

**(Stability of dividends and their impact on the value of banks)
An applied study on a sample of commercial banks listed in the Iraq
Market of Commercial Papers**

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المستخلص

يهدف هذا البحث الى اختبار أثر استقرار الارباح الموزعة على قيمة المصارف المدرجة في سوق العراق للأوراق المالية, من خلال استخدام البيانات المالية المتاحة للمصارف التجارية عينة البحث والبالغة ثلاثة مصارف وللفترة من (2014-2018) عن طريق استخدام مؤشر مكرر الربحية كونه يعد من المؤشرات المهمة وشائع الاستخدام من قبل المتعاملين في القطاع المصرفي, لقياس مدى تأثير استقرار الارباح الموزعة على قيمة المصارف من خلال الاعتماد على منهج التحليل الافتراضي ومقارنتها مع البيانات المالية الفعلية لغرض اثبات العلاقة بين استقرار الارباح الموزعة خلال العمر الانتاجي للمصارف التجارية وقيمتها في السوق, وقد توصل الي نتائج عدة تشير الي وجود علاقة ذات تأثير ايجابي بين استقرار الارباح الموزعة على قيمة المصارف في السوق, من خلال اجراء المقارنة بين البيانات الفعلية والافتراضية للمصارف عينة البحث, كما توصل الباحثان الي توصيات عدة كان من اهمها ان تقوم ادارات المصارف التجارية في اتباع قرار توزيع ارباح مستقر في حال كانت ترغب في تعظيم قيمتها في السوق.

Abstract

This research aims to test the impact of profit stability distributed to the value of banks listed in the Iraq Stock Exchange, through the use of the financial statements available to commercial banks sample and three banks and for a period of (2014-2018) by using the duplicate profit index, which is important indicators and commonly used by dealers in the banking sector, to measure the stability of the impact of profits distributed to the value of banks by relying on the virtual analysis approach and compared to the actual financial statements for the purpose of proving the relationship between the stability of the outputs distributed during the production and value of commercial banks, The research has reached several results indicating a relationship with a positive impact between the stability of profits distributed over the value of banks in the market, Through the comparison between the actual and virtual data of the research sample, and researchers have also reached several recommendations that are most

important that the administrations of commercial banks will follow a stable profit resolution if they want to maximize their value in the market.

Keywords: profits stability, profit distribution decisions, bank value.

Introduction

represents the stability of dividends In the method of distribution of profits on shareholders stable or semi-constant for more than a year, this will have a significant impact on the value of the bank, and thus increase the demand for the bank's shares by investors, Profit distribution decisions are considered one of the most important financial decisions of the bank, as the bank obtained a large number of studies and these studies were distributed between supporters and opponents, due to the relationship of direct profit distribution decisions to shareholders, it is considered one of the important decisions taken by the board of Directors as it is responsible for choosing the mechanism for distributing profits to shareholders, the more stable the dividends distributed per share from year to year, the higher the share's value in the market, this indicates the bank's effective performance with dealers in the financial markets and the strength of its financial position so therefore, this research came to analyze the problem of the lack of a mechanism followed by banks to distribute profits in a stable manner, due to its effect on its value in the market, thus, this research will consist of three sections. the first topic includes research methodology and the theoretical aspect of the research, the second topic deals with the practical side of the research, while the third topic is devoted to the conclusions and recommendations that emerged from them.

The first topic

The first axis

Research Methodology

Research problem

The research problem can be summarized by a set of next questions:

1. Is there a strategy or annual decisions approved by the bank's management in distributing profits to shareholders?
2. Does the strategy (profit distribution decisions) adopted by the bank's management lead to maintaining stock prices in the financial markets?

3. Does the profit distribution strategy or decisions lead to attracting investors to buy shares in the event that new shares are offered in the financial markets to increase capital while preserving the market value?
4. Is there a positive relationship with a direct impact between dividend decisions and the market value of the share?
5. Is there a relationship between dividends and an increase or decrease in the number of shareholders?

Research aims

1. Measuring the extent of the commercial bank's management of the research sample listed on the Iraq Stock Exchange to stabilize the distribution of profits.
2. Clarify the effect of stable profit distribution on the market value of shares of commercial banks listed on the Iraq Stock Exchange.

