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The Impact of Cash Flows on Enhancing Banking Growth - A Case Study of the Iraqi Union Bank For the Period (2012-2023)

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Abstract : The research aims to demonstrate the role of cash flows in enhancing banking growth by identifying a central problem for the research, which is (Do cash flows contribute to enhancing banking growth for the banks in the research sample?) To achieve the research objective, a hypothesis was formulated (There is no significant statistical effect of cash flows on banking growth in the research sample). This hypothesis was addressed using a number of financial equations and statistical methods. The research was applied to the Iraqi Union Bank in the Iraq Stock Exchange for the period (2012-2023). The research reached a number of conclusions, the most important of which is the weakness of the direct impact of cash flows on banking growth. The results of the statistical analysis showed that the relationship between Cash flows and banking growth at the Union Bank of Iraq were weak and insignificant. A number of recommendations, most notably cash flow management, are made. The bank should adopt more effective cash flow management strategies, such as improving collection and investment policies, to ensure higher returns and reduce
volatility.

Keywords: Cash flows, cash, banking growth at the Union Bank of Iraq ،Loan Growth،Deposit Growth

INTRODUCTION: The banking sector is undergoing radical transformations driven by global economic developments, forcing banks to adopt smart strategies to balance liquidity requirements, profitability, and security. Cash flows are the backbone of this balance, relying primarily on customer deposits, investments in highly convertible assets such as securities, and interest income from loans. The importance of sound cash flow management is highlighted here in enhancing operational efficiency, reducing costs, and financing investment expansion plans, especially in light of economic fluctuations. Effective cash flows also contribute to enhancing customer and investor confidence by ensuring the fulfillment of financial obligations and avoiding potential risks. Furthermore, these flows enable banks to keep pace with technological developments, improve liquidity management, and develop new innovative products, enhancing their competitiveness in a highly competitive market. Therefore, sound cash flow management becomes a priority and an indispensable pillar for sustainable banking growth.

Chapter One
Research Methodology and Some Previous Studies

First - Research Methodology:

1-Research Problem

The banking environment is witnessing rapid transformations, requiring banks to seek effective mechanisms to enhance their growth and sustainability. Cash flows are one of the tools that may play an effective role in achieving this growth through the appropriate use of liquidity. Despite the activity witnessed by banks in this field, the extent of the impact of cash flows on achieving banking growth remains questionable. Hence, the central problem of the research is: (Do cash flows contribute to enhancing banking growth for the Iraqi Union Bank, the research sample?) This question branches into sub-questions, the most important of which are as follows:

1- Is there a significant the effect of cash flows on asset growth for the Iraqi Union Bank, the research sample؟
2- Is there a significant the effect of cash flows on loan growth for the Iraqi Union Bank, the research sample؟
3- Is there a significant the effect of cash flows on deposit growth for the Iraqi Union Bank, the research sample؟
4-Is there a correlation between cash flows and banking growth (with its indicators) for the Iraqi Union Bank, the research sample?

2- Significance of the Research

The importance of the research lies in the importance of the variables presented, namely (cash flows, banking growth). The importance of the research revolves around the most significant changes the banking sector is undergoing in terms of supply and demand for cash liquidity in light of the numerous financial crises witnessed by the financial sector in general and the banking sector in particular. Cash flows give banks the ability to adapt to environmental changes and capitalize on opportunities that encourage banks to expand their investment decisions. The importance of the research can be highlighted as follows:

1- Explaining the importance of cash flows due to their role in providing liquidity and preventing banks from being exposed to financial crises.

2- The growth index is one of the indicators used to evaluate the mission, reflecting the extent of development of a bank or sector.

3- Determining the extent of compatibility between increased cash flows and expected growth.

3-Research Objective

This research aims to analyze the impact of cash flows on banking growth. From this objective, a set of sub-objectives branch out:

1- Identify the concepts and indicators of banking growth and the most important factors influencing it.

2- Identify the nature of cash flows in banks and their main types (operating, investment, financing).

3- Measure the extent to which banks rely on cash flows to finance expansion and growth.

