SOURCES OF FINANCING AND THEIR IMPACT ON FINANCIAL SOUNDNESS: AN APPLIED STUDY ON A SAMPLE OF PRIVATE BANKS LISTED IN IRAQ STOCK EXCHANGE

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ABSTRACT
The current research seeks to identify the impact of funding sources as a variable on financial Soundness, and in order to achieve the goal of the research, the Iraqi Stock Exchange was chosen as an applied field represented by private banks, and the research sample included (10) private banks and on the basis of a time series of (10) years. The results were reached using a statistical program such as (SPSS.V.25) to analyze the data to reach conclusions, the most prominent of which was the existence of a correlation and impact relationship between funding sources and financial soundness.

INTRODUCTION
Measuring the choice of the optimal mix of finance sources for the bank is one of the important issues that concern all types of organizations, especially the banking sector, as banks need to take care of and take into account the important issues in the field of developing bank management. This is due to its importance related to maximizing the shareholders' wealth, which is the main objective sought by the bank's management, as financial Soundness is the measure through which owners can evaluate the efficiency of the bank's management. Deposits are the main source on which commercial banks rely to finance their assets, as deposits distinguish commercial banks from other financial institutions.

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THE FIRST PAPER: METHODOLOGY OF RESEARCH

Second: The Importance of Research

The importance of searching through the following points: -

1- The importance of indicating the reasons for the low financial Soundness indicators of the bank.
2- Studying the measurement of the relationship between the sources of finance and their role in improving the financial Soundness of the bank and thus improving the financial position of the bank.
3- The sources of finance are of particular importance in terms of how they measure the needs of the bank for funds and their impact on financial Soundness.
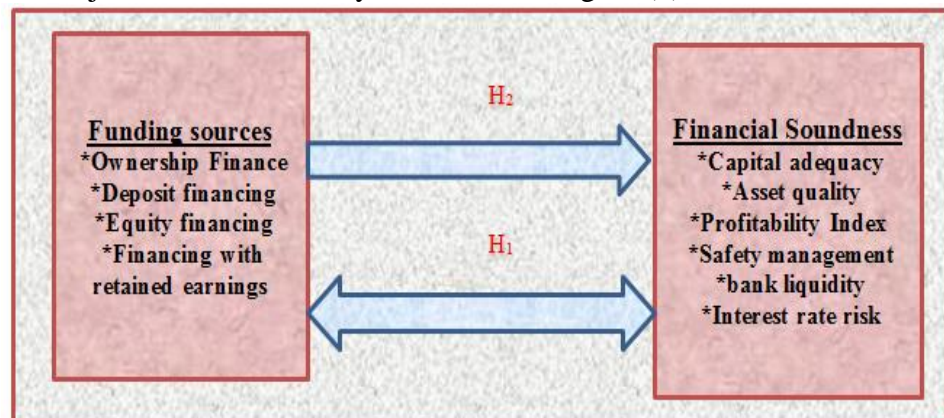
THIRD: RESEARCH OBJECTIVES
The main objective of the study is to explain how the sources of financing of banks, while measuring the bank's needs for funds, affect the financial integrity of the bank, and therefore the research objectives can be limited to:-

1- Analyzing the financial Soundness indicators and indicating the extent of their decline or fluctuation.
2- Identify the sources of finance and determine the type of relationship between the sources of finance and the financial Soundness of the research sample banks.
3- Highlighting various aspects, including the cognitive and philosophical aspect related to the sources of finance and the financial Soundness of the bank.
4- Diagnose and identify the most prominent sources and indicators of financial Soundness.

FOURTH: THE RESEARCH MODEL
The purpose of this paragraph is to elaborate an outline for the research to achieve the objectives to which they are aimed see figure (1).

Figure (1) Search hypothesis diagram
Source: Prepared by the researcher

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FIFTH: RESEARCH HYPOTHESES

Key hypothesis 1 (H1): There is no significant correlation between funding sources and financial Soundness.

Second Main hypothesis (H2): There is no significant effect between funding sources and financial Soundness.

