



REPORTING ON INTELLECTUAL CAPITAL AND ITS IMPACT ON THE VALUE OF THE ECONOMIC UNIT- AN APPLIED STUDY ON PRIVATE IRAQI BANKS

¹ Adheem Naeem Bachi

azeem.naeem2106p@coadec.uobaghdad.edu.iq

² Dr: Safwan Qusay Abdel Halim

drsafwan@coadec.uobaghdad.edu.iq

University of Baghdad, College of Administration and Economics, Department of Accounting, Iraq

Article history:	Abstract:
Received: 11 th June 2024	<p>The research aims to discuss and analyze the theoretical framework for reporting intellectual capital (IC), discuss and analyze the theoretical framework for IC and the requirements for reporting it, and identify the nature and components of IC, methods of measurement, disclosure and the impact of this reporting on the value of private Iraqi banks. The research concluded that intellectual capital includes, in addition to its traditional components, taking into account the dimensions of human resources development for the sake of continuity, identifying the impact of the bank's structure, the number of committees, and the mechanisms for transferring information between the different administrative levels, which affects the nature and quality of the decisions taken by these levels, and developing relations with... Internal and external parties, and there are several indicators on which the management relies to ensure the sustainability and continuation of these relationships, and that reporting on intellectual capital contributes to raising the value of the bank, and has a clear impact on the nature and quantity of information provided to customers, and this information is what contributes to raising the value of the bank in the market. The research concluded that banks must pay attention to developing and training working cadres in order to keep pace with developments in the markets, and that it is the duty of bank management to attract competent personnel who possess experience in the field of modern electronic programs and systems, and to develop a plan to develop employees by involving them in training courses in their field of specialization to be Keeping pace with developments in the field of specialization, and ensuring flexibility in the organizational structure in order to improve its response to changes in business requirements.</p>
Accepted: 7 th July 2024	
Keywords: Intellectual capital, human capital, structural capital, relational capital, added value.	

THE INTRODUCTION

Intellectual capital (IC) is considered one of the most important components of intangible assets. It represents the level of knowledge, education, skills and experience possessed by employees, the brand, patent, reputation of the unit, the nature and flexibility of the organizational structure, organizational structure and relations with its internal and external parties, that is, it represents the most important Assets that were created internally, and the concept of (IC) has now become among the most important research topics in accounting, because the possession of experience and skill by employees has become the basic factor that determines the ability and possibility of units to continue and survive in the future, and to ensure that the unit continues to provide its services, it must possess people. Able to innovate, develop, use, develop and deal with electronic programs and develop expertise. The major role that banks play in financing various economic and social activities, and given the amount of money they have, banks invest this money in different economic sectors in order to develop them and fulfill their obligations to customers. As a result of the pressures of international organizations concerned with society and the environment, the guidelines and directives of the United Nations, and the interests of investors and customers in this reporting, therefore, banks have become interested in reporting on intellectual capital. Investors have become interested not only in profits, but in the extent to which they care to develop their employees and improve the organizational structure and internal and external relations, and in



Iraq: Banks listed on the Iraqi Stock Exchange provide intellectual capital, but most banks do not issue separate reports, but rather include financial statements.

First: research methodology

1- Research problem: The challenges facing private Iraqi banks to report on their IC in light of current reporting requirements stem from the difficulties faced by preparers of financial reports because most of the data on these assets are quantitative rather than material data, as well as the absence of a unified standard on which the process can be based. Measurement is due to the large differences between the components of these assets, and therefore the research problem can be formulated through the following questions:

- What methods are used to report IC in economic units?
- To what extent does IC reporting reflect the value of private Iraqi banks?

2- The importance of the research: The importance of the current research comes from the increasing importance of the IC, the requirements for reporting it and its impact on the value of the economic unit, and the importance of explaining the reflection of the process of reporting the IC on the value of the economic units.

