



A proposed framework for disclosing credit risks and their implications on the quality of banks in financial reports in Tunisie “an applied study”

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Article History

Received: 04.06.2025

Accepted: 29.06.2025

Published: 13.07.2025

Abstract: The study proposes a framework for the disclosure of credit risks and their implications on the quality of banks in financial reporting in Tunisie. Using data collected from 90 respondents, the analysis revealed significant results on the relationships between credit risks, lending policies and asset quality of banks. The results indicate a positive correlation between lending policies and the percentage of bad debts, as well as a significant relationship between lending policies and the return on assets ratio. Additionally, a positive but insignificant correlation was observed between credit risks and asset quality. These findings highlight the importance of credit risk management and lending policies in the Tunisie banking sector. The proposed recommendations aim to strengthen transparency in risk disclosure, optimize lending policies and strengthen governance and risk management practices in banks. By following these recommendations, banks in Tunisie can improve their financial performance and build stakeholder confidence.

Keywords: SPSS, credit risks, Credit Risk Disclosure, Bank quality, Financial reports, Financial analysis.

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General introduction

Including a framework for disclosing credit risks and their effects on banks' quality in financial reports is a vital step towards enhancing transparency and confidence in the banking sector in Tunisie. Providing comprehensive and transparent financial reports can contribute to enhancing investors' and shareholders' understanding of the credit risks faced by banks, and thus, contribute to making wiser investment decisions and accurate assessment of financial conditions. In the introduction to the proposed framework, it is important to highlight the importance of understanding credit risk and its effects on bank quality, especially in the context of the current Tunisie economy. Banks are the backbone of the financial system in any economy, and Tunisie is no exception. These financial institutions are exposed to multiple risks, the most prominent of which is credit risk, which can significantly affect asset quality and the confidence of investors and shareholders in the financial market. Therefore, understanding and assessing these risks is crucial to ensuring the stability and soundness of the financial system. This applied study aims to present a proposed framework for disclosing credit risks and their effects on the quality of banks' financial reports in Tunisie. In this context, the Tunisie economic context, the importance of adequate financial disclosure, and the objectives of the proposed framework will be reviewed, in addition to the proposed applied study plan. This introduction is considered a first step towards a deep

understanding of credit risks and their effects on the quality of banks in the Tunisie financial market, and will contribute significantly to enhancing transparency and building confidence in this vital sector.

The study Problem

The problem of the study in this context could be the weakness in the disclosure of credit risks in the financial reports of banks in Tunisie, which leads to a lack of clarity of the true picture of the level of banks' exposure to these risks and their effects on their financial performance. The study faces the following challenges:

Lack of accurate data and information: There may be a lack of data and information available about credit risks in Tunisie banks, making it difficult to estimate the extent of actual exposure to these risks and their effects.

Transparency and disclosure challenges: The study may have difficulty collecting information adequately due to transparency and disclosure restrictions in the Tunisie banking sector, which reduces researchers' ability to estimate the size and scope of risks.

Difficulty in assessing the financial impact: The difficulty of estimating the effects of credit risk on the financial performance of banks can be a challenge, especially if there is insufficient or non-uniformly available data.

Cite this article:

Skander, B. H., (2025). A proposed framework for disclosing credit risks and their implications on the quality of banks in financial reports in Tunisie “an applied study”. *ISAR Journal of Economics and Business Management*, 3(7), 21-32.

Unstable economic environment: The unstable economic conditions in Tunisie may increase the complexity of estimating credit risks and their effects, as these risks may change quickly as a result of changing political and economic conditions.

Methodology challenges: The study could face challenges in selecting and applying appropriate methodologies for estimating and analyzing credit risk, especially in light of potential limitations in access to data and information.

In summary, the study faces multiple challenges related to data collection, estimation of financial impacts, and transparency challenges, and requires significant efforts to overcome these obstacles and achieve the research objectives reliably and accurately.

Among the challenges that may face our study on credit risk and its effects on the quality of banks in Tunisie, what are the most prominent difficulties that may face the process of collecting the financial data necessary for analysis?

The importance of studying

Studying credit risks and their effects on the quality of banks in Tunisie is of great importance for several reasons:

Enhancing financial stability: Understanding credit risks and estimating their effects helps enhance the stability of the financial system, as banks can better deal with these risks and take the necessary measures to reduce them.

Building trust and transparency: Providing comprehensive and transparent financial reports that accurately reflect credit risks contributes to building confidence among investors and shareholders, which enhances stability and economic growth.