THE SECOND PAPER: THEORETICAL FRAMEWORK

First: The Concept of Sources of Finance

Finance is one of the activities of the business sectors in the economy and no individual, organization or country can operate and continue to live without money. The organization, like banks and corporations, needs financing to cover its requirements and finance its investments. Financing means a set of facts, principles and theories that go deeper into the acquisition of funds from different sources and the good use of them for individuals, businesses and governments (Beck et al., 2008:468). Finance is a process that covers all the necessary procedures for securing the company's capital, first for investment purposes, and also a component of financial management that is linked to understanding the financial market and financial management of resources within the company, the problem of financing is to determine the size and best proportion of the capital required to develop the company's operations (Girischankar, 2009:11).

Finance is the set of tools, methods and tools we use to manage the project to obtain the funds needed to cover their investment activities and trade, and on this basis, the identification of the sources of financing the project depends on the resources available in the markets and financial environment in which it is located (Coutinho, 2010:14). 3andaleeb et al.,2016 pointed out that it is the administrative function in the organization that is concerned with planning and obtaining funds from the appropriate source of funding to provide the financial protests necessary for the performance of the various activities of the organization, thus helping to achieve its objectives. And striking a balance between the conflicting desires of the groups that influence the success and continuity of the enterprise, including investors, workers and managers.

SECOND: THE IMPORTANCE OF FUNDING SOURCES

The purpose of the funding is to meet the financial protests of the institution, whether short-term, exploitative-cycle or long-term investment-cycle needs, and the importance of financing is as follows (ABOR, 2006:71); (Hale,2011:2)،(Atun et al.,2012:2045):-

1- Need for short-term funding: Institutions have to resort to short-term financing to finance the deficit in working capital resulting from the growth of the organization's internal activity, and during the course of its activity they have to cover their stocks and liabilities (ABOR, 2006:71).

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The Need for Long-Term Funding

The Foundation uses this type of funding to cover its long-term investment activities, for the purpose of obtaining either means of production and equipment or real estate such as land, industrial, commercial and administrative buildings, and seeks funding for the purpose of achieving the following (ATUN et al., 2012:2045):-

A- Financing the purchase of long-term permanent assets.
B. Financing the permanent part of the working capital, with the other part to be financed by a mixture of overdraft and financing.

THIRD, THE COMPONENTS OF FUNDING SOURCES

Property Rights:

The enterprise can provide the funds it needs through internal sources, i.e. the property rights in the financial structure represented in (shares, retained profits, reserves).

2- Finance by Borrowing/By Borrowing

Borrowing finance is considered one of the main sources in institutions as it is one of the investment alternatives for many investors, and it is usually used when the funds owned are insufficient to meet the needs of the institution or to avoid its costs, so that it is forced to borrow from external parties in order to guarantee the permanent financing of its investments. Thus, the achievement of the institution's long-term objectives is what is known as long-term borrowing and one of its most important forms of organization: Bonds, long-term loans (Hale,2011:2).

FOURTH: THE CONCEPT OF FINANCIAL SOUNDNESS
In view of the multiplicity of the concept of financial soundness and the diversity of its aspects and the division of its components, the possibility of relying on a single quantitative indicator capable of measuring its levels of existence and the extent of its availability becomes a matter of many unrealism and lack of accuracy. Therefore, the adoption of a comprehensive systemic concept to assess the Soundness of the financial system becomes an urgent financial and economic necessity. Hence, the IMF has come to develop a set of indicators that, in general, reflect the health of the financial system in a specific period, serve as diagnostic tools for weaknesses suffered by me and as a pointing tool for possible imbalances (Chihi, 2020:96). These are the financial empowerment of institutions through meeting expenditures, meeting commitments, efficient internal systems, the ability to survive changes, assessing financial performance, and the use of precautionary or corrective measures that put financial indicators in a precautionary position capable of early prediction of crises, and a corrective mode that enables them to cope with such crises (Khaled&slimene, 2021:14).

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FIFTH: THE IMPORTANCE OF FINANCIAL SOUNDNESS

This is based on the importance of the financial Soundness of the bank and the emergence of an urgent need to apply the financial Soundness regulations of the institution, and to implement precautionary principles, so that the institution is in a sound state, so that it does not harm the customer associated with the services provided by it (Al-Ubeidi et al., 2018:14). By designing a program to assess the financial sector, identify weaknesses in the financial system and develop appropriate policy responses (Lawal, 2019:2). Through supervisory institutions, guiding methods are being found to develop management plans for financial crises, especially systemically important companies to take action as simulations of early warning systems (Van-Thep, 2019:35).

