments of Iraqi industrial companies in preparing the statement of cash flows according to International Accounting Standard No. (7), that is, a large section prepares the statement of cash flows correctly, but they follow the indirect method in that This is contrary to what is preferred by the International Accounting Standard (7), because the direct method provides more useful information, and this reflects the benefit from that list and the financial ratios that can be derived from it. There is an inverse relationship between cash flow indicators and financial performance indicators.

2- (Hamidatou et al., 2020)

The role of the cash flow statement in evaluating the financial performance in economic institutions, a case study, a master's thesis, published, Faculty of Economic, Commercial and Management Sciences, Hama Lakhdar University in Al-Wadi . One of the most important objectives that the study aimed to achieve is: To identify how to use the list of cash flows in the Taj Al Thahabi unit to evaluate its financial performance. To know the list of cash flows due to the need to apply it in economic units after Algeria adopted the financial accounting system. The economic unit achieved financial balance during the two years of study, which indicates that the economic unit is able to finance its investments through its fixed resources. By calculating the liquidity and profitability ratios, it was found that the economic unit is able to pay off its debts and has the ability to meet cash needs.

3- (Muraya, Ann Moses, 2018)

Effect of Cash Flow on Financial Performance of Investment Firms Listed in The Nairobi Securities Exchange for The period (2012-2016). Among the most important objectives that the study aimed to achieve are. Examining the impact of operating flows on the profitability of the economic unit . Evaluation of the impact of investment cash flows on the profitability of the economic unit.

Analyzing the impact of financing cash flows on the performance of the economic unit shares The relationship between investment cash flows and profit after tax was low, and there was no significant statistical correlation between the two variables. As for profitability, the correlation between operating cash flows and after-tax profits was low, and therefore the tax has no effect on operating cash flows. The Nairobi Stock Exchange .There is an unnoticeable positive relationship between cash flows and earnings per share for the economic unit.

What distinguishes the current research from previous studies

1-The current research is distinguished by the time period it covers, as it analyzed the relationship between cash flow indicators and financial performance indicators according to International Accounting Standard No. (7) in industrial companies, the research sample selected for a period of three years from 2020 to 2022.

2- The current research clarified the relationship between cash flow indicators and financial performance indicators according to International Accounting Standard No. (7) in the Iraqi commercial banks listed in the Iraq Stock Exchange, which were not addressed in previous studies, as far as the researchers are aware.

The second topic: the theoretical and conceptual framework of the research

1- Statement of Cash Flows

The statement of cash flows provides useful information about the internal and external cash flows from the economic unit in the same period in which the income and financial position statements are prepared. Therefore, the statement of cash flows has become one of the most important financial statements because it provides financial analysts and creditors with all the changes that occur on the economic unit's cash account, and helps the management to determine its investment and financing policy and the distribution of profits, and also helps in determining the available cash from the economic unit's operations. As for investors, creditors, and others, through the list of cash flows, they can determine the ability of the economic unit to increase its profits and pay its debts in cash (Gibson, 2013: 393), that the cash inflows are considered cash resources, while the cash outflows relate to cash expenditures. (Ogbonnaya, et.al., 2016: 89).

(Spiceland, et. al.) defined the list of cash flows as the list that shows all cash inflows and outflows in the accounting period, to enhance the informational value of the presented list, and classify cash flows according to the nature of activities that generate cash flows, which are cash flows From operational, investment and financing activities (Spiceland, et. al., 2013: 1259), It is a list that provides the economic unit with information about the cash receipts and payments of the economic unit during the accounting period, so the cash flow statement adopts this cash basis unlike other lists that adopt the accrual basis (Robinson, et al., 2015: 243).

the importance of the statement of cash flows in any economic unit emerges from the awareness of the beneficiaries of the financial statements in making future decisions related to profits and investment. Great in the accuracy and quality of the financial information and provided a high degree of confidence and assurance to the parties related to the financial statements when they took financial and investment decisions in a timely and appropriate manner to the nature of its activities (Salem, 2019: 120).

The objective of preparing a statement of cash flows is to provide users and stakeholders with information related to the receipts and payments of the economic unit during a certain period of time, in addition to comparing previous estimates of future cash flows with cash flow information for the current year, to enable the economic unit to predict the amounts, timing and degree of certainty associated future cash flows, and show the relationship between accounting profit and monetary profit (Bayz, 2021: 873). The statement of cash flows, along with other financial statements, contributes to evaluating changes that occur in the net assets of the economic unit, its financial structure, and its ability to influence the amounts and timing of cash flows in order to adapt to changing conditions (Abu Al-Joud, 2019: 41)

The two researchers believe that the cash flow statement is one of the basic financial statements that provides useful information to decision makers and other parties inside and outside the economic unit about the cash flows entering the economic unit and the cash flows coming out of it, through operational, investment and financing activities, adopting the cash basis instead of the accrual basis, to give A clear perception of the financial situation of the economic unit, as well as its role in forecasting future cash flows.

2-. Classifications of the main cash flow statement

-The cash flows from operating activities:It is considered one of the main revenue-generating activities of the economic unit, as well as other activities that are not investment or financing activities. Cash dividends for shareholders, financing their new investments without resorting to external sources of financing, moreover, historical information related to the main components of cash flows from operating activities is useful in predicting future cash flows (Al-Sheikh, 2008: 17).

-The cash flows from investment activities:The cash flows from investment activities are the activities associated with obtaining or disposing of long-term assets in addition to other investments that are not considered cash equivalents,

and the importance of highlighting them in a separate section in the statement of cash flows is that these flows show to what extent Sources have been allocated to generate profits and future cash flows, often for the purpose of purchasing fixed assets such as machinery and equipment, and may represent cash received from separate investments or joint ventures that are not standardized, and may represent cash flows from acquisitions and sale of investments (Alexander & Nobes, 2020 : 264-265).

