

The extent of commercial banks' commitment to comply with International Financial Reporting Standards

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ABSTRACT: The banking sector in Iraq faces many challenges, and from a diagnostic and analytical view of the overall economic situation of the country, the conditions that the country is going through are directly reflected on the banking sector in the Iraqi economy, and given the prominent role of international financial reporting standards as they work to identify and measure the financial events of banks, And compliance with the standards leads to achieving value and achievement for its customers and stakeholders on a larger scale, as banks can achieve the targeted results for them, leading to increased customer satisfaction and an increase in their value in the long run. Accordingly, the research aimed to define the international financial reporting standards IFRS and the strategic financial performance, and to clarify the extent of compliance with the international financial reporting standards IFRS and its impact on the strategic financial performance, as compliance with the international financial reporting standards IFRS has a significant impact on the strategic financial performance. For the purpose of achieving the goal of the research, a group of private local banks that apply the International Financial Reporting Standards (IFRS) were selected, the research sample, and the questionnaire method was used for the purpose of collecting data from the sample members mentioned, and an analysis of the data collected was statistically performed using the SPSS program.

Among the most important conclusions reached by the researcher: Compliance with international financial reporting standards qualifies Iraqi commercial banks to make their financial reporting understandable and readable in the global market, and compliance with financial reporting standards leads to making financial statements have a positive impact on decision makers and users, as well as providing an image The financial

statements based on financial reporting standards provide valuable information in decision-making, and the application of financial reporting standards leads to clarity and transparency in the accounting procedures that are followed in preparing the statements Finance in a way that investors can understand. As for the most important recommendations by the researcher, they are to activate the role of the Iraqi Accounting Standards Board and to seek to legislate accounting standards more than it is currently, relying on the International Accounting and Financial Reporting Standards (IFRS) and working with them and eliminating conflict with them, while striving to harmonize them with the Iraqi environment, and the need to adopt banks The Special Iraqi for International Financial Reporting Standards because of its credibility and general acceptance of financial statements, and working to increase awareness of workers in Iraqi commercial banks with regard to international financial reporting standards, through workshops, courses, scientific results, scientific conferences and invested research.

I. INTRODUCTION

The world has witnessed many developments related to the environmental areas in which the accounting system operates such as the emergence of economic conglomerates, which facilitated the flow of services, goods and capital, which forced accounting to develop and meet the needs of users, where international accounting bodies appeared to regulate professions and standardize standards, where these standards serve as controls for the production of transparent and complete information on the economic situation of the organization, the protection of creditors and public interests, as accounting information is considered the basis of the decision-making

process for users, and should This information should have a set of qualitative characteristics that contribute to raising the efficiency of accounting systems and advancing the national economy, so many organizations have sought to apply financial reporting standards. On the other hand, the application of financial reporting standards has a significant impact on the role and performance of organizations in general, especially with regard to the parties associated with these institutions who are capital owners, financiers, business customers, employees, governments and others.

II. RESEARCH METHODOLOGY

First: The Search Problem

The financial and banking sector in Iraq faces many challenges, and from a diagnostic and analytical view of the macroeconomic situation of the country, the conditions experienced by the country have directly reflected on the banking sector, which has exacerbated the structure in the Iraqi economy, and given the prominent role of the International Financial Reporting Standards as it works to identify and measure the financial events of banks, and without the standards it is not possible to reach accurate and sound results that reflect the correct position of financial events, and communicate the measurement results to users of financial statements, and that the absence of Standards lead to the failure to reach sound results that reflect the sound reality, which leads to the achievement of value and achievement for their customers and stakeholders more broadly, as banks can achieve their target results leading to increased customer satisfaction and increase their value in the long run, and the problem of research is centered on the following questions:

1. What is the level of compliance with IFRS in Iraqi commercial banks?
2. What is the level of sustainable strategic financial performance in Iraqi commercial banks?
3. Is IFRS compliance reflected on the sustainable strategic financial performance of Iraqi commercial banks?

Second: The importance of research

The importance of research comes from the importance of its variables and the goals it achieves, and the most important points of importance can be summarized as follows:

They are as follows:

1. Seeks to demonstrate the impact of IFRS compliance on the sustainable strategic financial performance of commercial banks.

2. The scarcity of studies that addressed IFRS compliance and their impact on the sustainable strategic financial performance of commercial banks in the Iraqi environment.

3. The need to apply international financial reporting standards to improve the reality of Iraqi banks and make financial institutions competitive at the local, regional and global levels.

