The impact of accounting conservatism on the financial analysis of the financial statements in light of the application of Standard 9: an analytical study of a sample of Iraqi banks for the period (2017-2021)

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Abstract **:** The research aims to identify the accounting qualification, analyse the indicators of financial performance and test the impact of the qualification on the financial analysis of financial statements under the application of the International Financial Reporting Standard (9), and indicate the level of its practice in a group of banks (Al Ahli, Baghdad, Commercial, Middle East, Ashur, Mosul) through analysis using ratios (Profitability, trading), and to achieve the objectives the research deals with a sample of (6) banks listed on Iraq's stock market over a while from (2017-2021), and the variables are also quantified according to the benefits method and statistically analysed such as Pearson's association to measure the correlation between variables. Based on the financial statements of the Directory of Iraqi Enterprises Listed in the Iraq Securities Market and the results show that banks exercise accounting qualifications when disclosing the results of their financial position at varying rates, there is an impact of the reservation on the financial analysis, and this principle continues to receive broad attention and imposes its strength on accounting practices and procedures. Research recommends that organisations with conservative accounting policies should not abandon the application of such policies and should continue to apply them when preparing their reports. ", while not overstated, because it enhances the ability of those reports to evaluate and improve accounting performance.

Keywords: accounting conservatism, standard (9), financial analysis.

INTRODUCTION:Accounting qualification is a procedure followed by accountants to assess assets and liabilities in financial statements in a way that calculates potential risks and costs that have not yet been achieved and shows its impact on financial analysis by reducing the accounting value of assets and income recorded in the lists, Consequently, it affects the analysis of an enterprise's financial performance, as well as liquidity, as it reduces the ability to pay outstanding obligations promptly, The criterion (9) is one relating to the accounting qualification of financial assets and is intended to ensure that financial assets are valued reliably, and that any accounting reservations that may affect the value of these assets be disclosed In general, the accounting qualification is one of the oldest and most reliable financial accounting subjects for evaluating and analysing performance in the preparation of reports. Thus, in the present research, it will test the impact of the accounting qualification on the financial analysis under the application of the "9" criterion.

The first topic: Research methodology and previous studiesFirst: Research problem:

The problem is identified in the following:

What is an accounting reservation and what is its relevance and parameters? Are sample banks engaged in research? Were financial analysis indicators high under the application of the International Financial Reporting Standard (9)? What is the impact of the accounting qualification on the financial analysis?

Second: The importance of research:

The current research contributes to determining the levels of accounting conservatism in a group of banks, given its impact on the financial analysis of the lists and its reflection on the suitability of accounting information in the published reports, as well as identifying the measures of both variables (accounting conservatism and financial analysis) and verifying the existence of the relationship and the impact of what is between them in light of the application of International Financial Reporting Standard No (9)**.**

Third: Research objective:

Measuring the effect of accounting conservatism on the financial analysis of the financial statements in light of the application of the International Financial Reporting Standard (9) and indicating the level of its practice in a group of banks (Al-Ahly, Baghdad, Commercial, Middle East, Assyria, Mosul) using the financial ratios method**.**

Fourth: Research hypothesis:

To answer the main research question that represents the problem, the following hypothesis was formulated: "There are no statistically significant differences between accounting conservatism and financial analysis in terms of financial ratios", This hypothesis includes two sub-hypotheses:

1- There are no statistically significant differences between accounting conservatism and profitability.

2- There are no statistically significant differences between accounting conservatism and trading.

Fifth: Research Methodology:

The research relied on the deductive and inductive methods and collected data from the financial statements of the Iraq Stock Exchange during a period that extended from (2017- 2021).

Sixth: The spatial and temporal limits of the research:

The annual reports of the banks (Al-Ahly, Baghdad, Commercial, Middle East, Assyria, and Mosul) were used and disclosed of the Iraq Stock Exchange during a time that extended from (2017- 2021), The reason for these six banks' choice was that the activity, banking transactions and interest in other banks differed from them, as well as their ability to provide the data required and needed for research.

