



### The impact on the current developments of the Central Bank of Iraq on activating bank credit for the private commercial banking sector

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#### Abstract:

Central banks want adequate control and supervision of credit because of the substantial credit risks they face, which may even affect the reputation and faith of the banking system as a whole. Central banks &apos; supervisory monitoring of banks has various advantages, including ensuring the financial stability of banks as a whole, stabilizing the overall level of prices, as well as safeguarding the rights and finances of depositors, shareholders and investors.

The main role of supervisory oversight is to control credit by controlling it from excessive expansion in periods of economic inflation or its activation, and to improve and expand credit currencies in situations of economic recession, or when central banks wish to support the national economy or a sector of various economic sectors. Financial indicators provided by the Central Bank have been used to control government and commercial institutions operating under its supervision. These indicators have been used to a number of private banks, including Egypt, Baghdad and Babylon .

The research has reached several important conclusions, including that the supervisory oversight of central banks has an important role to play in protecting the banking system as a whole and maintaining public and private funds at the same time in accordance with their laws, instructions and practices. Central banks have their own methods by which they can manage and control the level of bank credit. At the same time, central banks can identify other solutions that can increase credit activity by changing techniques of surveillance and the use of advanced electronic tools.

As a result of the application of these indicators, there is a weak correlation between the supervisory oversight of the Central Bank in stimulating the credit policies of the private commercial banking sector and the fact that banks do not have in-depth plans to stimulate bank credit at the same level as they do in maximizing profits by relying on another source of profit, namely, the foreign exchange window and foreign transfers.

**Keywords:** supervisory control, central bank, bank credit, banking system.

**1- Introduction:**De KOCK has defined central banks as the bank that codifies and determines the monetary and banking structure in a way that achieves the greatest benefit to the national economy, by performing multiple tasks such as regulating the currency, managing the government's financial operations, maintaining the banks' cash reserves, managing the state's foreign currency reserves, and carrying out the work of... Clearing between banks and carrying out credit regulation and control in accordance with the requirements of the national economy and achieving the objectives of monetary policy. (13) The extent to which banks are serious about improving their image by submitting true financial statements, based on Standard (13), so that their assets are at fair value, including the bank's shares, and therefore the valuation of the shares will be in accordance with Standard (13). The market price, which leads to offering



the shares according to their natural classification within the financial markets, without the intervention of the owners in order to avoid (18) internal supervision and oversight in the bank. The Central Bank can, if it deems it necessary, appoint a legal auditor to audit and audit the bank's accounts, in addition to the appointed external auditor. . The Central Bank requires that the bank's auditor be a person classified in the first category in accordance with the provisions of applicable legislation. (5) Accordingly, the external auditor submits reports on banking work to the Central Bank for the purpose of indicating the extent of those banks' compliance with the laws and instructions issued and regulating the work of banks. These reports are based on international financial reporting standards. For the purpose of improving the quality of the audit and review process. It also helps to identify all parties who benefit from the reports. It also leads to audit independence through the transparency of auditors through adherence to standards. It will also increase public confidence in the financial statements of the subject entity, especially if the banks express that the basis of actual cash is What the bank deals with is from the public through various deposits, which constitute more than (90%) (51). Working to create an effective securities market (stock exchange) helps real investors to enter as shareholders in the ownership of banks and thus helps to manage the banks towards the purposes that they seek. It was allocated for the purpose of not monopolizing the administrative decision on one group, which leads to the activation of all types of activities for banking operations, including bank credit, and at the same time increasing supervision through (36). Discounting commercial papers and discounting treasury bills means that the bank discounts commercial bills written to the customer's order before their due dates in exchange for the bank receiving the interest and its commission from the discount date until the due date. . On the maturity date, the bank collects its value from the debtor on behalf of its client, while reserving the right to return to the property and appearances in the case of youth. Or treasury bills can be deducted, as some governments issue treasury bills in the form of short loans whose duration ranges between (3-6) months for the purpose of covering the budget deficit. The bills are usually guaranteed by central banks and their holder can deduct them before their due date or wait until a due date is met. Payment (10).

