Relationship between Financial Engineering and Financial Performance in Iraq Commercial Banks

Iman Muayad
Universiti Pendidikan Sultan Idris (UPSI)

Sharul Effendy Janudin
Universiti Pendidikan Sultan Idris (UPSI)

Relationship between Financial Engineering and Financial Performance in Iraq Commercial Banks

Iman Muayad Merie Al_Khero, Department of Accounting and Finance, Faculty of Management and Economics, Universiti Pendidikan Sultan Idris, Perak, Malaysia. E- mail: Iman.khero@gmail.com

Sharul Effendy Bin Janudin, Department of Accounting and Finance, Faculty of Management and Economics, Universiti Pendidikan Sultan Idris, Perak, Malaysia. E-mail: sharul@fpe.upsi.edu.my

Azam Abdelhakeem Khalid Ahmed, Department of Accounting and Finance, Faculty of Management and Economics, Universiti, Pendidikan Sultan Idris, Perak, Malaysia. E-mail: azamabdelhakeem@fpe.upsi.edu.my

Abstract--- Purpose of this paper to examine the relationship between financial engineering and financial performance in Iraq commercial banks.

Design/Methodology/Approach: Data were collected from Iraq commercial banks, 130 employees working in Iraq commercial banks. The data were analyzed using structural equation method via Smart PLS 3.0 to examine relationship between financial engineering and financial performance in Iraq commercial banks.

Findings: P value shows that there is positive significant relationship between investment strategies and financial performance. In addition, the result shows the direct effects between strategic investment and financial performance. The findings of the study discovered that technological innovation is not significant. Moreover, there is positive relationship between technological innovation and financial performance in Iraq commercial banks. In addition, P value shows that 0.000. The result shows the positive relationship between investment strategies and financial performance. The results of statistical analysis shows that the positive significant relationship between product innovation on financial performance in Iraq commercial banks.

Originality/Value: From the research perspective, this is the first study that examines the relationship between financial engineering and financial performance in Iraq commercial banks.

Keywords--- Investment Strategies, Technological Innovations, Product Innovations, Financial Performance, Iraqi Commercial Banks.

I. Introduction

The banking sector is considered as one of the most important economic sectors and is the most seductive and influential one in the growth of economies of countries. Technological innovations affect the financial performance of banks (Dolientte, 2007) through their ability to increase their profits and reduce their costs. This is supported by Yasiri (2014), who found that the use of investment strategies in private commercial banks in electronic services to appear on a small scale, ineffective in meeting good environment for growth. Recently, the entry of non-banking institutions into the field of financial work has been observed Michael(2013) increasing competition and forcing financial and banking institutions to provide a comprehensive range of financial and banking services, and thus increasing the functions of commercial and investment banks. A new type of banks has also emerged known as comprehensive banks, which use technology of financial engineering.

Given the background information above, the aim of this research paper is to examine the following:

- The relationship between Investment Strategies (IS) and Financial Performance of Commercial Banks (FP) in Iraq.
- The relationship between Technological Innovations (TI) and Financial Performance of commercial Banks (FP) in Iraq.
- The relationship between Product Innovations (PI) and Financial Performance of Commercial banks (FP) in Iraq.

The remaining parts are organized as follows. The following section briefly reviews the relevant literature-related characteristics and effectiveness of financial engineering on financial performance followed by research

ISSN 1943-023X

Received: 21 Mar 2019/Accepted: 13 Apr 2019

hypotheses, and explains linkages to previous studies. The third section presents the research methodology, while the last section presents findings, results and conclusion.

II. Literature Review

2.1 The Concept of Financial Performance

Performance is the result of the greater part of the association's operations and strategies (Wheelen& Hunger, 2002). Measuring financial performance precisely is basic for accounting purposes and remains a vital concern for general associations. Performance estimation systems give the establishment a guide to create vital plans, survey consummation of goals, and compensate administrators. Despite the fact that evaluation of performance in the marketing literature is still essential, it remains highly difficult (Pont&Shaw, 2003).Financial performance of a venture is the capacity to use operational and investment choices and systems to accomplish business financial stability.

