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**The extent of the impact of cash flow on financial performance: An
applied study on a sample of commercial banks listed on the Iraq Stock
Exchange for the period (2012-2021)**

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Abstract: The purpose of the research project is to determine how much cash flows affected private banks' financial performance from 2012 to 2021. The research sample consisted of private commercial banks whose shares were listed on the Iraqi market between 2012 and 2021. These banks consisted of: Middle East Investment Bank, the National Bank of Iraq, and North Bank for Finance and Investment. The results of the research revealed that cash flows have a greater influence on the financial achievement of private commercial banks registered on the Iraqi market than returns on equity. Giving attention to the cash flow statement for its role used by decision makers and for the parties that use it.

مدى تأثير التدفق النقدي على الأداء المالي: دراسة تطبيقية على عينة من المصارف التجارية المدرجة في سوق العراق للأوراق المالية للفترة (2012-2021)

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كلية الإدارة والاقتصاد، جامعة تكريت

المستخلص

الغرض من المشروع البحثي هو تحديد مقدار التدفقات النقدية التي أثرت على الأداء المالي للمصارف الخاصة من عام 2012 إلى عام 2021. وتألقت عينة البحث من المصارف التجارية الخاصة التي تم إدراج أسهمها في السوق العراقية بين عامي 2012 و2021. وتألقت هذه المصارف من: مصرف الشرق الأوسط للاستثمار والمصرف الأهلي العراقي ومصرف الشمال للتمويل والاستثمار. وكشفت نتائج البحث أن التدفقات النقدية لها تأثير أكبر على الإنجاز المالي للمصارف التجارية الخاصة المسجلة في السوق العراقي أكثر من عوائد حقوق الملكية. الاهتمام بقائمة التدفق النقدي لدورها الذي يستخدمه متخذو القرار والجهات التي تستخدمه.

الكلمات المفتاحية: تدفقات نقدية، أداء مالي، بنوك تجارية خاصة، العراق.

1. introduction

Commercial banks show a critical function in building the economy of countries in recent times. As they are considered an effective tool in attracting investments and savings from many segments of society, and one of the effective tools in solving problems in order to reduce financial crises, especially in recent times, with the multiplicity of problems of bankruptcy and manipulation of financial accounts and their results. It has become imperative for companies of all kinds to disclose their adjustments through financial statements, the most important of which is the cash flow statement. With its main parts of operational, investment, and financing activities that enable companies to evaluate their financial performance in general and to assess the impact of these cash flows in particular on evaluating the quality of profits. The case provides information about the movement of cash, how to obtain it, how to spend it, and the extent of change in the cash account during a specific financial period.

The first topic: Study methodology

First: the problem of the study

Many financial and banking institutions, including private ones, seek to achieve profitable returns through their investment, financing, and operational activities, which they carry out, by achieving optimal utilization of available resources, and that the irregularity of external and internal cash

flow and its fluctuations in terms of size expose banks sometimes to risks Lack of bank liquidity. As a result, this study attempts to quantify the effect of cash flow on the financial achievements of private commercial banks from 2012 to 2021.

Accordingly, the study problem was formulated within the following questions:

1. Do cash flows affect the financial performance of private commercial banks for the period (2012-2021)?
2. Does bank growth have an impact on private commercial banks' return on assets through 2012-2021 as assessed by financial performance?
3. Does the financial leverage ratio have an impact on the return on assets employed to gauge the financial performance of private commercial banks between 2012 and 2021?

Second: The importance of the study: The study stems from its importance in that it is a new addition that constitutes a statement of the different effects of the cash flow list. From the operational, investment, and financing activities, on the financial performance of Iraqi private banks. And knowing the pattern of cash flow and the timing of external and internal cash flow, helps decision-making in banks and institutions different in evaluating the financial performance of banks and thus their ability to fulfill their obligations.

Third: Study Objectives: The purpose of the research is to evaluate how cash flows have affected the financial achievements of private commercial banks registered on the Iraq Stock Exchange from 2012 to 2021. These objectives can be summed up in a number of different ways:

1. Understanding how cash flows influence the financial achievements of private commercial banks registered in the Iraqi industry, as determined by the return on assets throughout the 2012–2021 period.
2. Knowing the impact of the bank's growth rate on the financial performance of the private commercial banks listed in the Iraq market, as determined by the return on assets throughout the 2012–2021 period.
3. Understanding how the return on assets between the years 2012–2021, as defined by the financial leverage ratio, affects the financial performance of the private commercial banks included in Iraq.

