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The Impact Relationship Correlation between Banking Risk Management on the Risks of Granting Bank Credit in the Environment of Iraqi Banks

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Abstract

The study aims to demonstrate the impact of the correlation between the management of banking risks and the risks of granting bank credit in the environment of Iraqi banks, and the measurement of banking risks and the risks of granting bank credit . A sample was selected from)Mansour investment bank - Middle East Investment Bank) and the years (2017-2022) were determined to be the limits of the time study.The study proposes the hypothesis that "there negative correlation between bank risk management and the risk of granting bank credit at a moral level of 0.05."order to achieve the objectives of the study, both deductive, inductive and analytical methods were used . The results indicated that there is a negative correlation between the management of banking risks and the risks of granting bank credit, and that the correlation strength is negative and its value is (-0.48), which is at a moral level lower than (0.05), that is, the higher the management of banking risks, the lower the risks of granting bank credit, and this indicates the acceptance of the alternative hypothesis Banking and bank credit granting risks are at a moral level of 0.05." The study recommends that Iraqi banks work to disclose banking risk management , its organizational structure and who it consists of , within the bank's annual report, and be independent and have an exchange of information and results achieved with the credit facilities division, in order to reduce bank credit risks to a minimum.

Keywords: *Risks -Bank Credit-Bank Risk Management.*

1. INTRODUCTION

Risk in banks is theoretically defined as "the logical development and implementation of a plan to deal with possible losses". Typically, the focus of risk management practices in the banking industry is to manage the institution's exposure to losses or risks and protect the value of its assets. In general banking is considered a risky business. Economic theory suggests that there are two economic units - the surplus unit and the deficit unit - and these economic units prefer to use financial institutions (intermediaries) to transfer the necessary funds to each other. Certainly, this process increases the financial importance of intermediaries in the economy, but also poses some risks for these institutions. Economic units usually prefer to use intermediaries because of the problems associated with their asymmetric information and in order to solve asymmetric information problems, enterprises recruit skilled personnel and systems, which is why scarce sources of funds are now more effectively used by units in the economy. Therefore, funds are directed to

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projects that benefit the most valuable economy .however, the process of directing funds from one unit to another naturally involves some risks inherent in the process. Banks usually manage these risks is part of their normal operations.

(Turgut ,2018 : 2-1)The Basel Committee's interest in banking risks became more evident when it issued the Basel 2 agreement of 2004 on the capital adequacy standard, as the agreement focused on strengthening the legal capital through the minimum capital requirements so that it is more sensitive to the risks exposed to the bank, and the committee adopted a measure to measure the risks for credit risks the agreement Internal classification, either the measurement of operating risks adopted the methods of the basic indicator, the modular method or advanced measurement methods, and the risk arises when there is a possibility of more than one result and the final outcome is unknown, and the risk can be measured by calculating the deviation Although all business enterprises face uncertainty about the results of their activities, financial institutions face special types of risks due to the nature of their activities. (Al-Maliki , 2013 : 1).

Bank credit is one of the most important banking services provided by commercial banks in the Iraqi environment to the public, Economic Units, companies, and various state institutions . At the same time, it is one of the most important banking activities that bring rewarding revenues as a result of commercial banks receiving bank deposits and then operating them as a financial intermediary between savers and investors .bank credit also contributes to directing economic activity towards investment projects in general and strategic investment projects in particular, which the country lacks, as well as being a national financing entity).Al-Jazrawi , Al-Nuaimi, 2010: 2).

Credit is one of the most important economic tools through which banks play their role in financing the process of economic and social development, as bank credit has contributed significantly to the development and development of the economies of many countries of the world by contributing to the financing of many companies and business institutions, enhancing their growth, expanding their activities and helping them to continue and develop. The success of the banking system in this area depends on its ability to mobilize domestic savings, accumulate as much of them as possible and put them at the service of economic activity. Many development theories have touched on the role and importance of bank credit in financing the process of economic development, such as Schumpeter's theory, which emphasizes that bank credit is one of the main determinants of economic growth. As well as the theory of loanable (allocated) funds, which emphasizes the centrifugal relationship between credit growth and investment growth, and other theories that clearly indicate the importance of the role played by bank credit in financing the process of development and development. In order for bank credit to be at the service of development and economic stability, credit policy must be integrated as an essential part of monetary policy. Fiscal policy of any country . In the case of a recession, banks should expand credit grants simultaneously with the expansion of tunnels, but in the case of inflation, banks should follow a deflationary credit policy simultaneously with the deflationary spending policy to rein in inflation and restore economic stability . (Ahmed , 2020: 282)as a result, the study seeks to demonstrate impact of the correlation between Banking Risk Management on the risks of granting bank credit in the environment of Iraqi banks.

