

THE IMPACT OF CREDIT ACTIVITY ON THE MARKET VALUE: A STUDY IN IRAQI ISLAMIC BANKS TRADED IN THE IRAQ STOCK EXCHANGE FOR THE PERIOD (2004-2020)

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Abstract:

The research aims to find out the impact of credit activity on the market value of Iraqi Islamic banks traded on the Iraqi securities market for the period (2004- 2020) in order to achieve the research objective, we studied a sample of Iraqi Islamic banks, specifically those traded on the Iraqi securities market, to provide their financial statements for the period (2004-2020) through the analysis of research variables, as the research adopted the deductive approach for the theoretical side and the analytical and standard approach for the practical side , In addition to using the statistical program (Eviews10) for the period (2004-2020), the research reached a set of conclusions, the most important of which is that there is a positive impact of credit activity on the market value of Iraqi Islamic banks traded on the Iraqi securities market, as increasing credit activity leads to financial returns for these banks, which in turn leads to an increase in market value, the study recommended working to spread the Islamic banking culture and increase the work of Islamic financing formulas through profit and loss sharing .

Keywords: Impact, Credit, Islamic Banks, Financial

INTRODUCTION:

Credit is one of the main rules adopted by all economies of countries, as well as used by all strata of society through the purchase of goods and Services, Credit generates revenue, as the more the bank expands and its credit increases, this leads to an increase in its market share, and credit is defined as the ability of an individual or organization to obtain a service or an economic good, as credit is based on the principle of mutual trust between the First party and the second party, but from the banking point of view, credit represents the bank's trust in the customer, whether an individual or an organization , The credit activity of the Islamic Bank is represented by Islamic financing formulas (Murabaha , Ijarah , mudaraba , participation , sale of peace and istisnaa) in exchange for a percentage of the realized return on credit with the provision of guarantees that enable the bank to recover the principal amount after the expiration of the period specified in the initial contractEtc.).

The First Topic: Research Methodology

1: Research Methodology

1:1 The Importance Of Research:

The importance of the research lies in the fact that credit activity in Islamic banks has a direct impact on the market value of the bank , as it shows the importance of credit activity in Iraqi Islamic banks traded in the Iraq securities market and their role in investing individuals ' savings and employing them in various forms of Islamic finance , and after Islamic banks began to increase their numbers, they are working to spread the Islamic banking culture in order to deliver their services to their customers and compete with traditional banks by increasing their role in the development of the Iraqi Securities Market by increasing their market value .

2:1 Research problem:

The market value of Islamic banks depends on the credit activity, which in turn depends on the volume of Islamic bank deposits, so the research problem was the following question :

Is there a moral impact of credit activity in Iraqi Islamic banks traded on the Iraq securities market in their market value for the period (2004_2020?)

3:1 Research Hypothesis:

Based on the research problem, the research hypothesis was as follows:

There is no significant effect of Fiduciary activity in Islamic banks Iraqi Traded in the Iraq Stock Exchange in market value for the period (2004_2020).

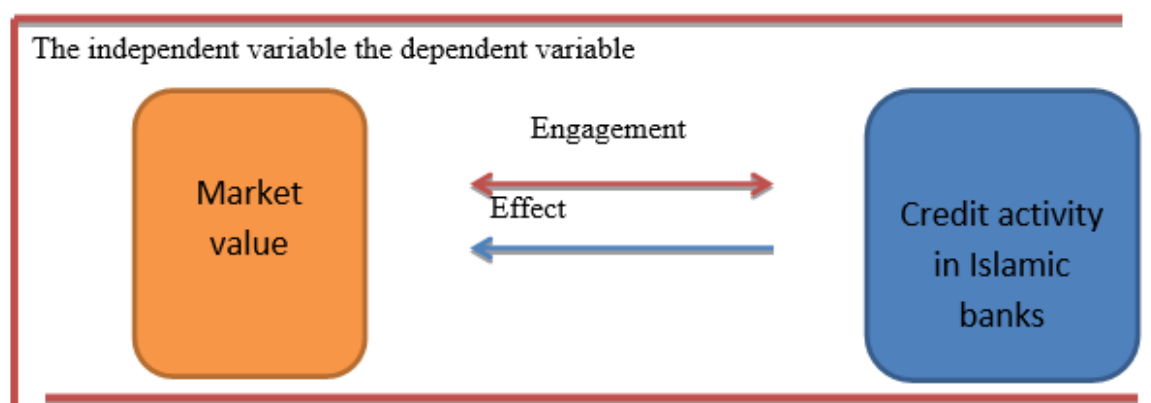
4:1 Research Objectives:

1. Statement of the concept and importance of credit activity in Islamic banks and their market value in the stock market.
2. Statement of the role of financing formulas in Islamic banks in increasing their market value in the stock market.
3. Analysis of the role of credit activity in Iraqi Islamic banks traded in the Iraq Stock Exchange in their market value for the period (2004-2020).
4. Examining the effect of credit activity in Iraqi Islamic banks traded in the Iraq Stock Exchange on their market value for the period (2004-2020).

5:1 the hypothetical scheme of the research:

The independent variable the dependent variable

Figure (1)



Source: from the work of the two researchers

The relationship and effect between the credit activity in Islamic banks and the market value.

The second topic: the theoretical framework of the credit activity and the market value:

1- Credit activity in Islamic banks(Financing formulas)

Islamic banks are Financial institutions, operating from Gel concerted efforts and educating the community cultural time sad The same Islamic principles that urge the prohibition of dealing with interest, and encourage dealing with Islamic formulas , fromaTo achieve the goals of economic and social development as well About attracting and operating frozen funds in income-generating investment projectsalt is beneficial to the owner of the money (shareholder).) and the bank or investor (the mudarib) and society as a whole By investing in various Islamic formulas.

Through the foregoing, we can define the credit activity in Islamic banksHowever, it is: the financial intermediary that leads other banking functions in the economy, due to its importance in financing the crisis for institutions, establishments, and individuals to achieve goals that the bank seeks to achieve. Commerce.

1:2 the importance of credit activity in Islamic banks

- It is the main pillar in increasing production. Islamic banks, through the function of financial intermediation between the surplus units and the financial deficit units, meet the demands of industrial and agricultural projects of financial resources through various Islamic financing formulas, and this is reflected positively on the market value of the bank (Al-Suraiti, Ghazwan, 2010, 94).



- Credit activity enables the surplus units (savers) who do not have the investment opportunity to invest their money in investing in economic projects that achieve high profits through mediating between the surplus units and the deficit units (Younes 2004, 62).
- Credit activity helps increase the market space by supporting projects that require large funds through profit and loss sharing, and this is what gives them sustainability and the non-interruption of the production of commodities produced by these projects (Hashish; 2004,145).
- The credit activity represents the source of meeting the financing needs of the various economic sectors, and these needs came from the time difference between the surplus units and the deficit units in the national economy (RICHA, 2008: 2).
- Credit activity is of great importance to Islamic banks through the returns it achieves, and in return it carries risks that lead the bank to the stage of bankruptcy. 2007, 173).

