International Research Journal of Finance and Economics
ISSN 1450-2887 Issue 177 January, 2020
http://www.internationalresearchjournaloffinanceandeconomics.com

The Impact of the Bank Deposit Structure on the Profitability of the Middle East Commercial Bank of Iraq

Abbas Khudair Al-Janabi
Dijlah Private University College

Amal Mansour Hassan (MA)

Abstract

The aim of the research is to identify the structure of bank deposits and profitability of the Middle East Commercial Bank of Iraq, and to estimate and analyze the correlation and impact of the structure of bank deposits on the profitability of the Middle East Commercial Bank represented by the rate of return on assets and the rate of return on the right of ownership.

The research used the descriptive and quantitative method, guided by some statistical methods. The research found a number of results, the most important of which are: The correlation and impact of the structure of bank deposits has a significant statistical significance in the rate of return on assets and the right of ownership. The most linked deposits and the impact of savings deposits followed by fixed deposits in the profitability of the bank. The need for the Bank's management to focus on the structure of the deposits and improve them by introducing new methods, employing them and investing them, and using various investment instruments such as stocks, bonds and real estate. This includes a diversified investment portfolio that enables the bank to create an increase in returns and reduce risks, in addition to using modern mechanization in the work of the bank and its daily activities, and to expand the scope of bank branches inside and outside Iraq in proportion to international standards in the provision of banking services.

Introduction

Deposits in various forms are the most important source of funds not only at the level of banks but also at the level of the national economy. At the level of the economy, deposits are important because they constitute the main channel of savings, which is a key element in the economic balance and monetary stability and a means of reducing the inflationary pressures that accompany the process. Economic development, because deposits block part of the disposable income in the purchase of goods and services, thereby restricting consumption and is a necessary condition for achieving monetary stability and mitigating the inflationary pressures resulting from increased demand, deposits can also have an important impact on stimulating the economic situation during a recession, by achieving savings and investment and then increasing effective demand.

At the bank level, deposits are the lifeblood of the banks. They constitute the bulk of the resources of these banks and the least expensive, even though commercial banks have been designated as depository banks because the deposit function is the primary function that accompanied the establishment of these financial institutions in their early stages. As it is not possible for any commercial bank to continue its work unless it has the appropriate role in attracting sufficient volume of deposits from the surplus sectors, which are converted into loans and credit and investments serve the work of the bank to make profits through them.

The size, structure and stability of deposits are factors affecting the cost of financing in banks because each type of deposits have a special cost, which affects the ability and possibilities of investment deposits and achieve profits.

The study aims at identifying the structure of deposits (fixed, saving and current), profitability, i.e, rate of return on assets, rate of return on equity in terms of concept and principles, estimation and analysis of correlation relationships and impact of deposit structure in the profitability of Middle East Bank. As the most important commercial banks in Iraq by the adoption of statistical methods simple linear regression and multiple, and the method of analysis of financial ratios according to the data of (E Views) system,

In order to verify the hypothesis and reach the objectives of the research, the study went through four axes: the first axis included the fundamentals of the structure of bank deposits, and the second axis profitability in the bank of the East Middle East, and the third axis dealt with the analysis of the indicators of the structure of bank deposits and profitability of the Middle East Bank and the fourth axis to estimate and analyze the results and test the assumptions of the Middle East Bank research sample.

First: The Problem of Research

Most Iraqi government and private banks suffer from poor management of funding sources. The banking activity is characterized by a traditional activity which is based on the receipt of deposits of various forms (fixed deposits, current and future) from savers. They are classified into three categories: the State, companies, individuals or families. These are both savings and investors. The volume of deposits increases the banking facilities and thus increases their investment capacity and enables them to expand and achieve multiple investment opportunities that facilitate the owners the possibility of increasing the rates of returns achieved and avoiding risk. The expansion and decline of commercial banking activity may be due to the conditions of Economic, credit and international issues surrounding Iraq. Moreover, not all investment banking decisions lead to profit and safety. They are based on personal guesswork and are not based on rules and scientific foundations that attract depositors, investors and borrowers to direct their savings to these banks rather than disperse them, that reflected on net income of most commercial banks including Middle East Bank Research Sample.

Based on the above, the problem of research revolves around: the level of correlation and influence between the structure of deposits and profitability in the Middle East Bank sample research. To answer this problem, we ask the following questions:

1. Is there a correlation and effect between the structure of the bank deposits and the rate of return on the assets of the Iraqi Middle East Commercial Bank, the research sample?
2. Is there a correlation and impact of the deposit structure on the rate of return on the right of ownership of the Iraqi Middle East Commercial Bank, the research sample?

Second: The Hypotheses of Research

The research is based on testing the validity of the following hypotheses:

a. The assumptions regarding the correlation between the structure of bank deposits and profitability in the Middle East Bank.
    1. There is a statistically significant correlation between the total bank deposit structure and the rate of return on assets of Middle East Bank.
    2. There is a significant statistical correlation between the bank deposit structure and the rate of return on assets of Middle East Bank.
    3. There is a statistically significant correlation between the total banking deposit structure and the rate of return on the right of ownership of the Middle East Bank.
    4. There is a significant statistical correlation between the structure of bank deposits and the rate of return on the right of ownership of the Middle East Bank.

b. The assumptions regarding the correlation between the structure of bank deposits and profitability in the Middle East Bank.
    1. There is a statistically significant correlation between the total bank deposit structure and the rate of return on assets of Middle East Bank.
    2. There is a significant statistical correlation between the structure of bank deposits and the rate of return on assets of Middle East Bank.
    3. There is a statistically significant correlation between the total structure of bank deposits and the rate of return on ownership of Middle East Bank.
    4. There is a statistically significant correlation relationship to the structure of bank deposits in the rate of return on the right of ownership of the research sample.

