

Assessing the Extent of Algerian Public Banks' Commitment to the Factors Influencing Credit Granting Decisions for Clients: Field study of the Bank of Agriculture and Rural Development in Adrar State, Algeria

تقييم مدى التزام البنوك العمومية الجزائرية بالعوامل المؤثرة في قرارات منح الائتمان للعملاء:
دراسة ميدانية لبنك الفلاحة والتنمية الريفية في ولاية أدرار الجزائر

Belkacem Mimouni¹, Zine El Abidine Othmani², laila belouar³

¹ Ahmed Draia University of Adrar, Spatial Development and Entrepreneurship Studies Lab, – Adrar (Algeria), bel.mimouni@univ-adrar.edu.dz

² Ahmed Draia University of Adrar – Adrar (Algeria), zine.othmani@univ-adrar.edu.dz

³ University of Setif 2, – Setif (Algeria), l.belouar@univ-setif2.dz

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Abstract:

The present research endeavors to evaluate the level of adherence exhibited by Algerian public banks concerning the determinants impacting customer decisions in the realm of bank credit. To accomplish this objective, researchers executed a study in conjunction with the Bank of Agriculture and Rural Development in Adrar, involving the administration of questionnaires and the application of SPSS software for data analysis.

The study yielded several key findings, notably that the Bank of Agriculture and Rural Development in Adrar demonstrates adherence to factors concerning customers' financial positions and the guarantees they provide when deciding on credit approvals. The research underscores the importance for bank management to prioritize factors associated with personal reputation, as they significantly influence credit approval decisions.

Keywords: Bank Credit Decision, Financial Position, Personal Reputation, Guarantees Provided.

JEL Classification Codes: : M42, G39

ملخص:

يهدف هذا البحث إلى تقييم مستوى التزام البنوك العمومية الجزائرية بالعوامل المؤثرة في قرارات العملاء المتعلقة بالائتمان المصرفي، ولتحقيق هذا البحث تم إجراء دراسة تطبيقية في بنك الفلاحة والتنمية الريفية في ولاية أدرار، وذلك من خلال توزيع استبيان كأداة لجمع البيانات واستخدام برنامج *spss* لتحليل الإجابات.

توصلت الدراسة إلى عدة نتائج أهمها أن بنك الفلاحة والتنمية الريفية بولاية أدرار يلتزم بمراعاة العوامل المتعلقة بالعوامل بالوضع المالي للعملاء والضمانات التي يقدمونها عند اتخاذ قرارات الموافقة على الائتمان. ويؤكد هذا البحث على أهمية إعطاء إدارة البنك الأولوية للعوامل المرتبطة بالسمعة الشخصية لما لها من تأثير كبير على قرارات الموافقة على الائتمان.

كلمات مفتاحية: قرار الائتمان المصرفي، الوضع المالي، السمعة الشخصية، الضمانات المقدمة.

تصنيفات JEL: M42, G39.

Corresponding author: zineelabidine othmani, **e-mail:** zine.othmani@univ-adrar.edu.dz

INTRODUCTION

Banks hold a significant position in the economic landscape of any country, as they facilitate the mobilization of financial savings within society and allocate them to diverse economic endeavors following established standards aligned with the country's overarching economic policies. Furthermore, banks fulfill numerous pivotal roles in contemporary society, serving as fundamental pillars upon which both economic and social activities are structured.

Granting credit stands out as one of the foremost functions undertaken by banks, as it directly fuels economic activity and fosters job creation across various sectors. Yet, a crucial aspect of this process lies in evaluating the creditworthiness of customers, serving as the foundation upon which many international banks base their decisions when extending credit. The precision of these assessments directly correlates with the mitigation of credit risks faced by the bank.

Credit facilities represent a substantial portion of a bank's assets, so deciding to extend them to customers is of paramount significance. This importance is particularly highlighted in cases where customers default on payments, leading to a shortfall in the bank's financial resources. Such instances often stem from banks neglecting or overlooking certain factors and procedures during the decision-making process and subsequent monitoring of credit granted to customers.

Building on this premise, the researcher endeavors, through this study, to assess the degree of adherence among public banks in Algeria to the factors influencing customers' bank credit decisions, with a specific focus on the Bank of Agriculture and Rural Development in Adrar.

a) Statement of the problem:

Due to the health crisis experienced by Algeria, mirroring global conditions with the outbreak of the COVID-19 pandemic, numerous customers, particularly those receiving the credit from public banks, have encountered difficulties. This can be attributed to various factors, with a significant one being the failure to adhere to the standards and principles governing the bank credit process. Additionally, inadequate technical-economic evaluations of granted loans and a lack of consistent monitoring of customer activities have contributed to these challenges.

