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Deposits Structure and Returns of Loan Portfolio of Banque Bemo Saudi Fransi "BBSF"

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Abstract: This study examined the relationship between Deposits Structure and Return of Loan Portfolio at BBSF Bank. The researcher used secondary data, which were the financial statement of BBSF Bank during study period (2016-2020).Data collection includes the calculation of the Deposits Structure ratios and Return of Loan Portfolio ratios. Data analysis contains correlation analysis between (ROE, and ROA) and (CA, SA, and FD) at BBSF Depending the results, Demand Deposit (CA) has no statistical relationship with any of measures of Return of Loan Portfolio Ratios (ROE and ROA), Saving Deposit (SA) has statistical relationship with any of measures of Return of Loan Portfolio Ratios (ROE and ROA), and Time Deposit (FD) has no statistical relationship with any of measures of Return of Loan Portfolio Ratios (ROE and ROA).The study produced many recommendations which are Create new and safe lending channels for private banks in Syria to lend surplus deposits, the convenience between Loan Portfolio and Deposits Structure through (time and volume.

Keywords— Deposits Structure - Return of Loan Portfolio - Time Deposit - Saving Deposit - Demand Deposit.

INTRODUCTION

The Syrian banking sector is one of the most important pillars supporting the national economy, and the main role of this sector is to provide banking channels and tools to mobilize savings and finance various economic activities in a way that contributes to advancing economic growth, this led to the emergence of several challenges facing private commercial banks in Syria and contributed to creating great difficulties in their practices. Banks for their activities; the private commercial banks listed on the Damascus Stock Exchange have been arranged by It consolidates its financial positions and enhances its financial solvency so that it is ready and able to provide appropriate financing in a competitive manner with other banks. The enhancement of banking performance, its development, and the achievement of the desired returns for the private commercial banks in Syria remain dependent on the search for sources of financing that have an acceptable degree of stability, and not to maintain high liquidity ratios. Deposits in investments and

income-generating loans without exposure to the risks of sudden withdrawals on these deposits, as the flexibility of withdrawals on deposits varies according to their banking deadlines, so the flexibility of sudden withdrawals on demand deposits is higher than it is for time and savings deposits, and this requires banks. Maintaining acceptable liquidity ratios to counter sudden and unexpected withdrawals.

Research problem

The traditional commercial banks attract several types of customers' deposits according to different terms in exchange for specific benefits, and they invest or employ them in the form of various loans in exchange for specific benefits and commissions as well, and accordingly the research problem can be formulated through the following questions

The problem of this study can be expressed by the following question:

What is the relationship between Deposits Structure and Return of Loan Portfolio at BBSF Bank?

Research importance

The importance of this research is evidenced by the scientific and practical benefit that it can provide:

From the scientific point of view: the scientific benefit that this research can provide in the topic of the effect of the structure of bank deposits on the return of the loan portfolio, and what makes this research a candidate to be an additional reference For Arab studies that dealt with the same topic, and a starting point for future research related to the research topic or any of its aspects. In practice, the importance of this research can be represented in following an appropriate scientific method to determine the structure of bank deposits, the effect of the difference of these deposits, the degree of their stability in the return of the bank loan portfolio, coming up with a set of recommendations and proposals and submitted by the departments of private commercial banks listed on the Damascus Stock Exchange and the relevant authorities

Hypothesis of the Study:

Based on the objectives of the study the main hypothesis is:

H1: there is a significant statistical relationship between Deposits Structure and Return of Loan Portfolio with (0.05) significance level at the BBSF Bank.

H1.1: there is a significant statistical Demand Deposit (CA) and Return of Loan Portfolio with (0.05) significance level at BBSF Bank.

H1.2: there is a significant statistical relationship between Saving Deposit (SA) and Return of Loan Portfolio with (0.05) significance level at BBSF Bank.

H1.3: there is a significant statistical relationship between Time Deposit (FD) and Return of Loan Portfolio with (0.05) significance level at BBSF Bank.