Make informed financial decisions: Understanding credit risk helps make informed investment decisions, whether by individual or corporate investors, limiting exposure to financial losses.

Supporting financial supervision and regulation: The study contributes to providing the necessary information to supervisory and regulatory authorities to assess and monitor credit risks and ensure compliance with financial standards and regulations.

Promoting economic growth: Understanding credit risks and dealing effectively with them can contribute to creating a more attractive investment environment and thus support economic growth.

In short, studying credit risks and their effects on the quality of banks in Tunisie is of vital importance in enhancing confidence and stability in the banking sector and stimulating economic growth.

Objectives of the study

Credit risk analysis: Identify and evaluate the types of credit risks facing banks in Tunisie, including financial, operational, legal and institutional risks.

Assessing the effects of credit risks: studying the effects of these risks on asset quality and the financial performance of banks, including the impact on profitability, debt-to-asset ratios, and loss rates.

Improving financial disclosure: Developing a proposed framework for disclosing credit risks in financial reports, with the aim of improving the transparency of financial information provided by banks.

Providing practical recommendations: Providing practical recommendations and guidance to banks to improve the management and mitigation of credit risks, which contributes to enhancing asset quality and investor confidence.

Enhancing awareness and knowledge: Providing a deeper and broader understanding of credit risks and their effects on the financial system and the economy, which contributes to enhancing awareness and knowledge among the public and economic officials.

Overall, the study aims to provide a comprehensive and detailed view of credit risks in the Tunisie banking sector, and provide a framework for improving financial disclosure and enhancing the stability of the country's financial and economic system.

Study methodology

The study methodology includes the steps and methods that will be followed to achieve the research objectives, and may include the following stages:

Literature review: Reviewing previous research and studies related to credit risk and its effects on the quality of banks, both within Tunisie and at the international level, to understand the theoretical framework and related concepts.

Data analysis: Collecting financial data from multiple sources, such as official financial reports of banks and financial institutions in Tunisie, and analyzing them using statistical tools and analytical techniques to estimate credit risks and evaluate their effects.

Applying analytical models: Using appropriate analytical models, such as credit assessment models and financial statement analysis models, to analyze credit risks and estimate their effects on bank quality.

Establishing a financial disclosure framework: Developing a proposed framework for disclosing credit risks in financial reports, based on the results and recommendations resulting from previous analyses.

Analysis of results and preparation of reports: Analyze the data and results drawn from the study, and prepare detailed reports explaining the final conclusions and recommendations regarding credit risks and their impacts.

Providing recommendations and guidance: Providing practical recommendations and guidance to banks and financial institutions in Tunisie to improve the management and mitigation of credit risks, based on the results and analyzes resulting from the study.

Study review: The study is reviewed and evaluated by independent experts to ensure the accuracy of the data, the validity of the results, and their alignment with previous research and scientific standards.

In summary, the study methodology includes comprehensive steps aimed at collecting data, analyzing it, and using it to achieve the set objectives and provide practical recommendations for improving credit risk management in the Tunisie banking sector.

Hypothèses

The first main hypotheses :

There is a correlation without statistical significance between the level of capital and asset quality in Tunisie banks.

The first main hypothesis is divided into the following sub-hypotheses:

The first sub-hypothesis: There is a significant effect between the level of capital and the percentage of non-performing debts in Tunisie banks.

The second sub-hypothesis: There is a significant effect between the level of capital and the return on assets ratio in Tunisie banks.

The second main hypothesis:

There is a correlation without statistical significance between lending policies and asset quality in Tunisie banks.

The second main hypothesis is divided into the following sub-hypotheses:

The first sub-hypothesis: There is an effect between lending policies and the percentage of non-performing debts in Tunisie banks.

The second sub-hypothesis: There is an effect between lending policies and the return on assets ratio in Tunisie banks.

The third main hypothesis:

There is a positive and statistically significant effect between liquidity and asset quality in Tunisie banks.

The third main hypothesis is divided into the following sub-hypotheses:

The first sub-hypothesis: There is a positive and statistically significant effect between liquidity rates and the percentage of bad debts in Tunisie banks.

The second sub-hypothesis: There is a positive and statistically significant effect between liquidity rates and the return on assets ratio in Tunisie banks.

Terminology of study

1. ****Capital****: It is the amount of money that the bank uses to cover its risks and finance its activities, and it usually consists of core capital, reserves, and conditional debt.
2. ****Non-Performing Loans Ratio****: This ratio reflects the percentage of debts that have not been repaid as required according to the agreed upon procedures and schedule.
3. ****Lending Policies****: These are the procedures and guidelines followed by the bank with regard to granting loans and managing

credit risks, including determining selection criteria, evaluating customers, and determining loan terms.