Third: Objective of the research

The current research seeks to achieve a number of strategic objectives, perhaps the most important of which are:

1. Provide a conceptual presentation of IFRS and sustainable strategic financial performance in commercial banks.
2. Compliance with IFRS in Iraqi commercial banks.
3. Study the impact or relationship between IFRS compliance and sustainable strategic financial performance in Iraqi commercial banks.

Fourth: Research Hypotheses

Based on the problem of the study and its questions and to achieve the main objectives, the hypotheses were developed as follows:

The main hypotheses of the research:

First Hypothesis: There is importance in the application of IFRS compliance standards in Iraqi commercial banks.

Second Hypothesis: There is a direct moral impact of IFRS compliance and sustainable strategic performance in ethnic commercial banks.

Fifth: Research Method

The researcher adopted the analytical method in the theoretical side and the case study in the practical side through the following:

1. **Theoretical aspect:** The researcher followed the analytical approach by using various sources and analyzing what was stated in them to identify the variables of the research and the associated factors that help in the study of the relationship between them and the impact of this relationship in achieving the desired results of the research.

2. **Practical aspect:** The researcher followed the case study approach for the purpose of proving or denying the hypothesis of the research and achieving the results, as the researcher adopted the exploratory method by distributing the questionnaire and the checklist in Iraqi commercial banks to indicate the compliance with the International Financial Reporting Standards on the sustainable strategic financial performance in Iraqi commercial banks.

Sixth: Means of collecting data and information

For the purpose of obtaining the necessary data and information and in order for the research to achieve its main objectives, different methods of collecting data and information have been relied upon, as follows:

1. **Theoretical aspect:** In order to enrich the theoretical aspect of the research, the researcher relied on many available Arab and foreign sources such as books, periodicals, articles, accounting research, the most important previous published studies and other documents related to the subject of the research and its rationale, as well as the use of the International Information Network (**INTERNET**). And to keep abreast of the latest scientific developments related to the research topic.

2. **Practical aspect:** Within this context, direct reliance was placed on the annual reports of the Board of Directors The final statements and accounts issued by Iraqi commercial banks 2018-19- 20 as a model for the study, as has been done Hiring a number of relevant experts in this field.

Seventh: Limits of Search

The spatial and temporal boundaries of the research included the following:

Spatial Boundaries: An intentional sample that included the two banks of Baghdad and the Gulf from the Iraqi commercial banks listed on the Iraqi Stock Exchange to measure compliance with financial reporting standards and its impact on sustainable strategic financial performance, but to know the opinions of the current study was limited to a sample of individuals influencing the decision of Iraqi commercial banks, namely authorized managers, managers of branches and departments, divisions, consultants and employees with seniority.

Time Limits: The research period included the annual reports of the Board of Directors , statements and final accounts issued by Iraqi commercial banks 2 018- 20 19, The questionnaire was distributed to the sample of the study in May (2022) and over a period of two weeks it took the duration of its distribution, clarification of its content and collection.

III. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

The concept of International Financial Reporting Standards (IFRS):

Before addressing the concept of IFRS, it is necessary to first look at the definition of the

standard in general from an accounting point of view, of course, as the standard is intended as the basic guide for measuring financial processes and events that affect the financial position of the institution and the results of its work, and the delivery of information to its stakeholders (Mahmoud, 2000:17). IFRS reflect a set of rules developed by a group of academic and professional accountants after the general agreement governing the work of accountants by finding a basis for evaluating their performance and by adopting existing accounting systems based on homogeneous accounting data in terms of accounting measurement or disclosure systems (Hafsa and Farhat, 275:2020).

The term IFRS can be taken in two concepts: the narrow concept and the broad concept, while the narrow concept can be considered IFRS as a method of changing names and not substance, while as a broad concept it is a development, modernization and extension of what has been issued for advance accounting standards issued and approved by ASC and for the new standards and interpretations to be issued Dora, certified and approved by IASB with the aim of finding modern treatments and keeping abreast of technological, economic and even informatics developments to communicate the necessary and useful information to those who need it from the users of financial reporting to enable them to make their economic decisions correctly (:2008:17 Al-Saeed and Al-Issa). The term IFRS thus refers to a new series of official statements issued by the IASB This is to distinguish them from the accounting standards previously issued by the IASC, although both are based on the same conceptual framework (Bonnier,2012:230)..

