

**The role of financial analysis in granting bank credit Case study of the
National Bank of Algeria**

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Abstract:

Credit granted by banks significantly affects their profitability, The proceeds generated by this process represent the main focus of any bank's revenues, This is due to the large volume of credit-oriented resources, The granting of these credit facilities is a waiver by the Bank of part of its financial resources, Which requires the establishment of frameworks, systems and policies in order to preserve and control the bank's resources, and to ensure the safety, profitability and liquidity of the Bank's various activities.

In this article, we have tried to apply the financial ratios for bank credit analysis to banks by analyzing the information at the level of the financial statements to assess the performance of Banks. Moreover, we have adopted the study of the Algerian National Bank by dropping many concepts and financial ratios on the bank's financial statements In order to find out how the financial ratios contribute to the analysis of the bank credit of the National Bank of Algeria for the period under study.

Keywords: Credit, Banking, Financial Analysis, Financial Ratios, Financial Statements.

Introduction

Bank credit is considered one of the most important sources of financing for banks that cannot be dispensed with, but on the other hand, financial analysis is one of the most important indicators that banks institutions depend on in determining the value and possibility of repaying those loans that are collected from commercial banks, so we try through this research paper We chose one of the Algerian banks, the National Bank of Algeria, in an attempt to drop many financial concepts and ratios on the bank's financial statements, the place of study in the practical aspect of the analysis of bank credit activity where the financial ratios diagnose the real growth factors in bank credit and the volume of funds available employed and non-employed and their impact on the bank's performance, this chapter has been divided into two topics:

The first topic: Presentation of the National Bank of Algeria

The second topic: analysis of bank credit using the financial ratios of the National Bank of Algeria

The first topic: Presentation of the National Bank of Algeria

The National Bank of Algeria is considered one of the most prominent banks in the banking system due to its contribution to economic development, and therefore we decided to present it for a year in order to get acquainted with its inception, its organizational structure and its most important activities.

The first requirement: The National Bank of Algeria was established under Order 66-178 of 13 June 1966 as a national company operating through its basic law, trade legislation and legislation concerning hidden companies, which does not conflict with the basic law established for it, and until 1982 the National Bank of Algeria performed all functions like any commercial bank, but it had the privilege of financing the agricultural sector, by extending financial support and loans in accordance with the government's policy in this area.

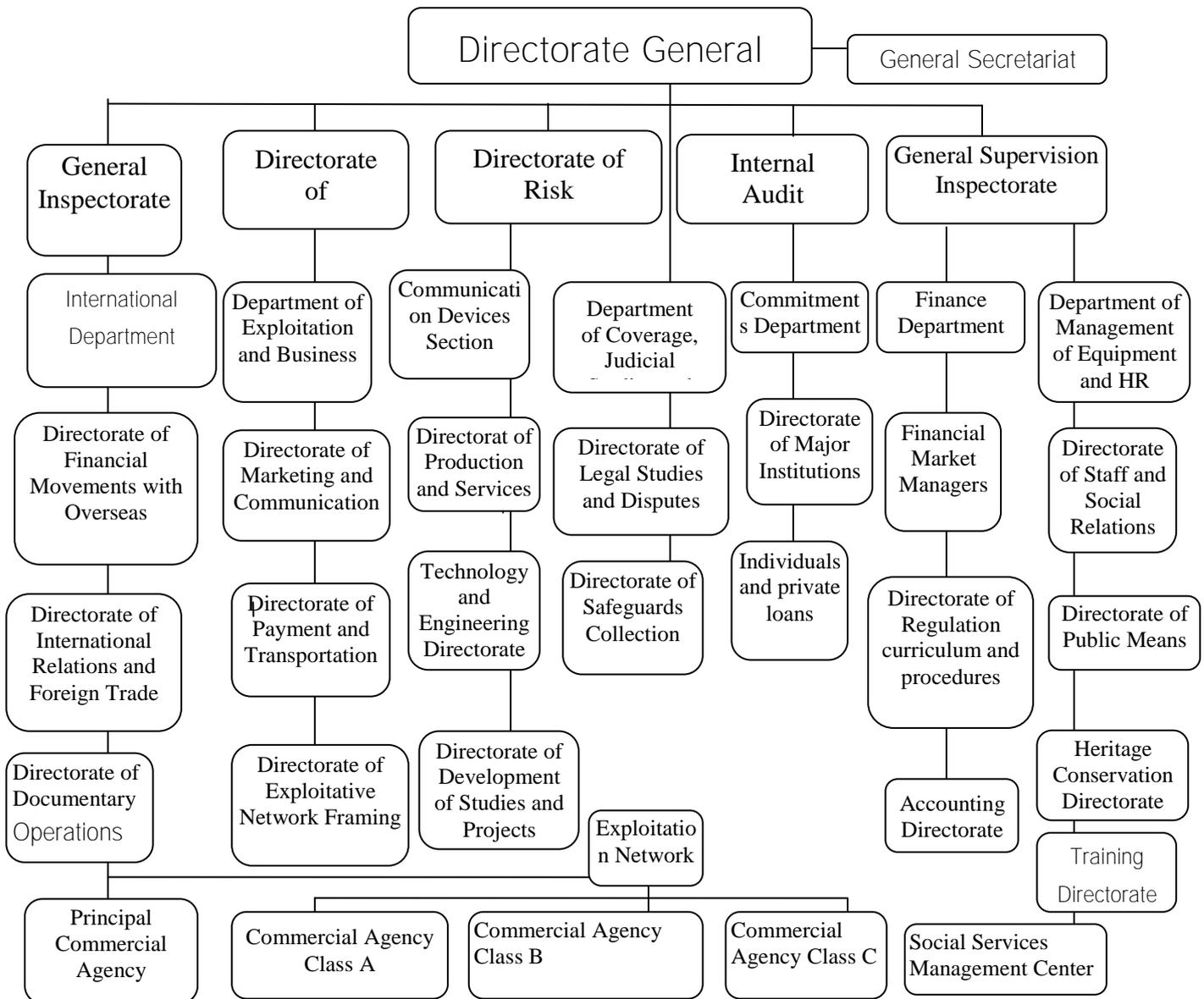
On 16 February 1989, the National Bank of Algeria became a public economic institution in the form of a company in shares, operating in accordance with the laws of 88-01 and 88-06, .in accordance with law 88-119, and in June 1988 under law 88-177 It remained named the National Bank of Algeria, and its social headquarters in Algeria remained at 8 Che Guevara Street, and its duration was set at 99 years from the official registration in the commercial register.