The banking system of every country consists of the Central Bank and individual banks, as well as banking rules and regulations. Thus, the Central Bank is at the top of the banking system, which is run by a director of its monetary and credit policies who contributes to the implementation of the State's economic policy by providing support, whether by granting loans as a last resort or by developing banking electronic systems.

Bank credit operations are one of the most important forms of banking activity, and most banks rely on their revenues to meet their operating expenditures, requiring structured credit policies under the supervision of the Central Bank .

It confronts credit concerns that always require a body to monitor those risks and to urge it faces credit risks that always require a body to monitor such risks and to advise banks to guard against them under conditions of uncertainty and unpredictability of the banking sector.

**2- Central Bank Districts:-**The world's central bank is multi-species and multi-species, which can be combined with the following:

1. Publication and organization of work in the State in the so-called issuing bank.
2. Banking on behalf of the government sector in what is known as the government bank.



3. The last refuge for all banks and their clearing and monitoring of the so - called bank is the bank. (Kadom, 2014:11.)
4. Control and control the volume of credit through implementing monetary policy in the country (Al zubaidy, 2011:132.)
5. Managing international reserves of foreign cash and exchange rate.
6. Maintenance of bank cash reserves in the banking system.
7. Contribution to economic planning and representation of the banking system in planning efforts
8. Provision of economic and financial assistance to the State as a financial consultant. (Nasher, 2010: 264)

Among the above functions, we will focus on the function of the last resort for lending, as well as control and control over the volume of credit through the implementation of monetary policy, including the influence on the activation of bank credit policies to provide bank liquidity on the one hand, and control and control over it on the other.

**3- Last resort to lending:** - In this function, the Central Bank is the center of the Bank of Banks in connection to commercial and other banks. It is its final resort when you need it to borrow from it. This is such as placing banks in the direction of individuals and institutions. Thus, banks and the Central Bank exercise the same operations as they do for individuals and institutions, such as withdrawals, deposits, loans, consultations, etc., by providing financial assistance in financial crises as well as liquidity support to banks for the purpose of lending to individuals and institutions, as well as the time of seasonal withdrawal increases and other positions to which the banking system is exposed. (Al janabi, arslan, 2009:188.)

**4- Control and control of credit volume by implementing monetary policy:** The function of controlling and controlling the volume of credit is one of the most significant functions of central banks, which involve many other functions when the central bank seeks to implement monetary policy using its various instruments. This policy comprises three key quantitative instruments or procedures that convert into three sub-functions, which fill the function of controlling and controlling the volume of credit. There is the function of maintaining the bank 's cash reserve and depositing it with the central bank, which increases or decreases the proportion of the legal reserve that the central bank can control and control credit as well as the function of re-discounting commercial papers and open market operations. (Moses, and others, 2011:79).

The function of credit control and control is to restrict the quantity of bank money that banks can produce and to ensure that the volume of credit in the national economy is commensurate with the degree of economic activity intended. In addition, there is a range of qualitative or qualitative tools that are used to avoid faults caused in the exercise of the primary quantitative tools .In general, the capacity of central banks to achieve their objectives of bank credit management depends on the following factors:

- 1 .Powers granted to central banks and their control over banks and implementation of laws, rules and directions.
- 2 .The extent to which commercial banks rely on the central bank as a last option for lending.
- 3 .The sort of credit and loan operations carried out by banks and the extent to which banks are exposed to risks from lending operations.
- 4 .The efficiency of quantitative monetary policy instruments. (Catyrie, 2011:329).

