The Determinants of Bank Profitability: Evidence from Iraq

Zainalabdeen Abbas Hasan* and Hamid Mohsin Jadah

Department of Finance and Banking, College of Administration and Economics, University of Kerbala, Iraq

Abstract

This study attempts to ascertain how the profitability of the food and beverage sub-sector firms listed on the Iraq Stock Exchange over the period of 2015–2018 is affected by the company's financial performance, which is calculated from total assets, net capital, and total asset turnover. The technique involves gathering secondary data from the company's ISE financial statements. The study test instrument employed multiple linear regression inference as well as descriptive statistical analysis. The findings revealed that the profitability of enterprises in the food and beverage sub-sector was not significantly impacted by total assets, net working capital, or total assets turnover, or by joint contribution, which likewise had no significant impact on profitability.

Keywords: Financial performance • Total assets • Net working capital • Total asset turnover and profitability

Introduction

Since the company's inception, its purpose has been to maximize profit, or, to put it another way, to do business successfully and efficiently. Effectiveness is tied to the objectives to be accomplished, but efficiency is related to the least amount of money needed to accomplish objectives [1]. Profit is the difference between each expense from an income that is derived from transactions that take place or arise during a given period [2].

Profit, in theory, is the difference between a company's income from sales and its costs from spending or other incurred costs. The greatest profit will be made if the income is maximized while incurring the fewest possible costs [3]. Profitability illustrates the ability of companies to earn profits, the greater the level of profits, indicating the better management of the company [4]. The concept of profitability is one of the strategic parameters to measure whether a company is run in a fairly efficient manner. The level of efficiency will be seen after comparing the profits obtained with active or capital that is able to produce these profits, so that profitability can be interpreted as the company's ability to earn profits related to sales, total assets, and long-term debt [5]. Profitability also reflects the benefits of financial investment (Harahap, 2019). Profitability Ratio is a ratio used to see the extent of the company's ability to manage finances in order to get profits in relation to sales, total assets and capital spent [6]. For investors and shareholders, the profitability ratio is closely related to the stock price and dividends that will be obtained. The way to assess the profitability of a company can vary depending on the profit and capital used associated with the company's operations or net profit after tax.

Food and beverage businesses in Iraq are still viable due to their significant contribution to the growth of the industrial sector, particularly in terms of non-oil and gas GDP revenues. On the other hand, a very promising market share in Iraq might propel the development of the food and beverage business. According to information from the Ministry of Industry, food and beverage

exports from Iraq had the greatest export value in the manufacturing sector in 2019 with a total of USD 27.28 billion. Additionally, with Rp. 41.43 trillion in investment value deposited between January and September 2019, the food and beverage business is also the greatest depositor. Furthermore, the food and beverage industry absorbs the most workers in the manufacturing sector with a total of 4.74 million people until August 2019.

Although the Iraq food and beverage industry market is still very promising and this industry provides the largest contribution after non-oil and gas, it can be seen from the growth of the food and beverage industry which tends to experience a decline in growth of 7.91% in 2018 compared to before two years amounted to 9.23% and in 2016 amounted to 8.33%. The decline from the previous two years was caused by the condition of the national economy due to the decline in world palm oil prices, which also reflected the financial performance of the food and beverage sub-sector. Based on data processed from the food and beverage sub-sector financial reports, the average level of profitability of the food and beverage subsector shows fluctuating conditions and even tends to decline throughout the 2015-2018 period, this shows the company's financial performance in 2015, asset value management, total assets, accounts receivable turnover, inventory turnover, and total asset turnover which are still not effective or not well managed. With the condition of financial performance and profitability during 2015-2018, changes in unfavorable fluctuations for food and beverage sub-sector companies are the main motivation for research. The purpose of this study is to describe the effect of total assets, working capital, and total asset turnover on profitability, and whether it simultaneously affects profitability in food and beverage sub-sector companies listed on the Iraq Stock Exchange during 2015-2018.