IFRS are accounting interpretations issued by the IASB aimed at providing high-quality, transparent and comparable information in financial statements and financial reports to assist investors in global financial markets and users of financial information and economic decision-making (Al-Tijani, 2018:13).

The importance of applying IFRS

IFRS are of paramount importance, as their application is a must which can be summarized as follows (Blawy, 2020:32):

1. Accounting information systems in companies can be developed through the continuous improvement of information necessary for the application of IFRS.

2. The growing need for capital, in order to carry out various economic activities and the need for investors and financiers to have financial

information about their stock companies on financial exchanges.

3. Financial statements that will be prepared based on IAS will have a positive impact on decision makers and users.

4. Making the local environment attractive for investment in all its forms and types, as many believe that the foreign investor depends and trusts the financial statements based on international accounting standards.

5. The process of applying IFRS provides an enabling investment climate in which there is democratic security, transparency in financial information, transparency of legal and criminal systems, which helps in attracting foreign investment and the ability of the institution to provide an honest picture of its financial situation.

6. The application of IFRS contributes to the advancement of any country in general and makes its institutions compete locally, regionally and globally as it has a significant positive impact on the globalization of companies and the control of professional practice in them so that they are ethical, which helps in reducing financial corruption.

7. When companies adopt IFRS, they adopt the Global Financial Reporting Language that qualifies companies to make their financial reporting understandable and legible in the global market.

Sustainable performance

The success or failure of the economic unit depends on the extent to which it is able to achieve its mission, goals and objectives, and this requires the development of a certain strategy for it and the pursuit of its implementation in light of the various changes surrounding it, and the only way for organizations to follow up the implementation of their strategies lies in carrying out the process of strategic control. The interest in sustainability came as a reaction to environmental and economic data suggesting that current economic growth is unsustainable in the long run (Gibson, 2006:11). Sustainability is also one of the conditions that allows organizations to lay the economic, environmental and social pillars of the organization's strategy and management (Zavodna, 2013:110).

Sustainable performance is defined in such a way that economic unity adds value to shareholders in particular, and to society in general, and the positives are enhanced, eliminating the negatives of economic, environmental and social issues (Miller&malan, 2011:971). Patterns of the productive process are developed through the optimal use of natural resources, in a way that

meets the needs of future generations, meets the basic needs of the world's poor, focuses on ways to use technology, and reconsiders the relationship between environmental, economic and social issues (Rabie, 2015:19). Sustainable performance is seen as an approach that contributes to the creation of solid objective synergies between environmental, social and economic aspects, leading to improved overall performance (Khana&kowwangc, 2020:142).

Dimensions of sustainable performance:

Sustainable performance is linked to sustainable development, and the dimensions of sustainable strategic performance can be defined as follows (Amara, 2019:37):

1. The economic dimension: through which it satisfies the desires of shareholders, customers and suppliers and gains their trust, and this performance is measured by the use of reports and financial statements issued by the institution, and through which the institution also works to achieve an appropriate return from the invested funds, achieve a competitive advantage that enables it to face competition and ensure survival, raise productivity and respond to the aspirations of customers.
2. Social dimension: which focuses on the ability of the institution to make its human resources actors, and the institution works through this dimension to achieve economic and social welfare, social justice, provide equal opportunities for work for all segments of society, support various associations, integrate people with special needs into work, provide decent working conditions, social responsibility and occupational health and safety conditions.
3. Environmental dimension: which focuses on the effective contribution of the institution in the development and development of its environment, by working to mitigate the severity of pollution, waste treatment and proper disposal.

Strategic Performance Concept:

Strategic performance is defined as: "The degree to which an organization achieves value and achievement for its customers, and for broader stakeholders (Deft, 2012:67). It is also defined as: "The ability of the organization to achieve its target results leading to increased customer satisfaction and increased value in the long run" (Al-Abedi, 2017:513).

It was defined as "balancing the requirements for short- and long-term survival

according to the indicators of the life cycle of the organization and its level of profitability" (Al-Jurji, 2012).

The researcher believes that this definition shows that the strategic performance achieves the process of balancing the present and future of the organization, and it is also carried out from two angles, namely the position of the internal and external economic unit.

There are those who have defined strategic performance as a reflection of achieving long-term goals, growth, survival and adaptation goals, which is the mirror of strategic management and the essence and heart of strategic management (Al-Nuaimi, 2012:6).

The following table summarizes the researchers' contributions to the concept of strategic performance.