**5- Credit in terms of credit extension:** This type of credit is separated into three forms that banks might give as detailed below:



1. Short-term credit: They are generally of less than one year ' s duration and are mainly used to finance an increase in products belonging to two seasoned borrowers, and credit is returned when the borrower ' s goods are sold and its receivables are collected, as well as to those in short-term need. (Mohammed, 2019:44)
  2. Medium-term credit: It lasts for up to five years for the purpose of financing some of the capitalist operations of companies, such as the completion of the machinery of the plant with new units and substantial modifications leading to the development of production, as well as for the purposes of expansion (Abdulhamid, 2000: 113).
  3. Long-term credit: It is more than five years old and is issued for the purpose of funding housing projects, repairing land, developing industries, and acquiring machinery. (Abohamed, 2002: 219).
- 6- **Differences between short, medium and long-term credit:** (<https://www.fisd.com/short-and-long-term-loan>)
- 1- Specific amount of lending: The key difference between loans is an amount in the case of long-term loans. The quantity of loans will be large, and so the recovery period will also be extended. Medium-term loans and short-term loans will be lowered.
  - 2- Interest rates: Interest rates on short-term loans are generally quite high and the main goal is to compensate for shorter recovery time. Short-term loans are typically offered without collateral, making them more hazardous for lenders in the case of non-payment on time and lower interest rates for medium-term and long-term loans owing to the length of the payback period. (Jamal, Ghader, 2013:37).
  - 3- Method of approval of loans: Borrowers frequently choose short-term loans, such as personal loans, since they provide immediate cash and fulfill urgent financial demands, which is why short-term loans often have a quick and easy approval procedure. There is not much paperwork for these loans, either for long-term and medium-term loans after completion of the creditworthiness requirements of borrowers, the market value of the asset is also assessed as part of the long- and medium-term secured business approval process, which takes time for the loan approval process.
  - 4- Safeguards: Long-term and medium-term loans are issued in bigger quantities and for longer durations, and hence the recovery time is prolonged. In this instance, lenders seek security from borrowers for long-term and medium-term loans in the form of guarantees. If the borrower defaults, the lender may be able to recover any unpaid debts from the profits of the sale of the secured asset, while short-term unsecured loans do not require guarantees that may exist into indirect forms of guarantees such as open drawing facilities secured by fixed deposits, and discounting commercial papers.
- (<https://www.fisd.com/short-and-long-term-loan> )
- 7- **Credit by usage** :Here credit is categorized into kinds according on its use and economic activity: (Aldorrie, Alsamaraie, 2013: 80-81).
1. Productive credit is issued for the purpose of financing the creation of fixed assets of the firm and is used to expand the production capability of the enterprise by financing the acquisition of plant tasks and raw materials for production or the financing of operational capital. Among these loans are those used to support economic development projects in society.
  2. Speculative credit: The bank grants these loans for the purpose of financing speculative opportunity activities where the speculation constantly considers the expected changes in prices, so it buys goods and securities expected to increase their prices and may sell assets



that it often does not own on the basis of future delivery and then buys assets that are required at appropriate prices to meet its previous obligation.

**8- Credit in terms of security:** - These loans are classified into two groups.

**1. Secured credit** classified into:

- a. Loans secured by a sample guarantee, such as a mortgage to the bank by the borrower on property or goods in its possession.
- b. Privately guaranteed loans. These loans are established with a third party, a natural or moral person, who guarantees payment in the case of the borrower & s inability or failure to pay (Ferrell.et at,2008:494).

**2. Unsecured credits:** In which the borrower borrows money from the lender without personal security in kind. However, this kind does not stay unrecorded, it is indirectly documented and the borrower pays at the specified date. (Alowi, 2015:13)

**3. Credit in terms of beneficiary:** We may split bank credit into credit beneficiary sectors:

- a. Public credit: credit issued to finance initiatives belonging to State-owned public entities.
- b. Private credit: Credits issued to finance individual firms controlled by private people or entities and corporations of a private non-governmental nature.
- b. Individual credit: it comprises of small advances for diverse socioeconomic circumstances. ( AHiable, 2012: 19.)