It is the measure of an enterprise‘s accomplishment of its financial objectives guided by its financial related targets and benchmarks. Banks, as the basic piece of financial system, assume an essential part in contributing to a nation's economic improvement. On the off chance that managing a banking industry does not perform well, the impact to the economy could be huge and wide. Studies on -performance of saving money foundations are sufficient.

Consequences of these investigations emphatically recommend that bank benefit determinants change crosswise over nations and furthermore among districts of the world (Dolientte,2007).As per the investigation of (Grier, 2007), profit ability proportions are frequently utilized as a part of the indicators of credit examination in banks. Since profitability is related with the consequences of organization performance, bank performance demonstrates bank's ability to produce sustainable benefits.

2.2 An overview of Financial Engineering in Iraq Commercial Banks

Financial engineering is the phenomenon of product and/or process innovation in the financial industries the development of new financial instruments and processes that will enhance shareholders', issuers' or intermediaries (Abdallah, 2014).

As defined by Sweilm(2000) it is a development process based on the role played by the activation of global to exchanges, as well as new innovations in investment institutions in general, in addition the impact of strategic thinking in the financial banking institutions and the appearance of emerging markets and financial centers. Bansal (2001) defined it is design, implement creative tools and innovative creative solutions to financial problems. This definition indicates the financial engineering involves types of activities Technological innovations represented by mobile technology banking services and ATM. Or innovations of new financial instruments such as credit card.

The banking sector in Iraq is still suffering from weak use of modern technologies in its work. As technological progress in one of the most important factors for the growth of banks, it helps banks to provide services faster and at a lower costs and higher quality. Iraqi banks are still doing most of the operations and banking services manually, such as, disbursement and receipt of money, opening bank accounts, and communication with customers. Consequently, citizen’s access of cash holidays was difficult because of the failure to adopt the ATM (Yasiri, 2014).

Iraqi banks are small-sized compared to other banks in Arab or international markets. Consequently, this limits their competitiveness, and perpetuates non- performing loans due to pervious internal lending practices, which later worsened due to the general economic situation in Iraq. (Al-Najjar, 2012).Financial performance refers to a subjective measure of how firms can effectively employ assets from their main business mode and create revenues. Financial performance is measurable in many ways but it is important that all measures are done in aggregation. Aside from total unit sales, line items including revenue from operations, operating income or cash flow from operations can be used as well.

The analyst or investor may also meticulously study the financial statements and look for margin rates of growth or any declining debt (Yasiri, 2014).Thus, financial institutions are obliged to apply financial engineering to create innovative product line. This way, financial institutions can sustain their relevance in the marketplace while also gaining considerable market share.

The notion of financial engineering, motivating factors, and the call for product innovations by way of financial engineering have been discussed in the works by Khrawish (2011)and Samhan and AL-Khatib(2015).The authors

ISSN 1943-023X

Received: 21 Mar 2019/Accepted: 13 Apr 2019

have also provided suggestions on the applicable strategies. Eugenio Domingo Solans of European Central Bank has provided a comprehensive description of the concept of financial performance.

The model explains how factors can impact the effectiveness of banks financial performance development in the context of Iraq. Such understanding can greatly contribute to the increase in the level of technical methods of financial engineering in the context of developing economies. As the model is constructed based on the situation of developing economies, its usage is deemed to be more fitting for developing economies as well. Also, since the handful of local studies on similar bank performance domain has addressed the performance factor to the exclusion of other factors, the current study ascertains the relationship between financial engineering and financial performance of banks (FP) in Iraq (Central Bank of Iraq 2017).

2.3 Factors of Financial Engineering

2.3.1 Investment Strategies

A set of rules, policies and procedures that are formulated by the concerned authorities to guide the selection of most appropriate investment, which achieves a balance between return and risks, as well as benefit from investment opportunities, and the ability to achieve the goal of adding value to the institution through investment (Kakanda, 2001). Financial engendering lead to investment strategies and improve institutions by encourage the opportunity of investment to value for implement the investment strategies in the long term.