Research Methodology

- **Research design**

The researchers will use the quantitative approach depending on secondary data: by using the researches and textbooks that discussed the relation between Deposits Structure and Return of Loan Portfolio when constructing the plan and the theoretical framework of this study.

- **Research population**

The population of this study consists of all financial statement (Balance Sheet, Income Statement) of Banque Bemo Saudi Fransi BBSF, while the study sample consists of BBSF financial statement (Balance Sheet, Income Statement) for the period (2016-2020).

Literature Reviews:

1. Mode of Entry, Loan Portfolio Structure, and Returns of Foreign Owned Banks in Indonesia: (Atahau, et-al, 2019, P 99)

This study empirically examines whether the mode of entry into the Indonesian banking sector affects loan portfolio structures and loan interest rates of foreign-owned banks (FBs). It also attempts to explore whether the mode of entry affects loan portfolio returns of FBs in Indonesia. The data of all FBs were analyzed over the period from 2003 to 2011 using univariate statistics and pooled regression analyses. The study finds significant differences in the loan portfolio structures and loan interest rates of FBs based on different modes of entry into the Indonesian banking sector. In addition, FB mode of entry significantly affects loan portfolio returns. The findings show that the loan interest rates charged by FBs that acquired domestic banks are higher than the interest rates charged by Greenfield FBs, although they have lower returns on assets and equity. The study also provides evidence that the loan portfolio structures of FBs that acquired domestic banks as a mode of entry are more diversified than that of Greenfield FBs. From an overall perspective, these findings imply that the loan portfolios of FBs that acquired domestic banks, are more diversified to different sectors of the economy, whilst the financial returns of Greenfield FBs are more efficient.

2. The Effect of Loan Portfolio Diversification on Banks' Risks and Return: Evidence from an Emerging Market: (Adzobu, et-al, 2017, p 1274)

Purpose: This paper tests whether diversification of credit portfolios across economic sectors leads to improved profitability and reduced credit risks for Ghanaian banks that have been characterized by high non-performing loans in recent times (IMF, 2011). Design/methodology/approach: Static and dynamic estimations, namely Prais Winsten, fixed and random effect estimators, feasible generalized least squares as well as the system generalized methods of moments are employed on annual data of 30 Ghanaian banks that operated between 2007 and 2014 to determine the effect of loan portfolio diversification on bank performance. Findings: The study shows that loan portfolio diversification does not improve banks' profitability nor does it reduce banks' credit risks. Research limitations/implications: The study focuses on a single banking system in Africa largely as a result of data limitation. Practical implications: The study emphasizes the need for banks to perform a careful assessment of the effects of their lending policies geared towards increased sect oral diversification on their monitoring efficiency and effectiveness. A further investment in loan screening and monitoring is necessary to minimize credit risks. Originality/value: This study is the first to present empirical evidence on the effects of loan portfolio diversification on bank performance in an emerging banking market in Africa.

3. How Loan Portfolio Diversification Affects U.S. Banks' Return and Risk: Correlation and Contagion Perspectives: (Fu & Hsieh, 2014, P 1)

This paper adopts the dependence structure perspective to investigate how loan portfolio diversification affects banks' return and risk. We argue that the dependence structure of bank loan portfolios, namely, the correlation among loan assets within a portfolio and the presence of contagion channels due to contractual

relationships across the border of the portfolio, affects the degree of diversification. Based on the U.S. bank loan data collected from 1987-2014, our empirical study employs the Herfindahl-Hirschman Index (HHI), intra-portfolio correlation and contagion as proxies for diversification. We find that diversification exhibit appositive effect on the performance of U.S. banks during tranquil periods. During periods of turmoil, however, banks should lend to specific groups of industry that have the fewest connections with other industries in order to reduce risk and improve return. In other words, in times of crisis, banks should choose a suitable loan portfolio concentration strategy rather than focus on selected industries as determined solely by the HHI.

