The Role of Banking Branches on Promoting the Growth of the Iraqi Economy An applied study for sample of banks listed in the Iraqi market stock securities

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Abstract : *The present studing aimed to test the role of banking branches in the economic growth of a sample of banks listed in the Iraqi market for securities and its impact on economic growth As well as to identify the Financial indicators the variables of studing. The sampling study consisted of the banks listed in the Iraqi Stock Exchange of (35) private bank for a period of 6 years (1/1/2011 - 31/12/2016) Statistical methods were used (correlation in Spearman's method, linear regression) and the financial indicators of (Growth rate of banking density, percentage of growth of banking spread, percentage growth of branches) Through the statistical program (SPSS V.23,and Excel 2016) to test the hypotheses of the study The main objecations of the study were the absence of a relationship of the impact of Banking branch in economic growth.*

Keywords: Banking branches , economic growth, financial indicators.

INTRODUCTION

Economic growth has become the new concern for the advancement of societies by making concrete improvements in the basics of life, It was a destination for all governments to be a very important destination for living standards, Its attempt to promote economic growth has risen to a level acceptable to society, Through the broad opportunities to move social behavior to a new stage of commitment to the fairness of distribution, Economic growth needed to create a spirit of diversity in the movement of trade interactions. through the diversity of markets and the movement of the economy, The need to banking branches to commercial banks has emerged in a deliberate manner that is compatible with the need for commercial activity in any geographical area of the country, The trends of private commercial banks have been reflected in an active contribution to the economy through policies and orientations that have had an impact on those seeking their services, It has accepted deposits, loans and banking services by opening branches, such as the World Wide Web, throughout the geographic map, Under the approval of the Central Bank of Iraq, as a result of meeting the conditions, The study included four chapters, the first of which is the general framework of research with two topics (methodology and some previous studies), While the second chapter dealt with the theoretical aspect of the research and two studies (banking branches as a first study, and the second devoted to economic growth), The third chapter represents the practical aspect of the research and three aspects description, analysis, hypothesis testing), The study concluded with a fourth chapter to review the practical conclusions in its first section, and dealt with recommendations.

Methodology of the study and some previous studies

First: Methodology of the study

Study Importance

The importance of the current study is to identify the role of banking branches in promoting the growth of the Iraqi economy and thus to get to know the type and amount of this effect, As these variables contribute and their dimensions in the growth and strengthening of the wheel of the Iraqi economy, As well as the development of controls that contribute to the effectiveness of banking branches, And providing services to all segments of society, Which enables banks sample study to finance their investment and consumption needs and to their objectives and competitive objectives, This is reflected positively in reducing the levels of unemployment and deflation and the activation of small and medium enterprises through funding, And contributes to economic growth and financial efficiency, So his studies became an urgent necessity in the current environment, Bank branching is one of the objectives to be applied at the local level in order to support the economy, Leading to the prosperity of Iraqi society.

Study Problem

The problem of research is reflected in the answer to the main question of the research **(is there a statistically significant impact of the banking branches in promoting the growth of the Iraqi economy?**) To stem from the following questions:

A. Is there a statistically significant effect on the total number of banking branches on economic growth?
B. Is there a statistically significant impact of banking density on economic growth?
C. Is there a statistically significant impact of the banking spread on economic growth?

Study Objectives

1. Explain the concept of banking branches and economic growth and its importance to the banks sample study and the extent of its contribution in improving the activity of the Iraqi banking sector.
2. The importance of each of the variables of the study (banking branches, economic growth) and its dimensions and the impact of each of them in the work of banks sample study   .
3. Measuring the effect of banking branch in th growth of the Iraqi economy.
4. Studying the level of variation in the dimensions of each variable of study for the period of the research time series.

Study Hypotheses:

H1: **There is a statistically significant impact of the banking branches on economic growth**. it has been established by the following subsidiaries:

A. There is a statistically significant impact on the total number of banking branches on economic growth.
B. There is a statistically significant impact of banking intensity on economic growth. C. There is a statistically significant impact of the banking spread on economic growth.