Fourth: The study population: The research population and sample consist of a sample of private commercial banks working in the Iraqi market from

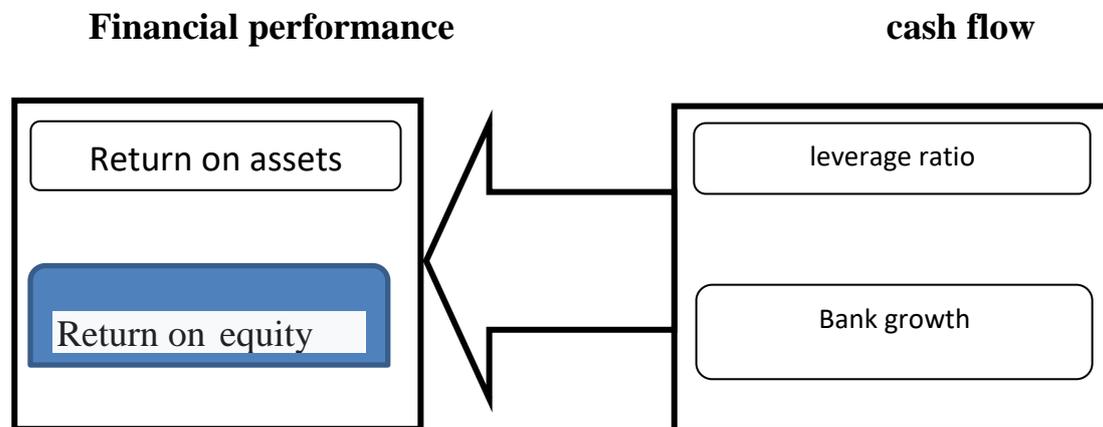
2012 to 2021 represented by (the Middle East Investment Bank, Al-Ahly Bank of Iraq, North Bank for Finance and Investment)

Fifth: Study Hypotheses: Based on the research problem and its related questions, the following research hypotheses were developed:

According to the return on assets throughout the period (2012–2021), there is no statistically significant relationship between cash flows and the financial performance of private commercial banks registered on the Iraqi market: The following hypotheses are derived from it:

- ❖ According to the return on assets for the period from 2012 to 2021, there is no statistically significant relationship between the financial leverage ratio and the financial performance of the private commercial banks registered on the Iraqi market.
- ❖ According to the return on assets throughout the period of 2012 to 2018, there is no statistically significant influence of the profitability percentage on the financial achievements of the private commercial banks registered on the Iraqi market.

Sixth: The study plan: The study plan or model is represented by the independent variables and the stemming variables and their impact on each other.



The second topic: the theoretical framework of the study

First: the concept of financial performance: It represents one of the essential financial indicators that he can use to assess the institution's ability to compete or survive in the markets. In addition, it reflects the institution's strengths and weaknesses, allowing the institution to compare its performance with that of other institutions in the same industry. (Jihan, 2020: 164)

It is an important and necessary means in the business world, especially in the banking aspect, through which the financial indicators of the institution are stated in a specific period of time, through the use of many techniques such as financial analysis and performance evaluation. (Al-Nimrawi, 2019)

That the financial performance is what the establishment achieves in terms of returns, which is explained by an accounting record based on measuring the policies and operations related to the financial framework of the establishment within a specified period of time, and in comparison, with other similar establishments. (AchjenLachheb and Chokri Slim. 2017).