2.3.2 Technological Innovations (TI)

A group of ideas, or a set of products, systems and modern technology that combine creativity and innovation (Lindgren, 2018). Athansasoglou (2006) defined the banking industry’s technological innovations as represented by ATM, e-banking, e-transfer money, online banking, and open accounts online and mobile banking technique. The technological innovations concepts, techniques, policies and implementation strategies to banking services has become a subject of fundamental importance and concerns to all Banks and indeed a prerequisite for local and global competitiveness Banking.

2.3.3 Process Innovation (PI)

Process innovation is the creation of new financial instruments that will diversify financial tools and their means of delivery in order to achieve the efficiency of banking products and develop them to suit the diverse financial and renewable needs. It determines solutions to the problems of financing, in order to reduce costs and increase profits, facilitate more competitiveness; provide more services that are less expensive but more quality, thus attracting more customers, access to the largest number of markets expected (Mabrouk, 2016).

III. Hypothesis Development

3.1 The Relationship between Investment Strategies and Financial Performance

Osano (2003) identifies the investment strategies adopted by the investment funds in Kenya and their relationship with financial performance.

The study used questionnaire and the number of respondents 458. The concluding that the investment in companies with high liquidity showed a positive relationship ROA, leverage, liquidity and investment strategies, while companies with less liquidity were weak relationship (Yasiri, 2014) agrees with Osano who followed the analytical descriptive approach , the data were collected by questionnaire which included five private Commercial banks in Iraq.

The sample 100managers of banks, for period (2007-2011).The purpose of study to determine the impact of strategic flexibility with its three dimensions: Principles, investments, monitoring on performance banks. The results showed a strong correlation between strategic flexibility and banking performance. Consequently, yasiri (2014) is useful for this research.

It allows describing the investment strategies in each of organizations. In addition, Yasiri (2014) reveals provide the most important terminologies of financial performance. Moreover, it focuses on the relationship ROA, leverage, liquidity and investment strategies. Furthermore, it helps us to understand the statistical analysis to achieve the research objectives. As such, based on the above discussion, the following hypotheses are formulated:

H1: There is a positive significant relationship between Investment Strategies and Financial Performance in Iraq commercial banks

Received: 21 Mar 2019/Accepted: 13 Apr 2019

3.2 The Relationship Between Technological Innovations and Financial Performance

Gooson(2002) conducted a study on individual banking sector in South Africa, using the survey to collect data. It has been found that technological innovations positively correlate with individual performance of the financial institution and these Sectors are under intense Competitive pressure because customer's demands have increased exponentially. Hacini(2018) agree with Gooson(2002) this study used Achi-square analysis to test the impact of electronic banking services on the development of financial performance by Measuring customers satisfaction on a sample of 30 banks in China. The study concluded that there an important relationship between technological innovation and satisfaction of Customers, thus led to increased profits. Banks that focus on electric banking services also had unconditional competition. However, this study had determinants because it used a small Sample for interviews to collect data. As well as the questionnaire and study for one year.

Gooson (2002) and Hacini (2018) are very useful to develop the framework of this study. It reveals the effects of the relationship between technologic innovations and Financial Performance. Moreover, both studies guide to improve the analytical statistics between variables. The study of Bonface&Ambose (2015) aimed to measure the impact of mobile Banking technologies on financial performance for sample of Kenyan banks (43). Researchers used descriptive design. Statistical data was analyzed according to SPSS Program. As such, based on the above discussion, the following hypotheses are formulated:

H2: There is a positive significant relationship between Technological Innovations and Financial Performance in Iraq commercial banks

3.3 The Relationship between Product Innovation and Financial Performance

Nzongang (2006) aimed at measuring the impact of the size of financial companies on financial performance.Thestudyincluded43commercialbanksinKenya.ThesizeoftheBanksmeasured by total assets, total loans and total deposits and financial performance was measured by ROA. Researcher analyzed the data statistically through Pearson correlation coefficient and linear progression equation. The results showed a moderate correlation between total assets, total loans and total deposits with ROA also found that there is no correlation between the number of employees and financial performance of commercial banks.