The importance of strategic performance:

Strategic performance is at the core of strategic management, and its importance is highlighted by three main aspects (Al-Ghalabi, 2007:24):

First: Theory:

Performance is the center of strategic management, where all management organizations contain content and connotations related to performance, either directly or indirectly, because performance is a time test of the strategy followed by management.

Second: Empirical Aspect

The importance of performance is demonstrated by the use of most strategic performance management studies and research in the selection of different strategies and the resulting processes.

Third: Administrative Aspect

It is evident through the large and distinctive interest of the departments of organizations in performance, the results and transformations that take place in these organizations in terms of objectives, strategies, policies and programs are based on the results of performance.

IV. RESEARCH METHODOLOGY

Resolution Analysis

The questionnaire came to serve as evidence of the impact of compliance with IFRS on the sustainable strategic performance of Iraqi commercial banks, the first axis expresses the degree of compliance of commercial banks with international financial reporting standards (IFRS), the second axis expresses the reality of

sustainable strategic financial performance of Iraqi commercial banks, and the third axis expresses a reflection of IFRS Compliance on the Sustainable Strategic Financial Performance of Iraqi Commercial Banks. There is a congruence in the views shown by the results of the questionnaire on the degree of compliance of commercial banks with the International Financial Reporting Standards (IFRS), and the reflection of compliance with international financial reporting standards on the sustainable strategic financial performance of Iraqi commercial banks, and the researcher in this section will address the results of the descriptive study, statistical analysis of data, answer the questions of the study and review the most prominent results reached through statistical analysis. For the question paragraphs, where the statistical program (SPSS) was used and the questionnaire consisted of 3 axes, each axis contains fifteen questions and is attached in the annex to the questionnaire.

Study Tool:

In this study, the researcher relied on the questionnaire form as a basic tool to obtain a large part of the necessary data and information required for the subject of the study, and to achieve the purpose of the questionnaire designed by the researcher, which aims to know and measure the employees of financial managers and accountants in a sample of Iraqi commercial banks on the subject of research (compliance with international financial reporting standards and their impact on sustainable strategic financial performance - a survey study of a sample of Iraqi commercial banks). The questionnaire consists of two sections:

Section 1: Measures demographic variables (gender, educational qualification, years of service)

Section 2: Measures the variables of the independent and subordinate study (compliance with financial reporting standards, sustainable strategic financial performance), and includes three axes, namely:

First Theme: Compliance with Financial Reporting Standards

Second Theme: Sustainable Strategic Financial Performance

Third Theme: Following the Application of Financial Reporting Standards to Sustainable Strategic Financial Performance

The answers to the search tool are designed according to the five-point Likert scale as follows:

| Degree of approval | I totally agree | Agree | neutral | I don't agree | I don't completely agree. |
|--------------------|-----------------|-------|---------|---------------|---------------------------|
| Digital Grade | 5 | 4 | 3 | 2 | 1 |

The following statistical standard has been adopted:

The five-a-side Likert ladder was adopted to correct the study tools, giving each of its paragraphs one degree of Between its five grades (fully agreed, agreed, neutral, disagree, not completely agreed) and it represents digitally (5, 4, 3, 2, 1) respectively, and the following scale has been adopted for the purposes of analyzing the results:
 From 1.00 - 2.33 few
 From 2.34 - 3.67 Medium

From 3.68 - 5.00 Large
 and so, on the scale was calculated using the following equation:

$$\frac{\text{Upper Scale (5)} - \text{Minimum Scale (1)}}{\text{Number of categories required (3)}} = \frac{5-1}{3} = 1.33$$

And then add the answer (1.33) to the end of each category To ensure the stability of the ADA, Cronbach's alpha internal consistency was calculated where the results were as shown in Table 1.

Table (1)
 Cronbach alpha coefficient of internal consistency

| Domains | Internal consistency |
|---|----------------------|
| Compliance with IFRS | 0.91 |
| Sustainable performance of banks | 0.89 |
| Impact of IFRS Application on Sustainable Performance for Banks | 0.92 |

Table 1 shows that the values of the Cronbach alpha internal coefficient of consistency for all dimensions of the paragraphs of the study instrument (resolution) ranged between (0.89-0.92), where the stability is considered weak if the coefficient values are less than (0.60) and has been assumed (Sekaran & Bougie, 2010, 184.) that the minimum coefficient of stability is (0.70), and stability is considered good whenever the values of the coefficient (0.80) or more, so the values in the previous table are an indicator of the stability of the study instrument, the consistency between its paragraphs, its reliability and reliability for statistical analysis.