-The cash flows from financing activities:Financing activities include liabilities and property rights items, which obtain capital from the owners of property rights and provide them with a return on their investments, in addition to borrowing money from creditors and repaying the money that was borrowed from them (Ali et al., 2019: 91).

3- Financial performance evaluation

And performance refers to measuring what the economic unit has achieved for a specific period of time according to specific conditions, in order to obtain useful information related to the flow of funds, the use of resources, effectiveness and efficiency, as this information helps motivate managers to make a better decision (Batchimeg, 2017: 23).

As for financial performance, it is a tool to motivate investment decisions and direct them to a successful economic unit, because it works to motivate investors to go towards economic units or stocks whose financial standards reflect progress and success more than others (Batchimeg &B, 2017: 122). It is a tool used to determine the activities of the economic unit in order to measure the results obtained and compare them with the pre-determined goals to identify imbalances and their causes with an attempt to prevent them in the future. The comparison is usually made at the end of a specific time period, which is usually one year (Rose & Hudgins, 2013: 163).

The importance of financial performance comes because of its important role in the optimal use of the economic unit's resources and their optimal distribution, as well as urging the administration to plan for the future, and to give a clear and complete picture of the different administrative levels. In performing the economic unit and enhancing its role in the national economy. In order for management to be able to identify the strengths and available investment opportunities or the deficit and threats facing the institution, it was necessary to evaluate its performance, especially the financial aspect, which lies in the management with information and data. This helps her to make the right investment decisions, and to bypass the obstacles she may face in the future. It is also important in terms of evaluating the ability of the enterprise to utilize its available resources to the maximum extent with the aim of maximizing wealth, since it is important to compare the results of achieving its planned goals with the results actually achieved. The importance of financial performance can be summed up in the following points: (Shehab, 2019: 54)

Several goals can be achieved when evaluating financial performance, which are as follows:- (Al-Asadi, Zina: 72: 2019), (Brealey et al,2018:775).

- ❖ The financial performance evaluation process contributes to making decisions within the company, as well as knowing the performance of the company's employees.
- ❖ Helps direct the company's funds between projects that achieve limited objectives.
- ❖ Determining the company's ability to comply with its obligations through an assessment of the company's financial position.
- ❖ Determining the opportunities available to the company that can be invested.
- ❖ Forecasting the financial failure that the company may face.
- ❖ Knowing the investment value of the company, determining the profitability rate, and making sure that the net profit is sufficient to cover and recover the invested money.

The third topic: the practical aspect of the research

In this section, the research sample will be described by presenting the Iraqi commercial banks that the research adopted, as well as a description and presentation of the research data and indicators that were adopted to prove the research hypotheses, and the following is presented for that:

1- An introductory profile on Iraqi commercial banks:

A. The Iraqi Commercial Bank

The Commercial Bank of Iraq was established on 2/11/1992 as a private joint stock company, and it is one of the first private banks to be licensed in Iraq, according to the registration license issued by the Ministry of Commerce / Companies Registration Department numbered (4524) on 2/11/ 1992, with a capital of (150,000,000) Iraqi dinars, and the bank obtained a license to practice the banking profession, according to the letter of the Central Bank of Iraq / Directorate General of Banking and Credit Control No. (9/14314) dated 7/12/1992. The bank's capital has been growing since the bank's founding in 1992 from (150,000,000) Iraqi dinars until it reached (250,000,000,000) Iraqi dinars in the year 2022.

B. Gulf Commercial Bank

Gulf Commercial Bank was established as a private joint stock company according to the certificate of incorporation issued by the Companies Registration Department under No. (7002) on 10/30/1999, in accordance with

Companies Law No. (21) of 1997 as amended, with a paid capital of (600,000,000) dinars. In full, the bank started practicing its business through the main branch on 1/4/2000 after obtaining a license to practice banking issued by the Central Bank of Iraq numbered (9/3/115) on 7/2/2000, according to In accordance with the provisions of Central Bank Law No. (64) for the year 1976, for the bank to practice comprehensive banking business, its founding contract was amended by increasing its capital several times until it reached in the year 2022 to (300,000,000,000) Iraqi dinars .

C. The Bank of Baghdad

The Bank of Baghdad was established according to the certificate of incorporation issued by the Companies Registration Department under No. (4512) on 2/18/1992 as a private joint stock company with a nominal capital of (100,000,000) dinars under the Companies Law in force No. (36) of 1983, and it is the first Iraqi bank Special The amendment of the Central Bank of Iraq Law No. (12) for the year 1991 allowed it to be approved, and the bank began its activity in the licensed banking business as of 9/12/1992. The bank's capital when it was established in 1992 amounted to (100,000,000) dinars, and the paid-up was (25,000,000) dinars. The bank continued to expand in increasing the paid-up capital until its capital in 2022 became (250,000,000,000) dinars.

2- Analysis and discussion of results

A. **Analysis of the indicators of cash flows of the Commercial Bank of Iraq** : The indicators of cash flows of the Commercial Bank of Iraq for the years can be clarified (2020,2021,2022) , as shown in the following table (1) :