4-Research Hypotheses

Each hypothesis can serve as a basis for analyzing the relationship between cash flows and banking growth based on economic and financial data. The main hypothesis is as follows: (There is no significant impact of cash flows on banking growth). It branches out from this:

1- There is no significant impact of cash flows on asset growth for the Iraqi Union Bank, the research sample.

2- There is no significant impact of cash flows on loan growth for the Iraqi Union Bank, the research sample.

3- There is no significant impact of cash flows on deposit growth for the Iraqi Union Bank, the research sample.

5-Research Sample

The research sample was a case study of the Iraqi Union Bank, given the availability of data for measuring it, which serves the research objectives, over a time series spanning (2012-2023).

6- Research outline

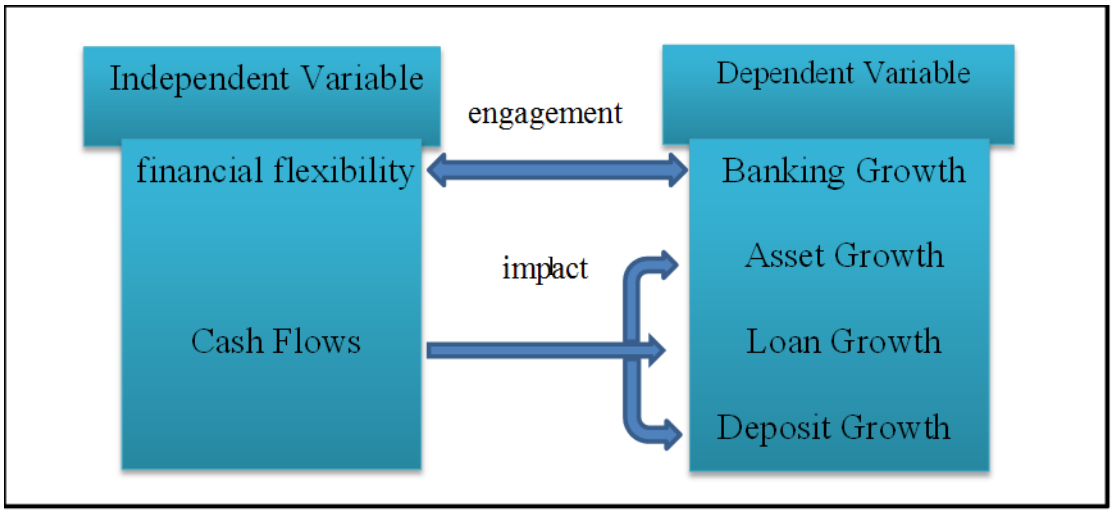

Figure (1) Research mode

Source: Researcher's own work based on theoretical aspects and previous studies

B- Some previous studies on cash flows and banking growth

First: Studies related to cash flows are as follows in Table (1):

1- Study (Samia and Ben Fatima, 2023)	
Study title	Adrar during the -luation using the cash flow statement: a case study of NaftalFinancial performance eva .2021-period 2019
Study objective	The study aims to identify how to evaluate financial performance, and also aims to study the use of the cash .financial performance of Naftal flow statement in evaluating the
Study criteria	The study used the cash flow adequacy ratio, the return on assets index from the flows, in addition to the .also used term obligations, and profitability indicators for cash flows were-cash coverage ratio for short
Study sample and time horizon	.2021-Adrar Company, covering a period of time extending from 2019-The study sample was about Naftal

Conclusions	ncial It was concluded that cash flows are an effective tool for providing a true picture of Naftal's fina position, improving liquidity and profitability through cash flow analysis. It was also emphasized that cash .flow indicators should be used alongside traditional financial statements to improve financial assessment

Study -2Lai et al, (2020)	
Study title	The Impact of Free Cash Flow on Firm's Performance: Evidence from Malaysia
Study objective	.The study aims to test the impact of free cash flows on the performance of the institution
Study criteria	company's accounting performance and return on assets The company's performance is measured by the ROA which is measured by the return on assets, and the company's value is measured by the return on equityROE .and the return on equity is measured by the share price
Study sample and time horizon	The study sample consisted of 350 Malaysian institutions listed on the Malaysian Stock Exchange, with a .time horizon extending from 2013 to 2017
Conclusions	ate of return The study results showed that there is a significant negative impact of free cash flows on the r on assets, while this impact turned into an insignificant positive impact when linked to the rate of return on equity. It also showed that there is a significant negative impact of free cash flows on the value of the the institution according toTobin's Q index.While the effect turned to a positive insignificant when .measured by stock returns