Honesty of construction:

To extract the construct truthfulness connotations of the scale, the correlation coefficients of the **Table 2)**

Correlation coefficients between the paragraph and the overall degree of the axis to which it belongs

paragraph with the total degree of the axis to which it belonged were extracted in a sample Exploratory from outside the study sample consisted of (30) --, and the coefficients of the correlation of the paragraph with the total degree of the axis to which it belongs ranged between (0.50-0.88), and the table -- (The following shows it.

| Compliance with IFRS | | Sustainable performance of banks | | Impact of IFRS Application on Sustainable Performance For Banks | |
|----------------------|-------------------------|----------------------------------|-------------------------|---|-------------------------|
| Paragraph number | Correlation coefficient | Paragraph number | Correlation coefficient | Paragraph number | Correlation coefficient |
| 1 | .52(**) | 16 | .63(**) | 31 | .67(**) |
| 2 | .64(**) | 17 | .80(**) | 32 | .83(**) |
| 3 | .50(**) | 18 | .77(**) | 33 | .81(**) |
| 4 | .79(**) | 19 | .64(**) | 34 | .72(**) |
| 5 | .72(**) | 20 | .64(**) | 35 | .87(**) |

| | | | | | |
|----|---------|----|---------|----|---------|
| 6 | .72(**) | 21 | .79(**) | 36 | .61(**) |
| 7 | .65(**) | 22 | .88(**) | 37 | .62(**) |
| 8 | .75(**) | 23 | .71(**) | 38 | .52(**) |
| 9 | .71(**) | 24 | .77(**) | 39 | .69(**) |
| 10 | .79(**) | 25 | .72(**) | 40 | .60(**) |
| 11 | .73(**) | 26 | .78(**) | 41 | .70(**) |
| 12 | .73(**) | 27 | .77(**) | 42 | .63(**) |
| 13 | .63(**) | 28 | .71(**) | 43 | .53(**) |
| 14 | .60(**) | 29 | .84(**) | 44 | .58(**) |
| 15 | .69(**) | 30 | .81(**) | 45 | .70(**) |

* Function statistically at the significance level (0.05).

** Statistically significant function (0.01). It should be noted that all correlation coefficients had acceptable and statistically significant scores, so they were not omitted. Which of these paragraphs?

Description of the characteristics of the study sample

The sample of the study consisted of (69) questionnaires distributed to accountants working in Iraqi commercial banks, where they were selected in a random way,

Results of the study

First: Results related to the independent variable (financial reporting standards)

The arithmetic averages and standard deviations of the responses of the study sample to IFR were extracted and were as follows:

Table (3)

Arithmetic averages and standard deviations related to IFRS in descending order According to arithmetic averages

| Rank | figure | Paragraphs | Arithmetic average | Standard deviation | Relative importance |
|------|--------|---|--------------------|--------------------|---------------------|
| 1 | 7 | Compliance with financial reporting standards leads to attracting domestic and foreign investments. | 4.36 | .593 | Elevated |
| 2 | 5 | The main purpose of applying or complying with financial reporting standards is to reduce the cost of capital | 4.33 | .634 | Elevated |
| 3 | 9 | Compliance with financial reporting standards allows multinational companies to apply accounting systems to banks and their subsidiaries | 4.33 | .741 | Elevated |
| 4 | 13 | Compliance with financial reporting standards makes financial statements have a positive impact on decision makers and users | 4.32 | .675 | Elevated |
| 5 | 10 | Compliance with financial reporting standards leads to the development of financial information systems in banks through the continuous improvement of the information it requests. | 4.25 | .755 | Elevated |
| 6 | 11 | Compliance with financial reporting standards puts banks | 4.25 | .755 | Elevated |