FINANCIAL SOUNDNESS INDICATORS

1- Capital Adequacy Index

Concern for the adequacy and standards of bank capital has become a contemporary issue, as a result of the successive developments witnessed by the international markets, as banking (with regard to the type and nature of the sources and uses of funds) is exposed to many risks that may result from internal factors related to the bank's activity and management. External factors resulting from the change in the circumstances under which the bank operates, due to the privacy of the bank's business and its features associated with multiple and conflicting parties (Aweke et al.,2017:2).

2- Asset Quality Index

The quality of assets refers to exposure to risks due to loans granted by the bank, the quality of bank loans is affected by the level of non-performing loans and the suitability and management of loan losses. Therefore, high-quality assets result in higher profit margins, and hence higher profits, however if banks have accumulated high non-performing loans, bad debts, and do not have good collateral to back their loans, there will be less chance of survival, thereby establishing a link between assets, profits and the Soundness of banks (9ALI et al., 2013:).

3- Profitability Index

This method can yield a return commensurate with the volume of the bank's resources over a period of time. The bank's ability to make profits is achieved through an optimal investment of the bank's resources to achieve a return commensurate with the size of its resources over a period of time, and profitability is expressed in certain ratios: The rate of return on investment in a particular resource of the bank (Dorina, 2015:91).

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4 – Bank Liquidity Index

Liquidity refers to the bank's financial suitability and its ability to meet its short-term obligations on due dates, i.e. maintaining sufficient liquidity to carry out major operational operations and deal with emergencies. Although liquidity is important, this means lower returns so a balance must be struck between the need for liquidity security against liquidity investment and the achievement of additional profits (Bitar at Al.,2017:19).

RESEARCH III: THE PRACTICAL ASPECT OF THE STUDY

First: - Analyzing the Sources of Funding

This study will examine the nature of the activities of the banks sample the study as the sample of the study was represented by the Iraqi civil commercial banks listed on the Iraqi stock market, as the sample of the study was selected, which included ten banks: (Sumer Commercial Bank, Iraqi Credit Bank, Ahli Bank of Iraq, Middle East Bank, Mansur Investment Bank, Gulf Commercial Bank, Baghdad Bank, Mosul Development and Investment Bank, Iraqi Commercial Bank, Economy, Investment and Finance Bank) for the period (2010-2019).

The aim of this research is to analyze indicators of the sources of finance in the banks, which are four indicators for the commercial banks studied, and that the indicators to be analyzed are (the ratio of ownership funding, the percentage of retained earnings funding, the ratio of deposit financing, and the ratio of equity financing). The banks vary their money from owned to borrowed to deposited funds.

First: Analysis of rate of ownership financing

The ratio of ownership funding is measured by the sum of equity divided by total claims and equity, so the higher the equity ratio indicates the higher the percentage of ownership financing compared to the borrowing finance (Aga, 2005: 100), where equity includes paid-up capital, reserves, and retained profits.

Table (1): Percentage of ownership funding in the sample banks

Bank name	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	mean	S.D
Sumer Commercial Bank	0.403	0.387	0.306	0.328	0.404	0.463	0.546	0.488	0.587	0.633	0.455	0.109
Iraqi Credit Bank	0.276	0.269	0.272	0.262	1.264	0.179	1.742	1.696	0.642	0.723	0.732	0.615
Al Ahli Bank of Iraq	0.265	0.295	0.138	0.171	0.764	0.188	1.675	0.942	0.534	0.453	0.542	0.479
Middle East Bank	0.665	0.594	0.132	0.192	0.624	0.208	1.127	0.829	0.352	0.324	0.505	0.320
Al-Mansour Investment Bank	0.145	0.094	0.419	0.342	0.933	0.227	1.413	0.713	0.340	0.302	0.493	0.412
Gulf Commercial Bank	0.423	0.600	0.108	0.090	0.308	0.119	0.571	0.472	0.252	0.301	0.325	0.188
Baghdad Bank	0.221	0.186	0.082	0.111	0.231	0.158	0.347	0.312	0.228	0.218	0.209	0.081
Mosul Bank for Development and Investment	0.086	0.120	0.090	0.082	0.243	0.139	0.254	0.361	0.262	0.174	0.181	0.095
Commercial Bank of Iraq	0.176	0.180	0.219	0.114	0.260	0.190	0.227	0.371	0.426	0.160	0.232	0.097
Bank of Economy, Investment and Finance	0.688	0.660	0.400	0.760	0.614	0.431	0.490	0.427	0.370	0.256	0.510	0.162

| mean | 0.3348 | 0.3385 | 0.2166 | 0.2452 | 0.5645 | 0.2302 | 0.8392 | 0.6611 | 0.3993 | 0.3544 | 0.4184 | 0.206 |