Second: Financial Performance Evaluation Objectives: The idea of evaluating financial performance is summed up by working on a comparison between the actual results and the objectives previously determined by the enterprise and trying to identify the strengths or weaknesses by clarifying the fundamental differences between the actual output and the previously planned goal. As the differences emerge from the strengths of the enterprise in order to encourage and support them. Or weaknesses, and then work to improve them (Al-Heliwi, 2015: 55)

Financial performance evaluation is a comprehensive and continuous process that is not limited to one activity or stage without another. The following bullet points serve as a summary of the financial performance assessment methodology goals:

Standing on the level of achievement of the economic establishment for the functions required of it and included in its production plan, and determining the percentage of the goals achieved from the pre-determined goals, in order to ensure effectiveness in achieving the planned goals and the efficiency of the establishment in exploiting the material and human resources available to it. (AL Slehat, 2017: 32)

1. Work on explaining the causes of deviations in detail and indicating the percentage of deviations whose causes are due to weakness in performance, control or planning, and direct the attention of the facility management to the places where these deviations appear.
2. Work to improve performance through access to appropriate means in order to address these deviations and avoid falling into them in order to prevent their recurrence, with the need to work on developing ways to treat them at the present time and in the future.

3. Using a set of criteria and indicators to achieve the required objectives of the performance appraisal process, ensuring work to improve performance in order to reach optimal standards that reflect better performance of all activities in the economic units. (Hamidi, 2014: 12)

Third: financial performance indicators.

1. The rate of return on equity (ROE): This indicator measures the effectiveness and efficiency of the establishment in using the funds invested by the owners of the shares in order to maximize their wealth. Therefore, it is one of the most important indicators for measuring the efficiency of using funds. The rate of return on equity is calculated through The following equation:

$$\text{Return on equity} = \frac{\text{net income (or profit)}}{\text{equity}}$$

And regardless of the value of the enterprise at the present time, i.e. its net value, so the net income at the present time will determine the potential value in the future, and therefore the return on owners' equity for commercial activities, as it amounts to the amount of the enterprise's profit, so it determines its general efficiency and effectiveness In financial and operational management, an improvement or increase in the return on owners' equity indicates that the owners' investments are being improved or developed to develop the business of the enterprise. (Batchimeg,2017:25)

2. The return on assets is the real measure of performance, as this indicator indicates the extent to which the right of ownership is affected by financial leverage (Hoogendoorn,et.al., 2011:718)

It is among the most significant financial metrics utilized in performance assessment procedures, and this indicator expresses the extent to which the facility is able to employ its assets in order to collect profits, in the sense that this indicator shows the amount of profit that can be obtained through the percentage of total assets, and it is the most widespread and common (Westfield, et. al., 2013: 64) measure.

$$\text{Return on assets (ROA)} = \frac{\text{net income}}{\text{Total assets}}$$

The third topic

First: the concept of the statement of cash flows: The statement of cash flows is defined as a table that shows the payments and receipts of the enterprise over a period of time, and this list differs from the rest of the financial statements because it helps the enterprise to estimate the extent of

its ability to collect funds at the present time and predict the future (Thevaruban, 2016)

The statement of cash flows is divided into three major parts:

1. **Cash flows from operating activities:** defined as a group of resources from the funds that are collected from the provision of goods and services, the uses must be less than the resources in order to pay other obligations such as purchases and others. (Zeinab Mhanna, 2017)
2. **Cash flows from investment activities:** These consist of the cash flows from the purchase and sale of fixed assets.
3. **Flows of money from finance operations:** It includes cash changes resulting from paying off debts and obligations, financing operations from loans, buying shares, or dividends (Amah et al. 2016).

Second: Uses of the cash flow statement: The statement of cash flows can be used and benefited from by a number of interested parties, whether internal entities such as management and external entities such as investors. (Ogbeide, 2017)

Management uses: The statement of cash flows provides a lot of important information about the decisions taken by the senior management related to the issuance of shares or the issuance of long-term bonds and other information that other financial statements for instance the income statement and the balance sheet do not adequately provide.

For example, the treasury flow table provides information about the adequacy of cash flows from operating activities to finance capital needs instead of resorting to long-term borrowing operations such as issuing stocks or long-term bonds. This inability

Investors' uses: The statement of cash flows contributes by providing assistance to investors, creditors and a number of other parties in determining the following. (Saeed et al., 2013: 76)

1. The facility's ability to generate positive cash flows
2. The facility's capacity to fulfill its present responsibilities.
3. Determine the facility's need for financing from external sources

Third: The importance of the cash flow statement: The importance of the cash flow statement and the objectives required from it can be clarified as follows:

- ❖ Work to provide users of financial statements of different categories with important information about the facility's ability to generate cash flows from its activities and the extent to which this facility needs to use these funds.
- ❖ The statement of cash flows provides the ability to compare the operating performance of the economic unit by excluding the effects of using accounting treatments. (Irwan ch., 2017: 22)

The statement of cash flows helps in the process of evaluating liquidity ratios and the ability of the enterprise to meet its obligations.