Seventh: Research Structure:

To verify the hypotheses of the research and reach the goals set for it, it was divided into the following investigations :

The first topic: Research methodology and previous studies.

The second topic: Accounting conservatism and financial analysis.

The third topic: Study results for a sample of Iraqi banks.

Eighth: Previous studies:

1- Arabic studies:

Table (1) Arab studies

The study	The goal	Measurement	Conclusion
Study (Khalil, 2023) The effect of accounting conservatism on financial performance: an experimental study on a sample of telecommunications companies for the (2012-2021)period	Measuring the effect of accounting conservatism in telecommunications companies, and showing its impact on evaluating and improving the financial performance of those companies.	Measuring the level of conservatism and its impact on improving financial performance and deducing the relationship between research variables.	That companies practice conservatism at varying rates and that there is an effect of conservatism on financial performance.
Study (Jadallah 2019) The impact of applying the International Financial Reporting Standard (IFRS 9) on the profitability of Jordanian commercial banks.	Identify the impact of applying the standard on the profitability of Jordanian banks.	The analytical descriptive approach in the Housing and Finance Bank for five years	There is a statistically significant effect of applying the standard on profitability ratios.
A study (Awja 2017) accounting conservatism and its impact on evaluating the performance of Iraqi private institutions.	Measuring the practices of accounting conservatism in Iraqi private institutions	Performance evaluation using the Tobins Q scale, for the duration.	There is a discrepancy between the research sample institutions in conservative practices based on the book value to market value scale

Source: prepared by the researcher.

2- Foreign studies:

Table (2) Foreign studies

The study	The goal	Measurement	Conclusion
Ruch, & Taylor, 2015) Accounting conservatism: a review of the literature	Analyzing the effects of accounting conservatism on the data in the financial statements and their users.	Evaluate the impact on the quality of earnings and on users of the financial statements, including the continuation of earnings.	Conditional reservation reduces information asymmetry, and unconditional reservation facilitates profit management
(.(Ntaikou, et al., 2018 The expected impact of IFRS 9 on the Greek banking system's financial performance: some theoretical considerations and insights	Highlighting the Greek banking system under the application of the standard.	Provide insights about the accounting treatments to be carried out by banks to integrate the requirements of the standard into operations.	Banks focus on integrating new and future treatments related to credit losses with operations, and enhancing transparency in declared profits.

Source**:** prepared by the researcher.

After reviewing the previous studies, it was found that there were no studies that dealt with the impact of accounting conservatism in the financial analysis in the banking environment, and accordingly, the researcher believes that the current research shares with previous studies some points related to the theoretical aspect of the research variables, It is one of the few studies dealing with the effect statement in the financial analysis, and what distinguishes it is that it deals with the impact of accounting conservatism on the financial analysis of the financial statements in light of the application of the standard (9), After reviewing the previous studies, it was found that there were no studies that dealt with the impact on the banking environment.

To identify what the research variables are from the perspective of academic studies and writings, the definition of each variable will be addressed separately and through the second topic.

The second topic: Accounting conservatism and financial analysis
First: The concept and definition of accounting conservatism:

Accounting conservatism was applied five centuries ago, when the first features of accounting principles began to form, Despite the criticism levelled at him at the time, the academic interest was limited to describing the actual application, It arose when the management separated from the owners, as it resorted to protecting itself by reducing assets, quickly recognising losses, exaggerating liabilities, and postponing revenue recognition until they are actually realised (Hadi, 2022: 118), Accounting conservatism is defined as recording losses before realising them and recognising them in the financial statements, and this is not done for profits before realising them, The appearance of the negative value of the reservation indicates the existence of conservative accounting policies that helped reduce the company's profits, And that cash flows are more than profits (Culture, 2019: 36), It is also defined as the choice of accounting alternatives that reduce the book value from the market value of net assets, for the purpose of addressing uncertainty in the enterprise's business, through prior recognition of unpleasant events (Abu Jabal, 2018:80), as well as accounting behaviour based on the application of practices that reduce profits and assets to counter uncertainty, risk and assist in decision-making (Khalil, 2023:315).