Based on the aforementioned, this study attempts to answer the following question:

To what extent does the Bank of Agriculture and Rural Development in Adrar adhere to the factors determining the decision to grant bank credit to the customer?

b) Study hypotheses:

Based on the problem presented, the following main hypothesis can be formulated:

- The Bank of Agriculture and Rural Development does not adhere to the factors determining the decision to grant bank credit to the customer

This yields the following sub-hypotheses:

- The Bank of Agriculture and Rural Development does not consider factors related to the customer's financial position when deciding to grant credit.
- The Bank of Agriculture and Rural Development does not consider factors related to the customer's personal reputation when deciding to grant credit.

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- The Bank of Agriculture and Rural Development does not adhere to the factors related to the guarantees provided by the customer when deciding to grant credit.

c) Objectives of the study:

The present study aims to achieve the following:

- Identifying the most important factors affecting the credit decision-making process;
- Knowing the extent of the Bank of Agriculture and Rural Development's commitment to factors related to the customer's financial position when deciding to grant credit;
- Knowing the extent of the Bank of Agriculture and Rural Development's commitment to factors related to the customer's personal reputation when deciding to grant credit;
- Knowing the extent of the Bank of Agriculture and Rural Development's commitment to the factors related to the guarantees provided by the customer when deciding to grant credit;

d) Significance of the study:

The significance of this study stems from the following factors:

- Examine the diverse customer-specific factors linked to the process of making credit decisions.
- Credit activity is the basic pillar of business for commercial banks.
- Assisting the bank management by providing recommendations that help it rationalize its credit decisions and reduce non-performing loans.

e) Limitations of the study:

- This study was conducted within a broad framework delineated by four limits:

Spatial limits: Bank of Agriculture and Rural Development - Adrar Regional Complex, which consists of 07 seven local exploitation agencies.

- Time limits: This research was prepared during the first quarter of 2022.
- Human limits: It includes the director of the regional complex and his deputies, as well as heads of departments, in addition to directors of local agencies, as well as loan department employees, and those in charge of clients.
- Objective limits: Knowing the extent of the Bank of Agriculture and Rural Development's commitment to the factors determining the decision to grant bank credit to the customer.

f) The theoretical framework of the study

– Review of previous studies:

- **Study by Hadeel Al-Sheikhli (2012): Titled "Key Determinants of Credit Decisions in Jordanian Commercial Banks"**

The research deeply examined the primary drivers of credit decisions: the client's financial standing, personal attributes, and the bank's credit policy, especially concerning credit risk management. Findings revealed the significant impact of these factors on credit decisions in Jordanian commercial banks. Participants strongly agreed that the bank's credit

policy was paramount, followed by the customer's financial status, with personal characteristics holding the least importance.

- **Study by Al-Dabbas (2014): Titled "Factors Influencing the Credit Decision-Making Process in Banks Operating in Syria"**

This study seeks to explore the experiences of Syrian private banks in financing both companies and individuals, as well as their credit decision-making processes. Additionally, it aims to illuminate the factors that influence these decision-making processes. The study's hypotheses were evaluated based on the perspectives of credit employees from six banks included in the research sample. The findings suggest that credit decisions in Syrian private banks are influenced by a variety of factors and tools, including financial considerations and those related to the client, sector, and surrounding circumstances. The significance of each factor varies depending on the scale and nature of the client's activities and business. Consequently, Syrian private banks do not rely solely on any single type of factor in their decision-making processes.

- **Study by Nassar (2015): Titled "Factors Determining the Decision to Grant Direct Credit Facilities: A Comparative Analytical Study in Islamic and Commercial Banks Operating in the Gaza Strip"**

The study sought to determine whether banks operating in the Gaza Strip, including both commercial and Islamic institutions, consider specific factors when deciding to grant direct credit facilities to customers. It aimed to ascertain the degree of conformity or disparity between these banks regarding the utilization of such factors through a comparative analysis. The study's conclusions revealed that while both commercial and Islamic banks take into consideration a range of factors when making credit decisions, they fundamentally differ in their approach to utilizing these factors. The divergence between commercial and Islamic banks was evident, particularly in factors concerning the customer's repayment capability and the guarantees offered by the customer, as well as bank-specific considerations. However, they exhibit alignment in their utilization of factors related to the customer's character, capital, profit-generating capacity, and the prevailing economic and political circumstances.