Third Research Goals

The research aims to achieve the following objectives:

1. Understand the structure of deposits (fixed, saving and ongoing) in terms of concept and structure.
2. Measurement and analysis of correlation and effect of the structure of deposits in the rate of return on assets and the right of ownership of the Bank of the Middle East for the period (2003 - 2017) using linear and logarithmic functions and growth rates using simple linear regression and multi-system data (E-Views).

Fourth Research Methodology

The research adopted a qualitative descriptive approach to identify the structure of bank deposits, the most important profit indicators, the rate of return on assets and the right of ownership of the Middle East Bank and a quantitative analytical approach in explaining the correlation between the structure of bank deposits and profitability, copyrights).

Fifth Search Limits

1. Theoretical Boundaries: The research focused on two main variables (the bank's current deposit structure, savings, fixed) and the Middle East Bank's profitability, represented by the rate of return on assets and the rate of return on ownership.
2. Time limits: Time limits depend on the time period (2003 - 2017).
3. Spatial boundaries: The research included the Middle East Bank and its 22 branches in Iraq.

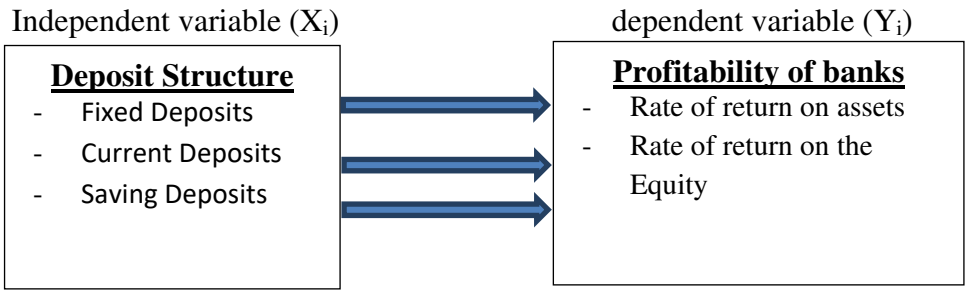
Sixth: The Default Plan for the Study

The outline of the study is the basic idea of the study, in order to clarify the dimensions and problem of the study and achieve its objectives, and then the design of a default scheme shows the nature of the relationship between the variables of the study, and the extent of the impact of one on the other as this scheme includes the movement and direction of independent variables and subsidiaries:

A The movement and direction of the independent variables (savings deposits, current deposits, fixed deposits) of the sample banks.

B The movement and direction of the dependent variable (profitability), which is the rate of return on assets, the rate of return on the Equity of commercial banks and the sample of the study.

Model 1: Default plan of the Study



Source: Prepared by the researcher

The First Topic - The Basics of Bank Deposits

This course deals with the concept and importance of bank deposits and the forms of the structure of bank deposits and the factors affecting the structure of bank deposits as follows:

I. The Concept of Bank Deposits

The success of banks in the performance of their business and the provision of advanced banking services and products depends on the size of their financial resources, of which deposits constitute the most important part (Kanjo et al. 2006: 105). Deposits are the main source of funds, The banks' acceptance of deposits provides a great experience for the national economy because of the facilitation of payment operations resulting from trade exchange and the use of funds in various fields.

The deposit is defined linguistically as "the deposit of something with another person for a certain period, provided that the person undertakes to return the same thing to the request (Samhan, 2000: 14).

Bank deposits are defined as an agreement whereby the depositor pays a sum of money by means of means of payment to the bank, provided that the bank is obliged to refund the deposit on demand or when it is due. It may also pay interest on the value of the deposit. On the financial status of the applicant, a secret of his secrets can not be disclosed (Hindi, 1999: 103).

As referred to in the Iraqi Banking Law No. 94 of 2004 as a monetary amount payable to a person or deposited as a credit in the account of that person under the terms of payment of the deposit or transfer from one account to another account at a premium or interest or without them to be paid upon request or at a time consistent It is in advance (Shammari, 2009: 343).

II. The Importance of Bank Deposits Bank Deposits Importance:

Deposits are one of the most important external financial resources for current banks. They are essential for investment and lending operations, which are an important source of profit maximization for commercial banks. Therefore, the importance of bank deposits in commercial banks can be explained as follows:

1. The Importance of Bank Deposits for the National Economy

The importance of deposits in the national economy of the oil countries as they represent a large proportion of commercial banks' deposits in the oil economy, as monetary activity and government surplus grow significantly, and help these accumulated deposits and few withdrawals, which are often without interest or symbolic benefits that help commercial banks to expand In their operations and sometimes to the development of medium-term credit (medium-term loans) (Fawli and Awadallah, 2003: 121).

Deposits are a means of reducing the inflationary pressures that accompany economic development because deposits are a part of disposable income in the purchase of goods and services,

thereby constraining consumption, which is a necessary condition for stabilizing and mitigating inflationary pressures (Azzawi, 1997: 22).).