3- Research objective: The current research seeks to achieve the following objectives:

- Discuss and analyze the theoretical framework of IC and its reporting requirements.
- Identifying the nature and components of IC in private Iraqi banks.
- Identify methods of measuring and disclosing intellectual capital. (IC)
- Explaining the impact of IC reporting on the value of private Iraqi banks.

4- Research hypotheses: The main hypothesis of the research is (there is an effect of reporting IC in private Iraqi banks).

Second: The theoretical framework of intellectual capital

1- Definition of the Intellectual Capital

Researchers did not agree on a single definition of (IC), and several definitions of (IC) were presented, including:

- Skandia (1995) defined it as the possession of knowledge, applied experience, organizational technology, customer relations and professional skills that provide the Skandia organization with a competitive advantage in the market. (2016: 430, et.al Sharabati)
- It is defined as an intangible asset in the form of human resources information and their performance in leading the unit (Akbar & Rosinta, 2021: 108)

Through the definitions above, it can be defined that (IC) is one of the most important intangible assets and consists of a combination of collective knowledge, skills and accumulated experience that the unit has to ensure its continuity and maintain its competitive advantage.

2- The importance of intellectual capital

(IC) represents a source of generating wealth in the era of the current knowledge economy, and (Nour et al.) stated that it is one of the most important results of the technical science revolution, and it is the beginning of a different phenomenon in business units, which resulted in a rise in the relative importance of intangible assets, as these assets represent the largest percentage of the unit's assets, IC represents the knowledge accumulated in the minds of human resources, which results in the exchange of experiences and sharing them with the work team. Therefore, the real competition today between international economic units is in developing IC by all possible means. Experience and knowledge are the main source of IC. Knowledge is no longer just a tool in the process. Developing competitive capabilities is a source of competition for unity (Noor et al., 2010: 8), and (ÇALHAN et.al) emphasized that the importance of (IC) is a result of the increasing importance of modern information day after day, and this concept attracted attention to the role played by (IC) in doing business based on knowledge and competitiveness, and how to manage (IC) and report on it in order to increase its long-term income, compete, make a difference and improve performance, and the importance of (IC) comes from the following: (et.al.2020:264, ÇALHAN)

A - The social and economic importance of information (IC): The information revolution occurred thanks to technological developments, as information became the most important economic force in the field of business. Economic units gain competitive advantages by using information. Therefore, great importance is given to intangible assets in order to provide sustainable growth and development. Assets are intangible. Tangibles, such as physical assets, create shareholder value when they are expected to generate above-average returns.

B - The importance of (IC) for units: (IC) has a significant impact on business success, as it is a real source of wealth for businesses. The economic structure at the present time makes the trading of intangible assets a current issue with the development of technology in competition. Units that do not seek to compete cannot Behind these innovations survive in the competitive market, so they must understand (IC) and its importance, and stand against their competitors by exploiting it.



C- The strategic importance of (IC): These units can enjoy profit advantages through a higher market share, and there are many roles that (IC) must play in them, as well as other strategic assets of the unit to achieve the desired results. (Gopika & Aulbur. 2004: 409)

This is why the researcher believes that IC has gained increasing importance in the current century as a result of the great competition in various technological sectors, and economic units are also seeking to use this technology in various fields and stages of work, and that units today are planning for all stages of work to become dependent on modern work techniques, so what technology offers Information, communications and other electronic programs help in carrying out daily affairs and communicating with others. As a result of the intense competition in these sectors, the role of the human element who has practical experience and the ability to design and develop has become a wealth for the units. In fact, it can be said that the IC will represent the largest part of the non-existent assets. Tangible materials, which form the basis for raising the value of units, so the importance of IC stems from the importance of modern technologies and their development and the great competition between countries to obtain this expertise.

3- Components of intellectual capital

There are several studies that addressed several components of (IC), including those shown in the table below.