(Hilali-Study (2024, Al -1	
Study title	Evaluating banking performance using thePATROL model .and its impact on bank growth
Study objective	study aims to evaluate the performance of banks through the Thispatrol model which is considered one of ، the modern models for measuring early warning, due to its ability to detect errors and deviations, and work .to address them
Study criteria	performance indicators measured according to the The financialPOL model are capital adequacy, profitability, credit risk, regulation, and liquidity, as well as banking growth indicators, which are loan .growth, deposit growth, leverage growth, and asset growth
sample and time frame Study	The study included commercial banks listed on the Iraq Stock Exchange, and 14 banks were selected for the .(2022-period from (2013
Conclusions	

2 -Study Jahan, 2020	
Study title	Influence of capital adequacy on The Growth of Banking sector in Bangladesh(2012-2016) Impact of Capital Adequacy on the Growth of the Banking Sector in Bangladesh
Study objective	Recognizing the importance of capital in the sustainability of banking projects, understanding the nancial solvency and capital adequacy, and understanding how credit risk and capital relationship between fi .adequacy are related
Study criteria	.Linear regression was performed and secondary data were used
Study sample and time frame	banks were selected from among 55 banks operating in Bangladesh Then 8 scheduled private conventional .(2016-for the period (2012
Conclusions	The study demonstrated the relationship between capital adequacy, financial solvency, credit risk and .impact on capital adequacy profitability, as all variables have a positive

Section Two
Conceptual Concepts of Cash Flows and Banking Growth

First: The Concept and Importance of Cash Flows

Cash flows are the movement of incoming (revenues) and outgoing (expenses) of cash or its equivalent in liquid funds over a specific period of time (Sumaya and Fatima, 2023). Cash flow is an absolute necessity that all financial institutions take into consideration. In its absence, financial institutions become unable to continue economic life. Cash is the most flexible asset in financial institutions. If managed without skill and planning, it could lead to the collapse of financial institutions and bankruptcy (Bahadori et al., 2012: 138.(

Second: Classifications of Cash Flows

Cash flows are classified based on their source as follows (Shahira and Ubair, 2022: 12-14):

A- Classification of Cash Flows by Activities

1-Cash flows from operating activities

The cash flows generated by the project's main operations, from the sale and sale of goods and all regular operations that represent the project's operational path. Cash flows from operating activities are primarily derived from the organization's main revenue-generating activities. This is an important indicator of the organization's financial strength as it represents a significant source of internal financing.

2-Cash flows from investing activities

The importance of showing cash flows from investing activities in a separate section of the statement stems from the fact that these flows indicate the extent to which resources have been allocated to generate future profits and cash

flows, such as those generated from the purchase of property revenues, receipt of interest, and distribution of dividends.

3-Cash Flows from Financing Activities

These are cash flows related to the institution's equity capital and lending structure, such as flows related to the purchase and sale of treasury stock, dividends paid to owners, and cash received from the sale of debt instruments. This also includes any increase in capital through the issuance of shares in exchange for cash.

B. Classification of Cash Flows by Their Degree of Realization

Considering that each cash flow (in or out) is characterized by two basic variables: the amount and the date of entry, cash flows can be classified into four categories based on these two variables:

.1Cash flows with a certain amount; 2. Cash flows with a certain amount and date of realization; 3. Cash flows with a certain amount and date of realization; 4. Cash flows with a certain amount and date of realization.

Third: Adopting a strategy to reduce cash flow volatility.

Through this strategy, the bank seeks to be more financially flexible by controlling cash flows and reducing their volatility. This helps avoid financial pitfalls, capitalize on future investment opportunities, and operate with financial comfort, prepared for and adapting to any changes.