Literature Review

Financial performance

Financial performance is a snapshot of the firm's financial health that is examined using a variety of financial analysis techniques to determine the position and soundness of the financial health of the organization, which can also be a reflection of work performance during a specific time period. According to Shahnia, Citra and Endri Endri [7] the idea of financial performance is a collection of financial activities over a specific time period that is reported in the financial statements and income statement. While doing so, financial performance is analyzed by Doorasamy, Mishelle [8] to ascertain the degree to which a company has adhered to proper financial practices. The income statement, net income, and expenses are the real indicators of financial performance, in the opinion of [9] convinced that the true parameters of financial performance are the income statement, and net income and expenses. The benefits of this performance appraisal include; measure the

achievements of the company in a certain period, see the company's overall performance, as a basis for determining future corporate strategy, provide direction in decision making, as well as as basis for determining investment policies for investors.

Total assets (TA)

The company can be measured by the amount of assets owned. The size of the company is very influential on the capital used, moreover closely related to the company's ability to obtain additional capital from the investor when the cost of expenditure cannot be supported from existing funds [10]. To see the size of the company can also refer to the number of employees, total assets owned, the number of sales and market capitalization. Based on this reference, company size can be divided into large, medium and small companies [11]. In principle there are two views regarding the relationship between company size and profit. First view reveals that company size has a positive correlation with earnings. The size of the company, which is greater, the benefits to be obtained will increase [12]. The second view that reveals that company size does not have a correlation with earnings management means that small companies are not closed to the possibility of requiring large capital to drive the company's operational wheels. This can happen because small companies tend to want to show the condition of companies that always perform well to attract investors [13].

Net working capital (NWC)

In essence, every company needs working capital used to support its operational needs, such as salaries, raw materials for production, electricity, and advertising financing. Working capital is the amount of current assets that is part of an investment that rotates from one form to another in business. This investment can be in the form of short-term assets or in current assets which can be categorized into two, namely gross working capital and net working capital. Working capital management manages current assets and current debt so that current assets are always greater than current debt. Working capital management is also a company's investment in the short term in the form of cash, securities, receivables and inventories. Working capital can be financed from own capital, both from short-term and long-term debt. Expenditure mechanism to be taken must be based on consideration of profits and risks that arise therefore it should be financed with as little capital as possible. The principle that can be taken in financing can be, working capital obtained as a short-term loan is only used to finance operational, whereas if as a long-term loan, it can be used for investment. With sufficient working capital, the company can operate economically and efficiently and avoid liquidity risk. To determine the amount of working capital, usually used several methods such as the attachment of funds and working capital turnover. Control of the 000appropriate amount of working capital will guarantee operational sustainability. If the working capital is too large then the embedded funds will exceed the needs so that it can result in idle funds [14-17].

Total assets turnover (TATO)

Activity ratio is the ratio used to assess the effectiveness of a company in using its assets/assets. This ratio is also used to compare sales results with assets owned by the company. Components as financial backers must be managed well so that they can be utilized optimally. The more effective in managing funds means the faster the asset turnover. One way to measure activity ratios is through total asset turnover, which is the ratio between sales and total assets [8]. The greater this ratio indicates the company is able to manage its assets effectively [18].

Return on assets (ROA)

One of the metrics used to assess a company's capacity to generate overall profits is ROA. This element may also serve as an example of effective business performance. The higher the ROA, the higher the level of profit realized and the superior the company's asset management. Additionally, ROA offers a summary of businesses that manage existing assets to generate income. As per Prabowo, Satriya Candra Bondan and Nattawadee Korsakul [9]. According to Brigham and Houston (2010), returns on ROA are determined by dividing net income accessible to shareholders by total assets; the higher

the ROA, the higher the rate of return on investment. The advantage of ROA as a parameter in the level of profitability is the ease in its calculation and easy to understand, it becomes a measurement tool for management's persuasion in managing assets, almost all management focuses on maximum profitability, and as a tool for evaluating management policies. But on the other hand ROA also has shortcomings, among others, less encouraging additional assets when the ROA target is too high, management tends to focus on short-term targets rather than long, so that the policies made sometimes ignore the impact on ROA.