Table (1) Cash flow indicators for the Commercial Bank of Iraq

S	Pointers	S	Scales	2020	2021	2022
1	Liquidity quality indicators	A	Current debt coverage ratio = net operating flows ÷ current liabilities	0.319	0.709	0.199
		B	Operating cash flow to capital expenditure ratio = net operating cash flow ÷ investment cash outflow	112.059	0.903	0.329
		C	Ratio of operating cash flow to net cash flow = net operating cash flow ÷ net cash flow	0.708	0.541	(1.338)
		D	Amortization effect ratio = Amortization expense ÷ Net operating cash flow	0.007	0.006	0.024
Average liquidity quality				28.273	0.540	(0.196)
2	Profitability quality indicators	A	Operating cash index = net operating cash flow ÷ net income	2.501	8.726	2.879
		B	Cash flow ratio = net operating cash flow ÷ net revenue	1.548	3.868	1.242
		C	Return on Equity Ratio of Operating Flows = Net Operating Cash Flow ÷ Equity	0.288	0.360	0.103
		D	Ratio of return on assets from operating flows = net operating cash flows ÷ total assets	0.062	0.221	0.063
average profitability quality				1.100	3.294	1.072
3	Financing Policy Evaluation Index	A	Ratio of interest and distributions received = cash receipts from interest and distributions income ÷ operating cash inflows	16.717	1.360	1.418
He average of the financing policy assessment index				16.717	1.360	1.418

Source : prepared by the two researchers based on the financial data of the Commercial Bank of Iraq

We note from table (1) above that the current debt coverage index reached its highest percentage (0.709) in the year (2021), meaning the higher this percentage, the lower the level of liquidity risks, so that the Iraqi Commercial Bank is able to fulfill all or part of the current obligations through its flows internally generated cash. The indicator of the ratio of operating cash flows to capitalism reached its highest index (112,059) in the year (2020) due to the increase in net operating cash flows, as it is a high indicator in measuring the coverage of net operating cash flows for capital expenditures, that is, the greater the indicator, this enables banks to use the cash increase from Operational activity in the payment of outstanding debts. As for the operating cash flow ratio index, it reached its highest index (0.708) in the year (2020). We also note the index of the impact of extinction ratio, its highest index reached (0.024) in the year (2022), that is, the higher it is, the more it is a not good indicator, while the decrease in this indicator can be considered banks as more efficient. As we note the operational cash index, which reached its highest index (8,726) in the year (2021), showing the banks' buying and selling policy. As for the cash flow ratio index, it reached its highest index (3.868) in 2021. This indicator shows the degree of efficiency of credit policies in collecting cash. We also note that the rate of return on equity from operating cash flows reached its highest indicator (0.360) in the year (2021), meaning that the higher this percentage, the higher this is a positive indicator of the efficiency of banks. As for the return on assets ratio from the operating cash flow, it reached its highest level (0.221) in the year (2021), meaning the higher this ratio indicates the efficiency of banks in using their assets and an incentive for more investment in the future. The indicator of the percentage of interest and dividends received measures the relative importance of

investment returns, as it reached its highest level (16,717) in the year (2020) as a result of the high interest and cash distributions that were collected, and this is a good indicator, as this percentage shows the importance of investment returns, whether from loans or in papers. Finance.

Through the cash flow indicators of the Commercial Bank of Iraq, we notice the best indicators for the year (2021), that is, it is a good indicator that reflects the efficiency of management, as a result of the increase in net operating cash flows

B. Analysis of the financial performance indicators of the Commercial Bank of Iraq : The financial performance indicators of the Commercial Bank of Iraq for the years can be clarified(2020,2021,2022) , as shown in the following table (2) :

Table (2) Indicators of financial performance of the Commercial Bank of Iraq

S	Pointers	S	Scales	2020	2021	2022
1	Liquidity ratios	A	Trading Ratio = Current Assets ÷ Current Liabilities Trading Ratio = Current Assets ÷ Current Liabilities	1.511	1.286	0.985
		B	Quick Ratio = Current Assets - Inventory ÷ Current Liabilities	1.511	1.286	0.985
	average liquidity ratios			1.511	1.286	0.985
2	Profitability ratios	A	Return on sales = net profit after tax ÷ net revenue	0.619	0.443	0.431
		B	Return on assets = net profit after tax ÷ total assets	0.024	0.025	0.022
	C	Return on equity = Net profit after tax ÷ Equity	0.115	0.041	0.035	
average profitability ratios			0.253	0.170	0.163	
3	debt ratios	A	Total Debt Ratio = Total Debt ÷ Total Assets x 100%	0.217	0.386	0.383
		B	Debt to Equity Ratio = Total Debt ÷ Equity	1.004	0.628	0.622
	average debt ratios			0.611	0.507	0.502
4	Activity ratios	A	Asset turnover = net revenue ÷ total assets	0.040	0.057	0.051
		B	Fixed assets turnover ratio = Net revenues ÷ Fixed assets	0.300	0.100	0.077
	C	Working Capital Turnover Ratio = Net Revenue ÷ Average Working Capital	(1.000)	(1.000)	(1.000)	
average activity ratios			(0.220)	(0.281)	(0.290)	

Source : prepared by the two researchers based on the financial data of the Commercial Bank of Iraq