This study (Kamau, 2009) focused on the impact of the competitive strategies adopted by the management of the financial company. On the financial performance, 95 Respondents in this study. And the data was obtained from the questionnaire a researcher Analyzed data using Pearson correlation analysis and linear regression. The result revealed a statistically significant relationship between the competitive strategies adopted by the bank's management and financial performance but the strength of this relationship depends on cooperation with other banking institutions to increase the marketing of banking services.

(Al-Basheer, 2015) agree with (Kamau, 2009) that the study aimed to know the role played by total quality management (TQM) in achieving the competitive advantage of Islamic banks in Jordan. The researcher used the questionnaire and annual financial reports for 2012- 2013 to collect data. As such, based on the above discussion, the following hypotheses are formulated: H3: There is a positive significant relationship between product innovation and financial performance in Iraq commercial banks

IV. Research Methodology

This research is quantities research approach. This study identifies the relationship between Investment Strategies (IS) and Financial Performance of Banks (FP) in Iraq. In addition, it aims to determine the relationship between Technological Innovations (TI) and Financial Performance of Banks (FP) in Iraq. Moreover, to explore the relationship between Product Innovations (PI) and Financial Performance of Banks (FP) in Iraq. On the other hand, this study covered the sample of study 30 banks the data contains 130 employees in Iraq commercial banks.

V. Results and Discussions

5.1 Profile of the Respondents

Table 1 show that the demographic profile of the sample of study. The demographic contains gender, age, education level, nature of work and experience. The table shows that male is higher than female. In addition, the age ranking above 50 is the highest portion. In addition, the bachelor degree also is highest among employees. In addition, the employees who working on technology department is the highest. The experience between 5 to 10 years has been achieved 48.6%.

ISSN 1943-023X
Received: 21 Mar 2019/Accepted: 13 Apr 2019

Table 1: Demographic Profile

Category	Frequency	Percentage (%)
Gender		
Male	70	53.9
Female	60	46.10
Age		
20-30	26	20
31-40	29	22.3
41-50	28	21.5
Over 50	47	36.5
Education Level		
Diploma	20	15.3
Bachelor degree	82	63.1
Master	27	20.8
PHD	1	0.8
Nature of work (Departments)		
Executive	19	14.7
Finance	10	7.7
ICT	32	24.6
Audit	16	12.3
Credit	12	9.2
Liabilities	13	10
HR	13	10
Others	15	11.5
Experience		
Below 1 Years	4	3
Between 1-5 years	27	20.8
Between 5-10 years	63	48.6
Over 10 years	36	27.6

5.2 Measurement Model

Table 2 shows the outer loading of the variables of the study are significant. In addition the average variance also is above 0.5. Moreover, composite reliability is also above 0.7.

Table 3 shows significant outer loading among the other variables. Moreover, the measurement model is also significant in each item. In addition, table 4 latent correlation variable reveals the significant relationship between variables. Although the acceptable level of R2 value depends on the research context (Hair, 2016), propose an R-squared value of 0.10 as a minimum acceptable level.Chin (2010), suggested that the values of R^2 that above 0.67 considered high, while values ranging from 0.33 to 0.67 are moderate, whereas values between 0.19 to 0.33 are weak and any R^2 values less than 0.19 are unacceptable. Thus, R squared is 0.66 is medium also R square adjusted is 0.65 also medium.The effect size could be expressed using the following formula. Table 5 reveals that strategic investment variable has been achieved small effect size. Strategic investment variable has been achieved medium effect size. Technological innovation variable has been achieved medium

Table 2: Convergent Validity

Variable	Items	Outer Loading	Composite Reliability (CR)	Average Variance Extracted (AVE)
FP	FP1	0.806	0.903	0.539
	FP2	0.773		
	FP3	0.823		
	FP4	0.837		
	FP5	0.868		
	FP6	0.700		
	FP7	0.729		
	FP8	0.783		
	FP9	0.770		
SI	SI1	0.823	0.861	0.508
	SI2	0.746		
	SI3	0.771		
	SI4	0.765		
	SI5	0.688		
	SI6	0.688		
	SI7	0.657		
	SI8	0.722		
TI	TI1	0.785	0.853	0.592
	TI2	0.691		
	TI3	0.872		
	TI4	0.725		
	TI5	0.590		
PI	PI1	0.666	0.852	0.542
	PI2	0.706		
	PI3	0.780		
	PI4	0.693		
	PI5	0.821		
	PI6	0.825		
	PI7	0.816		