2. STUDY METHODOLOGY

Bank credit plays an important role in supporting the process of economic development, because it is a financial intermediary between savers and investors ,by transferring money received from the bank in the form of bank deposits from a person who has a cash surplus to a person in urgent need of this surplus, as bank credit contributes to directing economic activity towards investment projects in general, and investment projects The strategy in particular ,which the country lacks , as it is in dire need of optimal utilization of the resources available to it, as well as the fact that bank credit represents the most important sources of revenue, which banks receive and increase their profitability. (Al-Jazrawi , Al-Nuaimi, 2010 :1) and The problem of the study is the absence of an effective system for measuring Banking Risk Management in Iraqi banks, which leads to a weak ability of the bank to make appropriate decisions in the process of determining credit risk allocations (allocation of doubtful loans) for the purpose of hedging credit risks, as well as the lack of sufficient information on credit risks in the annual reports of banks, as there is a weak In the management of bank credit risks, non-performing loans and written-off loans to which the bank is exposed ,which is the main reason for the financial default of the bank, which negatively affects the performance of the bank, the study suggests the following question, which states "Is there an impact relationship between in the risks of granting bank credit in the environment of Iraqi banks"

The study is important, in that the credit process is about the trust that arises between the lender hands-on Operation The study seeks to demonstrate the importance of the on the risks of granting bank credit in the environment of Iraqi banks .

The study achieves a number of objectives, namely, the statement of the impact of the correlation between the management of banking risks and the risks of granting bank credit in the environment of Iraqi banks, and the measurement of banking risks and the risks of granting bank credit .

The study suggests the following hypothesis: "therenegative correlation between bank risk management and the risk of granting bank creditat a moral level of 0.05."order to form the study with all its theoretical and practical frameworks for the study, both deductive, inductive and analytical approaches were adopted , the boundaries of the spatial study were represented by the banking sector of Iraq, represented by banks (Mansour investment bank-Middle East Investment Bank) and the years (2017 - 2022) were determined to be the time limits of the study.

Multiple studies have dealt with banking risks, where, a study (return, 2022) sought to manage credit risks in Islamic banks and analyze their types ,study foundIslamic banks face credit risks in all their operations, they face this type of risk, in financing formulas based on debt contracts, such as Murabaha, Salam, istisnaa, and others more than Contract - based financing of participations. Astudy (mazal, 2022) showed the factors affecting the granting of bank credit from the customer's point of view , and the study came to highlight , the most important factors affecting the granting of bank credit, from the point of view of the customer requesting credit, and through a survey of the opinions of a sample of customers of banks operating in the city of Nasiriyah, through a questionnaire designed for that purpose, The results of the study showed that one of the most important of these factors is the high interest rates that hinder the granting of bank credit , and in light of this, the most prominent recommendations were developed,Which requires the need to review interest rates to encourage customers to apply for bank credit, in proportion to the prevailing economic situation and available investment opportunities. A study (Ibrahim, Khalil,2022) pointed to the statement of the necessary criteria on which banks are based when granting credit ,helping them to analyze and identify the risks that accompany the process of granting bank credit.The study concluded that the basis for granting credit is the availability of creditworthiness, in the customer requesting credit, it is the cornerstone of credit, and here creditworthiness is not meant, it is the availability of the element of trust only, but it is meant that there is a set of credit standards, which the bank must make sure of the availability of a student Credit , through conducting in-depth credit studies of the client's financial position, including its related parties , the results of its business , its good reputation , the extent of its keenness to regularly fulfill its obligations , the purpose required for it, the method and method of payment, and other criteria. A study (Abdullah, Abtan,2022) showed the measurement and analysis of the impact of financial depth on inflation rates - Egypt as a model for the period (1990-2020), where the study sought to measure and analyze the impact of financial depth indicators on inflation rates ,and highlight their role in addressing inflation and reducing it in the future, to economically acceptable levels, as the ARDL data model was estimated, and the study found a balanced relationship between financial depth and inflation rates in the short and long term, as Bank credit as a percentage of GDP is one of the most important indicators of financial depth affecting inflation , and as the study recommends , the Central Bank of Egypt , under the guidance of commercial and specialized banks ,to increase credit grants to maintain the inflation rate within acceptable limits. She explainedA study (Noureddine,2022) to shed light on the reality and prospects of adopting financial risk management, and its reflection on economic institutions, where the field study included a sample of economic institutions in the industrial zone of the state of Souk ahras, where the opinions of managers and workers of institutions were studied towards risk management, where a questionnaire was prepared and distributed to the study community of 35 respondents The study concluded that the existence of a strong level of financial risk management for the institutions under study, as well as a strong level of application of the risk management methodology , as well as a strong level of the components of the effectiveness of risk management,The study found that financial risk management has an important role in economic institutions.