From the foregoing, it is clear that accounting conservatism is one of the oldest accounting issues, especially its impact on the quality of information contained in the financial statements, and it can be defined as the recognition of losses without profits before they occur by reducing the value of property rights.

Second: Measures of accounting conservatism:

There are several measures adopted to measure it, including the following:

1- A measure based on receivables: it is the difference between operating cash flow and net profit, and the negative appearance of receivables is an indication of continuity in cash flows more than profits and indicates the existence of conservative accounting policies (Awja, 2017: (229).

2- Market value to book value: The market value of property rights differs from their book value due to the absence of ideal markets, and the greater the difference represented by a lower book value, it indicates a high degree of conservatism (Salman, 2022: 20).

3- Book value to market value: The decrease in the book value from the market to less than one correct for a certain time indicates the use of discretion by the institution (Al-Ta'i, Al-Kaabi, 276: 2016).

4- Basu Scale: This entry is based on a regression model for the response speed of the accounting profit for the return on stocks (Abu Jabal, 2018: 81).

5- Conservatism C- Score: This measure measures the effect of conservatism on the balance sheet by the level of estimated reserves relative to net operating assets (Al-Mashhadani, Hamid, 2014: 373).

Third: Explanations of accounting conservatism:

Several interpretations of accounting conservatism were presented, which are as follows: (Awja, 2016: 228-227).

1- Contractual: It is intended to focus on formal contracts between the relevant parties in the institution, such as debt contracts and reward contracts.

2- litigation: the reservation of announcing the realisation of profits for future assets to avoid exposure to litigation by parties that rely on the reported accounting information when making investment decisions when management estimates of those elements fail.

3- Tax interpretation: Some tax laws contribute to increasing or decreasing accounting conservatism. The accounting methods used affect the declared income and thus affect the tax calculation.

4- Regulatory: There is a direct impact on the regulation of financial markets and transactions through the instructions and disclosure requirements approved by the Securities Commission since they have a role in guiding the practices of accounting conservatism.

Fourth: The importance of accounting conservatism:

The importance of the subject is explained by the following: (Barbakh, 2019: 37).

1- It works to raise the efficiency of the financial statements.

2- It leads to an increase in the quality of accounting profit.

3- Preserving the basics and quality components of information.

Fifth: Justifications for accounting conservatism in the financial statements:

Some of these justifications can be mentioned as follows: (Muhammad, 2022: 5-6).

1- Organizational justification: It is a way to reduce information asymmetry between management and others and remove administrative bias. It also helps in disclosing losses promptly.

2- Litigation: It protects from the risk of exposure to litigation as a result of the accounting policy adopted, as the possibility of litigation by management as a result of following a policy that leads toan exaggeration in the value of assets is greater than the policy followed in reducing their value.

3- Tax motives: Reducing the amount of tax incurred by the company as a result of reducing tax income through recognising losses and postponing revenue recognition leads to reduced profits, reduced taxable income, and postponing it for later periods.

Sixth: Types of accounting conservatism:

There are two types of accounting conservatism, which are the following:

1- Unconditional: It is the application of accounting policies that reduce the value of assets at less than their market value and liabilities by more than their value in the event of bad news.

2- Conditional: It means the application of policies that lead to a reduction in the book value of assets. Examples include the immediate recognition of research, development and evaluation expenses for inventory based on cost or market prices, whichever is lower. (Abdul Rahman, et al., 2017: 363-364).

Seventh: The concept of financial analysis:

It refers to the stage of studying, diagnosing and analysing activity, profitability and financial balance through analysing historical data and making future estimates for a purpose. The importance of financial analysis is summarized in that it is a tool of effective control and planning and can be used in assessing the economic feasibility of establishing projects (Muammar, Saber, 2022: 5-6).