Source: Created by the investigator based on Excel

Second: - The Ratio Of Deposit Funding

We note from table 2 that the average deposit finance for the banking sector reached 0.6537 with a standard deviation of 0.297. Other banks came in varying proportions.

Schedule (2): Percentage of bank deposit financing sample study

Bank name	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	mean	S.D
Sumer Commercial Bank	0.500	0.426	0.407	0.417	0.401	0.385	0.333	0.369	0.279	0.268	0.378	0.070
Iraqi Credit Bank	0.594	0.659	0.646	0.929	3.159	0.356	2.437	1.643	0.562	0.167	1.115	0.984
Al Ahli Bank of Iraq	0.368	0.513	0.403	0.535	2.104	0.503	2.708	1.468	0.662	0.769	1.003	0.815
Middle East Bank	0.158	0.308	0.058	0.055	0.210	0.090	0.342	0.342	0.134	0.095	0.179	0.115
Al-Mansour Investment Bank	0.788	0.842	1.288	0.733	1.749	0.711	2.316	1.319	0.632	0.318	1.070	0.601
Gulf Commercial Bank	0.428	0.298	0.074	0.102	0.224	0.111	0.395	0.435	0.413	0.275	0.276	0.143
Baghdad Bank	0.556	0.642	0.232	0.214	0.405	0.222	0.481	0.463	0.142	0.184	0.354	0.176
Mosul Bank for Development and Investment	0.812	0.729	0.579	0.518	1.399	0.743	0.876	1.143	0.678	0.193	0.767	0.332
Commercial Bank of Iraq	0.736	0.700	0.681	0.466	1.528	1.246	0.815	1.445	1.805	0.736	1.016	0.451

Bank of Economy, Investment and Finance	0.211	0.180	0.465	0.245	0.309	0.299	0.436	0.499	1.072	0.075	0.379	0.278
mean	0.5151	0.5297	0.4833	0.4214	1.1488	0.4666	1.1139	0.9126	0.6379	0.308	0.6537	0.297

Source: Created by the investigator based on Excel

Third: Analysis of The Ratio of Finance in Ordinary Shares

Equity is a source of long-term finance, and equity is held by shareholders to establish their rights at the bank. Equity financing is more expensive than other sources of finance.

Schedule (3): Share financing ratio in banks Sample study

Bank name	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	mean	S.D
Sumer Commercial Bank	0.386	0.365	0.281	0.293	0.288	0.490	0.404	0.511	0.747	0.556	0.432	0.147
Iraqi Credit Bank	0.250	0.221	0.221	0.176	1.059	0.139	3.946	0.572	0.497	0.555	0.764	1.152
Al Ahli Bank of Iraq	0.225	0.273	0.108	0.104	0.645	0.169	1.473	0.657	0.439	0.553	0.465	0.413
Middle East Bank	0.621	0.556	0.103	0.174	0.474	0.137	0.744	0.522	0.271	0.233	0.384	0.227
Al-Mansour Investment Bank	0.117	0.070	0.376	0.312	0.834	0.168	0.930	0.610	0.431	0.260	0.411	0.295
Gulf Commercial Bank	0.391	0.569	0.097	0.073	0.297	0.113	0.542	0.305	0.228	0.286	0.290	0.174
Baghdad Bank	0.180	0.177	0.063	0.088	0.187	0.134	0.297	0.263	0.189	0.192	0.177	0.071
Mosul Bank for Development and Investment	0.047	0.090	0.055	0.054	0.177	0.109	0.184	0.288	0.194	0.142	0.134	0.078
Commercial Bank of Iraq	0.167	0.160	0.152	0.086	0.202	0.160	0.184	0.313	0.366	0.137	0.193	0.084
Bank of Economy,	0.106	0.244	0.125	0.284	0.294	0.323	0.260	0.237	0.200	0.208	0.228	0.070

Investment and Finance												
mean	**0.249**	**0.2725**	**0.1581**	**0.1644**	**0.4457**	**0.1942**	**0.8964**	**0.4278**	**0.3562**	**0.3122**	**0.3478**	**0.218**

Source: Created by the investigator based on Excel

Fourth: The Percentage of Financing by Retained Profits

We note from table 4 that the average financing with retained profits of the banking sector reached 0.0378 with a standard deviation of 0.019. Other banks came in varying proportions.

