

**THE EFFECT OF THE OWNERSHIP STRUCTURE ON THE REAL VALUE OF THE  
SHARE: APPLIED STUDY ON IRAQI PRIVATE BANKS FOR THE PERIOD-2011)  
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**Abstract:**

This research aims to measure the effect of the ownership structure on the real value of the shares of Iraqi private banks for the period (2011-2021). The research included two variables: the ownership structure and the real value of the share. A sample consisting of (10) private Iraqi banks representing (40%) of the total research community represented by the banking sector listed in the Iraq Stock Exchange, amounting to (25) banks, was selected to test the effect of the ownership structure on the real value, by (110) observations. One of the most important findings of the research is that there is a direct effect of significant significance between the ownership of major shareholders and the foreign ownership and the real value of the share, while the effect was inverse in administrative ownership.

**Keywords:** ownership structure, real value of the share, Iraqi private banks.

**1- Introduction:**

The ownership structure refers to the method by which the company's ownership is distributed among the various investors, and it is in the form of two models: the concentrated ownership structure and the dispersed ownership structure. The level of control of each shareholder is determined based on the proportion of the shares owned by him to the total issued shares. Significant impact on the company's financial performance and the real value of its shares.

The real value of the share is a measure of the value of the share based on the basic data of the company such as the dividends distributed, the degree of risk, and the market value. The real value of its shares, as it can influence factors such as management decisions, corporate governance, and shareholder rights.

Despite the potential importance of ownership structure in determining the real value of a share, there is little research on this topic, and relevant research has focused primarily on the impact of ownership concentration on the company's share value, with limited attention paid to other aspects of ownership structure. This aspect represents an opportunity for further research and analysis in the research variables.

**The first requirement: research methodology**

**Research problem:**

The research problem revolves around the extent to which the ownership structure affects the real

value of the share. It may be noted that there are changes in the real value of the share when some changes occur in ownership ratios among the types of shareholders in many banks. Therefore, the main question of the research can be formulated as follows: **(How much does the ownership structure affect the real value of the stock?)**

**research Objectives:**

1. Formulating a theoretical framework for the ownership structure and its variables, as well as the real value of the share and models for finding it.
2. Knowing the components and percentages of ownership in the research sample banks.
3. Finding the real value of the shares of the banks, the research sample.
4. Finding out whether the real value of the banks' shares in the research sample is higher or lower than their market value.
5. Knowing the extent to which the ownership structure affects the real value of the share through the following sub-objectives:

- A- Knowing the effect of the administrative ownership percentage on the real value of the share.
- b- Knowing the effect of the institutional ownership percentage on the real value of the share.
- C - Knowing the effect of the percentage of foreign ownership on the real value of the share.
- D - Find out the effect of the government ownership percentage on the real value of the share.
- C- Finding out the effect of the percentage of ownership of major shareholders on the real value of the share.

**research importance:**

The importance of the research is highlighted by the following points:

- 1- Contribute to increasing the enrichment of knowledge related to the ownership structure and knowing the components and percentages of ownership of the sample researched during the research period, in addition to raising the issue of the real value of the share, which is one of the most important determinants in the light of which the investment decision is taken. The real value of the share is a basic indicator to determine the feasibility of investment In the company, away from the blurring of price fluctuations due to buying and selling operations, and therefore this research can help investors in the financial markets to make an investment decision that avoids potential losses and thus increase the demand by the public to trade in the shares of listed companies, which will reflect positively on the volume of trading and enhance investor confidence in These markets and the companies listed in them, as well as linking these two variables that have not been previously linked to the knowledge of the researcher.
- 2- The importance of the research sample represented by the Iraqi private banks, as the banking sector leads the rest of the sectors in terms of trading value and the number of shares traded.
- 3- This research can be a source for subsequent studies that deal with one of the two research variables: ownership structure and the real value of the share.