The capital of the National Bank of Algeria, which was set in the first constituent assembly of 1 billion Da divided into 1,000 shares, is divided into 1,000 shares, the value of each share of 1 million Da divided between:

- 1 .From 1 to 350 subscribed shares of the "Means of Production" contribution fund.
- 2 .From 351 to 700 subscribed shares of the Contribution Fund.
- 3 .From 701 to 900 subscribed shares of the Food Industries Contribution Fund.
4. From 901 to 1000 shares subscribed to from the "Various Industries" Contribution Fund. (Sanaa saoudi , p52, 2015).

The second requirement: We find that the Bank has a board of directors led by the head of the Directorate of General and a secretariat that coordinates between the various bodies, and this council is in constant contact with the committee shareholders in the bank and the national control of the workers of the institution, as this structural organization regulates the

internal monitoring and audit cell that controls all the work and accounts of the bank, and the following form shows us the organizational structure of the National Bank of Algeria:



<http://www.bna.dz/presentation/organigramme.html>. Seen on: April 24th, 2022.

The third requirement: the activities of the National Bank of Algeria

We can summarize the most important tasks and functions of the National Bank of Algeria, as follows:(Sihemtmissa , PP 19-20 , 2014)

- Loans to various economic sectors except fishing, tourism and traditional industries because this is a task or specialty of the Algerian people's loan.
 - Employ funds obtained by customers on certain terms that benefit the parties (bank and client)• subscribe, deduct, or purchase all commercial and financial papers.
- Implementation of each accreditation process on behalf of the State, whether by annexation or without it.

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- Rental of safes.
 - Correspondence of banks rent.
 - Accept deposits of funds from the public in on-demand or term accounts, and may issue treasury bills and bonds.
 - Acceptance and in some form of loan credits, guaranteed or without guarantee.
- Providing assistance to the state and public bodies and implementing them in accordance with certain guarantees.

The second topic: analysis of bank credit using the financial ratios of the National Bank of Algeria

In this part, we will reach the calculation of the range of elements used to analyze the bank credit activity of the National Bank of Algeria, as well as the calculation of a set of financial ratios for bank credit analysis.

The first requirement: the elements used in analyzing the bank credit of the bank under study

In this requirement, we will address the source of the budget elements and the results calculation table elements used in the analysis of the Bank of Algeria's bank credit.

First: Calculating the source of the budget elements used in the bank credit analysis of the National Bank of Algeria

1 -Total Assets: It is extracted directly from the budget and equal to total liabilities in accordance with the principle of accounting balance.(Omar elfarouk , P36, 2016)

2. Working assets: Operating assets include all assets excluding cash and net fixed assets, all of which are extracted by assets in the budget and calculated as follows: (Unit: million DA).

$$1.2. \text{ Working assets account for the year 2018:} \\ 2280195439=22190068-318233779-2620619286$$

Source: Prepared by the researcher based on the budget of the National Bank of Algeria for the year 2018.

$$2.2. \text{ Working assets account for the year 2019:} \\ 2371618256 = 21621980-325840983-2719081219$$

Source: Prepared by the researcher, based on the 2019 budget of the National Bank of Algeria.

$$3.2. \text{ Calculation of working assets for the year 2020:} \\ 2516485817 = 21150516-305734845-2843371178$$

Source: Prepared by the researcher, based on the budget of the National Bank of Algeria for the year 2020.

3. Total Equity: It consists of capital, reserves and estimate difference, all of which are extracted by budget liabilities, and calculated as follows:

1.3. Total Equity for the year 2018:
 $161967638=14122289+106245349+41600000$

.(Omar elfarouk , P36, 2016). and it is calculated as follows: (Unit: million DA)

Source: Prepared by the researcher, based on the 2018 budget of the National Bank of Algeria.

2.3. Total Equity for the year 2019:
 $186752097=14122289+131029808+4160000$

Source: Prepared by the researcher, based on the 2019 budget of the National Bank of Algeria.

3.3. Total property rights for the year 2020:
 $211229612=14122289+155507323+41600000$

Source: Prepared by the researcher, based on the budget of the National Bank of Algeria for the year 2020.

The following table outlines the various budget elements used in the bank credit analysis of the bank under study.

Table. (1): shows the most important elements of the budget used to calculate the financial ratios of the Bank of Algeria's bank credit analysis for the years 2018-2019-2020. (Unit: million DA)

Years The statement	2018	2019	2020
- total assets	2620619286	2719081219	2843371178
Cash Balances	318233779	325840983	305734845
- Loans and debts on financial institutions	55145087	503338888	166797057
Customer loans and debts	1831665625	1515052812	1384912137
- Total Securities (Quasi-Cash Balances) net fixed assets	244602253	248979495	802126388
- Financial investments in movable values	22190088	21621980	21150516
Debts to financial institutions	262070234	268457135	824939671
Debt to customers	162789197	419633547	195741959
- Debt represented by the bond	1742545916	1732218308	1673844881
- total deposits	18698362	19020482	14245846
- total equity	1924033475	2170872337	1883832686
-capital	161967638	186752097	211229612
- Precautions	41600000	41600000	41600000
Revaluation difference	106245349	131029808	155507323
	14122289	14122289	14122289

Source: Prepared by the researcher, based on the budgets of the National Bank of Algeria for the years 2018-2019-2020.

