The Effect of Economic Value Added as An Indicator of Intellectual Capital on Some Indicators of Banking Financial Performance

[1]*Pro.Taicir Moall ALoukil*
[1] *Faculty of Economics and Administration of Sfax, University of Sfax.*
[1] *Loukilt@gmail.com*

[2] *Lect. Muaamal Hussain Jweism*
[2] *Al-Furat Al-Awsat Technical University*
Diwaniyah Technical Institute
[2] *Dw.mol@atu.edu.iq*

Abstract

Technological and cognitive developments have played a major role in increasing the spirit of competition between banking and non-banking financial institutions to achieve their goals, which led them to search for tools with which to achieve those goals, and this resulted in reliance on intangible resources, which are intellectual capital. It includes the intellectual and cognitive innovations and creations, as well as the knowledge capabilities and experiences that the individual possesses that contribute to the maintenance and development of these institutions. The research concluded that there is a significant correlation of the added economic value with intellectual capital and financial performance, which led to the improvement of the banking financial performance further. While the research recommended the necessity of banks' interest in providing accounting information to all users about intellectual capital in which relevance, reliability and symmetry is achieved, because of this positive impact on improving the level of financial performance in them, as well as the need to conduct more applied studies with which to measure the effectiveness of the economic value-added model. And its effects on intellectual capital as well as banking performance over a longer period of time and under other conditions and on a new sample.

Introduction

Technological and knowledge developments contributed to the spirit of competition between banking and non-banking financial institutions, as these developments forced those institutions to rearrange their priorities according to the globalized world of knowledge at the present time. Material assets for the continuity and growth of their work. In light of technological and knowledge changes, these institutions have become dependent on intangible resources represented in intellectual capital, which includes intellectual and cognitive innovations and creations, as well as the individual's knowledge capabilities and experiences that contribute to maintaining and developing these institutions .

As a result, the priorities of the banking business shifted from material assets to intellectual, creative and knowledge assets in a step towards keeping pace with global developments added by the intellectual and technological revolution, globalization and financial and commercial openness in the world.

lhave linked head Money intellectual by the ability Intellectual for entrepreneurial banks on me Management and evaluation performance its business, and ability on me add value in All Processes, to become this is Processes Entire flow continuing for value additive, and this is no Checks For aspiring banks Entrepreneurship Except From During discrimination Activities that add value for operations own out, and delete Activities that no add value and replace it with profitable activities, and this is From like that Increases of efficiency operations banks, as well a plus its effectiveness in achieve its goals via Exploitation achieved optimum for resources . And from over here Attention came with ingredients head Money intellectual, and value added for each, and became banks Seeking to polarize Characteristic Human Resources efficiently and experience and knowledge , and spend money to own means technology modern, and searching About latest methods and methods administrative modern that Increase From Operations Efficiency administrative, and management time .

The relationship between intellectual capital and financial performance in banks emerged from the concept of performance, which represents their key to achieving their goals and their ability to survive, grow and continue to work in light of the internal and external changes surrounding them.

Research Problem

The research problem revolves around several questions :

- ✓ Is there an impact relationship for the economic value added indicator as a measure of intellectual capital on the return on assets indicator.
- ✓ Is there an impact relationship for the economic value added index as a measure of intellectual capital on the return on common stock index.
- ✓ Is there an impact relationship for the economic value added indicator as a measure of intellectual capital on the return on equity index.

hypotheses search

The research starts from the premise that “there are Relationship Engagement Statistically significant among the economic value added index and financial performance indicators. , pops up about her hypotheses Sub the following :

Hypothesis Sub first : there is Relationship Engagement self Statistical significance Between the economic value added index and the ordinary earnings per share index .

Hypothesis Sub the second : there is Relationship Engagement self Statistical significance Between the economic value added index and the return on equity index .

Hypothesis Sub the third : there is Relationship Engagement self Statistical significance Between the economic value added index and the return on assets index.

Research Objective

The research aims to show the effect of the correlation and the effect between the economic value added indicator and the banking performance indicators for a sample of banks .