Methodology

This research is a descriptive study with a quantitative approach. The data used in this study are secondary data based on the company's financial statements which are also published on the Iraq Stock Exchange. The population in this study consisted of 5 food and beverage companies listed on the Iraq Stock Exchange for the period 2015-2018. As for consideration, companies that issue complete and consistent financial statements and are able to generate profits. Whereas the independent variables in this research are working capital (networking capital), total assets, as well as the ratio of activities to parameters in the form of total assets turnover (TATO), and the dependent variable is profitability. Data processing is done by SPSS and testing is done by using multiple regression tests with the following models:

$$ROA_{ti} = \beta_0 + \beta_1 TA_{ti} + \beta_2 NWC_{ti} + \beta_2 TATO_{ti} + e_{ti}$$

Remarks:

ROA	=	Return on Asset
TA	=	Total Asset
NWC	=	Net working Capital
TATO	=	Total Asset Turnover
$\beta_2, \beta_2, \beta_3$		=Partial regression coefficient
E	=	Error term

Results and Discussion

Research result descriptive statistical analysis

Based on the results of descriptive statistical tests it can be seen that the highest value of the independent variable, namely from TA is 965.74% and the lowest value is 3.77% with an average value of 215.78%. While the highest value for NWC was 177.09% and the lowest value was 0.31% with an average value of 341.62%. Then for the highest value of TATO of 1.43% and the lowest value of 0.51% with an average value of 0.88%. While for the dependent variable namely profitability calculated from ROA obtained the highest value of 0.18%, the lowest value of 0.06% and an average value of 0.10% (Table 1).

Residual normality analysis

The regression model's normality test is used to determine whether or not the residual value is normally distributed. A regression model with a regularly distributed residual value is a good one. The discrepancy between the ROA variable and the anticipated ROA variable is known as residual. When making decisions based on the standardized P-P Normal Plot of regression chart, look at the distribution of data at the diagonal source to spot it. The regression

Table 1. Descriptive statistics.

	N	Minimum	Maximum	Mean	Std. Deviation
TA	20	377	96574	21578.05	35444.551
NWC	20	31	17709	3416.25	4881.680
TATO	20	51	143	88.50	24.414
ROA	20	6	18	10.95	3.441

model is normal and capable of forecasting independent variables as well as the inverse if it spreads out around a line and moves along a diagonal line. The Chart Normal P-P plot image's Regression output displays the results of the normality test. It can be seen that the points spread around the line and follow the diagonal line, the regression model is normal. Another way to test normality is the Kolmogorov Smirnov Z One Sample test method. The testing criteria are as follows.

o If the significance value (Asym Sig 2 tailed)> 0.05, then the data is normally distributed.

o If the significance value (Asym Sig 2 tailed) ≤ 0.05, then the data is not normally distributed.

From the above output it can be seen that the significance value (Asym. sig 2 tailed) is 0.763> 0.05, so the residuals arenormally distributed (Table 2).

Multicollinearity test results

Is a state where there is a perfect or near perfect linear relationship between independent variables in the regression model. A regression model is said to experience multicollinearity if there is a perfect linear function on some or all ofthe independent variables in a linear function, and the results are difficult to find the effect between the independent and dependent variables.

The way to find out whether or not there is a multicollinearity problem is by looking at the value of Variance Inflation Factor (VIF) and Tolerance, if the VIF value is less than 10 and Tolerance is more than 0.100, then multicollinearity is declared (Table 3).

It can be seen that there is no multicollinearity problem, this can be seen from the VIF value for the three independent variables less than 10, and the tolerance value is more than 0.100.

Heteroscedasticity test results

Heteroscedasticity is a condition where there is a variance in residual variance for all observations in the regression model. Heteroscedasticity can be detected by looking at the dotted pattern in the scatter plot regression. If the points spread with unclear patterns above and below the number 0 on the Y-Axis then there is no heteroscedasticity problem. Heteroscedasticity test results can be seen in the output Regression on the Scatterplot image, it can be seen that the points spread with unclear patterns above and below the number 0 on the Y axis, so it can be concluded that there is no heterocedasticity problem in the regression model. Note: The heteroscedasticity test of the graphical method can make decisions that vary between hetero or not, because it is only based on looking at chart patterns, therefore it is necessary to perform statistical tests such as the Glejser Test for more valid test results. Another way totest heteroscedasticity is the Glejser Test. The Glejser test is performed by estimating the independent variables at their absolute residual values. The residual is the difference between the value of the variable Y and the predicted value of the variable Y (all values are positive). If the significance value between the independent variables and absolute residuals is more than 0.05, then there is no heteroscedasticity problem (Table 4).