Second: Calculating the source of the elements of the results accounts table used in analyzing the bank credit of the bank under study

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1. Total revenue = benefits and similar products + products (commissions) + products of other activities, and all these items are extracted from the table of results accounts. (Unit: million DA)

$$1.1. \text{ Total revenue for the year 2018:} \\ 113477447=132073+1785268+111560106$$

Source: Prepared by the two applicants, based on the results calculation table of the National Bank of Algeria for the years 2018.

$$2.1. \text{ Total revenue for the year 2019:} \\ 142416744=153871+2060095+140202778$$

Source: Prepared by the researcher based on the results calculation table of the National Bank of Algeria for the years 2019.

$$3.1. \text{ Total revenue for the year 2020:} \\ 132076829=214322+2685271+129177236$$

Source: Prepared by the researcher, based on the results calculation table of the National Bank of Algeria for the years 2020.

The following table shows the various elements of the results accounts table used in analyzing the bank credit of the bank under study.

Table. (2): It shows the most important elements of the results accounts table used in calculating the financial ratios to analyze the bank credit of the National Bank of Algeria for the years 2018-2019-2020. (Unit: million DA)

Years	2018	2019	2020
the statement			
- Total revenue	113477447	142416744	132076829
- Benefits and similar products (Benefits payable)	111560106	140202778	129177236
Similar benefits and charges (city benefits)	24588757	25634023	2795586
Products (commissions)	1785268	2060095	2685271
Other Activities Products	132073	153871	214322
- net result	29784457	29537515	31419896

Source: Prepared by the researcher, based on the results calculation table of the National Bank of Algeria for the years 2018-2019-2020.

The second requirement: the financial ratios for analyzing the bank credit of the National Bank of Algeria

In the theoretical side, we have addressed the financial ratios used to analyze credit operations and divided them into four groups (liquidity ratios, profitability ratios, capital adequacy ratios, employment ratios), and we will begin using these groups on the practical

side, relying on their calculation of THE NATIONAL BANK OF ALGERIA's budgets for 2018-2019-2020.

First: the set of liquidity ratios

Based on the above and mentioned in the first chapter of this note on liquidity ratios, which measures the bank's ability to meet its obligations from depositors' requests for withdrawals on deposits, at this point in the research we tried to highlight the measurement of the liquidity ratios of the National Bank of Algeria during the period 2018-2019-2020, using two financial ratios that we aim to use by liquidity credit analysis:

1. Legal Liquidity Ratio:

The findings with regard to the legal liquidity ratio of the bank under consideration for previous years, as shown in the following table, were:

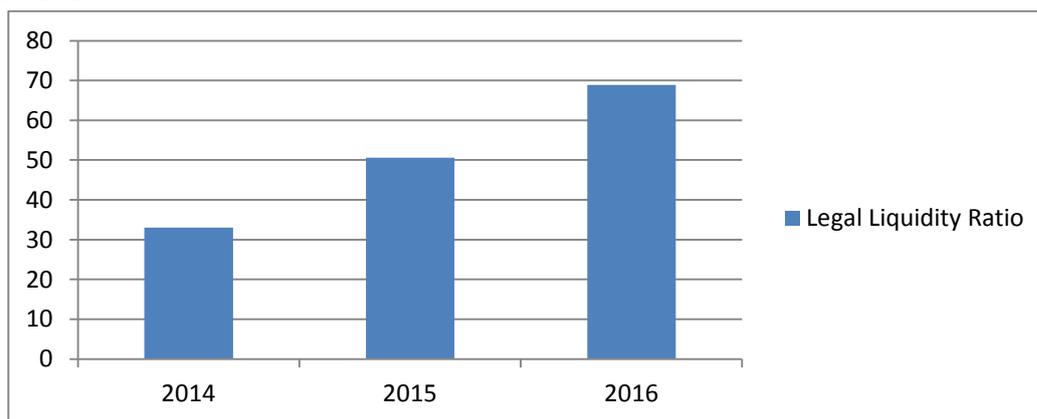
Table (3): It shows the legal liquidity ratio of the National Bank of

Statement \ Years	2018	2019	2020
Legal Liquidity Ratio%	33.03	50.56	68.87
- Benefits and similar products (Benefits payable)	111560106	140202778	129177236
Similar benefits and charges (city benefits)	24588757	25634023	2795586
Products (commissions)	1785268	2060095	2685271
Other Activities Products	132073	153871	214322
- net result	29784457	29537515	31419896

Source: Prepared by the researcher based on the budgets of the National Bank of Algeria for the years 2018-2019-2020.

To clarify the table data, we represent it graphically:

Figure (1): Represents the legal liquidity ratio of the bank under study for the years 2018-2019-2020.



Source: Prepared by the researcher based on the data of Table. (3) and the Excel 2007 program

We note through Table 3 and Figure 5 that the legal liquidity ratio of the National Bank of Algeria for the period under study is constantly increasing and is a good indicator, as in 2019 it increased by 17.53% over 2018, which is The same for 2020, when it increased by 18.31% over 2019, which responds to the minimum legal requirements for

liquidity estimated at 50%, thus reflecting the good performance of the National Bank of Algeria in implementing the banking control rules imposed by the Bank of Algeria, as well as meeting withdrawal requests. By depositors for exceptional circumstances and responding to credit requests (loans and other credit facilities) to meet the needs of the community.