Large cash flows act as a buffer during periods of financial need, during which management must strive to maintain cash at a level where the marginal benefit of holding cash equals the marginal cost to avoid agency problems. The main advantages of holding cash are that it reduces transaction costs, absorbs competitive advantages, and when leverage is readily available in the event of unexpected adverse changes in cash flows, it can also provide management with unexpected growth opportunities. (Yasir & Alabassi, 2020: 1590(

A cash shortage is more serious than a cash surplus. Therefore, if there is a cash shortage, shareholders suffer because management may be forced to cut dividends or refrain from investing due to a lack of internal funds or raise new funds from the capital markets (Shafii & Bakhshi, 2015: 353). As Kangarlouei et al., 2014: 2, explained, the method of providing financial flexibility is to determine liquidity, and thus determine the financial ability of companies to retain liquidity and their ability to borrow, i.e., they have financial flexibility. Adopting this strategy can increase companies' financial flexibility, as they are positively linked to the value of business organization. This is especially true since the relationship between reducing cash volatility and business organization value is mediated by reliance on derivative contracts, which are tools that limit fluctuations in cash flows. Net cash flow can be measured using the following equation (Phan et al., 2022:2:)

Cash flow = Net cash flow / Total assets × 100.... (1)

Fourth: The Concept of Banking Growth

The growth of the banking sector is defined as a group of financial intermediaries through which funds and savings flow toward loans and investments, which represent the credit foundation of the national economy. It operates within the framework of several policies and directives implemented by the Central Bank and in coordination with general economic policies within a set of strict laws (Abdul Hamid, 2007: 19-20).

(Hassan 2020: 18) explained that it is the continuous increase in the financial and service infrastructure of the financial system. Banking growth is defined as one of the most important indicators of economic growth, providing a picture of development plans and the extent to which their objectives have been achieved. It is considered the most important channel for directing savings toward investment at the lowest costs. Therefore, this growth has become an indicator of achieving real rates of economic growth. Al-Ansari (2022: 4) stated that growth in the banking sector means moving from one point to another by providing banking solutions and delivering banking services and products to customers or institutions at the lowest costs and easiest means.

Fifth: Banking Growth Indicators

The indicators chosen to represent the research variables are as follows:

1-Deposit Growth

Bank deposits are handled by banks, which are institutions involved in two distinct types of activities, one on each side of the financial system. The balance sheet – it takes deposits and lends (Bress, 2024: 22). From this perspective, deposit growth can be calculated as the natural logarithm of the change in total deposits for the current year (T) minus the natural logarithm of the previous year (T-1.(

2-Loan Growth

Private banks pay special attention to bank loans, and bank loans granted by commercial banks are an important factor in the process of credit creation, leading to an increase in deposits and money in circulation. Granting loans enables banks to contribute to economic activity, progress, and prosperity (Al-Nasari, 2024: 69). Therefore, loan growth is the natural logarithm of the change in total loans for the current year (T) minus the natural logarithm of the previous year (T-1.(

3-Asset Growth

Asset growth is one of the most important indicators of financial health in the banking sector, and it plays a significant role in banks' profitability. Assets are of great importance (Ogboru, 2019:39), given their effective role in banking activity. They are also considered one of the most important pillars of banking growth and are measured as the natural logarithm of the change in total assets for the current year (T) minus the natural logarithm of the previous year (1-T) (Al-Nasari, 2024:65).

Section Three

Testing and Analyzing Research Hypotheses

Financial and statistical analysis is an important method for interpreting research hypotheses to arrive at conclusions through data analysis of approved financial statements for the period (2012-2023). The research relied on a number of financial indicators and statistical tests to achieve the research objectives. First: Financial Analysis of Research Variables

1- Net Cash Flow

Cash flows are a vital indicator of an institution's financial health and also an indicator of its liquidity and ability to meet its financial obligations. A positive value indicates a cash surplus, while a negative value indicates a potential cash deficit. Table (3) shows the results of the financial analysis of the net cash flow indicator for the period (2012-2023), which includes the Iraqi Union Bank as the research sample. The overall average was (0.078)

Table (3) shows clear fluctuations between years, reflecting relative stability in the bank's financial performance and liquidity. The bank began with a cash deficit in 2012 of (-0.32), then witnessed a significant improvement in 2013, peaking in 2014 at (0.70), indicating positive growth in cash revenues. However, this improvement did not continue, as cash flows gradually declined between 2015 and 2017. 2018, then turned negative again in 2019 by (-0.13), indicating financial or operational challenges. In recent years, the indicators ranged between stability and a slight decline, such as (0.12) recorded in 2021, (-0.00) in 2022, (0.04) in 2023 .

