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"Using CAMELS as a tool for Evaluate Banking Performance"
A Sample Application Study of Iraqi Banks listed on Iraq's Stock Market For the Period (2015-2020)

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Abstract: *The Research aims to use the CAMELS model to evaluate banking performance in order to determine the financial position of the banks and evaluate them in order to serve the process of controlling financial performance, through an applied study of a sample of Iraqi banks listed in the Iraqi Stock Exchange represented by a bank The Al kheleg Bank, Sumer Bank, Baghdad Bank, Al Tejaree Bank and Al-Mansour Bank. The financial data published during the period (2015-2020) was used for each of the research sample banks and the application of the CAMELS system on these data. The results of applying this system during the study period indicated that the Al kheleg Bank obtained a* classification *degree (Second) According to the composite evaluation of the CAMELS system, which means that the performance of banks is good in most respects and their ability to face challenges, and that a bank obtains Sumer and Commercial Bank receive the (third) rating of satisfactory, which means that there are major weaknesses in the six elements included in the banking evaluation system and requires some measures that will improve financial performance, and the obtaining of the Bank of Baghdad and Al-Mansour Bank for the (fourth) rating suffers from major problems to the extent There are high risks causing failure, and the bank may need continuous supervision. As for the most important recommendations, work on developing mechanisms for applying the components of the CAMELS assessment system by the administrative authorities in a way that contributes to laying the correct and accurate foundations for any banking assessment process.*

Keywords- *CAMELS System*, *Bank Performance*, *Iraqi Banks.*

Introduction: Banks are of great importance to the economies of both developed and developing countries, for many reasons, including the relatively large size compared to the size of other companies. The multiplicity of stakeholders who have a direct relationship with banks is shareholders, depositors, borrowers and creditors, and the importance of the banking sector lies through its role in the development of the economic environment, particularly production and services. Its role is to provide financing to many SMEs through short- and long-term loans. This strengthens the national economy, as the mechanism of action in the banking sector is to collect the savings and funds of individuals and institutions and employ them in profit-oriented investment trends and therefore must verify the efficiency of the performance of this sector to qualify it for the best resources and achieve the optimal size of the results. The safety of any national economy depends on the integrity of the banking system, and if banks are exposed to any risks, they will directly affect the national economy, thus increasing the importance of bank supervision by the central bank and other regulators, and CAMELS is one of the most important standards used globally.

It is clear that the purpose of camels is to identify bank risks that are weaknesses in the bank's financial, operational and administrative operations and require special oversight attention and prioritization of the necessary oversight. Or the intervention of the monetary authority to address the matter, and regulatory agencies confirm their commitment to assessing financial institutions comprehensively and on a uniform basis and this requires evaluation on a composite basis for all camels components. On a single basis for each of the six components of the system, these components of this system are: capital adequacy, asset quality, management, profits, bank liquidity and market risk sensitivity.

Research Methodology

First: Research Problem

Banks are generally exposed in the environment in which they operate to many difficulties and challenges, given the economic situation of our beloved country of multi-bank and high competition, CAMELS model is a rapidly hedged indicator of the financial situation of any bank, and knowing the degree of its classification and is considered one of the most important tools used in the process of evaluating performance by the administrative authorities.

The Research problem can be expressed through the following question: (Is the use of the CAMELS system by Iraqi banks can help them in evaluating their performance in solving the variables of the modern business environment)?

Second: Research Objectives

This Research aims to show one of the most important recent international indicators in assessing the performance of Iraqi banks, namely the American banking evaluation system CAMELS model and to identify the concept and importance of this system and its components, and the Research aims to achieve a number of objectives, the most important of which is .

1- Provide a conceptual presentation of CAMELS and review the concept framework for camels, namely performance evaluation.
2- Evaluating and classifying Iraqi banks as a sample of research, detection and diagnosis of weaknesses and strengths and in their financial performance.

Third: Research Hypothesis

The Research is based on the following hypothesis: (The use of the CAMELS system It helps in evaluating banking performance In line with the requirements of the modern business environment performance of banks).