Table (1): The most important studies that addressed the components of (IC)

seq	Sample	Components of intellectual capital			
1	Brooking 1996	Market assets	Human assets	Intellectual property assets	Infrastructure
2	davenport & prusak,1997	Intellectual assets	HR	intellectual property	
3	Edvinsson&Malone 1997	Human capital	Structural capital	Exoskeleton	Internal structure
4	Sveiby1997	Human capital	Structural capital	Exoskeleton	Internal structure
5	International Federation of Accountants 1997	Human capital	Structural (organizational) capital	Relational capital (customer)	
6	Stewart 1999	Human capital	Structural (organizational) capital	Relational capital (customer)	

Prepared by the researcher (30-31: (Guthrie, 2001, (Gopika, et.al, 2004.393), (Rabab: 2014: 56-63)

It is noted that most of these studies focused on three main components, which are capital (human, structural and relational), and the focus is on the three elements of IC as they are the elements that have been most researched by researchers, and because these components fit the current work environment in light of the knowledge economy and development. Technology, the growing interest in the human element as the most important success factor for the units in light of the changes in the modern business environment, the importance of sustainable relationships with the unit's employees and relevant external parties, the importance of the organizational structure in light of the changing environment taking place in the business environment and the increasing interest in developing the unit's internal capabilities to keep pace with developments. In light of the knowledge economy, the figure below shows the components of IC.

Figure (1) Components of intellectual capital

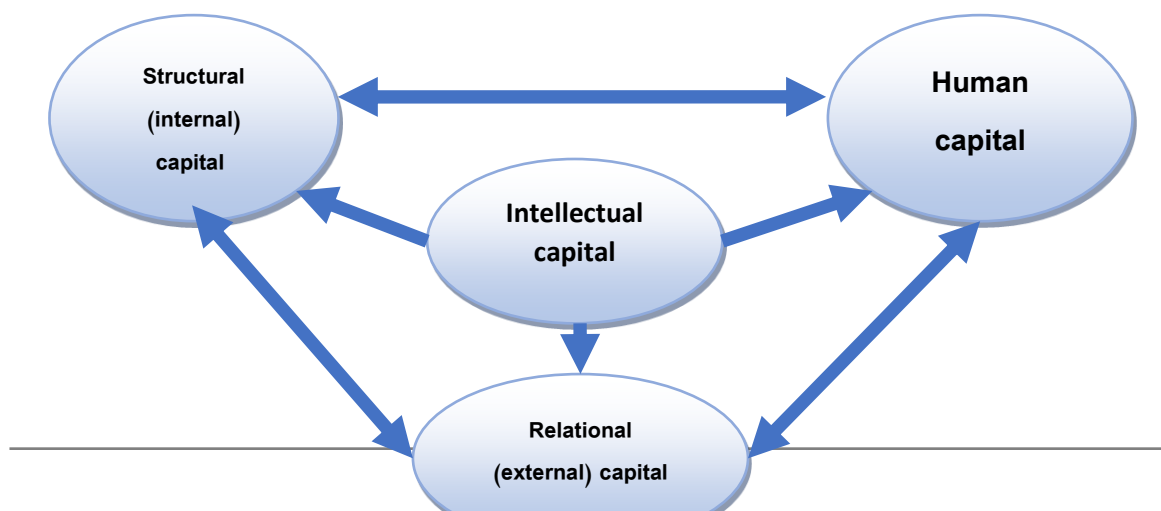




Figure adapted by the researcher (Gogana, et.al. 2015)

3-1- Human Capital (HC)

(HC) represents a strategic resource for operating units. It represents the capabilities, experiences, and skills of its employees, which must be invested and managed well in order to increase the economic value of the unit. HC is defined as the set of values, attitudes, skills, and capabilities of employees that can generate value for the company (Jardon & Cobas 2021). :3)

HC consists of several components: (knowledge and skill - qualifications and experience - innovation and creativity - team cooperation) (Al-Madhoun: 2020: 52) Nojehdeh, 2016: 251) & (Pasban

3-2- Structural capital (SC).