| | | | | | |
|----|----|--|------|------|----------|
| | | in comparison against banks with similar activity. | | | |
| 7 | 1 | Compliance with financial reporting standards leads to reduced asymmetry and divergence of information for investors. | 4.22 | .725 | Elevated |
| 8 | 6 | Compliance with financial reporting standards leads to increased accounting disclosure by comparing the productive efficiency and cost of capital in banks. | 4.20 | .698 | Elevated |
| 9 | 2 | Compliance with financial reporting standards leads to an increase in investors as a result of their high confidence. | 4.19 | .733 | Elevated |
| 10 | 3 | The quality of accounting disclosure depends on the application of financial reporting standards. | 4.19 | .692 | Elevated |
| 11 | 8 | Compliance with IFRS creates an enabling investment climate in which democratic security and transparency in financial information are available | 4.17 | .685 | Elevated |
| 12 | 15 | Compliance with financial reporting standards leads to banks providing an honest picture of their financial situation, measuring their efficiencies, and knowing the change in their financial position against obligations. | 4.17 | .685 | Elevated |
| 13 | 4 | Stock prices and floods in the stock market increase as a result of compliance with financial reporting standards. | 4.16 | .678 | Elevated |
| 14 | 12 | Compliance with the Global Financial Reporting Standards qualifies banks to make their financial reporting understandable and legible in the global market | 4.16 | .678 | Elevated |
| 15 | 14 | Compliance with financial reporting standards makes banks compete locally, regionally and globally | 4.06 | .705 | Elevated |
| | | Compliance with IFRS | 4.22 | .196 | Elevated |

It is clear from Table 3 that the relative importance of IFRS paragraphs was high, with an overall arithmetic average of (4.22) with a standard deviation of (.196), and the paragraph stating that "compliance with IFRS leads to attracting

domestic and foreign investment" ranked first among the paragraphs with an arithmetic average of (4.36) and a standard deviation of (.593) and high relative importance. The clause, which

Table (4)

Arithmetic averages and standard deviations related to the sustainable performance of banks ranked Descending by arithmetic averages states "Compliance with financial reporting standards makes banks compete locally, regionally and globally" ranked last among the paragraphs, on the sustainable performance of banks were extracted and were as follows:

with an arithmetic average (4.06), a standard deviation (.705) and high relative importance.

Second: Results related to the dependent variable (sustainable strategic performance)

The arithmetic averages and standard deviations of the responses of the study sample

| Rank | figure | Paragraphs | Arithmetic average | Standard deviation | Relative importance |
|------|--------|---|--------------------|--------------------|---------------------|
| 1 | 20 | Banks study and analyze marketing resources in order to achieve its strategic objectives and policies. | 4.39 | .548 | Elevated |
| 1 | 29 | Banks use efficient and effective information systems linked to the latest technology. | 4.39 | .574 | Elevated |
| 3 | 22 | Banks have clear policies and objectives for research and development and banks have the necessary capabilities. | 4.36 | .664 | Elevated |
| 4 | 30 | Banks train employees to adopt modern strategies at work. | 4.28 | .705 | Elevated |
| 5 | 21 | Banks evaluate, distribute and allocate their financial resources in accordance with their financial objectives, policies and strategies. | 4.25 | .673 | Elevated |
| 6 | 17 | The strategic goals and objectives are definite, clear, precise and stated to all employees of banks. | 4.23 | .710 | Elevated |
| 6 | 26 | When implementing the strategy, banks shall observe the rules, programs and procedures in order to achieve the objectives of strategic implementation. | 4.23 | .622 | Elevated |
| 8 | 16 | Commercial banks define the mission and strategic vision of Commercial Bank clearly and accurately. | 4.20 | .739 | Elevated |
| 8 | 19 | The organizational culture in banks is clearly defined and in line with its policies and strategic objectives. | 4.20 | .778 | Elevated |
| 8 | 23 | Banks study and analyze the elements of the general external environment (economic, social, political, technological, etc.). | 4.20 | .739 | Elevated |
| 11 | 18 | The organizational structure of banks is clear and helps to achieve the objectives expressed in an organizational chart showing the scope of supervision. | 4.19 | .648 | Elevated |
| 11 | 24 | Banks study and analyze elements of the particular external environment (customers, competitors, suppliers, trade unions, | 4.19 | .648 | Elevated |

| | | | | | |
|----|----|---|------|------|----------|
| | | government, etc.). | | | |
| 13 | 27 | Banks monitor and review strategy on an ongoing and organized basis to ensure the effectiveness of strategic performance. | 4.14 | .733 | Elevated |
| 13 | 28 | When evaluating strategic performance, banks use objective criteria. | 4.14 | .692 | Elevated |
| 15 | 25 | Strategic banks take into account strategic factors and achieve the strategic objectives set. | 4.13 | .684 | Elevated |
| | | Sustainable performance of banks | 4.24 | .257 | Elevated |

It is clear from Table (4) that the relative importance of paragraphs was high, with an overall arithmetic average of (4.24) with a standard deviation of (.257), and the two paragraphs that stated that "banks study and analyze marketing resources in order to achieve their strategic goals and policies", and "Banks use efficient and effective information systems linked to the latest technology." ranked first among the paragraphs with an arithmetic

