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The impact of applying the Unified Banking Evaluation model (Camels) on enforcing the banking supervision of commercial banks (The case study of Bank Bemo Saudi French – BBSF)

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***Abstract*— *This research discusses the impact of applying the Unified Banking Evaluation model (Camels) on enforcing the banking supervision and control processes. The research explained the nature and consistence of relationship between the evaluation system with its different dimensions and characteristics, and the banking supervision on site and off site; it also analyzed and evaluated the case study of BBSF (as the first private bank in the Syrian banking system). The evaluation results were combined with the other elements that are to be considered when assuming the tasks of banking supervision. Such a case study can be generalized to other banks.*

***Keywords*— banking supervision, on- site supervision, off-site supervision.**

I. INTRODUCTION

The safety of national economy and effectiveness of monetary policy of any country over the safety of the financial system and in particular the safety of banking sectors, as one of the main pillars of the financial system, as banks face challenges and great difficulties due to various reasons, some dating back to the internal and external environmental conditions, which may lead to kind of crises differ in their causes and levels according to the prevailing conditions, which prompted a lot of these banks to seek to improve its performance and the application of innovative methods for the detection of weaknesses and strengths, targeting a re-evaluation of the bank for its own sake and the launch of innovative capabilities inherent, here comes this study to learn about the importance of the banking supervision process and the tasks entrusted to the regulatory institutions in order to maintain the stability of the banking system and efficiency to get to a safe banking sector maintains the rights of depositors, investors and ensure the proper implementation of the economic policy of the government and achieve their goals. From here it came the banking assessment known as the "CAMELS" of the system provides an analysis of the strengths and weaknesses in the performance of banking institutions so as to support the banking supervision system and achieves goals.

Research problem

In Syria, The banking system is suffering, the lack of a flexible legislative framework is able to intervene and compel the banks to comply with the procedures intended to be performed by the regulators, which will reflect on the performance of these banks and then on the goal of development and growth and the achievement of the elements of continuity, so the problem of the research revolves around the following question : How to benefit from the application of the "camel" model to support the effectiveness of supervision and off site and on site supervision carried out by the banking regulators system.

Research hypotheses

In light of the research problem and objectives can be formulated hypotheses in the following major premise:

The development and application of supervision systems supporting the operations off site and on site supervision by the regulatory authorities on the banking system, leading to the disclosure of the strengths and weaknesses in the performance of the device and draw attention to ways of processing that supports efficient and effective performance.

Research importance

The importance of this research by emphasizing the need for effective monitoring tools to assess the performance of the financial and banking institutions to identify institutions that need to be brought to the attention and the interest of its own, which will maximize the results of the application of the proposed model.

Research objectives

This research aims to build a support system for operations supervision on the banking sector, thus helping the regulatory authorities and departments of banks to know the conditions of those banks, and the difficulties and obstacles they face. Which allows taking control procedures and precautions before the occurrence of any problem by describing and measuring applications on the first private banks operating in Syria?

II. RESEARCH METHODOLOGY

This research effort is divided on two main sides:

First: Theoretical side, the formulation and analysis of the general framework for banking model assessment "Camels" as a system for evaluating the performance of the banking system units from a regulatory perspective.

Second: practical side depends on the collection and analysis of data on the subject of the problem in order to stand on ways to apply the valuation model to support inspection and use in the sectors of banking operations relying on a descriptive approach and deductive in scientific research.

Chapter One: Analysis of the concept of banking supervision And its objectives

Banking supervision is considered an integrated system practiced by the monetary authority (central bank) to licensed banks that engage in banking activities, and are closely linked to the nature of the functions assigned to those authorities.

1. The concept of banking supervision

the concept of banking supervision knew remarkable development moved it from traditional banking supervision phase which stands for banking supervision in a given period of time through the extrapolation of the financial statements of banks, whether through off –site supervision (Sayrafi, 2006: 291), or by on-site supervision, and ensure the safety of the accounting system of the bank and the extent of its commitment to the banking supervision systems, then moved the concept of banking supervision to the ongoing banking supervision stage to stand on the developments in the financial situation of the bank changes, so as to detect deviations that get them through the point in time early , and due to the developments in the banking activities of bank and its risks, not the concept of banking supervision is limited when the previous stage but evolved to include risk control system risk supervision, which was Through the development of the tools of on-site supervision (Abdullah, 2003: 392), which contributes to adjust the current deterioration in the financial situation of the bank early.

Due to the continuous development of the banking supervision process, addressing a number of the concept of banking supervision and the researchers tried to determine the dimensions and the statement of significance, it has been identified as the banking supervision:

"Practical application of the reality of supervision in the banking industry, with the aim of comparing the bank's operations with laws set by the highest monetary authority, the central bank" (Jasim, 2000: 241).