3:1 financing formulas in Islamic banks

- 1- Adverse with it speculation It is a contract between the owner of the capital (the investor) and the businessman who speculates with the investor's capital through the bank, and the contract between them is to establish a new project or expand and restore an already existing project (14; Pervez 2011; The businessman participates by providing funds for the crisis for the project and the speculator in his effort. When the capital owner loses his money and the speculator his effort, and the profits are distributed according to the agreement concluded between them.,In terms of freedom of speculation, it is (absolute and restricted speculation); Either in terms of the number of speculators, it is (private or bilateral speculation and multiple speculation) (2011;17; szczepanowicz)
- 2- Sharing: It is a partnership contract between two or more parties. It is agreed by this contract to invest funds collected from the contracting parties in economic, commercial, agricultural projects.)99; 2012; Fasih) and the returns are divided on the basis of the percentage of participation of each of them, as well as the losses, and the shares of members' participation are not required to be equal, and it has two types (permanent participation and diminishing participation).
- 3- Murabaha: It is an agreement contract between two parties (the seller and the buyer). In this contract, the type of goods, their price, and the profit margin achieved from them are clarified (2011; 17; Pervez). The profit in it can be stableaAnd close to the profit margin in conventional banks .
- 4- peace contract: It is the sale of goods that do not exist at the time of signing the contract and are delivered at a specific time, i.e. urgent sale on credit, and this formula came to support small farmers to control the care of their farms and to support import and export activities (1998:126Usmani).
- 5- ordering to make (Manufacturing): It is a contract in which the specifications of the required commodity that the buyer submits to the manufacturer for processing are specified, provided that the price is determined in advance (1998;131; Usmani) and the two methods of payment and delivery of the commodity, which is the opposite of the peace contract,The aim of working on the Istisna'a contract in Islamic banks is to support industrial development and increase its competitiveness.
- 6- Rent: It is a contract between the bank and the customer, as it includes buying an asset and renting it to the customer for a small fee (2011; 17; Pervez) and it is agreed to specify the duration and amount of the lease, and the ownership of the asset remains in the name of the bank, and in some cases the ownership of the asset is transferred in the name of the customer by paying the principal amount of the commodity in the form of installments paid with the profits, provided that the customer has an account with the bank in which he deposits an amount corresponding to the value of the asset (2007;52; Hassan & Lewis).
- 7- Good loan Good loan It is one of the Islamic financial contracts that the borrower presents to the bank to obtain it, provided that it is paid within the period agreed upon in the contract and depends on current deposits and savings deposits (2008, Abdullah, E & Sivan197).



- 8- Security: It is a formula or financial tool that is used in order to obtain money in cash, by purchasing a commodity and then selling it to a third party to reassure the bank's customer of obtaining cash money and so as not to deal with traditional loans with usurious interest (Al-Hasnawi and Al-Sharaa ;2019;201).
- 9- Installment sales It is selling the goods at a deferred price that is more than the current price. In this case, the buyer is indebted to the seller who sold the goods, and he pays the amount in the form of installments, or in one payment, according to the agreement concluded. If the price of the goods is known at the time of concluding the contract, the goods are delivered to the buyer at the time of the contract, and both parties must know the term.
- 10- Share cropping: It is an agreement between the owner of the land or the bank and the farmer on the basis of cultivating the land and the crop from it is divided between them according to the share agreed upon in advance, i.2004;46-47).
- 11- musaqah It is an agreement between the owner of the trees and the worker who, after the conclusion of the contract, will work on the cultivation, care, protection and pollination of the trees. The crops of the trees are divided between the worker and the owner of the trees in equal shares (Samhan; Al Wadi;0201;253;255).
- 12- Investing in securities and investment companies Investing in securities and investment companies :
Islamic banks invest their money in the stock market (Al-Hasnawi; Al-Sharaa;2019; 203) By entering the market directly and buying shares of companies whose work is compatible with their Islamic rules, such as buying a furniture factory or a car tire factory, and it is not permissible to buy a factory that sells alcohol and drugs, in addition to its participation in investments for specialized companies to invest the money accumulated by its investors, and each individual bears the losses and gets the profits. The partnership is conditional on having suspicious assets in its capital, such as bonds that bear fixed interest.

2- MARKET VALUE MARKET VALUE


2:1 market value concept

Differs Concept the value (Value) on the price (price), so Represent the price the amount paid up Opposite Existing what , And promise the price that he object any what He should Paid As for the value she what He should that be Which represent value assets Enterprise , and vary the value on the cost((Cost so pass on the cost by value cash factors output(the earth , employment , head the money , Administration)used to produce Existing what , and that the cost comprehensive from the value , The cost Done on road account costs the findings and liabilities in side budget no Complete Insert the information in budget what did not Complete account its cost in when cross the value on shares and investments Finance that own it bank Administrator on its decisions , as Differs Concept the value on Concept wealth(Wealth Wealth own it person And be the value part from Properties that includes Things physical like real estate and cars And change physical like health and happiness in when represent the value shares and investments Finance(2004;290; Neal & Trefor).