Research Methodology

It was completed Approval curriculum descriptive Analytical, and who Aim to to me study the problem picture in-depth help in make Theme search more Clarity and achievement of the research objective and hypotheses.

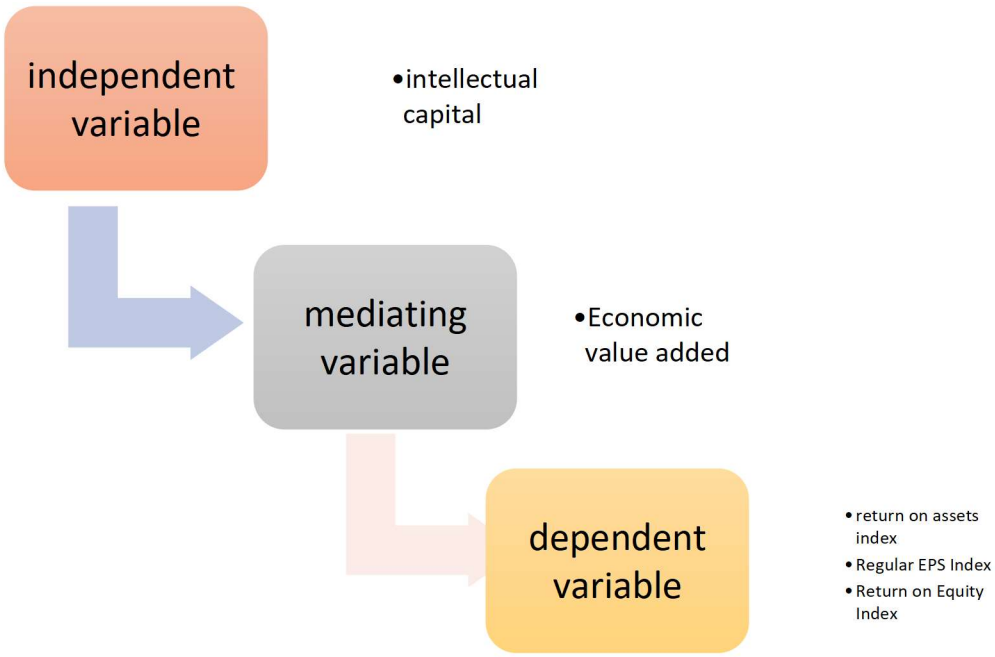
Researchh limits

Time limits: The period is ((2020-2016

Spatial boundaries: represented by the Bank of Baghdad and the East middle Iraqi and Mansour .

Research hypothesis

The proposed hypothesis scheme of the research helps to clarify the correlation and influence relationship between the independent and dependent variables, which can be clarified in this scheme:



The first axis: the theoretical framework for research variables

First: the added economic value

Stern Corporation has contributed American Stewart Consulting Services in its work towards keeping pace with technological and technical developments in the development of financial performance indicators. In 1982, the company made some changes to the remaining profit indicator to produce a new indicator called Economic Value Added . After it was issued with a trademark. This indicator is distinguished by being one of the most financial measures capable of determining the economic profit of the institution or establishment by measuring its profitability. It also works to

instill a positive career spirit between employees and public administration, as well as raising the level of loyalty and job affiliation. It is also based on the vision of the existing interaction between production elements **(Kiwan, 97 :2010); (Flattah, (633 :2010 .**

It also defines economic value added as "a criterion for measuring performance by identifying methods that help raise or eliminate the value of the company . Obtained through discounted cash flows or net present value, as it represents the true picture of wealth creation for shareholders and helps managers make investment decisions and identify opportunities (Hasani & Fathi, 2012: 407).

Second. Intellectual Capital

Prepare Concept head Money intellectual From Concepts administrative modern that appeared On Arena Cognitive During the years Last, points this concept to me production mental and inventive whether It was in its shape latent in mind and mind Element human or in its shape binder and shown in records and documents and rules data And therefore then Concept head Money intellectual Prepare Concept Wide and comprehensive Exceeds border head Money human And who Indicates Just to me output Innovative latent in brains Humanity Featured as such it's a Exceeds level Administrative a certain Where it's a Represent Collection From Capacity Cognitive and innovative that Can that are there in all levels Admin in the institution Educational (Allen, 2003: 8).