As a banking supervision of researchers known as "set of procedures and methods undertaken by the monetary authority (central bank) to ensure the implementation of monetary policy, and assess the banking sector's performance and maintain the integrity of his work "(Ghannam, 2005: 57).

From the above researcher defines that the banking supervision: set of rules, procedures and methods taken by the monetary authorities, (central banks), in order to achieve monetary policy goals properly and maintain the integrity of the financial centers of the banks leading to the formation of a banking system efficient and able to transfer the impact of monetary policy to the real sector, which contributes to increased economic growth rates.

2. The objectives of banking supervision

the process of banking supervision on the banking sector's activities take with great interest by those in charge of monetary and banking policies in order to achieve the following objectives:

- Ensure the application of Bank policies and procedures issued by the central bank.
- Credit supervision and direction of quality and quantity in accordance with economic policy.
- Work to protect of public deposits in banks and protect of shareholders' equity.
- Maintaining the financial and banking system stability, by monitoring the practices of the banks as well as establishing rules and regulations for the management of liquidity in the banks / (Sesi, 2005: 9) and (Mazzawi, 2003: 175).

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Chapter Two: Analysis of the elements of the unified banking system assessment "Camels "And its impact on banking supervision operations

This system is one of the most commonly used systems for the assessment and classification, who values on the basis of the performance of bank Bemo Saudi France in this research, so we will study its components in detail.

The purpose of the method of risk assessment, or the camels system, is specifically a unified comprehensive way to put the banking system. It's also helps in determining which banks Financial weaknesses, and operational and administrative a significant risk to their performance, and require special oversight to address the weaknesses risks. CAMELS system of monetary authorities to assess the overall strength and safety of the banking industry. CAMELS system requires comprehensive analysis of banking situations, can carry out this analysis only in the course of a comprehensive on-site supervision, as well as it can be observers during on-site supervision to understand the administration's ability to risk-averse, and its method of risk management . CAMELS system based on the method of risk which emphasizes six key elements rating:

Capital Adequacy, **A**sset Quality, **M**anagement, **E**arnings, **L**iquidity, **S**ensitivity

And show the application of CAMELS system on the banking system as follows (PMA, 2003: 15): allocates each bank a standardized assessment system to assess the six key elements based, which all provides a general framework for assessing administrative factors, financial, operational, the task for each bank is subject to monitor the monetary authorities. CAMELS system requires the allocation of digital classification of each bank, based on the six basic elements and identifies each element Digital (1 classification) to (5), as the Rating (1) be a better assessment, classification (5) to be the worst evaluation. And determines the classifications of the bank, based on evaluations of each essential element of (1) to (5), and are taken into account in giving this assessment of all the factors affecting the assessments essential elements in determining the standardized assessment, because the process of determining the common assessment is a personal and objective judgment of the inspector. Banks that classified (4) or (5) refers to the existence of serious problems require supervisory certain conduct, but banks that classified (3) They are generally has weaknesses that must be corrected within a certain period of time, otherwise may cause big problems in the solvency and liquidity, While banks that are classified Unified (1) or (2) in all aspects and with a well-established and able to cope with the economic crisis management, and require only minimal regulatory supervision to ensure the continuity of performance (Al karasneh, 2006: 33).

1. Capital Adequacy

The capital adequacy Reflect the financial strength of the bank, and its ability to contain the risks inherent in its tracks and banking activities and control, which makes it imperative for the bank that has enough capital commensurate with the size of its assets and supports risks (Hammad, 2003: 194).

2. Asset quality

It means good controlling on credit concentrations so as to provide a minimum level of risk, which means that the management of the loan portfolio controlled effectively and the good result of the policies of Prudential in the granting of credit and the study of the client's ability to repay, and also means the administration retain sufficient reserves to cover loan losses.

The investments and loans (financing) the main components of a portfolio of assets in any bank that does use them to achieve the revenue and earnings, whether through his granting of loans (financing) to clients with him, or through his investments (purchase of securities, buy debt securities, stock purchase .. .etc). The importance of the quality of assets being affect the solvency of the bank, both revenues and liquidity, and its capital, and then the asset quality reflects the quality of the financial situation of the bank, the size of the risks of the current non-payment and the future that might be exposed (Al-Ghandour, 2003: 188).

3. Management

Quality performance of any bank based in various areas of its activity on the management efficiency of all levels in terms of overall understanding of the risks inherent in the banking activities of the bank, and the rate of the good financial performance in all areas. And understanding and appropriate response to the economic environment variables, and a commitment to effective surveillance, and not to give priority to self-interest, and the response of management and the Board of shareholders with the procedures of monetary and banking authorities and recommendations.