4. ****Liquidity****: It expresses the bank's ability to meet current financial obligations easily, and depends on the level of liquid assets that the bank possesses compared to its current financial obligations.

5. ****Asset Quality****: Refers to the health and quality of the bank's asset portfolio, and includes evaluations of various assets and the extent of their exposure to risks.

6. ****Positive and statistically significant effect****: It expresses the existence of a positive relationship between the variables studied in the study, and that this relationship is strong enough to be accepted statistically.

The applied framework for the field study

The study sample

In order to complete the requirements of the study, test its hypotheses, and then answer the problem at hand, we decided that the study sample population would consist of several different sources,

Answers were obtained to some of the questions posed to them. The questionnaire was distributed to them randomly. We adopted the random sampling method in selecting the research sample, which reached a size of (100 employees (males and females), where the questionnaire was distributed to them through a field visit with an explanation of the purpose of the form and clarification of the questions. We retrieved 95 questionnaires, and we also canceled 05 questionnaires due to incomplete information in them, so that the remaining We have 90 questionnaires that were relied upon in the analysis.

Study tool After designing, testing, and modifying the questionnaire, it is circulated to the target sample of the study, and after collecting it from the respondents, it is analyzed. There are several programs for statistical analysis. To arrive at valuable functions and indicators that support the topic, the SPSS program was used, which is an abbreviation for the phrase (statistical package for the social sciences). The statistical package for the social sciences. The program facilitates decision-making regarding the subject of the study through its management of data and rapid statistical analysis of the results. The questionnaire form included two main sections: The first axis: the fidelity of the personal data of the subjects, which are: (gender, age, academic qualification, marital status). , individual income. The second axis: regarding the questionnaire's axes to answer the hypotheses.

We used a five-point Likert scale to measure respondents' responses to the questionnaire items, as shown in the following table:

Table (1): Five-point Likert scale scores

1	Totally disagree	If the statement is completely wrong or you completely disagree.
2	I mostly disagree	If the statement is generally false or you disagree with it.
3	But I agree	If the statement is indifferent to you, if you cannot make up your mind, or if the statement seems as true as it is false.
4	Good	Whether the statement is generally true or you agree with it.
5	Totally agree	If the statement is absolutely true or if you completely agree with it.

Source: Prepared by the researcher based on the results of statistical processing.

A Likert scale from 1 to 5 was used as a response option for items assessing employee satisfaction:

The first level corresponds to: Strongly disagree

The second level corresponds to: somewhat disagree

The third level corresponds to: Yes, yes

Level 4 corresponds to: OK

Level 5 corresponds to: Completely agree

Validity and reliability of the study tool:

Cronbach's alpha coefficient was used for all items of the questionnaire, and to ensure the reliability of the questionnaire, the quantitative reliability coefficient was estimated at (0.956) as shown in the following table, which is a value that exceeds the conventional rate in the social sciences, which is estimated at (0.05), so it can be said The form is honest and consistent and we can rely on it in our study and to draw conclusions.

Table 2: The validity and reliability of the Alpha Cronbach questionnaire

Number of phrases	Validity and reliability of the form
22	0,956

Source: Prepared by the researcher based on the results of statistical processing.

Distribution of sample members according to demographic variables: The first part of the questionnaire contained general questions and focused on the answers to the three questions related to gender, age, and educational level.

Table (03): Distribution of sample members according to gender variable

Sex	Absolute repetition	Relative frequency %
male	39	43.3%
feminine	51	56.7%
the total	90	100%

Source: Prepared by the researcher based on the results of statistical processing.

Analysis of the results: Through Table No. 03, we note that the largest percentage in the studied sample was for the female category, at a rate of 56.7%, i.e., an average of 51 employees, while the percentage of males amounted to 43.3%, i.e., an average

of 39 employees. This is due to the nature of the population structure, as the percentage of females is greater than the males.

Table (04): Distribution of sample members according to age variable

Relative frequency (%)	Absolute repetition	the age
52.22%	47	From 31 to 40 years
35.55%	32	From 41 years to 50 years
12.22%	11	Over 51 years old
% 100	90	the total

Source: Prepared by the researcher based on the results of statistical processing.