2. Monetary Standard Ratio:

The results were in relation to the proportion of the NNP's benchmark for 2018-2019-2020, as shown in the following table:

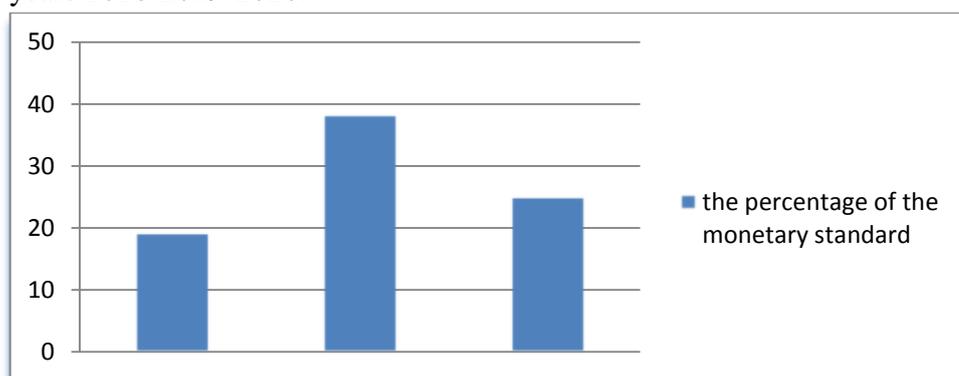
Table.(4): represents the ratio of the monetary standard of the National Bank of Algeria.

years	2018	2019	2020	Comparison between 2019-2018	Comparison between 2020-2019
Cash Standard Ratio %	19.41	38.20	25.08	18.79	-13.12

Source: Prepared by the researcher, based on the budgets of the National Bank of Algeria for the years 2018-2019-2020.

To illustrate the data, we graphically represent them:

Figure (2): represents the percentage of the monetary standard of the bank under study for the years 2018-2019-2020.



Source: Prepared by the researcher based on the data of Table. (4) and the Excel 2007 program

Through table 4 and figure 6, we record fluctuations in the level of the national bank's monetary standard ratio for the period under study, which ranked 19.41% in 2018 and then increased by 18.18% in 2019. 79%, a good indicator of growth in deposits and cash, but this percentage decreased in 2020 by 13.12% due to the decrease in deposits from 2019, but it remains accepted for the period under study and reflects the bank's ability to meet the demands of Customers to withdraw their deposits thus enhances trust between the bank and depositors.

Second: the group of profitability ratios

Based on the above and mentioned in the first chapter of this note on profitability ratios as a goal of the bank where the statistics of each bank indicate that loans are the main player in the profitability equation, so we tried at this point of research to highlight the measurement of the profitability ratios of the National Bank of Algeria during the study period, through the use of four financial ratios, which we aim to use bank credit analysis by profitability, as follows:

1. Rate of Return on Deposit:

The findings for the deposit rate of return at the bank under consideration for previous years were as shown in the following table:

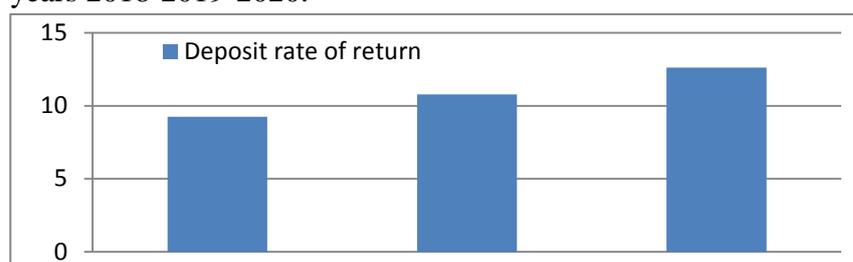
Table.(5): represents the rate of return on deposits of the National Bank of Algeria.

the years Statement	2018	2019	2020	Comparison between 2019-2018	Comparison between 2020-2019
Return on deposits %	9.24	10.78	12.62	1.54	1.83

Source: Prepared by the researcher based on the budgets of the National Bank of Algeria for the years 2018-2019-2020.

To clarify the table data, we represent it graphically.

Figure (3): represents the rate of return on deposits of the bank under study for the years 2018-2019-2020.



Source: Prepared by the researcher based on the data of Table. (5) and the Excel 2007 program

We note through table 5 and figure 7 that the rate of return on deposits of the National Bank of Algeria has been increasing continuously over the years, which is a good indicator, as we note that in 2019 it improved by 1.54% over 2018 As well as for 2020, where this percentage increased by 1.83% over the previous year, therefore indicates that there is growth in return, which means that the bank is efficient in generating profits from deposits that it was able to obtain, which is considered as a safety margin for depositors as well as a percentage for the bank To meet non-performing loans in the event of inability to repay loans by the borrower.

