

# **Banking liberalization (liberalization of interest rates) and its role in attracting customers: Applied research to a sample of Iraqi private banks.**

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- **Abstract:** This study aimed to highlight a dimension of banking liberalization represented by the interest rate on deposits and loans to show its impact on attracting customers; especially Iraq has adopted this policy after 2003 due to the changes that occurred. The Central Bank of Iraq has allowed banks to determine interest rates based on the new banking law no. (94) of (2004). The study adopted the analytical method as well as factors affecting the attraction of customers. A number of Iraqi banks listed on the Iraqi stock exchange were selected as a research sample. The study is confined to the duration from (2003) to (2019). The year (2003) was considered as a basic year. The most important findings reached by the study included that the political, economic and security conditions had a major impact on the implementation of banking liberalization policy. In addition, these conditions caused a decrease in the interest rates on deposits and a relative stability in relation to loans. Concerning recommendations, the study recommended the need to achieve political, economic and security stability to develop the banking sector and achieve success of the policy of banking liberalization in attracting customers.
- **Keywords:** Dimension, Banking liberalization, Loans, Policy, Iraqi stock exchange, Security conditions, Achieve political,