Eighth: Analysis using the financial ratios method:

Most specialists agree that the financial ratios used in evaluating the performance of institutions can be divided into five main groups and are the most common, which are as follows:

1- Profitability: These ratios reflect the overall performance of the organisation, as they examine the ability to achieve profits from sales, the most important of which are:

-The rate of return on assets: the higher this ratio, the more this indicates the efficiency of the bank's management and investment of its financial assets.

-Return on Equity: It is one of the most widely used rates in measuring the financial performance of banks, as it represents the bank's ability to achieve profits through equity, and the high rate of this rate indicates the efficiency of managing funds and available economic resources.

-Net profit margin: It is used to measure the extent to which profits are achieved in the bank. (Al-Basiouni, 2020: 339-340).

2- Activity: These are the ratios that reflect the efficiency of management in generating sales from assets, and include (asset turnover rate, fixed asset turnover rate, and current asset turnover rate.

3- Indebtedness management: It means the extent to which the institution uses debt financing, and includes (debt-to-equity ratio, total creditors to assets, and short-term debts to shareholders' equity).

4- Capital Structure: It is an indicator for judging financial risks. (Alwan, et al., 2015: 222).

5- Trading: It reflects the institution's ability to fulfil short-term obligations (current liabilities) towards creditors, which can be converted into cash within a short period upon maturity, Among these ratios (the trading ratio, the quick trading ratio, the cash and the cash equivalent ratio).

6- Yield: It is the return of private funds, and includes all financial elements and movements. (Sufyan, Badr Al-Din, 2019: 19-20).

Ninth: Background on the International Financial Reporting Standard IFRS 9:

The criticism directed at Standard (39) was a major reason and motivation for the International Accounting Standards Board's approach to adopting a project to replace this standard after the occurrence of the global financial crisis in the year (2008) (Rashid, Al-Azzawi 2022: 52), The reason for the failure of banks in that period was that crisis when users complained of International Accounting Standard (39) that there was a shortcoming in its application in estimating the risks of loan losses and demanded the implementation of an easier and more appropriate accounting standard that could reflect financial performance, and Standard (9) was one of the responses to address that

shortcoming (Al-Hanandeh, et al., 2020: 95), Its aim is to provide principles for financial reporting on financial assets and liabilities to provide appropriate and useful information to users of financial statements (Abdel-Al, 533 2022).

Tenth: The concept and purpose of the IFRS 9 standard:

It includes recognition prior to the occurrence of credit losses rather than recognising them when they occur and from the first day of investment (Raghad, et al., 2021: 68), The main objective\ of its application is to increase the accuracy and transparency of the process of representing risks in the balance sheet and in profits and losses, which leads to facilitating the process of forecasting potential losses (Al-Sayyid Omar, et al., 2020: 145), This standard helped users understand the reports and their use of financial assets and removed many of the complexities found in the International Accounting Standard (39), Its appearance constituted a paradigm shift in financial accounts, as it changed the recognition of credit losses from its recognition of the loss incurred when and after its occurrence to the recognition of the loss before its occurrence, It helped reduce the severity of sudden jumps in losses by including the loss over the longevity of the financial asset (Al-Hanandeh, et al., 2020: 96).

Eleven: IFRS 9 Implementation Requirements:

Its application requires information regarding potential loan losses that enhance disclosure of capital-significant information in financial institutions, the early recognition of these losses enhances financial stability, as well as successful implementation requires a systematic collection of information related to the economic environment and the financial conditions of each client. Ntaikou, et al., 2018: 6-7).

Twelfth: Importance of IFRS 9:

The importance of the standard in institutions' operations is shown by the following: (Al-Naqeeb, 2020: 19-21).
1- It enhances the ability of investors and stakeholders to understand financial assets and helps in making decisions.
2- It is characterised by flexibility that keeps pace with economic aspirations, as it relies on comprehensive principles in evaluation.
3- It focuses on the expected credit loss model when calculating it.