4. Earnings

It means that the bank is characterized by sufficient income to meet reserve requirements and a reasonable distribution of profits to shareholders, and the face of unexpected losses, which means planning and strong control over income and expenditure items, also means reduced reliance on special items and non-traditional sources of income.

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The importance of earnings element as the main factor that the bank can pursue its business and provide its services, as well as the profitability is a source of confidence for clients with the bank.

5. Liquidity

Liquidity means the bank's ability to provide the necessary to cover current and future needs of the destination of funds, as well as its ability to meet the obligations it all in a timely manner and without additional costs on the other. One of the main responsibilities of the administration is to retain sufficient liquid assets to meet their daily obligations and to maximize profitability and minimize risk. Taking into account that the administration maintained a high level of liquid assets take a few risks of low profits, on the contrary, the administration maintained a low level of liquid assets has a strong high-risk profits.

With reference to the liquidity management depends on the bank's ability to invest excess liquidity has optimally, in order to achieve his best returns in accordance with the acceptable level of risk, with an appropriate hedge for cash withdrawals to meet the customer's requirements.

Liquidity management and are subject to the bank to harmonize the management ability of the maturities of bank liabilities (sources of funds from deposits or pay obligations) and how to use sources of funds (in the form of financing and investment) when making decisions related to liquidity, in order to maintain an adequate level of liquidity.

6. Sensitivity to Market price

Reflecting the sensitivity of the elements of the market price of the degree of change in interest rates, foreign exchange rates, commodity prices, or the possible impact stock prices adversely in the bank's profits or capital.When assessing this element, consideration must be given to the ability of management to identify and market risk measurement and monitoring, and the size of the bank, and the nature and complexity of its activities, and the adequacy of its capital and profits in relation to the level of its exposure to market prices.

Chapter Three: The practical framework for the banking system for standardized assessment “Camels” (Case study - BBSF)

This chapter deals with an analytical study to learn about the application of the banking system assessment and its impact on the banking inspection and supervision systems in place a mechanism and that the application to a bank operating in Syria (BBSF).

Is BBSF first private banking institution has been operating in Syria, has been creation of the bank in 2003, and began to engage in activity in 04/01/2004, taking the bank's expansion and proliferation and was able to take a strategic steps in all directions and has made progress and broad technology all areas of banking work and follow the latest global systems and methods applied and now has 35 branches and offices covering all Syrian provinces and has international relationships and network correspondents and wide in many countries of the world, its assets totaled more than 138 billion Syrian pounds, property rights more than 11 billion Syrian pounds as the volume of customer deposits totaled more than 118 billion Syrian pounds, the bank is one of the leading banking business in Syria's banks.

The study came to shed light on the position of the bank and stand on the banking evaluation system Camels applications and its impact mechanism on the development of banking supervision and inspections, as shown by the budgets and accounts of the bank for the period (2006-2014), enabling regulators to know the development of the bank, and take appropriate prudential regulatory measures to face any malfunction before it happens.

1. Capital Adequacy

The capital can be evaluated using the Bank's banking and financial ratios depending on the classification indicators prepared by EXAMINER ORIENTATION Foundation of America, which divides the capital as follows (Examiner Orientation, op.c4: 14):

Well Capitalized: capital ratio be good if the total capital based on the risk of 10% or more, leverage of 5% or more and the ratio.

Adequately Capitalized: be appropriate capital ratio if the total capital risk-based 8% or more, leverage 4% or more and the ratio.

Under Capitalized: capital ratio be weak if the total capital is less than 8% 4% leverage ratio and less.

Significantly Under Capitalized: be very weak capital if it is less than 6% leverage is less than 3% and the ratio.

Critically Under Capitalized: capital ratio critically be if they leverage ratio of less than 2%. Among the most important indicators of capital at the bank:

First: the capital adequacy ratio:

It is a ratio of total regulatory capital to total assets and liabilities outside the risk-weighted balance, as this ratio measures the financial strength of the bank, reflecting its ability to withstand the shocks, so it must be on the bank owning the capital strong to support risky assets (Sheikh Mousa, 2007). It is worth noting that the decline in the capital adequacy ratio leads to increased vulnerability of the budget items to the risk, as the bank is committed to