3. LITERATURE REVIEW

3.1. The Concept Of Risk

The word risk is the Arabic translation of the English word (Risk) and has its origin in the Italian word (Risicare) risk is a choice,not fate, the actions that a person dares to take, depend on the freedom to act on it (Spencer& Pickett, 2005:55(Risk is a phenomenon that arises from the uncertainty surrounding the possibilities of achieving, or not achieving, the return ;because the goals pursued by the investor are usually related to future cash flows expected to be obtained from his investment; because the probability of achieving these flows is dependent on factors beyond the investor's control, so it becomes impossible to assume that these One hundred percent flows and when it drops There is a direct relationship between the risk and the time dimension of the investment .the longer the time period for achieving the cash flows provided by the investment instrument, the greater the degree of risk, on the basis that the probability of achieving cash flows decreases with the length of time and increases with its decrease (Riad, 2004:30.(Risks are one of the Daily phenomena experienced by both individuals and organizations and represent one of the most important economic phenomena, specifically in finance and business (Adamowicz, 2018:39) .(Many studies ,writers and researchers have defined risks from different points of view, and one of the most important definitions in the field of financial management means risk " as the difference in actual cash flows from the expected cash flows, but in the field of banking, it means risk: those unfavorable effects arising from expected or unexpected future events that affect the profitability of the bank and its capital, The risks that the bank deals with affect the financial decision and it must choose between several predetermined possibilities (Faraj, 2021:21)".(American Institute of external auditors defines risk "as the probability of occurrence of circumstances that can affect the achievement of the objectives of the organization and the risk is measured by the degree of its impact on the organization and the degree of probability of occurrence)Al etabi(2017:24 And (Alain,2000:10-11) referred to risk "as a random phenomenon corresponding to a situation or a future that can only be predicted by probabilities opposite to the uncertainties and certainty that allow prediction". This means that risk is a state of expectation constrained by probability(Hopkins, 2018: 15) defines risk as an opportunity or probability of danger, loss, injury or other harmful consequences. In this definition, risk is used to denote negative results, however, risk can also lead to a positive result .the third possibility is that the risk is associated with uncertainty about the results.She defined risk as " the goal associated with uncertainty about the relationship between current spending and future return (Nicos& Annetter ,2018:311).

3.2. Bank Credit

The first form of banking work is to accept deposits from depositors without giving the owners the right of interest, but sometimes they had to pay part of it to those who deposited these properties for preservation and guarding, and this principle is the basis in the emergence of bank credit and over time this principle changed if different depository institutions then began to practice lending operations for lending and lending to become the main pillar of the modern bank's business is the acceptance of Therefore.(Najjar, 2014 47), the bank's credit activity is one of the most important activities that bring profit to the bank, as credit is the most attractive investment among the activities of commercial banks and represents the activity through which the bank's management seeks to achieve financial returns, which is the main axis of the bank's revenues (Al-Karawi, 2017:51). Bank credit is defined as "the supply of money from the bank to the borrower or the borrowing capacity provided by the banking system in the form of loans to the individual ,the government, the company or business organizations (Kathor, Kathor ,2010:46), (Yao,2012:19) sees bank credit as a term used to describe transactions in which money or other property is transferred according to the terms of the content with the promise to repay the principal amount plus interest at a future date.They define bank credit as " a bank that grants a credit action in exchange for a guarantee, which may take the form of a good communication with the bank, a guarantee for projects being financed, or other personal guarantees that vary from client to client .He defined bank credit as "a transaction between two parties in which one of the creditor or lender provides money, goods, services or securities in exchange for a promise of payment in the future by the other party debtor or borrower. (Al-Douri and Al-arakabi , 2020: 36)(Rahima and Abdulkader , 2021: 221)" Such transactions usually involve the payment of interest (Joseph,2013:4). He defined bank credit, (Pearl-Kumah etal ,2014:4) " which is a word that comes from the fact that depositors have deposited their money with the bank and then they have entrusted the bank with those funds, the bank must always prove that it is worthy of this trust, and on the other hand, the bank does not accumulate and accumulate those funds without hiring (Dahi, 2022 : 34)".

3.3. Grounds for granting bank credit

Bank credit should be based on well-established and well-known foundations and principles, namely:

- Making profits:by taking advantage of the funds collected from various sources, the bank's management always aims to achieve the greatest profit and raise the value of the owners ' wealth, the number of profits made by the bank is the basic measure to determine the level of efficiency of the bank, and making the most profit gives the bank a reputation and a competitive advantage , And vice versa (Najjar, 2014:21).