4. The Effect of Level of Deposits on Financial Performance of Commercial Banks in Kenya: (Okun, 2012, P 5)

The study was on the effect of the level of deposits on financial performance of commercial banks in Kenya. The main issue was that there had been a gradual rise in customer deposits in Kenya. The profitability of the banking sector has also been on the rise. So, the empirical problem was whether there exists a relationship between the customer deposits and banks profitability. The problem of the study and the research gap is based on the observation that there exists conflicting evidence of the effect of deposits on bank financial performance. Some evidence shows a negative effect, others show a positive effect while others show no effect at all. The study adopted a causal research design. The population of the study was all 44 commercial banks. The study used secondary data (spanning 8 years from 2004 to 2011) from the banking supervision department of central bank. A cross sectional regression model was adapted. The regressions were conducted using statistical package for social sciences (SPSS) version 17. Regression results indicate that there is a positive and significant relationship between Deposits Ratio and ROE. The results also indicate that there is a positive and significant relationship between Deposits Ratio and ROA. Following study results, it is recommended that commercial banks in Kenya should invest in attracting more low cost deposits by adopting alternative banking channels innovation such as Mpesa and agency banking in order to attract deposits at the lowest cost possible and to reduce costs associated with other forms of deposit mobilization.

5. Bank Depositsand Liability Management and Bank Performance: A Case Study of Listed Banks: (Koranteng, 2012, P 4)

The purpose of this research of this paper was to find the bank deposit on the performance of the listed banks on the Ghana Stock Exchange for a five years' period from 2005 – 2009. Using a multiple regression analysis, a correlation analysis was first estimated to test for the presence of multi co linearity among the independent variables. The study found debt, size, deposits, equity and the type of bank ownership as significant indicators that contribute to the performance of the listed banks measured as the returns on equity and returns on assets of listed banks on the Ghana Stock Exchange.

First: Theoretical Framework

Preface:

The reason for this study is mainly because studies have shown that there is a strong relationship between Deposits Structure and loan Portfolio

1.1 Deposits Structure:

1.1.1 Definition of Deposit:

Deposits serve as the main source of funds for bank intermediation activities. The profitability of banks thus depends on how banks are able to obtain low cost funds for from their depositors for creation of their loan assets (Koranteng, 2012, P24).

Bank Deposit refers to an amount of money in cash or cheque form or sent via a wire transfer that is placed into a bank account. The target bank account for the Bank Deposit can be any kind of account that accepts deposits. Another, a bank deposit is a sum of money deposited in a financial institution for the purpose of providing access to investments or storing the money in a secured location (Sumsunnahar, 2019, p12).

a Bank Deposit is generally made when opening an account or in the course of routine business or personal transactions that involve placing funds with the bank for future use. Bank deposits can be made in a number of different ways. The most direct way is to walk into a bank or a bank branch in which you hold an account. You are then usually required to fill in a Bank Deposit slip with the particulars of your account and the amount of money you wish to deposit. In addition, Bank Deposits can be made via wire transfer, as well as through a direct deposit plan from employers in many cases (Sumsunnahar, 2019, p12).

1.1.2 Types of Deposits:

Deposits are generally classified by their type demand, time, and savings

1.1.2.1 Demand Deposit:

Also referred to as a savings account, sight deposit, or call account, these are similar to cheque accounts but are always interest bearing and may not be used for making payments to third parties. The funds are available on demand, but cannot be used for cheques or other similar payments. (Choudhry, 2018, p15).

Demand deposits (often called transaction accounts or DDAs) are accounts that may bear interest and the depositor is entitled to withdraw at any time without prior notice. Checking and negotiable order of withdrawal accounts are the most common form of demand deposits. Withdrawals are typically made through check writing, automated teller machines (ATMs), debit cards at point-of-sale (POS) terminals, electronic funds transfers (EFTs), or preauthorized payment transactions. Deposits are generally made through direct deposit (such as payroll amounts) or EFTs, or at ATMs or teller windows. (authors at AICPA, 2016, P487).