Intellectual capital is defined as the real, intangible wealth whose value cannot be estimated because of the latent mental capacity possessed by some of the human capital workers in the organization. In the external environment (Moses, .(6 :2008

Third. Banking Performance.

The banking performance is a reflection of the financial position of the bank represented by the paragraphs of each of the balance sheet and profit and loss account, as well as the statement of cash flows, which depicts a real state of the bank's business for a certain period of time , **meaning** a reflection of the bank's success or failure in achieving its goals according to criteria determined by the bank based on to the requirements and nature of his work. (Al-Abedy, (27 :2014 .

second axis : descriptive analysis, presentation and analysis of the results in light of the answers of the sample

First: descriptive analysis, presentation and analysis of the results in light of the answers of the sample

In this topic, we seek to identify the impact of the added economic value on the financial banking performance in the presence of intellectual capital according to the response of the sample surveyed in the banks of the study sample . The mean value represents the value around which all the different values of the variable are centered, the standard deviation as it is one of the most important measures of statistical dispersion , and the coefficient of variation as it is used to compare dispersion between two groups , as this represents a prerequisite for judging the dispersion of the two groups by comparing the values of the calculated measures of dispersion for the two groups. And the lower the value, the less this indicates the lack of dispersion of the answers of the researched sample and in the light of the results the importance is arranged on the basis of it, and finally determining the level of the answer to the opinions of the researched sample according to

their answers, and the research relied on a scale (Likert) The five-level in the sample answers to the questionnaire, the level of each variable will be between (1-5) with four levels, and the table (1) shows this, and includes two levels in the case of an increase from the hypothetical mean of (2.61 to 3.40), then it is good if it ranges between ((3.41 . to 4.20) and very good if it increases from (4.21 to 5) it also includes two levels if | It fell from the hypothetical mean (2.61 to 2.40), so it is weak if it ranges between (1.81 to 2.60) and very weak if it drops from (from 1 to (1.80 .

Table (1) shows the weighted average and the level of the answer

answer level	answer scale	weighted average
Very weak	I don't totally agree	1 to 1.80
weak	I do not agree	From 1.81 to 2.60
Average	neutral	From 2.61 to 3.40
Good	I agree	From 3.41 to 4.20
Very well	Totally agree	From 4.21 to 5

Source: Prepared by the researcher

Second: the variable economic value added

The clear results in Table (2) related to the economic value added variable showed that the highest value was at paragraph (1), which reads **(The bank's value added statement shows the salaries that employees receive)** With an arithmetic mean (4.02) and at a good level and with a standard deviation (0.71), its coefficient of variation reached (17.66%), where it ranked first in terms of relative importance. For employees working in the bank.

As for the lowest value, it came at the tenth paragraph, which reads **(The value-added disclosure information (salaries, bonuses and employee benefits - profits for shareholders) contribute to determining the employees' attitudes towards the issue of staying or leaving the job.) with an** arithmetic mean (3.45), a good level and a standard deviation (0.90), as its coefficient of variation was (26.08%), where it ranked last in terms of relative importance, and this indicates that the sample members were in agreement at a rate of (54.2%) that salaries and bonuses are the main factor in determining the employee's position regarding leaving the job or staying in it. And the main motive and motivation for the employee's loyalty and his stay in his job and the opposite if the higher management did not reward its employees for their job performance, the return would be negative so that this leads to the employee leaving his job. As for (33.3%) of the respondents were neutral, i.e. conservative about expressing any opinion regarding this paragraph. The remaining percentage (12.5%) of the surveyed sample did not agree on the text of this paragraph, i.e. from their point of view, as this percentage of the surveyed sample reflects that they have another criterion in determining leaving or staying in the job, and the table below shows that .