**9. Credit by kind of lender** -: this category is separated into:

1. Bank credit: it is given by banking institutions and is the major source of other forms of credit.
2. 2-Non-bank credit: These credits are provided by non-bank financial institutions in industrial developed nations that are issued loans by securities markets, discount houses, insurance firms whereas in underdeveloped countries they are confined to insurance companies. (Aldorrie, Alsamaraie, 1999:80)
3. 3-Commercial credit: It is issued by commercial firms to their trade clients and the volume of such credit is tied to the capacity of companies to dispose of their products and services. This category relies on the extent to which finance corporations make loans to enterprises. (Lee, 2017:2.)
4. 4-Individual credit: This credit is extended by the individual to individuals or other companies(Aldorrie, Alsamaraie, 2013: 80-82.)

**10. Credit in terms of sectors:** - This kind is broken into numerous forms, as stated below:

1. Industrial loans are loans issued for manufacturing, replacement, refurbishment, processing and building. In this instance, long-term or medium-term loans are vital for supporting economic development. Entrepreneurs have had recourse to the capital market, but commercial banks have been favored in borrowing from the capital market or the financial market on the basis of the availability of savings in the monetary market and the possibility of renewal of the loan within certain periods of time, while commercial banks accept these loans for two reasons, firstly, resulting to the financing of investments (an increase in capital) of equipment, machinery and process elements, and secondly, that many tasks use these loans as an initial or interim means of proceeding to the second phase, namely capital markets after the success of the projects, where at the starting point of the project they are able to borrow from commercial banks for a certain period of time and then resort to capital markets and borrow from them by subtracting bonds. (Kingo, 2009:128)
2. - Agricultural loans are largely short- and medium-term loans, a few of which are intended for long-term loans. The goal of these loans is to support agricultural output, equipment,



equipment, structures, agricultural fertilizers and renovations. These loans constitute a modest part of the overall credit ceiling of commercial banks. There are typically specialist banks and agricultural organizations participating in this area to carry out these activities. However, commercial banks have a very significant role to play by providing seasonal liquidity for the financing of agricultural products, particularly when the interval between production and sale is cut short. Commercial banks are more crucial in the process of lending to this sector when agricultural banks and agricultural institutions become ineffective or non-existent. (Aljedjaoui, Alsultani, 2010:54)

3. Mortgage loans: - Loans to people and companies to fund the acquisition and trading of land, buildings and housing developments. These loans have increased their proportion in developed industrialized countries such as the United States of America, where they are characterized by higher interest rates but have not developed to the same degree in developing countries because of the presence of specialized institutions in this sector and often government institutions.(Abushawar,& Assistant, 2011: 203-204).

**11. Methodology:** The purpose of the research is to demonstrate the extent to which regulators contribute to improving banking policies, assessing factors affecting the granting of bank credits, indicating the indicators used by regulators to achieve effective oversight, and how they relate to the banking system, and then to clarify the relationship between banking regulators and the rest of the sector. Credit is the major focus of banking activity in revenue production, regardless of whether credit is monetary or contractual, where it represents the essential point in investment of bank money, whether bank capital or client deposits in all its forms or the amounts issued by the Central Bank. There is no question that the appropriate administration of this activity has resulted in the negative reputation of the financial system, in addition to slowing the process of economic progress. Thus, the major question arose: What is the function of regulatory monitoring in promoting the lending policies of the banking sector? The research relied on two variables: the independent variable (effect of regulatory monitoring) and the subsidiary variable (activation of credit programs for the banking industry). Research has been carried out in a group of private banks utilizing credit policy indicators in compliance with the criteria specified by the Central Bank in this area application.

## **12 .Recent developments in monitoring and marketing of bank credit sanctioned by the Central Bank of Iraq**

The Central Bank of Iraq is seeking to keep pace with advancements in the process of awarding bank credit, as the grant procedure is accompanied by high banking risks. The Bank is investigating new tools to promote credit. At the same time, there is a very efficient supervision procedure to safeguard the financial integrity of banks and some new measures employed by the Central Bank to encourage and restrict bank credit.