1.1.2.2 Time Deposit:

Time or term deposits are interest-bearing deposit accounts of fixed maturity and, often, fixed interest rate. They are usually offered with a range of maturities ranging from 1 month to 5 years, with longer dated deposits attracting higher interest. This reflects a positive yield curve, which indicates the funding value to the bank of longer term liabilities. Most time deposits pay a fixed rate of interest, payable on maturity. Accounts of longer than 1-year maturity often capitalize interest on an annual basis (Choudhry, 2018, p15).

Time deposits are so called because the funds are locked in withthe bank for a specified term. The money can be either withdrawn or rolled over when the term ends. Interest rates on a time deposit generally are higher the longer the 'fixed' period (authors at HKIB, 2018, P57).

1.1.2.3 Saving Deposit:

Savings deposit (non-instant access) A notice account is a savings deposit account that pays a higher rate of interest to a standard demand deposit, provided the customer gives 30, 35, 60, 90, or 180 days' notice before withdrawing funds. Banks also incentivize customers with a higher interest rate when they arrange to pay in a fixed amount each month over a 12- or 24-month period, so-called "monthly saver" accounts. Such deposits are treated as behaviorally stable funds for regulatory purposes. (Choudhry, 2018, p15).

Savings deposits bear interest and have no stated maturity. Savings deposits include passbook and statement savings accounts and money-market deposit accounts (MMDAs). Withdrawals and deposits are typically made at ATMs or teller windows, by EFTs, or by preauthorized payments. Furthermore, MMDAs generally permit the customer to write checks, although the number of checks that may be written is limited by law. (authors at AICPA, 2016, P487).

1.1.3The Importance of Deposit:

Deposits are an important source of funds for banks, credit unions, and savings institutions. Finance and mortgage companies do not take insured deposits. Because a credit union's members are also its owners, credit unions often refer to deposits as share accounts and related interest paid as dividends. Some credit unions permit nonmembers to deposit funds subject to certain restrictions. (Authors at AICPA, 2017, 487).

1.2 Loan Portfolio

1.2.1 Definition of Loan portfolio:

A loan portfolio is a major asset for a bank, and its largest source of revenue. It is listed as such on a bank's balance sheet. The value of a portfolio depends on the interest earned on the loans, and the creditworthiness of each loan, i.e. the probability of payment of the loan interest and principal.

But the greatest source of income for the bank is also its greatest source of worry. Lending makes a bank vulnerable to risks, including defaulting borrowers and volatile interest rates, flawed credit appraisals and a feeble economy. (authors at HKIB, 2018, P51).

1.2.2 Loan Portfolio Management:

Elsewhere in this series we have discussed a bank's exposure to credit: how each time it lends, it faces the risk of a default, and how prudent banks can manage credit risk in a variety of ways. For example, they can: focus on loans to customers, with whom they have a transaction history; require collateral, thereby prompting borrowers to repay as quickly as possible; and analysis a borrower's creditworthiness, particularly if the applicant is not a bank customer. The inherent risks in lending are monitored and controlled through Loan Portfolio Management (LPM). A booklet by the Comptroller of the Currency Administrator of National Banks of the US calls the LPM process a primary supervisory activity. The handbook notes that, for a long time, loan portfolio management focused on prudently approving loans and carefully monitoring loan performance. The booklet suggests bankers review not only the risks posed by each credit, but also how the risks of individual loans and portfolios are interrelated. (authors at HKIB, 2018, P51).

1.2.3 Composition of a Loan Portfolio:

As mentioned earlier, a bank's loan portfolio is possibly its best-earning asset. The downside? A loan portfolio is an illiquid asset and carries significant risk. To manage that risk, a bank must monitor and manage its loan portfolio constantly. Reports on the portfolio composition should be constant and readily available.

The total portfolio should be broken down by loan relationship and size, and by the bank's major lines of business. The number of loans, (authors at HKIB, 2018, P51).

the loan relationships and the total balances outstanding should also be identified for each section based on size. Banks and financial institutions divide loans into two categories: secured and unsecured. In a secured loan, the borrower offers some asset (a house, perhaps) as collateral. (authors at HKIB, 2018, P52).

