18.07.2018).
5. Официальный сайт компании Scorista. [Электронный ресурс]. URL: https://scorista.ru (дата обращения: 18.07.2018).
6. Официальный сайт компании Sputnik. [Электронный ресурс]. URL: https://sptnk.co/ru/credit.html (дата обращения: 18.07.2018).
7. Dan DeFrancesco. OK, computer? Hurdles remain for machine learning in credit risk. [Электронный ресурс]. URL: https://www.risk.net/risk-management/5738771/ok-computer-hurdles-remain-for-machine-learning-in-credit-risk (дата обращения: 18.07.2018).
8. *Portilla A., Vazquez J., Harreis H., Pancaldi L., Rowshankish K., Samandari H., Dash R.* The future of risk management in the digital era. Editor: Mark Staples, Institute of International Finance and McKinsey & Company. October 2017. Pp. 19-20. [Электронный ресурс]. URL: https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/Risk/Our%20Insights/The%20future%20of%20risk%20management%20in%20the%20digital%20era/Future-of-risk-management-in-the-digital-era-IIF-and-McKinsey.ashx (дата обращения: 18.07.2018)
9. *Якунин С. В.* Регулирование деятельности банков в условиях олигополии // Вестн. СГСЭУ. 2011. № 4 (38). С. 139-141.
10. *Якунин С. В.* Вопросы взаимодействия банков и микрофинансовых организаций // Современная наука: актуальные проблемы теории и практики. Серия: Экономика и право. 2014. № 1-2. С. 46-50.

THE ANALYSIS OF BANK CREDIT AND AN IMPACT ON ECONOMIC GROWTH

M. M. Tali, F. J. Dahash

Saratov State University, Russia,
University of Wasit, Iraq
E-mail: m.economic@mail.ru

There are lots of bank processes and they differ depended on the banks types and economical activities needs. there are short-term bank processes with the goal of getting businessmen the enough money for continuing their activities thorough the advances and business banknotes debts for financing import and export processes and local business and the consumption as there are other medium and long range processes with the goal of financing the projects and different industries that need money to build the new projects or expanding the existing projects through giving long and medium term advances and loans, consequently we see that the banks have great role in financing different projects and on the difference of various banks they are the backbone of every economical activity in the country and always we see that countries encourage the banks to participate in economic growth and financing it, so that the responsibility of banks were defined with working on developing production sections and services and encouraging employing the local and foreign capitals and take care of villages and small areas and not employ the people living in big cities, in addition to giving the additional facilities to projects in areas and also other services needed for the task in the field of government economic policy and its credit plans [1].

The role of bank- credit is so important and vital in economic growth process and its encouragement and increasing through financing for these economic sections such as industry, construction and other. financing these sections and especially the long term financing and also medium term financing for participating in supporting the vital projects for getting the investing goods and initial materials, so that we find that the increasing in national production comes from the best use of financial sources in the purpose of increasing the production powers and after that increasing the presented goods and services, consequently we will have economic growth and increasing production powers need the increasing in mounting capitals.we see that different countries suffer from the fail in formation of capitals from supporting increasing the economic growth [2] that returns paired sufficiency from the offer and the demand for the capital, from the offer side we present the role of the bank system in collecting in cash savings, that was the personal monetary relies on personal income and on the consumption interest (that the saving represent the what remained from the income after the consumption) and the set of psychological factors, we see that in developing countries decreasing the personal income and increasing the consumption interest so the bank system can in encouraging people for choosing the banknotes that have high liquidity for getting good revenues, also we see rich people in developing country have a great interest for buying gold and real states also the banking system encourage the savings through developing and expanding monetary and financial markets and encouraging people and projects to deal with these banknotes, but the role of central bank in encouraging and increasing the economic growth represents in setting laws that finances the projects and administrating the monetary policy of the country, that agrees with the economical plans for growth and issuing currency that leads to increasing power of business banks in opening the credit, but the excessive issuing of the currency leads to inflation and in special way in cutting down in offering the goods and the increase in total demand, that we see that the central bank works as a administrator for the size and the credit type through using specific manners and selecting the monetary policy through using discount or providing the previous agreement on some loans to the some important and supporting projects for growth process and other process and the business banks often give short term loans and do not prefer the long financing that directs to increasing in economical growth, so that those projects have slow revenues and need big capitals and maybe face big dangers in long term period and all time and the banks with their different kinds work in obvious way to participate in financing the projects for increasing the production and this thing leads to the economic growth, we want here the most important steps for increasing growth in different countries taken by banking systems [3]:

1 – Administrating the saving movements in practical way and filling the saving from all the sections and after that giving them to the important sections through :

A: Giving the loans directly to producing projects.

B: Establishing financing federations or investments companies in single or group ways or through incorporating with others, for initiating the act for building new projects or writing in its capitals or giving them loans that have medium term period and also long term loans, and doing the same for getting the loans from the market through issuing financial tools and putting it in local and foreign markets.

C: Giving credit facilities to the loan establishments.

2 – Administrate the role of banking system through developing their powers to achieve the monetary balance and stability of the prices and maintaining the money costs, in addition the administration is one of the economical growth factors that the banks have a big role to achieve economic growth and it does not stop on the level of

providing enough money for different projects, but this role will be greater through what achieves from the economical growth process and overcoming the difficulties [4].

It should be emphasized that in the banking sector, external risks (credit risks) are more important than the internal risks of the bank. Consequently, there is a need to use information technology, scientific-mathematical and statistical methods to measure, analyze and assess the risks likely in banking. Therefore, it is necessary to form a regulatory and independent credit risk committees, and to organize the exchange of information and findings reached with the credit operations office in order to reduce the credit risks of the bank to the lowest possible level.

The researcher sees that this kind of credit dose not represent the actual support for economical growth because this kind of financing often represents consumption loans so lots of people use it for speculation in financing markets that we know the most important institutions working in financing market and different companies and these companies capitals will be considered through the stocks. this way shows that the short term credit represents limited dangers financing for business banks but it does not support the economical growth but it confuses the finance and economic market in general way. but the long term bank credit has long period that gets the loans according to it for financing the projects and the benefits will be restricted so that this money will be used for infrastructures projects and economical growth projects that benefits the country. we see in this kind of financing represents the direct financing in supporting economical growth especially in developing countries, such financing provides monetary support for investing projects that participate in increase and supporting the economical growth to better situation so we see that the role of bank credit and in special way the long term credit represents the actual tools used for economical growth of the country.

Data are taken from the annual reports submitted
on the Iraqi securities market in 2007-2012.

REFERENCES

1. The arabic banks union, (projects division program from the banking point of view) Beirut. 2014. P. 149-153.

2. Ali Kalifa Koari, (area development reached alteration of a accompaniment of oil cooperation council of countries, Beirut, center of Arabic studies unit. 2013. P. 260.

3. Zeyd Ramadan, (financial and banking adminstration) T1 Amman: Dar Al safa for Publishing and distribution. 2005. P. 151.

4. Tawfek Shambor banking reforn in Arabic countries and its necessities and difficulties Arabic banks union, Beirut. 2012. P. 49.