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INTANGIBLE ASSETS AND THEIR IMPACT ON THE BALANCE SHEET OF IRAQI BANKS

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Abstract
The most significant changes in the modern business environment during the 1990s have been the increasing importance of intangible elements of knowledge, technology, individual skills, and other factors that have become the main source of wealth and income and the enhancement of the competitive advantages of the business to survive and grow. This has been accompanied by a higher market value of the business than double its book value, especially in knowledge-intensive sectors such as communications, medicines, and software. This is due to the current accounting model's inadequate treatment of intangible assets, which are recognized as assets only when purchased from third parties. The research aims to attempt to provide an accounting framework for intangible assets that avoids previous deficiencies and criticisms to increase the effectiveness of financial reporting in light of contemporary developments in the business environment by assessing the accounting treatment of intangible assets purchased in the standards issued.

Keywords Intangible assets, Balance sheet, Drains.

INTRODUCTION

In the modern financial era, intangible assets play a prominent role in the evaluation of firms and businesses. Intangible assets, or so-called intangible assets, are among the key elements contributing to the valuation of companies and their impact on the overall balance of banks. In this context, the objective of this research is to examine the impact of intangible assets on the overall balance of Iraqi banks.

Banks in Iraq are one of the most important economic sectors, playing an essential role in financing economic activity and stimulating economic growth. However, the challenges facing Iraqi banks require a deep understanding of the composition of their assets and their impact on the strength of their budgets.

The purpose of this study is to analyze the components of intangible assets held by Iraqi banks, such as trademarks, patents, licenses, etc., and how they affect the overall balance of these banks. The study will include an analytical analysis of the financial statements of several Iraqi banks to assess the value of these intangible assets and their impact on their financing structure and financial performance.

By understanding the impact of intangible assets on the overall balance of Iraqi banks, researchers and decision-makers can determine optimal strategies for the management of these assets and strengthen the financial budgets of banks, thereby contributing to enhancing financial stability and economic growth in Iraq.

2. The first one.

2.1The Search Problem

During the last century, the new business environment has grown in large numbers of developments and transformations, some of which have been reflected in growing interest in the intangible elements of knowledge, technology, individual skills, and other factors that have become key to generating revenue and income and enhancing the competitive advantages of an enterprise that help it to survive and grow rapidly.

However, the current accounting model is deficient in dealing with intangible asset elements, where they are recognized as assets only when purchased from third parties, which has lost the financial lists to a great deal of relevance and comparability.

2.2Search hypothesis:

The first null hypothesis: (There is no statistically significant effect at the level ($\alpha \leq 0.05$) of measuring intangible assets according to Accounting Standard 38 and disclosure in the financial statements on both the financial statements and their comparability)

The second hypothesis: (There is no statistically significant effect at the significance level ($\alpha \leq 0.05$) of the return on intangible assets on both the balance sheet and business in Iraqi commercial banks).

2.3Search objectives:

1. Identification of the economic nature of intangible assets and their relationship with decision-makers

2. An analytical study of the basis for disclosure of intangible assets in accounting thinking

3. Study of accounting standards addressing major problems of accounting for intangible assets

2.4Importance of Study:

The importance of the study lies in the fact that intangible asset items have an impact on the financial position list and on the net profits achieved by the enterprise, which means that they have an impact on the appropriateness and comparability of the financial statements.

2.5Study sample:

Group of companies on the Iraqi Stock Exchange for the period 2018 to 2022

2.6Business and accounting assets:

They are the economic resources owned by a business or company and are tangible or intangible property suitable for debt repayment that can be considered an asset. In simple terms, assets are things of value that can easily be converted into cash (although cash itself is considered to be one of the assets (J.K . Shim "The Vest Pocket CPA," Wiley, 2005 and J.G.Siegel, N., Dauber, records the balance sheet of the company's assets, which provides a physical representation of the company's assets and debts one day.

The assets are the money and other valuables owned by the individual or the business.