It is noted from table (2) above of the data of the Commercial Bank of Iraq that the trading ratio reached its highest level (1.511) in the year (2020), as this ratio measures the extent of the bank's ability to fulfill its short-term obligations, which expire in the short period, which is usually less than a financial year, and some of them may It falls within a month from the date of the budget, like the accrued expenses, while it decreased by (0.985) in the year (2022). As for the quick liquidity ratio index, it reached its highest rate (1.511) in the year (2020), as the higher this ratio is, it indicates the existence of current assets with the Commercial Bank of Iraq that enables it to pay its liabilities from debts and arrears on the bank without the need to transfer from fixed assets to Liquidity, while it decreased (0.985) in the year (2022). This indicates that current assets are less than current liabilities. This indicates that the bank is unable to pay its short-term liabilities. This indicates that the bank is in a poor financial position, and this ratio is more conservative than the previous ratio It excludes inventory from the trading ratio assuming the inability to convert it into cash within a year, as the reason for removing commodity inventory is because the process of converting commodity inventory into liquidity takes time. As for the return on sales index, it reached its highest index (0.619) in 2020, as the higher this index indicates good control over costs in the bank, and the return generated from investment is a good return, while the decrease in this ratio is (0.431) years (2022) This indicates a decrease in the profitability of the Commercial Bank of Iraq. As for the return on assets, it reached its highest level (0.025) in the year (2021). The information needed to calculate this ratio can be obtained from the income and budget statements. While the return on equity index reached its highest level (0.115) in the year (2020), and whenever this ratio was high in relation to the industry average or previous years for the bank itself, this indicates a positive and good condition for the performance of the Commercial Bank of Iraq. As for the decrease in this indicator (0.035) in the year (2022) This means that the bank's performance is not good, and therefore the bank's management must review its policies and plans in order to correct them. As for the indebtedness ratios, the index of the total debt ratio reached its highest indicator (0.386) in the year (2021), and it decreased (0.217) in the year (2020), measuring This ratio is the contribution of loans to financing assets, and thus the equity contribution ratio. While we note the debt-to-equity ratio index, which reached its highest indicator (1.004) in the year (2020), as the increase in this indicator reflects the increase in the possibility of the bank's inability to service its debt and the increase in the risks of investors and lenders, because the inability to service the debt may lead to bankruptcy, as This indicator decreased to (0.622) in the year (2022). This reflects better protection for creditors and the existence of a latent ability to borrow at the bank. As for activity ratios, the asset turnover rate index reached its highest level (0.057) in the year (2021). We also note that the fixed assets turnover rate reached the highest rate (0.300) in the year (2020).) for all years, as the more turnover times increase in one financial period, this

is evidence of the bank's ability to operate one monetary unit from the working capital in its various fields, which provides a greater possibility of achieving profits.

C. Analysis of cash flow indicators for Gulf Commercial Bank : The cash flow indicators for Gulf Commercial Bank for the years can be clarified (2020,2021,2022) , as shown in the following table (3) :

Table (3) Cash flow indicators for Gulf Commercial Bank

S	Pointers	S	Scales	2020	2021	2022
1	Liquidity quality indicators	A	Current debt coverage ratio = net operating flows ÷ current liabilities	(0.098)	0.133	0.153
		B	Operating cash flow to capital expenditure ratio = net operating cash flow ÷ investment cash outflow	(305.533)	3.900	0.802
		C	Ratio of operating cash flow to net cash flow = net operating cash flow ÷ net cash flow	1.073	0.892	4.103
		D	Amortization effect ratio = Amortization expense ÷ Net operating cash flow	(0.095)	0.060	0.050
Average liquidity quality				(76.163)	1.246	1.277
2	Profitability quality indicators	A	Operating cash index = net operating cash flow ÷ net income	(12219.4)	(5.510)	(6.832)
		B	Cash flow ratio = net operating cash flow ÷ net revenue	(1.448)	3.088	2.750
		C	Return on Equity Ratio of Operating Flows = Net Operating Cash Flow ÷ Equity	(0.058)	0.091	0.113
		D	Ratio of return on assets from operating flows = net operating cash flows ÷ total assets	(0.035)	0.051	0.063
average profitability quality				(3055.24)	(0.570)	(0.976)
3	Financing Policy Evaluation	A	Ratio of interest and distributions received = cash receipts from interest and distributions income ÷ operating cash inflows	5.690	(1.551)	3.023
He average of the financing policy assessment index				5.690	(1.551)	3.023

Source: Prepared by the two researchers based on the financial data of Gulf Commercial Bank

Table (3) presents the changes in the cash flow indicators of Gulf Commercial Bank, as we note that the rolling debt coverage index reached its highest percentage (0.153) in the year (2022). Fulfill all or part of current obligations through its internally traded cash flows. The index of the ratio of operating cash flows to capitalism reached its highest index (3,900) in the year (2021) due to the increase in net operating cash flows, as it is a high indicator in measuring the coverage of net operating cash flows for capital expenditures, that is, the greater the index, this enables banks to use the cash increase from Operational activity in the payment of outstanding debts. While the operating cash flow ratio index, as it reached its highest index (4.103) in the year (2022), the increase in this indicator indicates the ability of the economic unit to achieve the necessary cash flows from its current normal activity. As we notice the extinction impact index, which reached its highest level (0.060) in the year (2021), that is, the higher it is, the more it is a bad indicator, on the contrary, when it decreases, the bank is more efficient. As the operational cash index achieved its highest index (-5,510) in the year (2021), showing the bank's buying and selling policy. While we note the cash flow ratio index, which reached its highest index (3.088) in the year (2021), this indicator indicates the degree of efficiency of credit policies in collecting cash. As for the percentage of return on equity from operating cash flows, it reached its highest indicator (0.113) in the year (2022), and the higher this percentage, the higher this is a positive indicator of the bank's efficiency. The return on assets index from operating cash flows reached its highest index (0.063) in the year (2022), that is, when this ratio rises, this indicates the bank's efficiency in using its assets and gives an incentive for more investment in the future. As for the percentage of received interest and distributions, it reached its highest level (5,690) in the year (2020) as a result of the high interest and cash distributions that were collected, and this is a good indicator, as this percentage shows the importance of investment returns, whether from loans or in securities.

By observing the financial indicators of Gulf Commercial Bank, we notice the best indicators for the year (2022), as a result of the increase in net cash flows from operational activities, and this is due to the efficiency of the bank's management.