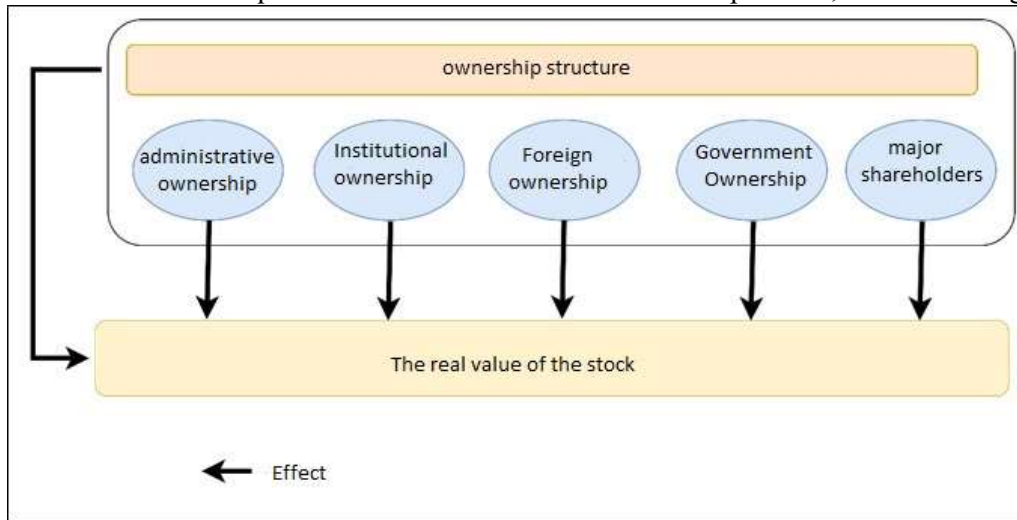
**Research hypothesis:**

The hypothetical scheme of the research represents the idea through which the researcher seeks to clarify the effect of the independent variable (ownership structure) and its variables (administrative ownership, institutional ownership, ownership of major shareholders, foreign ownership, government ownership) on the dependent variable (the real value of the share).

Figure (1): The Research hypothesis

**research assumes:**

Based on the research questions mentioned in the research problem, the following main



hypothesis will be tested:

**There is a significant effect of the ownership structure on the real value of the share.**

The following sub-hypotheses are derived from the main hypothesis:

- 1- There is a significant effect of management ownership on the real value of the share.
- 2- There is a significant effect of institutional ownership on the real value of the share.
- 3- There is a significant effect of foreign ownership on the real value of the share.
- 4- There is a significant effect of government ownership on the real value of the share.
- 5- There is a significant effect of the ownership of major shareholders on the real value of the share.

**Research community and sample:**

The research community consists of the (25) banks listed in the Iraq Stock Exchange, and the research deals with an intentional sample of (10) banks.

**The second requirement: the theoretical aspect of the research**

**First: the concept of ownership structure**

**1- concept of ownership structure:**

The ownership structure has attracted the attention of researchers recently, due to its impact on the performance of various banks, and the views in this regard have taken on a remarkable diversity. During which the company’s capital is distributed among a group of individuals and organizations through the representation rights of this property (Lin & Nguyen, 2020), (Al Amosh & Khatib, 2022) was defines it as representing the sum of the capital shares owned by institutions or individuals, which together constitute the capital of the company, while (Zraiq & Fadzil, 2018) defines it as expressing the ownership structure of the right holders. In the company and the size