Fourth: Research Importance

This Research derives its importance from the importance of the variables it studies, demonstrating the importance of using CAMELS model, as it is a banking rating device that reveals the financial situation of the bank, and a supervisory and supervisory system as it provides a report on the real and actual reality of the performance of the activity, how important the other variable research is, namely performance evaluation, which gives a clear and complete picture of the various administrative levels.

Fifth: Society and the Sample of Research

1- Research community: The research community is represented by Iraqi banks listed on the Iraqi Stock Exchange, Which ALKhaleg Bank, Sumer Bank, Baghdad Bank, Tejaree Bank, and AL Mansour Bank
2- Research sample: Data and information on Iraqi Banks listed on the Iraqi Stock Exchange, which include (5) banks out of 42 banks that enable the researcher to obtain data in an integrated manner for the period (2015-2020), particularly the annual data of those banks, and Islamic banks were excluded because of the nature of their work and different financial system, and some banks were excluded because they were unable to obtain their financial statements because they fall under the control of the Central Bank.

The Theoretical Aspect

First: CAMELS Model

1. CAMELS model concept

There are general concepts and perspectives on CAMELS model concept, the most prominent of which will be addressed:

CAMELS has also been defined as a comprehensive analysis of the Bank's performance and its comparison with the level of industry in the banking environment, which contributes to the formulation of policies and plans. Management controls them by focusing on negative elements that need special attention (Dharb, 2009: 260).

Gulzeb defined CAMELS, a system used to assess the safety of financial institutions based on financial statements, budget projections, cash flows and employment, and ongoing operations, i.e. assessing the bank's overall state, strengths and weaknesses (4:2011, GulZeb).

Ibrahim also defined the CAMELS model as one of the instruments of the banking control process by measuring and analyzing the financial position of banks and disclosing their classification for the purpose of assisting decision makers in the event of financial crises to take action through the elements on which camels depend to indicate the bank's financial position (Ibrahim, 44:2014).

Through the above, the researcher knows CAMELS model: a banking evaluation system designed to provide results on field inspections of banks by regulatory bodies, and provides a comprehensive and unified evaluation of all financial institutions and discrimination according to the criteria of top-to-bottom preference classification to help evaluate performance in financial institutions

2. CAMELS Model Importance

Financial indicators and early warning systems (WES) are of increasing importance as permanent and continuous tools for guidance, warning and warning to decision makers and policymakers that the institution may be exposed to a financial or currency crisis, and these systems provide a signal of the possibility of happening early before the event to take the necessary preventive or preventive measures and policies before crises (Dahiyat), 2012:19) Since camels model is one of the early warning systems, it is of great importance that increases visibility of current conditions. (Dincer et al,2011:1531), The importance of applying the CAMELS model also lies in clarifying the extent of the financial recovery of banks by measuring the sources of financing and how to deal with and manage them and the extent to which this reflects on the size of the alignment between profits and losses in order to support the confidence of depositors and investors, and to assist the bank’s regulators and policy makers by supervising the bank to examine and evaluate the performance and financial safety of its Banks.(Dudhe, 2018:277)

3. Model Elements CAMELS

a. Capital Adequacy

Capital adequacy is the critical element in the face of the risks of banking activities, which have become increasingly accompanying banking as a result of developments in banking technology such as electronic banking in general and over the Internet in particular (Abu Farouh, 28:2009), Capital adequacy is of great importance because it reflects the general financial stability of the bank, as it helps to understand the expected risks that the bank may face, especially in increasing the assets that are a source of those risks in the statement of financial position and in this case the relationship will be direct with the increase in capital (Andasarova, 2018 :177).

b. Asset Quality

In general, the credibility of capital rates depends on the reliability of quality indicators and asset quality, and the risk of financial insolvency in banks often comes from the quality of assets and the difficulty of conducting them (Ben Omar&Naseer34:2017).