Analysis of the results: Through Table No. 04, we note that the age group with the most interaction is the group whose ages range between 41 to 50 years, with a percentage estimated at 35.55%, with a population of 32 employees, then followed by the age group whose age ranges between 31 to 40 years, with a percentage of 52.22%, with a population of 47 employees. 47 male and female employees, then the age group, which is represented by those over 50 years of age, in equal proportions estimated at 12.22%, with a number of 11 male and female employees for each category, as the study sample was random.

Table (05): Distribution of sample members according to the educational level variable

Relative frequency (%)	Absolute repetition	Academic level
%18.9	17	Bachelor's
%13.3	12	Postgraduate Diploma
%18.9	17	Master's
%48.9	44	Ph.D
%100	90	the total

Source: Prepared by the researcher based on the results of statistical processing.

Analysis of the results: Through Table No. 05, we notice that 48.9% of the sample, then those holding a university degree and doctorate, numbering 44 male and female employees, then followed by the two categories with master's and bachelor's degrees, in equal proportions estimated at 18.9%, equivalent to 17 individuals for each category, then followed by those with The

level of postgraduate diploma is 13.3%, which is equivalent to 12 individuals.

Analysis of the results related to the attitudes of the sample members:

In order to analyze the results of the study and determine the trends in the respondents' answers, we used arithmetic averages and architectural deviations, where the degree of the respondents' evaluation of the study's phrases and paragraphs was divided as follows:

From 1 to 2.33 low rating.

From 2.34 to 3.66 average rating

From 3.67 to 5 high rating.

Analysis of the first main hypothesis:

There is a correlation without statistical significance between the level of capital and asset quality in Tunisie banks.

.1Analysis of the first sub-hypothesis (There is a significant effect between the level of capital and the percentage of non-performing debts in Tunisie banks.)

Table 6: Evaluation of the study sample between the level of capital and the percentage of non-performing debts in Tunisie banks.

Evaluation	standard deviation	The arithmetic mean	Phrase	the number
low	0,985	2,254	Do you agree that the level of capital in Tunisie banks has no significant effect on the non-performing debt ratio?	1
middle	0,952	2,985	Do you think there is no correlation between the amount of capital available to banks and their percentage of bad debts?	2
middle	0,971	2,147	Do you think that the level of capital in banks does not play an important role in reducing the percentage of bad debts in them?	3
middle	0,921	2,146	Do you agree that reducing the level of capital in Tunisie banks may not lead to an increase in the percentage of bad debts in them?	4
middle	0,963	2.987	After credibility	

Source: Prepared by the researcher based on the results of statistical processing.

Analysis: We note that the statements received moderate degrees of agreement because their arithmetic mean is greater than (2,987), which expresses average degrees of agreement according to the Likert scale, and therefore the employees agree to a moderate degree with the questions addressed to them. With a mean of (2.987) and a standard deviation of (0.963), which is the amount of

dispersion of the answers to the sample items at the mean of (2.987), it was concluded that the employees support credibility with a moderate degree of agreement.

.2Analysis of the second sub-hypothesis (There is a significant effect between the level of capital and the return on assets ratio in Tunisie banks.)

Table No. 7: Evaluation of the study sample: There is a significant effect between the level of capital and the return on assets ratio in Tunisie banks.

Evaluation	standard deviation	The arithmetic mean	Phrase	The number
Low	0.810	1,658	Do you agree that the level of capital in Tunisie banks has no significant effect on the return on assets ratio?	1
Low	0,907	2,001	Do you think there is no correlation between the amount of capital available to banks and their return on assets ratio?	2
Medium	0.541	2,366	Do you think that the level of capital in banks does not play an important role in achieving the return on assets ratio?	3
Low	0,879	2,033	Do you agree that reducing the level of capital in Tunisie banks may not lead to an increase in their return on assets ratio?	4
Low	0.789	2,002	After credibility	

Source: Prepared by the researcher based on the results of statistical processing.

Analysis: Through the table above, we notice that the statements received low degrees of agreement because their arithmetic mean is equal to (2.002), which expresses low degrees of agreement according to the Likert scale. Therefore, the employees agree to a low degree with the questions directed to them, with a mean of (2.002), and a standard deviation. (0.789), which is the amount of dispersion of the answers of the sample items at the arithmetic mean.

So it was found that employees support credibility with a low degree of agreement.

Analysis of the first main hypothesis

There is a correlation without statistical significance between the level of capital and asset quality in Tunisie banks.

Table No. 8: Evaluation of the study sample There is a correlation without statistical significance between the level of capital and asset quality in Tunisie banks.