Society and Study Sample

The study population represented banks listed in the Iraqi market for securities, while the sample of the study were banks listed (35).

Study Approach :

The methodology used in practical research is a reflection of the ideas of researchers, as a result of understanding the problem of the study, and trying to find appropriate solutions to the problem and its questions, the descriptive
 The methodology used in practical .analytical approach was adopted for the data obtained through the time series research is a reflection of the ideas of researchers, as a result of understanding the problem of the study, and trying to find appropriate solutions to the problem and its questions, the descriptive analytical approach was adopted for the data obtained through the time series

The limits of the study:

1. Spatial boundaries: The banks listed in the Iraqi market for securities and represented in (35) banks.
2. Time Limits: For a period of 6 years, from (1/1/2011 - 31/12/2016)
3. Boundaries of knowledge: They were variables (banking branch, economic growth).

Statistical Analysis Method

In order to measure and test the hypotheses of the study, a several of, many of some of statistical methods were used to represent the SPSS.V23 statistical program and Excel 2016.

Literature Review

Several research studies have examined the subject of banking branching. There are also some studies aimed at studying the relationship between bank branching and economic growth from different aspects. Some studies are:

1 – Study, Sharafuddin 2012

Study Title: (Effect of banking branch on monetary indicators in Sudan: A study of the econometric in the econometric)

   This study aimed at identifying the effect of banking branch on the monetary indicators in Sudan. The community represents the banks in the state of Khartoum and the major cities. The sample consisted of (188) banking branches. The analytical descriptive approach and the standard quantitative statistical method of proving hypotheses using the OLS method were used to estimate the simple linear regression equation using the SPSS program. The study found that banking branching is concentrated in the state of Khartoum and the big cities with an average of (188) branches during the study period more than other states and cities. The study recommended that the monetary authorities in Sudan work on reviewing the current banking branch to serve the macro economy and increase the interest of banks.

2- Study Abu Deh , 2016

Title Study: (The role of banking spread and financial inclusion in economic activity)

   The research aimed at explaining the concept of banking spread, financial inclusion and its importance to the Palestinian economy. The study population represents the Gaza Strip and the West Bank for the period 1994-2014. The analytical descriptive approach was adopted to identify the aspects and dimensions of the problem, and the standard approach was used in constructing linear regression models. The study showed that the expansion of branches of public banks in Palestine and their branches positively affected the proportion of individuals who have an account in one bank. This ratio has increased and has become an approach to the ratio of low income countries according to the classification

of the World Bank. The study recommended the creation of banking services without branch branches as a means to improve access of the poor to financial services.

3- Study Solomon,2014

Title Study: (The Bank's Spread and Its Role in Economic Development: A Field research on the Sudanese Bank in South Darfur State (2007-2012)

The aimed of the study was to clarify the contribution of the Agricultural Bank to the development of the agricultural and livestock sector in the city of South Darfur State and then in its localities. The study community represents the Agricultural Bank of South Darfur State for the period (2007-2012). The descriptive approach was based on statistical analysis. The study proved the contribution of the Agricultural Bank to the development of the agricultural sector in the state of South Darfur through the provision of funding in the form of peace and Murabaha for the purchase order in the state capital of Nyala. The study recommended the opening of new branches of the Agricultural Bank of Sudan in the state of South Darfur in localities where there are no branches of the bank or other banks according to previous study.

4- Study Abdul Rahim,2011

Title Study:(Development of banking services and their role on activating economic activity)

The study aimed at monitoring the effects of the development of banking services on economic activity. The study community represents the Algerian banks for the period (2007-2010). The descriptive analytical approach was adopted. The study proved the extent of the banking services' response by the banking system to the development in economic activity and society as a whole. The study recommended the development of technical banking technology through the interest in modern technologies and the introduction of information technology in banking by encouraging partnership with foreign banks that will develop the professional and technical performance of the banking system.