- **Comments on the presented previous studies:**

The present study aligns with previous research by examining the factors influencing credit decision-making and by identifying the credit-granting procedures and types of credit facilities offered in commercial banks. However, it diverges from previous studies in its focus on the Algerian Public Authority's banks and its exploration of the key procedures associated with the credit-granting process.

1- The conceptual framework of the study variables

1-1 credit:

Bank credit holds significant importance, both within commercial banks and in the broader economy, constituting the largest portion of assets and generating substantial returns, which in turn contribute significantly to revenues. On a national scale, bank credit is a crucial economic activity that plays a pivotal role in driving the growth of any economy worldwide.

1-1-1 Definition of bank credit:

There are several definitions of credit, the most important ones are discussed below:
One of the primary definitions of credit revolves around the concept of trust, wherein a bank entrusts a specific or determinable amount of money to its client in exchange for a

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predetermined return, as outlined in their agreement. This money is typically utilized for a designated purpose over a specific period. Before extending credit, thorough studies are conducted to ascertain the adequacy of anticipated cash flows for the financed activity, ensuring the ability to mitigate associated risks. Additionally, in certain circumstances deemed appropriate by the bank, customers may be required to provide additional guarantees, whether in the form of collateral or other acceptable means (Shehata, 2009, p. 24).

The second definition of credit entails the trust that a commercial bank vests in an individual by providing them with a sum of money or entrusting them with it for an agreed-upon period. At the conclusion of this period, the borrower fulfills their obligations, compensating the bank with a predetermined return, which typically includes interest, commissions, and expenses (Al-Sisi, 2008, p. 15).

The third definition of credit pertains to the trust established by a bank in its customer, wherein the bank provides a sum of money for a specified purpose and duration. In return, the bank receives an agreed-upon financial return. Additionally, the customer provides a guarantee to ensure the bank's ability to recover its funds in the event of non-payment (Bin Omar, 2010, p. 04)

Based on the previous definitions, a comprehensive definition of bank credit can be formulated as follows: Bank credit entails the provision of funds by a bank to individuals and institutions, contingent upon agreed-upon guarantees. The debtor commits to repaying these funds within specified timeframes.

1-2-2 Bank credit functions:

There are several functions of credit, the most important of which are (Saad, 1991, pp. 48-52):

- Bank credit facilitates the efficient utilization of available resources derived from the savings process across various segments of society.
- It allows the concentration of capital and enables institutions to expand their activities;
- Bank credit plays a pivotal role in activating the production processes of enterprises and enhancing their competitive capabilities.
- Bank credit serves as a crucial component in the money creation process, leading to an augmentation of deposits and an expansion of cash circulation.

1-2- Policy:

The credit policy serves as the guiding framework for banks in their approach to handling credit. Various definitions of this policy exist, with the most significant ones including:

- The credit policy encompasses a series of decisions, procedures, and measures on the determination of loan sizes and specifications, as well as the controls for granting, monitoring, and collecting them. Therefore, the credit policy within a commercial bank should incorporate regulations governing the lending process at its different stages, ensuring these regulations are both flexible and well-understood across all administrative levels involved in lending activities.

- The credit policy entails a series of decisions regarding credit standards, terms for extending credit, collection strategies, and procedures for monitoring credit (Tariq, 2000, p. 313).

Every bank formulates its own credit policy, endorsed by senior management, to accomplish

several objectives, as outlined below (Theeb, 2012, p. 56):

- The integrity of the credit granted by the commercial bank;
- Preventing conflicts in credit decision-making by uniformity of thought and consistency between the bank and its customers;
- Continuously developing the commercial bank's activity and achieving an appropriate return by reducing losses and increasing profits.
- Maintaining the bank's continuity in performing its mission, expanding its scope, and supporting it.

1-3- Credit decision making:

credit decision involves evaluating and either approving or denying loan requests and credit facilities from the bank's customers, primarily by weighing the anticipated returns against the associated risks and potential costs of the requested credit. This decision-making process follows a series of steps and is influenced by various factors.