2. Ratio of Return on Investment in Loans:

The following table outlines its findings regarding the rate of return on loan investment to the National Bank of Algeria for the years under study, as follows:

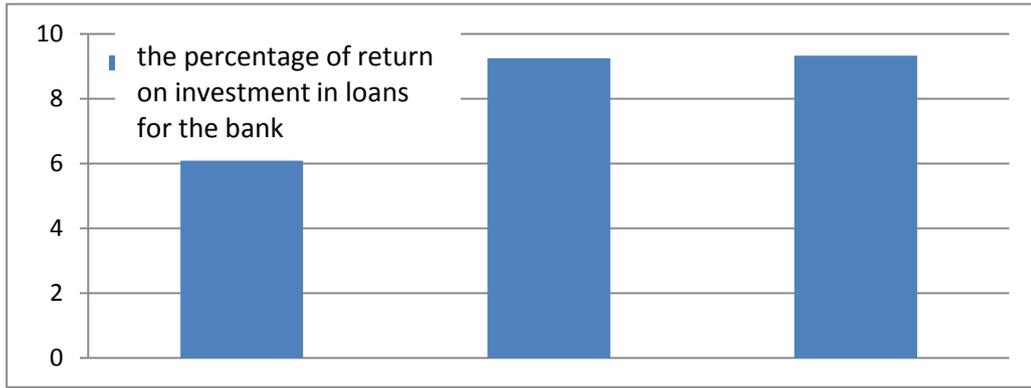
Table.(6): represents the percentage of return on investment in loans for the National Bank of Algeria.

the years Statement	2018	2019	2020	Comparison between 2019-2018	Comparison between 2020-2019
Calculation of the return on investment in loans, %	6.09	9.25	9.33	3.16	0.08

Source: Prepared by the researcher based on the budgets of the National Bank of Algeria for the years 2018-2019-2020.

To clarify the table data, we represent it graphically:

Figure.(4): shows the percentage of return on investment in loans for the bank under study for the years 2018-2019-2020.



Source: Prepared by the researcher, based on the data of Table . (6) and the Excel 2007 program

It is noted through Table 6 and Figure 8 that the rate of return on investment in loans to the National Bank of Algeria has been increasing continuously over the years, as the rate of investment in loans in 2019 increased by 3.16% over 2018 is a good indicator, as it shows that the Bank is investing loans well, resulting in revenue for the bank as well as for 2020, where it increased by 0.08% over the previous year, which is also a good indicator of the bank's ability to Generating this type of return, which is certain that the Bank makes significant contributions by granting credit to finance borrowers.

3. Net Profit Margin Ratio:

The findings for the bank's net profit margin ratio for previous years, as shown in the following table, were:

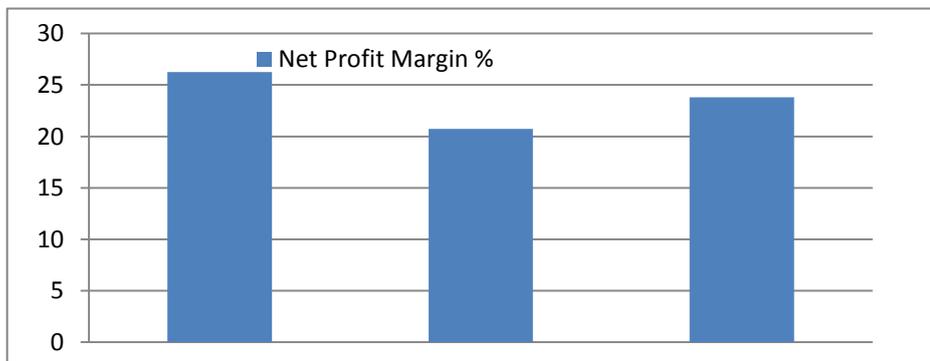
Table.(7): represents the percentage of the net profit margin of the National Bank of Algeria for the years.

Statement \ the years	2018	2019	2020	Comparison between 2019-2018	Comparison between 2020-2019
Net Profit Margin %	26.25	20.74	23.79	-5.51	3.05

Source: Prepared by the researcher based on the budgets of the National Bank of Algeria for the years 2018-2019-2020.

To illustrate the data in the table, we represent it graphically:

Figure . (5): represents the net profit margin ratio of the bank under study for the years 2018-2019-2020.



Source: Prepared by the researcher based on the data of Table. (7) and the Excel 2007 program

Through Table 7 and Figure 9, we note that fluctuations in the interest margin level of the National Bank of Algeria have been recorded, as in 2019 it was down 5.51% from 2018.

Not a good indicator because it shows that the Bank did not achieve any growth in interest margin, which is the opposite of what happened in 2020, in which a rise of 3.05%, which is a good indicator of the bank's ratio, means that it achieved growth in interest margin as a result of an increase Revenue from transactions that the bank is studying to increase its wealth.

4. Interest Margin Ratio:

The following table represents the results of the bank's interest margin ratio examined for previous years.

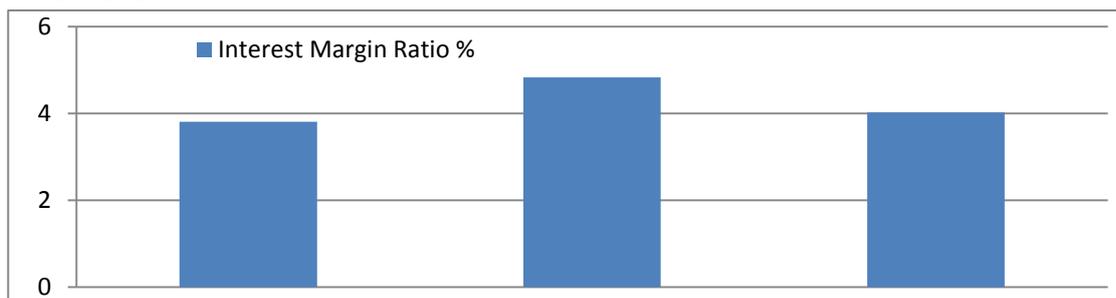
Table.(8): represents the interest margin ratio of the National Bank of Algeria.

the years Statement	2018	2019	2020	Comparison between 2019-2018	Comparison between 2020-2019
Interest Margin Ratio %	3.81	4.83	4.02	1.02	-0.81

Source: Prepared by the researcher based on the budgets of the National Bank of Algeria for the years 2018-2019-2020.

To clarify the table data, we represent it graphically:

Figure.(6): Represents the interest margin ratio of the bank under study for the years 2018-2019-2020.