Table (2) Statistical description of the answers of the researched sample about the variable economic value added

the direction of the answer	Variation coefficient	standard deviation	SMA	vertebrae	No.
I agree	17.66	.71	4.02	The bank's value-added statement shows the salaries received by the employees .	1
I agree	23.97	.94	3.92	The bank's added value statement shows the rewards that the employees receive .	2
I agree	23.58	.92	3.90	The bank's added value statement shows the benefits that employees get .	3
I agree	25.53	.95	3.72	The employees want the financial statements to show the salaries, bonuses and benefits they receive in relation to the total value added achieved by the bank .	4
I agree	29.97	1.04	3.47	The disclosed accounting information helps in revealing the added value of the employees in the statement of the bank's ability to pay their salaries and achieve profits for the shareholders .	5
I agree	26.51	.92	3.47	Employees familiarize themselves with the incentives system in the bank .	6
I agree	25.77	.91	3.53	Showing the financial information that belongs to the employees in the value-added disclosure, like the other stakeholders, creates a positive feeling for them .	7
I agree	25.42	.90	3.54	The value-added statement is more sufficient than other statements to meet the needs of employees for their financial information such as salaries, bonuses and benefits.	8
I agree	24.43	.87	3.56	Showing the value-added statement of information about salaries, bonuses and benefits received by employees leads them to believe that they are more important to the bank .	9
I agree	26.08	.90	3.45	The value-added disclosure information (salaries, bonuses and employee benefits - profits for shareholders) contributes to determining the employees' attitudes towards	10

				the issue of staying or leaving the job .	
I agree	27.42	.99	3.61	The value-added disclosure information (salaries, bonuses, employee benefits - profits for shareholders) helps workers know the efforts made by them in return for the total that the bank achieves for the rest of the stakeholders .	11
I agree	23.56	.86	3.65	Disclosure of the added value makes the employees work in the spirit of one team .	12
I agree	**24.99**	**.90**	**3.65**	**The general average of the variable economic value added**	

Source: Prepared by the researcher

Third: the intellectual capital variable

It is clear from the results in Table (3) that there is a relative increase in the total weighted arithmetic mean, which amounted to (3.61) which is greater than the hypothetical arithmetic mean of (3) and with a standard deviation of (1.04) and a coefficient of variation of (29.26%) and this indicates that the data are homogeneous Relatively, and the intensity of the answer reached (72.2%) , which indicates the percentage of agreement in the answers of the sample members about this variable, which indicates that the variable was clear among the sample members, and it is also noted that the intensity of the answer for the research sample was all researched was higher than (70%) and returns The reason for this is the high level of awareness among the sample members of the importance of the role played by the intellectual capital variable in order to contribute to the success of the performance of the bank under study.

As for the sub-level, paragraph (18) including **(the information system in the bank is characterized by enrichment in terms of information)** obtained the highest arithmetic mean of (4.18) and a standard deviation of (0.78) and the highest relative importance of (83.6%), which means that the bank is characterized by accuracy In terms of information, while paragraph (10) included **(there are difficulties and obstacles in the bank that prevent the flow of information to the decision maker .)** the lowest arithmetic mean reached (3.10), which is close to the hypothetical mean, and with a standard deviation of (1.06), which indicates a high dispersion in The sample answered with a minimum relative importance of (62%), and these results indicate the tendency of the sample to be neutral in their answers to the text of this paragraph, in other words that there are no difficulties in the bank that hinder the senior management from making any decision.

Table (3) Statistical description of the answers of the researched sample about the intellectual capital variable

the direction of the	**Variation coefficient**	**standard deviation**	**SMA**	**vertebrae**	**No.**