In an unsecured loan, as the name suggests, no asset is offered.

• Secured loans. Among the most common secured loans are those for housing, cars and consumer durables. A mortgage or loan to buy housing is an almost ubiquitous type of debt instrument. For the bank

the security is in the form of a lien on the title to the house until the mortgage is fully paid. (A lien is the legal right to take and hold or sell the property of a debtor as security or payment for a debt or duty.) For car loans, a bank can lend directly to a customer, or indirectly through a car dealer. The tenure of a car loan is shorter than that for a home loan, and is often equivalent to the 'good years' of a vehicle's life, especially if the car is pledged as security.

• Unsecured loans. Banks offer loans without collateral in various ways. The interest charged for such loans varies depending on the debtor and creditor, and the law of the land. (authors at HKIB, 2018, P52).

The types of unsecured loans include the following: (authors at HKIB, 2018, P52).

1. Credit card payments. A customer can buy an item, without cash, by ringing it up on a credit card provided by a bank. The latter makes money on late-payment fees and charges.
2. Personal loans. Interest rates are usually higher for a personal loan given without assets as security. If a personal loan is secured, terms of repayment are usually more flexible.
3. Bank overdrafts or lines of credit. Simply a revolving loan, a bank overdraft makes credit available for borrowing and charges interest only on the daily overdraft (debit) balance.

An overdraft is also a demand loan, and the outstanding amount can be 'called' at any time by the lender. A bank overdraft is known in US practice as a line of credit or credit line.

1.2.4 Building Quality Loan Portfolio:

Credit admin also seeks to enhance the quality of the lending portfolio through effective check on negative attitudes of borrowers and lending officers. This is a particularly demanding responsibility. One reason is that it often results in confrontation with people who have deep-seated negative behavior that exacerbates loan default. Another reason is that credit admin must somehow forestall the negative tendencies of the individuals mainly its internal customers. Here, credit control officers must be bold and assertive in order to succeed. (Onyiriuba, 2016, 548).

1.2.5 How the Deposit &Loan Portfolio is calculated:

The following table contains the basic measures regarding loan portfolio as follows:

-According to (Authors at HKIB, 2018, p 75)

-Total Deposits = $\frac{Reserves*1}{(R+E)}$

-According to (Choudhery, 2018) the following measures can be used to calculate some ratios regarding loan portfolio & deposit portfolio:

-Loan Loss Provision = $\frac{\text{Loan Loss Provision}}{pre\ provision,pre\ tax\ income}$(Choudhery, 2018, 27).

-ROA (Return on Assets) = $\frac{Net\ income}{Avarege\ assets}$(Choudhery, 2018, 27).

-ROE (Return on Equity) = $\frac{(income-cost)}{capita}$(Choudhery, 2018, 87).

-Interest Coverage = $\frac{Earning\ Befor\ Interestes\ and\ Txes}{Interest\ Expenses}$(Choudhery,2018, 27).

1.2.6 Return on Loan Portfolio:

The return of the loaned object is just as important as its dispatch and should be planned with care. When the end date for the loan is approaching, discussions should begin between lender and borrower to agree on a date of return. The borrower should have all the information they need to be able to repack the object in the same way as it was dispatched. If a courier is necessary to oversee de-installation and repacking, details of the courier's name, journey, accommodation and any other information should be provided as early as possible.(Matassa, 2011,197).

Table (1): The Measurement of Loan Portfolio:

Source: (Atahau, 2019, p 106)

Second: Empirical Study

Preface:

In order to test the research hypotheses, and achieve the research objectives, the researcher should follow many steps, data collection, data analysis (that contains arithmetic means analysis, correlation analysis, and regression analysis if necessary), and finally test of hypotheses.