Source: Prepared by the researcher based on the data of Table. (8) and the Excel 2007 program

The results obtained in Table 8 and Figure 10 indicate fluctuations in the interest margin ratio level, with 2019 recording a 4.83% higher value compared to 84 and 2019, a good indicator, reflecting an increase in loan and financing returns compared to deposit pooling costs, thus indicating the Bank's ability to manage interest rate risk.

Third: A group of capital adequacy ratios

Based on the above and mentioned in the first chapter of this note on capital adequacy ratios, which plays an important role in achieving safety for depositors, considering that deposits represent the most important source of the bank's resources as it represents the first line of defense in the event of a loss, we tried at this point of research to highlight the measurement of the capital adequacy ratios of the National Bank of Algeria during the period 2014-2015-2016, through the use of three financial ratios, which we aim to use the analysis of bank credit by sufficient Capital, namely:

1. Equity to Total Deposits Ratio:

The following table represents the results of the property rights ratio to the total deposits of the bank under consideration for previous years.

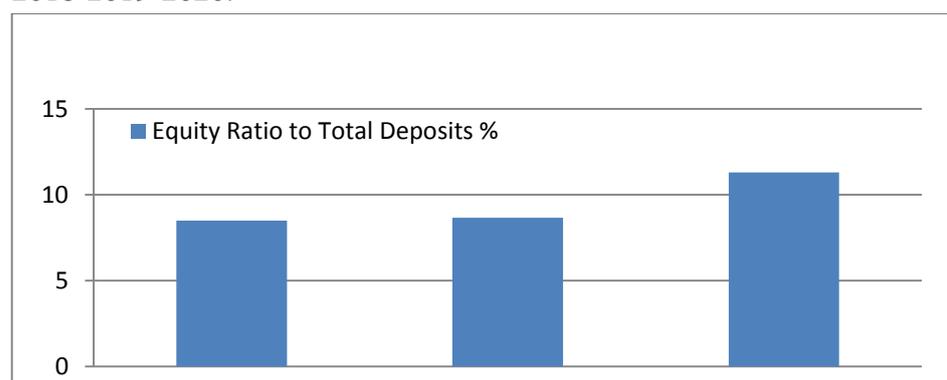
Table.(9): represents the ratios of equity to total deposits of the National Bank of Algeria.

the years Statement	2018	2019	2020	Comparison between 2019-2018	Comparison between 2020-2019
Equity Ratio to Total Deposits %	8.50	8.67	11.30	0.17	2.63

Source: Prepared by the researcher based on the budgets of the National Bank of Algeria for the years 2018-2019-2020.

To clarify the table data, we represent it graphically:

Figure.(7): shows the ratios of equity to total deposits of the bank under study for the years 2018-2019-2020.



Source: Prepared by the researcher, relying on the data of Table. (9) and the Excel 2007 program

We note through Table 9 and Figure 11 that the ratio of equity to total deposits to the National Bank of Algeria for the period under consideration ranged from 8.50% to the lowest value and the value of 11.30% as The largest value recorded, which means that the ratio of equity to total deposits is acceptable compared to the universally accepted rate and used is 10%, reflecting the extent to which banks are able to return deposits from their capital, thereby eliminating the risks to which both shareholders and depositors are exposed.

2. Margin of Safety Ratio against Investment Risk:

The findings for the security margin ratio in the investment risk interview for the bank under consideration for previous years, as shown in the following table, were:

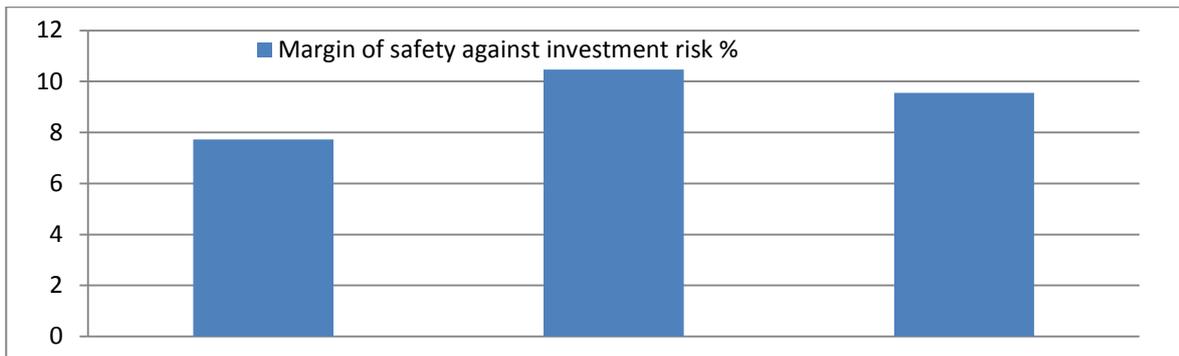
Table.(10): Represents the safety margin ratio against the investment risks of the National Bank of Algeria.

the years Statement	2018	2019	2020	Comparison between 2019-2018	Comparison between 2020-2019
Margin of safety against investment risk %	7.73	10.47	9.56	2.74	-0.91

Source: Prepared by the researcher, relying on the budgets of the National Bank of Algeria for the years of study.

To clarify the table data, we represent it graphically:

Figure.(8): shows the safety margin ratio against the investment risks of the bank under study for the years 2018-2019-2020.



Source: Prepared by the researcher, relying on the data of Table. (10) and the Excel 2007 program

Through table 10 and figure 12 described above, we note fluctuations in the level of security margin ratio in the investment risk interview of the bank in question, with the highest value of 10.47% in 2019 compared to 2018, as a result of the rise in property rights and then the decline in 2020 by 9.56% due to the increase in total investments of the Bank compared to 2020, and these values indicate the ability of the private funds of the National Bank of Algeria to absorb losses and the deterioration in the values of the bank's investments in bonds Government, bonds, securities, loans and advances.

