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The relationship between investment income and cash flow An analytical study of the National Bank of Iraq listed on the Iraq Stock Exchange for the period (2015 - 2021)

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Abstract: *The research aims to identify the statement of the role of financial investments in providing cash through the realized investment revenues, as well as the extent to which Iraqi banks need the research sample to cash liquidity to continue their banking and financial work and cover their obligations towards others. Therefore, the research sample consisted of one bank, the National Bank of Iraq (a private joint stock company) listed on the Iraq Stock Exchange and for the fiscal period (2015-2021), Financial and statistical methods were adopted to analyze the data and test the validity of the hypotheses, and the researcher reached the most important results, which is the existence of a significant correlation with statistical significance between the cash liquidity and investment revenues of the National Bank of Iraq. The researcher recommends that banks in general need to develop a strategy for financial investments based on diversification, expansion and risk-taking in order to increase the investment revenues realized from financial investments, that is, the bank bears the risk, the higher the degree of risk the higher the returns.*

Keywords **(investment income, cash Liquidity)**

I.INTRODUCTION

The issue of (the relationship between investment income and cash flow) has aroused the interest of the researcher to study and research it to show the extent of its importance in the banking sector. And to show the extent to which Iraqi commercial banks need cash to continue their banking and financial activities and to cover their obligations towards others, Therefore, the research problem lies in the following question: Is there a relationship between cash liquidity and investment income? Which emanates from the following sub-questions: Is there a statistically significant correlation between investment income and cash flow? Is there a statistically significant correlation between investments and cash flow? The research included four chapters and agencies: The first chapter is the research methodology and the second chapter deals with three topics (revenues, cash Liquidity, the relationship between revenues and cash Liquidity), while the third chapter included three topics as well (data and information about the research sample, measuring cash flow from investment revenues, analysis The statistical and research hypotheses test) As for the fourth chapter, it included conclusions and recommendations, and the research relied on financial and statistical methods.

II.RESEARCH METHODOLOGY

This topic includes the definition of the research problem, its objectives, importance, hypotheses and method of conducting the research from the theoretical and applied sides, as well as the means of collecting data and information and defining the research community and sample.

1. THE RESEARCH PROBLEM

The research problem is crystallized in the following main question: Is there a relationship between cash flow and investment income? Which leads to the following sub-questions:

A. Is there a statistically significant correlation between investment income and cash flow?
B. . Is there a statistically significant correlation between investments and cash flow?

2- THE RESEARCH IMPORTANCE

The importance of the research lies in clarifying and defining the concept of revenue, revenue recognition, revenue recognition exceptions, and adopting effective investment mechanisms to enable banks to overcome the risks of lack of cash liquidity. Investment procedures to ensure optimal cash flow and enhance confidence and objectivity in the financial statements.

3- RESEARCH OBJECTIVES

The research aims to identify the following:

A.Describe the role of financial investments in providing cash through the realized investment revenues.

B. Indicating the extent to which the Iraqi banks, the research sample, need cash to continue their banking and financial activities and to cover their obligations towards others.

4- RESEARCH HYPOTHESES

The research is based on a main hypothesis: **There is a relationship between cash flow and investment income.** From this branch the following hypotheses:

A. The first sub-hypothesis (there is a statistically significant correlation between cash flow and investment income).
B. The second sub-hypothesis (there is no statistically significant correlation between cash flow and investment income).
C. The third sub-hypothesis (there is a statistically significant correlation between cash flow and financial investments).
D. Fourth sub-hypothesis (there is no statistically significant correlation between cash flow and financial investments).

5- Research sample and community

The research community is represented in the banks listed in the Iraq Stock Exchange, while the research sample consists of one bank, the National Bank of Iraq (a private joint stock company) a commercial bank listed in the Iraq Stock Exchange.

6- Spatial and temporal limits of research

Time limits: The researcher relied on the bank's annual financial statements for the research sample for the years (2015, 2016, 2017, 2018, 2019, 2020 and 2021).

Spatial limits: The researcher has chosen the National Bank of Iraq (a private joint stock company).