D. Analysis of the financial performance indicators of Gulf Commercial Bank: The financial performance indicators of Gulf Commercial Bank for the years can be clarified (2020,2021,2022) , as shown in the following table (4) :

Table (4) Financial Performance Indicators for Gulf Commercial Bank

S	Pointers	S	Scales	2020	2021	2022
1	Liquidity ratios	A	Trading Ratio = Current Assets ÷ Current Liabilities Trading Ratio = Current Assets ÷ Current Liabilities	1.965	1.836	1.624
		B	Quick Ratio = Current Assets - Inventory ÷ Current Liabilities	1.965	1.836	1.624
	average liquidity ratios				1.965	1.836

2	Profitability ratios	A	Return on sales = net profit after tax ÷ net revenue	0.0001	(0.560)	(0.402)
		B	Return on assets = net profit after tax ÷ total assets	2.891	(0.009)	(0.009)
		C	Return on equity = Net profit after tax ÷ Equity	4.808	(0.016)	(0.016)
	average profitability ratios			2.566	(0.195)	(0.142)
3	debt ratios	A	Total Debt Ratio = Total Debt ÷ Total Assets x 100%	0.398	0.434	0.441
		B	Debt to Equity Ratio = Total Debt ÷ Equity	0.662	0.769	0.791
	average debt ratios			0.530	0.602	0.616
4	Activity ratios	A	Asset turnover = net revenue ÷ total assets	0.024	0.016	0.023
		B	Fixed assets turnover ratio = Net revenues ÷ Fixed assets	0.225	0.159	0.148
		C	Working Capital Turnover Ratio = Net Revenue ÷ Average Working Capital	(1.000)	(1.000)	(1.000)
	average activity ratios			(0.250)	(0.275)	(0.276)

Source: Prepared by the two researchers based on the financial data of Gulf Commercial Bank

Table (4) presents the highest results of analyzing the financial performance indicators of Gulf Commercial Bank, as we can notice that the trading index recorded its highest rate (1.965) times in (2020) as a result of the increase in the total trading assets resulting from the increase in the bank's capital, while it decreased by (1.624) Once a year (2022), this is due to the decline in the total current assets compared to the increase in the total current liabilities. As for the quick liquidity ratio, it achieved its highest rate (1.965) times in the year (2020) due to the increase in the total assets in circulation. As for profitability indicators, the return on sales index achieved its highest indicator (0.0001) in the year (2020) as a result of Gulf Commercial Bank's good control of costs, as the return generated from investment is a good return, while it decreased (-0.560) in the year (2021). This indicates a decrease in both revenues and operating cash, which reflects the inefficiency of the credit policy adopted by the bank's management. While the return on assets index recorded its highest index (2,891) in the year (2020), and this indicates the bank's efficiency in exploiting its assets, and as a result, the possibility of exposure to operational risks decreases, in addition to giving the bank strength in performance and enhancing its position. As for the rate of return on equity, it reached its highest level (4,808) in the year (2020), meaning that the bank's increased dependence on borrowed financing and the decrease in the ownership share in total internal financing, which increases the total risks to which creditors are exposed. While the indebtedness ratios, the ratio of the total debt recorded its highest indicator (0.434) in the year (2021), while it decreased by (0.398) in the year (2020), as this ratio measures the contribution of loans to the financing of assets, and thus the percentage of the contribution of equity, while we note the indicator of the debt-to-equity ratio. Property rights reached its highest index (0.791) in the year (2022). The increase in this indicator indicates an increase in the probability of the bank's inability to service its debts and an increase in the risks of lenders and investors because the inability to service the debt leads to bankruptcy, while this indicator decreased (0.662) in the year (2020). This reflects better protection for creditors and the existence of a latent ability to borrow at the bank. As for activity ratios, the asset turnover rate recorded its highest level (0.024) in the year (2020). The increase in this rate indicates the efficiency of management in the use of assets, and this rate decreased (0.016) in the year (2021), and this indicates that the bank does not use the assets efficiently to generate sales for that. This ratio measures the efficiency of investment in the bank's assets, and its reflection on achieving sales. Through this ratio, the efficiency of using assets in achieving sales is recognized. While the rate of return on fixed assets achieved its highest level (0.225) in 2020. The increase in this indicator indicates a good use of productive capacity, as it decreased by (0.148) in 2022. This indicator measures the degree of efficiency of the bank in generating sales. While the working capital turnover rate recorded a constant indicator of (-1) for all years, as the more turnover times increase in one financial period, this is evidence of the bank's ability to operate one monetary unit from working capital in its various fields, which provides a greater possibility to achieve profits.

E. Analysis of the cash flow indicators of the Bank of Baghdad : The cash flow indicators of the Bank of Baghdad for the years can be clarified (2020,2021,2022) , as shown in the following table: (5) :

Table (5) Cash flow indicators for the Bank of Baghdad

S	Pointers	S	Scales	2020	2021	2022
1	Liquidity quality indicators	A	Current debt coverage ratio = net operating flows ÷ current liabilities	0.380	0.193	0.038
		B	Operating cash flow to capital expenditure ratio = net operating cash flow ÷ investment cash outflow	5.367	0.800	0.217
		C	Ratio of operating cash flow to net cash flow = net operating cash flow ÷ net cash flow	1.222	(4.117)	(0.260)
		D	Amortization effect ratio = Amortization expense ÷ Net operating cash flow	0.004	0.007	0.043
Average liquidity quality			1.743	(0.779)	0.010	
2	Profitability quality	A	Operating cash index = net operating cash flow ÷ net income	20.805	7.675	0.976
		B	Cash flow ratio = net operating cash flow ÷ net revenue	6.940	2.773	0.463

	indicators	C	Return on Equity Ratio of Operating Flows = Net Operating Cash Flow ÷ Equity	1.509	0.744	0.148
		D	Ratio of return on assets from operating flows = net operating cash flows ÷ total assets	0.296	0.149	0.030
	average profitability quality			7.388	2.835	0.404
3	Financing Policy Evaluation	A	Ratio of interest and distributions received = cash receipts from interest and distributions income ÷ operating cash inflows	1.156	1.020	1.081
		He average of the financing policy assessment index			1.156	1.020

Source: Prepared by the two researchers based on the financial data of the Bank of Baghdad

