



Assessing the Commercial Banks' Financial Performance with Financial Metrics: A Case Study of the National Bank of Algeria (BNA)

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Abstract:

The current study aimed to determine the significance of financial indicators in analysis and their function in measuring bank performance of the National Bank of Algeria (BNA). Commercial banks' performance is worth assessment in particular, due to their operations' privacy and to the volume of funds that they handle. As far as the evaluation of performance is concerned, it represents an ongoing, systematic process that compares the results obtained to what has been accomplished in the past and what needs to be accomplished in the future. Findings of this study showed that good financial performance is one of the most crucial requirements for commercial banks. It was also recommended that the banking and financial services industry should be encouraged to boost interest in financial analysis due to its direct influence on assessing the financial performance.

Keywords: Financial performance; financial analysis; financial indicators; commercial banks.

1. INTRODUCTION

Banks are considered to be one of the major pillars that take part in constructing an economy as they provide a wide range of banking services, which strongly activate the wheel of economy and finance. They, thus, play an important role in the economic development of every country since they control a vast portion of trade supply. Commercial banks, in particular, are exceedingly important financial intermediary in the economy, and, therefore, bridge the gap between those with financial deficits and those with surpluses. Deposit-taking activities and the granting of credit are among their main transactions they undertake in such a way that their returns are maximized, while levels of risk maintained acceptable.

The search for methods and means to enhance bank performance has become an imperative necessity for them to secure a more favorable competitive position in the evolving environment, and to address new challenges. This improvement is realizable primarily through the evaluation of their financial performance that serves as a basic means employed to identify their weaknesses and strengths while addressing any deviations to progress the overall financial performance. Indeed, this process serves as a crucial component for remedying any shortcomings that may happen within banks.

1.1. Statement of the Problem

Given the importance of financial statements in banking, the necessity of using these documents to calculate the financial indicators has grown, and it is undeniable that they are indispensable for assessing the financial performance of commercial banks. Based on that, the subsequent problem might be formulated as follows:

How is the financial performance of commercial banks evaluated using financial indicators?

1.2. Hypotheses of the Study:

To address the problem raised in this study, the next hypotheses can be constructed:

- 1.2.1 The financial performance of a commercial bank can be estimated based on a certain set of ratios and indicators;
- 1.2.2 The financial-ratios-based analysis may contribute to pinpointing the strengths and weaknesses in the commercial banks' financial performance;
- 1.2.3 As one of the major commercial banks in Algeria, the BNA may have a good financial performance.

1.3. Objectives of the Study

The current research paper aims at:

- 1.3.1 Introducing the main indicators used for assessing financial performance;
- 1.3.2 Recognizing the significance of assessing the commercial banks' financial performance;
- 1.3.3 Examining the evolution of financial performance indicators within the Algerian banking sector;
- 1.3.4 Evaluating and analyze the financial performance of the National Bank of Algeria (BNA).

1.4. Methodology of the Study

In light of the previously modeled problem and relevant hypotheses, as well as of the study's nature and objectives intended to be achieved, the descriptive approach was deemed necessary for the theoretical aspect. This approach is appropriate for collecting facts, analyzing them, and drawing conclusions, while also introducing various concepts related to the topic. When it comes to the applied aspect, the analytical approach was employed in the case study to evaluate the BNA's financial performance, and, thus, to derive results and insights related to the study's topic.

2. Evaluating the Financial Performance of Commercial Banks

The financial performance evaluation is extremely important mostly in the present context that is characterized by rapid changes and bankruptcy of several major entities. In the case of banks, it aims to assess their efficiency in utilizing the resources at their disposal. However, evaluation would vary from bank to bank considering the aim pursued and beneficiaries of a different nature. For example, stockholders place a higher value on profitability than depositors do on liquidity. This distinction underlines the growing importance of performance evaluation, which will be further explained in the following discussion.

2.1. The Concept of Financial Performance

The present section is devoted to reviewing the conceptual background of the performance assessment process by addressing all relevant aspects, thereby clarifying any potential confusion.

Some individuals liken performance with several terms, including productivity, effectiveness, and efficiency. However, the distinction arises from the various standards, measures, types of goals, and researchers' perspectives in their studies of performance. To arrive at a definition that aligns with the subject of this study, the following ones will be presented:

First, the term *performance* appears in managerial literature, often as a main objective that managers aim to enhance, even if not always addressed overtly. It is typically defined as the "reflection of the institution's ability to achieve long-term goals".