2.7Origins are classified into two main categories:

a) tangible assets

(b) Intangible assets

Where tangible assets contain different subdivisions including current and fixed assets. Current assets are less than a financial period and can be easily transferred to funds and include (debtors, customers, arrest papers, total and incomplete inventory, existing goods (Inventory), and short-term investments ... etc. (while fixed assets are used for several accounting periods and include land, cars, machinery, buildings, and equipment... etc.)

Intangible assets: Non-material resources and rights of value to the company because they give the company some sort of advantage in the commercial market and as examples of intangible assets (commercial name, copyright, trademarks, fame, patents ...). etc.)

Financial assets like City Accounts, Bonds, and Arrows.

The terminology committee of the American Accounting College (AICPA) also defined the origins as "something that represents a transferable debit balance for the period following the closing of accounts according to accounting principles, on the basis that it represents either a proprietary right or value that can be obtained and an expense that has been or is likely to be created." The concept committee of the American Accounting Society (FASB) defined it as "the economic resources allocated for the project within a specific accounting unit are clusters of services expected to be obtained in the future."

2.8 Conditions to be met in the originals.

There are conditions or, as some writers call them, "standards" that must be provided in resources to be considered original.

(1) The criterion of ownership

One of the most important conditions is that the asset is legally owned by the company, i.e. that the company has the right to be free to dispose of the asset and therefore to pursue by taking advantage of the economic benefits of the asset.

(2) Standard for future services:

It has to be expected future economic benefits from the supplier to be originally considered, so if it provides benefits that extend over a financial period, it can be classified as an asset.

(3) Productive capacity criterion (services)

One of the most important reasons for acquiring assets is their productive capacity because they participate in one way or another in the production process, so one of the conditions that must be met for the supplier to be an asset is its productive capacity and to be able to bring back a material return to the company as a result of its participation in the production process.

(4) Measurability

The benefits of the asset must be measurable to be considered one of the assets of the company, which is usually measured using financial units, and the aim is for the company to separate the asset from other resources and other assets.

2.9Types of asset

The assets are divided into a variety of divisions, as mentioned earlier, and a simplified explanation for each type is provided:

(a) Current Assets: According to the definition of the AICPA terminological committee, "cash or other assets convertible into cash or which will be sold or used in production during the cycle of operations or the financial year, whichever is longer. So cash (CASH) and resources that are easily converted into cash during a financial year, such as inventory assets (inventory), prepaid identification (debtors), arrest papers, securities (equity), and prepaid expenses

B. Fixed assets: "The plant's acquired buildings, land, equipment, and equipment to be used in production or to facilitate business operations, examples of machinery, means of transport, furniture and all that the company has acquired, not for sale but to be used in the production process

Tangible Assets are all assets that have physical essence, such as buildings and equipment.

2.10 The tangible assets.

Intangible assets are what the enterprise has paid or committed to pay to obtain a benefit that does not exist financially and that represents economic benefits that do not exist physically and include rights to inventions, copyrights, trademarks, etc.

Given the existence of more than one kind of asset in general, so we're going to take up one type of asset in our research, which does not mean neglecting the rest of the asset, but because of the importance of intangible assets and their impact on the corporate balance sheet, we're going to make them interesting.

2.11Conceptual framework for intangible assets

These are assets that cannot be touched as other fixed assets but are acquired by the project and may be acquired and what characterizes them as physical non-existence. They are in the form of contracts and considerations and are applied to these fire assets instead of destruction. The purchase of intangible assets must be proved at cost plus all the costs necessary to make the intangible asset ready for use.

Intangible assets are important for many enterprises in most industrial sectors, such as patents and service sectors, such as software development, and these consist of two types of assets, including:

Number one: identifiable assets.