1-4- Steps for granting credit:

Initially, the bank initiates contact with both existing and prospective customers by deploying posters and advertisements detailing the available loan options. This approach aims to bolster the loyalty of existing customers while enticing new ones to engage with the bank. Subsequently, for customers interested in obtaining loans, the bank proceeds with the following steps:

- Initial examination of the loan application: The loan process commences when a customer submits a loan request to the bank. The bank then conducts a thorough assessment to gauge its initial suitability based on the credit policy, particularly focusing on factors such as the loan's intended purpose, maturity period, and repayment method (Al-Hinnawi, 2002, p. 213).
- Credit analysis of bank loans: The credit analysis process involves gathering information about the customer from diverse sources and analyzing it to determine their credit capacity. This includes evaluating factors such as personal reputation, repayment capability, and provided guarantees (Al-Zubaidi, 2002, p. 205).
- Negotiating the loan application: Following the completion of the previous two stages, the bank and the customer negotiate and finalize the terms of the contract. This agreement encompasses specifying the loan amount, disbursement procedures, repayment methods, and the necessary guarantees required by the bank (Al-Hinnawi, 2002, p. 215).
- Decision making: Upon analyzing the financial, economic, and environmental data of the loan application and engaging in negotiations with the customer, a decision is reached either to accept or reject the application. In the event of acceptance, a loan agreement is issued, detailing various customer-related information and the conditions stipulated by the bank. Conversely, if the application is rejected, a rejection letter is drafted, outlining the reasons for rejection and any necessary amendments (Hindi, 2006, p. 196).
- Loan disbursement: To commence utilizing the loan, both the customer and the bank must sign the loan agreement. Following this, the borrower must review any comments outlined in the decision to grant the loan, submit the required guarantees,

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and fulfill any pledges and obligations. Once these steps are completed, the borrower is entitled to begin using the loan, meaning that the loan amount is made available to the borrowing customer.

- Loan follow-up: It is necessary to follow up on the loan after it is disbursed so that the bank can detect potential risks and work to avoid them before they occur. Among the methods used for follow-up and to avoid oversight is agreeing with the customer to give the bank the right to withdraw the due installment and its interest from the debtor's current account.

- Loan collection: One of the critical responsibilities of the credit department involves collecting loan payments according to the agreed-upon repayment schedules outlined in the credit contract. To facilitate effective monitoring of the repayment and collection process, it is essential to oversee the loan files that have been entered into the banking information system (Abdel-Al Hammad, 1999, p. 236)

1-5- Factors affecting the credit decision:

Some factors influencing the credit decision-making process are internal to the bank, while others are external, involving monetary authorities, government policy, and prevailing economic conditions. These external factors play a significant role in shaping credit decisions.

Internal factors: They are as follows (Al-Nasharty, 2003, p. 193):

- Bank capital: the more it increases, the more credit operations;
- Deposit terms: The longer these terms, the greater the long-term credit facilities.
- Bank liquidity: It includes the legal reserve in addition to a portion of deposits that is not used to grant credit.
- The bank's strategy: which is either aggressive, where the bank is willing to accept a greater degree of risk, or rational, whereby credit that is accompanied by high risks is not granted.

External factors: They are as follows (Abdel Hamid, 2000, p. 104):

- Factors pertaining to the client: include their track record of commitment to prior transactions with banks, which can increase the likelihood of approval. Additionally, their ability to accomplish the objectives of their business activities and their own capital, which serves as a source of self-financing, are significant considerations. Moreover, the various guarantees that the client can provide also influence the credit decision-making process.
- Factors related to general political and economic conditions: In each geographical location, a ceiling is set for the value of credit, and this is linked to the volume of economic activity in that region.
- The economic conditions of the sector to which the client belongs, in terms of the strength of competition in this sector, technological development, and its need for more investments.

2- field study

2-1- Methodology and tools of the study

2-1-1 Study population and sample:

The study population comprises all employees responsible for bank credit at the Bank of Agriculture and Rural Development, including the Adrar Regional Complex and its affiliated local agencies, totaling 42 employees. Due to the small size of the population, the comprehensive enumeration method was employed, with all subjects included in the study sample. A total of 42 questionnaires were distributed, but 40 were retrieved and deemed suitable for analysis. Therefore, the response rate is estimated at 95%.