In other terms, it represents “the desired results that the institution seeks to achieve.” (Khalidi, 2009, p.383)

Second, performance is the “evaluation of the results achieved by employees”. It can also be understood as the actions taken when executing a task or work, wherein individuals act in accordance with the specific requirements of that task or work. Furthermore, performance can be linked to outputs, and, thus, defined as the outcomes that the administrative system aims to achieve in order to reach the desired goals. (Mowaffaq and Amin, 2011, p.208)

Lastly, performance embodies a continuous, holistic activity that reflects the success, sustainability, and adaptability of an institution to its environment. This is attained based on specific foundations and standards established by that institution, aligned with the requirements of its operations and informed by long-term goals. (Abdelwahab and Boukra, 2009)

2.1.1 The Concept of Financial Performance in Commercial Banks

When it comes to commercial banks, numerous definitions exist regarding the assessment of their financial performance. From one angle, evaluating the commercial banks’ performance is mainly intended to gauge how efficiently they utilize their available resources (Salah El-Din, 1996, p.42). From a different angle, it is the administrative function that represents the last link in the chain of continuous administrative work, as it consists of a set of measures taken by the management apparatus to verify the results as decreed and with the highest degree of efficiency (Ashouri, 2011, p.61). At a strategic level, evaluation is a diagnosis of strengths and weaknesses to contribute to constructing and formulating a plan for managing the bank’s assets and liabilities (Aboul Fatouh, 1999, p.27). From the former perspectives, one may say that the diagnosis of the institution’s financial situation helps determine its capacity to generate value by optimally utilizing its available resources.

2.1.2. The Importance, Objectives and Conditions for Evaluating Financial Performance in Commercial Banks

The process of evaluating financial performance in commercial banks holds substantial significance across various dimensions and levels.

2.1.2.1. The importance of Financial Performance Evaluation: This can be illustrated into the following key points: (Abdul Ghani, 200-2007, p.35)

- Evaluating financial performance stands as a fundamental pillar and crucial data source for effective planning and control processes;

- It serves as a vital tool for diagnosing and addressing issues, identifying the institution's strengths and weaknesses, analyzing the causes of deviations, and assigning accountability for them;
- It is also useful in providing management with essential information needed to make significant decisions regarding development, investment, and critical changes;
- Lastly, it reflects the institution's (the bank's) overall performance over time, indicating whether it has experienced improvement or deterioration.

2.1.2.2. Objectives of Evaluating Financial Performance in Commercial Banks:

These objectives can be captured in the following key points:

- The financial performance is assessed to ascertain the institution's financial position (the bank's). This position serves to illustrate the ability of management in implementing measures aimed at achieving specific objectives. Furthermore, it reveals or indicates potential issues within the operational approach, that require rectification in case of an unfavorable financial condition;
- The process of measuring and evaluating the institution's financial performance facilitates an understanding of its liquidity position, specifically its ability to fulfill short-term obligations;
- The institution's efficiency in utilizing working capital is assessed to ensure that it is neither over-allocated nor under-allocated;
- The adequacy of the financing structure, i.e. the appropriateness of long-term liabilities in relation to the institution's specific circumstances;
- The institution's ability to achieve sufficient profits, along with its ability to cover the interest on borrowed funds;
- The institution's ability to generate a financial surplus is assessed to determine whether it can self-finance the completion of certain projects;
- The identification of errors and deviations, with particular attention to their causes and the accountability for them, so that their potential future impact can be understood and mitigated;
- The evaluation of performance is regarded as an essential process to determine the extent to which established goals and plans have been accomplished.

2.2. Financial Performance Indicators

Financial performance indicators are regarded as key tools upon which management depends to analyze financial statements, to facilitate the assessment of soundness of the institution's financial position and profitability. In terms of classification, these indicators will be categorized into classical and contemporary ones.

2.2.1. The Concept of Financial Indicators

A financial indicator is regarded as one of the most established tools in financial analysis, encompassing a variety of definitions. First, it is regarded as a relationship between two figures from financial statements, with one figure placed in the numerator and the other in the denominator, whereby the relationship between these two figures conveys a specific meaning (Khanfar and Ghassan, 2006, p.127). It is also defined as a ratio between two elements, and can include total data such as inventory or any other item in the budget. Additionally, it can include more refined data such as: working capital surplus total exploitation. Based on comparative elements, these ratios provide information that allows the financial analyst to evaluate various aspects of the institution, including profitability, financial independence, and more (Patrice, 1993, p. 51). Accordingly, it can be concluded that financial performance indicators assess the quantitative relationship between two items within the financial statements, thereby yielding meaningful and significant indicators.