Other assets such as employee experience and skills, sales services, and administrative efficiency

The importance of this type of asset has been encouraged by many accounting professionals in all countries (such as the United States Financial Accounting Standards Board, the Audit Standards Board, and the International Accounting Standards Committee) to develop standards that specifically address issues related to intangible assets. However, the nature of these assets involves many problems, such as measurement, for accountants seeking to fairly represent all assets on the financial lists.

2.12Nature of intangible assets

Technical, social, administrative, and political developments are making a real difference in the working environment for many types of businesses. Today, the importance of intangible assets has risen significantly. These assets are very important for the equivalent of 44 businesses and are important for 20% of businesses. For another part of these businesses, intangible assets are characterized by a lack of physical presence and a high degree of uncertainty about future benefits. There are two types of these internally developed assets.

The proportion of intangible assets of the total assets of the enterprise depends on the nature of the operations to which the company is linked. For example, a capital-intensive enterprise, such as a petrochemical company, is expected to account for a low portion of its intangible assets. The main assets of such a company are land, real estate, plant, and equipment. On the other hand, the portion of the intangible assets of a service establishment, such as computer systems companies, is expected to be high. Intangible assets can be divided into intangible assets that are independently identifiable.

Intangible assets are independently indistinguishable and are factors that affect fame. Intangible, identifiable assets include patents, copyrights, registered trademarks, rents, foundation expenses, concessions, and licenses, while intangible assets that affect fame are divided into three types, purchased, locally developed, and negative. We're going to include below some definitions of intangible assets.

1. R & D: Costs spent on new products or processes to improve existing products and to discover new knowledge that could be valuable in the future

2. Foundation expenses: costs spent at the facility

3. Patents: It is an exclusive right to exploit, manufacture, and make gains from a particular invention without competition

4. Printing and publishing: the exclusive right to reproduce and sell a work of art or publication and to grant to its owners the rights to protect their works, drawings, works of art, and literature from illegal printing and publication.

5. Registered brands: word, phrase, or code that characterizes or identifies a particular facility or product, such as a seed or Coco-Cola, that has been out for 40 years.

6. Rents: right to use certain property owned by another party, for a certain period versus another asset, usually cash

2.13Recognition of intangible assets

The extent to which intangible assets developed internally can be recognized has been analyzed and assessed in the light of the criteria and conditions for the recognition of the elements of the financial statements contained in the list of financial accounting concepts No. 5 of the Financial Accounting Standards Board (FASB) as well as the requirements for recognition of intangible assets contained in the accounting standards. The study concluded in this respect:

- The possibility of recognizing internally developed intangible assets at the core of the list of financial positions in the light of the recognition criteria and conditions in the conceptual framework of financial accounting, provided that the entry of exchange operations is abandoned and the entry of economic benefit as the basis for the recognition of such assets in the financial statements

- Intangible assets developed internally are considered to be of unspecified productive age subject to annual assessment, with benefits controlled by any means other than legal rights

- Financial measurement is limited to intangible assets developed internally that can be costed for development and assets that cannot be measured in monetary units can be based on non-financial ratios and indicators for measurement and disclosure

2.14Accounting for intangible assets:

The accounting of intangible assets is measured in the light of the accounting standards. In addition, the extent to which the accounting entry can be relied upon to measure the value of intangible assets developed internally has been clarified. The study concluded in this respect that:

- The accounting standards did not guide the measurement of internally developed assets, but rather IAS (38) and EAS (23) confirmed that there are some intangible assets developed internally that may yield expected future benefits but do not meet the requirements for recognition as assets on the financial lists

The fair value input is the appropriate entry point for measuring intangible assets developed internally, as it helps to meet users ' needs with appropriate information that reflects the economic benefits that a future enterprise can achieve as a result of its development of intangible assets, although there are no active markets that can be used to determine the fair value of such assets, professional organizations (such as the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) have proposed a method for measuring the fair value of assets for which no active markets are available for exchange, which is the present value of future projected cash flows.