Theoretical framework

banking branches

Banks and financial institutions are constantly seeking to attract more customers and investors across their branches and provide services that suit them and in line with the development within the banking sector, As a key tool in the revival of economic activity and the revitalization of markets on the one hand and works to maintain the funds of depositors and investment on the other hand, As many of the concepts of banking branch and talked a lot of writers and researchers and banks, and differed in the development of a comprehensive concept and clear and specific branch of banking, was collected the most prominent of these concepts and according to the views of some researchers as shown in table (1):

Table (1) The concept of bank branching according to the point of view of the most prominent writers and researchers

T	Researcher Name	Concept
1	(Talib,2010:64)	The spread of banking through the expansion of banking markets, making them more able to meet the wishes and needs of customers
2	(Jakob& Tigran,2011:42)	The spread of branches in many places through the performance of banking services on a large scale in order to provide a lot of services on an economic basis.
3	(Al-Badawi, 2011:37)	Banks often take the form of joint stock companies as a legal form. They have multiple branches covering most of the country, especially the important places, which are decentralized in their affairs. The branch is allowed to manage its affairs through the provision of services

4	(Sharaf El Din,2012:4)	The deliberate spread of branches of banks geographically throughout the country in order to facilitate the interaction of individuals and institutions with them.
5	(Ali,2012:25)	A bank style in which the bank works in more than one place to provide banking services to customers through its branches.

Objectives of banking branching

 The objectives are the starting point for each project that aims at achieving the institutions in the various fields and business activities that seek to achieve them, in addition to the fact that these objectives are criteria for measuring their success in various activities and a tool to control their final performance.(Suleiman, 2014: 92), (Abed and Abu Saeed , 2016: 50)   .

1. The banks seek to facilitate the convenience of their customers, and the establishment of branches to provide branches banking services to all customers without the trouble to complete transactions.

2. To shorten the time it takes for the customer to reach the bank so that can obtain the services, the information and technical development, as well as the provision of the effort to the target audience, which are two main factors that should be taken into account when thinking about creating a new branch.

3. It reduces the risks faced by banks from different factors. If an industry is closed in a geographical area, this recession will be reflected on the branch in that area to compensate for this loss by the profits generated by the activities of the other branches.

4. It works to introduce customers to the activities of banking branches for the purpose of marketing, applying and benefiting from banking products and services.

5. The banks seek to coordinate between the various plans, which serve the customer and make him satisfied with the performance of the staff of the bank as well as coordination between the requirements of customers and the requirements of the bank to succeed in his work.

Bank branching policies

These policies are as follows:

1. The need for direct communication to the distribution of banking services:

 Banks usually sell a service that needs mutual trust and direct contact with their customers from the standpoint of the banking economy, It depends on the Bank's employees' understanding of the customers and the ideas they attract, and requires them to contact the bank directly and to know their desires, needs and trends about the demand and their acquisition of different types of services, And identify their problems, so as to predict the demand for future services (Laura & Kate, 2003: 281),

The distribution of vital marketing functions, as banks seek to provide products (goods, services and information) to different sectors of the market in the right place and time, Its importance lies in distribution costs, which may reach(15-25%) of sales revenue in scientific reality. Banks use intermediaries or distribution agents who have the ability to distribute their various banking products in the markets (Abdel Fattah, 2000: 122).

2.Competition:

 Competition is a constant driver for the development of banks, as well as being one of the main factors that help spread branches, As banks avoid competing price between them, because of the risk of serious for them, so banks began to adopt the method of going to the customer, not the opposite to know the requirements and wishes (Ahmed, 2010: 62), It became the best way for banks to approach customers, as a way to overcome competitors, and to attract the largest number of customers, to provide the largest number of services economically, The Bank is able to maintain its market position and gain leadership in the sector to support competition. It is a less expensive means than many other means or policies such as advertising campaigns, improving performance, improving the bank's external appearance (Abdel Majeed, 2003: 210)   .