2.2.2. Advantages of Financial Indicators

The key advantages of financial performance indicators are encapsulated in the following aspects: (Abdel Hakim, 2006, pp. 188-189)

- 2.2.2.1 Determining the extent to which institutions can accomplish their ongoing obligations;
- 2.2.2.2 Assessing the growth ratio within the institution and identifying its strengths and weaknesses;
- 2.2.2.3 Providing the essential data and information required for decision-making, policy formulation, and budget preparation;
- 2.2.2.4 Gauging the institution's overall effectiveness and performance level;
- 2.2.2.5 Measuring the institution's effectiveness achieved through the utilization of its various assets to generate profitability.

2.2.3. The Importance of Financial Indicators

The importance of financial indicators lies in: (Susan, 2012, p158)

- 2.2.3.1. Offering the opportunity to compare homogeneous projects;
- 2.2.3.2. Assisting the financial analyst in diagnosing projects' financial condition;
- 2.2.3.3. Guiding performance towards activities that exhibit weakness' signs;
- 2.2.3.4. Facilitating the planning of future performance for the economic unit;
- 2.2.3.5. Aiding internal and external oversight bodies in conducting their work effectively;
- 2.2.3.6. Measuring the company's growth and identifying its strengths and weaknesses;
- 2.2.3.7. Providing essential data and information for decision-making, policy formulation, and budgeting estimates; and
- 2.2.3.8. Assessing the institution's effectiveness achieved through the utilization of its various assets to generate profitability.

3. Evaluating the Financial Performance of Commercial Banks using Classical Financial Indicators

In order to diagnose the banks' financial position, some classic indicators, including liquidity ratios, profitability ratios and capital adequacy ratios, will be discussed.

3.1. Liquidity Index

Liquidity indicators are those ratios that measure the banking institutions' ability to fulfill short-term obligations by means of liquid cash. These indicators hold significant importance for banking management, depositors, owners, and lenders. Banks are required to allocate a portion of their resources in the form of liquid cash to address potential large withdrawals by depositors. This is not to face challenges in managing them if the banks expand their investments and financing policies. Liquidity is recognized as one of the banks' most vital characteristics overall. Indeed, while economic units may defer the settlement of their financial obligations, the mere rumor regarding a bank's liquidity issues can erode depositor confidence, potentially resulting in bankruptcy following the withdrawal of their deposits. There are many liquidity indicators, including: (Tayeb and Omar, 2016, p.5)

3.1.1 Cash balance ratio: This ratio can be calculated using the following equation:

$$\text{Cash Balance Ratio} = (\text{cash in the fund} + \text{cash at the central bank} + \text{balances with the bank}) / \text{total deposits} \times 100\%$$

3.1.2 Ratio of Cash to Total Assets: This ratio can be measured by applying the following equation:

$$\text{Cash to Total Assets Ratio} = (\text{cash} + \text{bank receivables}) / \text{total assets} \times 100\%$$

3.1.3 Employment Ratio (Investment): This percentage is measured by the following equation (Nour Al-Huda, 2018-2019, pp. 24-23)

$$\text{Employment (investment) ratio} = (\text{loans and advances} / \text{total deposits}) \times 100\%$$

3.2. Profitability Indicators

Profitability indicators serve as reflections of the banks' overall performance, and play an essential role in ensuring the sustainability and continuity of commercial banks. In this respect, profit serves as a central axis in facilitating various economic activities; without profitability, institutions struggle to attract investors, whether internal or external. Hence, owners and financiers may divert their resources to other ventures. The significance of these ratios that indicate the extent to which banks can generate profits, extends beyond management concerns as they are likewise relevant to depositors, owners, and lenders. The profits realized by banks are among the key factors influencing individuals' wealth (depositors'). Moreover, these indicators represent some of the most critical financial metrics utilized in evaluating banks' financial performance and measuring their capacity to achieve a net return on funds. These indicators include:

3.2.1 Profit Margin Ratio

$$\text{Profit Margin Ratio} = (\text{Net Income} / \text{Total Revenue})$$

3.2.2 Return on equity (ROE)

$$\text{Return on Equity} = (\text{net profit after tax} / \text{equity})$$

3.2.3 Rate of Return on Total Assets (ROA)

$$\text{Rate of Return on Total Assets} = (\text{Net Profit After Tax} / \text{Total Assets})$$

3.3. Capital Adequacy Indicators

Capital adequacy is the degree to which a bank can absorb losses resulting from different financing and investment activities that are conducted using the ownership rights that the bank's owners have. To put it another way, these ratios can be thought of as a gauge of capital adequacy, or whether the bank has enough capital to support the risks on the balance sheet. The commercial bank's capital is made up of paid-up capital, reserves provisions, retained earnings, and issuance premium.