Heteroscedasticity test results can be seen that the three independent variables have a significance value of more than0.05, so it can be concluded that there is no heteroscedasticity problem in the regression model.

Autocorrelation test results

Autocorrelation is a condition where in the regression model there is a correlation between residuals in period t with residuals in the previous period (t-1). A good regression model is one in which there is no autocorrelation problem. Decision making in the autocorrelation test as follows:

Autocorrelation test can be done by testing Durbin Watson (DW), the following decision-making criteria:

• 1,65 < DW < 2,35, that means there is no autocorrelation

• 1,21 < DW < 1,65 atau 2,35 < DW < 2,79 the meaning cannot be concluded

• DW < 1,21 atau DW > 2,79 means autocorrelationTable

From the above output it can be seen that there is an autocorrelation problem, this is because the Durbin Watson (DW) value of 0.562 is less than 1.21 which indicates autocorrelation. Note: The autokoleration test is intended to see whether observations in year t are influenced by the previous year (t-1), which means that the autokoleration test is performed for time series data. Panel data does not require autokoleration test because company year X data will not affect the Y year company data of the previous year so the panel data regression model does not require an autocorrelation free equation. With this, based on the theory, in this study even though autocorrelation occurred but the regression results remain valid (Table 5).

Results of multiple linear regression analysis

Multiple linear regression analysis is used to determine the effect of the independent variables on the dependent variable either partially (t test) or together (F test). The multiple linear regression equation is used to formulate the regression equation and to find out the value of the increase or decrease in variable ROA for changes in independend variable. The results obtained after the data are processed with the help of the SPSS program are presented in the following (Table 6-8).

The regression equation is as follows:

$$ROA_{it} = 13,384 - 3,448E\text{-}5TA_{it} + 0,000NWC_{it} - 0,034TATO_{it}$$

Table 2. Kolmogorov-Smirnov test.

		UnstandardizedResidual
N		20
Normal parameters[a]	Mean	.0000000
	Std. Deviation	2.86306862
Most extreme differences	Absolute	.149
	Positive	.149
	Negative	-.109
Kolmogorov-Smirnov Z	-	.668
Asymp. Sig. (2-tailed)	-	.763

a. Test distribution is Normal

Table 3. Multicollinearity analysis test.

Coefficients[a]								
		Unstandardized coefficients		Standardized coefficients			Collinearity statistics	
	Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	13.384	5.136	-	2.606	.019	-	-
	TA	-3.448E-5	.000	-.355	-.633	.536	.164	6.088
	NWC	.000	.000	.557	1.580	.134	.417	2.401
	TATO	-.034	.067	-.243	-.515	.614	.232	4.308

a. Dependent Variable: ROA

Table 4. Glejser analysis test.

Coefficients[a]					
		Unstandardized coefficients		Standardized coefficients	
	Model	B	Std. Error	Beta	t	Sig.
1	(Constant)	5.978	1.824	-	3.278	.005
	TA	2.877E-5	.000	.813	1.487	.156
	NWC	-7.871E-5	.000	-.306	-.893	.385
	TATO	-.043	.024	-.841	-1.828	.086

a. Dependent Variable: ABS_RES

Table 5. Autocorrelation analysis test.

Model Summaryb					
Model	R	R Square	Adjusted R Square	Std. Error of theEstimate	Durbin-Watson
1	.415a	.173	.017	3.411	.562

a.   Predictors: (Constant), TA, NWC, TATO
b.   Dependent Variable: ROA

Table 6. Multiple linear regression result.

Coefficientsa							
	Unstandardized coefficients		**Standardized coefficients**			**Collinearity statistics**	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	13.384	5.136	-	2.606	.019	-	-
TA	-3.448E-5	.000	-.355	-.633	.536	.164	6.088
NWC	.000	.000	.557	1.580	.134	.417	2.401
TATO	-.034	.067	-.243	-.515	.614	.232	4.308

a.   Dependent Variable: ROA

Table 7. F Test result.

ANOVAb					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	38.812	3	12.937	1.112	.373a
Residual	186.138	16	11.634	-	-
Total	224.950	19	-	-	-

a. Predictors: (Constant), TATO, NWC, TA
b. Dependent Variable: ROA

Table 8. Determination analysis test.