Through the foregoing, we can define the market value as: one of the indicators of the stock market and is one of the most important indicators for measuring the performance of the institution and evaluating the profits or losses it has achieved, and showing the growth of the institution in the financial markets in the long term that helps to attract shareholders and increase the price of its shares, and it is determined Market value depending on economic conditions in general and the volume of supply and demand in particular, as well it indicates success or failure Enterprise (bank) In achieving its goals is obtained from the process got Multiply the number of shares by the closing price.

2:2 Second - the importance of the market value Importance of market value:

1. Availability of the necessary information to know the value of the establishment or the bank to be invested in by entering the open markets, considering the completion of the sale and purchase conditions by the seller and buyer.

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2. The market value is characterized by continuous change as a result of a change in the financial position of the bank and economic conditions in general, as well as a change in the volume of demand and supply for the shares of the bank to be invested in, which results in this rise in a state of growth and prosperity in the economy, and on the contrary in the case of a decline that results in stagnation in the economy. Market value is an important indicator.
 3. The market value has gained great importance as the value of the asset traded in the financial markets, as well as being preferred by investors because it is considered one of the best values.
 4. It represents the economic value of the property right in the financial markets, that is, it is an image that reflects the ownership of the bank and the value of the shareholders emanating from the market value.
 5. Market value works to determine current value rather than book value, which economists consider to be misleading results.

3:2 Method for calculating market value:

The market value of the share = the number of shares traded * the closing price of the share

The market value refers to the closing price of the bank's shares at the end of the period, and because it is considered one of the most important indicators for measuring the efficiency of the market and the development of its activity, it has been adopted by many analysts, residents and observers in the financial markets. He indicated ((Alexander et al) about the market value as the share price multiplied by the number of shares (2012; 328; et al; Alexander) and the market value was used in the case of institutions trading their securities at the market price and their market value is determined by the market price and the market value enjoys a set of advantages such as ease of use as well as It is determined based on the estimates of a large number of investors in the financial markets. And can Determining the market value through the market price of the share multiplied by the number of shares, as the share price in the market can be used for the purpose of determining the value of the bank at the end of the fiscal year.

3- The relationship between credit activity and market value

Credit activity is one of the main pillars of the success of banking activities, because without it, the market value of the shares of Islamic banks cannot exist even if other prerequisites are available, and it is difficult for a single person or a specific group to provide them with investment conditions. Therefore, it requires the integration of necessities, resources and efforts by the surplus owners and investors. In addition to the presence of the financial intermediary in order for the investment process to take place, which will return to all parties, and the banking sector is one of the most important sectors in this aspect, as it stimulates investment flows through offering shares after collecting savings ((2014;18; Abbas & Noor).

The Third Topic: The Practical Framework

1. Analyzing and measuring the effect of credit activity in Iraqi Islamic banks traded in the Iraq Stock Exchange on the market value for the period (2004).-202).

1:1 Analysis of credit activity in the Iraqi Islamic banks traded in the Iraq Stock Exchange for the period (2004).-2020).

The credit activity in the Iraqi Islamic banks is formed through the Islamic banks carrying out financing operations using Islamic formulas, which are limited to three forms of Islamic financing formulas (Murabaha, Ijarah, Musharaka) in most Islamic banks, And due to the importance of credit activity for Iraqi Islamic banks, stages of development have been clarified during the years of study in the table (1) my agencies

Table (1)

The evolution of the growth rate of credit activity in Islamic banks (study sample) for the period (2004-2020)

(Million dinars)

growth rate	total credit activity	the years
	7559	2004
2.02%	22837	2005
2.27%	74701	2006
0.27%	95006	2007
1.71%	257420	2008
0.57%	405149	2009
0.17%	475,155	2010
1.34%	1,109,993	2011
0.66%	1,841,754	2012
0.13%	2087511	2013
-0.19%	1691864	2014
-0.02%	1,653,528	2015
-0.26%	1223205	2016
0.08%	1326115	2017
0.29%	1,708,244	2018
-0.11%	1522864	2019
-0.08%	1407055	2020

Source: prepared by the researcher that Depending on the data of Islamic banks at the Central Bank of Iraq for the period (2004-2020), AndOn the mathematical formula: growth rate = $\frac{\text{current year} - \text{previous year}}{\text{previous year}} \times 100\%$.