c. Quality of Management

Management evaluation is difficult compared to other camels model criteria, due to the fact that the annual reports of banks do not contain direct figures in the accounting data assessing the efficiency and productivity of bank management, and that most of these indicators are used at the bank level as it is difficult to take aggregate indicators in this context (Triaa, 43:2015), Therefore, administrative efficiency is necessary to enhance the performance and success of any bank, and administrative inefficiency leads to wrong decisions and great losses for any bank, which increases the possibility of defaulting on the obligations of the bank (Alzugaiby et al, 2019: 17).

d. Profitability

Bank management is interested in profits as an important element in ensuring the bank's continuity, as it is directly affected by the level of asset quality measured by determining the ratio of return on average assets as the starting point for assessing profits. In addition to higher profits, banks have the ability to cope with any potential losses and strengthen capital adequacy (Ramadan & Quality, 91:2005).

e. Liquidity

Liquidity in its absolute monetary concept means cash money, and liquidity in its technical sense means that the asset can be converted into liquid assets to meet currently performing liabilities or within a short period of time (Qureshi, 265:2011).

f. Sensitivity to Market Risk

Market risk sensitivity means risks caused by changes in market conditions that can adversely affect profits and capital, as market risks ensure interest rates, foreign exchange rate, fixed asset prices and management's ability to diagnose and control these risks before they occur (Aspal & Dhawan, 2016:9).

g. CAMELS Model Element Measurement Indicators

To make the system more risk-focused by classifying each camels component factor on a scale of 1 best to 5 worst (Getahun,2015:10), there are a number of indicators and metrics that take into account when calculating CAMELS model elements as in table No. (1):

Table No. (1) Indicators of the Elements of the CAMELS Model

CAMELS Model Elements	CAMELS Model Element Pointers
Capital Adequacy	Equity/Total Assets
Quality of the Assets	Investments/Assets
Quality of Management	Loans/Deposits
Profitability	Return on Assets (ROA)
Liquidity	Credit facilities/Deposits
Sensitivity to Market Risk	Gap Ratio = S. Assets / S. Liabilities

Source: Prepared by the researcher

After the elements are analyzed for camels, the composite valuation is designated as a shortcut to the classification of components and is taken as a key indicator of the bank's financial finance status in the light of individual component assessments, composite ratings, which are the last stage after all six elements of camels are analysed and the rating grade of each component reflects the bank's financial position and table No. (2) explaining the criteria used by the system in assessing bank performance:

Table No. (2) Performance appraisal scores using the composite classification similar to the CAMELS model

Rating	Rating Score	Arithmetic mean of rating
Excellent	1	1.4-1 1
Very good	2	2.4-1.5 2
Good	3	3.4-2.5 3
Hade	4	4.4-3.5 4
Weak	5	5-4.5 5

Source: Gulzeb, Haseeb Z. (2011), CAMELS Rating System for Banking Industry in Pakistan, p (54).

Second: Performance Assessment

1. Performance Evaluation Concepts

Al-Mawla defines performance evaluation as the process of determining the degree of success in achieving the goals that have been adopted in advance (Mawla, 7:2008).

The performance evaluation was defined by the extent to which management succeeded in achieving high returns compared to acceptable risks to balance high returns with acceptable risks (Jordan & Miller,2009:414).

Al-Hajj Bakr said that evaluating banking performance is the process of analyzing the results achieved on banking activities and events, comparing them with pre-prepared plans, identifying deviations, diagnosing their causes and taking the necessary measures to reduce their impact or prevent their recurrence in the future (Haj Bakr, 22:2020).

Through previous concepts put forward by writers and researchers, the researcher believes that evaluating the practical performance in which financial and economic institutions compare actual performance with planned and targeted performance and reveal strengths and weaknesses in performance, while identifying deviations and explaining the reasons for this to ensure the extent to which performance contributes to the continuity of the organization's work for as long as possible.