3. Efficient Banking Services:

 Many branches can be widely deployed in banking services to provide many services on an economic basis, , Which helps the bank to achieve specialization and efficiency in the performance of individuals and the high cost of employing highly trained workers in the bank (Abdul Khaliq, 2010: 42), As well as the delivery of banking services to the largest possible number of individuals and banks in the community, and affect the performance of banking

services positively on the performance of the bank under the assessment of financial performance and customer index, and the impact of financial performance stronger than the customer index for banks (Al-Husseini and Al-Douri , 2000: 13

The role of banking branch in economic development:

The banking branches contributes to many benefits, especially economic development. The presence of banks in production sites targeted at the economic development process makes financiers more knowledgeable about the type of goods and services produced in those sites if they are found to be unsuitable for the requirements of the markets in which the banking services are conducted. To explain this to their owners directly without a mediator, which makes their ability to understand widely (Salhi, 2006: 88), And the requirements are implemented quickly and explained, as well as the presence of banks in the markets of production areas or proximity to facilitate the movement of money circulation and transfer, especially since money became the language of any economic activity, and cannot express the benefits of profitability or values without the use of money as a standard, banks are a safe haven for the conservation and transfer of funds And the requirements are implemented quickly and explained, as well as the presence of banks in the markets of production areas or proximity to facilitate the movement of money circulation and transfer, especially since money became the language of any economic activity, and cannot express the benefits of profitability or values without the use of money as a standard, banks Is a safe haven for the conservation and transfer of funds(qabal,2008:64), The banking branch in the production areas plays an important role in bringing the financier closer to the product to understand its financing needs. The size of the funds needed for financing should not be too small to be sufficient for the required operations, and not more than what is required. And the presence of banks in development areas helps to develop appropriate plans and policies for those regions. Each region has different characteristics and makes the policies that are well suited to them to contribute to the overall success of development programs (Abdullah, 2013: 116), Plans and policies may sometimes fail, not because they are weak, but because they are not suitable for the region. What succeeds in an area does not necessarily succeed in other areas, which helps the banks in the areas to be developed evaluate and evaluate policies (Abdel Aziz& Ajima, 2008: 51), As the presence of branches of banks in the development areas, an environment attractive to decision makers in the selection of areas to be developed and investment, as well as the reassurance of investors and service project owners that have an active role in that process, the presence of multiple banks in one area make them racing to devise new methods and methods to attract customers By improving the overall performance, not only the provision of services, which earns the ability to innovate and innovate and stimulate creative management and marketing thought, as well as the repetition of positive actions under the competition of honest in a world where the survival of the best As the presence of branches of banks in the development areas, an environment attractive to decision makers in the selection of areas to be developed and investment, as well as the reassurance of investors and service project owners that have an active role in that process, the presence of multiple banks in one area make them racing to devise new methods and methods to attract customers By improving the overall performance, not only the provision of services, which earns the ability to innovate and innovate and stimulate creative management and marketing thought, as well as the repetition of positive actions under the competition of honest in a world where the survival of the best (Al-Quraishi, 2007: 94)

Factors affecting the expansion and spread of banking branches:

Factors influencing the expansion and spread of services across branches of banks are classified as two main factors :

1. Factors influencing the selection of the area in which the branch is established

A bank that wants to enter a new market must conduct an on-site analysis to determine the most attractive areas, depending on the characteristics of the target market by the bank, Therefore, the Bank's management has to acquire basic information about the population of the region, their lifestyles, business and industrial movements, as well as the information pertaining to the banking situation in them. Hence the analysis of the environment of the target area for the spread of a new branch is subject to the following characteristics: (Ali, 2002: 145)

A. Population characteristics and level of banking awareness:

These characteristics include information on the number of residents and potential future entry into the area, the average household income, the distribution of this income on various items of expenditure, the size of the labor force in the region, As well as the study of the development of per capita GNP as the basis that determines the standard of living of the individual and the extent of the possibility of dealing with banks in the future (Al-Saeedi , 2002: 239). Bank awareness is the process by which individuals deposit their cash balances with banks and rely on checks in their cash guns. The banking system grows by establishing banking awareness among individuals and the spread of banking institutions throughout the country. The process of spreading banking awareness in areas that lack such services makes them Is gaining great importance and is not established only by opening branches in those areas, and play publicity and a significant role in the process of spreading banking awareness (Al-Omari , 2011: 36)