Schedule (4): Percentage of funding by retained earnings at the banks sample study

Bank name	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	mean	S.D
Sumer Commercial Bank	**0.001**	**0.005**	**0.006**	**0.007**	**0.015**	**0.052**	**0.023**	**0.036**	**0.024**	**0.018**	**0.019**	**0.016**
Iraqi Credit Bank	**0.017**	**0.021**	**0.027**	**0.043**	**0.132**	**0.027**	**0.196**	**0.118**	**0.088**	**0.005**	**0.067**	**0.063**
Al Ahli Bank of Iraq	**0.023**	**0.013**	**0.020**	**0.044**	**0.092**	**0.012**	**0.143**	**0.185**	**0.079**	**0.063**	**0.066**	**0.059**
Middle East Bank	**0.028**	**0.023**	**0.005**	**0.003**	**0.037**	**0.001**	**0.002**	**0.005**	**0.002**	**0.002**	**0.011**	**0.013**
Al-Mansour Investment Bank	**0.021**	**0.004**	**0.082**	**0.051**	**0.051**	**0.013**	**0.139**	**0.087**	**0.018**	**0.013**	**0.048**	**0.043**
Gulf Commercial Bank	**0.023**	**0.415**	**0.003**	**0.009**	**0.003**	**0.002**	**0.013**	**0.042**	**0.020**	**0.008**	**0.054**	**0.128**
Baghdad Bank	**0.034**	**0.046**	**0.016**	**0.010**	**0.031**	**0.017**	**0.004**	**0.067**	**0.033**	**0.019**	**0.028**	**0.019**
Mosul Bank for Development and Investment	**0.026**	**0.013**	**0.021**	**0.017**	**0.035**	**0.014**	**0.032**	**0.044**	**0.026**	**0.002**	**0.023**	**0.012**
Commercial Bank of Iraq	**0.005**	**0.009**	**0.045**	**0.024**	**0.036**	**0.021**	**0.032**	**0.043**	**0.045**	**0.011**	**0.027**	**0.015**

Bank of Economy, Investment and Finance	0.065	0.024	0.023	0.027	0.090	0.042	0.039	0.010	0.019	0.005	0.034	0.026
mean	0.0243	0.0573	0.0248	0.0235	0.0522	0.0201	0.0623	0.0637	0.0354	0.0146	0.0378	0.019

Source: Created by the investigator based on Excel

Second: Financial Soundness Indicators

Table (5): Summary of the indicators of financial Soundness in banks Sample study

	Capital adequacy	Quality of assets	Profitability index	Management integrity	Bank liquidity	Interest-rate risk	mean
Sumer Commercial Bank	1.442	0.812	3.223	2.020	0.180	1.638	1.859
Iraqi Credit Bank	1.336	0.966	0.955	0.415	1.522	1.667	0.959
Al-Ahli Bank of Iraq	2.489	0.888	0.982	2.172	0.638	1.398	1.684
Middle East Bank	3.656	0.915	2.042	1.277	0.412	0.946	1.686
Al-Mansur Investment Bank	2.604	0.405	0.898	0.316	1.962	1.816	1.059
Gulf Commercial Bank	1.438	1.338	1.321	0.357	2.604	1.971	1.130
Baghdad Bank	2.012	0.867	1.014	0.736	0.582	0.829	1.032
Mosul Development and Investment Bank	1.645	0.630	2.222	0.472	0.997	1.102	1.091
Commercial Bank of Iraq	1.530	0.558	1.573	0.583	0.883	0.689	0.919
Economy, Investment and Finance Bank	1.891	0.779	1.279	1.277	2.085	1.453	1.326
mean	2.004	0.8158	1.5509	0.9625	1.1865	1.3509	1.274

Source: Prepared by the researcher

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Third: - Test Study Hypotheses

This lab reviews the researcher's most important findings by analyzing correlation and decline relationships of study variables and testing hypotheses by using a variety of statistical methods such as Pearson's To measure the degree of correlation between variables with normal distribution and to use simple linear regression to measure the impact relationships between the main study variables between the independent variable (sources of finance) and the dependent variable (financial Soundness). The R^2 coefficient of determination (interpretation), which shows how much changes the dependent variable interprets, is used as well as the F-value calculated for the regression coefficient to show the significance of the regression coefficient.