Research importance

The research derives its importance from the importance of the impact that the stability of distributed profits plays in maximizing the value of banks, as the stability of dividend distribution leads to gaining the confidence of investors by attracting the largest number of them and motivating them to do so. Buying the shares of these banks in the financial markets, as these banks work to consolidate their competitive position in the capital markets and enhance the bank's reputation by building confidence among investors through the annual distribution of profits to enable it to obtain financing sources, whether it is local or international, that is, the process of stability and continuing to distribute profits during its working period (its useful life) will lead to an increase in the demand for purchasing these shares by investors, whether the stocks are in operation. market or market that is raised to increase financing, liquidity, money and cash.

Research hypothesis:

Based on the research problem and its objectives, the following hypotheses have been formulated:

1. There is a strategy used by commercial banks regarding the stability of dividend distribution to shareholders.
2. There is a direct relationship with a direct effect between the stability of dividend distribution and the market value of the share.

Spatial and temporal boundaries of the search:

1. Spatial boundaries: Three commercial banks are traded on the Iraq Stock Exchange.
2. Time limits: The time limits for research are for a period of five years and extend for the period (2014-2018).

The second axis

The theoretical side

First: Stability of Profits Distribution:

1. The concept and definition of profit distribution stability.

The concept of fixation is generally represented by a verb denoting the removal and modification of any kind of unsullied ((Buena, & Studene, 2016: 5), the concept of stability has many meanings, including (refinement and modification of matter, smoothness, removal of rusted), and stability is the process of modifying and erasing anything and making it equal((Ferry, 2018: 18), while the concept of profit stability from an accounting point of view represents the decisions related to the distribution of profits to shareholders that are followed by banks(Seoul, 2018: 4), accounting rules play an important role in achieving banks' financial strength by retaining profits and reinvesting them to achieve profits that contribute to enhancing their financial position(Bunea,& Studene,2016: 3), relying on the level of dividend distribution in a stable manner expresses the decision to pay those dividends according to the rate of earnings per share(Vahid, & Nasirizadeh, 2013: 493), dividend stability has been defined as the process of distributing net income, which appears in the financial statements, to shareholders in a stable manner(Chiboole ,D,& Jagongo,2020:73), it is considered one of the most important financial decisions related to shareholders and has direct impacts on stock prices, the decision to distribute profits affects the financial structure, cost of funds and liquidity, and has a direct relationship to the bank's future growth rate(BHalla .v .k, 2008 : 27) , the process of distributing profits in a stable or consistent manner during the life of the bank is an important goal, the bank's management is trying to work on its continuation for as long as possible, due to its positive effects on the market value of stock prices in the market, Because it is an important indicator of the strength of the bank's financial position, and it is also a tool used to measure the efficiency of management

in using its available resources for investment (Chiboole,D,& Jagongo,2020:73).

2. Measuring the stability of dividend distribution.

a duplicate measure of profitability or profit multiplier(**P/E**): the profitability repeatability index is considered one of the global indicators in the financial markets and it gains this importance because it reflects a state of optimism and pessimism about the market value of shares, and the frequency of profitability is the number of times shareholders get profits in exchange for covering the price paid for the share, that is, the higher the profitability ratio, the lower the better for the bank and a good indicator for entering and investing in its shares, and the profitability ratio indicator will be used in this study by the researchers, and it is calculated on the basis of the following equation: (Poudel , S. R,2012:74).

$$\mathbf{P / E = Closing Price / Earnings Per Share.}$$

This index is considered one of the most important global measures to test the true value of a traded share, as it achieves interdependence and integration between the market value of a share at a certain time and the annual profit per share, whether this is profit, partially distributed in the form of cash or held in the form of reserves or retained earnings (Nawabzada, M. S, 2017:132), this indicator measures or shows the number of times that the share price can be purchased from the annual earnings, and this indicator is a suitable criterion for deciding whether the stock has exaggerated its market value or vice versa, or if this indicator is higher than the average for the banks in the sector in which they operate and this It means either that the stock is overvalued or that market confidence in the bank's future is high, and vice versa(bate, W. T. & Mesfin, 2019:134).

Second: the market value of shares.

1. the concept of the market value of the share: it is the process of determining whether the share price in the market has been valued more or less than it should be, and this process helps investors make their rational investment decisions related to buying, selling or keeping these shares, because determining the true value of the real value helps the ordinary share in providing a mechanism for evaluation, an investor can rely on it to judge the feasibility of investing in common stocks or not (Henning, 2010:

27), it is also represented as the concept of the market value of the shareholder's right in the bank, and it is this share that establishes the negotiable right according to the rules of commercial law (Bragg, 2007:42), the share expresses the owner's right in the General Assembly to vote in it and be elected, the right of priority to subscribe and upon liquidation upon expiration of validity (Aidamenbor & Mgbemena, 2008:17).