This capital is relatively small compared to deposits, which results in a lower margin of safety for depositors. Therefore, maintaining capital adequacy in the commercial bank is crucial to preserving the depositor's confidence and enabling the bank to draw in enough deposits to meet its financial requirements and guarantee sound and outstanding performance. There are several kinds of capital adequacy indicators, however the most crucial ones include:

3.3.1. Ratio of Ownership Right to Total Assets: (Fatima al-Zahra and Halima, pp. 67-68)

$$\text{Equity to Total Assets Ratio} = (\text{Equity} / \text{Total Assets}) \times 100\%$$

3.3.2 Ratio of Equity to Total Deposits

$$\text{Equity to total deposits ratio} = (\text{equity} / \text{total deposits}) \times 100\%$$

3.3.3 Ratio of Ownership Right to Total Loans:

$$\text{Equity to Total Loans Ratio} = (\text{Equity} / \text{Total Loans}) \times 100\%$$

4. Evaluating the Financial Performance of the National Bank of Algeria (BNA)

In this section, an examination of the financial statements of the commercial bank, BNA over the period from 2013 to 2022 is conducted. These statements have been obtained to analyze the development of various elements and items, including assets, liabilities, and the table of accounts' results, which are closely related to the commercial banks' performance and enable a comprehensive analysis of it through specific financial indicators.

4.1. Analysis of the BNA's Profitability Indicators

Given that profitability is the primary objective for the bank, the aforementioned information allows for the calculation of profitability indicators for the BNA:

4.1.1. Profit Margin Ratio

Profit Margin Calculation

Net Income/Total Revenues

- Net income = net result for the fiscal year.

- Total revenues: interest and similar outputs + commissions (outputs) + net gains or losses on financial assets owned for the purpose of dealing + profits and net losses on financial assets available for sale + outputs of activities.

The Financial Performance Evaluation of Commercial Banks using Financial Indicators: A Case Study of the National Bank of Algeria (BNA)

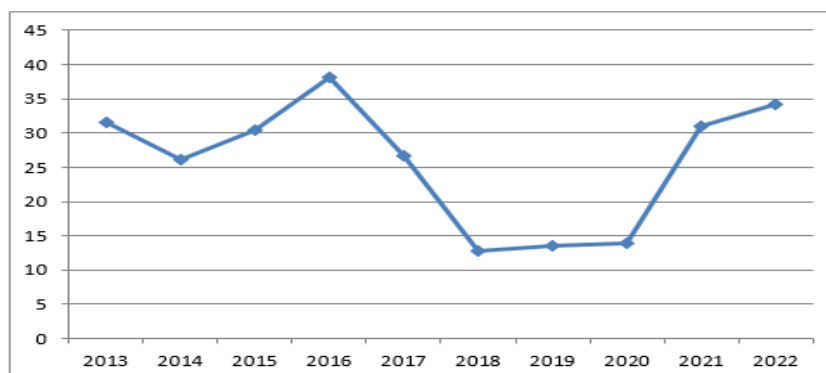
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Table N°01: Profit Margin Ratio

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Profit Margin	31.6	26.1	30.34	38.1	26.75	12.69	13.51	13.84	31.01	34.14

Source: Prepared by the researchers based on the financial statements of the BNA

Figure N°01: Profit Margin Ratio



Source: Prepared by the researchers based on the results of Table N°01.

Analysis: A review of the rates in Table N°01 indicates fluctuations in the profit margin index over the period 2012-22, characterized by both high and low values. The profit margin increased in 2012 and 2013, reaching 30.2 percent and 26.18 percent, respectively. However, in 2014, it experienced a decrease to 30.34 percent. Subsequently, the index rose again in 2016 to 38.31 percent, followed by a recorded value of 26.75 percent in 2017. A notable decline occurred in 2018, with the profit margin dropping to 12.69 percent, a decrease of 14.06 percent compared to 2017. Thereafter, the profit margin increased in 2019 and 2020 to 13.5 percent and 13.84 percent, respectively, and culminated in a significant rise to 34.14 percent in 2022. These results can be explained by the bank's effective management of expenses and successful reduction of taxes, contributing to a favourable representation of its profitability.