7- Means of collecting data and information

In trying to prove the research hypotheses and achieve his goal, the researcher depends on the sources shared by the two sides:

A- Theoretical aspect: Information related to the theoretical aspect was collected from (books, theses, theses, research, Arab and foreign articles).
B- The practical aspect: In this aspect, the researcher relied on the following: Financial statements and auditors' reports for the bank, the research sample for the years (2015, 2016, 2017, 2018, 2019, 2020, 2021).

III.THE THEORETICAL SIDE OF THE RESEARCH

1- Revenue

Revenue is defined as the total flows that lead to an increase in the total assets of the economic unit, or lead to a decrease in total liabilities, or both. Usually revenue is generated from: (Al-Hayali, Walid Naji, 2007: 43)

A-sell goods.

B- Providing services to clients or renting an existing project.

C-Sale of project assets.

D-Interests and profits from investments in securities.

Accounting revenue is measured at the value expected to be obtained in return for selling goods or providing services. Economists believe that it is measured by the market value of goods and services. In other words, the measurement of revenue from an economic point of view is based on the market value of goods and services produced by the project during a period of time. That is, the present value of the monetary values expected to be obtained from the revenues resulting from the exchange of products in the markets. From an accounting point of view, revenue is measured by the monetary values expected to be obtained in exchange for selling goods or providing services. (Al-Hayali, Walid Naji, 2007: 44)

It is represented in all the cash inflows that lead to an increase in the assets of the establishments or a decrease in the liabilities on them, or both resulting from the disposal of goods and services during the financial year, such as sales. (Wanas, Kholoud Assem et al., 2013: 11)

2-Conditions for revenue realization and exceptions: (Wanas, Kholoud Assem et al., 2013: 13)

A- Providing service or delivering sales.

B - The existence of an exchange process between the accounting unit and other units.

The point of revenue realization is determined upon the completion of the exchange process, meaning that the revenue is realized at the point of sale, except for some exceptions, which are:

A- Revenues are realized on the basis of the partial completion level of production: as in contracting and services works that take a long time to complete the project.

B- Revenues are realized as soon as the production process ends and before sale: This is provided that selling prices are stable and the production quantities are fully determined, such as gold and silver.

C- Revenue is realized at the point of sale (that is, according to the cash basis): This basis is used when it is difficult to determine the value of the revenues at the event of sale due to the uncertainty of collecting the value of these sales. This basis is used in the cost of sales that are collected in installments.

Revenue recognition aims to indicate the accounting treatment of revenue and determine the timing of revenue recognition, whether it is the result of selling the commodity or providing services to customers in an amount that reflects the consideration received by the entity, or expected to be repeated, in exchange for these goods or services. These steps are: (Sumaya, Rabie and Youssef, Ali, 2021: 150)

A- Determine the contract with clients.

B- Specify the separate performance obligations in the contract.

C-Determine the transaction price.

D- Allocate the transaction price to separate performance obligations.

E- Recognize revenue when each performance obligation is fulfilled.

3-Standard: IAS 18 Revenue: (Thanks, Saud Jayed, 2021: 71-72)

Income has been defined in the framework of preparing and presenting financial statements as the increase in economic benefits during the accounting period in the form of inflows, an increase in assets or a decrease in liabilities that results in an increase in equity. This is in addition to the contributions made by the owners. Income includes both revenue and earnings. Revenue represents the income generated from the normal activities of the facility and is referred to using different names such as sales, commissions, interest and franchise income. This standard aims to describe the accounting treatment for each revenue arising from specific types of transactions and events.

A vital issue in accounting for revenue is determining the timing of its recognition. Revenue is recognized when it is expected that the economic benefits will flow to the entity provided that those benefits can be measured reliably. This standard specifies the circumstances in which those conditions are met and, accordingly, revenue is realized. The standard also provides practical guidance on how to apply these requirements.

The scope of application of this standard includes the following paragraphs:

A-This standard should be applied when accounting for revenue arising from the following operations and events:

- Selling goods.

- performance of services
- The use by third parties of the assets established and the resulting interest, income from franchise rights, and profits stock.