Table (5) presents the changes in the cash flow indicators of the Bank of Baghdad, as the indicator of the rolling debt coverage ratio reached its highest indicator (0.380) in the year (2020). Low level of liquidity-related risks so that the Bank of Baghdad is able to fulfill all or part of the current obligations through its internally generated cash flows. While the index of operating cash flows to capital expenditures reached its highest level (5.367) in the year (2020) as a result of the increase in net operating cash flows, as it is a high indicator in measuring the coverage of net operating cash flows for capital expenditures as well as the existence of an appropriate cash surplus, while the net cash flow index reached operating to net cash flows, its highest level (1,222) in the year (2020). The rise of this indicator represents evidence of the Bank of Baghdad's ability to achieve the necessary cash flows from its regular current activity, and this indicates that it is a good indicator of cash generation, as the high ratio of The impact of extinction is not a good indicator, as it reached (0.043) in the year (2022), while it reached its lowest level in the year (0.004) in (2020) as a result of the decrease in net cash flows from operating activities, i.e. the result is negative, and despite that, it is not a good indicator. While we notice the operating cash index reached its highest level (20,805) in the year (2020), as it reflects the bank's policy in production and sale, which affects the level of liquidity in the bank, as for the cash flow ratio, it reached its highest index (6,940) in the year (2020), as it explains This indicator is the degree of efficiency of credit policies in collecting cash, and the net cash flows on equity index shows the ability of the economic unit to generate operating cash flows from the resources provided by the owners, as it reached its highest level (1,509) in the year (2020) as a result of the increase in net operating cash flows It is a good indicator, and the higher this ratio is, the more this is a positive indicator of the bank's efficiency. As for the return on assets ratio from the operating cash flow, it reached its highest indicator (0.296) in the year (2020), meaning when this ratio rises, this indicates the bank's efficiency in Use of its assets and incentive for more investment in the future. The indicator of the percentage of interest and dividends received measures the relative importance of investment returns, as it reached its highest level (1.156) in the year (2020) as a result of the high interest and cash distributions that were collected, and this is a good indicator, as this percentage shows the importance of investment returns, whether from loans or in papers. Finance.

By observing the financial indicators of the Bank of Baghdad, we note the best indicators for the year (2020), as a result of the increase in net cash flows from operational activities, and this is due to the efficiency of the bank's management.

F. Analysis of monetary financial performance indicators of the Bank of Baghdad : The financial performance indicators of the Bank of Baghdad for the years can be clarified (2020,2021,2022) , as shown in the following table: (6) :

Table (6) Indicators of financial performance of the Bank of Baghdad

S	Pointers	S	Scales	2020	2021	2022
1	Liquidity ratios	A	Trading Ratio = Current Assets ÷ Current Liabilities Trading Ratio = Current Assets ÷ Current Liabilities	0.935	0.746	0.470
		B	Quick Ratio = Current Assets - Inventory ÷ Current Liabilities	0.935	0.746	0.470
	average liquidity ratios			0.935	0.746	0.470
2	Profitability ratios	A	Return on sales = net profit after tax ÷ net revenue	0.333	0.361	0.474
		B	Return on assets = net profit after tax ÷ total assets	0.014	0.019	0.030
		C	Return on equity = Net profit after tax ÷ Equity	0.072	0.096	0.152
average profitability ratios			0.140	0.159	0.219	
3	debt ratios	A	Total Debt Ratio = Total Debt ÷ Total Assets x 100%	0.803	0.799	0.797
		B	Debt to Equity Ratio = Total Debt ÷ Equity	4.098	3.981	3.931
	average debt ratios			2.450	2.390	2.364
4	Activity ratios	A	Asset turnover = net revenue ÷ total assets	0.042	0.053	0.064
		B	Fixed assets turnover ratio = Net revenues ÷ Fixed assets	0.165	0.132	0.134
		C	Working Capital Turnover Ratio = Net Revenue ÷ Average Working Capital	(1.000)	(1.000)	(1.000)
average activity rates			(0.264)	(0.271)	(0.267)	

Source: Prepared by the two researchers based on the financial data of the Bank of Baghdad

Through table (6) above for the data of the Bank of Baghdad, we note that the trading index reached its highest percentage (0.935) in the year (2020), while the rapid liquidity index reached its highest indicator (0.935) in the year (2020), as the higher this percentage High indicates the existence of current assets with the Bank of Baghdad that enables it to pay off its liabilities in terms of debts and arrears owed by the bank without the need to transfer part of the fixed assets into liquidity or obtain new loans, while if it is low, this indicates that the current assets are less than the current liabilities It shows that the bank is unable to pay its short-term liabilities, and this indicates that the Bank of Baghdad is in a bad financial position. As for the indication of profitability indicators, we note that the return on sales index reached in the year (2022) its highest indicator (0.474), as we note that its rise indicates good control over costs in the bank, while the return on assets index reached its highest indicator (0.030) in the year (0.030). 2022) and the higher this percentage, the better, as it is noticed that this indicator decreased (0.014) in the year (2020), indicating that the bank was unable to use the assets effectively. As for the return on equity index, it reached its highest index (0.152) in the year (2022), as the higher this ratio is, the more efficient the performance, while it decreased in the year (2020) and reached (0.072), and this indicates that action is needed. administrative. As for the indebtedness ratios, the total debt index reached its highest index (0.803) in the year (2020), while it decreased in the year (2022), as it reached (0.797). As for the debt-to-equity ratio, the highest index is observed (4.098) in the year (2020). As the increase in this ratio indicates an increase in the bank's inability to service its debt and an increase in the risks of lenders and investors, i.e. this indicator must be dealt with caution, while it decreased in the year (2022) and reached (3.931), as the decrease in the ratio represents a protection for depositors' funds. As for the activity ratios, we note that it reached the highest indicator of the asset turnover rate in the year (2022) at a rate of (0.064). Through this indicator, it is possible to identify the efficiency of using assets in achieving sales, as well as measures the efficiency of investment in the bank's assets and its reflection on achieving sales. While the highest indicator of the fixed assets turnover rate was in: year (2020) at a rate of (0.165), as its rise indicates a good use of the productive capacity, while the working capital turnover rate recorded a constant indicator of (-1) for all years, as the more turnover times increased in For one financial period, this is evidence of the bank's ability to operate one monetary unit from the working capital in its various fields, which provides a greater possibility of achieving profits..