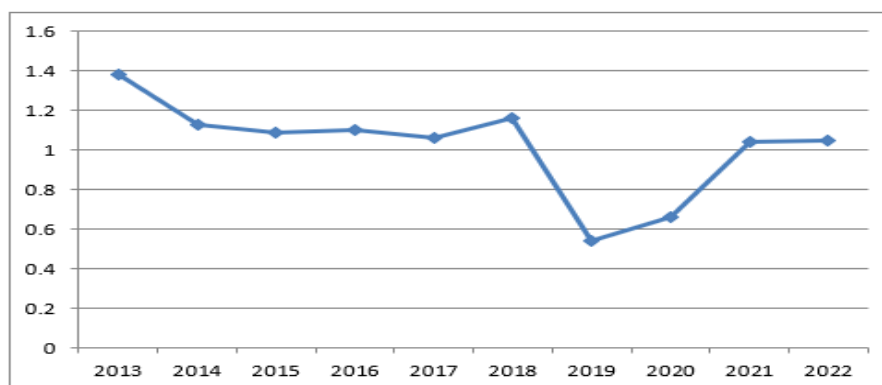
4.1.2. ROA Indicators

Table N°02: Return on Assets Ratio

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
ROA	1.38	1.13	1.09	1.10	1.06	1.16	0.54	0.66	1.04	1.049

Source: Prepared by the researchers based on the financial statements of the BNA

Figure N°02: Return on Assets Ratio



Source: Prepared by the researchers based on the results of Table N°02.

Analysis: The data presented in Table N°02 reveal that the return on assets during the studied period fluctuated between high and low values. The highest rates were observed in 2013 and 2018, with percentages of 1.38 percent and 1.16 percent, respectively. Subsequently, a decline occurred in 2019 and 2020, with rates of 0.54 percent and 0.66 percent. However, by 2022, the return on assets rose significantly to 1.049 percent. These rates can be explained by the bank's inadequate utilization or mismanagement of available financing sources. Indeed, ROA ratio measures the net profit after tax attributed to each unit of assets, indicating that an increase in this rate implies the efficient use of funds invested in voluntary assets.

4.1.3. Return on Equity (ROE): this indicator can be calculated as follows:

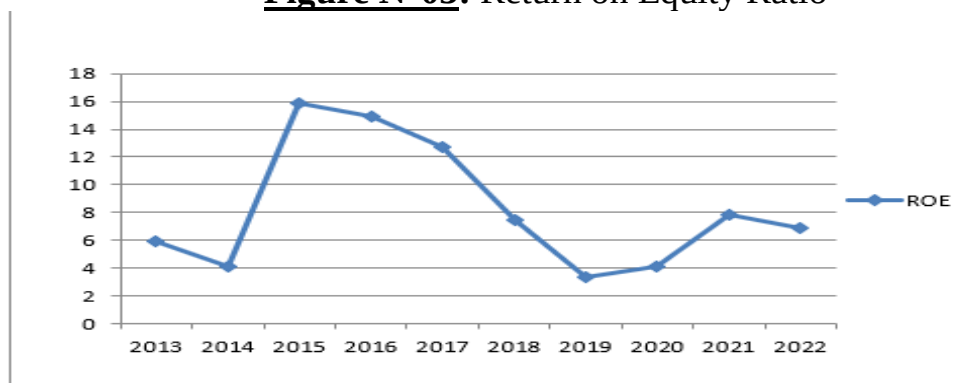
- Net profit after tax = net result for the fiscal year
- Equity = provisions to cover risks and charges + funds to cover public banking risks + capital + reserves + valuation difference + revaluation difference + carryover + other liabilities.