B-Goods include goods produced by the facility for the purpose of selling and goods purchased with the intention of reselling them, such as goods purchased by the retailer, or land or other property held for the purpose of resale.

C-The performance of services usually includes the establishment performing contractually specific tasks during an agreed period. The services may be provided during one period or during more than one period. Some contracts for the performance of services may be directly related to construction contracts (contracting), for example, contracts for the services of project managers, engineers and architects. This standard does not deal with the revenue arising from such contracts, as those contracts are treated as contracting contracts and the eleventh International Accounting Standard "Contracting Contracts" is applied in their regard.

D- The use of the created assets by third parties entails the following forms of revenue:

- Interest: Charges for the use of cash or cash equivalents or amounts owed to the project.
- Franchise revenue: It is a charge for the use of some Long-term assets of an entity such as patents, trademarks, copyrights and computer software.
- Dividends: These are dividends distributed to shareholders according to their shares in the capital.

E-This standard does not address revenue arising from the following:

- Lease contracts.
- Dividends from investments that are accounted for under the equity method.
- Insurance contracts related to insurance companies.
- Changes in the fair value of financial assets and financial liabilities or disposal.
- Changes in the value of other current assets.
- Natural increase in herds of livestock, agricultural crops and forests.
- Extraction of minerals.

4-Cash Liquidity

Liquidity is the transformation of a financial asset into cash quickly and without losses, as the goal in maintaining liquid assets is to meet the obligations that are currently due or within a short-term period, so liquidity is a relative concept that expresses the relationship between cash and financial assets that are easy to convert into cash quickly and without losses. Among the obligations to be fulfilled. (Ahmed, 2013: 302).

While liquidity can be viewed according to (Hammad, 2013:11) in more than one angle as follows:

A-The period in which liquidity is measured: where liquidity is here as providing the cash needed to meet the establishment's short-term obligations.

B- Liquidity from the point of view of the working capital cycle: here it means the availability of cash needed to manage working capital (current assets and current liabilities), in a way that leads to the absence of large idle cash or a shortage of cash needed to meet current obligations.

C- Defining liquidity in a comprehensive and broad view: Liquidity here is the flow of cash movement (operating, investing and financing activities) during the short term, less than a year, without pressure and in a balanced manner with other objectives of the facility such as profitability, growth and continuity.

Liquidity is also indicated through three dimensions. (Bain,&Howell, 2007:8)

A-Time: It is the rate at which an asset is converted into cash

B- Risk: It is the possibility of a decline in the value of the financial asset or the possibility of default or neglect of the source or producer in some way in this field.

C-Cost: It is the financial sacrifices and any other sacrifices that must be present in the process of implementing that change.

The researcher believes that cash liquidity is the facility's ability to convert the financial assets in its possession into cash as quickly as possible and with minimal losses in order to cover its obligations.

4-1-Sources of liquidity: The sources of liquidity for companies are divided into two main sources. The first source is the internal self-liquidity that is generated from within the company itself, while the second source is the company obtaining credit facilities from banks to finance production operations (Alwan, 2015 AD: 23-24).

The sources of cash that the institution can obtain can be identified from the following: (Al-Shawwara, 2013: 50):

A-Providing liquidity through the sale of goods and services from the company's main activity.

B- Selling a fixed asset for cash.

C-Converting some current assets into cash through the company's operating cycle.

D- Get cash through external borrowing.

E- Providing liquidity by increasing the capital of the company.

4-2-Sections of cash liquidity: cash flow, or what is sometimes called primary reserves, is divided into:

A-Legal reserves: They represent the liquid cash funds that are kept to meet the legal obligations and legislation issued by the Central Bank. Thus, it includes cash in the fund and deposits with the Central Bank, the “legal reserve” (Al-Husseini and Al-Douri, 95:2008).

B-Operating reserves: They represent the total liquid cash that the bank does not keep under the monetary authority’s legislation, and which can be employed in various investment and lending activities (Al-Husseini and Al-Douri, 2003: 95). It includes cash in hand, free current account with the Central Bank, deposits with other local banks, instruments for collection, and deposits with foreign banks abroad. (Abu Hamad and Qaddouri, 231: 2005).