**12-1. Special initiatives by the Central Bank of Iraq:** In accordance to the economic conditions in which the country has experienced a lack of fiscal allocations in government budgets, owing to the low liquidity available owing to the global decline in oil prices and the fact that Iraq is a single-source country that has a strong dependence on oil as a source of income, this has had the effect of reducing support for investment projects while increasing the economic recession over a year ago (2014). Thus, the Central Bank has found a method to move the national economy by offering national initiatives as an incentive to encourage economic operations by financing vital projects by means of Iraqi commercial banks in the form of loans and banking facilities for both small and medium-sized and long-term organizations (Hamid, 2022:75). As shown below:

**12.2 The Specialized Banking Initiative, as detailed below:**The sum allotted to this project was 1228000 million dinars from the year 2016 and the initiative continues until the balance granted to it by the Central Bank of Iraq has been spent.

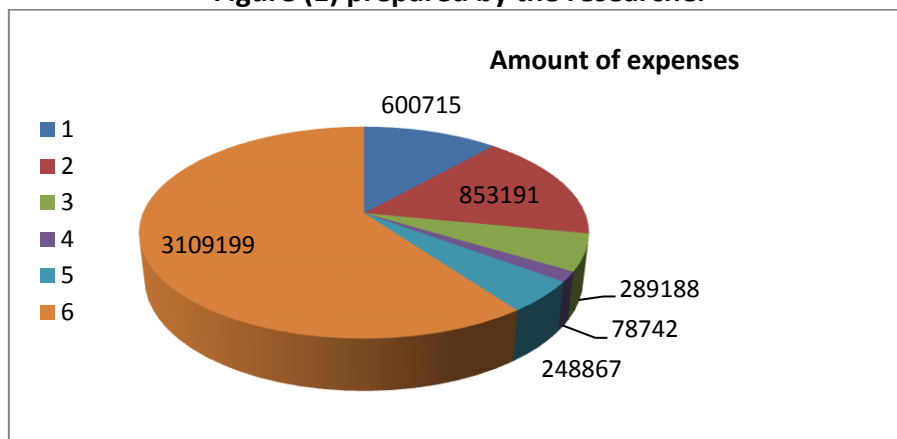
**Table (1) Specialized bank initiative (million dinars)**

Year	2016	2017	2018	2019	2020	2021
Amount of expenses	600715	853191	289188	78742	248867	3109199
Expenses Rate	%0.05	%0.07	%0.02	%0.006	%0.02	%0.25

Source: Central Bank, Financial Operations Department, planned by the researcher.

From table (1) above, we note that the highest exchange rate in the year 2021 was (0.25%), with the amount disbursed (310.9199 million dinars) of total allocation and the subsequent year 2017 with (0.07%) with the amount of (853191) million dinars, while the lowest disbursement rate in the year 2019 with (0.002%) with the amount of (787442) million dinars. This is seen in figure (1) below.

**Figure (1) prepared by the researcher**



**12-3 Small and Medium Enterprises program:** This program began in the year 2015 and is continuing. As mentioned below, a sum of 1 trillion dinars has been allotted to this initiative:

**Table (2) Small Enterprise Initiative (millions of dinars)**

Year	2015	2016	2017	2018	2019	2020	2021
Amount of expenses	6000	16150	18583	30645	67138	84920	558325
Expenses Rate	%0.006	%0.02	%0.02	%0.03	%0.07	%0.08	%0.56

Source : Central Bank, Financial Operations Department, planned by the researcher.