(SC) represents the source of knowledge that drives the unit to achieve its goals, vision, and mission. (SC) is created by people characterized by their ability to innovate and develop, and it can be purchased from an external source. It is a strategic knowledge asset for the unit, and it is formed by the unit and belongs to it, that is, if (SC) includes internal and external capabilities and signs (Gogana, et.al. 2015: 1140), and is defined as the mechanisms and organizational structure of the unit that can help workers achieve optimal intellectual performance and thus achieve better performance for the unit, et.al. Beltramino (2020: 3), and basic components of (SC) were identified as (organizational culture - administrative processes - information systems and databases - organizational structure) (Gogan, et, al. 2013.11).

3-3- Relational Capital (RC)

RC represents the relationships that people establish among themselves while dealing with each other, and it is represented by the characteristics and qualities of individuals, and it is defined as the set of dynamic and productive relationships for the digital entrepreneur characterized by trust, respect, reciprocity, and commitment of partners. (Mignenan,2022:18).

Third: Reporting on intellectual capital

The main idea of reporting is to provide information that helps users make the appropriate decision. This information is useful to users as it explains the nature and size of the (IC) present in the unit, and the usefulness of this information that is disclosed to users is primarily related to choosing the appropriate measurement model (3: Carlos & Cobas, 2021), and Al (Adugna, et) stated that there are difficulties in the process of measuring IC because it consists of a group of intangible knowledge assets, that is, its value varies greatly between units despite the great efforts that have been made and are still being made to Measuring the value of these knowledge assets, but the measurement problem still exists (Adugna, et al. 2021: 20844).

1- Measurement of intellectual capital

Measurement represents a set of tracking procedures to measure the availability of certain characteristics in an individual, and to judge the ability to perform certain functional tasks and activities (Afanah, 2019: 97), in order to provide decision makers with the required information about the quality of IC that allows certain decisions to be made, here as a difference between measuring IC mainly revolves around how it is measured and evaluated (Adugna, et al., 2021: 20843), and measuring IC has been known by several definitions, including:

- IC measurement is defined as a set of rules and procedures that an economic unit follows in order to indicate the amount of value of the intellectual assets it possesses during a certain period of time, which has an impact on developing its performance and enhancing its economic value" (Nasser, Mashkour, 2017: 38).

From the definition above, the researcher defines IC measurement as the methods and procedures taken by the unit to measure the intellectual assets it possesses and indicate their impact in enhancing the unit's current and future value. The importance of measuring IC is greatly embodied in the following: (Afanah, 2019: 100)

A - The necessity of measuring the unit's performance accurately and completely, especially in societies where knowledge is increasing and where knowledge constitutes a large part of the value of the product and the value of the unit.

B - The inability of traditional accounting methods that rely on measuring tangible assets from the historical records of organizations to measure and estimate the value of their IC, which constitutes a large portion of their assets.

C- Modern models for measuring IC are able to measure its components that traditional accounting methods do not measure.



D - Traditional accounting methods focus on material facts only and focus on quantities, while IC standards rely on immaterial facts and focus on quality.

The most important of these problems and difficulties are in: (Rabahi, 2016: 184: 185)

- The lack of suitable markets to determine the prices of some IC elements, such as employee efficiency and customer satisfaction.
- The contradiction in the nature of IC elements. Some of them increase in value with use and the passage of time, and vice versa for other or remaining elements.
- The difficulty of evaluating each element of the IC separately, due to the overlap between them, as its value is estimated entirely, and this does not meet the requirements of the International Accounting Standard (38 Intangible Assets), which emphasized that capitalizing intangible assets requires distinguishing each asset separately.
- Increased uncertainty of expected benefits, resulting in IC values potentially rising or falling to zero at some point as a patent.
- The difficulty of unifying standards for IC elements in all units, due to the differences in IC shapes and the specificity and subjectivity of some of its elements from one unit to another.
- There is no causal relationship between the cost of IC elements and the benefits resulting from them. Consider now that the value of these elements is represented in their use and not in their cost, meaning that the cost of the element may be small but it is used extensively, or that this use is a direct or indirect cause of generating value that does not exist. commensurate with its cost.