4-3-Basel Committee and Liquidity Management: The Basel Committee on Banking Supervision has developed a set of principles for liquidity management, including: (Ahlas, 59:2013) (2008, Bank for International Settlements).

A- The bank should prepare a financing strategy that provides effective diversification in the sources of funds and the length of the financing period.

B- The bank should effectively manage its liquidity position during the same day to face cash payments and settlements, whether during normal or crisis periods.

C- The bank must adopt an official emergency plan for financing and managing the provision of liquidity in light of crises.

D-The bank should maintain a margin of safety consisting of highly liquid and unrestricted assets that represent a margin of safety against liquidity risks in case of difficult circumstances.

E- The bank must effectively manage the situation of assets, and it must distinguish between restricted and non-restricted assets, and it must monitor the conditions and legality of the guarantees and the possibility of enforcement on them.

F- The bank should periodically implement the choices of pressure conditions on the various short-term funding sources and liquidity-generating resources.

4-4-The relationship between revenue and Cash Liquidity

Revenues appear on the right side in the income statement, where the income generated from financial investments is calculated for each year and for a bank from the current study sample,

The investment income appears in the income statement prepared within the international accounting standards in the form of (investment income, dividends, and within the interest income calculation) and knowing the reasons for the decline and rise of investment revenues and the extent to which they are affected by investments by calculating the rates of change in them, through the following equation:

Change in investment income = (investment income for the current year - investment income for the previous year / investment income for the previous year) X 100%

As well as calculating the percentage of investment income realized from investments, by dividing the income generated from financial investments by financial investments for each year, and the bank has a sample of the study, The second stage is calculating the cash for the study sample bank and for each year, which appears on the right side of the statement of financial position, that is, on the side of assets (current assets), in the form of (cash and balances with the central bank and other financial institutions)

The researcher calculates cash and finds out the reasons for its decrease and rise and the extent to which it is affected by investment income, and calculates the percentages of change in cash through the following equation of change percentage:

Percentage change in cash for each year = (cash for the current year - cash for the previous year / cash for the previous year) X 100%

This equation is applied to the bank for the research sample and for each year, and then calculates the ratio of investment and cash income by dividing the investment income generated for each year by the cash for each year, and this ratio is the percentage of cash flow achieved from financial investments.

IIII.The practical aspect of research

1-Data and information about the bank, the research sample

Table (1)

Information about the National Bank of Iraq

Establishment of the bank	The National Bank of Iraq was established under the incorporation license numbered M. Sh/5802, dated 1/2/1995, with a capital of (400) million dinars, and the approval of the Central Bank of Iraq on March 28, 1995, to practice banking as an investment bank in the name of (The National Bank for Investment and Agricultural Finance), On 4/8/1995, the bank began carrying out its business. On 25/10/1997, the Central Bank of Iraq allowed investment banks to amend their articles of incorporation to enable them to practice comprehensive banking. Accordingly, the bank's board of directors took on 25/1/1998 a decision to amend the articles of association to include comprehensive summer practice. And the approval of the Central Bank of Iraq was obtained on the amendment in his letter dated 10/1/1998. And in implementation of the instructions of the Central Bank of Iraq about increasing the capital of banks operating in Iraq
bank capital During the period of the calendar	The capital of the bank during the calendar years (250) billion dinars
Shareholders' equity During the period of the calendar	(264), (287), (285), (257), (256), (307), (315) billion Iraqi dinars. (2015, 2016, 2017, 2018, 2019, 2020, 2021) respectively
Bank branches	The bank has (14) branches, including (6) branches inside Baghdad and (3 branches) in Basra, and the rest has one branch each in Najaf, Karbala, Erbil, Sulaymaniyah and Mosul, in addition to (3) service offices.
Bank activities	1- Accepting deposits (current, saving) in the Iraqi dinar, the US dollar or any other major currency. 2- Providing electronic channels and services from the international Visa Electron card services and Internet banking services. 3- Providing a network of automated teller machines. 4- Providing a short message service that allows the