2.15Accounting disclosure of intangible assets and its role in serving users of financial reports

Accounting disclosure is considered to be the most important accounting function by the fact that the accounting system is not an end in itself but a means of providing economic and social information about the enterprise to the parties concerned. Accounting disclosure is of particular importance to users of accounting information because it helps to reduce the risk associated with the decision-making process. Financial lists are the most important source of information relied upon for investment and membership decisions. In the knowledge economy, the importance of intangible assets developed internally has increased.

- The accounting standards ignored the disclosure of intangible assets developed internally, which led to a low level of quality of the financial reports of the enterprise in the modern business environment.

- Several attempts were made by researchers to provide methods for accounting disclosure of intangible assets developed internally

Given the multiple elements of intangible assets, we're going to take a part of them to eat in some detail, except fame.

2.16Nature of fame

Accountants agree on the definition of fame (which is an intangible asset arising from the ability of the enterprise to obtain future benefits that it can obtain because of its distinctive reputation, which arises either from quality in the quality of its products or from the distinct efficiency of its management, location or other factors)

To tie fame to extraordinary profits one day, it is argued that the normal profits of an enterprise usually come from the operation of tangible assets, so that profits above the average of their normal profits will have to result from their being filled into a hidden asset of fame. In this case, the value of fame is the difference between the purchase price paid in the enterprise and the fair value of the net assets of the enterprise. In this case, if the purchase price is higher than the fair value of the net assets, the fame is positive. If the purchase price is lower than the fair value, the fame is negative.

2.17Characteristics of fame:

1. It's a fixed asset associated with the activity of the enterprise as a whole and not with a particular asset.

It is the result of several overlapping elements that are difficult to separate or to measure the impact of each element, and it is difficult to determine the effect of each element on the increase in fame.

Trademarks and patent rights, as well as the right to benefit from contracts and benefits resulting from a good location, good reputation, customer relations, and other benefits of the business, are the opposite of selling other assets.

The value of fame may increase year after year, depending on the extraordinary profits, unlike most other assets that decrease in use or run out of time and influence profits on their value.

3. Fame contributes to the company's extraordinary profits, while other fixed assets contribute to the profits in general. Fame exists where extraordinary profits exist.

On the other hand, it is difficult to assess other "intangible" factors, such as good management, merit, and so forth, all of which are elements of fame and cannot be shut down in any case, there are two basic methods of evaluating fame:

The first method is based on the fact that fame is the capital value of the expected future extraordinary profits, which are arrived at by following the following steps:

1. Determination of future profits, based on the actual average profits of several previous years, to determine the future direction of the profits
2. Specify the company's normal profits by the following equation:
3. Ordinary profit = fair value of net assets * Ordinary profit rate
4. Specify the company's extraordinary profits by the following equation:
5. Extraordinary profits = future profits
6. Determination of the capital value of extraordinary profits or the value of assets that achieve extraordinary profits for fame = extraordinary profits / extraordinary profit rate

2.18Fame estimation methods

There is a need to estimate the value of fame at the time of the purchase of the business, the fame of which will be included in the purchase price estimate. The fair value of fame is considered to be difficult to estimate, which sometimes makes it subject to personal estimates. However, there are some common ways of estimating the value of fame, the most important of which are as follows:

1. The comprehensive valuation method or the gross valuation by which the value of fame is determined (by the difference between the purchase price paid to the purchased enterprise and the fair value of its net assets other than fame) if the purchase price paid to a particular enterprise is 3 million, whereas the fair market value of the net assets of the enterprise is 2.5 million dinars, the estimated value of the fame is 0.5 million dinars.

2. Methods that depend on the value of the business for ordinary profits. These methods are based on the value of fame either by the sum of the ordinary profits achieved over a certain number of years or by a certain number of times the profits, for example by three times or four times the average of the profits. But this way, it doesn't relate the estimated value of fame to the ability of the facility to achieve extraordinary profits, which is the origin of the asset.