2-1-2 Study tool:

In this study, the questionnaire served as the primary tool for data collection, comprising a series of questions derived from prior research. The questionnaire was structured into three main axes:

- The first axis: This axis is designed to gather personal and professional data from the research sample participants. It includes information such as gender, age, educational qualifications, and years of professional experience.
- The second axis: This axis focuses on factors associated with the financial status of customers applying for loans, comprising five (05) statements.
- The third axis: This axis addresses factors about the personal reputation of customers seeking loans, featuring five (05) statements.
- The fourth axis: This axis examines factors concerning the guarantees provided by customers applying for loans, comprising five (05) statements.
- The first axis, focusing on personal and job data, utilized closed-ended, single-answer questions. In contrast, the other axes employed a five-point Likert scale. Typically, the respondents' degrees of agreement are clarified using weighted averages for each statement or a specific axis of the measurement tool. This process is illustrated in the table below:

Table (01): Weighted weights for the five-point Likert scale

Categories according to Likert scale	Areas of arithmetic averages	Appropriate degrees of approval
Completely disagree	[1 – 1.8]	Very low degree of approval
Do not agree	[1.8 – 2.6]	Low degree of approval
Neutral	[2.6 – 3.4]	Moderate degree of approval
Agree	[3.4 – 4.2]	High degree of approval
Totally agree	[4.2 – 5]	Very high degree of approval

Source: (Al-Saleh, 2015, p.104)

2-1-3 Testing the stability of the study tool:

The study tool's reliability was tested using Cronbach's alpha. Table 2 details the results, which confirmed statistically acceptable reliability. The Cronbach's alpha coefficients were 0.764 for financial position, 0.812 for personal reputation, and 0.706 for guarantees. The overall Cronbach's alpha for all axes was 0.817, exceeding the common acceptable range of 0.65 to 0.70 for such tests.

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Table (02): Values of reliability coefficients for the axes of factors determining the bank credit decision

Axis	Statement	Number of statements	Values of stability coefficients
the second	Factors related to the customer's financial position	05	0.764
the third	Factors related to the customer's personal reputation	05	0.812
the fourth	Factors related to the guarantees provided by the customer	05	0.706
All axes as one unit		15	0.817

Source: Prepared by researchers based on the outputs of the SPSS program , version 23.

2-1-4 Test for normal distribution of data:

Performing a normal distribution test allows us to confirm that the study data are devoid of statistical issues that could potentially impact the results of hypothesis testing. This is crucial because most parametric tests necessitate a normal distribution of data. Table (03) shows the results of the Kolmogorov-Smirnov test.

Table (03): Test of normal distribution of study variables

Axis	Axis title	Kolmogorov -Smirnov	Sig
the second	Factors related to the customer's financial position	0.200*	0.078
the third	Factors related to the customer's reputation	0.200*	0.109
the fourth	Factors related to the guarantees provided by the customer	0.200*	0.092

Source: Prepared by researchers based on the outputs of the SPSS program , version 23

The table above displays the results of the normal distribution test (Kolmogorov-Smirnov), indicating that the significance level value obtained was (0.200) for all study axes. This value is greater than (0.05), suggesting that the data conforms to a normal distribution. Hence, parametric statistical tests can be conducted confidently.

2-2- Descriptive analysis of the characteristics and variables of the research

- Descriptive analysis of the personal characteristics of the study sample members

Table (04): Personal characteristics of the members of the researched sample

variable	Statement	Repetition	percentage
Type	Male	25	62.5
	Female	12	37.5
	the total	40	100
Age group	Under 40 years old	28	70
	From 40 to 50 years	11	27.5
	More than 50 years	1	2.5
	Total	40	100
Qualification	Bachelor's degree certificate	16	40

	Master Certificate	18	45
	Postgraduate	1	2.5
	Other	5	12.5
	Total	40	100
Years of Experience	Less than 10 years	25	62.5
	From 10 to 20 years	12	30
	More than 20 years	3	7.5
	Total	40	100

Source: Prepared by researchers based on the outputs of the SPSS program, version 23

The table reveals that the majority of the studied sample were male (62.5%), while females accounted for 37.5%, indicating a gender disparity at the Bank of Agriculture and Rural Development. Additionally, a large segment of the sample (70%) was under 40 years old, suggesting the bank's workforce is predominantly young.

The table further indicates that the majority of employees at the Bank of Agriculture and Rural Development possess bachelor's and master's degrees, comprising 85% of the study sample. This observation can be attributed to the nature of the bank's operations, which often necessitate the employment of individuals with academic qualifications.

Additionally, it is evident from the table that the majority of the study sample members possess less than 10 years of experience in the banking field, comprising 62.5% of the total sample. This suggests that the bank has undergone significant recruitment activities over the past decade compared to its history, dating back to the 1980s, indicating a period of notable growth and expansion.