The table demonstrates the sensitivity of cash flows to the economic and administrative context, which calls for strengthening liquidity management policies and analyzing the influencing structural factors.

(Table (3) Net cash flow index for the research sample banks for the period (2012 - 2023

Average	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	Bank/Year	ت
0.078	0.04	0.00	0.12	-0.00	-0.13	-0.05	-0.27	0.09	0.45	0.70	0.31	-0.32	Iraqi Federation	**1**

2-Asset Growth

Table (4) shows the results of the financial analysis of the asset growth index for the period (2012-2023), which includes the Iraqi Union Bank as the research sample. Iraqi Union Bank showed a clear fluctuation in asset growth during the research period, recording its highest growth in 2012 at 3.25, indicating a significant expansion in assets. However, the index witnessed a clear decline in subsequent years, particularly during the period (2015-2019), which was characterized by negative growth rates, reflecting weak investment expansion or operational challenges.

Starting in 2020, the bank began to regain its growth trajectory, with the index gradually increasing to 0.99 in 2023, its highest growth rate since 2012. This indicates an improvement in performance efficiency and asset management. The average overall growth rate during the period (0.400) is evidence of long-term positive growth.

The growth of assets reflects the bank’s financial soundness and its capacity to generate value; however, fluctuations highlight its sensitivity to the economic and political context in Iraq.

(Table (4) Asset growth index for the research sample banks for the period (2012 - 2023

Average	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	Bank/Year	ت
0.400	0.99	0.66	0.00	0.02	-0.12	-0.06	-0.05	-0.01	-0.09	0.41	-0.19	3.25	Iraqi Federation	1

3- Loan Growth

The data in Table (13) show that the loan growth index at the Union Bank of Iraq was characterized by fluctuations during the research period, recording its highest growth rate in 2013 (0.62), while reaching its lowest level in 2012 (-0.53). The bank experienced positive growth in some years (2014, 2015, 2013), while declining negatively in other years, particularly between 2016 and 2018. For the period from 2019 to 2023, growth was marked by a marked weakness, reflecting a state of relative stability or maintenance of the credit policy. Overall, the average growth rate during the period was (0.044), a low rate indicating slow credit expansion for the bank.

Low loan growth is an indicator of the bank’s limited financing role in the Iraqi economy, necessitating structural interventions to enhance the efficiency of the banking sector.

4-Deposit Growth

Table (5) Loan growth index for banks in the research sample for the period (2012 – 2023)

Average	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	Bank/Year	ت
0.044	-0.05	-0.00	-0.01	-0.00	-0.03	-0.10	-0.02	-0.14	0.42	0.37	0.62	-0.53	Iraqi Federation	1

Table (6) shows the deposit growth index at the Union Bank of Iraq, which took a negative trend throughout most of the research years, recording negative rates in 9 out of 12 years, with the lowest rate being in 2016 (-0.46). Conversely, positive indicators only appeared in three years (2018, 2022, and 2023), and at weak rates. The overall average deposit growth rate during the period was (-0.135), indicating a continuous decline in the bank's ability to attract deposits. This reflects a weakness in the bank's financial stability or operating environment, as well as the possibility of it being affected by external or internal factors that have limited its growth.

The decline in deposit growth serves as a red flag indicating weakened financial health of the bank, calling for urgent reforms to restore confidence and stimulate savings.

(Table (6) Deposit growth index for banks in the research sample for the period (2012 - 2023

Average	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	Bank/Year	ت
-0.135	0.07	0.03	-0.05	-0.08	-0.23	-0.16	-0.17	-0.46	-0.07	-0.12	-0.14	-0.25	Iraqi Federation	1

Second: Statistical Analysis of Research Variables

1- Cash Flows

Table (7) shows that the average net cash flow for the Iraqi Union Bank during the period (2012-2023) was (0.078), indicating positive cash flows. The standard deviation (0.291) showed relative stability in values, and the skewness (0.715) was positive, indicating a rightward bias in the distribution. The kurtosis value (2.937) was close to the normal distribution. According to the Jarque-Bera test, which reached (1.026) with a probability of (0.598), the data follow a normal distribution, enhancing the reliability of the statistical analysis results.