answer					
neutral	35.09	1.15	3.29	The bank has employees with high knowledge of work specifications .	1
I agree	29.32	1.02	3.50	The introduction of new and fresh ideas for performing tasks and solving problems is encouraged	2
I agree	31.65	1.17	3.70	The bank makes every effort to retain workers with high knowledge of work specifications .	3
I agree	31.24	1.11	3.58	The bank adopts a training program to improve the capabilities and capabilities of its employees .	4
I agree	31.68	1.19	3.76	The knowledge, skills and competencies possessed by the employees are sufficient to achieve the objectives of the Bank .	5
I agree	31.36	1.12	3.59	The bank is keen to provide the employees with all the equipments for the information systems necessary to perform the work .	6
I agree	26.87	.98	3.65	The bank has a database that includes information on all its activities .	7
I agree	32.07	1.10	3.45	Bank systems in the field of information systems support new ideas .	8
I agree	30.66	1.13	3.70	The bank management clearly explains the policies and procedures followed to all employees	9
neutral	34.33	1.06	3.10	There are difficulties and obstacles in the bank that prevent the flow of information to the decision maker .	10
neutral	33.21	1.07	3.24	The bank is interested in achieving customer satisfaction and loyalty and maintaining good relations with them .	11
neutral	29.47	.99	3.38	The bank cares about the opinions and suggestions of its employees and listens to them in order to solve problems .	12
I agree	33.43	1.15	3.44	It is difficult for the bank to achieve the	13

				desires of customers directly .	
I agree	29.99	1.06	3.55	The bank invests the available time in solving problems that arise with employees .	14
I agree	28.41	1.08	3.81	The communication and information technology in the bank is commensurate with the needs of the employees .	15th
I agree	18.80	.77	4.13	The information system in the bank is characterized by accuracy in searching for any information .	16
I agree	20.24	.80	4.00	The information system in the bank is characterized by speed in terms of implementation .	17
I agree	18.84	.78	4.18	The information system in the bank is rich in terms of information .	18
I agree	**29.26**	**1.04**	**3.61**	**The general average of the intellectual capital variable**	

Source: Prepared by the researcher

Fourth: Bank financial performance

The respondents expressed their views on the financial performance of the bank in question, which was embodied by the arithmetic mean values, as the opinions of the sample surveyed agreed to give the highest value to the fourth paragraph. **(Measuring the intellectual capital and reporting on it in the bank's financial statements helps in strengthening the market value of its shares.)** With an arithmetic mean (4.47) and a standard deviation (0.60) and a coefficient of variation that amounted to (13.42%). As for the relative importance of this paragraph, it reached (89.4%), and this means that the bank adopts the measurement of intellectual capital in the financial statements, and this in turn leads to support the market value of the bank's shares, either The lowest value of the arithmetic mean was for the thirteenth paragraph **(Providing accounting information related to intellectual capital in a way that helps in managing its elements efficiently and effectively, and thus it can be preserved and its value grows.)** The arithmetic mean was (3.96), which is higher than the hypothetical mean of (3), with a standard deviation of (0.73), and with a coefficient of difference (18.43%). Positively on the effective and efficient financial performance, maintaining and increasing it. As for the general mean of the variable of banking financial performance, its value reached (4.26), which is higher than the value of the hypothetical mean, which is (3) with a standard deviation of (0.67). As for the general coefficient of variation, it reached (15.91%), as it turns out that The performance of the banking capital was effective and efficient.

Table (4) Statistical description of the answers of the researched sample about the variable of banking financial performance					
the direction of the answer	**Variation coefficient**	**standard deviation**	**SMA**	**vertebrae**	**No.**
neutral	15.06	.66	4.38	The measure of economic value added is characterized by its ability to measure the real economic return on the total invested capital .	1
I agree	13.24	.58	4.38	Measuring capital by value added helps increase the demand for effective management of intangible assets in general, and intellectual capital in particular.	2
I agree	13.17	.56	4.25	The measure of economic value added is characterized by its ability to measure the return on common shares	3
I agree	13.42	.60	4.47	Measuring the intellectual capital and reporting on it in the bank's financial statements helps in strengthening the market value of its shares .	4
I agree	14.09	.62	4.40	Measurement of capital by value added helps to give a comprehensive picture of the causes and drivers of performance (the main sources and activities to achieve income)	5
I agree	15.11	.65	4.30	Contribute to the evaluation of the overall performance of the bank without focusing on the financial aspect only, and this is in line with recent developments related to the balanced evaluation of performance	6
I agree	13.25	.59	4.45	The measure of economic value added is one of the most appropriate measures of the knowledge economy environment, which is characterized by a focus on value creation .	7
I agree	16.62	.69	4.15	The EVA model measures the elements of intellectual capital accurately and	8