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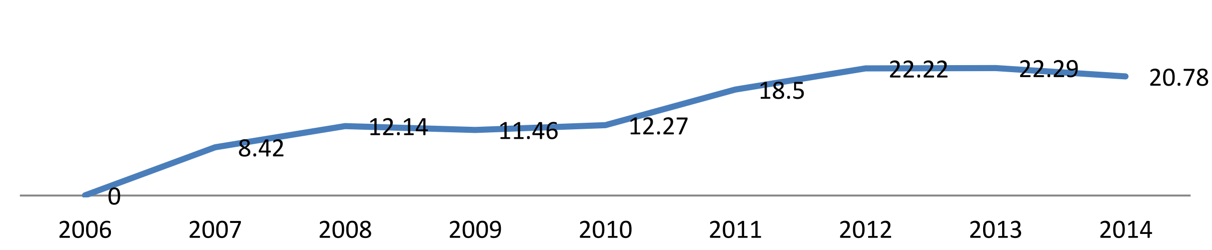
maintaining well above the minimum capital adequacy requirements amounting rates (8%, according to the central bank instructions) and (8%, according to the decisions of the international Basel Committee) and (10%, according to the previous classification indicators that have been adopted in the analysis). The high capital adequacy ratio significantly higher for not strong indication as to that sound impact on profitability in the light of the reliance on investments with high liquidity that yield a low return, so it is located on the banks departments creating a balance between the requirements of adequacy ratio and performance indicators, and reflecting this balance over banking management efficiency in the management of its assets and liabilities (Khja, 2010: 15).

Fig.1: The evolution of the capital adequacy ratio during the period 2007-2014



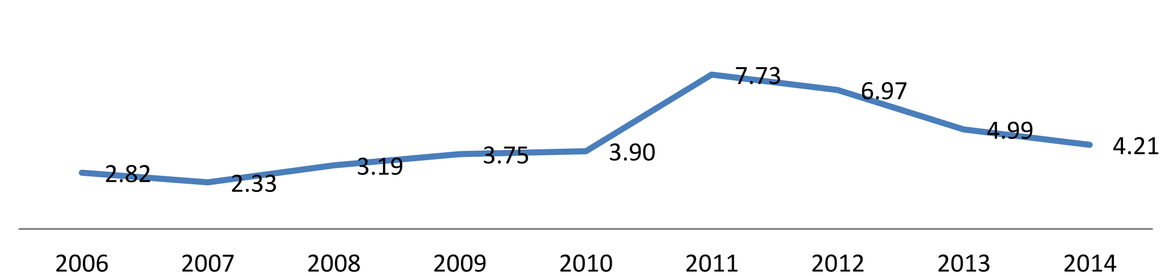
from Figure 1 the evolution of the results of the capital adequacy ratio of the Bank during the period from 2007 to 2014, the ratio rose from 8.42% in 2007 to 20.78% in 2014, reached the capital adequacy ratio per year on average during the period 2007 to 2014 the Bank 16.01 %. From the above we note that in spite of rising rates converged in the capital adequacy ratio on average during the period 2007 - 2014 at the bank, but it is the basis of indicators previous classification is a good bank's capital base any (Category 1) and it was due to the regulatory authorities in the Syria as follows:

1. Law No. 3 of 2010, which included raising the minimum capital of traditional private banks to 10 billion SP, and Islamic banks to 15 billion SP
2. As the monetary and supervisory authorities in Syria to raise the maximum percentage of ownership Arabs and foreigners from 49% to 60%, but the share of legal persons from 49% to 60% figures provided that such increase is to cover the contributions of public institutions.

Second: the financial leverage ratio (capital and reserves / assets):

Also called the capital ratio, the ratio reflects the degree lever funding DEGREE OF FINANCIAL LEVERAGE in the bank, the ratio shows the extent of the bank's reliance on its own funds (capital and reserves) in financing assets, and then over the risk of others with money in his investments, where this ratio shows the level of margin of safety provided by the capital and reserves of the Bank, the larger the rate was greater if it means that a small percentage of capital, and that the Bank operates a small capital to fund a major expansion in lending and investment more than the bank's risk.

Fig.2: The evolution of the financial leverage ratio during the period 2006-2014



Leverage ratio increased at the bank during his stay in the Syrian banking market phase, from 2.82% in 2006 to 7.73% in 2011, then the ratio is back and fell to 4.21% in 2014 and at an average annual growth rate amounted to 4.43% during the entire study period (2006 to 2014), and thus is considered the head of an appropriate bank's capital on the grounds that the leverage ratio of more than 4%, according to previous indications of any classification within the (Category 2).

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From the above clearly shows the ability of monetary and supervisory authorities in Syria to some extent during the study period (2006-2014) to raise capital and reserves relative to assets at the bank, and it came in line with the International Committee of the Basel requirements, which significantly contribute to the reduce the risks faced by the Bank as a result of reducing the bank's reliance on capital and reserves to finance its assets.