Table (5)
Arithmetic averages and standard deviations related to the impact of IFRS application on sustainable performance Banks are arranged descending according to arithmetic averages

| Rank | figure | Paragraphs | Arithmetic average | Standard deviation | Relative importance |
|------|--------|---|--------------------|--------------------|---------------------|
| 1 | 35 | Adopting the application of financial reporting standards attracts the foreign investor. | 4.43 | .813 | Elevated |
| 2 | 32 | Financial statements based on financial reporting standards provide valuable information in decision-making. | 4.39 | .771 | Elevated |
| 3 | 33 | The application of financial reporting standards leads to clarity and transparency in the accounting procedures followed in the preparation of financial statements in a way that investors can understand. | 4.36 | .857 | Elevated |
| 3 | 38 | The financial statements provided by the Financial Reporting Standards meet the ambitions of related parties (shareholders, lenders, partners). | 4.36 | .874 | Elevated |
| 5 | 34 | The application of financial reporting standards contributes to improving the reliability and reliability of financial reporting. | 4.35 | .855 | Elevated |
| 6 | 31 | The accounting information in the financial statements prepared in accordance with the Financial Reporting Standards is appropriate | 4.28 | .968 | Elevated |

Third: What is the impact of the application of IFRS on the sustainable performance of banks?

average of (4.39) and a standard deviation of (.548, .574) and with high relative importance. While the paragraph that states "Banks have a strategy that takes into account strategic factors and achieves the strategic objectives set" came in last place among the paragraphs with an arithmetic average (4.13), a standard deviation (.684) and the importance of High relativity.

The arithmetic averages and standard deviations of the responses of the study sample were extracted on the impact of the application of IFRS on the sustainable performance of banks and were as follows:

| | | | | | |
|----|----|---|------|-------|----------|
| | | and enhances the quality of the audit process. | | | |
| 7 | 37 | The application of financial reporting standards leads to increased scientific and practical qualification and leads to real results in the disclosure process. | 4.26 | .995 | Elevated |
| 8 | 36 | The accounting information presented in the financial statements provides important indicators that serve the auditor in assessing the potential risks to which the economic unit may be exposed. | 4.25 | .864 | Elevated |
| 9 | 39 | Financial reporting standards contribute to improving the quality of financial reporting so that they reflect the reality of the economic reality of banks. | 4.22 | .838 | Elevated |
| 10 | 43 | Financial reporting standards contribute to reducing excessive accounting reservation and facilitate the procedures associated with the audit process. | 4.20 | 1.037 | Elevated |
| 10 | 44 | The application of financial reporting standards ensures clarity and transparency in the accounting procedures followed in the preparation of financial reports. | 4.20 | .964 | Elevated |
| 12 | 42 | The application of financial reporting standards raises the efficiency of the capital market which positively affects investment flows. | 4.16 | 1.052 | Elevated |
| 13 | 40 | The application of financial reporting standards emphasizes the importance of interim financial statements. | 4.13 | 1.056 | Elevated |
| 13 | 41 | IFRS works to find solutions to obstacles and problems facing the investor. | 4.13 | .938 | Elevated |
| 15 | 45 | Financial statements based on financial reporting standards provide valuable information in decision-making. | 4.12 | 1.022 | Elevated |
| | | The impact of IFRS application on the sustainable performance of banks | 4.26 | .258 | Elevated |

It is clear from Table (5) that the relative importance of paragraphs was high, with the general arithmetic average (4.26) and a standard deviation of (.258), and the paragraph stating that "the adoption of the application of financial reporting standards attracts the foreign investor" came in first place among the paragraphs with an arithmetic average of (4.43) with a standard deviation of (.813) and high relative importance. The paragraph stating that "financial statements based on financial reporting standards provide valuable information in decision-making" ranked last among the paragraphs with an

arithmetic average (4.12), a standard deviation (1.022) and relative importance. High.

Fourth: Is there a reflection of IFRS compliance? IFRS on the sustainable performance of Iraqi commercial banks?