2. The Importance of Deposits for the Bank

Deposits are important sources of finance for banks, as they determine the ability of banks to lend at a certain percentage of the value of their deposits. The total value of deposits gives the bank the opportunity to multiply its banking services in addition to its investments and attracting deposits by various means (Hassan, 2011: 12).

3. For Depositors

Banks provide more liquidity to depositors as they can easily convert their deposits (money-changers) into cash, currency or anything else with minimal effort, while this can not be done with other financial instruments such as bonds that must be sold first, Alsayed Ali and Al-Issa, 2004: 94). The importance of deposits is also one of the important financial assets that depositors wish to acquire and which are easy to obtain. The various types of savers can deal with them, so they are suitable for small savers who have difficulty buying shares or bonds .

Commercial banks accept the deposit of any amount of money, as well as the offer of deposits with large amounts directed to large investors and business establishments such as certificates of deposit with large amounts with different times to suit the needs of depositors there are deposits for one day or even one night and certificates of deposit for several years , As well as the safety factor for these funds, especially if they are deposited in a well-known bank with a good reputation (Al-Jazrawi, 2011: 286).

III. Structure of Bank Deposits

1. Deposits of Current Accounts

It is an agreement between the customer and the bank whereby the customer deposits a sum of money with the bank, provided that he has the right to withdraw it at any time without prior notice from him (Hindi, 2000: 47). Therefore, they are considered high risk compared to other deposits, the current deposit instability by maintaining adequate liquidity to counter depositors' withdrawals on this type of deposit (Samurai and Dori, 1999: 106). Some legislations also prohibit interest on this type of deposit.

2. Savings deposits:

An agreement between the bank and the customer, whereby the customer deposits a sum of money with the bank in return for the interest, provided that the customer has the right to withdraw from the deposit at any time without prior notice (Indian, former source: p. 147). They are given checkbooks to their owners, but they are given savings books that are deposited and withdrawn (Lozi et al., 1997: 134).

3. Futures Deposits

For this kind of deposits, the Commercial Bank is not obliged to pay them until the time specified for the deposit, ie after the expiry of a certain period agreed upon by the depositary from the bank. This gives the commercial bank the freedom to lend or invest it and to reap the greatest amount of return compared to the situation of current deposits, Which makes commercial banks pay higher interest rates, in order to attract the largest amount of deposits of this type (Sharaf and Abu Araj, 1994: 184).

IV. Factors Affecting Bank Deposit Size

A. External Factors

1. Competition between Banks to Obtain Deposits

Which is one of the most important factors affecting the volume of deposits at the level of one bank, when the competition for deposits is severe, the work of the bank will be limited to the transfer of deposits from Egypt to the other and the banking system as a whole does not earn new deposits, but a redistribution of deposits between banks component .

2. Seasonal Fluctuations

The Bank's deposits are subject to seasonal fluctuations, especially those whose branches are concentrated in regions whose economies depend on one sector, or limited areas that are not as diverse as one-season agricultural areas.

3. Cyclical Fluctuations or Economic Cycle

Deposits change in periods of recovery and stagnation. The pattern of change is almost the same as seasonal fluctuations. The central bank can directly influence the volume of cash reserves in commercial banks. It can reduce the legal reserve ratio, lending to banks or buying public debt from the public has placed multiple constraints on certain types of loans and investments, thus reversing economic volatility.

4. Volatility in Population Size

The deposits of one bank and the banking system are related to the number of people in the region in which they operate and their level of income. The country varies in its growth. Other regions are flourishing over time, and deposits are remarkably following the migration and migration of the population as they move, where new businesses are located.

5. Government Activities in the Region

The volume of deposits in the Commercial Bank increases when government activity increases and public spending decreases. These deposits increase in those areas where government activities expand and public spending increases. Public construction projects have a remarkable growth in deposits compared to other regions. In areas where there are government departments and their agencies with other areas that are less or less.

B. Internal Factors Affecting Deposit Attraction

In addition to the above factors, there are many factors that influence attracting deposits at the level of the banking system (Sultan, 2005: 120).

- Physical and personal characteristics of the bank
- Offering new, innovative and rewarding benefits to depositors
- Improving the quality and quality of banking services
- The location of the bank and the place it occupies
- The heritage and fame of the bank
- The main policies of the bank (deposit policies, lending, liquidity, capital).

The Second Topic: The Profitability of Commercial Banks and the Factors Affecting Them

Commercial banks are primarily aiming to maximize their profitability, like any business that targets its owners to maximize their wealth and increase the market value of their shares. Commercial banks are pursuing these goals by maximizing revenue, reducing costs to the minimum or both.

The Commercial Bank's management is working hard to maximize the owners' wealth by making appropriate profits that are not less than the achievable returns by investing in alternative investments that borrow the same degree of risk. In order to achieve these profits, the Bank directs its financial resources towards income-generating investments. This topic will address the profitability of commercial banks in terms of concept, importance and factors affecting them.

I. The Concept of Profit and Profitability

Profit from an economic concept can be defined as the amount of change in the value of the net assets of the economic unit over a given period of time. An accounting concept is the difference between the revenue generated by the economic unit over a given period of time and the expenses incurred by this unit during this period (Jeter and Chaney : 2012, P: 46).