– **Descriptive analysis of study variables**

• **Axis of factors related to the customer's financial position:**

Table (05) presents the descriptive analysis of the statements regarding the customer's financial position, including the arithmetic mean, standard deviation, and degree of agreement. The results are summarized as follows:

Table (05): Results of the descriptive analysis of the customer's financial position axis

Axis statements	SMA	standard deviation	Relative weight	Degree of approval
1. The bank identifies the customer's various sources of financing before obtaining the required loan	4.0750	0.85896	81.5 %	High
2. The bank inquires about the customer in terms of revealing his assets and accounts with other banks	3.8250	1.00989	76.5 %	High
3. The bank analyzes various ratios and indicators related to the customer by analyzing its financial statements	3.8000	0.82275	76 %	High
4. The bank sets credit ratings for customers according to clear standards	3.7000	0.88289	74 %	High
5. The bank makes the decision to grant credit based on the economic feasibility study of the project	3.8500	0.92126	77 %	High
The axis as a single unit	3.8817	1.15790	77.6 %	High

Source: Prepared by researchers based on the outputs of the SPSS program, version 23.

Based on the table above, the overall arithmetic mean for the customer's financial

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position axis indicates agreement among the individuals in the research sample regarding the content of the axis, with a value of (3.88) and a standard deviation of (1.157). This suggests that individuals in the study sample are highly confident about the presence of the content of the position statements concerning the customer's financial position within their organization.

Upon analyzing the partial statements of the customer's financial position axis, it is observed that statement No. (01) holds the highest importance, with a relative weight of (81.5%) and an arithmetic average of (4.07). Following this, statement No. (05) ranks second in importance, with an arithmetic average of (3.85). Conversely, statement No. (04) is deemed least important, with an arithmetic average of (3.70) and a standard deviation of (0.88). This average reflects the level of agreement among members of the study sample regarding the content of the statement.

– Focus on factors related to the customer's personal reputation:

Below is the descriptive analysis of customer personal reputation statements, including the arithmetic mean, standard deviation, and degree of agreement:

Table (06): Results of the descriptive analysis of the customer's personal reputation axis

Axis statements	SMA	standard deviation	Relative weight	Degree of approval
1. The personal relationships existing between bank workers and the customer affect the granting of credit facilities to him	3.2750	1.17642	65.5 %	Medium
2. The bank is interested in collecting information about the customer in terms of his personal situation, ethics, behavior, and family situation	3.1000	1.08131	62 %	Medium
3. The bank recognizes the extent of the customer's commitment to the terms and agreements that he has with others	3.4250	0.87376	68.5 %	High
4. The customer's personality in terms of social status is one of the factors affecting the decision to grant credit	3.3000	1.06699	66 %	Medium
5. The customer's personality in terms of commitment is one of the factors affecting the decision to grant credit	3.5500	1.01147	71 %	High
The axis as a single unit	3.1058	1.18025	62.1 %	Medium

Source: Prepared by researchers based on the outputs of the SPSS program, version 23.

The data from the previous table indicates that the overall arithmetic mean of the axis concerning the customer's personal reputation suggests uncertainty among the members of the studied sample. It recorded a value of (3.10) with a standard deviation of (1.180), indicating a neutral stance among the sample members regarding the content of the statements related to the customer's personal reputation.

In terms of expressions related to this variable, statement No. (05) emerged as the

most important, with an arithmetic mean of (3.55) and a standard deviation of (1.01), followed by statement No. (3) with an arithmetic mean of (3.42) and a standard deviation of (0.87). On the other hand, statement No. (02) ranks lowest in terms of importance, with an arithmetic mean of (3.0). The consistency among the study sample members yields an arithmetic mean falling into the category of neutrality, indicating that they maintain a neutral stance and are uncertain about the content of the statement regarding the bank's collection of information about the customer's personal situation, ethics, behavior, and family situation.

– **The axis of factors related to the guarantees provided by the customer:**

Table (07) presents the descriptive analysis of the guarantee statements provided by the customer, encompassing the arithmetic mean, standard deviation, and degree of agreement. The results are outlined below:

Table (07): Results of the descriptive analysis of the guarantees provided by the customer

Axis statements	SMA	standard deviation	Relative weight	Degree of approval
1. The bank is strict in requesting guarantees against the loans it grants, even from trusted customers	4.0500	1.03651	81 %	High
2. The bank studies and analyzes the quality of guarantees provided by the customer before granting him the requested loan	3.8250	0.81296	76.4 %	High
3. The bank allows the customer to use the loan granted to him before providing the required guarantees	2.6750	1.16327	53.4 %	Medium
4. The bank asks the customer to provide additional guarantees, such as lands and buildings, which are mortgaged to the bank	3.9500	0.81492	79 %	High
5. The bank maintains accurate and comprehensive files that include all information related to guarantees to avoid problems in implementing them.	4.1500	0.76962	83 %	High
The axis as a single unit	3.5447	1.15071	70.8 %	High

Source: Prepared by researchers based on the outputs of the SPSS program, version 23.