	customer to view his withdrawals and deposits immediately. 5- Salary settlement service for the public and private sectors. 6- Credit facilities for individuals of all kinds (personal loans, credit cards). 7- Specialized services for large, medium and small companies.
Bank's goals	1-, Develop the necessary plans to move forward with the opening of new branches within the expansion plan drawn up for 2022 in Baghdad and other governorates. 2- Seeking to provide banking services and a distinguished service style to the bank's customers in general. 3- Continuing to work to ensure the expansion of the deployment base in the service, particularly in the governorates that are not served by branches or an ATM network. 4- Enhancing electronic payment services through alternative withdrawal outlets.

(Table prepared by the researcher based on the financial reports of the National Bank of Iraq)

2. Measurement of cash flow from investments income

2-1-Al-Ahly Bank of Iraq:

Comparing the cost of the financial investments of the National Bank of Iraq with its investment revenues in providing cash for the period (2015-2021) based on the financial statements of the National Bank of Iraq (a private joint-stock company) as one of the research samples, so the following table was prepared:

Table (2)

A table detailing the balances of financial investments, their realized revenues, cash flow and the percentages of change in them for the National Bank of Iraq for the period (2015-2021) (million dinars)

fiscal year	financial investments	change ratio	investment income	change ratio	Rate revenue/ Investment	cash Liquidity	change ratio	Rate revenue/ cash
2015	2542	/	178	/	7%	311459	/	0.06%
2016	1615	-36,5%	zero	zero	zero	367817	18,1%	zero
2017	2548	57,8%	zero	zero	zero	399496	8,6%	zero
2018	27013	960,2%	128	128	0.47%	378,455	-5,3%	0.03%
2019	59092	118,8%	2222	1635.9%	3.8%	355227	-6,14%	0.63%
2020	71282	20,6%	4563	105.4%	6.4%	41271	24,2%	1,03%
2021	125,787	76,5%	5657	23.9%	4.5%	61107	38,3%	0.93%

(Table prepared by the researcher based on the financial statements of the National Bank of Iraq)

Note from the above table

- In 2016, financial investments decreased by (1615) million dinars after it was in 2015 (2542) million dinars, with a decrease rate estimated (36.5%), and this decrease came as a result of the decrease in the market value of shares. As for investment income, the bank did not achieve revenues investment in this year 2016 due to the non-distribution of dividends on the shares of the companies invested in As for the cash liquidity for the same year 2016, it increased by (367,817) million dinars, after it was in 2015 (311459) million dinars, i.e. an estimated increase of (18.1%) and this increase in liquidity is due to the increase in current accounts in the Central Bank of Iraq, as well as the increase in balances At banks and local banking institutions.
- In 2017, the cost of financial investments increased by (2548) million dinars after it was in 2016 (1615) million dinars, i.e. an estimated increase of (57.8%) as a result of the increase in the market value of some shares of invested companies. The bank achieves investment income for this year as a result of the continued non-distribution of profits from the shares of the

invested companies. As for the bank's cash liquidity for the year 2017, it increased by (399,496) million dinars, compared to (367817) million dinars in 2016, i.e. an estimated increase of (8.6%), and this increase is due to the increase in balances in current accounts with banks and local banking institutions. As well as in balances with banks and external banking institutions.