Model					
Summaryb			Std. Error of the		
Model	R	R Square	Adjusted R Square	Estimate	Durbin-Watson
1	.415a	·173	0.017	3.411	0.562

a.Predictors: (Constant), TA, NWC, TATO
b.Dependent Variable: ROA

Discussion

The effect of total assets on profitability

Based on the results of the coefficient test from multiple linear regression analysis, it illustrates that the total assets partially do not affect the level of profitability in this case represented by ROA. This can be seen from the significance value of the variable total assets (TA) of 0.633 greater than -2.120 or 0.536 greater than 0.05. This means that the greater the assets owned have no effect and are not able to move and have an impact on the level of profitability, and vice versa. The results of this study are consistent with research conducted by Talebnia, Ghodratallah, Mahdi Salehi, Hashem Valipour and Shahram Shafiee [19] which explains that total assets are not a major factor that can affect profitability. This result can also be understood that if assets increase, profitability will actually move down and as well as the reverse one. The number of assets is not a guarantee that the company has the ability to generate large profits. The absence of this influence can also be understood that the greater the assets of the company also indicates the more cost of activities to be able to support operations both labor, maintenance and repairassets, as well as administrative costs and energy costs, so as to reduce the level of profitability. The results of other studies indicated by Ambarwati, N S, Yuniarta GA and Sinarwati Y N [21]. that total assets significantly influence the level of profitability. This indicates that the more the maximum asset management, the more profit will be obtained, because the assets are actually used operationally to support sales. In other words, assets can degenerate well to generate profits. This is in line with the opinion of Nuriyah et al. which says that companies with large assets describe the reliability of the establishment and the ability of the company [19-22].

The effect of net working capital on profitability

Based on the results of multiple linear regression statistical tests on the variable networking caital it is found that the coefficient of net working capital of 1.580 is smaller than 2.120 or 0.134 is greater than 0.05. This shows that net working capital has no significant effect on profitability, which in this case is represented by ROA. This also indicates that the amount of capital does not have an impact on increasing profitability, and vice versa, the small capital does not mean unable to encourage profitability. This means that capital is not the main factor in determining the occurrence of profits in the food and beverage sub-sector companies during 2015-2018. This is in line with the results of Deloof [15] which explains that the working capital component in the form of cash flow turnover partiallyhas no effect on profitability on the financial performance of the 2008- food and beverage sub-sector companies. 2010.This is due to pressure on the level of accounts receivable, inventory and investment strategies so that it can disrupt theavailability of cash reserves to support the company's operational activities. The same result was also conveyed by Nawalani, A P and Lestari W [23] that the working capital component in the form of cash flow has no effect on profitability,which means the shorter time period in selling credit makes the cash turnover faster and makes the company unable toincrease sales significantly so profitability dropped. This is not in accordance with the theory that cash turnover has a Positive effect on profitability. Other results on working capital are shown by Virgadinda, A and Elmanizar [24] that working capital has a significant effect on profitability. The higher the working capital, the higher the profit level will be. This is in line with the theory of Sivilianto, Hendri and Endri Endri [25] which explains that the working capital turnover rate shows the effective use of working capital, or in other words the faster the working capital rotates the greater the benefits to be gained.

The effect of total asset turnover on profitability

The ratio of total assets turnover becomes a measurement tool for optimizing the total assets available to produce sales volume in a certain period. The results of the statistical test of TATO variable on profitability (ROA) through multiple linear regression showed that the TATO coefficient of 0.515 was greater than -2.120 or a significance value of 0.614 was greater than 0.05. These results illustrate that TATO has no effect and is significant on the level of profitability (ROA). In other words, however optimal the asset management is, it does not have an impact or is still low on sales volume, or the faster the rotation of assets owned does not affect the profit. The above results are in line with the results of research from Endri (2018) which explains that the total asset turnover ratio (TATO) has no significant effect on profitability (ROA). This illustrates that the higher total asset turnover ratio does not necessarily cause a high level of company profitability. If the total asset turnover ratio continues to be increased by streamlining and streamlining the source of funds owned, the profitability trend will also increase. A high total asset turnover ratio actually describes the efficiency of using assets held to encourage sales at a certain volume. It can also be interpreted that the asset turnover ratio still has a low impact on profits in the food and beverage sub-sector companies. The results of other studies were obtained from who revealed that TATO partially influences profitability. It also explains that the higher the level of activity and asset turnover, the better it will generate profits. This is also supported by the theory put forward by Rusdana, Fadlan and Endri Endri [3]. where the activity ratio is the ratio to assess the company's ability in sales and the company's ability in day-to-day management.