The table above displays the descriptive analysis statistics of the statements within the factor axis about the guarantees provided by the customer, which is one of the factors determining the bank credit decision. From the table, it is evident that the overall arithmetic mean of the axis is (3.54), with a relative weight of (70.8%). This suggests a high degree of agreement among the sample members regarding the significance of the Bank of Agriculture and Rural Development's interest in the guarantees provided by the customer as a crucial factor influencing the bank credit decision.

Upon analyzing the partial statements of the factor axis related to the guarantees provided by the customer, it is observed that statement No. (05) holds the highest degree of importance, with an arithmetic mean of (4.15) and a standard deviation of (0.76). Following this, statement No. (01) ranks second in importance, with an arithmetic mean of (4.05) and a

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relative weight of (81%). Conversely, statement No. (03) is ranked lowest in terms of importance, with an arithmetic mean of (2.67). This average falls within the category of neutrality, indicating a moderate degree of agreement among the study sample members regarding the content of the statement. Overall, there is a high degree of agreement among the majority of the study sample regarding the content of the statements concerning the guarantees provided by the customer.

2-4- Testing the study hypotheses

The study hypotheses are tested by using a test T to accept or reject the hypotheses as follows:

a. Testing the first hypothesis:

The first hypothesis posits that: The Bank of Agriculture and Rural Development fails to adhere to factors associated with the customer's financial position when deciding on credit approval at a significance level below 0.05. To assess the validity of this hypothesis, the T-test was employed, and the outcomes of this examination are presented in the subsequent table.

Table No. (08): T-Test for the first hypothesis

Variable	SMA	Standard Deviation	Value T Calculated	Significance Level	Result
Factors related to the customer's financial position when deciding to grant credit	3.881	1.157	4.816	0.000	Statistically significant

Source: Prepared by researchers based on the outputs of the SPSS program, version 23.

The table above reveals that the arithmetic mean of the variable concerning factors associated with the customer's financial position in the credit decision-making process is (3.881), with a standard deviation of (1.157). This suggests a commitment by the Bank of Agriculture and Rural Development to factors related to the customer's financial position. Moreover, the arithmetic mean corresponds to a high level of response on the five-point Likert scale.

To validate this finding, the T-Test yielded a value of (4.816), with a significance level of (0.000), which is lower than the predetermined threshold of (0.05). Consequently, the null hypothesis is rejected, and the alternative hypothesis is accepted. This suggests that the Bank of Agriculture and Rural Development indeed adheres to factors related to the customer's financial position when deciding on credit approval at a significance level of less than 0.05.

b. Testing the second hypothesis:

The second hypothesis states that: The Bank of Agriculture and Rural Development does not consider factors related to the customer's personal reputation when deciding to grant credit at a significance level of less than 0.05.

The most important results of the T-test for factors related to the customer's personal reputation when deciding to grant credit, based on the statistical program (SPSS), are included in the following table:

Table (09): T-test for the second hypothesis

Variable	SMA	standard deviation	value T calculated	Significance level	The result
Factors related to the customer's personal reputation when deciding to grant credit	3.105	1.180	0.567	0.574	Not statistically significant

Source: Prepared by researchers based on the outputs of the SPSS program , version 23.

From the table above, it is evident that the arithmetic mean of the variable concerning factors associated with the customer's personal reputation in the credit decision-making process is (3.105), with a standard deviation of (1.180). The arithmetic mean corresponds to an average degree of approval on the five-point Likert scale.

This suggests the neutrality of the study sample members regarding the content of this variable. To confirm this result, the T-Test yielded a value of (0.567), with a significance level of (0.574). This value is not statistically significant, as it exceeds the approved significance level of (0.05). Therefore, it indicates that the Bank of Agriculture and Rural Development does not consider factors related to the customer's personal reputation. Consequently, the null hypothesis is accepted, which states that: The Bank of Agriculture and Rural Development does not consider factors related to the customer's personal reputation when deciding on credit approval at a significance level less than 0.05.

c. Testing the third hypothesis:

The third hypothesis states that: The Bank of Agriculture and Rural Development does not adhere to the factors related to the guarantees provided by the customer when deciding to grant credit at a significance level of less than 0.05.