- Providing security for the bank's funds:according to the decisions of the Basel Committee, commercial banks have a small capital, which means that they must ensure that depositors ' funds have been used responsibly in order to ensure their recovery and maximize returns. The amount of the return depends on a number of factors, including the original and supplementary guarantees obtained by the Bank (Al-Shammari, 2009.(38:

- Central bank decisions:in cases where credit is granted to banks, they must comply with the decisions made by the central bank, such as those related to the limits of credit expansion that the bank is not allowed to exceed, the required liquidity and the cash reserve (Sumaya, 2013: 4) .

- Liquidity:this refers to the idea that banks should be able to constantly fulfill their obligations to customers (deposit holders) by achieving sufficient liquidity to do this, banks should invest part of their resources in assets that have a sufficient amount of liquidity, which enables the bank to quickly and profitably recover their value in the event of a loss; Their value or losses are extremely insignificant (Sumaya, 2013:4).

3.4. Banking Risk Management

Risk management in the bank has become one of the main axes for determining bank solvency and achieving stability of the financial and banking system as a whole. Therefore, through this requirement, we will try to define the concept of the risk management process and present the most important definitions and insights that dealt with this term .Risk management expresses the systematic method or method of identifying and analyzing potential risks and applying the appropriate response to them. If the analysis is to analyze or find out what could be wrong compared to expectations, then management is to know what needs to be done, therefore, risk management is considered a department for monitoring and controlling various risks in search of achieving the optimal relationship of return and risk, while the risk management department is responsible for developing procedures and policies aimed at reducing risks The bank seeks to reduce the negative effects of these risks to the limits accepted and approved by senior management in order to minimize errors or surprises, minimize missed opportunities or accelerate the ability to adapt to changes, therefore, risk management is The bank tries to minimize potential losses, or avoid falling into them, through various tools and Means and at the lowest costs (Najjar, 2014:64-63).

Risk management is defined as"identifying, following up and monitoring risks to report and control them to reduce their negative effects, and their importance at the time of the technological revolution, which led to the creation of new and multiple risks as a result of the orientation of banking electronically, which led to the emergence of additional risks associated with electronic banking (Khalaf and Ali, 2018:63) "

It is defined as " a scientific method or method aimed at dealing with purely risks by anticipating possible accidental losses and developing and implementing measures that would reduce the occurrence of accidents or the financial impact of losses that occur to a minimum (Kata and Hamid, 2021:180"(According to(Ghanaian, 2015 16) in risk management,"risk management is carried out through appropriate control by the board of directors and senior management in order to identify, measure, follow up and monitor all relevant risks and prepare reports on them ".

Also known as risk management "is the process of identifying and analyzing the bank's risks and identifying actions to avoid threats (Krantikumar et al , 2016:153) Defined risk management "is a logical development and implementation of a plan to deal with potential losses", in theory it is the implementation of the organization's plans in the face of potential risk, dealing with losses and protecting assets from any expected loss (Turgut,2018:1)From this point of view, the following steps in risk management can be recognized in general, they relate specifically to banking risks (Mostafa et al, 2011:312).

- The responsibility of the board of Directors is to make choices through planning, gathering information and creating scenarios
- Identification of hazards, their qualities and variables affecting them.
- Analysis and study of risks from both qualitative and quantitative points of view.
- Selection and identification of Risk Response Solutions.
- Monitor and monitor the threats to which the enterprise or bank is most vulnerable.
- Assess and measure risks, as well as track how they affect the profits of the company or bank.

3.5. Analytical framework (method and procedures)

3.5.1.Sample Study

The boundaries of the spatial study are represented by the banking sector of Iraq, represented by banks (Mansour investment bank - Middle East Investment Bank) and the years (2017-2022) were determined to be the boundaries of the time study.

3.5.2.The Measurement Method Used

In Order To Measure Banking Risk Management Following Equations Have Been Used :

• The Debt Ratios Measured In Two Equations, Namely: -

To Assets Ratio = Total Total Assets.

The Of Debt To Equity = Total Debt To Net Equity .

• The Liquidity Ratios Measured In Two Equations, Namely:

Quick liquidity ratio = (current assets – inventory) ÷ current liabilities.

Trading Ratio = Current Assets ÷ Current Liabilities.

• The Profitability Ratio Was Measured According To The Following Formula :Ratio= Net Profit÷Net Sales.

• The Market Were Measured In Two Equations, Namely: -

The Ratio Cash Dividends = Dividends Distributed Net Accrued.

Pershare of Realized Profits = Net Profit ÷ Average Number of Shares

To measure the , the following equations have been used -:

-The ratio of total loans to total assets = total loans÷total assets100% × .

-The ratio ready cash to total deposits and liabilities=Total ready cash÷total deposits and liabilities100% ×.

-The ratio performing loans to total deposits and liabilities=total non-performing loans÷total deposits and liabilities100% ×.

-The ratio of non-performing loans to Owned Capital =total non-performing loans÷Capital100% ×.

-The ratio of total loans to total deposits = total loans÷total deposits100%×.