Table N°03: Return on Equity Ratio

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
ROE	5.90	4.13	15.82	14.87	12.74	7.45	3.35	4.1	7.87	6.92

Source: Prepared by the researchers based on the financial statements of the BNA

Figure N°03: Return on Equity Ratio



Source: Prepared by the researchers based on the results of the Table N°03

Analysis: TableN°03 illustrates that the return on assets index experienced a decrease of 1.77 percent in 2014 compared to 2013. Then, in 2015, it peaked at 15.82. However, it experienced a decrease again from 2016 to 2020 with respective ratios 14.87 percent, 12.74 percent, 7.45 percent, and 3.35 percent. In the subsequent years, fluctuations were observed with values varying between low and high. The increase can be attributed to the high rate of return on equity, which indicates that the percentage of net profits exceeds that of equity. Additionally, minor fluctuations in net income values suggest that this rate reflects the net profit (return) generated by each unit of equity held by the bank.

4.2. Analysis of the BNA's Liquidity Indicators

Liquidity indicators are designed to assess the BNA's liquidity requirements. They encompass:

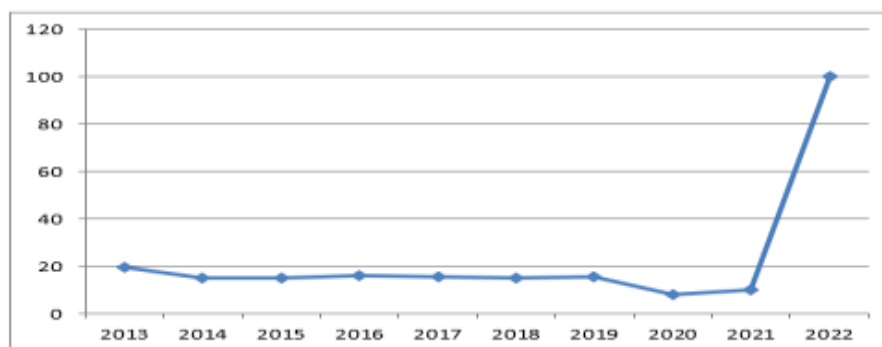
4.2.1. Cash Balance Ratio

Table N°04: Cash Balance Ratio

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash Balance Ratio	19.61	15.24	15.01	16.23	15.74	15.09	15.46	7.85	10.16	9.99

Source: Prepared by the researchers based on the financial statements of the BNA

Figure N°04: Cash Balance Ratio



Source: Prepared by the researchers based on the results of Table N°04.

Analysis: Figure N°04 represents the monetary benchmark's values and associated financial ratios, reflecting the cash held by the BNA to fulfil its depositors' obligations. These values indicate fluctuations in the ratios peaking in 2013 at 19.61 percent, before declining in the following years 2014-15 to 15.24 percent and 15.01 percent respectively. However, there was a rise to 16.23 percent in 2016, followed by further decreases from 2017 to 2020, with respective ratios of 15.74 percent, 15.09 percent, 15.46 percent, and 7.85 percent. Finally, an increase to 10.16 percent in 2021 that declined slightly to 9.99 in 2022, was recorded, reflecting a decreasing ratio of 5.47 percent compared to 2019. These results can be explained by the Bank's ability to meet its financial obligations due on time.

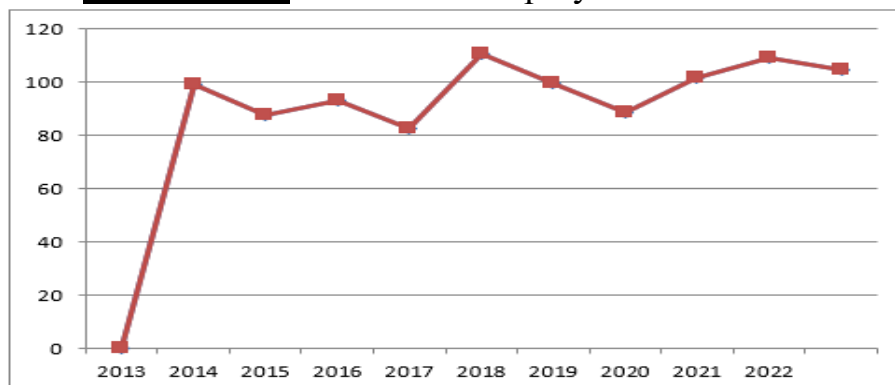
4.2.2. Investment Employment Ratio

Table N°05: Investment Employment Ratio

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Investment Employment Ratio	99.03	87.77	92.98	82.37	110.5	99.73	88.8	101.5	109	104.5

Source: Prepared by researchers based on the financial statements of the BNA

Figure N°05: Investment Employment Ratio



Source: Prepared by the researchers based on the results of Table N°05

Analysis: Figure N°05 presents the investment employment ratio, demonstrating fluctuations over the years. Notably, the ratio peaked in 2017 at 110.3 percent. Between 2012 and 2016, the ratios exhibited variability, alternating between high and low values. In contrast, there was a notable increase in 2021 and 2022, with ratios of 109 percent and 104.5 percent, respectively. The data of investment employment ratio can be explained by the bank's ability to effectively utilize the funds collected from deposits to meet customer needs.