				objectively .	
I agree	18.62	.76	4.08	**Measuring the capital by the added value helps in the proper and correct measurement of the real wealth of the bank, which leads to the strengthening of its orientation towards maximizing the real wealth of the owners .**	9
neutral	16.54	.69	4.17	The measure of economic value added is characterized by its ability to measure the return on equity .	10
neutral	15.10	.66	4.37	The extent to which the economic value-added model is able to accurately and objectively measure the elements of intellectual capital	11
neutral	14.31	.62	4.33	The economic value-added model has the ability to provide information that meets the requirements of its beneficiaries .	12
I agree	18.43	.73	3.96	Providing accounting information related to intellectual capital in a way that helps in managing its components efficiently and effectively, and thus it can be preserved and its value grows .	13
I agree	15.99	.67	4.19	Developing reward systems using non-financial performance measures based on intellectual capital when developing reward and incentive plans .	14
I agree	18.48	.78	4.22	The EVA indicator assists banks in formulating their strategies for the purpose of understanding the relationship between intellectual capital, competitive advantage and profitability	15th
I agree	18.07	.77	4.26	Failure to adopt the intellectual capital scale will reduce the bank's ability to estimate its capabilities and the value of its future business .	16
I agree	21.00	.88	4.19	Attention to intellectual assets helps to achieve increased banking revenues	17

I agree	**15.91**	**.67**	**4.26**	**The general average of the variable banking financial performance**

Source: Prepared by the researcher

Third axis: analysis of the relationship and the effect between the variables of study
First: analyze the correlation between the study variables

The current paragraph of this topic deals with testing the correlation between the independent variable represented by **the economic value added And the intellectual capital** and the dependent variable represented by **the banking financial performance** , as the Pearson correlation coefficient will be used to *discover* the strength and direction of the relationship between the variables. One of the variables is offset by a decrease in the other variable, as the correlation is strong positive when it is (+0.3 to +0.7), and positively acceptable when it is (1 to +0.3), while the correlation is strong negative when it is (-0.3 to -0.7), and negative Weak when it is (-0.3 to 0). If the correlation coefficient is (+1), this indicates a perfect positive correlation, (-1) indicates a perfect negative correlation, and (0) indicates no correlation, as the results of the analysis came The correlation relationships are as shown in Table ((5 .

Testing the first main research hypothesis, which states (there is a statistically significant correlation between the economic value-added variable and the intellectual capital variable)

The correlation coefficient between the economic value added and intellectual capital was (0.748) at the level of significance (000.), which is less than the significance level (0.05), which indicates the existence of a significant correlation of the economic value added with intellectual capital , according to the foregoing. The first main hypothesis, which states that there is a significant correlation between the added economic value and intellectual capital in the bank under study.

Testing the second main research hypothesis, which states (there is a significant correlation between the added economic value and banking financial performance)

The correlation coefficient between the added economic value and the banking financial performance was (0.798) at the significance level (000.), which is less than the significance level (0.05), which indicates the existence of a significant correlation of the added economic value with the banking financial performance. This means that the more The surveyed bank adopted the indicators of the added economic value, which led to a greater improvement in the banking financial performance. According to the foregoing, the second main hypothesis is accepted, which states that there is a significant correlation between the added economic value and the banking financial performance in the surveyed bank .

Testing the third main research hypothesis, which states (there is a significant correlation between intellectual capital and banking financial performance).

The correlation coefficient between intellectual capital and total banking financial performance was (0.885) at the significance level (000.), which is less than the significance level (0.05), which indicates the existence of a significant correlation of intellectual capital with banking financial performance, and this means that the more the studied bank adopted indicators of the economic value added for intellectual capital , which led to a greater improvement in banking financial

performance. According to the foregoing, the third main hypothesis is accepted, which states that there is a significant correlation between intellectual capital and banking financial performance in the investigated banks.