2. Definition of market value: That market value that expresses the price at which it is possible to buy or sell shares subject to trading in the financial markets, which occurs as a result of the interaction between the strength of supply and demand for the stock, and this is the main reason behind this. Its constant change, and the market value is the most important value of the shares in the issuing bank for it (Buigut, 2013: 29).

3. Definition of common shares: a share is defined as a security that secures its holder a stake in the bank's assets (on gore, & Kusa, 2013:47), that is, it represents shares in the ownership of the bank, while investors see that the regular share has two main features, namely the possibility of selling the share one day in the event that the market value is higher than the purchase price and it is called capital gains, and the other advantage is that it represents a source of cash that the holder can reinvest (Kumar, 2017: 113).

4. Types of stock values: there are several different values for the ordinary share of the stock, which represent all the data related to it, it can be mentioned (nominal value, book value, market value) as follows: (Majanga, B, 2015: 10).

a- The nominal value: it is the value clearly written in the ordinary share coupon, this value is calculated on the basis of the capital, which represents the minimum market value of the share, and is paid to it when the share is offered for subscription, ie, that the book value of the share at the beginning of the establishment of the bank is equal to its nominal value, and this value is calculated by multiplying the nominal value by the number of ordinary shares (GaiLLe, 2020: 86).

b- Book value: it is the value that expresses the share of the ordinary shareholder after the bank has fulfilled all its obligations, and this value is exported after knowledge of its assets and properties, and this indicator is

adopted in making the investment decision, that is, if the book value equals the market value, the ideal investment decision is very beneficial.

C- Market value: It expresses the normal share price of the bank in the financial market and is characterized by continuous change that is affected by supply and demand factors, high market capitalization banks are more secure than lower market capitalization banks(Majanga, B,2015:10).

5. Factors affecting the market value of ordinary shares: these are the factors that are represented in the amount of new information that reaches the market, and every piece of information that reaches the market will affect the investors' decisions towards the shares offered in the market, and this information depends on a set of internal factors, information and external factors as follows: (Sharif, 2015: 208).

a. Internal factors: are those factors that occur within the limits of the bank's activity and the bank's management can control them and reduce their impact on the market value of ordinary shares, they are called internal risks that can be controlled (Gitman,2012:287), which includes a set of factors, the most important of which are "the financing structure, liquidity available for investment, retained earnings, dividend distribution decisions, dividend distribution time, bank performance, and number of shares" (Sharif, 2015: 208).

b- External factors: they are those risks that fall outside the control of the bank's management and have significant impacts on the market value of the bank's shares, and are represented by the following factors (political conditions, money market conditions "supply and demand", economic conditions "recession and recovery," investors' expectations of return and risks these risks are characterized by direct and indirect effects on the market value of shares(Majanga, B,2015: 11).

The third topic
The practical side
The first axis

Analysis of financial data for commercial banks research sampl

First: The Iraqi Commercial Bank.

a- Table of actual financial statements of the bank's activity during the research period No. (1):

Period of time	net income (Million)	Number of Shares	Dividend (Million)	surplus The current year (Million)	Accumulated surplus (Million)	Market value the Actual	Profits Arrow the Actual	multiple Profitability actual
2014	9214	250000	8250	8239	17544	0,660	0,037	17,91
2015	7360	250000	6500	7360	11848	0,410	0,029	14,15
2016	7578	250000	11875	7578	18685	0,480	0,030	15,84
2017	10050	250000	8750	10050	27718	0,490	0,040	12,19
2018	10864	250000	0	10864	18669	0,470	0,043	10,82
Average Profit Rate (Actual)								14,18

Source: Prepared by researchers based on the financial statements of the Commercial Bank of Iraq.

Table No. (1) above, which contains the actual financial data of the Iraqi commercial bank during the study period, represents that the net income achieved from the bank's activity gradually increased to reach (10864) million dinars in the year (2018), as for the dividend distributions, they were unstable and varied from year to year, we find that the highest dividends were in (2016) amounting to (11875) million dinars and the lowest dividends were in (2015) and (6500) million dinars, that is, the profits distributed were unstable, for the year (2018), he did not perform any distribution process despite the increase in net income as well as the accumulated surplus compared to other years, the instability of distributed profits was clearly reflected in the market value, reaching its lowest level in (2015) by (0.410) dinars, as is the case for the profitability ratio, which ranged between (10.82) times in (2018), and (17. 91) times (2014), if the bank undertakes the process of distributing profits in a stable manner by extracting the actual average of the distribution period amounting to (8850) million dinars and adopting it as a fixed amount distributed annually, the following results will appear as in the table below.