The correlation was relied upon to measure the impact of the relationship between banking risk management and bank credit risk in the Iraqi banking environment.

3.5.3. Measurement And Analysis Banking Risk Management

Tables (1) to (2) show the results of measuring and analyzing Banking Risk Managements follows: -

Table No. (1) the results of measuring and analyzing the banking risk management Mansour investment bankyears (2017-2022)

1. Debt-to-asset ratio = total debt÷total assets			
The years	Total debt	Total assets	Debt-to-asset ratio
2017	1026354746006	1316451509457	77.96
2018	1269908140330	1566367957302	8.00
2019	1181817654830	1461478909568	80.86
2020	1000864267745	1287419060851	77.74
2021	417836147563	697917429555	59.87
2022	453784562847	736839536901	61.59
2. Debt to equity ratio = total debt to net equity			

The years	Total debt	Net equity interest	Debt to equity ratio
2017	1026354746006	290096763451	353.80
2018	1269908140330	297286553972	4.27
2019	1181817654830	279661254738	422.59
2020	1000864267745	286554793106	349.28
2021	417836147563	280081281992	149.18
2022	453784562847	283054974054	160.32

3. Quick liquidity ratio = (current assets – inventory÷ liabilities)

The years	Current assets	Inventory	Current liabilities	Fast liquidity ratio
2017	1266191833260	0	992703914461	1.28
2018	1517573725417	0	1246492581812	1.22
2019	1323804177325	0	1175839987511	1.13
2020	1223365792483	0	993813243667	1.23
2021	662611548643	0	411037874022	1.61
2022	699233866768	0	446040361650	1.57

4. Trading ratio = current assets÷ liabilities

The years	Current assets	Current liabilities	Trading ratio indicator
2017	1266191833260	992703914461	1.28
2018	1517573725417	1246492581812	1.22
2019	1323804177325	1175839987511	1.13
2020	1223365792483	993813243667	1.23
2021	662611548643	411037874022	1.61
2022	699233866768	446040361650	1.57

5. Net profit ratio= net profit÷net sales

The years	Net gainer	Net sales	Net profit ratio indicator
2017	14833791486	25795117768	0.58
2018	21164144077	33382864503	0.63
2019	8278258676	17767025128	0.47
2020	7005133190	15764219673	0.44
2021	8117891662	17255182237	0.47
2022	12651511991	26980574187	0.47

6. Dividend payout ratios = dividends distributed÷net profit accrued

The years	Dividends distributed	Net realized profit	Cash dividend ratio indicator
2017	12503059878	14833791486	0.84
2018	12499931500	21164144077	0.59
2019	17499930000	8278258676	2.11
2020	14999930750	7005133190	2.14
2021	15000000000	8117891662	1.85
2022	10000000000	12651511991	0.79

7. Net profit percentage = net profit÷average number of shares

The years	Net profit	Average number of shares	Per share of realized profit
2017	14833791486	26.70	0.059
2018	21164144077	8.20	0.084
2019	8278258676	24.40	0.033
2020	7005133190	26	0.028
2021	8117891662	25.20	0.032
2022	12651511991	25.60	0.0506

Table No. (2) the results of measuring and analyzing the banking risk managementMiddle East Investment Bankyears (2017-2022)

1. Debt-to-asset ratio = total debt÷total assets				
The years		Total debt	Total assets	Debt-to-asset ratio
2017		477233637000	748131340000	0.64
2018		533282269000	800749802000	0.67
2019		390941198000	658231494000	0.59
2020		382977561000	647868750000	0.59
2021		375540449000	640721811000	0.59
2022		529908110000	795103959000	0.67
2. Debt to equity ratio = total debt to net equity				
The years		Total debt	Net equity interest	Debt to equity ratio
2017		477233637000	270897703000	1.76
2018		533282269000	267467533000	1.99
2019		390941198000	267290296000	1.46
2020		382977561000	264891189000	1.45
2021		375540449000	2651813662000	0.14
2022		529908110000	265195849000	2.00
3. Quick liquidity ratio = (current assets – inventory÷ liabilities)				
The years	Current assets	Inventory	Current liabilities	Fast liquidity ratio
2017	561397178000	0	339733712000	1.65
2018	605971762000	0	444696596000	1.36
2019	457288965000	0	287512499000	1.59
2020	440518964000	0	286441491000	1.54
2021	461768560000	0	306537145000	1.51
2022	618176029000	0	460873297000	1.34
4. Trading ratio = current assets÷ liabilities				
The years		Current assets	Current liabilities	Trading ratio indicator
2017		561397178000	339733712000	1.65
2018		605971762000	444696596000	1.36
2019		457288965000	287512499000	1.59
2020		440518964000	286441491000	1.54
2021		461768560000	306537145000	1.51
2022		618176029000	460873297000	1.34
5. Net profit ratio= net profit ÷net sales				
The years		Net gainer	Net sales	Net profit ratio indicator
2017		578721000	26884543000	0.02
2018		-1985298000	15984627000	-0.12
2019		193789000	16235072000	0.01
2020		-24651431000	22964173000	-1.07
2021		455924000	16787301000	0.03
2022		398899000	18196422000	0.02
6. Dividend payout ratios = dividends distributed÷net profit accrued				
The years		Dividends distributed	Net realized profit	Cash dividend ratio indicator
2017		299019000	578721000	0.52
2018		959287000	-1985298000	-0.48
2019		372640000	193789000	1.92
2020		240207000	-24651431000	-0.01