2. The Importance of Performance Evaluation

Performance evaluation is of great importance, whether in organizations or banks, as well as in banks, because it plays an active role in detecting defects, detecting deviations and knowing their causes. In order to correct mistakes and prevent them from being repeated. Deviations are detected for each of the organization's activities, which helps different administrative levels to exercise control through the principle of management with exception, where managers were able to focus on the deviations discovered and devote themselves to their other tasks (Husseini & Al-Douri, 232:2008).

3. No Data returned (timeout while sending data).

The assessment of banks' financial performance is a measure of results achieved or expected in the light of previously defined criteria, and these standards provide measurement procedures, analysis and study of measurement methods per unit, in light of which there are four key performance evaluation criteria as below: (Trivedi,2010:49)

a. **Historical Standards** : These criteria are derived from the bank's own activities, as its internal financial analyst was able to calculate the financial ratios from previous years' financial statements for the purpose of controlling performance by senior and financial management and disclosing the bank's vulnerability in order to be addressed.
b. **Sectorial Standards** : The financial analyst relies on sectoral standards in evaluating performance and benefits greatly because these criteria are a good basis for comparing the bank and following it periodically, by making comparisons between the financial ratios of banks operating in the same sector and during the same period of time as they are compared.

Applied Aspect

This chapter deals with two axes, including the first axis: analysis of the use of camels model elements and its application to Iraqi banks research sample and duration (2015-2020), and analysis of these banks according to camels elements according to accounting equations specific to each element of the system, i.e. the selection of equations by the researcher for what he sees closer to accuracy and reality, while the second axis includes : Interpretation of bank results sample research according to the composite classification of bank performance evaluation similar to CAMELS

First: Analysis of CAMELS Model Elements for Research Sample Banks

1-Capital Adequacy = Property Rights / Total Assets

This ratio provides for the ability of the bank's title to cover assets, a ratio that reflects the adequacy of capital as defined by the Basel Committee, and the higher this ratio, the more it gives a clear indication of the strength of the capital owned by the bank and that this money owned by the bank will be sufficient to absorb any losses likely to be suffered by the bank, and this equation was used in the financial statements of the banks research sample for the period (2015-2020) and table No. (3) explains this.

Table No. (3) Capital Adequacy Ratio

Year	Mansour Bank	Tejaree Bank	Baghdad Bank	Sumer Bank	Kheleg Bank
%2015	26.82	70.35	17.72	72.09	39.27
%2016	26.04	64.99	23.56	75.95	39.62
%2017	22.04	63.35	24.24	68.56	53.19
%2018	18.98	63.96	23.95	65.54	176.34
%2019	19.14	60.55	24.16	76.91	55.85
%2020	22.26	49.88	19.61	78.92	60.14
Average	22.55	62.18	22.21	73.00	70.74
Rate	4	3	5	1	2

Source: Prepared by the researcher.

From the previous table it is clear that Sumer Bank achieved the highest average ratio of equity to assets, reaching (73.00), which is high compared to other banks sample research, and whenever This ratio increased as it gave a clear indication of the strength of the bank's capital, while Kheleg Bank came second with an average equity-to-asset ratio (70.74), while the Tejaree Bank received an average ratio of (62.18). Al Mansour Bank had an average equity-to-asset ratio (22.55) and the latter ratio of the average equity-to-asset ratio was (22.21).

2-Asset Quality = Investments / Assets

This equation is used as a tool to calculate the percentage of assets reserved for investments, and to increase the ratio of asset quality to the bank's portfolio policy is to provide investment protection against property loans, as well as to determine the extent to which the bank's assets can be used in current investments, and this equation has been used in the financial statements of the banks research sample for the period (2015-2020) and table No. (4) explains this:

Table No. (4) Asset quality Ratio

Year	Mansour Bank	Tejaree Bank	Baghdad Bank	Sumer Bank	Kheleg Bank
%2015	57.46	12.58	6.27	1.96	10.04
%2016	3.47	14.03	8.11	1.45	10.01
%2017	23.30	35.03	0.43	0.45	6.46
%2018	9.77	31.27	0.47	0.62	49.79
%2019	3.85	17.42	0.46	0.49	8.25
%2020	6.03	6.12	0.41	0.76	8.87
Average	17.31	19.41	2.69	0.96	15.57
Rate	2	1	4	5	3

Source: Prepared by the researcher

From the previous table, it is clear that the highest average ratio of investments to assets is Tejaree Bank (19.41), and that this ratio gives a picture of the bank's ability to make good investment in investments, as well as the possibility of providing full protection from non-performing loans and growth of assets, while Al-Mansour Bank got the second highest average ratio Investments to assets where they were (17.31), and the following are the banks, respectively, Kheleg Bank (15.57), Baghdad Bank (2.69), Sumer Bank (0.96).