B. Banking Density

Banking density is an important indicator of economic growth. It is measured by the number of branches per(10,000) people, which is low in the Arab world, not exceeding 40%), noting the disparities from one Arab country to another (Al-Tuni, 2003: 5), The distribution method takes into account the actual needs of developing the banking business of the banks (government, private) and the extent of the response to the development requirements in the various aspects of banking work or the requirements of the Iraqi economy or the banking market Banking density can be measured: Bank density = Number of population / number of branches x 100 (Abdel Nabi, 2003: 4)

C. Analysis of economic activity:

It is necessary to identify the activity of the economic zone when a bank decides to open branches in that area. Knowing the type of economic activity prevailing in the region helps determine the type of credit required in that area, be it industrial, agricultural, commercial (Shaaban, 2005: 244)   .

D. Industry Structure:

When opening a new branch, banks rely on measuring the expected volume of transactions in the target area, as well as the existing industry structure in that region. The Bank can identify the economic activity and the various events in the region in order to assess the needs of that area for banking services. Industry The following data must be obtained: (Abdelkader, 1995: 3)

1. The names of the industrial plants, the quality of their production and the number of their employees.
2. the number of industrial organizations important in the region and the annual sales volume of each 3. the size of the labor force in each group of industries.
4. hours of daily work.
5. the size of each institution and its contribution to the total size of the industry
6. study the proposed projects in the region in the coming years to assess the size of the future financial dealings of the bank

 E. Banking branches:

The number of banking branches in the nearby region indicates the following analysis and study (Sultan, 2005: 93)
1. Number of banks and their branches or financial institutions and their locations in the region.
2. Working hours of the bank or financial branches of the customer.
3. the range of banking services provided by banks and financial institutions already existing in the region;
4. the size and nature of the bank or existing financial institutions

F. Individual income and national income

The increase in national income and average per capital income was associated with the increase in the number of banking branches. This increase should be commensurate and positively correlated. In other words, the rate of increase in national income and average per capita income is followed by an increase in the number of bank branches. Purchasing and expanding the volume of savings drives individuals to deposit the cash surplus they meet in the bank (Al-Fares, 2001: 94) .

2.Factors affecting the selection of the appropriate location of the branch in the target area :

After the selection of the appropriate area in the presence of a number of potential alternative sites for the establishment of a branch within the region, the question arises (**Is the choice of location of the branch is in the heart of the commercial and financial center ?**, **What is the transport and the presence of car parks and buses near?**), As well as knowing the balance between the cost of choosing the site whether it is in the heart of the commercial and financial center and know whether the rents and property values are high when it is near the commercial and financial center, as there may be an opportunity to get more space at a lower cost. Choosing the right location for the branch to be active has a great impact on attracting customers (Ashour, 2003: 452), Most of the customers prefer to deal with the bank with a comfortable and luxurious building. As for preparing the branch staff, it is one of the important things to consider when establishing a new branch. The public prefers to deal with highly ethical employees, speeding up transactions, taking care of their requests, (Hazier, 1999: 293)

Bank spread:

The speed of banking spread is one of the advantages of the banking service by opening the largest number of outlets and branches of banking, while the bank is able to reach the current and potential customers in their places of residence. Customers may need banking services. This is not achieved. Branches that are geographically spread to suit the needs and, the needs of customers to services and banking products (Abdel Rahim, 2011: 65), When the bank cannot produce the service centrally and distributed by simple distribution channels, resort to provide services directly through its branches deployed to meet the wishes and needs of its customers of services, to be located close to them. In terms of personal service delivery, the Bank uses modern methods to provide the best services to the community   (Hawari, 2005: 21). The banking spread can be measured by: Bank spread = Number of branches / population

Analysis and Testing Hypotheses Of the study
First Hypothesis:

1. The first hypothesis (there is a statistically significant effect of the banking branch on economic growth) wasnont launched. For the purpose of verifying the hypothesis, the simple regression models were implemented as follows Table (2) shows the relationship of the independent variable (banking branch) in the adopted variable (economic growth represented by GDP), Table (2) shows that the correlation between the study variable (banking branch) and the dependent variable economic growth represented by GDP is negative, R (0.273). As shown in Table (2), the regression coefficient (147339) shows that the change in one unit in the independent variable (banking branch) leads to an amount equal to (147339) in the dependent variable economic growth represented by gross domestic product, Table (2) shows that the coefficient of R^2 is 0.074. This indicates that the independent variable interprets the amount of (0.074) changes in the dependent variable, and that (93%) is explained by other factors outside the study, , As for the effect of the independent variable on the child. The t-test showed that it was (-0.567) and significant (0.601). This indicates that there is no statistically significant effect of the independent variable on the economic growth. This does not match the validity of the hypothesis test. This confirms that the F test was (3.841) and significant (0.321), indicating that the statistical model is not correct for hypothesis analysis

Table (2): The simple regression equation of the banking branch on economic growth

F	Sig	T	R²	R	B
0.321	0.601	-0.568	0.074	0.273	147339

A. Sub-hypothesis (there is a statistically significant effect of the total number of banking branches on economic growth). The aimed hypothesis, simple regression models were implemented as follows

Table (3) shows that the correlation between the study variable (the total number of banking branches as an indicator of bank branching) with the dependent variable, the economic growth of GDP is positive, with R (0.730), As shown in Table (3), the regression coefficient (496897) shows that the change in one unit in the independent variable (total number of branches) leads to an amount equal to (496897) in the dependent variable, As shown in Table (3), the coefficient of R^2 is(0.532) This indicates that the independent variable interprets the amount of (0.532) changes in the dependent variable, and that (47%) is explained by other factors outside the study, As for the effect of the independent variable on the child, the t-test showed that it was (2.134) and significant (0.010). This indicates that there is a statistically significant effect of the independent variable on economic growth. (4.552) and a significant (3.841), indicating the validity of the statistical model for the analysis of the hypothesis.

Table (3) Regression equation for the total number of banking   branches on economic growth

F	Sig	T	R²	R	B
4.552	0.010	2.134	0.532	0.730	496897

B. **Sub-hypothesis (there is a statistically significant effect of banking density on economic growth).** For the purpose of verifying the hypothesis, simple regression models were implemented as follows Table (4) shows that the

correlation between the study variable (banking density as an indicator of bank branching) and the variable dependent economic growth of gross domestic product (GDP) is negative. R (0.391), As shown in Table (4), the regression coefficient (-59174) shows that the change in one unit in the independent variable (bank density) leads to an amount equal to (-5,9174) in the dependent variable (economic growth represented by GDP), Table (4) shows that the coefficient of R^2 is 0.153. This indicates that the independent variable explains the amount of (0.153) changes in the dependent variable and that (85%) is explained by other factors outside the study, As for the effect of the independent variable on the child, the t-test showed that it was (0.851) and significant (0.443). This indicates that there is no statistically significant effect of the independent variable on economic growth and this does not match the validity of the hypothesis test. The F test was (0.723) in significant terms (3.841), indicating that the statistical model of the hypothesis analysis is incorrect.

Table (4) Regression equation of banking density on economic growth

F	Sig	T	R^2	R	B
0.723	0.443	-0.851	0.153	0.391	-59174

C. **The sub-hypothesis (there is a statistically significant effect of banking spread on economic growth).** For the purpose of verifying the hypothesis, simple regression models were implemented as follows: Table (5) shows that the correlation between the study variable (banking spread as an indicator of bank branching) and the dependent variable economic growth represented by gross domestic product (GDP) is negative, with R (0.510), As Table(5) shows, the regression coefficient (9084316) shows that the change in one unit in the independent variable (banking spread) leads to an amount equal to (9084316) in the dependent variable (economic growth represented by GDP), As shown in Table(5), the coefficient of R^2 is 0.260. This indicates that the independent variable explains the amount of (0.260) changes in the dependent variable, and that (74%) is explained by other factors outside the study, As for the effect of the independent variable on the dependent, the t-test showed that it was (1.185) and significantly (0.302) indicating that there is no statistically significant effect of the independent variable on economic growth. This does not match the validity of the hypothesis test. F was (1.405) and significant (3.841), indicating the validity of the statistical model to analyze the hypothesis