Table (2)

Total credit activity of Islamic banks (study sample) for the period (2004-2020) (Million dinars)

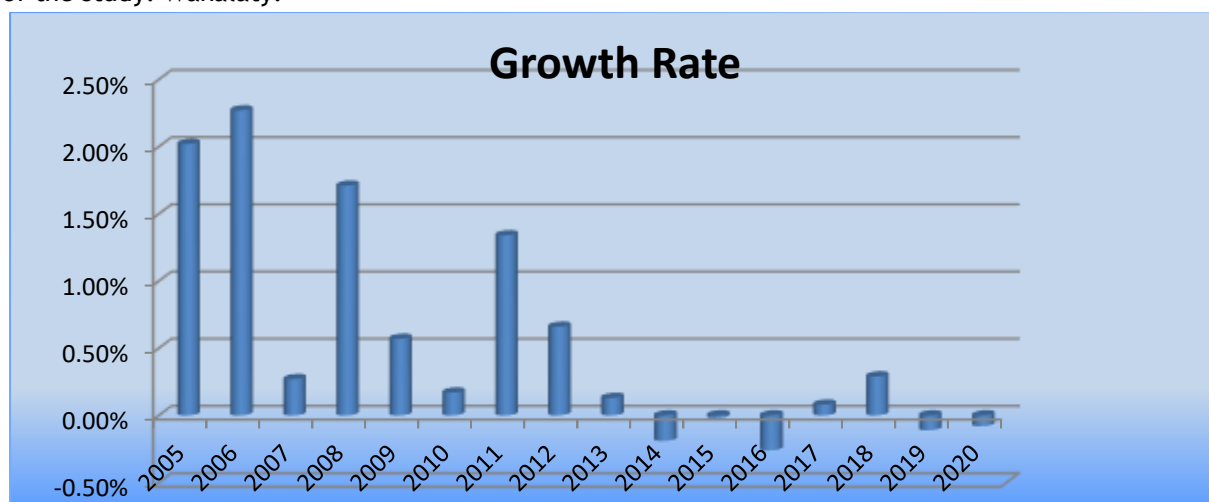
T	Bank name	the years																
		20 04	20 05	20 06	20 07	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Iraqi Islamic Bank	7 5 5 9	13 80 6	17 08 4	19 48 1	266 51	320 42	254 88	190 311	173 067	1,9 6,1 74	183 007	1,8 7,2 72	141 222	1,1 5,7 51	162 345	190 528	1,3 5,7 83
	Kurdistan International Bank		90 31	50 83 7	57 82 4	1,6 6,7 77	2,5 3,7 13	324 315	347 610	574 717	5,6 3,9 53	517 064	428 321	272 587	3,2 0,6 84	549 228	223 5	270 7
3	Tigris and Euphrates Bank			67 80	17 70 1	639 92	893 18	694 62	1,7 6,1 61	228 359	165 329	877 04	770 87	433 17	434 19	385 09	205 61	216 70
	Elaf Islamic Bank						300 76	558 90	147 230	122 963	112 273	887 74	1,8 8,9 33	648 29	708 81	852 28	1,6 4,2 77	112 064
5	Islamic National Bank								1,2 9,6 78	2,9 8,3 78	316 819	2,4 3,7 19	3,7 6,2 36	1,6 9,9 98	260 377	1,5 6,7 78	3,7 1,6 44	3,1 6,6 74
	Arab Islamic Bank													587	148 46	907 50	639 79	462 67