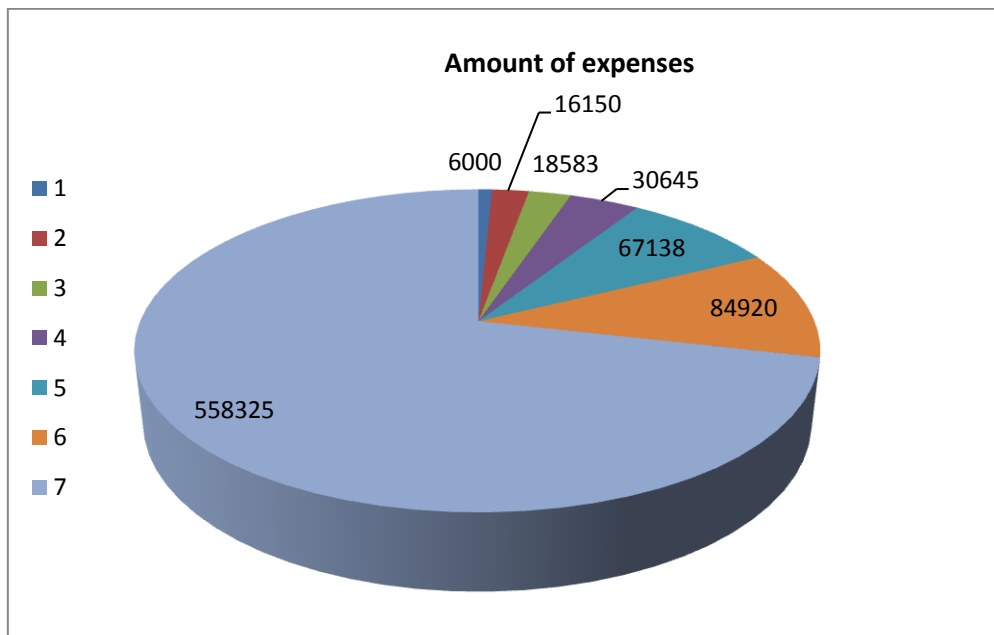


Figure (2) prepared by the researcher

However, the fact that banks rely on them in bank credit processes without relying on their own sources of financing for customer deposits and bank capital leads to a failure to build up the banking system by attracting customers and withdrawing cash in excess of the public requirements, which in turn increases public wealth.

#### 12.4 The use of electronic platforms in the control process and the activation of bank credit, as indicated below:

**a-Electronic credit information system:** The Central Bank has established the CBS system in industrialized nations to eliminate outdated routine paper correspondence in order to save time, minimize effort and expense and speed up the process of giving credit. Thus, the process has been easier for all banks authorized by the Central Bank to access client information and acquire the credit report. The system has consequently assisted beneficiaries (banks, the Iraqi Housing Fund, small and medium-sized firm financing organizations regulated by the Central Bank) to analyze credit risks and to accept sound credit for basic health requirements based on information supplied by the following information.

The meaning of electronic inquiry is to query about the client & s situation on the credit facilities given to him by all banks, the Housing Fund and SME finance businesses licensed by the Central Bank.

**b. Credit intelligence system:** is an electronic platform managed and administered by the Central Bank and gathers credit information on persons and firms from beneficiaries where these data are processed and represented in the form of a credit report.

**c. Credit report:** a report including extensive information about the individual or firm receiving the loan or credit facilities and their situation with respect to payment, the amount remaining in their charge and the outstanding debt (disruption in the payment process). The relevance of the credit report is to illustrate the quality of the borrower and the eligibility to facilitate the work of acquiring the credit necessary by presenting its credit date, which will aid in the process of obtaining the loan or credit facilities. Data are updated by information obtained from the loan donors or credit facilities and are required to indicate transactions that have been requested from the date of application of the platform:



**Table No. (3) Number of electronic inquiry transactions**

No.	Date	Number of transactions Investigated
.1	1/11/2020 to 31/12/2020	30753
.2	1/1/2021 to 31/12/2021	741395
.3	1/1/2022 to 31/12/2022	1255288
	Total	2027436

Source: Directorate of Banking Control, Central Bank.

The table above shows the following:

1. It is not possible to know the number of persons questioned from the year 2015 until 31/10/2020 because of the manual use of the information between the Central Bank of Iraq and the banks.
2. The number of transactions surveyed between 2021 and 2022 was higher, with the difference between the two years (513893) being higher.

**13-Project on the electronic platform for letters of guarantee:**On 18 October 2020, the Central Bank released an internet portal, summarizing the application of electronic monitoring of letters of guarantee to banks. The bank is not authorized to open a letter of guarantee unless it is registered on the platform. The Central Bank published the draft standard electronic bond for letters of guarantee, thereby completing all steps of the letters of guarantee to become electronic control rather than conventional control. At the same time, the beneficiary of the letter of guarantee has enhanced trust in the letter of credit, so promoting a growth in the pledge credit owing to the beneficiary ' s request for the letter of guarantee at the time of the contracts rather than the ratified agreements.( Central Bank Annual Report, 2021: 37).