4.2.3. Capital Solvency Index:

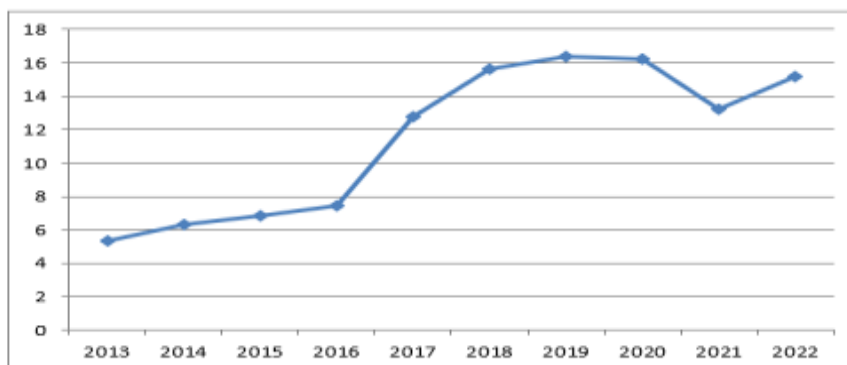
4.2.3.1. Ownership Right to Total Assets

Table N°06: Ownership Right to Total Assets

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ownership Right to Total Assets	5.37	6.33	6.87	7.43	12.79	15.59	16.36	16.25	13.23	15.15

Source: Prepared by the researchers based on the financial statements of the BNA

Figure N°06: Ownership Right to Total Assets



Source: Prepared by the researchers based on the results of Table N°06.

Analysis: An analysis of data in Table N°06, indicates that the ratio of ownership right to total assets increased steadily over the period 2013-16. From 2017 to 2020, it experienced a high increase to the following respective rates 12.79 percent, 15.59 percent, 16.36 percent, 16.25 percent, and 13.23 percent peaking in 2019. However, there was a decrease to 13.23 percent in the subsequent year followed by a rise at 15.15 in 2022. The **increase** in the ratio of equity-to-total-assets over the eight-year period reflects the bank's dependence on capital for asset formation. This increase is attributed to the bank's ability to refund deposits from its own funds.

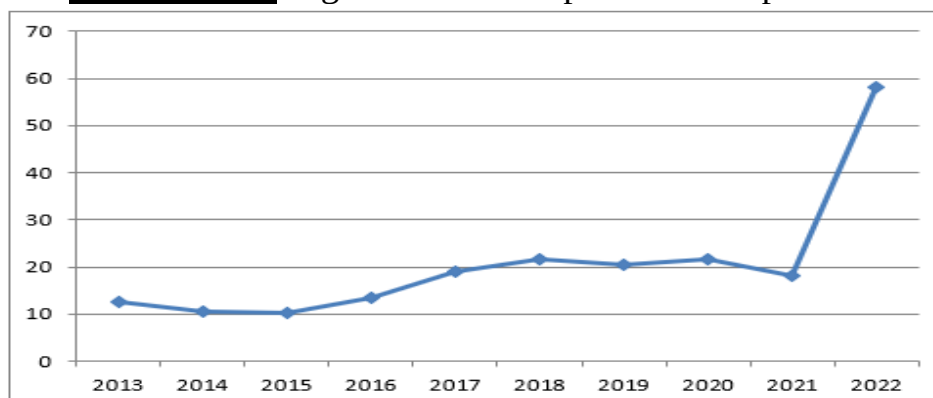
4.2.3.2 Ownership Right to Total Deposits

Table N°07: Equity to Total Deposits

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Right of Ownership to Total Deposits	12.70	10.41	10.34	13.36	19.03	21.51	20.49	21.50	18.17	58.24

Source: Prepared by the researchers based on the financial statements of the BNA

Figure N°07: Right of Ownership to Total Deposits



Source: Prepared by the researchers based on the results of Table N°07.