Table (7) The overall average net cash flow for the research sample banks during the period (2012-2023)

Probability	Jarque-Bera	Kurtosis	Skewness	Std. Dev.	Mean	Bank
0.598	1.026	2.937	0.715	0.291	0.078	Iraqi Union

2-Asset Growth

Table (8) shows that the average asset growth rate for the Iraqi Union Bank during the period (2012–2023) was (0.400), indicating positive asset growth. The standard deviation was (0.966), reflecting a relative variance in annual growth. The skewness value (2.364) showed a clear positive deviation in the distribution, while the kurtosis value (7.539) was high, indicating the presence of extreme data. The Jarque-Bera test reached (21.480) with a probability of (0.200), which is higher than (0.05), indicating the acceptance of the null hypothesis, meaning that the distribution converges to a normal distribution despite the presence of some variations.

Table (8) The overall asset growth rate for the banks in the research sample during the period 2012–2023.

Probability	Jarque-Bera	Kurtosis	Skewness	Std. Dev.	Mean	Bank
0.200	21.480	7.539	2.364	0.966	0.400	Iraqi Union

3-Loan Growth

Table (9) shows that the average loan growth rate for the Union Bank of Iraq during the period (2012–2023) was (0.044), indicating slight loan growth. The standard deviation was (0.299), indicating limited fluctuations in annual growth. The skewness value (0.275) showed that the distribution was slightly skewed to the right, while the kurtosis value (3.088) was close to the standard value for a normal distribution. The

The results of the Jarque-Bera test indicated a value of 0.155 with a probability of 0.924, which is well above 0.05, indicating that the data follow a normal distribution with a high degree of confidence.

Table (9) The overall loan growth rate for the banks in the research sample during the period 2012–2023

Probability	Jarque Bera	Kurtosis	Skewness	Std Dev.	Mean	Bank
0.924	0.155	3.088	0.275	0.299	0.044	Iraqi Union

4Deposit Growth

The results showed that the average deposit growth rate was (-0.135), indicating a slight decline during the period (2012–2023), with a low standard deviation (0.139), reflecting relative stability. The Jarque-Bera test (1.415) with a probability of (0.492) showed that the data followed a normal distribution. The distribution also showed negative skewness (-0.773) and relatively high kurtosis (3.659), indicating the presence of limited outliers. In general, deposit growth is stable, with some deviations that require further study.

Table (10) The overall deposit growth rate for the research sample banks during the period 2012–2023.

Probability	Jarque-Bera	Kurtosis	Skewness	Std . Dev.	Mean	Bank
0.492	1.415	3.659	-0.773	0.139	-0.135	Iraqi Union

Third: Testing and analyzing hypotheses for the correlations between the research variables.

Four main hypotheses will be tested, as shown in Table (11), which represents the correlation matrix between the research variables, as follows:

Table (11) Correlation Matrix between the Research Variables

		net cash flow
Asset Growth	Pearson Correlation	-.059
	Sig. (2-tailed)	.521
	N	120
Loan Growth	Pearson Correlation	.085
	Sig. (2-tailed)	.359
	N	120
Deposit Growth	Pearson Correlation	-.139
	Sig. (2-tailed)	.130
	N	120
Banking Growth	Pearson Correlation	-.047
	Sig. (2-tailed)	.608
	N	120

According to the results of Table 11, which presents the results of the correlation coefficient between net cash flow and banking growth, we begin with regard to sub-hypothesis (a) with net cash flows. The correlation coefficient between net cash flows and asset growth reached (-0.059) with a significance level of (0.521), which is a negative and insignificant relationship. As for sub-hypothesis (b), the correlation coefficient between net cash flows and loan growth reached (0.085) with a significance level of (0.359), which is a weak and insignificant relationship. While sub-hypothesis (c) the correlation coefficient between net cash flows and deposit growth reached (-0.139) with a significance level of (0.130), which is a negative, weak and insignificant relationship. The main hypothesis re lated to the correlation coefficient between net cash flows and banking growth is (-0.047) with a significance level of (Sig) of (0.608), which indicates that the relationship is very weak and insignificant. Therefore, this hypothesis is accepted at the current research level.