7	Inter natio nal Islam ic Bank													123 36	198 28	353 37	49, 147	981 20
8	Noor Iraq Islam ic Bank													41, 789	491 2	405 79	471 36	931 75
9	Zain Bank Iraq														278 5	960 2	144 27	180 41
10	Islam ic clut ch bank														187 4	170 76	169 259	800 9
11	Ciha n Bank Islam ic								119 003	224 042	346 306	2,4 6,2 22	1,9 7,8 90	265 193	256 518	3,2 8,7 65	589 26	559 41
12	Al- Bilad Islam ic Bank (Al- Ataa) .									220 228	3,8 6,6 57	325 374	1,9 7,7 89	2,0 4,2 77	170 850	1,5 3,6 29	151 14	140 28
13	Islam ic Worl d Bank													707 0	380 76	106 74	221 70	161 16
14	Trust Inter natio nal Islam ic Bank														520 9	765 1	148 98	300 11
15	Bank of Asia Iraq														105	220 93	247 48	242 67
16	Al- Taif Islam ic Bank																1,4 1,0 00	102 9
17	Al Jano ob Islam ic Bank																862 19	108 853
18	Al- Qert as Islam ic Bank																665 96	608 54
19	Amin Iraq Islam ic Bank																	914 2

20	Islamic advisory bank																	74423
21	Al Rajeh Islamic Bank																	1,59,881
	the total	7559	22837	74701	95006	257420	405149	4,75,155	11,09,993	18,41,754	2087511	1691864	16,53,528	1223205	1326115	17,08,244	1522864	1407055

Source: Prepared by the researcher that Depending on the data of Islamic banks at the Central Bank of Iraq for the period (2004-2020)

note through Table (1) and table (2) that volume of credit activity to Islamic banks and growth rates varies between high and low during the study period. The Fiduciary activity during 2004 (7559) million dinars, and this is due to the fact that the Iraqi Islamic Bank is the only Islamic bank that operates in the Iraq Stock Exchange, and in 2005 it increased volume of credit activity as he reached (22837) (million dinars and a growth rate) 2.02%. This increase is due to the joining of the Kurdistan International Islamic Bank for Investment and Development to the banking work in the financial markets. In addition to the high closing prices of those banks, and that height size the Fiduciary activity. For Islamic banks stems from the establishment of many Iraqi Islamic banks during the years of study, and this is an important indicator indicating the improvement of the political and economic conditions in the country. However, this increase and decrease in the volume of credit activity continued to fluctuate, and it was recorded in 2020 (1407055) million dinars at a growth rate -0.08%. The figure below shows the fluctuation in the volume of credit activity during the period of the study: Wakalaty:



Source: Prepared by the researcher that Based on the previous table the shape (2)

Stages of development of the growth rate of credit activity of Islamic banks (study sample) for the period (2004-2020)

2:1 Analysis of the market value of Iraqi Islamic banks (The research sample) For the period (2004-2020)

The market value is one of the indicators of the stock market and represents the most important indicators for measuring the performance of banks and evaluating what they have achieved in terms of profits or losses, and it shows the growth of Islamic banks in the financial markets in the long term, which encourages attracting shareholders and increasing the prices of their shares, and the market value is determined depending on economic conditions in general. The size of supply and

demand in particular, as well as it indicates the success or failure of the bank in achieving its objectives. Tables (3) and (4) show the growth rate of the market value index during the research period.

Table (3)

The market value of Iraqi Islamic banks (study sample) for the period (2004-2020).)

(Million dinars)

years in millions of dinars																	Bank name	T
2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004		
95,000	100,000	100,000	125,000	150,000	127,500	237,500	260,580	186,960	103,408	460,73	537,52	20,477	20,477	217,57	104,944	11,376	Iraqi Islamic Bank	1
404,000	463,000	440,000	512,000	504,000	580,000	760,000	675,000	630,000	375,000	142,000	925,00	80,000	87,500	200,000			Kurdistan International Bank	2
28,000	28,000	0	28,000	313,60	286,20	66,000	59,000	0	42,500	35,500							Tigris and Euphrates Bank	3
75,000	45,000	55,000	75,000	725,00	100,000	110,960	117,040	88,000	97,000								Elaf Islamic Bank	4
200,800	251,000	225,900	303,710	276,100	248,490												National Bank	5
250,000	250,000	0	250,000	100,000													Arab Islamic Bank	6
170,000	196,000	0	100,000	100,000													International Bank	7
250,000	250,000	250,000	250,000														Noor Iraq Islamic Bank	8
925,000	925,000	925,000	250,000														Zain Bank Iraq	9
60,000	250,000	250,000	250,000														Islamic clutch bank	10
583	642,	675,	701														Cihan	11