3. The researcher chose some indicators and made a comparison between the averages of the cash flow list and the averages of the income and financial position statements for the years (2020,2021,2022) , as follows:

A. Table (7) The average liquidity index according to the cash flows statement compared with the liquidity index according to the income and financial position lists

Bank name	The average liquidity index according to the statement of cash flows	Average liquidity index according to the income and financial position statements	Difference
Iraqi Commercial Bank	9.539	1.261	8.278
Gulf Commercial Bank	(24.546)	1.808	(26.354)
Baghdad Bank	0.325	0.717	(0.392)
Average			(6.156)

Source : prepared by the two researchers based on the financial data

It is noted from table (7) above that all averages of the liquidity index according to the statement of cash flows were positive, except for the Gulf Commercial Bank, which was negative, and this is an indication of its inability to face liquidity problems and may be exposed to the risks of non-payment of its obligations on their due date, and the highest level has appeared At the Commercial Bank of Iraq, as for the liquidity averages based on the income statement and the financial position list, they were positive, and its highest level appeared at the Gulf Commercial Bank and then the Commercial Bank of Iraq, which indicates that all banks have assets that quickly convert into cash and there are no problems in disposing of their stocks As a result, it is easier to pay its obligations on the due date.

We note from Table (7) that the final average obtained between the liquidity index according to the cash flow statement and the income statement and the financial position amounted to (-6.156)

B. Table (8) The average return on assets index according to the cash flow statement compared with the average return on assets according to the income and financial position statements

Bank name	The average liquidity index according to the statement of cash flows	Average liquidity index according to the income and financial position statements	Difference
Iraqi Commercial Bank	0.115	0.024	0.091
Gulf Commercial Bank	0.026	0.958	(0.932)
Baghdad Bank	0.158	0.021	0.137
Average			(0.234)

Source : prepared by the two researchers based on the financial data

It is noted from table (8) above that there is a clear difference in the results of the financial analysis of the average return on assets, as the average return on assets according to the cash flow list reached its highest level at the Bank of Baghdad (0.158), which means that this indicator is high and that the bank is able To generate a return from the investment of assets and an incentive for more investment in the future. While the lowest level of return on assets was at Gulf Commercial Bank (0.026), and this means that the bank is facing difficulties in generating profits based on the investment of assets.

As for the average return on assets according to the income and financial position lists, it reached its highest level at Al Gulf Commercial Bank (0.958), in terms of the strength of the average return on assets, while the Commercial Bank of Iraq ranked second. While the lowest level of the average return on assets at the Bank of Baghdad (0.021)

It is noted from table (8) that the final average of the return on assets index according to the cash flow statement and the average return on assets according to the income and financial position lists, that is, the average deviations amounted to (0.234), and this indicates that there are deviations between them, and this is due to the result of the discrepancy. Because of the difference in the method of preparing the financial statement, the cash flow statement is based on the actual receipt and actual payment of cash regardless of the accrual basis, while the financial position and income statements are based on the accrual basis that carries each financial period with its related expenses and revenues even if these are not received Revenues or expenses are not paid. We conclude from the foregoing that banks can improve the return on assets by purchasing more productive assets and training employees on them, as well as carrying out advertising campaigns to increase sales volume

C. Table (9) The average return on equity index according to the cash flow statement compared with the average return on equity according to the income and financial position statements

Bank name	The average liquidity index according to the statement of cash flows	Average liquidity index according to the income and financial position statements	Difference
Iraqi Commercial Bank	0.191	0.751	(0.560)
Gulf Commercial Bank	4.776	0.146	4.630
Baghdad Bank	0.320	2.401	(2.081)
Average			0.663

Source : prepared by the two researchers based on the financial data

We note from table (9) that there is a clear difference in the results of the financial analysis, i.e. the average return on equity according to the cash flow statement shows its highest level at Gulf Commercial Bank (4.776), and the increase in this ratio indicates that the bank is able to generate a return on Bank's owners' investments. While the average return on property rights, according to the cash flow statement, is the lowest average at the Commercial Bank of Iraq (0.191), and this indicates that the bank is unable to generate profits.

We note in Table (9) the final average of the return on equity index according to the cash flows statement and the average return on equity according to the income and financial position statements amounted to (0.663)

4. The relationship between cash flow indicators and financial performance indicators of banks, the research sample

A. Table (10) The relationship between cash flow indicators and financial performance indicators for banks, a research sample for one year 2020

Cash flow indicators		Financial performance indicators	
Indicator	Average	Indicator	Average
Average liquidity quality	(15.382)	Average Liquidity Ratio	1.470
Average profitability quality	(1015.584)	average profitability ratios	0.986
The average of the financing policy assessment	7.854	average debt ratios	1.197
		average activity ratios	(0.244)
Final average	(341.037)	Final average	0.852

Source: prepared by the two researchers

It is clear from the above table (10) that the final average of the indicators of the cash flow statement, which amounted to (-341,037) for the year (2020), while the final average of the financial performance indicators that depend on the statement of financial position and the income statement, i.e. on the accrual basis, amounted to (0.852) for the year (2020). We note the low financial performance indicators .