3-Quality of Management = Loans / Deposits

This ratio is used to measure the efficiency of bank management and the extent to which deposits available for the purpose of providing high-yield loans are used, as budgetary deposits represent both savings deposits, on-demand deposits and deposits from other banks. The higher this ratio is, the better for the bank, and this equation has been used in the financial statements of the banks research sample for the period (2015-2020) and table No. (5) shows this:

Table No. (5) Management Ratio

Year	Mansour Bank	Tejaree Bank	Baghdad Bank	Sumer Bank	Kheleg Bank
%2015	15.34	42.70	31.37	121.90	38.10
%2016	14.66	24.84	24.69	144.17	37.44
%2017	11.94	18.45	22.81	100.19	0.71
%2018	9.99	8.36	20.71	93.41	0.89
%2019	12.61	22.78	18.67	107.33	68.94
%2020	14.48	12.53	13.21	74.87	75.90
Average	13.17	21.61	21.91	106.98	36.99
Rate	5	4	3	1	2

Source: Prepared by the researcher

The Table shows that Sumer Bank achieved the highest average loan-to-deposit ratio of (106.98) compared to the banks sample research, which indicates the efficiency of management in the optimal use of deposits available in order to grant loans to obtain income belonging to the bank, and from the previous table we find the lowest average ratio of loans to deposits Mansour Bank by (13.17) this reflects the bank's weak management in deposit management and lack of use in a way that the bank receives returns for capital development. The other banks after the first and penultimate received the average loan-to-deposit ratio, respectively, Keleg Bank (36.99) and Baghdad Bank (21.91), Tejaree (21.61).

4-Profitability = Return on Assets

This ratio is used to reveal the bank's ability to achieve returns through good asset recruitment and profit generation, calculated by dividing net income after tax into total assets and used in most studies to measure bank profitability, reflecting how the bank's management can use its real investment resources well and efficiently to generate profits, and this equation was used in the financial statements of banks for the period research sample (2015-2020) and Table No. (6) explains this:

Table No. (6) Profitability Ratio

Year	Mansour Bank	Tejaree Bank	Baghdad Bank	Sumer Bank	Kheleg Bank
%2015	1.86	1.89	0.44	0.99	1.17
%2016	1.30	1.75	1.69	1.07	0.73
%2017	1.13	2.18	0.56	0.10	0.70
%2018	1.35	2.45	0.37	0.22	0.76
%2019	0.57	1.46	0.64	0.29	0.72
%2020	0.54	5.75	1.42	0.32	0.41
Average	1.13	2.58	0.85	0.49	0.75
Rate	2	1	3	5	4

Source: Prepared by the researcher

The Table shows that the Tejaree Bank obtained the highest average return on assets by (2.58), the highest percentage compared to other banks sample research, this indicates the possibility of managing the bank in the use of successful credit policies that contribute to the generation of profits as well as the bank works to increase assets to generate profits, al-Mansour Bank received the second highest average return on assets by (1.13), and other banks received the research sample average ratio respectively, Bank of Baghdad By (0.85), Keleg Bank by (0.75), Summer Bank by (0.49).