of their holdings, it also expresses the percentages of shares owned by shareholders in the company, and the study (Hu & Zheng, 2015) indicates that it includes both: the extent of ownership concentration, the separation of ownership and the ownership structure component that means the identity of the shareholders, Concentration of ownership shows the number of shares held by shareholders while segregation of ownership shows the separation of control rights and cash flow rights of the controlling shareholders. (Alakkas) believes that the ownership structure can be affected by factors, including: legal determinants and the culture of the country (Alakkas, 2016). It also helps in building and developing the authority of decision-makers by allocating resources and stimulating investment in various activities (Cesari & et al, 2012). And (Allaya & et al, 2018) indicates that the ownership structure of banks in general takes two main models: the first model is called the dispersed ownership structure, in which ownership is distributed among a large number of shareholders, while the second model is called the concentrated ownership structure, which is the model In which ownership is concentrated with one shareholder or a group of shareholders who control the company according to their percentage of ownership in the company. The results of the study (La Porta & et al) indicate that laws in many countries of the world grant shareholders a specific amount of rights. It was significantly high due to the limited rights granted to shareholders in those countries (La Porta & et al, 1998).

## **2- Elements of ownership structure:**

The corporate ownership structure consists of the following elements:

### **A- Administrative ownership:**

Administrative ownership means the amount of the management's share in the company's ownership, that is, it is the management's ownership of part of the company's shares, which is measured by dividing the shares owned by the management by the total shares of the company. Therefore, the problem of separating ownership from management arose, which in turn leads to a conflict of interest between each of the agents Represented by the management and the principal represented by the owner. This conflict is due to two main reasons: the difference in objectives between both the agent and the principal. The main objective of the owners is to preserve their wealth and maximize their benefit and the value of the company in the long term. The short term without taking into account the achievement of the company's long-term benefits and the preservation of its value (Kusumawati & Setiawan, 2019) and (Ongsakul & et al, 2021) defines administrative ownership as the ownership of the managers or one of the executive board members in the shares of the company that they manage it.

### **B- Institutional ownership:**

Institutional ownership expresses the concentration of ownership of company shares in the hands of some investing companies, such as banks, insurance companies, and investment funds. Significant and influential shares of the company, which gives them the right to actively participate in the decisions and actions of management, and with the necessary motivation and ability, institutional investors can exercise effective and continuous control over the decisions and actions of management (Sakawa & Watanabel, 2020), defined institutional ownership as part of the company's shares that are owned by shareholders such as banks, economic units specialized in investment and insurance, mutual funds, government agencies, and other

institutional shareholders, meaning that it basically consists of any type of ownership, other than individual ownership (El-Diftar & et al, 2017).

### **C- Ownership of Major Shareholders:**

Major shareholders are defined as each shareholder who owns 5% or more of the company's total shares. Concentration of ownership leads to more effective control of the company's business and works to reduce agency problems between management and owners and affects the capital structure. However, concentration of ownership may lead to a type of Another of the agency problems is the conflict of interest between the majority shareholders and the minority shareholders (Detthamrong & et al, 2017). However, there is a second point of view indicating that the concentration of company shares in the hands of a few shareholders can negatively affect On the quality of profits, as these shareholders seek to obtain the highest return on their investments, and in the event that control of the company is granted to a family, which is called family ownership, whether through ownership or management or both together, this may lead to some practices that It serves the self-interest of the family and harms the rights of the minority (Elsenhardt, 2014).

### **D- Foreign ownership:**

Foreign capital plays an important role in emerging markets in promoting economic growth in developing countries. Also, as a result of companies trying to attract more direct and indirect foreign investments, increasing the level of ownership of foreign investors will have a fundamental impact in many countries, especially in the capital markets. Therefore, strategies and policies that work to avoid and preserve these investments must be put in place, and the necessary controls and rules should be put in place to avoid the risks and disadvantages that may result from the concentration of corporate ownership in the hands of the foreign investor (Tang & Buckley, 2020). Foreign ownership is measured by the percentage of shares owned by foreign shareholders to the total shares of the company. Therefore, foreign ownership is the volume of shares owned by foreign investors represented by organizations, institutions, banks, individuals and foreign governments (Chen & et al, 2019)

### **E- Government ownership:**

This type of ownership refers to the percentage of shares owned by government organizations in companies, and government ownership usually seeks to improve the performance of the company, whether in developed countries or in transition economies (Alsamhi & et al, 2020), The government representatives on the board of directors of the company may pursue goals related to the interests of the state and not commercial goals related to the interests of other shareholders (such as profitability), and this creates pressure on government-related companies to disclose additional information in order to reduce the conflicting goals between the different shareholders (Haddad & et al, 2015).