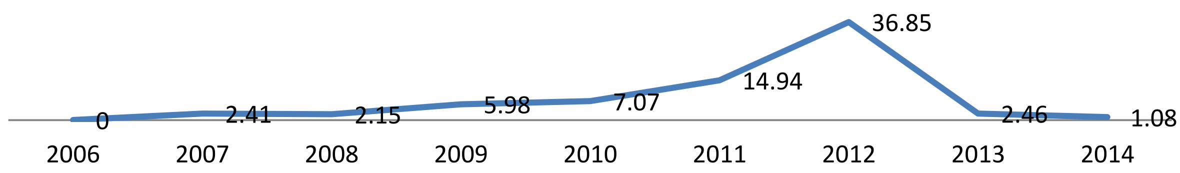
2. Asset quality

It came the most important asset quality evaluation of the Bank as the following indicators:

First: the rate of non-performing loans / Total loans:

Refers to loans non-performing loans past due 90 days or more whole, the ratio reflects the efficiency of the existing credit policy within the banks in credit management and analysis, monitoring and follow-up and the safety of the credit portfolio of the bank, as this ratio reflects the follow-up to the financial situation of the bank's customers as the best, and the ratio of standard according to indicators according to rating assessment institution mentioned earlier, is (<= 10%).

Fig.3: The evolution of (non-performing loans / Total loans) during the period 2007-2014

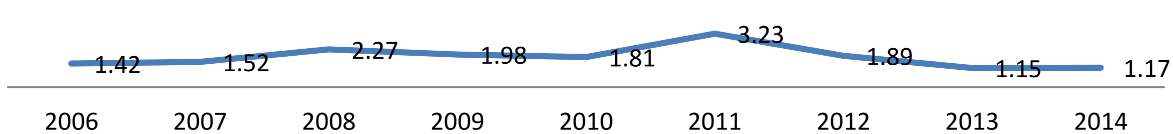


Note from Figure 3 the results of non-performing loans to total loans at the bank, it had risen through the phase from 2007 to 2014 from 2.41% in 2007 to 36.85% in 2012, with the ratio was on average during the period 2007-2014 with the Bank 9.12 %, and this percentage is a good, and we can interpret the rise in non-performing loans to total loans at the bank during the period 2007 - 2014 to the crisis and the pressures experienced by Syria, and then reduced the volume of exports and the volume of production and increased imports and rising inflation.

From the above we note that despite the rise in non-performing loans to total loans on average during the period 2007 - 2014 at the Bank of the study sample, which amounted to 9.12%, but it is a satisfactory ratio of any part of (Category 2), where no more than 10% upper limit acceptable for this ratio.

Second: the rate of interest on earnings assets / total assets:

Fig.4: The evolution of (interest on earnings assets/ total assets) during the period 2006-2014



The rate of interest on earnings assets to total assets ratio showed a marked decline during this phase of the Bank, where he rose from 1.42% in 2006 to 3.23% in 2011 and then returned to the decline of up to 1.17% in 2014, to reach an average per year over the entire study period of about 1.83%.

3. Management

Management is so conscious activity aimed from which you can achieve maximum profits less expenses and maximize the profitability of the organization, as the bank management is one of the key factors that are reflected on the quality of the performance of any bank in the various activities, as manifested efficient management in creating an effective balance between liquidity system, profitability and over capital adequacy and risk management in the context of (risk management). It is noted that the management are difficult to measure in quantitative terms as it inherently is measured qualitatively.

4. Earnings

First: the rate of return on equity (ROE)

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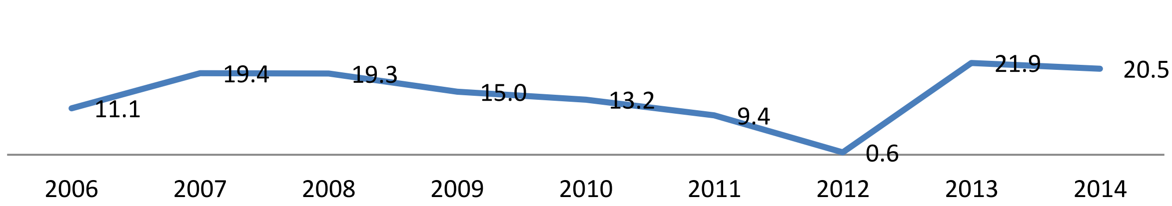
Is a ratio of net income after tax to the total property rights, as this ratio measures the rate of return to shareholders, any net profit earned by shareholders from investing their money in the bank rate, and therefore reflects the return on their risks in the recruitment of their money in the bank, as it demonstrates the ratio on the efficiency of the bank's management in the recruitment of shareholders' funds, and the ratio is the standard accepted (> = 15%). Figure 5 shows the evolution of the rate of return on equity at the bank during the period (2006-2014).