2021	2745968000	445924000	6.16
2022	52439000	398899000	0.13
7. Net profit percentage = net profit÷average number of shares			Per share of realized profit
The years	Net profit	Average number of shares	
2017	578721000	250000000000	0.0023
2018	-1985298000	250000000000	-0.01
2019	193789000	250000000000	0.0007
2020	-24651431000	250000000000	-0.10
2021	445924000	250000000000	0.001
2022	398899000	250000000000	0.001

By measuring and analyzing the management of banking risks(in Mansour investment bank-Middle East Investment Bank-trans-Iraq bank), it has become clear to usthat the ratio of indebtedness, through the ratio of debts to assetsreached its tightening in 2019for Mansour investment(80.86)clear from this ratio that the bank relies on debts and a very large percentage ,This exposes the bank to risks, and through this ratio and knowing the degree of risk and dependence, it is possible to manage the risks of this item from collapse, by reducing dependence on debt, and the debt-to-equity ratio of the bank itself reached((353.80 The debt-to-equity ratio of the bank has constituted a , and this is an indicator of the bank's dependence on debt to finance its obligations .

In addition, it may become cleardebt-to-assets ratioinMiddle East investment bank reached((0.67in 2022 and in 2018, This is a better indicator than what Mansour bank had ,debt-to-equity ratio of the bank itself reached (1.99)a good ratio, which means that the bank's reliability is primarily according to the ratio of analysis on equity First of all.

The results of the analysis indicate that the performance Mansour bank for investments, Middle East Bank for investments, and bank across Iraq characterized by better performance, as banks rely on their assets for financing, and this is a good indicator of the good effective performance of these banks, where they achievedhigh profitability rates, where the highest percentage was in Mansour bank for investment by (0.63) and Middle East Bank for investment by (0.03) A bank across Iraq percentage of. (0.60).

3.5.4. Measurement And Analysis Bank Credit Risk

Tables (3) to (4) show the results of measuring and analyzing Banking Risk Managements follows: -

Table No. (3) results of measuring and analyzing bank credit risks of Mansour investment bank for the years (2017-2022)

1. Ratio of total loans to total assets= total loans ÷total assets × 100 %			
years	Total loans	Total assets	Ratio of total loans to total assets
2017	991136239999	1316451509457	0.75
2018	1243392090131	15666367957302	0.08
2019	1163760063511	1461478909568	0.80
2020	979024594937	1287419060851	0.76
2021	403324616441	697917429555	0.58
2022	433979311444	736839536901	0.59
2. The ratioready cashtototal deposits and liabilities=Total ready cash÷total deposits and liabilities×100%			
years	Total ready cash	Total deposits and liabilities	The ratioready cashtototal deposits and liabilities
2017	842732687387	1026354746006	0.82
2018	1240767523025	12699081403330	0.10

2019	1214677152701	1181817654830	1.03
2020	1120694133856	1000864267745	1.12
2021	460796064144	417836147563	1.10
2022	44036181960	453784562847	0.10
3. Ratioperforming loanstototal deposits and liabilities =total non-performing loans÷total deposits and liabilities×100%			
years	Non-performing loans	Total loans	The ratioperforming loanstototal deposits and liabilities
2017	988461278160	991136239999	2.51
2018	1243392090131	1243392090131	2.87
2019	1163760063511	1163760063511	2.96
2020	978474336388	979024594937	3.01
2021	402318583760	403324616441	2.54
2022	432649642812	433979311444	1.88
4. the ratio of non-performing loans to Owned Capital)= total non-performing loans÷Capital ×100%			
years	Owned capital	Total non-performing loans	The ratio of non-performing loans to Owned Capital
2017	988461278160	250000000000	3.95
2018	1243392090131	250000000000	4.97
2019	1163760063511	250000000000	4.66
2020	978474336388	250000000000	3.91
2021	402318583760	250000000000	1.61
2022	432649642812	250000000000	1.73
5. the ratio of total loans to total deposits) = total loans÷total deposits×100%			
years	Total loans	Total deposits	The ratio of total loans to total deposits
2017	991136239999	977535904819	1.01
2018	1243392090131	1239309098528	1.00
2019	1163760063511	1157608269115	1.01
2020	979024594937	965702291170	1.01
2021	403324616441	382193981512	1.06
2022	433979311444	392607695380	1.11