### **Second: the real value of the stock:**

#### **1- concept of real value:**

It represents the real price of the assets at which financial transactions are concluded between experienced market dealers and others. Therefore, it is called the real value, and the real value of ordinary shares differs from their market value determined in the financial market. The reason for the difference is that the judgments used to determine the true value may not be the judgments of the shareholders. Itself in the market, it is the value based on the analysis of financial

information about a specific company (Rahma & et al, 2022), and investors focus on the real value because it represents what the value of the share should be, so if the market price is higher than the real value, then this means That the share is valued at more than it should be and is not suitable for investment, but if the market price is less than the real value, this means that the share is valued at less than it should be and that it is suitable for investment because the share price must rise with time to reach the real value, which achieves a capital profit. The market price is equal to the real value, then the stock was as it should be (Thesing & Velte, 2021)

## 2- Models measuring the real value of the stock:

### A- The profitability multiplier model:

The profitability multiplier is referred to as the practical or realistic model, due to its frequent and widespread use by many financial analysts and market dealers on the one hand and on the other hand for its ease of application and understanding compared to other models, as these factors will help in giving credibility to its results and prove its adoption as one of the important indicators for evaluation and decision making for financial investors , This model is known as the ratio of the share price to its profitability or the multiplier. Therefore, this model is calculated to know the value that the investor is willing to pay to obtain the share of the economic unit, as this multiplier is calculated through the market price of the share on its profitability, in other words, the investor is willing to pay the share price times its profitability. But if the profitability multiplier is known in advance and is multiplied by the value of the expected profits on the share in the coming period, an estimate can be obtained of what the fair value of the share should be in the financial market, and the profitability multiplier is calculated to find out the value that the investor is willing to pay to obtain the company's shares. This multiplier is calculated by dividing the market share price by its profitability, in other words, the investor is willing to pay the share price times his profitability, and this model can be formulated through the following equation

$$V = \sum_{t=1}^n \frac{(m)(E)}{(1 + K)^n}$$

V: the real value of the common stock

m: the multiplier of the stock's market value to its earnings

E: earnings per share

K: required rate of return

And the required rate of return is the lowest rate of return on investment required by investors to compensate them for bearing risk and postponing financial consumption for the future, and it is measured according to the following equation (Shamkhi & Ali, 2021):

$$K = R_{fr} + (R_m - R_{fr})B$$

K: required rate of return.

$R_{fr}$ : the risk-free return (which is the rate of return on a fixed-income security issued by a government agency that is able to pay its obligations to the holder of the security).

$R_m$ : market rate of return.

B: beta coefficient.

The beta coefficient represents a measure of systematic risk and an indicator of the extent to

which the return of a particular share responds to changes in the return of the market portfolio. The beta coefficient of any security is measured according to the following equation (Bukar & Daniel, 2020):

$$B = \frac{\text{cov}(R_s R_m)}{\partial^2 R_m}$$

**The third requirement: the applied side of the research:**

**First: Statistical Description:**

**1- administrative ownership:**

It is measured by dividing the number of shares owned by executive managers and members of the board of directors by the total number of shares of the bank

Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Banks											
Commercial	0.69	0.69	0.71	0.71	0.71	0.72	0.75	0.75	0.75	0.75	0.80
Baghdad	0.01	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
Middle East	0.11	0.11	0.11	0.00	0.00	0.00	-	-	-	-	-
United	0.02	0.20	0.18	0.11	0.11	0.04	0.00	0.00	0.08	0.08	0.08
Civil	0.72	0.73	0.79	0.48	0.62	0.62	0.62	0.62	0.62	0.62	0.62
Sumer	0.31	0.15	0.30	0.30	0.30	0.20	0.20	0.20	0.20	0.10	0.20
Gulf	0.18	0.24	0.04	0.04	0.02	0.00	0.10	0.15	0.15	-	-
Mosul	0.17	0.17	0.17	0.17	0.15	0.15	0.30	0.30	0.34	0.34	0.25
Ashur	0.40	0.32	0.23	0.15	0.11	0.11	0.11	0.11	0.09	0.09	0.09
Al Mansour	0.35	0.58	0.60	0.60	0.58	0.61	0.62	0.62	0.62	0.61	0.62