Table (4) results of the correlation between the research variables

Bank financial performance	intellectual capital	Economic value added	Variables
0.798	0.748	1	Economic value added
0.885	1	0.748	intellectual capital
1	0.885	0.798	Bank financial performance

Source: Prepared by the researcher

Second: To test the influence relationships between the study variables

This requirement included testing the correlation relations between the variables of the study, and to complement the results of the analysis, during this section, the influence relationships of the independent variables (economic value added and intellectual capital) are tested separately in the approved variable represented by banking financial performance and in line with the nature of the study and its variables, statistical methods were used Non-parametric to test the validity of the fourth, fifth and sixth main hypotheses using the simple regression coefficient and the multiple regression coefficient and through the following items .

The fourth main hypothesis test

To test the hypothesis that states the following (**there is an impact of the added economic value on the banking financial performance),** the analysis will be done according to the simple linear regression model, as follows :

$$\mathbf{Y= \alpha + \beta (X)}$$

$$\mathbf{Y= 0.787+ 0.718(X)}$$

The value of (F) (calculated between the **economic value added in the banking financial performance was** 60.779)), which is greater than the tabular value (F) of ((3.94 at the level of significance (0.05 **Banking financial)** at the level of significance (5) %), i.e. with a degree of confidence) 95 (R^2)) of (0.643), it is clear that **the added economic value** explains (64%) of the variables that occur in the **financial performance The remaining** percentage (36%) is due to other variables not included in the research model, and it is clear from the value of the marginal slope coefficient) β (of (0.718) that an increase in **the economic value added** by one unit will lead to an increase **in banking financial performance** by (72) %), the value of the constant (α) in the equation (0.787), meaning when **the economic value added is** equal to **For** zero, **the banking financial performance** will not be less than this value , as shown in Table ((6 .

Fifth .Main Hypothesis Test

To test the hypothesis that states the following (**there is an effect of intellectual capital on banking financial performance),** as the analysis will be done according to a simple linear regression model, as follows :

$$Y= \alpha + \beta (X)$$

$$Y= 0.846+ 0.691(X)$$

The value of (F) (calculated among **the intellectual capital in the banking financial performance was** 57.987)). It is greater than the tabular value F of (3.94) at the level of significance 0.05, and accordingly we accept the hypothesis which states **there is an effect of intellectual capital on banking financial performance)** at the level of significance (5) %), i.e. with a degree of confidence 95) and through the value of the coefficient of determination (R^2 of (0.754), it is clear that **the intellectual capital** explains about (75%) of the variables that occur on the **financial performance of the bank,** while the remaining percentage (25%) is due to other variables that are not included in the model search It is clear from the value of the marginal slope coefficient (β of (0.691) that increasing **the intellectual capital variable** by one unit will lead to an increase **in banking financial performance** by (69%). The value of the constant α in the equation is (0.846), meaning when **the intellectual capital is** equal to **For** zero, **the banking financial performance** will not be less than this value, as shown in Table ((6 .

Table (6) analysis of influence relationships

indication	Sig	Tabular (F) value	(F) computed value	The coefficient of determination (R^2)	The value of the marginal slope coefficient (β)	Constant limit value (α (	dependent variable	independent variables
moral	**0.000**	3.94	57.987	0.643	0.691	0.846	Bank financial performance	intellectual capital
moral	**0.000**		60.779	0.754	0.718	0.787		Economic value added

Source: Prepared by the researcher

Test the sixth main hypothesis (multiple regression coefficient of the effect of economic value added and intellectual capital on banking financial performance)

This paragraph aims to clarify the effect of the independent variables on the dependent variable according to multiple regression models and extract the value of the coefficient of determination to show the percentage of the influence of the independent variables on the dependent variable, as well as extract the value (F) (to show the level of morale of the model, as shown in Table ((7

Table ((7

Multiple regression coefficient of the impact of economic value added and intellectual capital on banking financial performance

F value and significant level	R value ^{2}	independent variables	Supported variants
10,547	0.892	- Economic value added - intellectual capital	Bank financial performance

Source: Researcher's numbers.