- In 2018, there was an increase in financial investments by (27013) million dinars after it was in 2017 by (2548) million dinars, i.e. an increase of (960.2%) as a result of the bank investing in financial investments at amortized cost/bonds Governmental funds from the Central Bank of Iraq with a value of (244,25446) thousand dinars, due in December of 2019, Therefore, the bank achieved in the same year investment income for the same year 2018 by (128) million dinars, and the cash liquidity for the year 2018 was by (378,455) million dinars, i.e. it decreased by an estimated rate of (5.3%) after it was in 2017 by (399,496) million Dinars, and this decrease was in cash in balances with the Central Bank of Iraq.
- The year 2019 continued to rise in financial investments by (59092) million dinars after what it was in 2018 (27013) million dinars, i.e. an estimated increase of (118.8%). (5) billion dinars, as well as the resurrection of investment in financial investments at amortized cost / sad bills with a value of (20902346) thousand Iraqi dinars As well as investing in Iraqi government bonds in US dollars and investing cash dividends from shares of invested companies, so his investment income for the year 2019 was high by (2222) million dinars, i.e. an estimated increase of (1635.9%) than it was in 2018 by (128) million dinars as a result of the bank obtaining interest on external bonds as well as financial investment income at amortized cost. Therefore, the bank's cash liquidity decreased in this year 2019 by (355,227) million dinars after what it was in the previous year 2018 by (378,455) million dinars, i.e. an estimated decrease of (6,14%), and this decrease came in a decrease (balances with banks and banking institutions). local, balances with the Central Bank, cash in the treasury) as a result of the bank increasing its financial investments.
- Continuing rise in financial investments for the year 2020 by (71,282) million dinars after what it was in 2019 by (59092) million dinars, i.e. an estimated increase of (20.6%) due to the bank investing in government treasury bonds in US dollars as well as increasing the investment In shares of companies not listed on the Iraqi Stock Exchange As well as investing the cash dividends from the shares of the companies invested by the bank, which led to an increase in investment revenues in the year 2020 by (4563) million dinars after what it was in the year 2019 (2222) million dinars, i.e. an estimated increase of (105.4%) and this The rise came from an increase in the interests of foreign bonds, as well as the income from financial investments at the amortized cost. As for the cash liquidity in this feature 2020, it increased by (44,1271) million dinars after it was in 2019 by (355227) million dinars, i.e. an estimated increase of (24.2%), and this increase came in the increase in cash in balances with the Central Bank of Iraq As well as the rise in balances with banks and foreign banking institutions.
- The rise continues in the balance of financial investments for the year 2021 by (125787) million dinars after what it was in the previous year by (71282) million dinars, with an estimated increase of (76.5%) as a result of the increase in investment in financial assets that are not available for market prices as well as Investing in US dollar government bonds that are traded in international markets As well as investment in Iraqi construction bonds at a value of (20) billion dinars, while investment revenues for the year 2021 increased by (5657) million dinars from the previous year, with an estimated increase of (23.9%) as a result of the increase in the interests of financial assets at fair value As well as financial assets held to maturity. As for cash flow, it increased for the year 2021 by (61007) million dinars from the previous year, with an estimated increase of (38.8%) and the increase was in cash in the treasury, as well as in balances with the Central Bank of Iraq and balances with banks and institutions other banking.

It was noted from the above that there is a direct relationship between financial investments and investment income and a fluctuating relationship between financial investments and cash liquidity, so the bank should do more in the optimal use of cash liquidity in expanding and diversifying its investment portfolio, especially (government bonds, sad bills) As its investment revenues increase, and therefore this increase in revenues will constitute a certain percentage of the bank's cash flow and not be dependent on one investment outlet, and the bank must bear a high risk in order to raise its investment revenues.

3- Statistical analysis and testing of research hypotheses

In this topic, a preliminary statistical description of the variables under study will be presented, and the assumptions are valid or incorrect, and tested, which were formulated by the researcher. It is necessary to use a set of appropriate statistical tools that support the theoretical work. The current study included the statistical description of the variables under study, and the measurement of the strength of the relationship between the variables of the study through Pearson's simple correlation coefficient and testing the significance of the hypotheses related to those hypotheses. Through the financial years included in the financial analysis from 2015 to 2021, the data was obtained through the annual financial statements.

3-1-Testing and analyzing the correlation hypothesis

The current topic focuses on studying the correlation relationship between the dependent variable (dependent) represented by cash flow, and the independent variable represented by the independent variable investment income as well as financial investments. " By. On the other hand, the hypothesis was tested, which states that "there is a statistically significant correlation between cash liquidity and investment income" by employing the simple correlation coefficient. In the current study, we will rely on the Mukaka scale, 2012: 71) to determine the strength of the correlation between the study variables, as shown in Table (3).