1. The statement of cash flows identifies the sources of variance between net income and net cash flows.
2. Knowing the various reasons that lead to a shortage or increase in cash.
3. The statement of cash flows is an important indicator of the profitability of the enterprise (Okpe Okechuku, 2015: 57).

Fourth: cash flow indicators;

1. **the financial leverage index:** The ratio of total shareholders' equity to total assets is used as a measure of the financial leverage ratio. This ratio indicates the extent of the facility capability to cover risks by relying on capital. An increase in capital, measured by equity, is considered safer for the enterprise, and thus enhances its financial solvency. Accordingly, the increase in the capital ratio has a positive impact on the bank's performance, especially during periods of financial crisis. (Yahaya,2015,11)

Financial Leverage Ratio = (Equity Equity) / (Total Assets)

2. **the bank's growth rate index:** The growth indicator is considered one of the indicators of performance evaluation, and knowing whether the financial situation in the enterprise is developing or deteriorating, it is expressed by the bank's growth rate, which is measured by finding the percentage change in annual net sales from one year to the next. It is an opportunity for banks to spend and improve their business operations by obtaining external financing and directing new investments, that is, it represents a growth opportunity for the intangible assets that the bank owns and has no value as collateral (Saeed et al, 2013: 23).

Growth rate = (the past year in assets total - the current year in assets total) / (the past year in assets total)

According to the equilibrium theory, the relationship between the growth rate and financial leverage is negative, because the prospective investments are intangible (capital) assets that can add value to the bank, and

cannot be used as additional collateral, and their values are subject to decline in the event that the bank faces the risk of bankruptcy (Tariku, G. 2015,76)

Chapter Three: Study Methodology

Study variables; The research employed the panel data approach, and the researcher utilized the random effect model and the fixed effect model based to the Hausmann test in order to evaluate "the effect of cash flow on the financial performance of Iraqi private commercial banks."

Statistical methods:

To respond to the inquiries posed by the study, evaluate its hypotheses, and finally formulate the findings and recommendations, appropriate statistical tests based on the REVIEWS program were utilized after gathering the relevant data. Following are some explanations for them:

1. Unit Root Tes: The researcher examined the time series' stability (Stationary) in order to determine whether the unit root was there or not. Test of the stability of time series data (unit root):

We'll focus on the unit root test because it's one of the ones that actual programs utilize the most. Because unit roots are based on the existence of self-correlation between the variables, unit root tests are based on the presumption that the error limits are not fundamentally correlated, and abandoning this presumption results in the occurrence of autocovariance.

First: the simple Dickey-Fuller test (Dickey-Fuller, 1979, the complex Dickey-Fuller test) (AugmentedDickey-Fuller, 1981).

Second: Perron Phillips (Phillips and Perron, 1988)

Simple Dickie-Fowler Combined Dickie-Fuller Test:

One of the exams that are most frequently utilized in real-world settings is the Dickie Fuller test. It should be emphasized that the Dickie test Simple Fuller is flawed since it ignores the potential of autocorrelation because it is predicated on the premise that the error limit is a white nuisance. As a result, the test was abandoned. The purpose of this examination is to determine whether the unit root problem-i.e., the instability of the duration series data—exists if the regression coefficient of the suggested standard formula is equal to one ($p = 1$). The self-correlation issue of the straightforward Dickie Fuller test is resolved by the inclusion of a number of differences separated by a time interval in the complex Dickie Fuller test. To avoid the potential of the error element auto correlating, the suggested

standard formula incorporates variables with slow durations as explanatory variables. (Al-Rasheed, Mahmoud 2010)

Due to the distribution of the three profiles used in the ADF test (Specification 3),

1. The comprehensive model is a regression process with a constant presence and a broad trend.
2. Regression technique using simply persistent presence.
3. Performing a regression without a fixed or general trend.

Phillips and Perron test (1988): The structural modifications in the series are taken into account in this test, which sets it apart from others. Its foundation is the addition of an autocorrelation correction made possible by a non-parametric method. It does not rely on a coefficient distribution of the error term and considers the initial differences of the time series utilizing Non-Parametric Correlated as well as zero mean and time linear trend.