950	600	750	,250														Islamic Bank	1
35,000	60,000	87,500	90,000														Al-Bilad Islamic Bank (Al-Ataa).	12
250,000	250,000	250,000															Islamic World Bank	13
87,500	87,500	87,500															Trust International Islamic Bank	14
162,000	110,000	115,000															Asia Iraq Islamic Bank	15
153,000	120,000																Al-Taif Islamic Bank	16
250,000	250,000																Al Janoub Islamic Bank	17
250,000	250,000																Al-Qertas Islamic Bank	18
100,000																	Amin Iraq Islamic Bank	19
150,000																	Islamic advisor bank	20
250,000																	Al Rajeh	21

																	Islami c Bank
3,89 6,75 0	3,69 5,60 0	2,62 9,15 0	293 496 0	123 396 0	108 461 0	117 446 0	111 189 0	904 960	617 908	223 573	146 ,25 2	10 04 77	10 79 77	221 757	104 ,94 4	11 37 6	the total

Source: The annual bulletins of the Iraqi Stock Exchange for the period (2004-2020).)

Table (4)

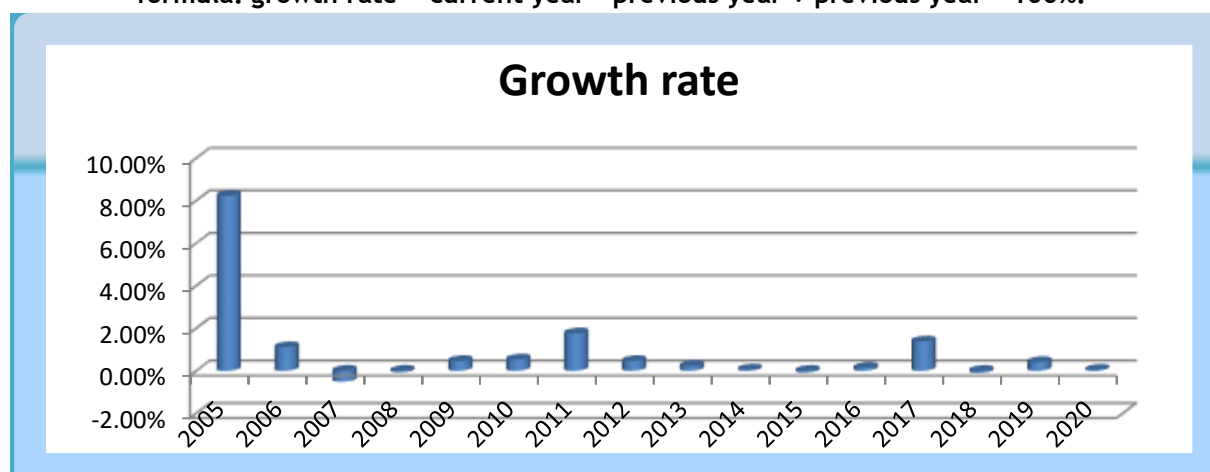
The total market value and growth rate of Islamic banks(The study sample)During the period (2004-2020)

(Million dinars)

The source was prepared by the two researchers based on table (3) and the mathematical

growth rate	Market value	the years
_____	11376	2004
8.23%	104,944	2005
1.11%	221757	2006
-0.51%	107977	2007
-0.07%	100477	2008
0.46%	146,252	2009
0.53%	223573	2010
1.76%	617908	2011
0.46%	904960	2012
0.23%	1111890	2013
0.06%	1174460	2014
-0.08%	1084610	2015
0.14%	1233960	2016
1.38%	2934960	2017
-0.10%	2,629,150	2018
0.41%	3,695,600	2019
0.05%	3,896,750	2020

formula: growth rate = current year - previous year ÷ previous year * 100%.