2- Models for measuring intellectual capital

Many researchers have developed models that can be used to measure the value of IC. This model divides the market value of financial capital and IC in order to measure the components of IC (Jancevska & Minovski, 2018:74). Many writers and researchers in the field of accounting and management have touched on several ways to measure IC, and many researchers have mentioned The different methods can be divided into four main groups shown in the table below.

Table (2) measurement models (IC)

	Measurement method	Components of the measurement method
1	Direct methods of intellectual capital Direct Intellectual Capital Methods	1(DICM) includes an estimate of the monetary value of (IC) by revealing its various constituent elements. Once these components are identified, they can be directly evaluated, either individually or as an aggregate coefficient (Jurczak, 2008:40), and it indicates the total value of the different categories to Value related assets include the following measurement models: HR Costing and Accounting, Citation Weighted Patent, Technology Broker, Comprehensive Valuation Methodology, Total Value Creation, Intellectual Asset Valuation, Value Explorer, and Financial Method of Intangible Asset Measurement. Its most notable disadvantage is that its results cannot be easily linked to the financial results in the case of (IC). The direct method is usually not useful with financial data, and it may need a survey or interview, because some of its elements are not monitorable (Jardon & Cobas. 2021:5)
2	Market Capitalization Methods : (DICM)	This method calculates the difference between the unit market value and shareholders' equity as the value of (IC) or intangible assets (Jurczak, 2008:41), and includes the following measurement models (Tobin's q, invisible balance sheet, market-to-book value ratio). This method has some strengths and weaknesses. It emphasizes financial numbers, but although it is not complete, it is auditable and provides a realistic assessment of the unit. Its main advantage is that it is used to make a simple comparison between active units in a single similar industry, but it will provide very few details to analysts. Millions.
3	Return on Assets Methods (ROA)	Under these methods, pre-tax profits are averaged and divided by average tangible assets. The difference between the unit and industry ROA is then multiplied by the unit's average tangible assets to calculate average earnings from intangible assets. Dividing the average earnings by the average cost of capital or interest rate provides an assessment of the value of IC (Nazari & Herremans 2007:599) and (Jurczak, 2008:41).



		The following measurement models include (value added coefficient (IC), intangible value calculated, economic value added, knowledge capital gains)
4	Scorecard Methods (SC)	<p>A multidimensional measurement model of unit performance called the balanced scorecard was developed by Kaplan and Norton (1992) in the early 1990s. The model encourages units to monitor their performance not only from a financial perspective, but also from some non-financial perspectives, such as customers, internal business process, learning and growth. The four perspectives are described (Yi An, et.al, 2015.236), these methods are based on identifying the different components of intangible assets or (IC) and the indicators and metrics acquired in relation to scorecards and reporting them as a graph, these methods are similar to direct (IC) methods, the difference The only difference between them is that in the scorecard methods there is no assessment of the monetary value of intangible assets or (IC) (Jurczak, 2008:44), and the following measurement models include (Intangible Asset Monitoring, Skandia Navigator, Comprehensive Accounts, Knowledge Asset Map, Guidelines Merit, the value chain scoreboard. (2014Nazari, 99)</p> <p>The disadvantages of these methods are that the indicators used in them are the type of content indicators, which means that they can be different for each goal. From this perspective, comparing units with each other is very difficult, and another disadvantage is the inability to link them to financial results (Sindiswa, 2009:55 .</p>

Prepared by the researcher

3- Disclosure of intellectual capital

The financial reports provided by these units are the only means by which external users, including current and prospective shareholders and investors, can obtain information related to the unit's activities. As a result of the increased interest in intangible assets, financial markets have become increasingly interested in disclosing (IC), and the units are classified as (IC). (IC) is among the ten most important information needs of investors, as a result of the growing interest in intangible assets and their role in increasing unit value in financial markets (Abeysekera, 2008:8). (IC) has been defined by several definitions, including: -

- It is defined as a report intended to meet the common information needs of users who are unable to control the preparation of reports on (IC) designed to meet all their information needs (Kamath, 2014: 4))
- It is defined as a means of communicating the nature of the intangible value that the unit possesses. Disclosing (IC) is valuable information to stakeholders (Susanto, et al. 2019:6).