Analysis: The data shown in Figure N°07 reveals a variation in the equity-to-total deposits ratio. Specifically, there was a decline during the initial three years, followed by an increase over the subsequent six years. Indeed, in 2013, the ratio was recorded at 12.71 percent. This downward trend persisted until 2015, when it fell to 10.34 percent. Subsequently, the trend marks the onset of an upward trajectory from 2016 to 2022, with respective proportions of 19.03 percent, 21.51 percent, 20.49percent, 21.50 percent, 18.17 percent, and lastly peaking at 58.24 percent. This can be explained by the fact that a significant equity-to-total deposits ratio signifies the degree to which the bank depends on equity for financing, and provides essential protection for depositors' funds.

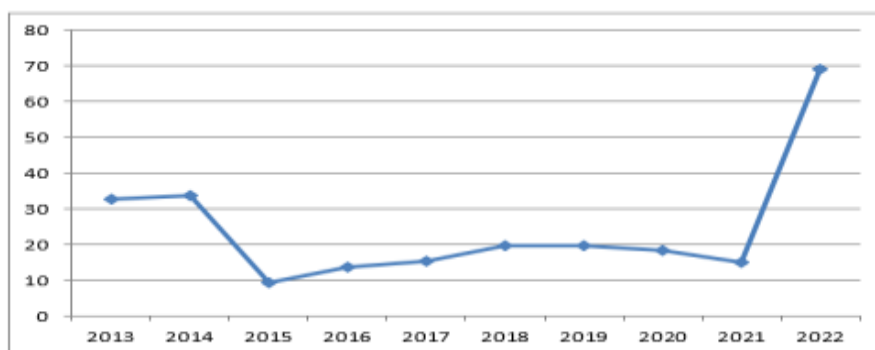
4.2.3.3 Ownership Right to Total Loans Ratio

Table N°08: Equity to Total Loans

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Equity to total loans	32.73	33.76	9.25	13.62	15.31	19.80	19.79	18.22	14.91	69.25

Source: Prepared by the researchers based on the financial statements of the BNA

Figure N°08: Equity to Total Loans



Source: Prepared by the researchers based on the results of Table N°08.

Analysis: The data in Table N°08, reveals that the Equity to total loans ratio rose by 1.03 percent from 2013 to 2014. However, it decreased in 2015 reaching 9.25 percent. In the following three years from 2016 to 2019, the ratio showed a steady increase reaching 13.62 percent, 15.31 percent, and 19.80 percent respectively. Subsequently, the ratio decreased over the next two years, 2020 and 2021, but then rose again in 2022, peaking at 25.69 percent. The elevated ratios indicate the BNA's capacity to align with the investment risks associated with loans and advances with its equity, without compromising deposits. Moreover, they indicate the anticipated level of risk within the bank's loan portfolio.

5. CONCLUSION

Commercial banks serve as the backbone of an economy and stand as key indicators of a nation's economic development due to their essential role in mobilizing resources. In order for the bank to achieve all this, it must use a set of financial indicators and apply the latest systems and techniques that assist in analyzing its various aspects. In this respect, financial indicators and ratios are important tools to evaluate their performance and ability to face the current and future obligations owed by them; indeed, they serve as a tool of financial analysis Which is the beginning of the performance measurement and the end in its evaluation.

The examination of the subject led to the following findings:

- To meet its financial objectives, the bank must enhance its financial performance by consistently monitoring its financial position;
- The process of assessing financial performance involves using a variety of financial indicators and criteria that together provide a comprehensive analysis of the bank's financial position;
- The BNA is fundamentally sound in most respects, as it is characterized by efficient management and its ability to withstand challenges is good; however, it faces some shortcomings that it must remedy and address before they escalate.

In support of the above results, we can propose the following:

- The bank must ensure the analysis of its financial statements in order to evaluate its financial performance periodically, and to detect and address weaknesses for the sake of avoiding their potential recurrence in the future;
- Since it is impossible to use all indicators to gauge the financial performance, it is necessary to test the ones that correctly reflect it, and rank them in terms of their importance, so that they can be linked with the desired goals while it can be compared to planned performance;
- Studying the elements of property rights in detail to ensure that they are used as elements that increase the ability of commercial banks for the sake of increasing their financial performance and thus achieving profitability;
- Intensifying accounting audit procedures to ensure data's and reports' accuracy and reliability;
- Analyzing financial ratios allows for the financial deviations' identification within the bank, which provides insight into its overall standing and position relative to other banks.

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