The third topic: Study results for a sample of Iraqi banks

There are several models concerned with studying the performance of banks based on the method of ratios within the analysis method, Upon careful examination and scrutiny, it becomes clear what accounting conservatism can provide in terms of outputs that help the management make appropriate decisions that help to overcome obstacles in the future, The research will be based on what has been dealt with on the theoretical side, and based on the theoretical results that have been reached, the practical side will be addressed to achieve the goals, answer the problem, and test the hypotheses, through the following:

First:` Selection of the sample and data collection:

To conduct the practical side, the banks (National Bank, Baghdad, Commercial, Middle East, Assyria,and Mosul) were chosen As a sample for research with (30) observations, and it is from the banks that provide various banking services, and financial reports for the period (2017-2021) were relied upon.

Second: Measurement of variables:

The research includes two variables, the first being the accounting qualification as an independent variable based on the receivables scale, while the dependent variable was the financial analysis and measured through the financial ratios method. The following table shows the research variables and how they are measured.

Table (3) Measuring search variables

variable	measurement method	Metrics sources
accounting conservatism	Net gross accruals ratio = net gross accruals\ net income	(Salman, 2022)
Financial analysis	The method of financial ratios through profitability, circulation and profitability ratios	Muammar, Saber,) (2022 Ramo, Al-Watar,) (2010

Source: the table prepared by the researcher.

These measures were chosen due to the availability of the data used in the measurement in the annual lists, as:
Net Gross Receivables = Net Income - Net Operating Cash Flow.

After clarifying and diagnosing the research variables, the levels of reservation in the research sample can be measured according to the dues method, The following table shows the level of reservation (high, low), assuming that:
*High reservation level = 1
*low reservation level = 0

Table (4) Levels of conservatism for companies using the accruals method

SMA	21	20	19	18	17	The ratio	banks
-4.5	-2.4	0.4	0.04	-3.9	-16.5	Dues	

1	1	0	0	1	1	reservation level	Al-Ahly
-7.7	-6.7	-19.8	7.8	-16.6	-3.3	Dues	Baghdad
1	1	1	0	1	1	reservation level	
-3.6	9.7	-1.5	-11.2	2.3	-17.1	Dues	commercial
1	0	1	1	0	1	reservation level	
-48.5	-119	0.94	18.9	-24.2	119-	Dues	The Middle East
1	1	0	0	1	1	reservation level	
-1.7	3.2	-0.9	7.3	-19.8	1.9	Dues	Assyria
1	0	1	0	1	0	reservation level	
-44.9	-99.8	-6.7	6.8	-26.1	0.7	Dues	Mosul
1	1	1	0	1	0	reservation level	

Source: the table prepared by the researcher.

Through the accrual model, it is clear that banks in the search sample during the study period exercise accounting reservations when disclosing the results of their financial position at varying rates (, 4.5 7.7, 3.6, 48.5, 44.9, 1.7) for banks respectively and note at the levels in the years of study that the ratio of entitlements to profits has been negative, which indicates the study sample's practice of options and accounting methods that fall within the concept of reservation, This also indicates an increase in the level of accounting qualification in the financial statements and, based on the above findings, it was noted that there was a discrepancy, There was a reservation concerning assets, profits, expenses and obligations s Bank and the Middle East have not followed the reservation regime in the years (2019- 2020), at Baghdad Bank Low in Years (2019), Commercial 2018) and (2021 and Assur in 2017), 2019, (2021 and Mosul in 2017) and (2019. note that the Middle East Bank has recorded the highest level, while Assor's lowest level was due to the calculation average, confirming a discrepancy in the level for the years of study, and this rate does not clearly indicate the actual level, and these results are consistent with the study (Khalil, 2023) and the study (remedial) 2027.