2.1 Basic information about Bank Bemo Saudi Fransi / BBSF:

No.	Variable	Definition	Measurement	Remarks
1.	Loan Portfolio Concentration (CONC)	The risk arising from uneven distribution of counterparties in the credit or any other business relationships or from a concentration in business sectors or geographical regions which is capable of generating losses large enough to jeopardise an institution's solvency (Deutsche Bundesbank, 2006).	$HHI = \sum_{i=1}^{N} \left(\frac{p_i}{Q}\right)^2$	HHI= Hirschman Herfindahl Index $Q = \sum_{i=1}^{10} p_i$ pi= the percentage of credit to each sector N = 10 for E-HHI and 3 for THHI
2.	Loan Portfolio Payment Default Risk (RISK)	A different risk inherent to each industry, region or product of a bank (Cronje, 2013)	(Substandard+Doubt-ful+Loss)/Total Loans	
3.	Loan Portfolio Return (RETR)	The performance of loan portfolios	ROA and ROE	
4.	Loan Interest Rates (LITR)	The income obtained from the bank's loan portfolio	Loan Interest Income/ Total Loans	
5.	SIZE	The accounting value of the bank total assets (in the Indonesian Rupiah, IDR)	Natural logarithm of Total Assets	
6.	Equity (EQUITY)	The book value of shareholder funds (Hogan et.al, 2004)	Total Equity/Total Assets	
7.	Liquidity (LQDT)	Ability to convert an asset into cash readily (Hogan et.al, 2004)	Total Loans/Total Deposits	

Bank Bemo Saudi Fransi in Syria (S.A.O.G) Bank Bemo Saudi Fransi, abbreviated as BBSF, is a private bank, a Syrian public joint stock company, the first private commercial bank in Syria, established in 2004, and it was listed in the market Damascus Securities Exchange in 2009, with a paid-up capital of one billion Syrian pounds. Since its establishment, the bank has been striving to maintain its leadership in all aspects in Syria, providing comprehensive banking services and solutions for each of the companies. The Syrian bank, and the ownership of the bank belongs to the Bank Saudi Fransi and Bank Bemo Lebanese.

2.2 Data Collection:

In order to calculate the Deposits Structure ratios and Return of Loan Portfolio ratios the researcher need the following data:

1. Income Statement and Balance Sheet at the end of each year of the study period.
2. Demand Deposit (CA) %, Saving Deposit (SA) %, and Time Deposit (FD) %, for the BBSF at the end of each year of the study period.
3. ROE % and ROA % for the BBSF at the end of each year of the study period.

Table (2) : some of financial statement Items of BBSF Bank 2016-2020 / s.p					
	2016	2017	2018	2019	2020
total assets	234,795,067,679	251,029,229,156	304,216,983,695	321,520,457,206	655,377,154,151
Total Deposits (D)	185,527,086,642	198,943,937,969	249,488,110,719	259,631,308,827	533,853,122,703
Demand Deposit (CA)	139,517,264,463	137,532,976,955	172,172,070,607	161,484,233,500	368,720,187,700
Saving Deposit (SA)	4,601,583,261	5,737,269,945	9,804,167,665	9,967,501,281	8,169,421,512
Time Deposits (FD)	41,408,238,918	55,673,691,069	67,511,872,447	88,179,574,046	156,963,513,491
net income	10,341,740,108	(2,094,673,697)	3,576,247,697	2,698,993,688	43,283,523,640
total equity	28,420,273,257	27,671,814,541	29,757,194,490	31,633,353,419	75,229,257,979
Source : Financial statement of BBSF Bank 2016-2020					

Table (3) : Deposits Structure Ratios and Return of Loan Portfolio Ratios of BBSF Bank 2016-2020 / %					
	2016	2017	2018	2019	2020
Demand Deposit (CA)%	75.2	69.1	69.0	62.2	69.1
Saving Deposit (SA)%	2.5	2.9	3.9	3.8	1.5
Time Deposit (FD)%	22.3	28.0	27.1	34.0	29.4
ROE %	36.4	-7.6	12.0	8.5	57.5
ROA %	4.4	-0.8	1.2	0.8	6.6
Source: prepared by the researcher					