5-Cash Flow = Credit Facilities / Deposits

There is no doubt that the growth of deposits at levels beyond the growth of net credit facilities increases the demand of individuals and companies to deposit their financial surpluses despite modest rates of return, and it is clear that the rise of this ratio will depend on deposits for lending, preferably this low percentage as deposits are an unstable source of financing due to being withdrawn by depositors, and this equation was used in the financial statements of the banks research sample for the period (2015-2020) and table No. (7) explains this:

Table No. (7) Cash flow Ratio

Year	Mansour Bank	Tejaree Bank	Baghdad Bank	Sumer Bank	Kheleg Bank
%2015	17.41	31.56	169.95	134.59	86.85
%2016	16.64	24.84	144.33	159.71	74.55
%2017	13.44	23.05	27.23	110.07	105.06
%2018	10.91	23.22	24.97	100.25	98.37
%2019	12.61	22.02	23.50	125.44	106.22
%2020	14.48	15.91	18.29	87.12	114.07
Average	14.25	23.43	68.05	119.53	97.52
Rate	5	4	3	1	2

Source: Prepared by the researcher

From the data shown in the previous table, it is clear that the highest average ratio of credit facilities to deposits obtained by Sumer Bank by (119.53) compared to other banks sample research, this shows that the increase in credit facilities in the bank compared to the volume of deposits because the rapid growth in the volume of deposits makes the bank able to provide all banking facilities, while kheleg Bank second obtained the average ratio of credit facilities to deposits by (97.52), while other banks sampled the search and its period Straight, Baghdad Bank (68.05), Tejaree Bank (23.43), Mansour Bank (14.25).

6-Sensitivity to Market Risk (Gap Ratio) = Sensitive Assets / Sensitive liabilities

Measuring risks as a percentage that can be found from the ratio of the gap i.e. sensitive risks between assets and liabilities which helps customers understand the risks and deal with them rationally, if the interest rate is high, the ratio indicates sensitivity to assets, and assets must be invested to meet liabilities, while low interest rate may expose the bank to loss, so the interest rate risk ratio should be reduced at a lower rate to maintain sensitivity to interest rates (sensitive assets), and the gap rate was used in Bank financial statements search sample for duration (2015-2020) and table No. (8) shows this:

Table No. (8) Sensitivity to Market Risk (Gap Ratio)

Year	Mansour Bank	Tejaree Bank	Baghdad Bank	Sumer Bank	Kheleg Bank
%2015	0.69	1.22	0.78	0.80	1.46
%2016	0.66	1.14	0.72	1.05	1.51
%2017	0.61	1.43	0.64	0.79	1.40
%2018	0.67	1.31	0.62	0.92	1.48
%2019	0.51	1.27	0.61	0.88	1.53
%2020	0.54	0.98	0.59	0.58	1.58
Average	0.61	1.23	0.66	0.84	1.49
Rate	5	2	4	3	1

Source: Prepared by the researcher

From the data shown, it is clear that the highest average gap rate obtained by Kheleg Bank by (1.49) compared to the banks sample of the research, while the lowest average rate obtained by Mansour Bank by (0.61), this indicates that the rise in interest rate as a result of the acquisition of assets affected by interest rate fluctuations such as loans whose interest is lower than the market price and vice versa, and the average ratio of banks in the research sample located in the first and fifth is, respectively, the average ratio Tejaree bank(1.23), Sumer Bank (0.84) and Bank of Baghdad (0.66).

Second: The Results of the Banks Sample Research According to the Composite Classification of Performance Evaluation

The bank's individual assessment of the research sample for each of the six elements of the system analyzed and given a single evaluation according to the composite classification, where the evaluation falls between the first degree and is considered the best and the fifth evaluation represents the worst evaluation and is called the composite evaluation . This is the last step of the banking performance evaluation system, where the final classification of banks is determined on the basis of the six main camels assessments that take into account all the factors affecting the evaluations of its constituent elements, and table No. (9) shows the final classification according to the composite classification:

Table No. (9) Performance Evaluation According to the Composite Classification of the Research Sample Banks

Banks / details	Mansour Bank	Tejaree Bank	Baghdad Bank	Sumer Bank	Kheleg Bank
Capital	4	3	5	1	2
assets	2	1	4	5	3
management	5	4	3	1	2
Profitability	2	1	3	5	4
Liquidity	5	4	3	1	2
market risk	5	2	4	3	1
Average	3.8	2.5	3.6	2.6	2.3
Rate	4 Marginal	3 Acceptable	4 Marginal	3 Acceptable	2 Good