Profitability is the relationship between the profits achieved by the institution and the investments that contributed to its achievement. Profitability is a goal of institutions and measures to judge its adequacy, whether at the level of economic unity in aggregate or partly at the division level (Varnimmen, Quiry et al., 2011, p: 227)

The sound banking system is on the shoulders of winning and well-capitalized banks, so (Hammad) defines it as the benchmark for the Bank's competitive position in the banking market and for the quality of its management. It provides the bank with a hedge against short-term problems (Hammad, 2005: 477) In the relationship between profits and several measures, it may be measured by the relationship between profits and sales, or by the relationship between the profits and investments that contributed to them. The concept of investments may take a number of measures such as the value of assets (ROA) or the value of equity (return on equity) Property ROE or number The company's share EPS (Varnimmen, Quiry et al: 2011, P: 227).

II. The Importance of Profitability

Profitability is an essential objective for all institutions and is essential for their survival and sustainability. Investors are looking forward to it, and a sign of interest to creditors in their dealings with the Bank. It is also an important tool for measuring the efficiency of management in using available resources to maximize returns for their owners (Lumby and Jones, 2011: 174) .

That banks are inherently living in a state of fierce competition among them in all areas and they spend huge amounts in this direction can't be any banking system to oppose the pursuit of commercial banks to profit reasonable, that profitability is an indicator of efficiency and optimal utilization of the country's resources and wealth, With the aim of liquidity in guiding the policy of the bank in the distribution of its resources, ie, the more liquidity of the bank the lower the ability to obtain high returns and vice versa, and the breadth of the bank's business and success depends on the amount of what individuals invest as a result of their confidence in the ability of the bank to face customers' requests (Al-Allaq, 2001: 117).

It is clear that the difference in bank profit rates is due to two things:

The first is the difference in the degree of risk among different economic activities. The higher risk's level in a particular activity, the higher the profit rate and vice versa.

The second is the difference in efficiency among managers in the same activity. The more efficient the manager is in the management and organization of his facilities, the higher the profit rate and vice versa (Omar, 1989: 447).

Third: Factors Affecting the Profitability Index

A. External Factors Affecting Profitability

There are external factors that the Bank can not control and control only by predicting or adapting and containing it and affecting its profitability These factors are:

1. Interest Rate

The variable rate represents the economic variable that binds lenders and borrowers in financing relationships. If the borrower pays for the borrowed money for a certain period of time, the interest rate is considered as a return on the borrowed money at other times, and as the banks are financial intermediaries between the lenders and the borrowers, the interest rate is considered a cost when paid on bank deposits And as a result of the bank's loans (Farahat, 2006, 5).

The interest rate takes two concepts: the nominal interest rate, which is the rate actually paid by the banks, and the real rate, which is the nominal price minus the inflation premium or any other risk, calculated on the basis of the expected change in the general price level (Bodie et al. 2008: 156).

The increased interest rate risk can pose an important threat to its profits and capital, and its volatility affects the Bank's profits by changing net interest income and interest-rate income, as well as its impact on operating expenses. It affects the implicit value of assets, liabilities and off-balance sheet instruments because the present value Future cash flows will change as interest rates change (Farhat, 2006: 7).

Therefore, the interest rate can be defined as "the effect of changes in interest rates on the profit margin of the Bank" (Rose, 1999: 174). Said (2013: 13) refers to the interest rate as the right of the bank or the right of the customer to give each other a certain amount for Certain time.

2. Exchange Rate

The exchange rate of an economy is a reflection of the domestic price levels of that economy vis-à-vis foreign investors and traders. It is also one of the most important determinants of investment and any change in it means a change in the prices of local assets and their returns. Therefore, the instability of the exchange rate will be reflected in the instability of the returns of assets. And that its decline leads to lower returns in the eyes of foreign investors (Al-Ani, 2002: 76). Many definitions of the exchange rate have been found in the writings of researchers, known as foreign money in terms of currency or local money (Salvator, 2001: 498). It is also known as the price of a country's currency expressed in other countries' , 2004: 19). Others are considered to be the price of a currency in another currency. One currency is considered a commodity and the other is considered a price, or is the exchange rate of two currencies, that is, the rate on which a country's currency is exchanged for the rest of the world's currencies (Bukhari 2010: 120).

3. Inflation Inflation

The definition of inflation has evolved with the development of economic thought and its definitions varied according to the difference and development of the intellectual and economic schools and the excretions of the economic crises known as the "significant increase in the amount of cash" (Al-Rubi, 1973: 13-14). As for the (Kenz) theory of eccentricity, inflation has been defined as Excess-demand for the full-use supply, such imbalances are characterized by high prices. Therefore, the rise in prices is a sign of inflation (Kassem, 1981: 282) , The rate of inflation on the imbalance of monetary value with the real value of all investments, the rate of return of investment in terms of monetary value in two different markets but the real value of that return is different and this is due to a difference in the rate of inflation between the two markets as the investor preferred to work In a low-inflation market to achieve S real return (Alani, 2002: 77).