Disclosing (IC) can be defined by the researcher as a means of reporting the components of (IC) present in the unit and the role of this information in helping information users to make appropriate decisions, as well as its role in adding value to the unit.

4- The importance of disclosing (IC)

The usefulness of financial information to users has decreased significantly due to modern economic developments. The financial information provided by the economic unit to users is no longer useful in order to make their decisions. As a result of the increasing importance of intangible assets, disclosure of (IC) has become extremely important and required by regulatory authorities. And global financial markets, due to its importance to users of information from inside and outside the unit. Disclosure of (IC) has become linked to the increase in capital flows witnessed in global markets. Disclosure of (IC) is positively related to the market value of the unit (Zhang, 2012: 12), as disclosure affects The decisions of current and prospective investors through the ability to extract information about the innovation efforts of the economic unit, as a result of the increasing importance of knowledge-based resources. Therefore, most of these units voluntarily disclose their resources and intangible assets to fill this gap (Osama, 2018:5), where lies the importance Disclosure of (IC) is as follows:-

- There is an opportunity for units to disclose their IC to the market in order to reduce information asymmetry between market players and achieve market ratings that better reflect the unit's risk profile (Dumay & Tull, 2007:7).
- That (IC) can reduce information asymmetry and thus improve relations between the unit and stakeholders.
- Improving financial statements to include financial reports for (IC) in order to rationalize investment decisions and financial reporting for (IC) in order to rationalize decisions and investors (Ali, 2018:6).
- Provides strategic information that will give a fair advantage to others, contributing to reducing the information asymmetry gap while increasing the proportion of unit value attributed to intangible assets (Bontis, 2003:8))
- It enhances transparency, reduces information asymmetry among users, and improves the reputation of the economic unit; As (IC) helps in evaluating their capabilities to create future wealth, which represents a key factor for market competitiveness (Moolman, 2009: 37).



Fourth: The effect of reporting (IC) on the value of private Iraqi banks

1- An overview of the banks that are the research sample

(6) banks were dealt with out of (46) banks listed on the Iraqi Stock Exchange, and in the table below the banks that were dealt with in the research.

Table (3): Banks in the research sample: year of establishment, year of listing, and current capital

The bank	Current capital (one thousand dinars)	Capital upon listing	Year of listing	Year Founded
Baghdad	250000000	100000	2004	1992
Development	250000000	100000	2011	2011
the South	250000000	100000	2016	2009
Arabic	250000000	100000	2016	2005
Commercial	250000000	150000	2004	1992
Sumer	250000000	400000	2000	1999

The table was prepared by the researcher based on published bank data

2- Measuring added value

The equation shown below was relied upon to measure value added, because in the researcher's opinion, it measures value added appropriately and more accurately than other measures.

The equation for measuring value added: $VA = C + D + A + OP$

Table of value added for banks in the research sample (amount in thousands)

The bank	2018	2019	2020	2021	2022
Baghdad	5,396,750	15,731,699	27,918,695	21,581,442	18,720,772
Commercial	14,064,849	10,644,610	44,332,694	15,277,590	16,504,918
the South	1,612,520	2,343,413	5,016,409	14,792,043	28,727,708
Development	29,406,478	14,278,016	24,157,779	30,519,914	28,672,630
Sumer	4,142,217	3,596,833	3,703,593	3,755,072	3,773,574
Arabic	1,813,549	1,677,229	1,074,896	-1,215,911	-3,801,955

The table was prepared by the researcher based on the financial statements of the banks in the research sample and the information that the bank provided to the researcher