Third: Analysis by means of financial ratios:

Financial ratios are among the tools of financial analysis and among the indicators that give us results when compared to other results. We can judge that the ratio indicates a good or bad situation for the bank, and the financial analysis will be dealt with based on the study of (Muammar, Saber, 2022) and (Ramo, Al Wattar, 2010):

1- Analysis using profitability ratios:

Through the equations in the following table, profitability ratios will be calculated:

Table (5) indicators of profitability ratios

pointer	The ratio
return on equity	Net profit after interest and taxes/equity * 100
return on assets	Net profit after tax / assets * 100
net profit margin	Net profit / net interest income * 100

Source: Prepared by the researcher, based on (Al-Basiouni, 2020: 340-339).

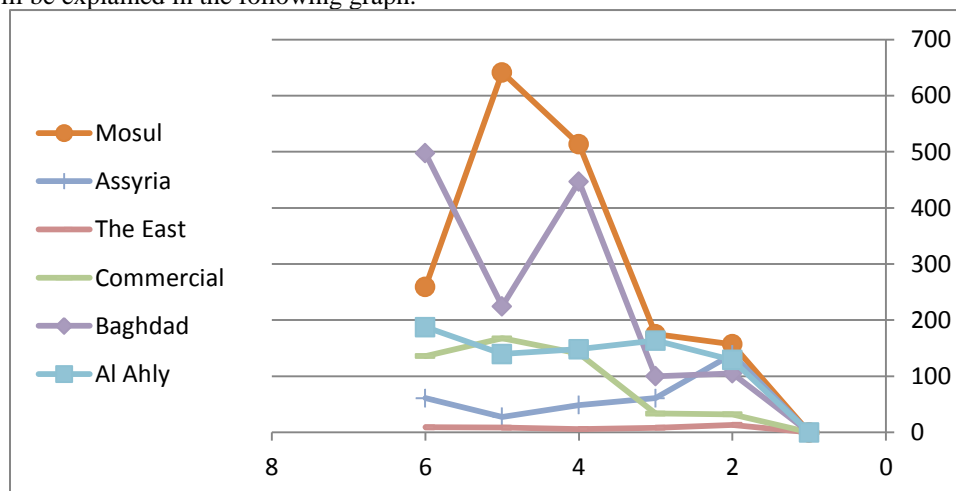The results will be explained in the following graph:

Figure (1) Graph of profitability indicators

Source: Prepared by the researcher based on Excel.

Through the graph, the average profitability ratios varied during the study period, and that the highest percentage was in (2020) for the Commercial Bank, as the bank was able to manage the ratios of asset mix, liquidity, and capital adequacy wisely despite the decrease in interest rates in that year, and the lowest percentage was in (2018) for Al-Ahly Bank, and this decline came largely in net commission income, The reason is due to the decline in the volume of financial operations and the decrease in the percentage of commissions on them due to the decline in the exchange rate of the dollar against the Iraqi dinar in that year, and that profits were low in the years (2017-2018) as banks incurred losses and accumulated deficits due to the increase in operating expenses.

2- Analysis using trading ratios:

This ratio allows for measuring the bank's ability to fulfil its current obligations through the use of total current assets to cover them. The most prominent of these ratios are the following:

Table (6) Indicators of trading ratios

pointer	The ratio
trade rate	Current assets / current liabilities
Fast turnover ratio	(current assets - current stock) / current liabilities

Source: prepared by the researcher.