EFFECT HYPOTHESES

Second Main hypothesis: There is no significant effect between sources of finance and financial Soundness, from which the following sub-assumptions are subsued: -

The First Sub-Hypothesis: There Is No Significant Effect Between Ownership Financing and Financial Soundness

The results of Table 7 show that there is no moral effect of the sources of ownership finance on financial Soundness, pointing out that the sources of ownership finance have contributed to explaining **the amount of** financial Soundness (0.098) as shown by the estimated regression equation **(Y=1.018+0.612)** of changes in financial Soundness. The lack of a moral effect of the regression equation of the sources of ownership finance on financial viability is due to the fact that the calculated F value (**0.873)** is less than the tabular F value (**3.18)** to show acceptance of the non-existence hypothesis, and the rejection of the alternative hypothesis of its meaning (There is a moral impact between ownership financing ratio on financial soundness.

4- The Fourth Sub-Hypothesis: There Is No Meaningful Correlation Between Financing, Retained Profits and Financial Soundness.

The correlation coefficient (-0.252) has reached the level of morale (.482=α). Consequently, the decision accepted the non-existence proposition, i.e. the absence of a relation between ordinary shares and financial Soundness within the limits of the study.

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Table (6): correlation coefficients matrix between study variables

		Sources of funding	Financial Soundness	Property Finance	Deposit financing	Equity financing	Withheld profit financing
Sources of funding	Pearson Correlation	1	-.119-	.735*	.825**	.826**	.710*
	Sig. (2-tailed)		.743	.016	.003	.003	.021
	N	10	10	10	10	10	10
Financial Soundness	Pearson Correlation	-.119-	1	.314	-.418-	.181	-.252-
	Sig. (2-tailed)	.743		.378	.229	.617	.482
	N	10	10	10	10	10	10
Property Finance	Pearson Correlation	.735*	.314	1	.246	.893**	.512
	Sig. (2-tailed)	.016	.378		.494	.000	.130
	N	10	10	10	10	10	10
Deposit financing	Pearson Correlation	.825**	-.418-	.246	1	.387	.565
	Sig. (2-tailed)	.003	.029	.494		.269	.088
	N	10	10	10	10	10	10
Equity financing	Pearson Correlation	.826**	.181	.893**	.387	1	.586
	Sig. (2-tailed)	.003	.617	.000	.269		.075
	N	10	10	10	10	10	10
Withheld profit financing	Pearson Correlation	.710*	-.252-	.512	.565	.586	1
	Sig. (2-tailed)	.021	.482	.130	.088	.075	
	N	10	10	10	10	10	10
*. Correlation is significant at the 0.05 level (2-tailed).							
**. Correlation is significant at the 0.01 level (2-tailed).							

Based On the Above, The Results Show That the First Sub-Hypothesis Is Valid (There Is No Significant Effect Between Proprietary Financing and Financial Soundness).

The Second Sub-Hypothesis: There Is No Significant Effect Between Deposit Financing and Financial Soundness.

Table 7 shows the moral effect of the ratio of deposit financing on financial Soundness and that the estimated regression equation was **(Y=1.526-0.385)** and

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explains **(0.175)** the nature of the relationship between X and Y that is **(0.175)** of changes in financial Soundness resulting from a change in the ratio of deposit financing. The calculated F value for the simple regression model was **(4.969)**, which is less than the tabular F value of 3.18, and therefore the decision is to reject the non-existence hypothesis and accept the alternative hypothesis of a moral effect between the deposit financing ratio and financial Soundness.

Third Sub-Hypothesis: There Is No Significant Effect Between Equity Financing and Financial Soundness.