B. Internal Factors Affecting Profitability

There are internal factors that the bank can control and control which affect their profitability and these factors are:

a. Liquidity

Liquidity is a key objective of the Bank and means sufficient funding to meet deposits and other financial commitments made to the Bank on time or on demand (Ministry of Finance, 1989: 6), or the Bank's ability to pay obligations on maturity or on demand (Al-Jameel, 2002: 374) represents the Bank's ability to meet its immediate and expected obligations without delay (Al-Shukri, 1999: 107). Commercial banks are more interested in liquidity than other intermediary financial institutions. This interest is due to two reasons:

First, the ratio of their cash liabilities to their total resources is very large; and second, that a large portion of their liabilities consist of short-term liabilities (Asaumders, 1997: 324) Where liquidity is a double-edged sword. If the volume of liquidity exceeds the economic limit, it will have a negative impact on the profitability of the bank. On the other hand, if liquidity falls below the required limit, this will lead to financial difficulties and weak efficiency of the bank and its ability to meet its obligations (Abu Hamad & Qadduri, 2005: 238-239) toward workers.

b. Paid-up Capital

The paid-up capital is defined as the sum of the funds actually provided by the shareholders of the Bank at the time of its incorporation, including participation in the composition of its capital, and although it constitutes only a small percentage of the total funds received by the Bank, it is necessary to pay attention to it, as it helps to increase confidence in the customers. With the bank especially the holders of current deposits of them (Abu Hamad and Kadouri, 2005: 60) and at the same time enhances the bank's standing in different circles.

1. Return on Assets (ROA) Return on Assets:

Is a financial indicator that reveals the Bank's ability to generate profits by investing in its assets (Mohammed, 2006: 261). It depends largely on the amount of profits realized from these assets. It is also called return on investment because it is a measure of the profitability of all short- and long-term investments (AlMashhadani, 2009: 67). It also reflects the efficiency and effectiveness of the management in the operation of assets and gives confidence in the management of funds and the safety of investment and operational decisions taken. This index is calculated by dividing net profit to total assets (Daoud, 2010: 23) as follows: (Reilly & Brown, 2012: 276).

$$Ratio\ of\ return\ on\ assets = \frac{Net\ profit}{totl\ assets} X\ 100$$

2. Return on the Right of Ownership (Return on Equity (ROE))

This indicator is highly regarded by the Bank's management as it measures the extent to which the objective of the banks is to achieve the rate of return on the money invested by the owners, which is the criterion for maximizing their villages (Amiri, 2010: 50), Moreover, this is a specific indicator of the growth and development of the Bank (Dawood, 2010: 23). On the other hand, the rise in this ratio demonstrates the efficiency of the bank's management. At the same time, it indicates the high risk of increased leverage (the degree of bank credit to borrow), Their decline indicates that the Bank has adopted conservative loan financing (Mashhadani, 2009: 67), measured by applying the following equation: (Reilly & Brown, 2012: 277).

$$return\ on\ equity = \frac{Net\ profit}{ownership} X\ 100$$

The Third Topic: Analysis of the Structure of Bank Deposits and Qualitative and Functional Profitability in the Bank of the Middle East

This analysis is based on the classification of deposits in terms of quality, function, bank liquidity and profitability of Middle East Bank as follows:

I. Qualitative Analysis of Bank Deposit Structure

The deposits are classified according to their main types to current, save and fixed) deposits and due to the large difference between these deposits as mentioned above. This analysis presents important indicators in terms of the relative importance of each type such as the size of deposits, the extent of development and growth in the volume of deposits of Middle East Bank during the study period, Shown in table (1).

Table 1: Volume of Deposits, Specific Distribution and Relative Importance of the Middle East Bank for the Period (2003-2017)

Year	Current deposits	Rational Importance	Saving deposits	Rational Importance	Fixed deposits	Rational Importance	Sum of deposits
2003	70234.1	%65	29231.3	%27	8200.5	%8	107665.8
2004	83816.6	%62	38076.9	%28	12768.1	%10	134661.6
2005	171708.2	%66	68810.3	%27	19006.8	%7	259525.3
2006	124689.3	%57	78225.9	%36	15259.2	%7	218174.4
2007	134674.0	%45	124007.0	%42	37771.0	%13	296452.0
2008	166822.9	%42	182003.4	%46	48041.1	%12	396867.4
2009	183217.0	%42	216927.0	%49	41368.1	%9	441512.1
2010	172743.0	%39	234014.4	%53	36976.5	%8	443733.9
2011	186188.0	%39	236175.0	%49	54750.0	%12	477113.0
2012	256940.0	%43	274466.0	%46	67263.0	%11	598669.0
2013	194495.1	%37	266302.6	%51	63808.5	%12	524606.2
2014	98838.3	%29	186500.5	%55	55073.0	%16	340411.8
2015	112279.6	%36	152272.9	%48	51785.1	%16	316337.6
2016	96501.0	%38	124798.0	%49	30981.0	%13	252280.0
2017	92320.0	%40	110687.0	49%	23871.0	%11	226878.0
average		%45		%44		%11	

Source: Ministry of Finance, Final Accounts of the Middle East Bank for the period 2003-2018

Table (1) shows the following:

- The volume of current deposits was about ID (83816.6) million in 2004 and highly for the period (2005-2013) to about ID (172743.0) million in 2010 and amounted to (194495.1) million in the year 2013, then decreased to (98838.3) And about (92320.0) million dinars in 2017. The ratio of current deposits to total deposits were about 62% in 2004 and about 39% in 2010 and about 37% in 2013 decreased to 29% in 2014 and increased to 40% to total deposits in 2017 and in general The average ratio of current deposits to total deposits was about 45% in the Middle East Bank.
- The savings deposits fluctuated between the increase and the decrease, reaching ID 38076.9 million in 2004 and 28% in total deposits. In 2010, it amounted to ID 234014.4 million, or 53%, to total deposits in 2015 to ID 152272.9 million 48% to total deposits and to (110687.0) million dinars in 2017 by 49%. In general, the average ratio of savings deposits to total deposits was estimated at 44%.
- Meanwhile, fixed deposits were low during the study period, reaching ID 8,200.0 million in 2003, an increase of 8% to total deposits. In 2010, they amounted to ID (36976.5) million, or 8% to total deposits, which increased to ID 51785.1 million In 2015 by 16% and then decreased to be the size of (23871.0) million dinars in 2017 by

11%. In general, the average ratio of fixed deposits to total deposits does not exceed 11%, which is small.

II. Analysis of the Role of Deposits in the Employment of Bank Funds

The analysis of the role of deposits in the Middle East Bank's investment is an important indicator of the Bank's activity and the success of its management in managing its funds. Two important indicators can be analyzed to identify the Bank's Middle East employees, namely deposit lending rate and deposit rate, as discussed previously through the functional recruitment of funds of the bank and its distribution on loans and investments as shown in table (2).

indicator / year	Total deposits	Loans	Investment	Average deposit lending rate	Deposit employment rate
2003	107665.8	20365.2	12320.3	%19	%30
2004	134661.6	33503.2	50865.9	%25	%63
2005	259525.3	25075.4	159735.2	%10	%71
2006	218174.4	20004.8	98556.6	%9	%54
2007	296452.0	16905.2	151046.5	%6	%57
2008	396867.4	15516.8	187597.5	%4	%51
2009	441512.1	63798.7	77067.4	%14	%32
2010	443733.9	142380.8	8702.2	%32	%34
2011	477113.0	188852.7	5257.7	%40	%41
2012	598669.0	197335.8	43487.6	%32	%40
2013	524606.2	206777.9	19065.5	%39	%43
2014	340411.8	187865.1	26859.8	%55	%63
2015	316337.6	149924.8	42573.0	%47	%61
2016	252280.0	126346.0	42802.0	%50	%67
2017	226878.0	127729.0	36389.0	%56	%72
Average				**%31**	**%51**

The above table shows:

- The volume of loans provided by the Bank of the Middle East fluctuated during the period (2003-2008) between the increase and decrease and after 2008 increased significantly and this means that the volume of deposits went down as the volume of loans in 2009 amounted to (63798.7) million dinars increased in 2013 to be (The rate of deposit lending was fluctuating between the increase and the decrease. In 2004, it reached about 25%, decreased to 9% in 2006, and it increased to reach ID (1267) million. Lending rate increased for the years (2010-2017) with a lending rate of 55% in 2014 and about 56% in 2017 with an average of 31 for the period (2003-2017).
- The rate of employment of loans and investments was medium and the highest rate of employment was 72% in 2017 and the lowest rate of 30% in 2003 for the conditions of the occupation of the country, which appeared negatively on the volume of loans and investments in Iraqi private and public banks, but the rate of employment of funds averaged 51% for the period (2003 - 2017).

III. Analysis of the Liquidity of the Middle East Bank

The Bank's daily liquidity capacity towards depositors, investors and borrowers is an important indicator in the field of liquidity measurement. In order to analyze liquidity, we will focus on the most important monetary criteria, including the monetary standard and the current liquidity standard, as shown in Table 3.

Table 3: Analysis of cash and current liquidity of the Middle East Bank for the period (2003-2017) million ID

Liquidity / Year	Total deposits	Current loans	Monetary assets	Standard Cash Flow	Standard current Flow
2003	107665.8	70234.1	50520.3	47%	%72
2004	134661.6	83816.6	73489.2	%55	88%
2005	259525.3	171708.2	104497.2	40%	61%
2006	218174.4	124689.3	138600.5	64%	111%
2007	296452.0	134674.0	174354.4	59%	129%
2008	396867.4	166822.9	217433.6	55%	130%
2009	441512.1	183217.0	355744.4	81%	194%
2010	443733.9	172743.0	343909.6	78%	199%
2011	447113.0	186188.0	369713.4	83%	199%
2012	598669.0	256940.0	463908.4	77%	181%
2013	524606.2	194495.1	422060.5	%80	217%
2014	340411.8	98838.3	349766.7	103%	%354
2015	316337.6	112279.6	325310.8	103%	290%
2016	252280.0	96501.0	329238.4	131%	341%
2017	226878.0	92320.0	424781.0	187%	460%
Average		%82		%202	

Source: Ministry of Finance, Final Accounts of the Middle East Bank for the period 2003-2018.

Table (3) shows the following:

- The liquidity of the Bank of the Middle East was ID (73489.2) million in 2004, which rose to ID (217433.6) million in 2008 and to ID (463908.4) million in 2012 and to ID (424781.0) million in 2017. In comparison to total deposits, The cash flow criterion is 187% in 2017 and the lowest liquidity criterion is 40% in 2005 and an average of (2003-2017) about 82%.
- The current liquidity standard, which is expressed in terms of liquidity to current deposits, is the highest of 460% in 2017 and the lowest of 61% in 2005. In general, the average liquidity standard is estimated at about 202%, which is high in the Middle East Bank.