Table (5) Regression equation for banking spread on economic growth

F	Sig	T	R^2	R	B

1.405	0.302	1.185	0.260	0.510	9084316

CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

1. The banks' adoption of the sample of the study showed all branches of banking, which include the total number of branches and the spread and density, but this branch is still without ambition in light of increasing economic activity and growth of markets and increase the adult population

2. The results showed a rise in the ratio of GDP to the first and second trimester of the series, which declined and returned to rise, in light of the growth rate of the population and the decline in oil prices. Therefore, the budget deficit was seen, as well as the growth rate of distribution took the negative curve, Weaker than before.

3. Economic growth is affected by an increase in the number of branches and direct banking spread

4. Economic growth did not show any effect on bank branching, indicating that there were other elements and dimensions that did not fit into the model of the research.

B. Recommendations

1. The study sample banks should be interested in banking branches by opening new branches in geographic regions as well as formulating strategies, policies and orientations aimed at obtaining new customers and increasing the satisfaction and satisfaction of existing customers through the acceptance of deposits at interest rates commensurate with market interest rates and loans Banking at acceptable interest rates, as well as providing other banking services that mimic banking development in neighboring and global countries

2. It is necessary for budget authorities to diversify sources of budget funding in light of the increase in the population in order to cover public expenditure so that the increase in real income of individuals is a cumulative increase greater than the rate of population growth and the provision of productive and social services and protection of resources

3. It is essential that the sample banks contribute to economic growth through:

A - Work on increasing the number of branches in the vast areas of Iraq, especially in areas where there are many commercial markets, as well as trying to create investment opportunities in other areas targeting the construction sector and construction or the agricultural or industrial sector and according to the feasibility study of expansion

B - Attention to the spread of banking through the expansion of the provision of banking services and work to increase the assets and deposits and the facility portfolio, would give them high flexibility in performance and the multiplicity of sources of employment and profitability

4. The study sample banks should be interested in bank branching through the formulation of new strategies that contribute to the near and medium hope of increasing economic growth in light of the limited strategies, policies and financial programs, as they have not stimulated economic growth

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Supplements

Appendix (1) Number of banking branches and number of employees

Year	Number of branches in Baghdad	Number of branches in governorates	Number of branches outside Iraq	Total number of branches	Number of Employees
2011	206	285	4	495	10256
2012	226	285	4	515	11282
2013	225	301	4	530	11923
2014	201	321	2	610	9742
2015	158	266	1	449	9289
2016	181	271	1	453	9397

Source: Central Bank of Iraq / Annual Statistical Bulletin (2011, 2012, 2013, 2014, 2015, 2016)   **Appendix(2) Population and adult population**

Year	Population	Number of adults

2011	**33338**	**19929**
2012	**34208**	**20569**
2013	**35096**	**21227**
2014	**36005**	**21926**
2015	**36934**	**22082**
2016	**37547**	**22654**

Source: Planning Department, Central Bureau of Statistics (2011, 2012, 2013, 2014, 2015, 2016)
Annex (3) Banking Density and Banking Spread

Year	Banking Density	Banking Spread	Banking Density1	Banking Spread1
2011	**67**	**1.48**	**40**	**2.48**
2012	**66**	**1.50**	**40**	**2.50**
2013	**66**	**1.51**	**40**	**2.49**

2014	69	1.45	42	2.39
2015	538	1.15	52	1.92
2016	83	1.20	50	1.99

Source: Central Bank of Iraq / Annual Report for Financial Stability (2016)

Annex (4) GDP

Year	GDP
2011	192237070,3
2012	227221851,2
2013	243518658,5
2014	266420384,5
2015	199715699,9
2016	203869832,2

Source: Central Bank of Iraq / Annual Statistical Bulletin (2011, 2012, 2013, 2014, 2015, 2016)