Stability of distributed profits and its impact on the value of banks

b. Table of default financial statements of the bank during the research period No. (2):

Period of time	net income (Million)	Number of Shares	Dividend supposed (Million)	surplus The current year (Million)	Accumulated surplus (Million)	Market value supposed	Profitability Arrow supposed	multiple Profitability supposed
2014	9214	250000	8850	8239	17544	0,960	0,035	27,42
2015	7360	250000	8850	7360	11848	1,202	0,035	34,34
2016	7578	250000	8850	7578	18685	1,167	0,035	33,34
2017	10050	250000	8850	10050	27718	0,880	0,035	25,14
2018	10864	250000	8850	10864	18669	0,815	0,035	23,28
Average profit multiplier (Assumed)								28.70

Source: previously mentioned

It appears in Table No. (2) which represents the data on default of payment for the Commercial Bank of Iraq, after assuming a fixed profit distribution of (8850) million dinars, that the market value of the bank's shares reached its highest level in the year (2015) at an amount of (1,202) JD and lowest level (2018) about (0,815), in other words, the hypothetical market value is characterized by stability during the search period as a result of the stability of distributed profits as well as the stability of normal earnings per share, which was shown in the profit multiplier, as it reached its highest levels, the hypothetical profitability for the year (2015) is at a profit multiple of (34.34) times and the lowest profit multiple (23.28) is once in (2018), which indicates an increase in the price-earnings ratio as a result of changes in market value after a fixed return.

Second: The Iraqi Investment Bank:

a- Table of actual financial statements of the bank's activity during the research period No. (3):

Period of time	net income (Million)	Number of Shares	Dividend (Million)	surplus The current year (Million)	Accumulated surplus (Million)	Market value the Actual	Profits Arrow the Actual	multiple Profitability actual
2014	28877	250000	20000	27433	27497	1,000	0,116	8,66
2015	17499	250000	0	16623	24121	0,680	0,070	9,71
2016	10179	250000	15000	9670	33790	0,600	0,041	14,63
2017	3996	250000	0	3796	22412	0,420	0,016	26,25
2018	3390	250000	0	3390	22649	0,280	0,001	280
Average Profit Rate (Actual)								67,85

Stability of distributed profits and its impact on the value of banks

Source: Prepared by researchers based on the financial statements of the Iraqi Investment Bank .

The above table No. (3) represents the actual data of the Iraqi investment bank, through which it appears that the highest net income was achieved in (2014) amounting (28877) million dinars, while the lowest net income amounted to (3390) million dinars in (2018), as for the surplus the accumulator reached its highest level in (2016), at (33790) million dinars, while the lowest surplus amounted to (24121) million dinars, on the other hand, the bank did not distribute annual profits to shareholders, but rather it was distributed intermittently, that is, it distributed profits in only two years out of five during the study period, namely (2014-2016), this led to a fluctuation in the market value, which decreased gradually, in (2014) the highest level of the market value reached (1,000) dinars, and in (2018) the lowest market value reached (0,280) dinars, (67.85) times, while the profit rate gradually increased from (8.66) times in (2014) to reach in (2018), to its highest level (280) times, assuming that the bank has implemented a stable and consistent dividend distribution process, we will arrive at results that differ from the current data, as shown in the table below.

b. Table of default financial statements of the bank during the research period No. (4):

Period of time	net income (Million)	Number of Shares	Dividend supposed (Million)	surplus The current year (Million)	Accumulated surplus (Million)	Market value supposed	Profitability Arrow supposed	multiple Profitability supposed
2014	28877	250000	17500	27433	27497	0,606	0,070	8,65
2015	17499	250000	17500	16623	24121	1,000	0,070	14,28
2016	10179	250000	17500	9670	33790	1,719	0,070	24,55
2017	3996	250000	17500	3996	22412	4,379	0,070	62,55
2018	3390	250000	17500	3390	22649	5,162	0,070	73,74
Average profit multiplier (Assumed)								36,75

Source: previously mentioned

Table No. (4) shows that the bank decided to distribute profits to shareholders in a stable manner, so that the amount paid is determined based on the actual financial data of the amount of distributed profits and extracting the average payments and adopting them in default, table, and after determining the amount of profits to be distributed in the form of profits, the following results will appear to us, profits distributed steadily

Stability of distributed profits and its impact on the value of banks

reached (17,500) million dinars to shareholders, which leads to an increase in the assumed market value greater than the actual value, and as in the above table, meaning that it gradually rises from (0,606) dinars annually (2014) until it reaches in (2017) the highest market value, the share can reach about (4,491) dinars, which is a large amount as is the case for the assumed profit multiplier, which amounted to (64.16) times, as a result of the increase in the market value, this indicates the extent to which the amount of dividend will continue to affect both the market value and the profit multiplier as a result of the increase in demand, buying stocks as their prices rise and their profits stabilize.