Table (1): Measurement of administrative ownership of the research sample

Table (1) shows administrative ownership percentages in the research sample, and the data contained in the table shows the large disparity between management ownership percentages represented by members of the board of directors and executive directors in the mentioned banks, as well as the presence of fluctuation in that percentage during the research years. The table shows that the percentage of administrative ownership was High in the Commercial Bank, the National Bank, and Al-Mansour Bank, which means that members of the Board of Directors and executives control the voting rights of the decisions of the General Assembly of these banks, while the percentage was low in the rest of the banks.

**2- Institutional ownership:**

It is measured by dividing the number of shares owned by institutions (local and foreign) to the total number of shares of the bank.

Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Banks											
Commercial	0.75	0.75	0.80	0.71	0.71	0.72	0.75	0.75	0.75	0.80	0.85
Baghdad	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.58	0.59	0.59	0.59

Middle East	0.14	0.17	0.08	0.05	0.05	0.06	0.06	0.06	0.06	0.08	0.53
United	0.17	0.16	0.08	0.08	0.11	0.07	0.07	0.07	0.06	0.06	0.06
Civil	0.72	0.72	0.79	0.48	0.82	0.82	0.82	0.82	0.82	0.77	0.86
Sumer	-	-	-	-	-	-	-	-	-	-	-
Gulf	-	-	0.01	0.01	0.01	-	0.10	0.15	0.15	0.15	0.15
Mosul	-	0.04	0.04	0.04	0.04	0.04	0.13	0.13	0.05	0.05	0.05
Ashur	0.09	0.27	0.21	0.13	0.23	0.23	0.23	0.23	0.23	0.27	0.27
Al Mansour	0.23	0.51	0.51	0.51	0.51	0.54	0.54	0.56	0.56	0.56	0.56

Table (2): Measurement of Institutional ownership of the research sample

### 3- Foreign ownership:

measured by dividing the number of shares owned by foreigners (individuals or organizations) by the total number of shares.

Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Banks											
Commercial	0.55	0.55	0.62	0.55	0.55	0.65	0.75	0.75	0.85	0.85	0.85
Baghdad	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.58	0.60	0.60	0.60
Middle East	0.06	0.01	0.08	0.05	0.05	0.06	-	-	-	-	-
United	-	-	-	-	-	-	-	-	-	-	-
Civil	0.72	0.72	0.79	0.48	0.77	0.77	0.77	0.77	0.77	0.77	0.78
Sumer	-	-	-	-	-	-	-	-	-	-	-
Gulf	-	-	-	-	-	-	-	-	-	-	-
Mosul	-	-	-	-	-	-	-	-	-	-	-
Ashur	-	-	-	-	-	-	-	-	-	-	-
Al Mansour	0.23	0.51	0.51	0.51	0.51	0.54	0.54	0.56	0.56	0.56	0.56

Table (3): Measurement of Foreign ownership of the research sample

### 4- Government Ownership:

It is measured by dividing the number of shares owned by the Iraqi government by the total number of company shares.

Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Banks											
Commercial	0.01	0.01	0.01	-	-	-	-	-	-	-	-
Baghdad	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-
United	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Civil	-	-	-	-	-	-	-	-	-	-	-
Sumer	-	-	-	-	-	-	-	-	-	-	-
Gulf	-	-	-	-	-	-	-	-	-	-	-



Mosul	-	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.05
Ashur	-	0.20	0.16	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Al Mansour	-	-	-	-	-	-	-	-	-	-	-	-

Table (4): Measurement of Government Ownership of the research sample

### 5- Ownership of major shareholders:

It is measured by dividing the total number of shares of shareholders who own a percentage of not less than (5%) of the total shares of the bank to the total number of shares.

Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Banks											
Commercial	0.76	0.76	0.80	0.55	0.55	0.65	0.75	0.75	0.75	0.87	0.87
Baghdad	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52
Middle East	0.29	0.30	0.43	0.36	0.36	0.55	0.49	0.49	0.49	0.49	0.51
United	0.61	0.79	0.79	0.79	0.79	0.78	0.78	0.78	0.69	0.69	0.69
Civil	0.89	0.89	0.90	0.77	0.82	0.82	0.82	0.82	0.82	0.82	0.86
Sumer	0.31	0.15	0.30	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Gulf	-	-	-	-	-	-	0.10	0.15	0.15	0.15	0.15
Mosul	0.15	0.56	0.56	0.56	0.49	0.49	0.27	0.27	0.28	0.28	0.28
Ashur	0.81	0.81	0.85	0.88	0.85	0.85	0.85	0.85	0.85	0.89	0.89
Al Mansour	0.23	0.51	0.51	0.51	0.51	0.54	0.54	0.54	0.54	0.60	0.60

Table (5): Measurement of Ownership of major shareholders of the research sample

### Measurement of the real value of the stock:

We measured the real value of the shares of the research sample using the profitability multiplier model, and the following table shows the real value of the shares.

Years	Ashur	Commercial	Sumer	Baghdad	Gulf	Mosul	Al Mansour	Civil	Middle East	United
2021	0.86	1.19	0.75	2.25	0.31	0.29	0.99	2.72	0.38	0.19
2020	0.55	0.85	0.79	0.90	-	0.25	1.11	2.03	-	0.14
2019	0.47	0.88	1.01	0.66	0.29	0.31	1.31	1.35	0.19	0.12
2018	0.45	0.90	1.78	0.63	0.39	0.31	1.23	0.75	0.25	0.16
2017	0.58	0.94	1.78	1.33	0.80	0.62	1.54	1.04	0.67	0.41
2016	0.66	0.92	1.78	1.99	0.92	1.08	1.93	0.90	0.82	0.55
2015	0.82	0.77	1.84	2.52	1.03	0.47	1.67	1.20	0.96	0.65
2014	1.78	1.24	1.94	3.33	1.82	1.38	1.61	1.91	1.13	1.24
2013	1.42	1.73	1.94	4.43	2.32	1.65	3.33	1.78	3.01	2.06
2012	1.78	2.39	1.97	3.87	2.20	1.61	2.35	1.83	2.75	3.21
2011	1.90	2.39	1.59	7.48	2.04	2.55	2.47	1.85	3.62	4.70

Table (6): The real value of the research sample

**Second: hypothesis testing:**

We tested the hypotheses according to the time series models and using the fixed effects model, The table below shows the test results according to this model:

Variable	Coefficient	t-Statistic	Prob	model		
				F	Prob (F-statistic)	result
administrative ownership	-1.782	-2.207	0.0297	12.235	0.00	significance
Institutional ownership	-1.179	-1.388	0.1682			
Foreign ownership	2.948	3.893	0.0002			
Government Ownership	-0.508	-0.334	0.7389			
Ownership of major shareholders	0.397	2.034	0.0447			

Table (7): fixed effects model

The result of the first hypothesis test: The result of the first hypothesis test shows that the value of the (t) test was (-2.207) at a significant level of (0.0297), which is a level less than (0.05). Increasing the percentage of administrative ownership by one unit leads to a decrease in the real value of the share by (1.7%). This result is consistent with the first hypothesis, which states that there is a significant effect of administrative ownership on the real value of the share.