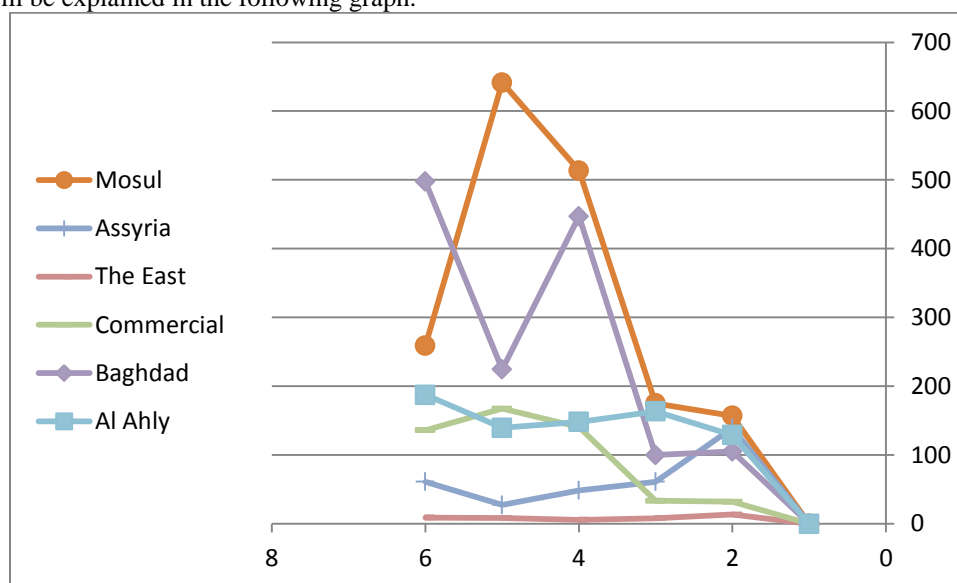The results will be explained in the following graph:

Figure (2) Chart of trading ratios indicators

Source: Prepared by the researcher based on Excel.

Through the graph, it is shown that the average trading ratios varied during the study period and that the highest ratio was in (2020) for the Bank of Mosul, as the capital adequacy ratio reached (125%) in that year, and the lowest ratio was in (2019) for the Middle East Bank, and this came due to the decrease in cash balances in that year.

Fourth: Description of variables and testing hypotheses:

To achieve research objectives and to conduct hypothesis tests, many statistical methods will be used using the coefficient of association (Pearson) and the (T) test during the study period (2017-2021), and to test the relationship between accounting conservatism as an independent variable and financial analysis as a dependent variable using the method of financial ratios. The research included a main hypothesis, which is the following**:**

Research hypothesis **H0: "There is no significant effect between accounting conservatism and financial analysis in terms of financial ratios".**

H1: "There is a significant effect between accounting conservatism and financial analysis in terms of financial ratios".

This hypothesis includes Two sub-hypotheses as follows:

The first sub-hypothesis **H0: "There are no statistically significant differences between accounting conservatism and profitability".**

H1: "There are statistically significant differences between accounting conservatism and profitability".

The results are shown in the following table:

Table (8) Results of analyzing the impact of accounting conservatism on profitability ratios

			T		

Bank	variable	Correlation coefficient	calculated	Tabular	R^2	variance
Al-Ahly	return on equity	-0.19	0.501	0.683	0.04	3.63
	return on assets	-0.1	0.38	0.683	0.01	0.93
	net profit margin	-0.43	0.35	0.683	0.19	0.35
Baghdad	return on equity	-0.05	-0.30	0.683	0.002	0.27
	return on assets	-0.01	-0.33	0.683	0.01	0.01
	net profit margin	-0.06	-0.22	0.683	0.003	0.32
commercial	return on equity	-0.15	0.23	0.683	0.02	2.13
	return on assets	-0.04	0.25	0.683	0.002	0.20
	net profit margin	-0.04	0.21	0.683	0.001	0.12
The Middle East	return on equity	-0.01	0.39	0.683	3.86	0.003
	return on assets	-0.03	0.62	0.683	0.001	0.10
	net profit margin	-0.03	0.38	0.683	0.001	0.09
Assyria	return on equity	-0.04	0.24	0.683	0.001	0.14
	return on assets	-0.03	0.26	0.683	0.001	0.07
	net profit margin	-0.12	0.66	0.683	0.016	1.56
Mosul	return on equity	-0.01	-0.26	0.683	2.44	1.25
	return on assets	-0.01	0.56	0.683	1.21	2.46
	net profit margin	-0.10	-0.53	0.683	0.01	1.55

Source: prepared by the researcher.