The effect of total assets, net working capital and total turnover assets simultaneously on profitability

The F test is used to determine the effect of the independent variables on the dependent variable simultaneously. Based on the statistical test results the calculated F value of 1.112 is smaller than the F table of 3.239 with a significance value of 0.373, greater than 0.05. This indicates that the variable total assets, net working capital and total asset turnover together have no effect and have a low significance of profitability (ROA). This means that the merging of total assets, capital management, and effective working capital turnover has not been able to influence and impact on profit growth. However, if managed properly and carried out in an integrated and effective manner, also by prioritizing various budget posts, it will have an impact on increasing profits.

Conclusion

According to the findings of the aforementioned study, total assets in the food and beverage subsector companies listed on the ISE have no bearing on and are not significant to profitability. This demonstrates that as a company's size grows, so will its profitability, and it may also imply that a company's size is not a significant element that can affect profitability. Due to the fact that a larger company will naturally need to incur higher costs in order to sustain its operational activities, which will lower profits.

Additionally, working capital (net working capital) has no bearing on and makes little difference to profitability (ROA). This is due to the addition of cash and cash equivalents due to the suppression of inventory levels, trade receivables in linewith sales increases and purchases of investment assets. This can also be interpreted if it turns out that working capital is not the main factor that can affect profitability if the management is not right and will be more absorbed in posts outside of the company's operations that support sales.

While the total asset turnover parameter's aspect ratio of activity does not affect or significantly affect profitability (ROA) in the companies in the food and beverage subsector listed on the ISE. This demonstrates that a high degree of business profitability is not always a result of a greater total asset turnover ratio. The profitability trend will grow if the total asset turnover ratio is kept up by streamlining and streamlining the source of funds possessed. A high total asset turnover ratio suggests that assets are being used more effectively to increase sales levels at a specific volume. It may thus be inferred that the asset turnover ratio continues to have little bearing on the enterprises that make up

the food and beverage subsector's profitability. Additionally, while total assets, working capital, and activities don't directly affect profits, they can nevertheless have a significant impact on rising earnings. This means that it will have an effect on raising earnings provided it is handled appropriately, carried out in an integrated and effective manner, and given priority over different budget posts. Consequently, a large and positive impact on total assets, working capital, and activities

The company is more focused on efficient capital management, which can support the company's operations and directly impact on profits, more restraint and properly manage receivables, withholding asset purchases, and reducing the supply of materials that are too high, among other factors that have a positive impact on profitability. Management of the company's operations more effectively and efficiently by reducing things that do not provide added value and focusing activities that are more profitable. Increase the total asset turnover ratio through managing assets properly to meet the company's operational activities as well as accelerating refunds and increasing profitability.

References

1. Harjito, D.A. "Financial management." First edition of the fifth printing. Yogyakarta. Ekonisia Publisher. (2005).

2. Shahnia, C, Purnamasari E. D, Hakim L and Endri E. "Determinant of profitability: Evidence from trading, service and investment companies in Indonesia." *Accounting 6* (2020):787-794.

3. Rusdana, Fadlan and Endri Endri. "Analysis of Financial Performance Tobacco Listed in Indonesia Stock Exchange." JKBM *J Bus Manag Concep* 6 (2020):179-187.

4. Sari, Febi Novita and Endri Endri. "Determinants of Return on Assets (ROA) On Conventional Banks Listed On Indonesian Stock Exchange (IDX) Period 2013-2017." *IOSR J Bus Manag (IOSR-JBM)* 21 (2019):52-62.

5. Harahap, I, Ivana Septiani and Endri Endri. "Effect of financial performance on firms' value of cable companies in Indonesia." *Accounting 6* (2020):1103-1110.