The results of the T-test for factors related to the guarantees provided by the customer when deciding to grant credit, based on the statistical program (SPSS), are included in the following table:

Table (10): T-test for the third hypothesis

Variable	SMA	standard deviation	value T calculated	Significance level	The result
Factors related to the guarantees provided by the customer when deciding to grant credit	3.544	1.150	2.994	0.005	Statistically significant

Source: Prepared by researchers based on the outputs of the SPSS program, version 23.

From the table above, it is evident that the arithmetic mean of the variable concerning factors associated with the guarantees provided by the customer in the credit decision-making process is (3.544), with a standard deviation of (1.150). This indicates a commitment by the Bank of Agriculture and Rural Development to factors related to the guarantees provided by the customer when deciding on credit approval.

We observe that the arithmetic mean corresponds to a high level of response on the five-point Likert scale. To validate this result, the T-Test yielded a value of (2.994), with a significance level of (0.005), which is lower than the approved significance level of (0.05). Consequently, the null hypothesis is rejected, and the alternative hypothesis is accepted. This implies that the Bank of Agriculture and Rural Development indeed considers factors related to the guarantees provided by the customer when deciding on credit approval at a significance level of less than 0.05.

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d. Testing the general hypothesis:

The main hypothesis states that: The Bank of Agriculture and Rural Development does not adhere to the factors determining the decision to grant bank credit to the customer at a significance level of less than 0.05.

The test results, based on the statistical program (SPSS), have been included in the following table:

Table (11): T-test for the main hypothesis

Variable	SMA	standard deviation	value T calculated	Significance level	The result
Factors determining the decision to grant bank credit to a customer	3.636	0.509	45.103	0.000	Statistically significant

Source: Prepared by researchers based on the outputs of the SPSS program, version 23.

From the table above, it is evident that the arithmetic mean of the variable concerning the factors determining the decision to grant bank credit to the customer is (3.636), with a standard deviation of (0.509). This suggests a commitment by the Bank of Agriculture and Rural Development to the factors determining the decision to grant bank credit to the customer. Additionally, the arithmetic mean value corresponds to a high level of response on the five-point Likert scale.

To confirm this result, the T-Test yielded a value of (45.103), with a significance level of (0.000), indicating a statistically significant value that is less than the approved significance level (0.05). Consequently, the null hypothesis is rejected, and the alternative hypothesis is accepted. This implies that The Bank of Agriculture and Rural Development adheres to the factors determining the decision to grant bank credit to the customer at a significance level of less than 0.05.

CONCLUSION

The objective of this study was to assess the Bank of Agriculture and Rural Development's adherence to the factors influencing the customer's bank credit decision at the Adrar Regional Complex. Following the presentation of the study's conceptual framework and statistical analysis of field data utilizing SPSS software, the study yielded the following outcomes:

- The analysis process showed that the factors related to the customer's financial position obtained relative importance (77.6%), and this indicates that the Bank of Agriculture and Rural Development studies the customer's financial position before granting him credit, by inquiring about the centrality of risks at the Bank of Algeria, in addition to the extent of compatibility The customer's income and cash flows, along with the payment dates for the due installments, especially for investors who are active in the field of grain cultivation.
- The analysis revealed that factors associated with the customer's personal reputation garnered a relative importance of 62.1%. This suggests that the sample members maintained a neutral stance towards the content of the statements in this axis.
- The analysis revealed that factors related to the guarantees provided by the customer obtained a relative importance of 70.8%. This suggests that the Bank of Agriculture

and Rural Development emphasizes the requirement for customer-provided guarantees before granting credit, ensuring their security by verifying all associated documents and seeking evaluation from specialized experts.

Overall, credit managers and staff at the Bank of Agriculture and Rural Development concur on the significance of customer-related factors in the decision-making process for granting bank credit.

Through the results obtained, the following recommendations can be made:

- It is imperative to prioritize thorough inquiries about customers before granting bank credit to mitigate potential credit risks and safeguard the bank's financial stability.
- Ensuring meticulous attention to loan department employees, particularly through training and qualification programs, is essential for enhancing their expertise in the realm of credit granting.
- Creating credit classifications with precise and explicit criteria for all customers based on their banking transaction history and industry affiliation is crucial to streamline the credit decision-making process.

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