The Panel Data Analysis.

Series of time and cross-section data are referred to as panel data. According to Hsiao, 1986, tabular data in this context generally refers to a study of longitudinal data. One benefit of employing panel data is that it accounts for variations among individuals, provides more relevant and varied data, has lower inter-variable correlation, it is more successful than time-series analyses that encounter the autocorrelation problem and have a large number of degrees of freedom. Tabular data can also be used in descriptive and time series analysis to locate and measure unseen influences (Baltagi, 2000).

The basic form of tabular data

$$Y_{it} = \beta X_{it} + U_{it} \dots \dots \dots (1)$$

Y is the dependent variable, i is the unit, t is the time, X is the independent variable, and U is the error term structure, which is not stated in this equation because it seems to be independent for both the time and the i units (Worral and Pratt 2000).

To do this, tabular data analysis using a fixed impact model is an option.

Fixed Effects Model or Random Effects Model.

Since the characteristics of the components under study shift from one unit to another, the constant limit represents those characteristics,

however, the fixed effects model has continuous trends across time while the fixed limit is variable for each unit but constant over time. The fixed limit in the simulation of random effects is random, and this randomness is a function of the average values plus the random limit. The slope in this model also remains fixed across time (manez, rochina, & sanchis 2004: 32).

The Standard Model: The analysis of cross-sectional time series data (tabular data) is used in this study due to the is most appropriate and takes into account the various features of every bank as well as transient changes in the working environment of banks and changes over time in performance indicators (Bortolotti, D'Souza and Megginson, 2002: 22).

The second topic

Data analysis and hypothesis testing

the introduction: When gathering the necessary information, the researcher utilized the proper statistical tests depending on the REVIEWS program to construct the findings and suggestions, test the study's hypotheses, and answer its questions. These steps are further explained below;

Time series quiescent test;

Many standard papers (Stock and Watson), (Plosser & Nelson), (Yule) show how deceptive outcomes can be achieved when R2 values are high even when there is no actual relationship between the parameters, and others have demonstrated, the time series related to financial variables are characterized by instability, leading to the problem of (Spurious Regression). Accordingly, it is necessary to ensure the stability of the study variables by relying on the Uncertainty Measurement Technique. The null hypothesis is that the time series of the variable does not include the root of the unit, in which case it is unstable and evaluated based on.

The value of "Probability" is used to determine whether or not this hypothesis should be accepted. If it is less than (0.05), the assumption that the basis has a unit root and that the time series for the studied variable is stable is rejected since the estimated value of the ADF statistic is bigger than its tabular value.

Table (1) Results of the time series static test;

test				Variants
PP-Fisher chi-sq		ADF-Fisher Chi-sq		
LevelProb	first difference Prob	LEVEL Prob	First difference Prob	
0.1376	0.0003	0.8525	0.0498	GROB
0.3506	0.0004	0.3693	0.0412	FIL
0.0015	0.0019	0.0013	0.0026	ROA
0.0011	0.0452	0.0209	0.0059	ROE

Source: Prepared by the researcher based on EViews output.

The author of the study assessed the degree of integration of the remainders to determine whether the parameters have been incorporated to the first degree or not.

Table (2): results of the residual stillness test

LEVEL			Variants
PP	ADF		
***0.0000	***0.0000	2	Z=resid

Through the results obtained and shown in Table (3), it was found that the residuals are characterized by dormancy when conducting the (ADF) and (PP) test at the level. Unit roots, and therefore the remainder are integrated from zero degree (0)I at a significant level of 1%. In view of the results obtained, and considering that the residuals are static at zero degree (0)I, the null hypothesis that the variables are not integrated cannot be rejected.

Multiple correlation between independent variables:

Verify that the independent variables do not have a significant degree of correlation before performing multiple regression. Table 3 displays the correlation findings between the independent variables, and it is evident from the findings that there is not a significant link between them.

Table (3): the results of the Pearson correlation coefficient between the independent variables.

GROB	FIL	
0.68	1	FIL
1		GROB

Source: prepared by the researcher based on the outputs of EViews.