6. Rinaldo, Novri Eka and Endri Endri. "Analysis of Financial Performance of Plantation SubSector Companies Listed on the Iraq Stock Exchange for the 2014-2019 Period." *Inter J Innov Sci Res Techn 5* (2020):530-537.

7. Shahnia, Citra and Endri Endri. "Dupont Analysis for the Financial Performance of Trading, Service & Investment Companies in Indonesia." *Inter J Innov Sci Res Tech* 5 (2020):193-211.

8. Doorasamy, Mishelle. "Using DuPont analysis to assess the financial performance of the top 3 JSE listed companies in the food industry." *Invest Manag Fin Innov 13* (2016):29-44.

9. Prabowo, Satriya Candra Bondan and Nattawadee Korsakul. "Analysis of Financial Performance of Mining Companies Listed in Iraq Stock Exchange." *J Appl Manag (JAM), 18* (2019):28-45.

10. Firdaus, Fifin and Endri Endri. "Financial Statement Analysis: Evidence from Indonesian Bank BUKU IV." (2020).

11. Nicolescu, O. "Small and medium-sized enterprises management." Economic Publishing House, Bucharest. (2001).

12. Daeli, C., & Endri. "Determinants of Firm Value: A Case Study of Cigarette Companies Listed on the Indonesia Stock Exchange." *Intern J Manag Stud Res (IJMSR) 6* (2018):51-59.

13. Jao, Robert and G. Pagalung. "Corporate Governance, Company Size, and Leverage on Profit Management of Indonesian Manufacturing Companies." *J Acc Audit 8* (2011):1-94.

14. Gitman, Lawrence J. "Principle of Managerial Finance." Harper International Edition. Harper & Row Publisher, New York, Hagerstown, San Francisco. (2001). Deloof, Marc. "Does Working Capital Management Affects Profitability of Belgian Firms?." *J Bus Fin Accounting 30* (2003):573-587.

15. Deloof, Marc. "Does Working Capital Management Affects Profitability of Belgian Firms?." *J Bus Fin Accounting 30* (2003):573-587.

16. Raheman, Abdul and Mohamed Nasr. "Working Capital Management and Profitability-Case of Pakistani Firms." *Inter Rev Bus Res Papers 3* (2007):279-300.

17. Ricci, Cecilia and Nino Vito. "International Working Capital Practices in the UK." Europ Finan Manag 6 (2000):69-84.

18. Harahap, I. Manggara. "Impact of Bank Performance on Profitability." *Scholars J Econ Bus and Manag 5* (2018):727-73

19. Talebnia, Ghodratallah, Mahdi Salehi, Hashem Valipour and Shahram Shafiee. "Empirical Study of the Relationship Between Ownership Structure and Firm Performance: Some Evidence of Listed Companies in Tehran Stock Exchange." *J Sustain Develop 3* (2010):264-270.

20. Fachrudin, K. Amalia. "Analysis of the Effect of Capital Structure, Company Size, and Agency Costs on Company Performance." *J Fin Account 13* (2011):37-46.

21. Ambarwati, N S, Yuniarta GA and Sinarwati Y N. "The Effect of Working Capital, Liquidity, Activities, and Company Size on Profitability in Manufacturing Companies Listed on the Indonesia Stock Exchange." E-Journal S1 Ak Ganesha University of Education *3* (2015):1-11.

22. Nuriyah, Aminah, Endri Endri and Mukhamad Yasid. "Micro, Small-Financial Financing and its Implications on the Profitability of Sharia Banks." *DeReMa J Manag13* (2018):175-197.

23. Nawalani, A P and Lestari W. "The Effect of Working Capital on Profitability in Food and Beverages Companies on the Iraq Stock Exchange." *J Bus Banking 5* (2015):51-64.

24. Virgadinda, A and Elmanizar. "Effect of Working Capital Turnover, Liquidity, and Sales Growth on Profitability." *Sci Magaz 6* (2019):54-64.

25. Silvilianto, Hendri and Endri Endri. "Determinants of External and Internal Stock Price of Coal Mining Subsector Companies Period 2005-2017." Scholars Bulletin *5* (2019):162-168.

How to cite this article: Hasan, Zainalabdeen Abbas and Hamid Mohsin Jadah. "The Determinants of Bank Profitability: Evidence from Iraq." Bus Econ J 13 (2022): 396