Third: Ashur International Bank.

a- Table of actual financial statements of the bank's activity during the research period No. (5):

Period of time	net income (Million)	Number of Shares	Dividend (Million)	surplus The current year (Million)	Accumulated surplus (Million)	Market value the Actual	Profits Arrow the Actual	multiple Profitability actual
2014	9655	250000	9750	9171	9933	0,930	0,039	24,08
2015	17788	250000	0	10246	-20211	0,430	0,071	10,00
2016	14741	250000	0	14741	-6206	0,340	0,059	5,77
2017	13498	250000	2500	13498	6616	0,300	0,054	5,56
2018	4735	250000	0	4735	8615	0,230	0,019	12,14
Average Profit Rate (Actual)								9.71

Source: Prepared by the researchers based on the financial statements of Ashur International Bank.

Table No. (5) shows that bank ashur International did not distribute profits in the years (2016-2016-2018), while the profits were distributed in (2014-2017) irregularly, in the first year, profits of (9750) million dinars were distributed, in the second year (2,500) million dinars, which led to the fluctuation of the market value, then decreased it to reach its lowest level in the year (2018), about (0.230) dinars, this was reflected in both the earnings per share and the rate of increase, so we find that the lowest profit per share in (2018) was (0.019) as a result of the decrease in net income, while it was the highest profit per share, in (2015), as a result of the increase in net income and the state of the profitability ratio, the year (2014) is the highest profit rate while it achieved the lowest profit rate in (2017), while it represents the highest net profit achieved in (2015) and represents the

Stability of distributed profits and its impact on the value of banks

lowest net profit in (2018) of (4735) million dinars, as for the accumulated surplus, it achieved its lowest level (-20211) million dinars, due to the existence of rounded losses for previous years, with the addition of the current year's surplus to cover that deficit, as is the case in (2016), in the decided that ashur International bank decides to make a fixed distribution of profits, the amount allocated for each year will be (6125) million dinars, which represents the average distributions for the years (2014-2017), as in the following table.

b. Table of default financial statements of the bank during the research period No. (6):

Period of time	net income (Million)	Number of Shares	Dividend supposed (Million)	surplus The current year (Million)	Accumulated surplus (Million)	Market value supposed	Profitability Arrow supposed	multiple Profitability supposed
2014	9655	250000	6125	9171	9933	0,634	0,024	26,41
2015	17788	250000	6125	10246	-20211	0,344	0,024	14,33
2016	14741	250000	6125	14741	-6206	0,415	0,024	17,29
2017	13498	250000	6125	13498	6616	0,453	0,024	18,87
2018	4735	250000	6125	4735	8615	1,293	0,024	53,87
Average profit multiplier (Assumed)								26.15

Source: previously mentioned.

Through Table No. (6) above, assuming that ashur International bank decided to distribute fixed profits, this will lead to major changes in the market value, earnings per share, and finally the profit multiplier, we see that the new hypothetical market value of the stock reached its highest level in the year, (2018) and reached (1,293) dinars, while (0.344) dinars represented the lowest level of the hypothetical market value for the year (2015), with earnings per share remaining constant due to the hypothetical market value, due to the stability of dividends, and the number of shares. the highest profit multiplier was (53.87) times in (2018) due to the increase in the hypothetical market value and the lowest profit multiplier (14.33) times in (2015) due to the decrease in the market value, and that appears the rule of the decision of distribution profits in stability on all market value, and shares profits and all so reduplicate profits.

The second axis

A comparison process between actual and hypothetical market value and actual and hypothetical profitability frequency using the graph to show the change in the hypothetical market value affected by the hypothetical fixed profits

First: The Iraqi Commercial Bank.

Comparison table between the actual financial data and the assumed data related to the market value and the frequency of profitability No. (7):

Period of time	Market value the Actual	Market value supposed	The amount of difference	multiple Profitability actual	multiple Profitability virtual	The amount of difference
2014	0,660	0,960	-0,3	17,91	27,42	-9,51
2015	0,410	1,202	-0,792	14,15	34,34	-20,19
2016	0,480	1,167	-0,687	15,84	33,34	-17,5
2017	0,490	0,880	-0,39	12,19	25,14	-12,95
2018	0,470	0,815	-0,345	10,82	23,28	-12,46
Average Recurring Profit (Actual and Virtual)				14,18	28,70	

Source: previously mentioned.