Source: Prepared by the researcher that Based on table data (4)

Figure (3)

Phase Evolution rate of growth Market value for Islamic banks for the period (2004-2020).)

notethrough the table (2) Figure 2 is the total Market value For Islamic banks traded in the Iraq Stock ExchangetoFor a period of (2004-2020) The first three yearsIt recorded a clear increase in growth rates, as the market value of Islamic banks traded in the Iraqi market in 2004 reached (11376) million dinars, and this is due to the high price of the shares of the Iraqi Islamic Bank, and

in 2005 it reached (104,944) million dinars, recording the highest growth rate of (8.23%) as a result of the entry of the Kurdistan International Islamic Bank into the trading market, so the shares of Islamic banks increased. As a result of not constancy and stability between rise and fall in growth rates. The market value recorded in 2020 a market value of (3,896,750) million dinars, a growth rate of 0.05%.

2: Measuring the effect of the credit activity of the study sample banks in market values. She has for the period (2004-2020).

This research shows the results of the test and the relationship and effect between the independent variable represented by (credit activity) and the market value of Iraqi Islamic banks traded in the Iraq Stock Exchange for the period (2004)-2020).

2:2. Measuring the relationship Credit activity statement and market value:

To measure the relationship between the independent variable represented by (credit activity) and the dependent variable represented by (market value). The multiple linear regression equation was obtained using the method of least squares (OLS) and as follows:

Table (5)
Estimating the regression equation for the independent variable (credit activity) and the dependent variable (market value).

Dependent Variable: Y				
Method: Least Squares				
Date: 02/27/23 Time: 23:05				
Sample: 1 21				
Included notes: 21				
Variable	Coefficient	std. Error	t-statistic	Prob.
C	129392.4698	27405.82	4.721349607	0.000149
X	0.572092707	0.15806	3.619474671	0.001826
R-squared	0.408110695	Mean dependent var		185559.5
Adjusted R-squared	0.376958626	SD dependent var		131144.9
SE of regression	103,516.5603	Akaike info criterion		26.02324
Some squared residence	2.03598E+11	Schwarz Criterion		26.12272
Log likelihood	-271.2440574	Hannan-Quinn criter.		26.04483
F-statistic	13.10059689	Durbin-Watson stat		2.19902
Prob(F-statistic)	0.001825715			

Source: from the researcher's work that Depending on the statistical program (Eveiws-10)

By table above which shows the estimation of the regression equation parameters for the dependent variable Market value and the independent variable credit activity. We note that the value of the parameter of the independent variable (credit activity) was equal to (0.572), and we also note that the probability value (P-Value) of the first independent variable (credit activity) was (0.001), which is less than 0.05, and is significant. We also find that the value of (R-squared) is equal to (0.408), while the value of (Adj. R-squared) is (0.37). As for the value of the F test, we find that the calculated F value is (13.1), which is greater than the tabular value, and this indicates the significance of the model, which confirms that the probability value of the Prob (F-statistic) test was (0.001), which is less than 0.05. Through the above table, we can see the value of the (AIC) standard, whose value was equal to (26.02), as well as the (SC) standard, where it was (26.12), and finally the value of the (HQC) standard, where it was equal to (26.04).

CONCLUSIONS

- 1- It was found that the credit activity in the Islamic banks, the study sample, increased during the study period as a result of the increase in the number of Islamic banks traded in the Iraq Stock Exchange.
- 2- The increase in the total market value of the Iraqi Islamic banks traded in the market during the study period as a result of the increase in the number of their shares traded in the market, as well as the increase in investor demand for these shares.
- 3- There is a direct relationship between the credit activity in Islamic banks, the study sample, and their market value in the market as a result of the increase in the credit activity of these banks, which depends on the volume of deposits attracted by these banks.

Recommendations

- 1- the job on to publish the culture banking Islamic from during clarification Role bank Islamic in operations Deposit investment different in all sectors Economic Miscellaneous from during formulas financing different Islamic.
- 2- Introducing various banking operations in the work of Islamic banks, and keeping pace with technological development through the introduction of electronic banking methods in the work of these banks.
- 3- Increasing the returns of Islamic banks through increasing their credit activities through various Islamic financing formulas, as well as their role in financing various investment and economic projects, which contributes to increasing the market value of these banks.

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