Fourth: Testing and analyzing the hypotheses of influence between variables

Testing and analyzing the main hypothesis: "There is no significant effect between net cash flow (X2) and banking growth (Y) in the banks in the research sample".

Using a simple linear regression equation that expresses banking growth (Y) as a function of net cash flow (X2), the model estimation results are as shown in the following table:

Table (12) Results of the impact of net cash flow on banking growth for the research sample banks

Decision	**Statistic Significance Prob.**	**t-Statistic t Statistic**	**Std. Error Std. Error**	**B Estimators Coefficient**	**Dependent Variable**	**Independent Variable**
Acceptance	0.608	-0.513	0.063	-0.032	Y	**X2**
					0.119	**Constant c**
					0.002	**Coefficient of determination R2**
Method: pooled Least Squares $Y = 0.119110 - 0.032569X2$					0.263	**F-statistic F-statistic**
					0.608	**Significance levelProb(F-statistic)**

Source: Prepared by the researcher based on the results of the electronic calculator EViews 9.

From Table (12), the coefficient of determination (R2) indicates a coefficient of (0.00), meaning that the net cash flow ratio explains 0% of the variance in banking growth in the banks in the research sample, and that 100% of the unexplained variance is due to variables not included in the regression model. This is an acceptable percentage based on the significance level (T) of (0.60), which is greater than the significance level (0.05) assumed by the researcher. This is confirmed by the significance level of the calculated (F) value, which reached (0.60), which is greater than the assumed significance level (0.05).

In light of the regression equation, the constant (β_0=0.11) indicates that there is banking growth of 0.11 when the net cash flow value is zero. The marginal slope value, or the impact coefficient for the net cash flow ratio, reached (β_1=-

0.03), which is an unacceptable percentage based on the significance level (0.05) assumed by the researcher. Based on the previous analysis, the second sub-hypothesis is accepted, which states: "There is no significant effect between net cash flow (X2) and banking growth (Y) in the banks in the research sample."

To ensure the accuracy and clarity of the analysis of the relationship between cash flows, bank liquidity, and performance, specific hypotheses were formulated based on the Impact of cash flows on these variables. This systematic link between the variables and the hypotheses enhances the strength of the research and allows for reliable and testable conclusions, contributing to a deeper understanding of how cash flows affect bank performance.

Section Four

Conclusions and Recommendations

Conclusions: Based on the results of the hypothesis testing, the following conclusions can be formulated:

1. The weak direct impact of cash flows on banking growth. The results of the statistical analysis showed that the relationship between cash flows and banking growth at the Union Bank of Iraq was weak and insignificant, as neither the correlation nor the regression coefficients recorded statistically significant values. This indicates that cash flows alone are insufficient to promote banking growth without the presence of other supporting factors.
2. The Bank's Financial Performance: Significant variations were observed in financial performance indicators such as net cash flows, asset growth, loans, and deposits during the period (2012-2023), reflecting the instability of the operating environment and the bank's vulnerability to internal and external factors.
3. The Bank's Declining Ability to Attract Deposits: The results showed a continued decline in deposit growth, indicating weak customer confidence or challenges in deposit attraction policies.
4. Insufficient cash flows to stimulate growth. Despite achieving positive cash flows in some years, they did not translate into clear growth in loans or assets, indicating a gap in managing these flows and converting them into effective investments.

5. Recommendations/

6. Cash Flow Management: The bank should adopt more effective cash flow management strategies, such as improving collection and investment policies, to ensure higher returns and reduce volatility.
7. Diversify Funding Sources: New, non-traditional funding sources should be explored, such as investment partnerships or Islamic financing instruments, to reduce reliance on conventional deposits and boost growth.
8. Improve Loan and Investment Efficiency: The bank is advised to review its loan and investment policies to ensure that funds are invested in projects with profitable returns, which will enhance financial and banking growth.
9. Enhance confidence and attract deposits. This can be achieved by improving banking services, increasing transparency, and launching awareness campaigns aimed at attracting more customers.
10. For further studies, it is recommended to conduct future studies that include larger samples of banks or longer time periods, incorporating additional variables such as the economic environment and government policies, to gain a deeper understanding of the drivers of banking growth.

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