Table No. (7) represents the most important differences that occurred between the actual and hypothetical market value and the frequency of actual and hypothetical profitability, therefore, we find through the above table that the actual market value is less than the hypothetical market value due to the effect of the distributed profit constant on the assumed market value, we found that the hypothetical market value was more stable than the actual market value, so we notice that the lowest hypothetical market value is higher than the actual market value, so it clearly shows us the extent of the change in the hypothetical market value, and it can be said that distributed profits are an important factor in determining Market capitalization as investors search for the amount of profits they are getting before purchasing shares, on the other hand, we find that the hypothetical profitability multiplier has increased compared to the actual profit multiplier and the same is the case with the hypothetical average profit multiplier, that is, the highest actual profit multiplier was (17.91) times in (2014) while the highest hypothetical profit multiplier was (34.34), once in the year (2015) once, while the lowest actual profitability multiplier was (10.82) times (2018) and the hypothetical lowest profit multiplied (23.28) times, while the average actual profitability was a multiple (14,18) times

Stability of distributed profits and its impact on the value of banks

and the default (28.70) Once, it can be said that the stability of dividends will lead to an increase in the market value of the bank as well as an increase in the demand for the bank's shares and that the stock valuation process is widely accepted.

Second: The Iraqi Investment Bank.

Comparison table between the actual financial data and the assumed data related to the market value and profitability multiplier No. (8):

Period of time	Market value the Actual	Market value supposed	The amount of difference	multiple Profitability actual	multiple Profitability virtual	The amount of difference
2014	1,000	0,606	0.394	8,66	8,65	0,01
2015	0,680	1,000	-0.32	9,71	14,28	-4,57
2016	0,600	1,719	-1.119	14,63	24,55	-9,92
2017	0,420	4,379	-3.959	26,25	62,55	-36,3
2018	0,280	5,162	-4,882	280	73,74	206,2
Average Recurring Profit (Actual and Virtual)				67,85	36,75	

Source: previously mentioned.

We can see from Table No. (8) the most important differences that appear through a comparison between the actual market value and the assumed market value, as well as between the actual profitability ratio and the hypothetical profitability duplicate, as we find that the hypothesis, the market value is high and tends to rise gradually compared to the actual distinctive market value, with a decrease as in the above table and through the graph, we find that the hypothetical market value reached in (2018) the highest level during the years of study, reaching (5,162) dinars despite the lower net income compared to the rest, over the years, but it represents the important role played by the stable profit distribution process, and static, as for the hypothetical profitability ratio, it differs from the actual profitability ratio as a result of the effect of stable dividends, as well as the hypothetical average profitability ratio, so the four years of the study extending from (2014 - 2016) is a positive indication that new investors can buy the bank's shares because they are relevant Acceptable prices compared to the amount of dividends distributed as well as doubling the profits, as for the multiplier of the effective profit rate, the average frequency is (67.85) times, years are (2014-2017) is considered the best period to obtain the bank's shares because the profit ratio is low compared to the recurring profit for the year (2018).

Third: International Bank of Ashur.

Comparison table between the actual financial data and the assumed data related to the market value and profitability multiplier No. (9):

Period of time	Market value the Actual	Market value supposed	The amount of difference	multiple Profitability actual	multiple Profitability virtual	The amount of difference
2014	0,930	0,634	0,296	24,08	26,41	-2,33
2015	0,430	0,344	0,086	10,00	14,33	-4,33
2016	0,340	0,415	-0,075	5,77	17,29	-11,52
2017	0,300	0,453	-0,153	5,56	18,87	-13,31
2018	0,230	1,293	-1,063	12,14	53,87	-41,73
Average Recurring Profit (Actual and Virtual)				9,71	26,15	

Source: previously mentioned.

It is clear from Table (9) above, which shows the most important differences between the actual market value and the hypothetical market value, upon comparison, we find that the hypothetical market value is greater and more stable than the actual market value due to the stability of distributed profits, which is a positive indicator for investors and a strength factor for the bank's shares, fixed profits and potential for capital gains if the stock is sold in the future, as for the actual profit multiplier, when compared to the hypothetical profit rate, we find that the actual profitability ratio ranges between (5.5 - 24.08) times, with an average profit multiplier that reaches (9.71), while the hypothetical profitability ratio ranges between (14.33 - 78.35) times With an average of (26.15), as a result of changes in the market value and earnings per share, after assuming stability in distributed profits, the purchase of the bank's shares by investors within the limits of the above average profit rate is very acceptable.