**14 .Implementation of the judgments of the Basel Committee:**In consideration of the financial conditions of the late 1970s for commercial banks as a result of the uncontrolled issuance of credit, the Basel Committee analyzed the reasons for these crises and delivered various conclusions, notably on bank credit. Basel Committee (I) conclusions focused exclusively on credit risk without considering at other hazards. (Heffernan, 2005:180) Until the Basel Committee announced new decisions defining Basel Committee decisions, these decisions focused on four basic forms of risk, namely, extra-budgetary credit risk, intra-budget credit risk and risk. Operational risk, marketing risk (Almaliky 2013: 28). (John at el ,2007:625) focused on increasing bank credit and in return reducing the risk of bank credit, with Basel judgments (3) identifying that the capital account required to meet the credit risk should be made to include each component of items (assets) and extrabudgetary accounts (Akkizkdis, 2018:14), as well as banks applying the standard method to the capital account required to meet the credit risk, according to the credit ratings obtained from international equity institutions (Standandpoor,s and Mood,s). In the event that banks do not depend on recognized classifications and rely on other classifications, the permission of the Central Bank of Iraq will be acquired, taking into consideration the fact that there is a discrepancy in the degree of client classification based on the most conservative classification. Accordingly, the Central Bank of Iraq has urged the banks to take credit quality into consideration, taking into account the client & s credit status. At the same time, it has shielded the bank against poor credit (CIB Directive No. 420:2018).

**15. Application of bank accounting standards:**In consideration of the financial crisis of 2010 and the substantial economic ramifications that had contributed to the bankruptcy of certain global banks, throughout the year 2014 the Accounting Standards Board adopted standard No. (9) to manage credit risks originating from credit failures in some institutions. The criterion



demanded a competent evaluation of the credit rating of clients. This would maintain the financial integrity of banks and limit the effect of bank credit risks coming from the non-compliance of some borrowers with the requirement to pay their credit and interest. The standard will also compute credit allocations as well as the computation of predicted credit losses accordance with the criteria set out in the standard (<https://uabonline.org/ar>).

Accordingly, the Central Bank of Iraq has given its instructions on the adoption of this standard and has compelled banks to apply it from 1/1/ 2019. The Central Bank has ordered the Risk Commission, the Audit and Risk Management Commission and the Bank's Internal Audit Department to help the Board of Directors in executing the supervisory function and to guarantee correct execution of the standard. The Central Bank also requires risk management to play a vital role in complying with the criteria of standard (9) in the light of the calculation of credit losses. Thus, the Central Bank's application of standard (9) is the result of its supervisory and auditing role over banking activities and in the light of the improper use of bank credit and the large number of credit losses, which are required to operate the standard for the purpose of increasing the quality of credit and reducing risk, which in return will stimulate bank credit in all sectors in a more secure manner and in all economic areas. (Instructions of the Central Bank of Iraq).

**16. Funding company licensing project:** -The Central Bank of Iraq has updated the licensing instructions and controls of microfinance and microfinance companies to support their activities in supplying loans and financing to enterprises and entrepreneurs that do not have enough capital in order to regulate the credit market in the sector and direct it to support the Bank 's fiscal and monetary policy, thereby creating jobs for youngsters groups in financing their projects by generating and guiding start-up companies to operate within banking channels.