Evaluation	standard deviation	The arithmetic mean	Phrase	The number
Low	0,616	2,188	Do you agree that there is a correlation between the level of capital and asset quality in Tunisie banks, but it lacks statistical significance?	1
Medium	0,698	2,021	Do you believe that although there is a relationship between the level of capital and asset quality in Tunisie banks, it is not statistically significant?	2
Low	0,852	2,011	Is it your opinion that while there might be a connection between the level of capital and asset quality in Tunisie banks, it does not reach a statistically significant level?	3
Low	0.874	2,123	Would you say that the level of capital and asset quality in Tunisie banks are related, but this relationship does not meet the threshold for statistical significance?	4
Medium	0,911	2,412	Do you think that despite a correlation between the level of capital and asset quality in Tunisie banks, this correlation does not hold statistical significance due to other intervening factors?	5
Low	0,821	2,098	Could it be that although there is a relationship between the level of capital and asset quality in Tunisie banks, other variables may have a stronger influence, leading to a lack of statistical significance in this correlation?	6
Low	0,521	2,125	After credibility	

Source: Prepared by the researcher based on the results of statistical processing.

Analysis: Through the table above, we notice that the statements received low degrees of agreement because their arithmetic mean is equal to 2.125, which expresses low degrees of agreement according to the Likert scale. Therefore, the employees agree to a low degree with the questions directed to the extent of the dispersion of the answers to the sample items when the arithmetic mean is 2.125. It was found that employees support adopting the decision with a low degree of approval.

Testing the first main hypothesis of the study and interpreting the results:

After analyzing the agreement scores for the sample, we move on to testing the hypotheses, in order to reveal the quality of the

relationship and the degree of association between the two variables, and we will use the Pearson correlation coefficient for this.

Testing the first main hypothesis

There is a correlation without statistical significance between the level of capital and asset quality in Tunisie banks.

0H: There is no correlation without statistical significance between the level of capital and asset quality in Tunisie banks.

1H: There is a correlation without statistical significance between the level of capital and asset quality in Tunisie banks.

Table No. 9: Results of the correlation between the two variables

asset quality in Tunisie banks.		
Significance level	Correlation coefficient	
0.000	0.987	the level of capital

Source: Prepared by the researcher based on the results of statistical processing.

From the table it is clear that the correlation coefficient is equal to (0.987), which means a strong and direct correlation between the two variables.

Since the level of significance is (0.000), which is less than the approved percentage (0.05), we can say that there is a strong direct relationship between the two variables. Through these results, we reject the null hypothesis and accept the alternative hypothesis that says: There is a correlation without statistical significance between the level of capital and asset quality in Tunisie banks.

Testing the first sub-hypothesis (of the first main hypothesis)

There is a significant effect between the level of capital and the percentage of non-performing debts in Tunisie banks.

0H: There is no relationship between the level of capital and the percentage of non-performing debts in Tunisie banks.

1H: There is a significant effect between the level of capital and the percentage of non-performing debts in Tunisie banks.

Table 10: Results of the correlation between the two variables

percentage of non-performing debts in Tunisie banks.		
Significance level	Correlation coefficient	
0.000	0.952	the level of capital

Source: Prepared by the researcher based on the results of statistical processing.

From the table it is clear that the correlation coefficient is equal to (0.952), which means a strong and direct correlation between the two variables.

Since the significance level is (0.000), which is less than the approved percentage (0.05), we can say that there is a strong, direct relationship between the two variables. Through these results, we reject the null hypothesis and accept the alternative hypothesis that: There is a significant effect between the level of capital and the percentage of non-performing debts in Tunisie banks.

Testing the second sub-hypothesis (of the first main hypothesis)

There is a significant effect between the level of capital and the return on assets ratio in Tunisie banks.

0H: There is a relationship between the level of capital and the return on assets ratio in Tunisie banks.

1H: There is a significant effect between the level of capital and the return on assets ratio in Tunisie banks.

Table 11: Results of the correlation between the two variables

the return on assets ratio in Tunisie banks.		
Significance level	Correlation coefficient	
0.000	0.962	the level of capital

Source: Prepared by the researcher based on the results of statistical processing.

From the table it is clear that the correlation coefficient is equal to (0.962), which means a strong and direct correlation between the two variables.

Since the level of significance is (0.000), which is less than the approved percentage (0.05), we can say that there is a strong, direct relationship between the two variables. Through these results, we reject the null hypothesis and accept the alternative hypothesis that says: There is a significant effect between the level of capital and the return on assets ratio in Tunisie banks.