The third axis

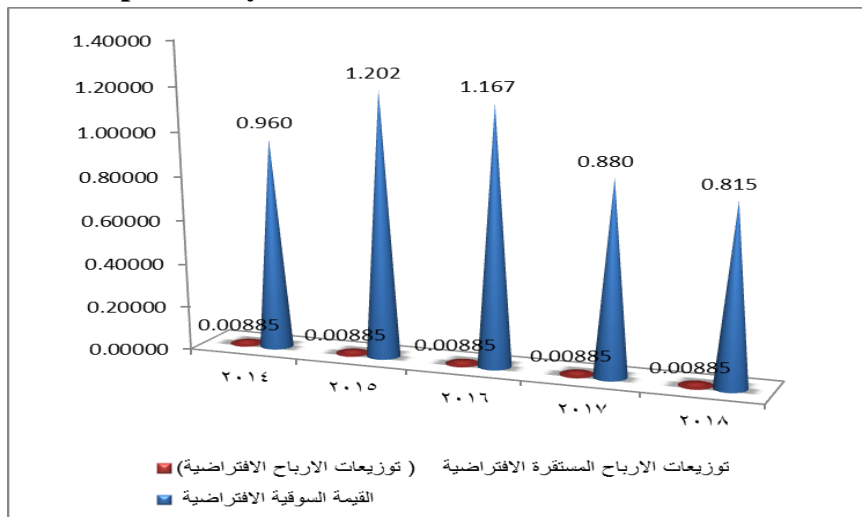
Analyze the extent to which the hypothetical market value is affected by stable dividends

First: The Iraqi Commercial Bank:

Table No. (10) in the diagram(1).

Period of time	Market value supposed	Dividend supposed (Million)
2014	0,960	8850
2015	1,202	8850
2016	1,167	8850
2017	0,880	8850
2018	0,815	8850

Source: previously mentioned.



Source: reliance on researchers' results and the use of Excel 10

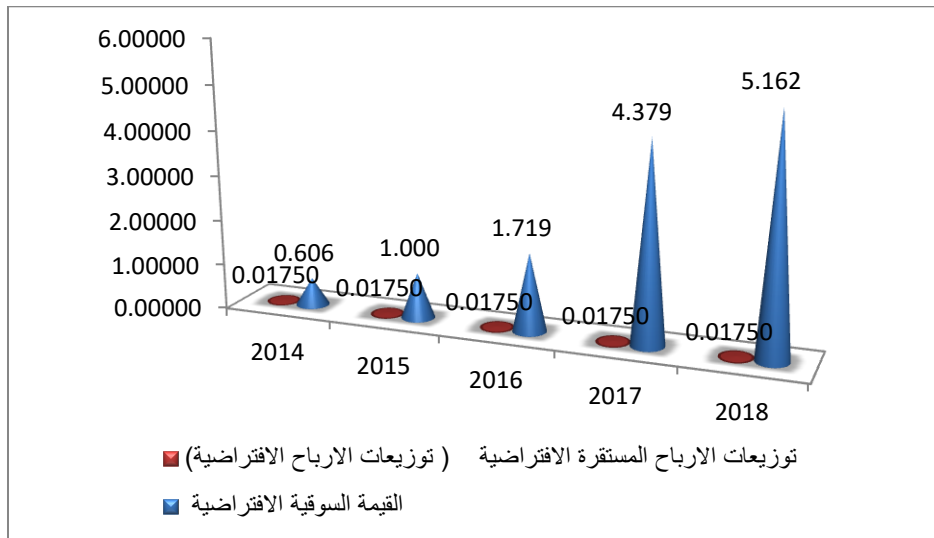
We note from Table (10) of the Iraqi Commercial Bank in Chart (1) that the market value gradually rose to reach its highest level in (2015), and then usually decreased to reach (2018) to its lowest level at (0.815) dinars. as shown in the graph, although the distributed profits are stable, they are almost low compared to the rest of the distributions of commercial banks the research sample.

Second: The Iraqi Investment Bank.

Table No. (11) with graph (2).

Period of time	Market value supposed	Dividend supposed (Million)
2014	0,606	17500
2015	1,000	17500
2016	1,719	17500
2017	4,379	17500
2018	5,162	17500

Source: previously mentioned.



Source: previously mentioned.