To answer this question, the simple linear regression of the impact of IFRS on the sustainable performance of Iraqi commercial banks was used, and the results were as follows:

Table (6)
 Results of the simple linear regression of the
 impact of IFRS on performance Sustainable Iraqi Commercial Banks

| Dependent variable | Sample summary | | Variance Analysis | | Schedule of transactions | | | | | |
|-------------------------|---------------------------|--------------------------------------|-------------------|---------------------------------|--------------------------|------|----------------|--------|--------------|---------------------------------|
| | Model summary | | ANOVA | | Coefficient | | | | | |
| | R Correlation coefficient | R ² Selection coefficient | F Calculated | Sig. F Statistical significance | Statement | B | Standard error | b Beta | T Calculated | Sig. t Statistical significance |
| Sustainable Performance | 0.66 | 0.44 | 52.56 | 0 | (Constant) | 0.57 | 0.51 | | 1.12 | 0.27 |
| | | | | | Compliance with IFRS | 0.87 | 0.12 | 0.66 | 7.25 | 0 |

The results indicate a statistically significant impact of IFRS on sustainable performance in Iraqi commercial banks, where the correlation coefficient (R=0.663) indicates a statistically significant correlation between the independent variable (IFRS compliance) and the dependent variable (sustainable performance) It was shown that the value of the determination coefficient (R²=0.440) indicating that (compliance with IFRS standards) explained 44% of the variation in (sustainable performance) while The remainder is due to other variables that were not included in the model, as the value of (F=52.558) at a confidence level equal to (sig=000) and this confirms the significance of the regression at the level of significance of 0.05) > (α. The table of transactions shows that the values of (B) at the time of compliance with IFRS have reached (.869) and the value of (t) was (7.250) and statistically significant (0.000), which indicates that the effect of this dimension is significant and this means that the increase in compliance with IFRS by one unit It will lead to an increase in sustainable performance by (.869).

V. CONCLUSIONS

From the above axes of research in the theoretical and practical aspects, which includes compliance with international financial reporting standards and their impact on sustainable strategic

performance in Iraqi commercial banks, the conclusions reached by the researcher related to the theoretical and practical aspects will be presented as follows:

1. Compliance with financial reporting standards leads to increased accounting disclosure by comparing the productive efficiency and cost of capital in Iraqi commercial banks, and compliance with financial reporting standards attracts domestic and foreign investments.
2. Compliance with IFRS leads to an enabling investment climate in which there is democratic security and transparency in financial information, and compliance with IFRS allows multinational companies to apply accounting systems to Iraqi commercial banks and their subsidiaries.
3. Compliance with the Global Financial Reporting Standards qualifies Iraqi commercial banks to make their financial reporting understandable and legible in the global market, and compliance with the Financial Reporting Standards makes financial statements have a positive impact on decision makers and users.
4. Compliance with the standards of financial inclusion leads to Iraqi commercial banks providing an honest picture of their financial situation, measuring their competencies and knowing the change in their financial situation against obligations.

5. Financial statements based on financial reporting standards provide valuable information in decision-making, and the application of financial reporting standards leads to clarity and transparency in the accounting procedures followed in the preparation of financial statements in a manner that investors can understand.

6. The application of financial reporting standards contributes to improving the reliability and reliability of financial reporting, and the adoption of the application of financial reporting standards attracts the foreign investor.

7. The accounting information presented in the financial statements provides important indicators that serve the auditor in assessing the potential risks to which the economic unit may be exposed.

8. The application of financial reporting standards leads to increased scientific and practical qualification and leads to real results in the disclosure process.

9. The Financial Reporting Standards contribute to improving the quality of financial reporting so that they reflect the reality of the economic reality of Iraqi commercial banks, and the Financial Reporting Standards work to find solutions to the domes and problems facing the investor.

10. Compliance with financial reporting standards contributes to the relationship between them and sustainable strategic performance

VI. RECOMMENDATIONS

After presenting the conclusions reached in the first section of this chapter, the recommendations complementary to the research will be addressed, the most important of which were:

11. Activating the role of the Iraqi Accounting Standards Board and seeking to legislate accounting standards more than it currently is, and relying on the International Accounting and Financial Reporting Standards (IFRS) and working with them and eliminating conflicts with them, while seeking to harmonize them with the Iraqi environment.

12. Work to increase the awareness of employees in Iraqi commercial banks regarding the international financial reporting standards of this bank and the disclosure rules contained therein, through workshops, courses, scientific successes, scientific conferences and investor research.

13. The need to hold training courses and scientific seminars specialized in training accounting cadres in Iraq on the application of international financial reporting standards in Iraqi commercial banks.

14. The need to support the Iraqi stock market companies listed in it and encourage them to apply international financial reporting standards, which

leads to attracting foreign capital and supporting investment.

15. The need for the management of Iraqi commercial banks to adopt a clear policy that takes it upon itself to provide accounting information in accordance with international accounting standards

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