ISSN 1943-023X

Received: 21 Mar 2019/Accepted: 13 Apr 2019

Table 3: Latent Variable

variable	FP	IS	PI	TI
FP	0.789			
IS	0.514	0.729		
PI	0.731	0.434	0.761	
TI	0.721	0.549	0.597	0.739

FP: financial performance

IS: investment strategies

PI: product innovations

TI: technological innovations

Table 4: F Square

F Square	
IS	0.021
PI	0.381
TI	0.256

Table 5: F Square

	R Square	R Square Adjusted
FP	0.667	0.659

5.3 Assessment of Structural Model

According to the statistical findings, there is a positive significant relationship between investment strategies and financial performance in Iraq banks. P value shows that there is positive significant relationship between strategic investment and financial performance. In addition, the result shows the direct effect between investment strategies and financial performance.

The finding of these objectives is consistent with the result of literature review especially Vestine (2016) and Muteli (2014) that mentioned the significant and direct relationship between investment strategies and financial performance in Iraq banks. Thus, the first objective has been achieved and the hypothesis also has been achieved.

The findings show that the hypothesis has been accepted. The findings of the study discovered that technological innovation is significant. Moreover, there is direct relationship between technological innovation and financial performance in Iraq banks.

In addition, P value shows that 0.000. It is less than the significant level 0.005. The result shows the positive relationship between strategic investment and financial performance. The finding of these objectives is consistent with the result of literature review especially Thakur (2018) and Halili (2014).

The literature mentioned the positive significant direct relationship between the technological innovation and financial performances in Iraq banks. Thus, the second objective has been accepted and the hypothesis also has not been achieved.

The results of statistical analysis shows that the positive significant relationship between product innovation on financial performance in Iraq banks. The finding of these objectives is consistent with the result of literature review especially Maulana (2016) and Azzaze (2005) that mentioned the significant and direct effects of the product innovations on financial performance in Iraq banks.

Thus, the third objective has been achieved and the hypothesis also has been achieved. The main justification of successful aspect in product innovation is strategies indicators that implemented in Iraq banks. These strategies led to improve TQM in Iraq banks.

Thus, the objective and hypothesis has been achieved in positive significant relationship between product innovations on financial performance in Iraq banks. Moreover, the focal point in positive and significant relationship between product innovations on financial performance is technological information indicator that led to attract more investments. Technological information also success to enhance competitive strategies with other banks. On other hand, strategies indicators also have been organized the commercial banks.

ISSN 1943-023X

Received: 21 Mar 2019/Accepted: 13 Apr 2019

Table 6: Research Hypothesis

Hypothesis		Std. Beta	Sample Mean (M)	Std. Error	T-value	P-value	Decision
H1	Strategic investment on financial performance	0.220	0.218	0.061	3.640	0.000	Accepted
H2	Technological innovations on financial performance	0.256	0.260	0.051	5.017	0.000	Accepted
H3	Product innovations on financial performance	0.182	0.186	0.062	2.956	0.003	Accepted

VI. Conclusion

Figure 1 shows the significant effects of the investment strategies, product innovation and technological innovation on the financial performance. The researcher suggests to expand searching in financial engineering. The Iraq bank starting to restructure the level of technology that used to implement ATM machine system and other related facilities. Iraq, the future transaction focus on mobile internet and other transactions the financial engineering seeks to simulate the significant experience especially Oman experience to examine factors of financial engineering on financial performance.