Fig.5: The evolution of (ROE) during the period 2006-2014



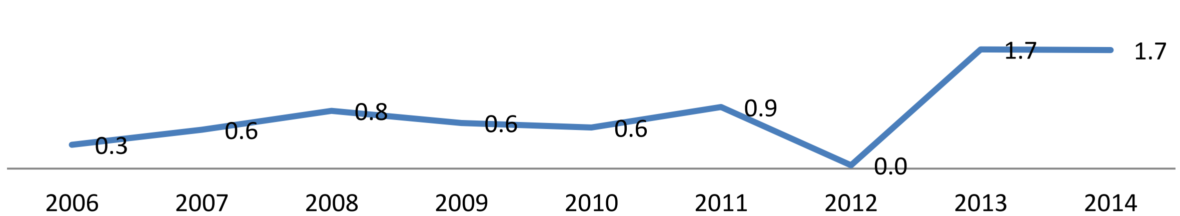
Increased rate of return on equity at the bank during the period (2006 - 2014), this percentage has raised an average of 11.1% in 2006 to 20.5% in 2014, to reach an average per year during the study period, 14.5%, and we can explain as follows:

This positive development in the rate of return on equity at the bank of the study sample during the years 2006-2014 due to several factors, including: the stability of the turnover of these banks, and an increase in the size of his own money, which led to stability in financial leverage, as well as the employment of the bank about 40% of his own money in the bank.

Second: the rate of return on assets (ROA)

This ratio is a net income after tax to total assets, this ratio measures the net income resulting from the investment of the assets, as this ratio shows how efficiently the bank's management in the use of assets and management, and the ratio of standard accepted are (> = 1 %). diagram No. 6 evolution of the rate of return on the assets of the Bank during the period 2006-2014.

Fig.6: The evolution of (ROA) during the period 2006-2014



Increased rate of return on the assets of the Bank during the period (2006 - 2014), where the average increased from 0.3% in 2006 to 1.7% in 2014, and this figure was on average during the years 2006 to 2014 about 0.8%, and we can explain as follows:

This positive development in the rate of return on assets in the bank study sample during the years 2006-2014 due to an increase in profit margins, and increased asset turnover rate at the bank, as a result of Bank to hire asset rather than owned, note that this is not acceptable, especially in stages Founded as the first it will lead to a decrease in the volume of assets.

Based on the financial ratios related to profitability (ROA - ROE) it shows that the profit of the Bank is considered satisfactory and within the (Category 2) and did not exceed the average standard ratios accepted.

5. Liquidity

First: the rate of net advances / assets

This ratio is also called quick liquidity ratio, this ratio shows liquid assets for banks that are accused of doing utilizing it in the form of loans or investment size.

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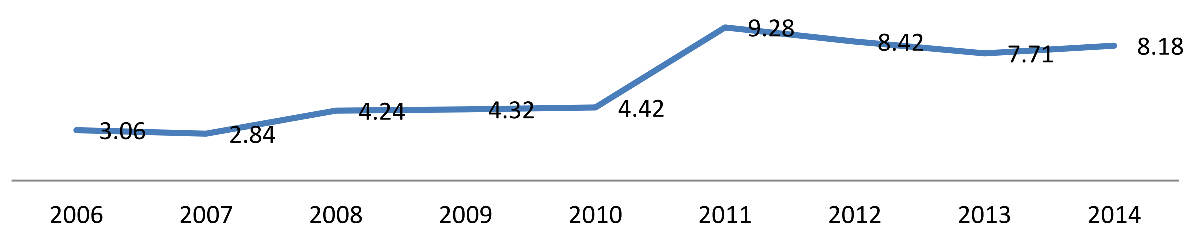
Figure 7: The evolution of (net advances/ assets) during the period 2006-2014



The rate of net advances to assets has seen increased significantly during the study period (2006-2014) and the rate of growth of average annual rate of about 5.83%, with the ratio rising from 3.06% in 2006 to 8.18% in 2014 at a rate of gain of approximately three times, and we can interpret this quick rise in the rate of ready money in the bank for several reasons:

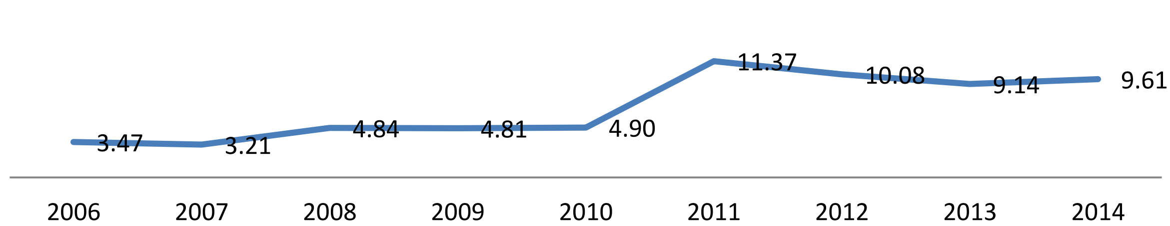
 Central Bank of Syria has committed working in the Syrian market, banks as well as the reserve requirements on deposits ratio, to retain sufficient cash liquidity so as to ensure the safety of its finances and its ability to meet its obligations when due, has stated in Resolution No. (588 / MN / 4) of the Monetary and credit Council that each bank must be maintained in each working day by the whole currency liquidity of not less than 30% to be less liquidity in Syrian pounds percentage of 20%.

 entering the bank to the Syrian banking market and having to dramatically funds ready (Syrian pound and foreign currency) is not utilizing it full form, but resorted to retain large portion of which count as credits at the central bank, as it was quick liquidity in the average rate of the Bank during the period (2006-2014) about 5.83%.

Second: the rate of net advances / customer deposits:

This ratio measures the ability of banks to respond deposits of net advances.

Fig.8: The evolution of (net advances/ customer deposits) during the period 2006-2014



The rate of net advances to customer deposits has seen increased significantly during the study period (2006-2014) and the rate of growth of average annual rate of about 6.83%, with the ratio rising from 3.47% in 2006 to 9.61% in 2014 at a rate of rise of about approximately three times, and we can the interpretation of this rise in this ratio at the bank to the following reasons:

 increase in deposit growth rates increased significantly with the Bank during his stay in the Syrian banking market phase, with increased deposits of 56 billion SP in 2006 to more than 118 billion SP in 2014, an increase of more than doubled in the past (2006-2014) , due as a result of the bank to attract the large size of the funds in the local market is deposited.

 Bank's commitment to standards, regulatory and prudential ratios, both legal reserve requirements and liquidity ratios as a hedge to counter the high deposit-withdrawal possibilities.

 the failure of the bank's recruitment and deposits for fear of market risk, so the increased liquidity the Bank clearly.

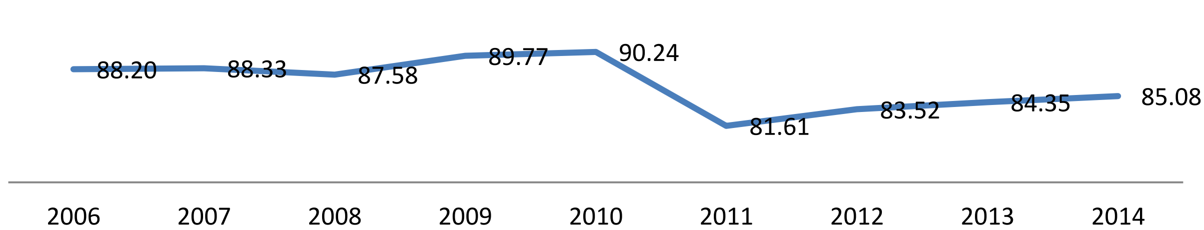
Financial ratios mentioned refers to the safety of the liquidity situation of the bank, where he has a high degree of liquidity, and that the volume of deposits is considered strong, and therefore can be given to the bank for this indicator (classification then 1), which shows that there is a clear improvement in the banking supervision at the Bank operation during this period and to ensure commitment to regulatory standards, both the rate of reserve requirements or legal liquidity ratios, which does not threaten the safety and exposure to liquidity risk in the future.

6. Sensitivity to Market price

Sensitive element reflects the degree of sensitivity of the bank (assets and liabilities) to changes in market prices (interest rates, exchange rates) that affect the financial position of the bank.

It should be noted that the sensitive element is difficult to measure due to the complexities associated with the study and the difficulty of doing his account of being not rely on key financial ratios such as other elements of the system CAMELS, but depends on the balance sheet and activities included in components, so the item needs to be elements of the observers have professional and efficient experience high, though, we briefly examine each of the loans and deposits to measure the degree of sensitivity to the Syrian banks against market risk, given that the loans and deposits of the assets and liabilities more sensitive to market prices and their volatility. The following diagram illustrates the No. 9 evolution of the rate of deposits to the Bank's liabilities during the period (2006-2014).