3. Methods that depend on assessing the size of an enterprise to achieve extraordinary profits

It looks at these ways as the most logical to estimate the value of fame, but at the same time, it's the most difficult.

Opinions differ on the extinguishment or reduction of fame. In this regard, there are three perspectives:

First.

You see that fame should not be turned off periodically, but that its full value should be retained until the signs of its disappearance appear, and when it needs to be reduced once, this view is not logical, and many professionals support it.

secondly

In contrast to the first, if you see that a requirement of a policy of restraint or caution requires the extinguishment or reduction of fame in its full value once the purchase has been completed and it is turned off by uploading it to the account of the withheld profits.

From h/lost profits

To h/fame

Third

This trend is likely to require a loss of fame or a reduction of fame periodically in the same way as long-term tangible assets, but the disagreement between the last opinion remains over the length of time during which the fame will be turned off, in other words, the difference over the length of the productive life of the fame. For example, the United States Accounting Principles (FASB) provide that fame must be extinguished within no more than 40 years, under the fixed-line method, with annual fire expenses being disclosed and how such expenses are to be determined, but the British Accounting Standards, as well as the International Accounting Standards (IASC), do not provide for a specific or specific method to be observed in the extinguishing of the published fame (IASC) which provides for more than 20 years.

It should be noted here that the defusing of fame is done by reducing the year-end asset balance by the annual fire department without the need for a dedicated set-up or a firehouse.

Therefore, the fame is turned off annually by the accounting entry.

From h/expenses to extinguish fame

To h/fame

And he's in lockdown.

From h/s profit and loss

To h/fame allowance

2.19The second topic

Accounting standard 38 for intangible assets

This standard was adopted by the IPSAS Committee Governing Body in July 1998 and became effective for the periods covered by the final accounting statements beginning on July 1, 1999.

This standard replaces International Accounting Standard IV (Special consumption accounting and depreciation of intangible assets)

IAS IX R & D Costs

In October 1998, members of the International Accounting Standards Committee (IASC) published separately a rule of the findings of IAS 38 and IAS 22 as amended in 1998 and copies of these are available to the Committee's Publications Service.

In 1998, IAS 39 - Recognition and Measurement amended paragraph (2) of IAS 38 to replace the reference to IAS XXV - Investment Accounting with the reference to IAS XXIX.Also deleted. Clear number one.

One of the Standing Committee's interpretations deals with IAS 38:

The sixth explanation is the costs of modifying existing computer software.

IAS XXVIII shows accounting and disclosure of intangible assets not specifically addressed in other IAS. IAS XXVIII applies to financial assets, mineral rights, expenditure on exploration, development, and extraction of minerals, oil, natural gas, similar non-renewable resources, and intangible assets arising in an insurance establishment from contracts with policyholders. IAS XXVIII applies, among other things, to expenditure on advertising, training, and initiation of R&D activities.

An intangible asset is an identifiable, non-monetary, and without tangible material held for use in the production and supply of goods or services, for leasing to others, or for administrative purposes, which is a resource controlled by the enterprise as a result of past events, from which future economic benefits are expected to flow to the enterprise

IAS 38 requires the enterprise to recognize the intangible presence (to the extent of its cost) only in cases where:

• If the future economic benefits attributable to the asset are likely to flow to the enterprise

• If the cost of the asset can be reliably measured

This requirement applies whether the asset is acquired from abroad or generated internally. IAS XXVIII includes additional recognition measures for intangible assets generated internally. IAS XXVIII specifies that the internally generated goodwill, trademarks, administrative data, publishing addresses, customer statements, and similar items in its article must not be recognized as assets.