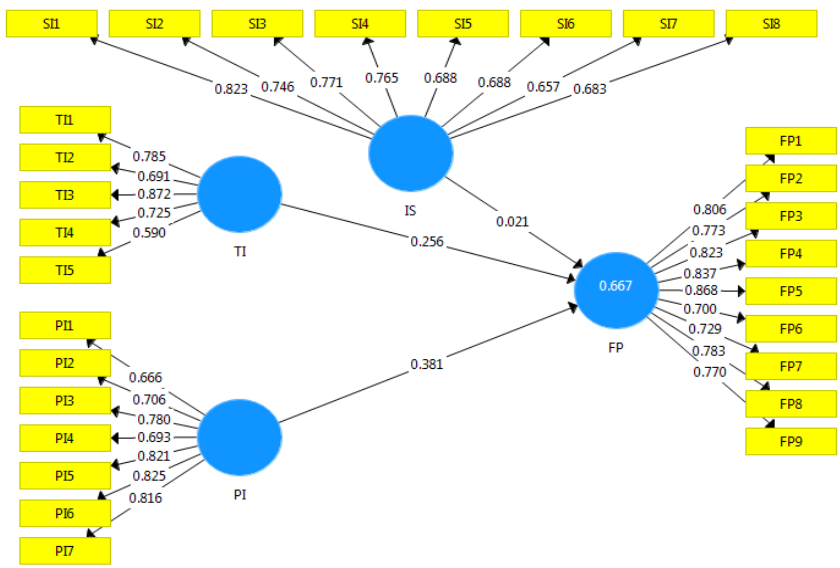

Figure 1: The Research Model

Moreover, the simulation effects can determine other new significant indicators to examine the effects on financial performance. Thus, if this study covered the results on all Iraq banks it will be accumulate study. It also can achieve other related significant results. This study should also look on the reasons and justifications of using financial engineering in other similar country and compare both case studies to understand the relationship between variables. This study covered only the banking sector. However, if it covered all factor sectors like productive sectors the results will be more strength than before.

References

[1] Abdallah, W. M. (2013). The impact of financial and non-financial measures on banks 'financial strength ratings: The case of the Middle East (Doctoral dissertation, University of Sanford).

[2] Al-basheer, A., Shawaqfeh, G. N., Mathani, B. A., & Al-Jabari, M. (2015). The Impact of Total Quality Management on Financial Performance" fields study in the Jordan Islamic Bank, Irbid Province-Jordan". *International Journal of Business and Social Science*, *6*(11), 1.

[3] Al-Najjar, S. M., &Kalaf, K. H. (2012). Designing a balanced scorecard to measure a bank's performance: A case study. *International journal of business administration*, *3*(4), 44.

ISSN 1943-023X

Received: 21 Mar 2019/Accepted: 13 Apr 2019

[4] Athansasoglou, P., Brissimis, S. & Delis, M. (2006). Bank-Specific, Industry-Specific and Macroeconomic Determinants of Bank Profitability. Journal of International Financial Markets, Institutions and Money. 121-136. Available from: http://ssrn. Om/abstract=1106825.

[5] Azzaze, A. & Hajj, A. (2005) "The Impact of Strategic and Environmental Factors on The Malaysia Furniture Industry Export Marketing Performance Unpunished Master Thesis University Putra Malaysia.

[6] Bansal, J. F. (2001). Future trends: Globalization and Technology. *JF Bansal, Financial Engineering-A complete guide to financial innovation. New Delhi: Prentice-Hall of India Pvt. Ltd*

[7] Bonface, R. M., & Ambrose, J. (2015). Mobile banking and financial performance of commercial banks in Kenya. *International journal of finance and current business studies*, *4*(12), 16-31

[8] Chin, C. (2010). C. Chin, R. Grimm, P. Julienne, and E. Tiesinga, Rev. Mod. Phys. 82, 1225 (2010). Rev. Mod. Phys., 82, 1225.

[9] De Coning, T. J., Goosen, C. J., &Smit, E. D. M. (2002). Corporate entrepreneurship and financial performance: The role of management. *South African Journal of Business Management*, *33*(4), 21-27.

[10] Dolientte,A. (2007) "China's Banking sector Growing Towards Diversification -,E Network Of Malaysia With China Implications Fortocal Upgrading, http://www.deloitte. Com.dtt/cda/doc/content/dot.

[11] Grier, W. A. (2007). Credit analysis of financial institutions. Euromoney Books. (2nd Ed.). Euro Money Institutional Investors, PLC.