IV. Analysis of the Profitability of the Middle East Bank

This course deals with the criteria for measuring the profitability of the Bank of the Middle East for the period (2003-2017) by identifying the most important methods of measurement as indicated in the axis of the Commercial Bank of Iraq and these methods:

1. Rate of return on assets:

It is an indicator of the efficiency of management in generating profits from available assets as well as the relationship between the profit of operations and the assets that contributed to its generation, as shown in table 4.

Table 4: Rate of return on assets for the Middle East Bank, for the period 2003-2017

Year	Net return after tax	Total assets	Rate of return on assets
2003	2950.3	160320.3	1.8%
2004	4981.9	175541.5	2.8%
2005	10436.2	319496.1	.33%
2006	5154.5	299385.6	1.7%
2007	14451.4	406782.9	3.6%
2008	13952.2	569667.6	2.4%
2009	11707.1	557540.0	2.1%
2010	8627.3	580125.5	1.5%

Year	Net return after tax	Total assets	Rate of return on assets
2011	18453.2	657746.4	2.8%
2012	24282.3	818969.6	2.9%
2013	20875.7	774180.0	2.7%
2014	3605.7	683076.4	0.5%
2015	5420.5	675123.6	0.8%
2016	12516.9	679182.2	1.8%
2017	13402.7	720818.3	1.9%
Average		**2.18%**	

Source: Ministry of Finance, Final Accounts of the Middle East Bank for the period 2003-2018.

Table 4 shows that asset utilization, although high, shows that the rate of return in Middle East Bank appears to be only 3.6% in 2007 and the lowest rate of return to assets is 0.5% in 2011 and 1.9% in 2017 with an average of 2.18% for the period (2003-2017), which is a weak return on the size of the bank's assets due to its weak investment in credit facilities or investments, which shows poor management efficiency in the Middle East Bank.

2. Return on the right of ownership:

This index measures the profitability of owners as a result of investing their money in the bank's shares as well as determining the relationship between the net profit after tax and the net shareholders' equity represented in paid up capital, reserves and undistributed profits. This indicator can be calculated as follows:

Return of equity = net profit after tax / right of ownership x 100%

As indicated in Table (5)

Table 5: Rate of return on equity of Middle East Bank for the period (2003 - 2017)

Year	Net return after tax	right of ownership	Rate of return on equity
2003	3214.8	12022.1	%27
2004	4981.9	13433.5	%37.1
2005	10436.2	27359.5	%38.1
2006	5154.5	35782.8	%14.4
2007	14451.4	50449.0	%28.6
2008	13952.2	63840.1	%21.9
2009	11707.1	75547.2	%15.5
2010	8627.3	84098.3	%10.3
2011	18453.2	137899.4	%13.4
2012	24282.3	187746.2	%12.9
2013	20875.7	202779.6	%10.3
2014	3605.7	307074.4	%1.2
2015	5420.5	276967.6	%1.9
2016	12516.9	281173.0	%4.5
2017	13021.3	290183.0	%4.5
Average			**%16**

Source: Ministry of Finance, Final Accounts of the Middle East Bank for the period 2003-2018.

Table (5) shows that the ability of the bank and senior management to increase the wealth of owners also seems to be few and varied between one year and the other. The highest rate of return to ownership is 38.1% and the lowest rate of return is 1.2 in 2014 with an average of 16% in the employment of property rights to serve and increase the profits of owners.

The Fourth Topic: Estimation and Analysis of the Impact of the Structure of Bank Deposits on the Profitability of the Middle East Bank

This study deals with estimating and analyzing the direct effects of current, saving and fixed deposits in the profitability of Middle East Bank, considering that this bank is one of the most important private banks in Iraq in terms of capital and size of loans and deposits and employment and has branches spread in Iraq.

Therefore, this study focused on estimating and analyzing the impact of the deposit structure on the rate of return on assets and the rate of return on the Middle East Bank's Equity as follows:

I. Estimation and analysis of the impact of the deposit structure on the profitability of Middle East Bank:

The researchers investigated and analyzed the effect of the bank deposit structure (current deposits, savings, and fixed deposits) on the profitability of the Middle East Bank represented by the rate of return on assets and the rate of return on Equity as dependent variables by adopting statistical standards and linear and logarithmic functions and growth rates. The researcher used constant and constant deposit growth rates, saving as independent variables, and constructing and selecting models using t-test, F-test, R correlation, R^2 determination factor, DW self-correlation and linear multiplicity), as shown in the below samples:

a. Estimating and analyzing the impact of the bank deposit structure on the rate of return on assets of Middle East Bank.

The researcher attempted to estimate and analyze the effect of the deposit structure as independent variables in the rate of return on assets (as a dependent variable) for the period 2003-2017 for Middle East Bank as shown in Table 6.

Table 6: The effect of the bank deposit structure on the average return on assets of Middle East Bank

$Y_1 = 1.854+0.003CURDEP+0.012SAVDEP+0.008FIXDDEP$

Variable	B_o	B_i	S.E	t-test	Sig.	F-test	Sig.	R^2	D.W
CURDEP		0.003	0.007	0.397	0.700				
SAVDEP	1.857	0.012	0.010	1.152	0.123	7.486	0.006	0.69	1.965
FIXEDDEP		0.008	0.004	1.681	0.276				

Source: The table of the work of the researcher based on the data of the final accounts of the Middle East Bank for the period 2003 - 2017 and the results of (E Views) data.