It is noted from the above table that the results show that there is an effect of conservatism and the response of profits to bad news or expected losses for all years, and that is that the calculated (T) is less than tabular, as the higher the level of conservatism in financial reports, the lower the levels of profitability, There is an inverse significant correlation with statistical significance, as the correlation (Pearson) was negative, and it turns out that one of the most important indicators that had a significant impact is the profit margin ratio in Al Ahli Bank with a correlation coefficient (-0.43), We also note that there is a positive effect of reservation, and the value of the coefficient of determination (R2) indicates an increase in explanatory power through the model used, This ratio is somewhat acceptable, and accordingly the null hypothesis will be rejected and the alternative saying: "There are statistically significant differences between accounting conservatism and profitability", ", and these results are consistent with the study (Awajah 2017), (Ruch, & Taylor,2015) and (Khalil, 2023).

The second sub-hypothesis **H0: "There are no statistically significant differences between accounting conservatism and trading". H1: "There are statistically significant differences between accounting conservatism and trading".**

The results are shown in the following table:

Table (9) Results of analyzing the effect of accounting conservatism on trading ratios

Bank	variable	Correlation coefficient	T		R^2	variance
			calculated	Tabular		
Al-Ahly	return on equity	-0.04	0.22	0.683	0.001	0.14
	return on assets	-0.07	0.38	0.683	0.004	0.49
Baghdad	return on equity	-0.59	0.23	0.683	0.35	3.49
	return on assets	-0.12	0.32	0.683	0.02	1.51
commercial	return on equity	-0.20	0.37	0.683	0.04	4.03
	return on assets	-0.13	0.19	0.683	0.02	1.61
The Middle East	return on equity	-0.02	-1.39	0.683	0.001	0.05
	return on assets	-0.03	-0.91	0.683	0.001	0.07
Assyria	return on equity	-0.07	0.10	0.683	0.004	0.44
	return on assets	-0.02	0.02	0.683	0.001	0.02
Mosul	return on equity	-0.43	0.45	0.683	0.18	7.25
	return on assets	-0.46	-0.92	0.683	0.21	1.03

Source: prepared by the researcher.

It is noted from the table above that the results show that there is an effect of reservation for all years of study on the circulation ratios, and that the calculated (T) is less than the tabular one, and there is a significant inverse correlation with statistical significance and the relationship was negative, It turns out that one of the most prominent indicators that had a significant impact is in the Bank of Baghdad with a correlation coefficient (-0.59), as the lower the level of conservatism in financial reports, the higher the trading ratios, and we also notice a positive effect of conservatism, and the value of the coefficient of determination (R2) indicates an increase in explanatory power through the model used, This ratio is somewhat acceptable, and accordingly the null hypothesis will be rejected as

well the alternative saying: "There are statistically significant differences between accounting conservatism and trading. ", and these results are consistent with the study (Awajah 2017) and (Khalil, 2023) .

Fifth: Conclusions:

The research provides a set of theoretical conclusions based on the results obtained in practice in the State of Iraq ", noting that Iraqi banks are bound by the reservation when preparing financial statements, It continues to receive considerable attention under the application of the International Standard for Financial Reporting (9). and imposes its strength on accounting practices, as it contributes to enhancing the credibility and relevance of information and is a safe means for enterprises to cope with uncertainties or uncertainties of misleading financial statements, The sample is found to be a reservation practice when disclosing financial position results at varying rates policy, which may require high conservative levels to overcome potential risks, The results demonstrate differences and a meaningful statistically significant relationship between both the accounting reservation and the financial analysis in the banks' sample research..

Sixth: Recommendations:

A set of recommendations was reached with the introduction of conclusions on banks' levels of reservation and organizations must pay attention to measuring their levels, as it is important to influence users' decisions and attract future investments and there is also a need to continue applying this policy when preparing financial lists because it enhances the ability of these reports to improve performance and its benefits of great importance to investors, lenders and the bank itself; Banks must abandon exaggerated policies, as must training and acquiring knowledge of staff to apply International Standard No. 9 through training courses.

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