3- Measuring human capital (HC): (HC) focuses on developing the capabilities of workers through development, training, and attracting new workers possessing high skill that meet the aspirations and achievement of the bank's goals, and achieving the goals of the economic units that relate to alleviating poverty, eliminating unemployment, and raising the level of education. Therefore, to measure HC, information must be available on the annual expenditures that contribute to developing employees' capabilities through quality education, the total number of employees and the ratio for each gender to achieve the goal of gender equality and institutional justice, and the average age to identify its role in raising innovation and developing infrastructure. And continuity, and the total salaries of employees who contribute to the development of banking work. cadre development represents the decisive factor in developing capabilities because skills and capabilities are considered a wealth, and it does not include the costs of training employees to operate programs, but only those costs that lead to developing the capabilities and capabilities of employees as stipulated in that standard. International (38), so the researcher adapted the HC measurement equation in previous studies to suit current work requirements in light of the knowledge economy to include the following variables:

$$SHC = n+1 * C + S / DR * EAR$$

Human capital = percentage of new employees (n+1) * T. Development courses (C) + salaries (S) / discount rate (DR) * employee age average (EAR)

In order to complete the (HC) equation above, the researcher obtained the information below from the financial statements published for the period from (2018 - 2022) and from information obtained by the researcher through a form submitted to the banks in the research sample. This information includes information about (the number of employees, the ratio of women to men), number of new employees, average age of employees).

Table (7): Human capital of the banks in the research sample

Year/bank	2018	2019	2020	2021	2022
Baghdad	1,821,488	1,773,253	1,995,569	1,541,472	1,694,797
Development	876,403	1,083,619	1,133,902	1,632,236	2,323,449



Commercial	354,545	287,648	346,754	424,037	399,698
the South	262,083	405,155	354,640	504,761	362,828
Arabic	100,374	118,419	76,410	110,045	117,297
Sumer	226,334	301,580	411,956	333,000	226,334

The table was prepared by the researcher based on the financial statements of the banks in the research sample and the information that the bank provided to the researcher

Information provided to banks

After the required information was collected to measure (HC) in the banks in the research sample, it can be noted that the Bank of Baghdad and several Development Banks are the highest banks in the research sample, due to the number of employees as well as the volume of spending on development courses and the number of new employees.

4- Measuring relational capital (RC): Measuring (RC) in light of current reporting requirements aims to ensure customer satisfaction and ensure continued customer loyalty to the brand, which leads to retaining them, and maintaining and sustaining a good relationship with customers. It contributes to increasing the confidence of current investors and also contributes to In attracting new investors, the researcher adapted the relational capital equation to suit the variables in the current working environment, and suggested that the relational capital equation include the following: (total facilities TF / number of customers NC) + (c. external audit, electronic website, consulting, and banking services EA&CBS) + Total Social and Environmental Contributions TS&E (Energy + Environmental and Social Initiatives).

$$SRC = (TF/NC) + (EA&CBS) + (TSEC)$$

Table (8) measuring relational capital for the years 2018-2022

the year	2018	2019	2020	2021	2022	Arithmetic mean
Baghdad	726,609	642,092	1,794,937	460,133	2,277,848	1,180,324
Development	550,915	484,796	633,708	975,009	1,378,783	804,642
Commercial	258,227	259,072	397,804	304,649	307,148	305,380
the South	861,235	495,036	2,213,171	1,851,774	8,786,411	2,841,525
Arabic	848,590	837,230	880,392	107,123	197,292	574,125
Sumer	277,363	334,230	456,128	388,603	338,987	359,062
Arithmetic mean	587,157	508,743	1,062,690	681,215	2,214,412	