3. Equity to Loan Ratio:

The following table represents the findings for the ratio of equity to loans to the bank under consideration for previous years.

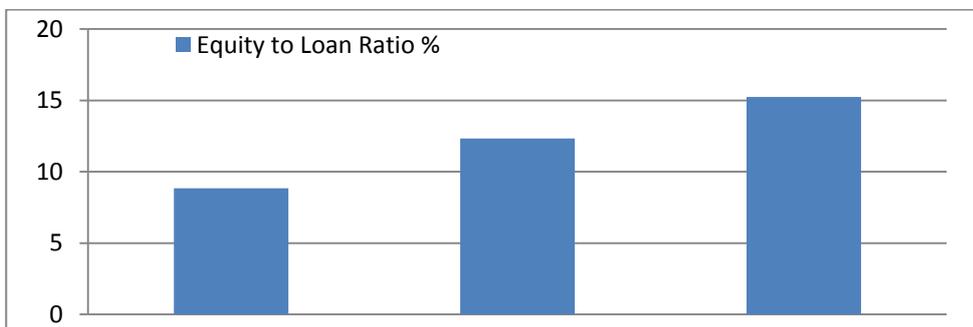
Table.(11): represents the ratio of equity to loans for the National Bank of Algeria.

Statement \ the years	2018	2019	2020	Comparison between 2019-2018	Comparison between 2020-2019
Equity to Loan Ratio %	8.84	12.33	15.25	3.49	2.92

Source: Prepared by the researcher, relying on the budgets of the National Bank of Algeria for the years of study.

To clarify the table data, we represent it graphically:

Figure.(9): shows the ratio of equity to loans for the bank under study for the years 2016-2019-2018.



Source: Prepared by the researcher based on the data of Table. (11) and the Excel 2007 program.

We note through the results shown in Table 11 and Figure 13 that the ratio of equity to loans to the bank in question was estimated at 8.84% in 2018, when this percentage increased in 2019. By 3.49%, a good indicator of an increase in equity, as is the case in

2020, it increased by 2.92%, reflecting the bank's increased ability to face the risk of failing to recover part of the funds invested in loans.

Fourth: Employment Ratios Group

Based on the above and mentioned in the first chapter of this note on employment ratios that indicate the bank's efficiency in employing its funds available in different areas under the bank's credit policies, and the policy of using funds, therefore it measures the rate of employment of its funds, so we tried at this point From the research highlighting the measurement of the employment ratios of the National Bank of Algeria during the period 2018-2019-2020, through the use of three financial ratios, which we aim to use bank credit analysis by employing funds:

1. Ratio of Loans to Total Deposits:

The findings for the ratio of loans to total deposits to the bank under consideration, as shown in the following table:

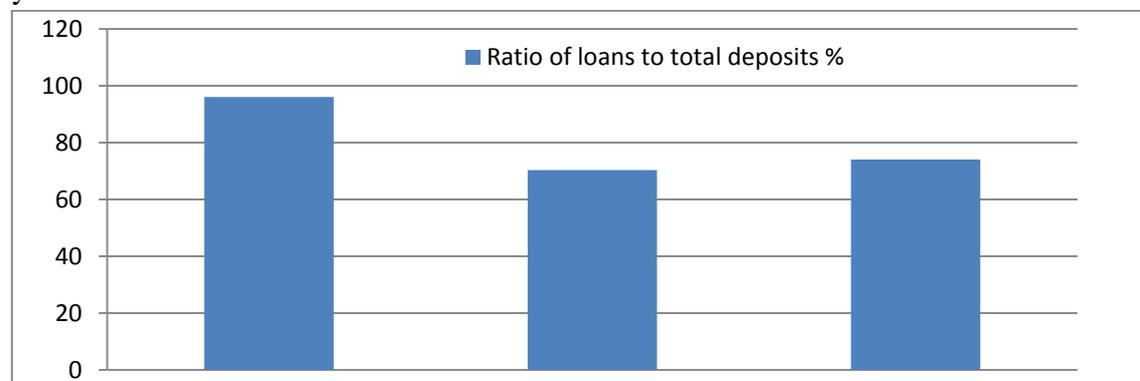
Table.(12): represents the ratio of loans to total deposits of the National Bank of Algeria.

the years Statement	2018	2019	2020	Comparison between 2019-2018	Comparison between 2020-2019
Ratio of loans to total deposits %	96.13	70.40	74.07	-25.73	3.67

Source: Prepared by the researcher, relying on the budgets of the National Bank of Algeria for the 2014 study years.

To clarify the table data, we represent it graphically:

Figure.(10): Represents the ratio of loans to total deposits of the bank under study for the years 2018-2019-2020.



Source: Prepared by the researcher, relying on the data of Table. (12) and the Excel 2007 program

This ratio is measured by the results obtained in table 12 and figure 14, the bank's employment score for its loan deposits, with the highest value recorded in 2018 at 96.13%, which is a good indicator, which means The volume of deposits is directed towards lending activity, but for 2019 it decreased by 25.37% from 2018, which indicates that the bank has begun to employ its deposits in different uses, while we record that in 2020 There is a 3.67% rise, so we note the bank's overall trend is to expand its deposits towards lending as the main source of profit.

2. Ratio of Investment in Securities to Total Deposits:

The following table represents the findings of the ratio of securities investment to total deposits of the bank under consideration for previous years.