Table No. (4) results of measuring and analyzing bank credit risks of the Middle East Investment Bank of Iraq for the years (2017-2022)

1. Ratio of total loans to total assets= total loans ÷total assets × 100 %			
years	Total loans	Total assets	Ratio of total loans to total assets
2017	332579492000	748131340000	0.44
2018	437920813000	800749802000	0.55
2019	279214974000	658231494000	0.42
2020	276180722000	647868750000	0.43
2021	291327935000	640721811000	0.45
2022	347494985000	795103959000	0.44
2. The ratioready cashtototal deposits and liabilities=Total ready cash÷total deposits and liabilities×100%			
years	Total ready cash	Total deposits and liabilities	The ratioready cashtototal deposits and liabilities

2017	424780817000	477233637000	0.89
2018	474994577000	533282269000	0.89
2019	326833240000	390941198000	0.84
2020	317314425000	382977561000	0.83
2021	338016053000	375540449000	0.90
2022	361051971000	529908110000	0.68
3. Ratioperforming loanstototal deposits and liabilities =total non-performing loans÷total deposits and liabilities×100%			
years	Non-performing loans	Total loans	The ratioperforming loanstototal deposits and liabilities
2017	332579492000	332579492000	1.00
2018	437920813000	437920813000	1.00
2019	279214974000	279214974000	1.00
2020	276180722000	276180722000	1.00
2021	291327935000	291327935000	1.00
2022	347494985000	347494985000	1.00
4. the ratio of non-performing loans to Owned Capital)= total non-performing loans÷Capital ×100%			
years	Owned capital	Total non-performing loans	The ratio of non-performing loans to Owned Capital
2017	332579492000	250000000000	1.33
2018	437920813000	250000000000	1.75
2019	279214974000	250000000000	1.12
2020	276180722000	250000000000	1.10
2021	291327935000	250000000000	1.17
2022	347494985000	250000000000	1.39
5. the ratio of total loans to total deposits) = total loans÷total deposits×100%			
years	Total loans	Total deposits	The ratio of total loans to total deposits
2017	332579492000	324584687000	1.02
2018	437920813000	429602445000	1.02
2019	279214974000	271418424000	1.03
2020	276180722000	266696675000	1.04
2021	291327935000	278784094000	1.04
2022	347494985000	252828591000	1.37

The indicators used crossed the early reaction of people who want to obtain financing through the years of study is very large by the bank with many standards taking the necessary measures to measure, proportionate and proportionate with the expenses to vadi many potential credit at work.

This first indicator expressed the ratio of total loans to total loans in Al-Mansour Shamil Bank (80%) in 2019, and in the Middle East Bank of Belgium (0.55) in 2018, and this indicates an increase in total loans, from a low and diversified ratio during Years of study, as the ratio of loans to the existing aesthetic parts, which exist for circulation, is relatively low, and the existing ones cover very much the loans granted to investors and dealing with the bank.

However, the second note is well expressed, a good percentage to total deposits and obligations, as it was recorded in Al-Mansour Bank, which is (1.12), which is the ratio in the year 2020, and in the Middle East Bank it is (0.90) in the year 2021, which is also a good relative.

With regard to the third reason related to the ratios of non-performing loans to total deposits and obligations, where it recorded a neutral ratio in Al-Mansour Bank, which is fast and sustainable for investment, as it recorded in all years an percentage of (1.00(.

With regard to developments and belongings acquired in non-performing loans to non-performing capital, the interest rate in Al-Mansour Investment Bank remained at (4.97), which is a very high rate, which is a negative indicator of the bank's performance, and it was recorded in the Middle East Bank as (1.75), which is a high rate.

With regard to the fifth special reason, the ratio of total loans to total deposits, and the ratio of total loans recorded a ratio of (1.11) in the year 2022 in Al-Mansour Bank, and it is explained in the Middle East Bank a ratio of (1.37), which is a very high ratio in the year 2022, and this means There is a superiority in total results over deposits in the technical study bank.

3.6. Proof Of The Study Hypotheses

H0: there is nonegative correlation between bank risk management and the risk of granting bank creditat a moral level of 0.05.

H1: therenegative correlation between bank risk management and the risk of granting bank creditat a significant level of 0.05.