Prepared by the researcher based on published bank data

5- Measuring structural capital (SC): The step to measure SC includes calculating the added value because it indicates the difference between the institution's net profit after tax and the total cost of capital invested in operating the institution during a certain period. To reach the added value, the net operating profit must be determined to the total Financial profits from the company's basic and operational functions and businesses during a certain period of time, so that interest and taxes are deducted, profits made from additional investments, and financial profits from other businesses are excluded, that is, which represents the difference between total operating revenues and operating expenses, as well as the total amortization amortizations, and the equation It is as follows:

$$SSC = EVA-N -(HC+RC)$$

Table (9) Measuring structural capital

the year	2018	2019	2020	2021	2022	Arithmetic mean
Baghdad	1,477,938	1,450,082	1,909,507	7,678,438	13,872,543	5,277,702
Development	1,089,507	1,989,139	4,164,267	5,071,059	14,569,793	5,376,753
Commercial	1,347,053	1,425,759	748,400	1,708,298	2,970,488	1,640,000
the South	754,940	2,402,866	301,723	1,723,652	419,193	1,120,475
Arabic	1,359,477	65,779	3,614,319	3,457,263	12,218,604	4,143,088
Sumer	2,553,975	2,267,907	2,007,034	1,052,532	1,631,750	5,277,702
Arithmetic mean	1,430,482	1,600,255	2,124,208	3,448,540	7,613,729	

Prepared by the researcher based on published bank data

By looking at the table (EVA) and Ras Al-Fikri, it can be said that (EVA) in banks goes back to (IC), and from the two tables it is clear that the Development Bank is the highest bank in terms of (EVA), followed by the Bank of Baghdad,



while the Bank of Baghdad is among the highest. Banks with regard to (IC), and this indicates that the employment policy, development courses, good relations with customers, the technology used and the environmental and social contributions of the bank are the basis for raising the value of (IC), as the environmental and social contributions of the Bank of Baghdad during the years of the study sample were higher than the rest. The banks are followed by the Development Bank, which was among the highest banks in granting credit facilities to customers and which had the greatest impact in raising the bank's EVA. We also note the impact of the social contributions of the Arab Bank, which provided (20%) of its annual revenue, on the bank's value in the market. As well as the value of (IC), it can also be seen the effect of these contributions on the value of the Southern, Commercial and Sumer Bank, so it can be said that reporting (IC) has an impact on the value of banks, and this supports the research hypothesis which states that there is an impact of reporting (IC) on the value Private Iraqi banks.

By looking at Table No. (10) and identifying the value of intellectual capital, it is possible to know the value of the bank's total assets, the value of which is reflected in the value of the bank. The greater the value of tangible and intangible assets, the greater the value of the bank. This proves the research hypothesis. There is an effect of reporting IC. On the value of Iraqi private banks.

FIFTH: CONCLUSIONS AND RECOMMENDATIONS

A- CONCLUSIONS:

- 1- Measuring intellectual capital requires identifying and measuring the added value of the bank.
- 2- Intellectual capital is considered one of the most important components of intangible assets in the modern era, and therefore disclosing it is considered one of the priorities of economic units at the present time.
- 3- Reporting on human capital includes, in addition to its traditional components, taking into account the dimensions of human resources development for the sake of continuity.
- 4- Reporting on structural capital includes identifying the impact of the bank's structure, the number of committees, and the mechanisms for transferring information between the different administrative levels, which affects the nature and quality of the decisions taken by these levels.
- 5- Reporting on relational capital contributes to developing relationships with internal and external parties, and there are several indicators that management relies on to ensure the sustainability and continuation of these relationships.
- 6- Reporting on intellectual capital contributes to raising the bank's value, because reporting on intellectual capital has a clear impact on the nature and quantity of information provided to customers, and this information contributes to raising the bank's value in the market.

B- Recommendations

- 1- Banks must pay attention to developing and training working cadres in order to keep pace with developments taking place in the markets.
- 2- It is the duty of bank management to attract competent personnel who possess experience in the field of modern electronic programs and systems.
- 3- Banking departments must develop a plan to develop employees by involving them in training courses in their field of specialization so that they can keep pace with developments in their field of specialization.
- 4- It is the responsibility of senior management to develop plans to develop and sustain relations with internal and external parties.
- 5- The development and sustainability of the organizational structure depends on the flexibility of this structure and its response to social, environmental and economic changes in its field of operation.
- 6- The organizational structure, organizing development courses, using programs, expertise, and information technology, and employing human cadres with a high level of knowledge and skill.

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