Source: Prepared by the researcher

From the previous table, it is clear that kheleg Bank received the second valuation and the average rating ratio (2.3), the bank at this level of classification has sound financial stability in most respects and the ability to meet challenges in the financial market, with some weaknesses generally often reflected in the quality of profitability and management quality, which requires simple action.

and Sumer Bank and Tejaree Bank received the third valuation, with an average rating of (2.6, 2.5), while the bank at this level has major weaknesses in the six elements of the CAMELS model.

and The Bank of Baghdad and Mansour Bank received the fourth valuation, and the average rating level was (3.6, 3.8), while the bank at this level has such significant problems that there are high risks of failure that the bank may need constant control, and there are major and critical problems, due to the inaccuracy of management in the implementation of laws, instructions and regulations, and this may be due to a weakness in the bank's durability and safety.

Conclusions and Recommendations

First: Results: From the foregoing we can draw the following conclusions:

1. Kheleg Bank achieved a good rating of (2) during the study period, while Sumer Bank and Tejaerr Bank achieved an acceptable rating (3), while for Baghdad Bank and Mansour Bank they received a marginal rating(4), which indicates that both banks suffer from poor performance in some elements.
2. Based on the results of the individual evaluation of each camels component, Kheleg Bank achieved a good composite rating (2) that puts it at level 2 during the study period, which gives an indication that the Bank faces minor performance problems and suffers from weaknesses with regard to the asset quality and profitability component, while Sumer Bank and Tejaerr Bank achieved an acceptable composite rating score of (3) that puts it at level three during the study period and thus an indication that the performance of the asset quality and profitability The Bank is generally weak and there is a weakness in performance with regard to the element of asset quality and management, and The Bank of Baghdad and Mansour Bank achieved a marginal composite rating (4) which indicates that there are significant and critical problems . This is due to the inaccuracy of the administration in implementing laws, instructions and regulations, which may be due to a weakness in the bank's durability and safety.
3. CAMELS' performance assessment system provided a clear picture in determining the financial position of the banks in question by evaluating the six elements that make up the model, highlighting the positive aspects of each component and the strengths and weaknesses that require special attention or specific actions in order to increase the efficiency of banking.
4. CAMELS has helped to reach a more accurate assessment of the bank through its six components and its coverage of all aspects of banking, and is therefore a good tool for identifying the financial position, evaluating performance and accurately identifying the efficiency and effectiveness of the banking sector, so the importance of applying this model is to adopt a unified model

Second: Recommendations: In the light of previous results, the following recommendations can be formulated:

1. Develop the basic elements of camels with the aim of reaching more expressive and accurate elements and indicators in giving the true status of each element and its role in detecting weaknesses and strengths in the bank's performance by introducing new ratios and rates to the model elements that will enhance the ratios and rates used to reach a more accurate picture of each element of the model.
2. Transparency in presenting the results of camels application in the bank's financial reports and periodic statements in a way that shows the positive and negative elements that result in the application of CAMELS system and helps shareholders, investors and customers to reach a more accurate and clear understanding of the bank's financial position.
3. Use the information to conduct analysis of all elements of camels system as quickly and easily as possible in order to ensure that information, especially those related to banking risks, is smooth and that its weaknesses are demonstrated to ensure the efficiency of management in addressing it and the advancement of the bank, thereby enhancing the confidence of customers and shareholders alike.
4. Work to develop the mechanisms for applying camels components by the administrative authorities in a way that contributes to the development of the correct and accurate foundations for any banking evaluation process by developing the foundations of data preparation, financial lists and reporting for banks.

In light of previous findings and recommendations, future research can be conducted on the development and use of CAMELS in the banking oversight process as it provides a good model in the performance evaluation process and the integrity of the financial position of financial institutions to support both evaluation and oversight.

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