If an intangible item does not meet both the definition of the intangible asset and the criteria for its recognition, IAS 38 requires that this item be recognized as an expense when it is assumed that if the item is acquired in the consolidation of an enterprise, it is a possession, that this expenditure (which is included in the cost of ownership) must form part of the amount attributable to the (negative fame) at the date of ownership

IAS 38 requires that all research expenditures be recognized as an expense when incurred, and the following are examples of other expenses that do not create an intangible asset that can be recognized in the financial statements:

• Expenditure on start-up or work (start-up costs)

• Expenditure on training

• Expenditure on advertising and advertising

• Expenditure on relocation of part or all of the enterprise

• Expenditure on these items is recognized as an expense when incurred

IAS 38 requires that subsequent expenditure on an intangible asset after purchase or completion should be recognized as an expense when incurred 2.20except in the following cases:

1. If the tunnels can be measured and returned to the present reliably,

2. If these conditions are met, the subsequent expenditure must be added to the cost of the intangible asset.

3. If the reporting enterprise recognizes in principle the expenditure on an intangible item as an expense in previous annual financial statements or interim financial reports, IAS 38 prevents the enterprise from recognizing such expenditure as part of the cost of the intangible asset at a later date

The intangible asset must be recognized only in the following cases:

a. If the future economic benefits attributable to the asset are likely to flow to the enterprise and if the cost of the asset can be reliably measured, the enterprise must assess the likelihood of future economic benefits using reasonable and supported assumptions that represent the best management estimate of the set of economic conditions that will prevail.

By using personal judgment to assess the degree of assurance regarding the flow of benefits over the useful life of the future economic presence attributable to the use of the asset based on the evidence available at the time of initial recognition and to give greater weight to the external function, the asset must initially be measured at its cost.

2.21Practical aspect

I. Identification of a group of Iraqi banks:

On the practical side, a search sample is required.

Several Iraqi banks are operating in the banking sector to meet clients ' needs and provide various financial services. This includes government and private banks. Some Iraqi banks are listed below:

1. Rafidain Bank:

• The Rafidain Bank is one of the most prominent government banks in Iraq and provides banking services to individuals and companies. The scope of its services includes loans, savings accounts, and transfer accounts.

2. Al-Rashid Bank:

• The Rashid Bank is the last bank of the Government of Iraq and provides banking services, including personal and commercial financing, as well as deposit and transfer accounts.

3. Agricultural Development Bank:

The Agricultural Development Bank focuses on providing financial support to the agricultural sector and rural enterprises. Provides loans and financial services to farmers and entrepreneurs in this sector.

4. Gulf Bank of Iraq

• The Gulf Bank of Iraq is among the country's private banks and provides a wide range of banking and financial services to individual clients and companies.

II. Statistical analysis and hypothesis testing:

This study examines the statistical analysis of the data of the research sample and its statistical hypothesis, which was formulated to determine the impact of the sustainability criteria (autonomous variable) on financial reports (associated variable) tested through the use of SPSS using: regression factor, variance analysis, transaction analysis.

The first non-existent hypothesis: (There is no statistically significant effect at the level of (... ..0.05) to measure intangible assets by accounting standard 38 and the disclosure of financial statements on both financial lists and their comparability)

The first hypothesis test form(1)

variable	The coefficient of determination (R^2)	Correlation coefficient (R)	Degree of freedom	Bata	B	The value of patronage (T)	Significance level(sig)	test result
ROI	0.187-	0.035	38	0.187-	0.056-	1.155-	0.255	acceptable
ROE	0.234-	0.055	38	0.234-	0.517-	1.465-	0.151	acceptable

***Statistically significant (α ≤0.05)**

The table above shows the results of the simple regression analysis as follows:

1. The values of the sign level (sig) associated with each of the two variables ROI, and ROE are respectively 0.255, 1.151 greater than the benchmark level of 0.05. That's why the hypothesis (h01) has to be accepted:

There is no statistically significant effect of an independent variable (RF) on both ROI and ROE variables.

2. The relatively low Bita index for the two changes ROI, and ROE, respectively (0.234, 0.187) confirms that there is no statistically significant impact of the risk-free return of the accounting standard on each of them. On the other hand, the negative reference to the Bita indices in both cases indicates that the relationship between the independent variable (RF) and all the former variables ROI, ROE negative and that any change in the risk-free return of the accounting standard would hurt both, a logical consequence because higher risk-free return, for example, would reduce the risk premium and lower the return on the financial lists.