From the above data shown in Table No. (11) as well as Chart (2) of the investment bank, we note that the lowest hypothetical market value amounted to (0,606) dinars in (2014), while the highest market value was in (2018) when it reached (5,162) JD, which is the highest market value that was almost achieved among the bank's sample above, as a result of the stability of distributed profits, the high market value of this level is due to the fact that the bank maintained a steady level of profits despite not achieving high net income in the same year, which reflects a good picture for investors that indicates financial strength, position and the possibility of facing any downturn in profits.

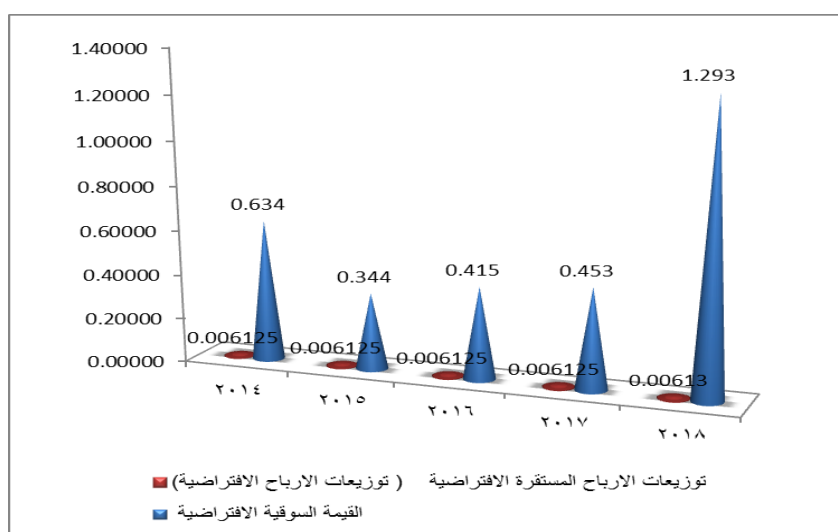
Third: Ashur International Bank.

Table No. (12) with Diagram (3).

Period of time	Market value supposed	Dividend supposed (Million)
2014	0,634	6125
2015	0,344	6125
2016	0,415	6125
2017	0,453	6125
2018	1,293	6125

المصدر: تم ذكره سابقاً

Source: previously mentioned.



.Source: previously mentioned

The above results of the International Bank of Ashur according to Table No. (12) and the accompanying chart (3) show us that the hypothetical market value was variable and nearly stable, reaching its highest level in (2018) by (1,293) dinars, while its lowest level in (2015) reached (0.344) dinars, for the rest of the years, the market value has been almost stable, as the chart shows, the reason for the decline in the hypothetical market value over the years of the study is due to the decrease in stable dividends compared to the rest of the commercial banks, the research sample.

The fourth topic
Conclusions and recommendations

The first axis: Conclusions.

1. Through the results of the practical side, it was found that there is no strategy used by commercial banks, and the research sample is not directed towards the distribution of profits to shareholders on an ongoing basis, but it is sufficient to distribute profits in certain years According to the decisions taken by the banks.
2. There is a relationship of a positive nature with a direct impact between the stability of the distribution of profits and the market value of the shares of banks in the research sample.
3. The policy of setting a specific strategy for the dividend distribution process represents a crossroads between the management's desire to keep the funds and reinvest them again and the shareholders' desire to obtain cash dividends that contribute to providing their basic needs.
4. It was found that there is a direct relationship between stability and the distribution of profits in a constant and continuous manner and the stability of the market value of the share and then on the wholesale numbers what was proven in the third chapter through the use of its thread in the graph. during the search period.

The second axis: recommendations.

After determining the most important conclusions reached by the research, a set of recommendations must be presented in order to address the obstacles after identifying them.

1. It is important for the boards of directors of commercial banks to follow and apply the method of refining profits if these boards seek to maximize the market value of them, as it leads to the consolidation of the financial position of the banks in the market, and also gives investors relative confidence in the stability and regularity of distributed profits..
2. It is necessary for commercial banks to keep pace with the scientific aspect and scientific research by paying attention to studies and research that help in determining the factors that affect the market value of the shares of commercial banks with a focus on the share of profits distributed in order to choose a stable distribution policy during the period of the bank's activity.

3. Commercial banks should pay attention to the media aspect for the purpose of spreading investment awareness among the public and introducing them to the most important banking activities and services provided by the bank, as most of the public do not realize the role played by the banking sector. It plays in the economic activity of the country.

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Stability of distributed profits and its impact on the value of banks

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