B. Table (11) The relationship between cash flow indicators and financial performance indicators for banks, a research sample for one year 2021

Cash flow indicators		Financial performance indicators	
Indicator	Average	Indicator	Average
Average liquidity quality	0.336	Average Liquidity Ratio	1.289
Average profitability quality	1.853	average profitability ratios	0.045
The average of the financing policy assessment	0.276	average debt ratios	1.166

		average activity ratios	(0.275)
Final average	0.822	Final average	0.556

Source: prepared by the two researchers. The cash flows, that is, according to the cash basis of the banks, the research sample amounted to (0.822) for the year (2021), while the final average of the financial performance indicators that depend on the statement of financial position and the income statement, that is, according to the accrual basis, was (0.556) for the year (2021). While when comparing the final average of the cash flow indicators for the year (2020) with the cash flow indicators for the year (2021), we note that there is an increase in the final average of the cash flow list indicators for the year (2021) for the research sample banks.

As for when comparing the final average of the financial performance indicators for the year (2020) with the financial performance indicators for the year (2021), we notice a decrease in the final average of the financial performance indicators for the year (2021), and this means that there is an inverse relationship between the final average of the indicators of the statement of cash flows with Final average of financial performance indicators

C. Table (12) The relationship between cash flow indicators and financial performance indicators for banks, a research sample for one year 2022

Cash flow indicators		Financial performance indicators	
Indicator	Average	Indicator	Average
Average liquidity quality	0.364	Average Liquidity Ratio	1.026
Average profitability quality	0.167	average profitability ratios	0.080
The average of the financing policy assessment	1.841	average debt ratios	1.161
		average activity ratios	(0.277)
Final average	0.791	Final average	0.498

Source: prepared by the two researchers. It is clear from table (12) above that the final average of the indicators of cash flows of the banks in the research sample amounted to (0.791) for the year (2022), while the final average of the financial performance indicators that depend on the statement of financial position and the income statement, i.e. on the accrual basis, was (0.498) for the year (2022). While when comparing the final average of the cash flow indicators for the year (2021) with the cash flow indicators for the year (2022), we note that there is a decrease in the final average of the cash flow indicators for the year (2022) for the research sample banks. As for when comparing the final average of the financial performance indicators for the year (2021), with the financial performance indicators for the year (2022), we also note that there is a decrease in the final average of the financial performance indicators for the year (2022). This means that there is a positive relationship between cash flow indicators and financial performance indicators.

From the foregoing, it appears that there is an inverse relationship between cash flow indicators and financial performance indicators, as a result of the comparison between cash flow indicators for the year (2020) with (2021) and financial performance indicators for the year (2020) (2021), as we notice a decrease in the final average of the cash flow indicators, as well as in The final average of the financial performance indicators for the year (2021), but when comparing the final average of the cash flow indicators for the year (2021) with the year (2022), and the financial performance indicators for the year (2021) with the year (2022), we notice a lack of cash flow indicators and performance indicators fiscal year (2022)

It is clear from the foregoing through the theoretical and practical side of the analysis of the financial statements of the research sample banks. There is a relationship between the cash flow indicators and the financial performance indicators. When comparing them, we notice an increase in the average indicators of cash flows, while the final average of the financial performance indicators of the banks in the research sample amounted to (0.852) in the year (2020), while it reached (0.556) in the year (2021). There is an inverse relationship between cash flow indicators and financial performance indicators, as well as when comparing the final average of the cash flow indicators for banks in the research sample, which amounted to (0.822) in the year (2021), while (0.791) in the year (2022), while the final average of the financial performance indicators for banks in the research sample in the year (2021) It reached (0.556), while the year (2022) amounted to (0.498), and through that we notice a decrease in the final average of the cash flow indicators and financial performance indicators for the year (2022), and this means that there is a direct relationship as a result of the decrease in the final average of the cash flow indicators and the final average of the financial performance indicators, and this is what Proves the validity of the basic hypothesis **(there is a relationship between cash flows and the financial performance of the research sample banks)**

Section four: conclusions and recommendations:

- The conclusions

1- The three financial statements are complementary statements that complement each other, and one cannot be dispensed with without the other because they all provide specific information.

2- The financial analysis of the income and financial position statements and the cash flow statement shows that the indicators extracted from the income statement and the financial position statement are more valuable than the

indicators extracted from the cash flow statement. By updating its investments and distributing profits to shareholders to build those two lists on the basis of accrual, so they represent the bank's financial position only.

3 -There is an inverse relationship between indicators of financial performance and indicators of cash flow. This is the result of the increase in cash flow indicators and the decrease in financial performance indicators for the year (2021). Financial performance (0.852) for the year (2020), with the final average of financial performance indicators (0.556) for the year (2021) .

4-There is a positive relationship between the financial performance indicators and the cash flow indicators. This is the result of the decline in cash flow indicators and the decline in financial performance indicators in the year (2022). For financial performance indicators (0.556) for the year (2021), with the final average of financial performance indicators (0.498) for the year (2022), with a slight difference.

5- Through the ratios of the financial analysis of the cash flow statement, the higher the value of the operating cash flows, the lower the bank's credit risk potential, meaning the need to borrow decreases.

-The recommendations

- 1- For the purpose of improving the level of financial performance of banks and improving for the best, managers must direct employees to the importance of the cash flow statement in determining the efficiency of banks and the size of their profits, in order to provide them with good bases for comparing the performance of the bank with other banks operating in the same sector. Great attention should be paid to the statement of cash flows, and to comply with the Iraqi rule and international standards that recommend calculating operating activities
- 2- according to the direct method, because it shows accurate information about the sources of funds and how they were used in operational activities.
- 3- The results of the rates of development of cash flow indicators in banks should be studied for the purpose of strengthening the strengths and addressing the weaknesses by analyzing them and diagnosing their causes for the banks.
- 4- The reasons for the weakness in the financial performance of the banks, the research sample, must be identified to address and correct the performance of those banks, because the continued weakness of those banks leads to financial stumbling in them.

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