2.3 Data analysis:

Correlation analysis between Deposits Structure Ratios and Return of Loan Portfolio Ratios at BBSF Bank:

In order to measure the strength of the relation between the independent variable (CA, SA, and FD), and the dependent variable (ROE, and ROA), correlation analysis was performed as follows:

Table (4) Correlation Analysis between (ROE, and ROA) and (CA, SA, and FD) at BBSF

Dependent Variables	Independent Variables	Correlation Coefficient(r)	Significance Level
ROE	CA	0.46	0.44
	SA	0.89-	0.04
	FD	0.29-	0.64
ROA	CA	0.49	0.40
	SA	0.90-	0.04
	FD	0.32-	0.60

Source: prepared by the student

Table (4) shows that CA insignificant with ROE, and ROA (0.44, and 0.40) respectively, which is higher than the significance level of (0.05), since that the correlation coefficient (r) was positive and under medium with ROE, and ROA (0.46, and 0.49), according to this result we can say that there is no relation between CA and Return of Loan Portfolio Ratios at BBSF.

Table (4) shows that SA significant with ROE, and ROA (0.04, and 0.04) respectively, which is smaller than the significance level of (0.05), since that the correlation coefficient (r) was negative and strong with ROE, and ROA (-0.89, and -0.90), according to this result we can say that there is relation between SA and Return of Loan Portfolio Ratios at BBSF.

Table (4) shows that FD insignificant with ROE, and ROA (0.64, and 0.60) respectively, which is higher than the significance level of (0.05), since that the correlation coefficient (r) was negative and weak with ROE, and ROA (-0.29, and -0.32), according to this result we can say that there is no relation between FD and Return of Loan Portfolio Ratios at BBSF.

2.4Test of Hypotheses:

H1: there is a significant statistical relationship between Deposits Structure and Return of Loan Portfolio with (0.05) significance level at the BBSF Bank.

H1.1: there is a significant statistical Demand Deposit (CA) and Return of Loan Portfolio with (0.05) significance level at the studied population.

The results show that the Demand Deposit (CA) has no statistical relationship with any of measures of Return of Loan Portfolio Ratios (ROE and ROA), thus, according to the analysis of the hypotheses, the researcher rejects this hypothesis.

H1.2: there is a significant statistical relationship between Saving Deposit (SA) and Return of Loan Portfolio with (0.05) significance level at the studied population.

The results show that the Saving Deposit (SA) has statistical relationship with any of measures of Return of Loan Portfolio Ratios (ROE and ROA), thus, according to the analysis of the hypotheses, the researcher accepts this hypothesis.

H1.3: there is a significant statistical relationship between Time Deposit (FD) and Return of Loan Portfolio with (0.05) significance level at the studied population.

The results show that the Time Deposit (FD) has no statistical relationship with any of measures of Return of Loan Portfolio Ratios (ROE and ROA), thus, according to the analysis of the hypotheses, the researcher rejects this hypothesis.

Conclusions and Recommendations:

Conclusions:

1) There is insignificant statistical relation between CA with ROE, and ROA, since that the correlation coefficient (r) was positive and under medium with ROE, and ROA (0.46, and 0.49), according to this result we can say that there is no relation between CA and Return of Loan Portfolio Ratios at BBSF.

2) There is insignificant statistical relation between SA with ROE, and ROA, since that the correlation coefficient (r) was negative and strong with ROE, and ROA (-0.89, and -0.90), according to this result we can say that there is relation between SA and Return of Loan Portfolio Ratios at BBSF.

3) There is insignificant statistical relation between FD with ROE, and ROA, since that the correlation coefficient (r) was negative and weak with ROE, and ROA (-0.29, and -0.32), according to this result we can say that there is no relation between FD and Return of Loan Portfolio Ratios at BBSF.

Recommendations:

1) Create new and safe lending channels for private banks in Syria to lend surplus deposits, in order to achieve additional profits.
2) The convenience between Loan Portfolio and Deposits Structure through (time and volume).

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