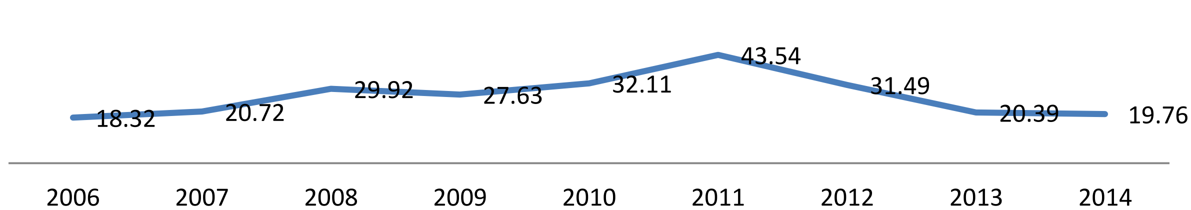
Fig.9: The evolution of (deposits/ total liabilities) during the period 2006-2014



Deposit to total liabilities ratio has seen declined during the period (2006-2014), and the rate of growth of average annual rate of about 86.52%, since this ratio fell at the bank from 88.20% in 2006 to 85.08% in 2014, and despite the decline in this ratio the Bank has during the study period, but it is considered a very high rate Taken by allergies, and then the rise in interest rates in the market have a major impact negatively on the bank's profits.

On the other hand Figure 10 illustrates the evolution of the rate of loans to assets of the Bank during the period (2006-2014).

Fig.10: The evolution of (loans/total assets) during the period 2006-2014



Loans to total assets ratio increased significantly during the period (2006-2011), where the average rose from 18.32% in 2006 to 43.54% in 2011, and then resumed the decline clearly for up to 19.76% in 2014, and the rate of growth of average annual rate of about 27.10%, and therefore this change in the ratio of loans to total assets at the bank during this period makes it an impressive ratio Taken by Sensitivity, and therefore any change in interest rates could have an ambivalent impact on the bank's profits.

Based on previous financial ratios relating to sensitive to market risk shows the strong influence of the sensitivity of profits at the bank as a result of changes in interest rates during the study period.

III. CONCLUSIONS AND RECOMMENDATIONS

Conclusions:

1. Research has shown the importance of applying a supportive system for the operations of banking supervision being carried out by monetary and supervisory authorities, including confirming the validity of the hypothesis research, hence the importance of the system (camels) and the role they play in providing monetary and supervisory authorities with data and information that show the weaknesses and shortcomings as a gateway to find solutions radical banking problems and their causes.

2. CAMELS system help monetary authorities and regulatory system to identify dangerous weaknesses of the theoretical and practical banks would lead to direct attention and focus efforts towards it and then take the necessary steps to address the regulatory procedures, and thus achieve the objectives of depositors, investors and shareholders the service both as to ensure efficiency of the system banking and safety.
3. The reports help by the monetary authorities and regulators on the results of inspections and banking supervision as stated in this research to increase the effectiveness of reporting and directing their results in order to serve the goals of growth and keep pace with modern progress.
4. Emphasize the importance of integration and interdependence between supervision and inspection system currently in place (Traditional his image) and the banking system for standardized assessment camels so that he can keep up with the development witnessed by the banking industry under the age of technology and information systems.
5. Importance of integration and interdependence between the stages of the positive controls and field inspection and evaluation elements standardized camels, which contributes to the increased power and efficiency in the application of control and inspection of the banking operations.
6. CAMELS system works on a comprehensive analysis of the performance of Bank Bemo Saudi France and its activities and his works compared to other existing banks in the banking market, which contributes to the formulation Court plans inspection and implementation stages meticulously operations with a focus on the negative elements that need greater care and attention.

Recommendations:

1. There are complementary and interdependent relationship between the elements of the CAMELS system, and then be on the banks departments to choose the optimum combination of these elements that are compatible and integrate these elements with each other in order to ensure the achievement of strength and safety of banking for the bank at the domestic level, and help regulatory authorities to determine dangerous weaknesses in banks and take the necessary steps to address them so as to ensure the efficiency of the banking system as a whole and safety control procedures.
2. CAMELS system for the purpose of supporting the efficiency and effectiveness of oversight and inspections by the banking supervision and inspection devices monetary authorities on the banking system.
3. The work included the final inspection report prepared by the Banking Supervision devices all around the positive and negative points that result from the application of the evaluation system and its impact on the results of inspections and audits.
4. The performance of the active role of oversight for the advancement of the banking and supervisory work requirements and raise its efficiency, requires the availability of highly qualified, which has the skill and experience in the field of banking supervision and human frameworks, as well as the availability of a high degree of coordination and cooperation among the various regulatory and supervisory, especially in the control of business with an international banking activity.
5. The need to do more attention by monetary authorities and regulators to develop the banking system assessment mechanisms to become inspection reports an effective tool for the control of the bank and achieve targets.

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