**17- Iraqi Deposit Guarantee Company:**The Iraqi Deposit Guarantee Company was established by the Corporate law No. 21 of 1997 and the banks Deposit Guarantee Regulations No. 3 of 2016, with Capital amounting to 100 million dinars, from the contribution of government banks, commercial banks, private Islamic banks, branches of foreign authorized banks working in Iraq, the National Retirement Authority and Iraqi and national insurance companies. It obtained its moral identity on 27 June 2019 and functioned within the Central Bank of Iraq's Exchange Control Service Book No. 9/2/11791 on 14 September 2020. The main goal of the company's establishment is to improve public confidence in the banking sector, to strengthen the protection of depositors funds and to encourage the national economy, which, in cooperation with the Central Bank of Iraq and banks, contributes to addressing the phenomenon of entanglement of funds within the home instead of the banking sector, since the deposit of funds in the banking sector will directly lead to higher deposits of all kinds and resulting in to higher bank liquidity, which contributes to a higher ability of banks to extend bank credit to as large a number of customers as possible. Here, the function of banks appears as a mediator between surplus and cash-deficit units. ([www.icdi.iq](http://www.icdi.iq)).

18. The multiple regression of all banks:

Table (4) Multiple-line regression factors/average bank research sample

Bank	dependent variable	independent variable	R	R <sup>2</sup>	Value of F	Tabular value of F	Parameters	Value of t	Tabular value of t	Results
Average bank sample	Bank credit	Deposits	0.191	0.37%	0.057	6.94	a117830.600	0.293	2.021	Not Significant
		b <sub>1</sub> 0.027								
		Capital and reserves					b <sub>2</sub> 0.126	0.097	2.021	Not Significant

Source: Researcher based on spss program

From the table(4) above, we have the following:

1. Deposits, money heads and reserves account for an amount of 037% of the variables in bank credit, which are weak, while other variables represent 63%.
2. The calculated F value (0.057) was lower than the tabular value (6.94), so we accept the null hypothesis, which states (no significant effect of deposits, designs and reserves on bank credit) and reject the alternative hypothesis, which states (there is a significant effect of deposits, designs and reserves on bank credit).
3. The fixed sum (a) was 117830.660.
4. The marginal propensity (deposit 0.027) was equal, implying that when deposits grow by one unit, bank credit increases by one. (0.027).
5. The marginal propensity value (for capital and reserves) was 0.162, implying that as capital and reserves grow, bank credit increases by one unit. (0.162).
6. The value (t) of deposits (0.293) is lower than tabular value of 2.021, and therefore we accept the null hypothesis, which states (no significant effect of deposits on bank credit) and reject the alternative hypothesis that (there is significant impact of deposits on bank credit), due to the decline in bank credit granted in comparison with bank deposits based on the standard ratios adopted by the Central Bank of Iraq.
7. The value (t) of the capital and the reserves (0.097) was lower than tabular value (2.021). Thus, we accept the null hypothesis, which claims that there is no significant impact caused by the capital and the reserves on bank loan. We reject the alternative hypothesis, which argues that there is significant impact of the capital and the reserve on bank credit . This is related to the growth in capital and reserves throughout the research years in return. Bank credit is in the event of low and low grant ratios based on the standard scores set by the Central Bank of Iraq.

From the above the Central Bank of Iraq must take seriously the reasons for the drop in the standard ratios and resolve the gap in those ratios. The Central Bank of Iraq must direct banks in a strict manner to accomplish economic development. It must also activate the role of private banks in this regard. These banks must not rely entirely on the window for the selling of cash in order to earn profits. They must be appraised in line with international norms of value and must punish institutions that violate them. They must give incentives to highly regarded banks.

**19. Conclusions:** At a time when adoption of VR in businesses is increasing, challenges such as cost, accessibility, and integration into existing workflows remain. However, with technological advancements and declining costs, VR is expected to have a broader impact across various industries, changing the way companies operate and interact with stakeholders



Central banks have an important role to play in supervisory controlling and protecting the banking system as a whole and maintaining public and private funds at the same time in accordance with their laws, instructions and practices. Central banks have their own instruments through which they can supervise and control the amount of bank credit. At the same time, central banks can find additional solutions that can improve credit activity through changing methods of supervising and the use of sophisticated electronic means. There is a weak correlation between the supervisory oversight of the Central Bank in stimulating the credit policies of the private commercial banking sector. There is no statistically significant impact on supervisory monitoring in stimulating the credit policies of the banking sector in line with the standard ratios set by the Central Bank in stimulating the credit policies of the private commercial banking sector.

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