The results of Table 7 show that there is no moral effect of the sources of finance in the common shares on financial Soundness, pointing out that the sources of finance in the common shares contributed to explaining the amount of (0.033) of financial Soundness, which was shown by the estimated regression equation **(Y=1.159+0.333**) of the changes in financial Soundness. He noted that there was no moral effect of the regression equation of the sources of equity financing in financial Soundness because this is due to the fact that the calculated F value of **0.271** is less than the tabular F value of **3.18** to show acceptance of the non-existence hypothesis, and rejection of the alternative hypothesis of its effect (There is a moral impact between ownership financing ratio on financial soundness.

Based On the Above, The Results Show That the First Sub-Hypothesis Is Valid (There Is No Significant Effect Between Equity Financing and Financial Soundness).

4- The Fourth Sub-Hypothesis: There Is No Significant Effect Between Financing with Retained Profits and Financial Soundness.

The results of Table 7 show that there is no moral effect of the sources of finance with retained profits on financial Soundness, pointing out that the sources of finance contributed to the retained profits by explaining **the amount of**
0.064 of financial Soundness, which was shown by the estimated decline equation **(Y=1.440-4.384**) of the changes in financial Soundness. He stated that there was no moral effect of equating the decline to sources of finance with retained earnings in financial Soundness because this was due to the fact that the calculated F value of **0.544** is less than the tabular F value of **3.18** to show acceptance of the non-existence hypothesis and rejection of the alternative hypothesis of its effect (A moral impact between the retained earnings ratio on financial soundness.

Based On the Above, The Results Show That the First Sub-Hypothesis Is Valid (There Is No Significant Effect Between Retained Earnings Funding and Financial Viability).

Table (7): The consequences of funding sources' influence relationships on financial viability

Sources of funding	Regression equation	R^2	Calculated F value	The tabular value of F	Sig.
Property Finance	Y= 1.018+0.612	0.098	0.873	3.18	0.378
Deposit financing	Y= 1.526-0.385	0.175	4.969		0.029
Equity financing	Y= 1.159+0.333	0.033	0.271		0.617
Withheld profit financing	Y= 1.440-4.384	0.064	0.544		0.482

CONCLUSIONS AND RECOMMENDATIONS

First: Conclusions

In this paragraph, a set of conclusions reached by the researcher will be presented through the practical framework of the study in the light of the results achieved through the analysis of data and information according to the statistical methods used, and these conclusions can be summarized in the following points:

1-the needs of the banks under study for the funds have declined due to the fact that most banks maintain surplus cash liquidity due to the conservative investment policy adopted by the banks, which is due to the political, economic and security conditions of the country, as they maintain high cash liquidity inside banks.

The results of the financial analysis showed that there is a discrepancy in the sources of finance in the Iraqi commercial banks, the sample study from one bank to another and from year to year, which indicates that there are no fixed or uniform rules for determining the sources of finance.

The results of the financial analysis showed that in recent years, Mosul Bank for Development and Investment has suffered from weak sources of property financing, i.e. increased exposure to liquidity risks and hence the possibility of failure or bankruptcy.

The Iraqi commercial banks, the sample of the study, relied on various sources of financing, as it was noted that in the last years some of the sample banks have decreased their dependence on property financing and increased reliance on deposit financing, meaning that there is no clear policy and the continuation of their basic banking operations.

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Second: Recommendations

1- to face the challenges imposed on its financial system, especially the banking system, we must think about the ways and mechanisms to strengthen the position of banks, strengthen their financial positions, and enhance their competitiveness through strengthening their capital and turning them into comprehensive banks that provide all services, especially all the funds that have been created. This is to diversify its investment strategy on the one hand and meet its financial needs for economic institutions on the other hand.

2- the need for the management of banks to pay attention to the relationship between the sources of finance and the financial Soundness of the bank through the banks administration measuring the sources of finance for banks and determining the bank's needs for funds.

3- the study recommends that the bank adopt a policy to invest its surplus funds through the management of bank liquidity in a way that helps it achieve profits from these invested funds. That is, encouraging banks to find new mechanisms and sound ways to make better use of their available deposits in order to achieve profits.

4- banks management should address the weak sources of finance through borrowing from the financial market or through diversification of sources of finance, as in the Mosul Development and Investment Bank, where the weak sources of finance have appeared in recent years

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