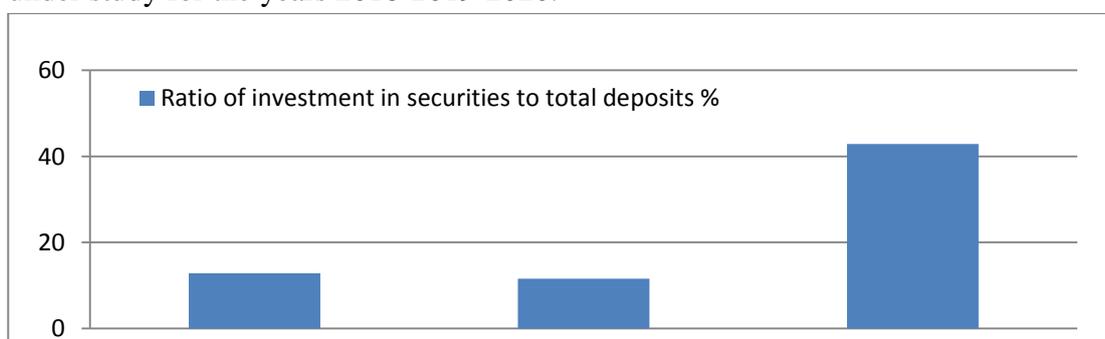
Table.(13): represents the ratio of investment in securities to the total deposits of the National Bank of Algeria.

the years Statement	2018	2019	2020	Comparison between 2019-2018	Comparison between 2020-2019
Ratio of investment in securities to total deposits %	12.83	11.57	42.90	-1.26	31.33

Source: Prepared by the researcher, relying on the budgets of the National Bank of Algeria for the years 2018-2019-2020.

To clarify the table data, we represent it graphically:

Figure.(11): represents the ratio of investment in securities to the total deposits of the bank under study for the years 2018-2019-2020.



Source: Prepared by the researcher, relying on the data of Table. (13) and the 2007 Excel program.

By noting table 13 and figure 15, we note that the ratio of investment in securities to total deposits in 2019 was 1.26% lower than in 2018, which is not good, because it indicates that the Bank has not achieved any growth in return on investment in securities relative to total deposits, contrary to what happened in 2020, when a rise in return was recorded, which is a good indicator of the bank's ratio, which indicates that the bank is heading towards the bank. Employing his deposits to invest in securities but at a small percentage compared to employing his deposits towards lending.

3. Loans to Total Assets Ratio:

The findings for the ratio of loans to total assets for the bank under consideration were as shown in the following table:

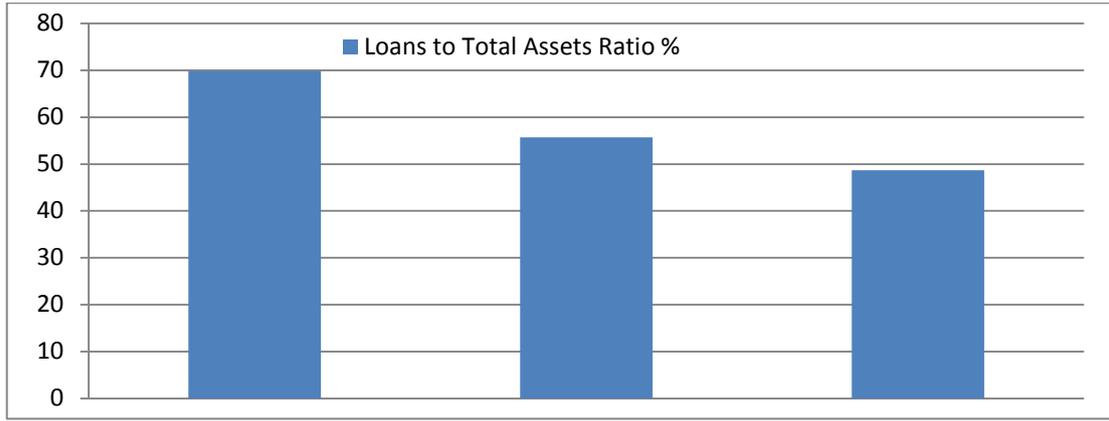
Table.(14): represents the ratio of loans to total assets of the National Bank of Algeria.

the years Statement	2018	2019	2020	Comparison between 2019-2018	Comparison between 2020-2019
Loans to Total Assets Ratio %	69.89	55.72	48.71	14.17	- 7.01

Source: Prepared by the researcher, relying on the budgets of the National Bank of Algeria for the years 2018-2019-2020.

To illustrate the data in the table, we represent it graphically:

Figure.(12): Represents the ratio of loans to total assets of the bank under study for the years 2018-2019-2020.



Source: Prepared by the researcher, relying on the data of Table. (14) and the Excel 2007 program

Through Table 14 and Figure 16, we note fluctuations in the level of loan-to-total asset ratio of the National Bank of Algeria for the period under study, where we recorded a high value in 2018 of 69.89%, but decreased in year 2. 019 by 14.17% and the same happened in 2020 where it saw an estimated decrease of 7.01%, as a result of a decrease in the employment of loans, which indicates that the bank began to use its funds towards other profit-generating investments, or retaining all its assets to meet its emergency assets.

Conclusion:

In this research, we have introduced the National Bank of Algeria by addressing its origins, development and management structure as well as highlighting its various activities, where we analyzed bank credit based on the bank's financial lists for the period 2018-2019. - 2020, by applying a set of financial ratios related to the credit processes that we have addressed in the theoretical aspect, which is one of the most prestigious financial analysis tools, and we have interpreted each ratio individually and highlighted the most important reasons and factors that influenced it.

As a conclusion, we found that the National Bank of Algeria is efficient in conducting its credit business, which grows from year to year, as a result of the large amount of resources directed towards credit operations, which consequently has a significant impact on its profitability, as the return generated by this process is the main focus of any bank's revenues.

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