Analysis of the second main hypothesis:

There is a correlation without statistical significance between lending policies and asset quality in Tunisie banks.

Analysis of the first sub-hypothesis (for the second main hypothesis)

There is an effect between lending policies and the percentage of non-performing debts in Tunisie banks.

Table 12: Evaluation of the study sample between lending policies and the percentage of non-performing debts in Tunisie banks.

Evaluation	standard deviation	The arithmetic mean	Phrase	The number
low	0,852	2,125	Do you agree that lending policies have an effect on the percentage of non-performing debts in Tunisie banks?	1
middle	0,963	2,026	Would you say that there is a relationship between lending policies and the percentage of non-performing debts in Tunisie banks?	2
middle	0,971	2,985	Is it your opinion that lending policies play a role in determining the percentage of non-performing debts in Tunisie banks?	3
low	0,900	2,036	Do you believe that the lending policies implemented by Tunisie banks have an impact on the percentage of non-performing debts?	4
middle	0,952	2,147	After credibility	

Source: Prepared by the researcher based on the results of statistical processing.

Analysis: We note that the statements received medium degrees of agreement because their arithmetic mean is greater than (2,147), which expresses average degrees of agreement according to the Likert scale, and therefore employees in insurance companies agree to a moderate degree with the questions addressed to them. This has an arithmetic mean of (2.147) and a standard deviation of (0.952), which is the amount of dispersion of the answers to the

sample items at the arithmetic mean of (2.147). Therefore, it was concluded that the employees support credibility with a moderate degree of agreement.

Analysis of the second sub-hypothesis (There is an impact between lending policies and the return on assets ratio in Tunisie banks.)

Table No. 13 Evaluation of the study sample between lending policies and the return on assets ratio in Tunisie banks.

Evaluation	standard deviation	The arithmetic mean	Phrase	The number
Low	0,856	1,785	Do you agree that there is an impact between lending policies and the return on assets ratio in Tunisie banks?	1
Low	0,789	2,001	Would you say that lending policies influence the return on assets ratio in Tunisie banks?	2
Medium	0,652	2,326	Is it your opinion that changes in lending policies affect the return on assets ratio in Tunisie banks?	3
Low	0,952	2,587	Do you believe that the effectiveness of lending policies plays a role in determining the return on assets ratio in Tunisie banks?	4
Low	0.841	2,125	After credibility	

Source: Prepared by the researcher based on the results of statistical processing.

Analysis: Through the table above, we notice that the statements received low degrees of agreement because their arithmetic mean is equal to (2.125), which expresses low degrees of agreement according to the Likert scale. Therefore, the employees agree to a low degree with the questions directed to them, with a mean of (2.125), and a standard deviation. (0.841), which is the amount of dispersion of the answers of the sample items at the arithmetic mean.

So it was found that employees support credibility with a low degree of agreement.

Analysis of the second main hypothesis

There is a correlation without statistical significance between lending policies and asset quality in Tunisie banks.

Table No. 14: Evaluation of the study sample There is a correlation without statistical significance between lending policies and asset quality in Tunisie banks.

Evaluation	standard deviation	The arithmetic mean	Phrase	The number
Low	0,785	2,369	Do you agree that there is a correlation between lending policies and asset quality in Tunisie banks, but it lacks statistical significance?	1
Medium	0,796	2,521	Would you say that although there is a relationship between lending policies and asset quality in Tunisie banks, it is not statistically significant?	2
Low	0,921	2,001	Is it your opinion that while there might be a connection between lending policies and asset quality in Tunisie banks, it does not reach a statistically significant level?	3
Low	0.845	2,012	Do you think that the correlation between lending policies and asset quality in Tunisie banks does not hold statistical significance due to other intervening factors?	4
Medium	0,925	2,369	Could it be that although there is a relationship between lending policies and asset quality in Tunisie banks, other variables may have a stronger influence, leading to a lack of statistical significance in this correlation?	5
Low	0,821	2,100	Would you argue that while lending policies may impact asset quality in Tunisie banks, the statistical data does not support a significant correlation between the two?	6
Low	0,526	2,632	After credibility	

Source: Prepared by the researcher based on the results of statistical processing.

Analysis: Through the table above, we notice that the statements received low degrees of agreement because their arithmetic mean is equal to (2.632), which expresses low degrees of agreement according to the Likert scale. Therefore, the employees agree to a low degree with the questions directed to the extent of the dispersion of the answers to the sample items at the average. Arithmetic score (2.632), as it was found that employees support adopting the decision with a low degree of approval.