3. The weakness of the risk-free return relationship over the accounting standard, and the return on ownership rights, confirm the low

R2 for each of them (0.055, 0.035) and indicate the low ability of this variable to explain the accompanying change in both ROI and ROE.

Second hypothesis: (There is no statistically significant impact at a significant level (* 0.05) of the return of intangible assets on both the balance sheet and the business of Iraqi commercial banks).

Second hypothesis test form (2)

variable	The coefficient of determination (R^2)	Correlation coefficient (R)	Degree of freedom	Bata	B	The value of patronage (T)	Significance level(sig)	test result
ROI	0.071-	0.005	38	0.071-	0.001-	0.001-	0.666	acceptable
ROE	0.070-	0.005	38	0.070-	0.009-	0.427-	0.672	acceptable

***Statistically significant (α ≤0.05)**

1. The values of the sign level (sig) associated with both ROI, ROE, and respectively 0.666, and 0.672 are greater than the benchmark level of 0.05. That's why the hypothesis (h02) has to be accepted.

There is no statistically significant effect of an independent variable (RF) on both ROI and ROE variables.

2. The relatively low Bita index for the two changes ROI, and ROE, respectively (0.071-0.070-) confirms the above-mentioned lack of a statistically significant impact on each of the business risks-free returns. On the other hand, the negative reference to the Beta indices in both cases indicates that the relationship between the independent variable (RF) and all the former variables ROI, ROE is negative and that any business change from risk would hurt both, and this is a logical result because for example, higher risk-free return would result in lower risk premium and lower intangible asset return.

3. The weakness of the risk-free return relationship on the balance sheet and the return on property rights is also confirmed by the reduction of R2 each, respectively (0.005, 0.005) and by the low ability of this variable to explain the accompanying change in both ROI and ROE.

Conclusions

1. The importance of intangible assets takes a view that emphasizes the importance of intangible assets in supporting and strengthening the balance sheet of Iraqi banks. These assets may include elements such as branding, customer relations, technology and software, human talent, etc., which can contribute to enhancing the competitiveness and income of banks.

2. The impact of intangible assets on the balance sheet can have a positive impact on the balance sheet by increasing returns and improving the efficiency of operations, including reducing costs and increasing income. On the other hand, investment in these assets may require direct costs, such as technological development or marketing, which may affect the bank's short-term financial profits.

3. The need for an effective strategy for managing intangible assets demonstrates the importance of an effective strategy for managing and promoting intangible assets in Iraqi banks, including investments in technology, developing human skills, and building strong relationships with clients. This strategy must be balanced between current investment and future return.

4. The importance of ongoing monitoring and evaluation should be given to Iraqi banks to apply a strict control and assessment system for their intangible assets to ensure their effective use and to obtain maximum value from them. This includes following up on asset performance, assessing investment costs against returns, and periodically analyzing their impact on the balance sheet.

RECOMMENDATIONS

1. The importance of investing in intangible assets demonstrates the importance of investing in intangible assets such as technology, customer relations, and human skills development. These assets can contribute to improved operational efficiency and increased long-term returns.

2. The challenges and costs of investing in intangible assets must be met by banks, such as the costs of developing and continuously modernizing technology, and properly channeling investment to ensure the appropriate financial return.

3. The need for a balance between investment and return. Iraqi banks must focus on striking a balance between investing in intangible assets and achieving financial returns, taking into account potential risks and setting appropriate priorities.

4. The need for effective management of intangible assets requires banks to develop effective strategies for managing intangible assets, including strategic investment planning, regular performance assessment, and ensuring compliance with financial standards and legislation.

5. The importance of continuous evaluation and improvement must be part of the management of intangible assets, to ensure the efficient use and maximization of assets.

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