Table (3) standard strength coefficient of correlation

degree of association	0,00 – 0,30	0,30 – 0,50	0,50 – 0,70	0,70 – 0,90	0,90 – 1,00
link strength	very low	low	Moderate	strong	Very strong

The National Bank of Iraq:

The values of the correlation coefficient will be calculated for the banking indicators of the National Bank of Iraq. The following table represents the correlation between cash liquidity, financial investments and investment income. As shown in the following table:

the condition		cash liquidity	financial investments	investment income
cash liquidity	link	1	*0,851	*0,816
	Sig. (2-tailed)	----	0,015	0,025
financial investments	link	*0,851	1	**0,955
	Sig. (2-tailed)	0,015	----	0,0007
investment income	link	*0,816	**0,955	1
	Sig. (2-tailed)	0,025	0,0007	----

(Table prepared by the researcher based on Mukaka scale)

Through the results presented in the above table, we find that there is a strong direct correlation between the cash liquidity and financial investments of the National Bank of Iraq, where this relationship was estimated (0.851). This relationship is a statistical function. Because the value of (Sig. (2-tailed)) is equal to (0.015), which is less than 0.05, so this relationship is significant and statistically significant, which means rejecting the null hypothesis that states (There is no statistically significant correlation between the cash liquidity and the financial investments of the National Bank of Iraq). And accepting the alternative hypothesis that states (there is a significant statistically significant correlation between the cash liquidity and the financial investments of the National Bank of Iraq). As well as the relationship between cash liquidity and investment income is a strong direct correlation between cash liquidity and investment income for the National Bank of Iraq, where the estimator of that relationship was (0.816). This relationship is a statistical function. Because the value of (Sig. (2-tailed)) It is equal to (0.025), which is much smaller than 0.05, so this relationship is statistically significant, which means rejecting the null hypothesis that states (there is no significant statistically significant correlation between cash liquidity and investment revenues for the National Bank of Iraq). And accepting the alternative hypothesis that states (there is a significant statistically significant correlation between cash flow and investment income for the National Bank of Iraq).

But the relationship of financial investments and investment income of the National Bank of Iraq is a strong direct correlation, where the estimated relationship was (0.955). As this relationship is statistically significant. Because the value of (Sig. (2-tailed)) is equal to (0.0007) which is much less than 0.05, so this relationship is significant and statistically significant, which means rejecting the null hypothesis that states (there is no significant statistically significant correlation between financial investments and investment revenues of the National Bank of Iraq). And accepting the alternative hypothesis that states (there is a significant statistically significant correlation between financial investments and investment revenues of the National Bank of Iraq).

V. Conclusions and Recommendations

a- Conclusions

1- There is a significant statistically significant correlation between the cash liquidity and the financial investments of the National Bank of Iraq.

2- There is a significant statistically significant correlation between the cash liquidity and investment income of the National Bank of Iraq.

3- There is a significant statistically significant correlation between the financial investments and the investment revenues of the National Bank of Iraq.

4- The researcher found through the practical analysis of the annual financial statements of the National Bank of Iraq (the study sample) that the banks that invest in financial investments at amortized cost / government financial bonds - and treasury bills, their investment revenues were high as a result of the interest rate on them, in addition to the degree of safety they enjoy.

b-Recommendations

1- Through our study and analysis of the financial data and information of the National Bank of Iraq (the research sample), we recommend the need to expand and increase financial investments, provided that the provisions of the Banking Law (94) for the year 2004 do not exceed the percentage of investments as a maximum of 20% to the capital and legal reserves.

2- We advise Iraqi commercial banks (the research sample) to intensify directing their investments towards financial investments at amortized cost / government bonds - treasury bills, as they enjoy a rewarding interest rate in addition to the degree of safety they enjoy.

3- The necessity of developing a strategy for financial investments based on diversification, expansion and risk-taking in order to increase the revenues generated from financial investments, that is, the higher the returns on the investments, the higher the degree of risk.

4- Conducting studies similar to the current study, and for larger research samples, in different economic conditions than our current one.

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