The result of the second hypothesis test: The result of the second hypothesis test showed that the value of the (t) test amounted to (-1.388) at a significant level of (0.1682), which is a level higher than (0.05), and according to this result, an increase in institutional ownership by one unit leads to a decrease in the real value per share at a rate of (1.1%), and the effect is not significant, and this result is not consistent with the second hypothesis, which indicated that there is a significant effect of institutional ownership on the real value of the share.

The result of the third hypothesis test: The result of the third hypothesis test shows that the value of the (t) test was (3.893) at a significant level (0.0002), which is a level less than (0.05), and this result indicated that there is a direct effect of foreign ownership on the real value of the share, as it leads to an increase The ratio of foreign ownership by one unit to the increase in the real value of the share by (2.9%), and this result is consistent with the third hypothesis, which states that there is a significant effect of foreign ownership on the real value of the share.

The result of the fourth hypothesis test: The result of the fourth hypothesis test showed that the value of the (t) test amounted to (-0.334) at a significant level of (0.7389), which is a level higher than (0.05). According to this result, an increase in government ownership by one unit leads to a decrease in the real value. per share by (0.5%), and the effect is not significant, and this result does not agree with the fourth hypothesis, which indicated that there is a significant effect of government ownership on the real value of the share.

The result of testing the fifth hypothesis: The result of testing the fifth hypothesis shows that the

value of the (t) test was (2.034) at a significant level (0.0447), which is a level less than (0.05). Increasing the percentage of ownership of major shareholders by one unit leads to an increase in the real value of the share by (0.39%). This result is consistent with the fifth hypothesis, which states that there is a significant effect of ownership of major shareholders on the real value of the share.

### **Third: Conclusions:**

1. The ownership structure of the banks in the study sample is characterized by the concentration of ownership.
2. There is a weakness in the percentage of government ownership in the shareholding Iraqi banks.
3. The analytical side of the research proved the validity of the main hypothesis, as it was found that the ownership structure of the Iraqi private banks affects the real value of the shares of those banks.
4. The research proved that there is a significant opposite effect between management ownership and the real value of the share, and this can be attributed to the problems of agency and management's exploitation of the bank's resources.
5. The practical side did not prove the existence of a significant effect between institutional ownership and the real value of the share, and the reason for this may be that the institutions that own shares in the ownership of private Iraqi banks do not have sufficient experience in the banking sector because they invest in more than one sector.
6. The research confirmed the presence of a direct effect of significant significance between foreign ownership and the real value of the shares of the banks in the research sample, and this can be explained by the fact that foreign investment provides the possibility of bringing in experts and technology in a way that makes the performance of the bank better. Therefore, the banks with foreign ownership have a high real value of their shares.
7. The practical side did not prove the existence of a significant effect between government ownership and the real value of the shares of the research sample, and the reason behind this may be the government's lack of focus on investing in banks.
8. The research proved the existence of a significant direct effect between the ownership of the major shareholders and the real value of the share, and this indicates that the major shareholders are more keen to monitor the performance of the banks in which they contribute in addition to the ease of coordination between them and the management, and as a result, reducing the asymmetry of information between them between the management of the bank.

### **Fourth: Recommendations:**

1. The importance of banks' interest in attracting small shareholders to benefit from the advantages of dispersal of ownership, which contributes to increasing the real value of the share.
2. The need to pay attention to the existence of a percentage of government participation in banks, since the existence of government ownership works to enhance confidence among customers and shareholders.
3. The Banks should encourage foreign investors to increase their shareholding in order to benefit from foreign expertise and technology related to banking operations, which ultimately works to increase the real value of the bank's shares.
4. Institutions contributing to banks should work to share their expertise related to governance with the banks in which they contribute.

5. The need to work to reduce agency problems and information asymmetry between bank administrations and shareholders.
6. Governmental shareholders should enable the banks in which they contribute to benefit from the advantages of government ownership.
7. Banks with a lower ownership percentage of major shareholders should work to enhance their shareholding percentage and activate their role in oversight.

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