The Hausmann test was calculated using the outcomes of the Hausmann test in Table (4), the value of chi-squared, and the probability of (0.5341), which is greater than 5%. As an outcome, the null hypothesis, which accepts the conclusion that the random influence model is suitable and rejects the alternative hypothesis. This hypothesis states that the model with a fixed impact is suitable.

Study hypotheses:

The following hypotheses for the study were created in accordance with the analysis's topic and the study questions:

The first main hypothesis H01: According to the return on assets throughout the period (2013-2022), there is no statistically significant relationship between cash flows and the financial achievements of private commercial banks registered on the Iraqi market.

The first sub-hypothesis H011: According to the return on assets throughout the period of 2013 to 2022, there is no statistically significant relationship between the bank growth rate and the financial achievements of private commercial banks registered in the Iraqi market.

The second sub-hypothesis H012: The financial leverage ratio has no statistically significant influence on the financial achievements of private commercial banks registered on the Iraqi market as determined by the return on assets from 2013 to 2022.

Analysis results:

Table (4): the results of the Hausmann test

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Prob.	Chi-Sq. d.f.	Chi-Sq. Statistic	Test Summary
0.5341	2	0.636840	Cross-section random

Source: Based on the results of EVIEWS and prepared by the researcher.

Through the value of the determination coefficient (0.68), there is a statistically significant influence for cash flows on the financial achievement of private commercial banks listed in the Iraq market at the level of significance (0.05), as shown in Table (5). The random influence model was used between the independent variables and the dependent variable depending on the Hausman test Table (4) in order to test the hypothesis. This leads to the first main hypothesis, which claims that cash flows have no

statistically significant influence on the financial achievement of private commercial banks listed on the Iraqi market, as determined by the return on assets, at the level of significance (0.05).

Accepting the alternative hypothesis that cash flows have a statistically significant influence on the financial achievement of private commercial banks listed on the Iraqi market during the study period, as measured by the return on assets, at the level of significance (0.05).

The model's validity for determining the causal relationship between both independent variables and the dependent variable is demonstrated through the F value of (18.30), which indicates its significance is (0.0000).

The outcomes of Table (5) also show that there is a significant and beneficial effect of the bank's growth rate on the financial performance of the private commercial banks listed in the Iraqi market during the study period. Because the effect factor was (0.37) and the significance value was (0.0000), and this value is less than 5%, the first sub-hypothesis, which states that there is no statistically significant relationship, is rejected. The alternative hypothesis states that the profitability ratio, calculated by the return on assets in the private commercial banks of Iraq during the study period, has a statistically significant impact on their financial achievements at the level of significance ($0.05 \geq \alpha$).

Additionally, it is evident from Table (5)'s findings that there is a positive and the findings of Table (5) demonstrate that financial leverage has a negative and significant impact on the financial performance of private commercial banks listed in the Iraqi market, as determined by the return on assets over the research period.

The third sub-hypothesis, states that there is no statistically significant influence of financial leverage at the significance level ($0.05 \geq \alpha$) on the financial performance of the private commercial banks described in the Iraq market as measured by the return on assets during the research period of time, is therefore rejected. This is because the impact coefficient was (-0.04) and the significance value was (0.0025), both of which are less than 5%.

Table (5): Outcomes of the multiple regression analysis;

Dependent Variable: ROA
Method: Panel EGLS (Cross-section random effects)
Periods included: 12
Cross-sections included: 3

Prob.	t-Statistic	Std. Error	Coefficient	Variable
0.2210	-1.247548	0.368171	-0.459311	C
0.0760	-1.831974	0.078194	-0.143250	GROB
0.0027	-3.264391	0.015093	-0.037269	FIL
18.30597	F-statistic		0.686718	R-squared
0.000003	Prob(F-statistic)		0.611170	Adjusted R-squared

Source: established by the academic using EVIEWS yields.

The second main hypothesis H02: According to the return on equity for the period (2007-2018), there is no statistically significant relationship between cash flows and the financial results of private commercial banks registered on the Iraqi market.

The first sub-hypothesis H021: The return on (2007-2018) shareholders' equity over the period shows no statistically significant relationship between the bank's growth rate and the financial performance of the private commercial banks listed in the Iraqi market.

The second sub-hypothesis H022: The return on equity (2007–2018) throughout the period shows no statistically significant influence of the financial leverage ratio on the financial performance of the private commercial banks listed in the Iraqi market.