[12] Hacini, I., & DAHOU, K. (2018). The Evolution of the Algerian Banking System. *Management Dynamics in the Knowledge Economy*, *6*(1), 145-166

[13] Hair, J. F., Sarstedt, M., Ringle, C. M., & Mena, J. A. (2016). An assessment of the use of partial least squares structural equation modeling in marketing research. *Journal of the academy of marketing science*, *40*(3), 414-433.

[14] Halili, R. (2014) "The Impact of Online Banking on Bank Performance", Master thesis, Institute of Economic Studies, Faculty of social Science, Charles University In prague.

[15] Johnson, W. T. (2004). Predictable investment horizons and wealth transfers among mutual fund shareholders. *The Journal of Finance*, *59*(5), 1979-2012

[16] Khrawish, H. A. (2011). Determinants of commercial banks performance: evidence from Jordan. International Research Journal of Finance and Economics, 81, 148-159.

[17] Lindgren, J. (2018). Exploring effects of the interplay of context, content and process for supplier innovation diffusion. *Journal of Management in Engineering*.

[18] MabroukAbir, DhouibiRaoudha and RouetbiEmna (2016). Interaction effect between product and process innovation: the case of Tunisian banks. Banks and Bank Systems, 11(1), 60-70. doi:10.21511/bbs.11 (1).2016.07

[19] Maulana, M.A. (2016) "Innovations and Brand Image Toward Consumer Buying Attitudes of Motor Bike", Journal of Management and Collaboration, 4 (2),pp (46-57).

[20] Michael, J. & Edward, A. (2013) "Note on Cash Flow and Classification Patterns of Financial Ratios ".*The Accounting Review*, Vol. 58, No. 1 (Jan., 1983), pp. 105-114.

[21] Muteli, S.R. (2014). Research on relationship between financial risk management and financial Risk management in Kenya. Unpublished MBA project, School of Business, University of Nairobi

[22] Nzongang, T. &Atemnkeng, J. (2006). Market Structure and Profitability Performance in the Banking Industry of CFA countries: the Case of Commercial Banks in Cameroon [Online]. Available from: http://www.jsdafrica.com/Jsda/Summe.

[23] Osano, B. O. (2013). The Effect of Investment Strategies on Financial Performance of Investment Funds in Kenya. *Unpublished Thesis (University of Nairobi 2013*

[24] Pont, M., & Shaw, R. (2003, January). Measuring marketing performance: A critique of empirical literature. In *ANZMAC 2003: a celebrations of Ehrenberg and Bass: marketing discoveries, knowledge and contribution, conference proceedings* (pp. 2064-2073). ANZMAC.

[25] Samhan, H. M., & AL-Khatib, M. A. Y. (2015). Determinants of financial performance of Jordan Islamic bank. Research Journal of Finance and Accounting, 6(8), 37-47.

[26] Sweilm, A. (2000). The Financial Engineering Industry Looks at the Islamic Approach, Journal of Economics, Vol. 2, No.7, PP (122-145).

[27] Thakur, M. S. (2018). The Impact of Information Technology Advancement in Indian Banking Sector. International Journal of Engineering Technology Science and Research. Volume 5, Issue 1 ISSN 2394 – 3386.

Received: 21 Mar 2019/Accepted: 13 Apr 2019

[28] Vestine, M., Julius, W. K., &Mbabazi, M. (2016). Effect of financial statement analysis in investment decision making: a case of bank of Kigali". *European Journal of Business and Social Sciences*, *5*(06), 279-303

[29] Wheelen, T., Hunger, D. (2002), Strategic Management and Business Policy, 8th ed., Prentice-Hall, Englewood Cliffs, NJ.

[30] Yasiri, A. ,et al. (2014) "The Impact of The Strategic Flexibility in Banking Performance A survey of Views of A sample of Managers in A number of Iraqi Private Commercial Banks " ., Journal of Administration and Economics, University of Baghdad, No. 47, pp(532-570)

ISSN 1943-023X

Received: 21 Mar 2019/Accepted: 13 Apr 2019