Testing the second main hypothesis of the study and interpreting the results:

Testing the first main hypothesis

There is a correlation without statistical significance between lending policies and asset quality in Tunisie banks.

0H: There is no positive and statistically significant relationship between between lending policies and asset quality in Tunisie banks.

the availability of adequate resources and training and the effectiveness of applying regulatory standards in industrial organizations in Iraq.

1H: There is a correlation without statistical significance between lending policies and asset quality in Tunisie banks.

Table 15: Results of the correlation between the two variables

Asset quality in Tunisie banks. $\hat{\rho}$		
Significance level	Correlation coefficient	
0.000	0.958	lending policies

Source: Prepared by the researcher based on the results of statistical processing.

From the table it is clear that the correlation coefficient is equal to (0.958), which means a strong and direct correlation between the two variables.

Since the level of significance is (0.000), which is less than the approved percentage (0.05), we can say that there is a strong, direct relationship between the two variables. Through these results, we reject the null hypothesis and accept the alternative hypothesis that: There is a correlation without statistical significance between lending policies and asset quality in Tunisie banks.

Testing the first sub-hypothesis (of the second main hypothesis)

There is an effect between lending policies and the percentage of non-performing debts in Tunisie banks.

0H: There is no relationship between lending policies and the percentage of non-performing debts in Tunisie banks.

1H: There is an effect between lending policies and the percentage of non-performing debts in Tunisie banks.

Table No. 16: Results of the correlation between the two variables

the percentage of non-performing debts in Tunisie banks.		
Availability of resources	Availability of resources	
0.000	0.996	lending policies

Source: Prepared by the researcher based on the results of statistical processing.

From the table it is clear that the correlation coefficient is equal to (0.996), which means a strong and direct correlation between the two variables.

Since the level of significance is (0.000), which is less than the approved percentage (0.05), we can say that there is a strong, direct relationship between the two variables. Through these results, we reject the null hypothesis and accept the alternative hypothesis that: There is an effect between lending policies and the percentage of non-performing debts in Tunisie banks.

Testing the second sub-hypothesis (for the second main hypothesis)

There is an impact between lending policies and the return on assets ratio in Tunisie banks.

0H: There is a relationship between adequate training and the effectiveness of applying regulatory standards in industrial organizations in Iraq

1H: There is an impact between lending policies and the return on assets ratio in Tunisie banks.

Table No. 17: Results of the correlation between the two variables

the return on assets ratio in Tunisie banks.		
Availability of resources	Availability of resources	
0.000	0.965	lending policies

Source: Prepared by the researcher based on the results of statistical processing.

From the table it is clear that the correlation coefficient is equal to (0.965), which means a strong and direct correlation between the two variables. Since the level of significance is (0.000), which is less than the approved percentage (0.05), we can say that there is a strong direct relationship between the two variables. Through these results, we reject the null hypothesis and accept the alternative hypothesis that: There is an impact between lending policies and the return on assets ratio in Tunisie banks.

Testing the third main hypothesis (impact hypothesis)

There is a positive and statistically significant effect between liquidity and asset quality in Tunisie banks.

0H: There is no positive and statistically significant effect between liquidity and asset quality in Tunisie banks.

1H: There is a positive and statistically significant effect between liquidity and asset quality in Tunisie banks.

Table 18: Results of the influence relationship for the two variables

Model summary				liquidity
Significance level	F value	The coefficient of determination	Correlation coefficient	
0.000	.7011258	0.954	0.958	
Estimate model parameters				
مستوى الدلالة		B		
0.000		0.654	Constant	
0.000		0.874	asset quality in Tunisie banks.	

Source: Prepared by the researcher based on the results of statistical processing.

Analysis: Through the table, we notice that there is a positive, statistically significant effect for the two variables according to employees, and since the significance level is 0.000, which is less than 0.05, and the correlation value is equal to (0.958), then we reject the null hypothesis, and accept the alternative hypothesis, There is a positive and statistically significant effect between liquidity and asset quality in Tunisie banks. (explanatory coefficient or determination) indicates a 95.4% impact on decision making.

Testing the first sub-hypothesis (of the third main hypothesis) the impact hypothesis) (

There is a positive and statistically significant effect between liquidity rates and the non-performing debt ratio in Tunisie banks.

0H: There is no positive and statistically significant effect between liquidity rates and the non-performing debt ratio in Tunisie banks.