Table (6): the results of the Hausmann test

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Prob.	Chi-Sq. d.f.	Chi-Sq. Statistic	Test Summary
0.0000	2	45.682014	Cross-section random

Source: On the basis of EVIEWS results, prepared by the researcher.

According to the Hausman test Table (6), the fixed effect model between the independent variables and the dependent variable was employed to test the hypothesis. It is evident from Table (7) that:

Cash flows have a statistically significant impact ($\alpha \leq 0.05$) on the financial performance of private commercial banks registered on the Iraqi market, as measured by the return on shareholders' equity over the period (2007–2018), according to the determination coefficient's value of (0.74). As a result, the second, which states that there is no statistically significant effect at the significance level ($0.05 \geq \alpha$), is rejected.

Accept the alternative hypothesis that there is a statistically significant effect at the significance level (0.05) of cash flows on the financial performance of private commercial banks registered in the Iraq market as measured by the return on equity during the study period. And accept the null hypothesis that there is no effect of cash flows on the financial performance of private commercial banks registered in the Iraq market as measured by the return on shareholders' equity during the study period.

The model is valid for determining the causal relationship from the independent variables to the dependent variable, as demonstrated via the F value of (38.6), significant (0.000).

Furthermore, it is evident from Table 7 findings that financial leverage has a negative and significant impact on the financial performance of private commercial banks listed on the Iraqi market, as measured by return on rights, with an impact coefficient of (-0.34) and significance of (0.0003), both of which are less than 5%. The third sub-hypothesis, according to which financial leverage has no statistically significant influence on the financial performance of private commercial banks registered on the Iraqi market, as measured by return on equity, is thus disproved, and the alternative hypothesis, that there is a significant impact, is accepted instead. Financial leverage's impact on the return on the equity-based financial performance of privately held commercial banks listed on the Iraqi market has statistical significance at the level of ($0.05 \geq \alpha$).

Table No. (7): Results of the multiple regression analysis:

Dependent Variable: ROE				
Method: Panel Least Squares				
Periods included: 12				
Prob.	t-Statistic	Std. Error	Coefficient	Variable
0.0034	3.181178	1.624017	5.166286	C
0.0000	6.294783	0.406001	3.665691	Gro
0.0003	-4.215471	0.053924	-0.347314	FIL
38.60135	F-statistic		0.742946	R-squared
0.000000	Prob(F-statistic)		0.828437	Adjusted R-squared
4.853669	Akaike info criterion		2.540574	S.E. of regression

Conclusions:

1. Cash flows have a statistically significant influence on the financial performance of private commercial banks registered in the Iraqi market, as determined by the return on assets, at the level of significance ($\alpha \leq 0.05$).
2. The financial success of the private commercial banks registered on the Iraqi market, as determined by the return on assets, is positively and significantly impacted by the bank's growth rate.
3. The return on assets during the period in question indicates that there is a negative and considerable influence of financial leverage on the financial performance of private commercial banks listed in Iraq.
4. Cash flows have a statistically significant impact on the financial performance of private commercial banks registered in the Iraqi market, as determined by the return on equity, at the level of significance ($\alpha \leq 0.05$).
5. The financial performance of the private commercial banks registered in the Iraqi market, as determined by the return on shareholders equity, is positively and significantly impacted by the bank's growth rate.
6. Financial leverage has a detrimental and considerable impact on the return on equity, which is a key metric of financial performance for private commercial banks listed in Iraq.

Suggestions:

1. Increasing the interest of private commercial banks in the issue of managing and investing funds and taking care of this aspect, which occupies a priority at their level.
2. The need to develop new and diversified investment methods in private commercial banks, so as to match the desires of customers to exploit them in employing their resources and maximizing their profits, which are considered low compared to private commercial banks.
3. Giving more attention to the statement of cash flows to highlight its role for decision-makers and the entities that use it. Because it contains information that reflects the ability of the economic institution to face the circumstances surrounding it, in addition to that it reflects the cash flow of the institution, and for providing data that enables its users to benefit from it in making and taking decisions. Investment and financing decisions.
4. Paying attention to financial indicators on a monetary basis because they are the most capable of predicting future cash flows.

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