Table (7) the values of the coefficients of the simple correlation (Person(the working capital and the value of the company

Person Correlation			
Variant		The risks of granting bank credit	Person Correlation
Banking Risk Management	Pearson Correlation		-0.48-
	Sig. (2-tailed)		0.415

The results of Table (7) indicate that there is a negative correlationbetween the management of banking risks and the risks of granting bank credit, and that the strength of the correlation and its value are (-0.48), which is at a moral level less than (0.05), which indicates thenegative relationship between them, that is,moreBanking Risk Management the lower the risks of granting bank credit, and this What indicates acceptance of the alternative hypothesis "therenegative correlation between bank risk management and the risk of granting bank creditat a moral level of 0.05."

4. Discussion

1.By measuring and analyzing the management of banking risks in a bank (Mansour investment bank), it has become clear to us that the ratio of indebtedness and through the ratio of debt to assets, it reached its tightening in 2019 for Mansour investment bank (80.86) and it is clear from this ratio that the bank depends on debt and a very large percentage, and this exposes the bank to risks, and Knowing the degree of risk and dependence, it is possible to manage the risks of this item from collapse , by reducing dependence on debt , and the ratio of debt to equity of the bank itself reached(353.80) the ratio of debt to equity of the bank has constituted a very large proportion, and this is an indicator of the bank's dependence on debt to finance the obligations it has .

2.A variable analysis recorded the risks of granting bank credit in the ratio of total loans to total assets in Mansour mansabta bank (80%) in 2019 , and in the Middle East Bank by (55%) in 2018, indicating an increase in total loans, rather than a decrease in the risk ratio during the study years, as the ratio of loans to total Assets and current assets are low ratios, and the assets cover very significantly for loans granted to investors and dealers with the bank, and what increased the percentage for 2019 to 19% for a bank across Iraq, and to increase the ratio of loans to the increase in the value of assets, however, it expresses a real increase in credit risk .

3.The results indicate that there is a negative correlation between the management of banking risks and the risks of granting bank credit, and that the correlation strength is negative and its value is (-0.48), which is at a moral level less than (0.05), which indicates the negative relationship between them, that is, the more Banking Risk Management, the lower the risks of granting bank credit, and this indicates acceptance of the alternative hypothesis That is, there is a negative correlation between bank risk management and the risk of granting bank credit at a moral level of 0.05."

4.The debt-to-asset ratio of the Middle East investment bank reached (0.67) in 2022 and in 2018 , This is a better indicator than what Mansour bank had, and the debt-to-equity ratio of the bank itself reached(1.99), which is a good ratio, which means that the bank's reliability is primarily according to the ratio of the analysis on equity in the first place.

5.The results of the analysis indicate that the performance of Mansour investment bank, the Middle East Investment Bank, characterized by better performance, as banks rely on their assets for financing, and this is a good indicator of the good effective performance of these banks, where they achieved high profitability ratios, where the highest percentage was in Mansour investment bank by (0.63) and Middle East investment bank by (0.03).

5. Recommendations

1.Iraqi banks, if they are working on disclosing the management of banking risks, its organizational structure and who it consists of, should be included in the bank's annual report.

2.A special Banking Risk Committee should be formed within its organizational structure and be independent, as well as there should be an exchange of information and results achieved with the credit facilities division in order to reduce bank credit risks to a minimum.

3.It is necessary to take appropriate measures in managing banking risks in the Iraqi business environment, which have a significant impact on granting bank credit, and hedge against inappropriate policies that affect the performance of the bank.

6. Conclusion

The study is important, in that the credit process is about the trust that arises between the lender (the bank) and the borrower from the bank (the customer), which indicates the compatibility of desire and needs between those who have the funds and those who need them, so it is necessary to know the role of credit is important in the process of development of the national economy, saving the study seeks to demonstrate the importance of the impact of bank risk management on the risks of granting bank credit in the environment of Iraqi banks.

The study aims to demonstrate the impact of the correlation between the management of banking risks and the risks of granting bank credit in the environment of Iraqi banks, and the measurement of banking risks and the risks of granting bank credit . A sample was selected from (Mansour investment bank - Middle East Investment Bank) and the years (2017-2022) were determined to be the limits of the time study .The study suggests the hypothesis that " there is a negative correlation between bank risk management and the risk of granting bank credit at a moral level of 0.05."In order to achieve the objectives of the study, both deductive (deductive), inductive and analytical methods were adopted .

The results indicated that there is a negative correlation between bank risk management and the risks of granting bank credit, and that the correlation strength is negative and its value is (-0.48), which is at a moral level less than (0.05), that is, the more bank risk management, the lower the risk of granting bank credit, and this indicates the acceptance of the alternative hypothesis, that is, there is a negative correlation between bank risk management and the risks of granting bank credit at a moral level of 0.05."The study recommends that Iraqi banks work to disclose the management of banking risks, its organizational structure and who it consists of, within the bank's annual report , It shall be independent and there shall be an exchange of information and results achieved with the credit facilities division, for the purpose of reducing bank credit risks to a minimum.

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