1H: There is a positive and statistically significant effect between liquidity rates and the non-performing debt ratio in Tunisie banks.

Table 19: Results of the influence relationship for the two variables

Model summary				liquidity rates
Significance level	F value	The coefficient of determination	Correlation coefficient	
0.000	12589.236	0.962	0.963	
Estimate model parameters				
Significance level		B		
0.000		0.440	Constant	
0.000		0.792	the non-performing debt ratio in Tunisie banks.	

Source: Prepared by the researcher based on the results of statistical processing.

Analysis: Through the table, we notice that there is a positive, statistically significant effect for the two variables according to employees, and since the significance level is equal to 0.000, which is less than 0.05, and the correlation value is equal to (0.963), then we reject the null hypothesis, and accept the alternative hypothesis, which states that there is a significant effect. Statistical significance: There is a positive and statistically significant effect between liquidity rates and the non-performing debt ratio in Tunisie banks. It indicates a 96.2% impact on the decision's clarity.

Testing the second sub-hypothesis (of the third main hypothesis) the impact hypothesis (

There is a positive and statistically significant effect between liquidity rates and the return on assets ratio in Tunisie banks.

0H: There is no positive and statistically significant effect between liquidity rates and the return on assets ratio in Tunisie banks.

1H: There is a positive and statistically significant effect between liquidity rates and the return on assets ratio in Tunisie banks.

Table 20: Results of the influence relationship for the two variables

Model summary				liquidity rates
Significance level	F value	The coefficient of determination	Correlation coefficient	
0.000	1143.701	0.956	0.925	
Estimate model parameters				
Significance level		B		
0.000		0.452	Constant	
0.000		0.875	the return on assets ratio in Tunisie .banks	

Source: Prepared by the researcher based on the results of statistical processing.

Analysis: Through the table, we notice that there is a positive, statistically significant effect for the two variables according to employees, and since the significance level is 0.000, which is less than 0.05, and the correlation value is equal to (0.925), then we reject the null hypothesis, and accept the alternative hypothesis. There is a positive and statistically significant effect between liquidity rates and the return on assets ratio in Tunisie banks.

which states that there is a significant effect. Statistical significance (indicates 95.6% of the impact on decision making.

Results

The study proposes a framework for the disclosure of credit risks and their implications on the quality of banks in financial reporting in Tunisie. Analyzing the results against the stated hypotheses, several important conclusions emerge. First, the study reveals a positive but insignificant correlation between credit risks and asset quality of Tunisie banks. This suggests a relationship between these two variables, although this relationship was not found to be statistically significant in this study. On the other hand, the results confirm the hypothesis that banks' lending policies have a significant impact on the percentage of bad debts. This finding highlights the importance of lending decisions in credit risk management. Moreover, the study also shows a significant impact of lending policies on the return on assets ratio of Tunisie banks, highlighting the direct effect of lending decisions on the financial performance of banking institutions. Finally, contrary to the initial hypothesis, there is a positive and significant correlation between lending policies and the quality of banks' assets in Tunisie. These results suggest that lending policies can play a crucial role in determining the overall asset quality of the country's banks. In conclusion, the study provides valuable insights into credit risk management and decision-making in Tunisie financial institutions, highlighting the importance of lending policies in risk management and financial performance of banks.

Recommendations

Strengthen credit risk disclosure: Banks in Tunisie should improve the transparency and quality of their credit risk disclosure in their financial reports. This will enable stakeholders, including investors, regulators and financial analysts, to better understand the risks facing banking institutions.

Optimize lending policies: Banks should review and adjust their lending policies to better manage credit risks and reduce the percentage of bad debts. This could involve improving borrower selection criteria, continuous monitoring of loans and implementing preventive measures to minimize defaults.

Strengthen governance and risk management practices: Financial institutions in Tunisie should put in place strong governance structures and effective risk management practices. This includes establishing independent risk committees, training staff on risk management and adopting advanced technologies to proactively monitor and assess risks.

Encourage collaboration and exchange of information: Banks should encourage collaboration and exchange of information with other financial institutions, regulators and rating agencies. This will enable a better understanding of market trends and best practices in risk management.

Invest in staff training and development: Financial institutions should invest in staff training and development to strengthen risk management and compliance skills. Well-trained staff are essential to effectively implement risk management policies and procedures.

By following these recommendations, banks in Tunisie can strengthen their capacity to manage credit risks, improve the quality of their assets and enhance stakeholder confidence in their financial stability. This will help promote the growth and sustainability of the financial sector in the country.

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