It appears from Table (7) for the analysis of the regression coefficient of the influence relationship between the study variables as follows :

According to the regression model, it appeared that the independent variables economic value added (, intellectual capital) has a significant effect on th adopted variable (banking financial performance), where the value of F reached 10.547)) with a significant level of (0.05) and the coefficient of determination reached (0.892), meaning that (89%) of the variables in the approved variable are due to these The independent variables and the remaining percentage (11%) are due to other factors that were not included in the model .

Fourth Axis: Conclusions and Recommendations

First: the conclusions

1. economic value added indicator is only a new version of the profit indicator, both of which are based on the principle of creating and increasing shareholder wealth .
2. The banking performance is nothing but a reflection of the financial position of the bank represented by the paragraphs of each of the balance sheet and profit and loss account, as well as the statement of cash flows .
3. There is a significant correlation relationship of the economic value added with intellectual capital, as the correlation coefficient between them reached (0.748) at the significance level (000.), which is less than the significance level (0.05), so the first main hypothesis is accepted, which states that there is a significant correlation relationship Between economic value added and intellectual capital in the studied banks.
4. There is a significant correlation of the added economic value with the banking financial performance, as the correlation coefficient between them reached (0.798) at the significance level (000.), which is less than the significance level (0.05), and this means that whenever the surveyed banks adopted the indicators of the added economic value , the results This will further improve the banking financial performance .
5. There is a significant correlation relationship between intellectual capital and banking financial performance, as the correlation coefficient between them reached ((0.885 at the significance level (000.), which is less than the significance level (0.05), and this means that whenever the

surveyed banks adopt indicators of the economic value added to capital This led to the improvement of the banking financial performance further .

6. There is an effect of the added economic value in the banking financial performance at the level of significance (5 (% , that is, with a degree of confidence (95% as the value of (F) calculated between them reached (60,779), which is greater than the tabular value (F) of (3.94) at the level of (0.05, as well as the value of the coefficient of determination (^{2} R of (0.643), and thus it is clear that the added economic value explains (64%) of the variables that occur on the banking financial performance , while the remaining percentage (36%) is due to Other variables not included in the research model, and it is clear from the value of the marginal slope coefficient β of (0.718) that an increase in the economic value added by one unit will lead to an increase in banking financial performance by ((%72 .
7. There is an effect of intellectual capital in the banking financial performance at the level of significance) 5 %), i.e. with a degree of confidence (95 %), as the value of (F) calculated among the intellectual capital in the banking financial performance was (57.987). It is greater than the tabular value) F of (3.94) at the level of significance(0.05), as well as the value of the coefficient of determination (R^2) of (0.754). It is clear that intellectual capital explains about (75%) of the variables that occur in performance. Banking financial As for the remaining 25%, it is due to other variables that are not included in the research model, as well as it is clear through the value of the marginal slope coefficient (β) (of (0.691) that increasing the intellectual capital variable by one unit will lead to an increase in banking financial performance by ((%69 .
8. There is a significant effect of the two variables of the economic value added intellectual capital, on the adopted variable (bank financial performance), where the value of F reached 10.547)) with a significant level of (0.05) and the coefficient of determination reached (0.892), meaning that (89%) of the variables in the approved variable are due to These independent variables and the remaining percentage (11%) are due to other factors that were not included in the model .

Second. Recommendations:

1. **Necessity interest pointer the value Economic added From Before Mark** Iraq Stock Exchange, and try obligating companies included in stock market by disclosure about him within Attachments menus Finance side boil over side with performance indicators traditional , and that for adoption on him From Before Investors when take decisions by sight to me What reflect it from info useful andconvenience, and its ability on me evaluation the performance in the form of good.
2. Needing attention measure efficiency head Money intellectual and my extent input all component from its components in create value added for the bank.
3. Working banks on me that is being she has wallet for its capital intellectual available In which information about its components and its elements and costs spent to develop it and ways measure it and trace that on Bank operations .
4. Necessity the work on me Awareness hold workshops a job for analysts and managers Millions and investors and interested Around Significance of the indicator the value Economic added and his ability on me Create the value campaign stock when for him From Effect positive in direct them Toward Investments and projects the most success.

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