It is clear from the estimated model:

- When activating current deposits in one unit will increase the rate of return on assets by the effect of (0.003) units while the remaining factors are fixed. The activation of savings deposits in one unit will result in an increase in the rate of return on assets by the effect of (0.012) units while the remaining factors are fixed and when activating the fixed deposits in one unit will increase the rate of return on assets with an impact estimate (0.008) Means that there is a positive relationship between the deposit structure and the rate of return on assets of the Middle East Bank.
- t-test indicates that all parameters estimated for deposit transactions are insignificant because P. value is greater than the moral level 0.05 and therefore we accept the null hypothesis (H_o) and reject the alternative hypothesis (H_1).
- The F-test indicates the significance of the estimated model because P. value for the calculated value (F) is (7.486) less than the moral level 0.05 and therefore reject the null hypothesis (H_o) and accept the alternative hypothesis (H_1) (Current, savings and fixed) in the rate of return on assets to Middle East Bank.

- The structure of bank deposits accounts for about 69% of the total variance of the rate of return on assets to Middle East Bank and the remaining 31% is due to other factors that the researcher did not take into account and may return to the extent of error (Ui).
- Through the test of D.W = 1.965 This means that the coefficient of self-correlation falls in the area of discount and this indicates the absence of a problem of self-correlation as well as the absence of a problem of linear multiplicity according to the test (Klien).

b. Estimate and analyze the total structure of bank deposits in the rate of return on assets of Middle East Bank.

This model deals with the estimation and analysis of total deposits (current, savings, fixed) in the rate of return on assets as shown in Table (7)

Table 7: The total effect of the deposit structure on the rate of return on assets for the period (2003-2017) for Middle East Bank

$Y_i = 1.947 + 0.022\ X_i$

Variable	B_o	B_i	t-test	Prob.	F-test	Prob	R^2	D.W
Total deposit structure	1.9617	0.022	4.446	0.008	19.769	0.001	0.62	2.270

Source: The table of the work of the researcher based on the data of the final accounts of the Middle East Bank for the period 2003 - 2017 and the results of (E Views) data.

The table shows following:

- If we make the structure of deposits (current, savings and fixed) with one unit, it will increase the rate of return on assets by the effect of (0.022) units, with the remaining factors constant.
- The calculated value of t (4.446) indicates that P.value is less than the moral level of 0.05. This means rejecting the null hypothesis (Ho) and accepting the alternative hypothesis (H_1), meaning that there is a significant and statistically significant relationship to the sample of the study.
- The value of the calculated F is estimated at (19.769). This means that P. value is less than the moral level 0.05 and therefore we reject the null hypothesis (H_o) and accept the alternative hypothesis (H_1) that the model is significant and that there is a significant effect of the structure of bank deposits on the rate of return on assets Middle East.
- The explanatory power of the deposit structure in the total variance of the rate of return on assets was 62%, and the rest is due to variables that did not enter the model due to error (Ui)
- The value of (D.W) about (2.270) means that the model is free of the problem of self-correlation and the model is free of the problem of linear multiplicity on the scale (Klien).

We conclude from this, that the structure of bank deposits is significant and statistically significant, with an impact on the rate of return on assets. This reflects the effectiveness of the bank's management as it works to develop and attract depositors and invest their funds towards loans and investments which gradually grow in future profits.

c. The impact of the bank deposit structure on the rate of return on ownership of Middle East Bank

This model addressed the estimation and analysis of the impact of the bank deposit structure as independent variables in the rate of return on equity as a variable for the Middle East Bank for the period (2003-2017) as shown in the model in the table.

Table 8: The effect of the bank deposit structure on the rate of return on the right of ownership of the Middle East Bank

$Y_2 = 9.96+0.002CURDEP+0.312SAVDEP+0.04FIXDDEP$

Variable	B_o	B_i	S.E	t-test	Prob.	F-test	Prob.	R^2	D.W
CURDEP	9.70	0.002	0.068	0.031	0.976	17.54	0.000	0.84	1.105
SAVDEP		0.318	0.099	3.157	0.010				

Source: The table of the work of the researcher based on the data of the final accounts of the Middle East Bank for the period 2003 - 2017 and the results of (E Views) data

The estimated model in Table 8 shows the following:

- If we do the static growth rate of current deposits in one unit will increase the rate of return on the right of ownership by (0.002) units with the remaining factors are fixed. When activating the growth rate of savings deposits in one unit, it will increase the rate of return on equity by (0.312) units while the other factors remain constant, while if we do the growth rate of fixed deposits in one unit will increase the rate of return on ownership by (0.04) The other factors remain constant, which means that deposit structure growth rates are positively correlated with the rate of return on equity.
- The t-test of estimated parameters indicates that t is not significant for the growth rate of current and fixed deposits because P. value is greater than the moral level 0.05, for the fixed deposit growth rate, the calculated t is 3.157 and the P. value is below the moral level 0.05 We reject the hypothetical hypothesis (H_o) for fixed deposit growth rate and accept the alternative hypothesis (H_1) which confirms that the growth rate of fixed deposits has a significant effect.
- F-test is estimated at 17.54 and P. value is below the moral level 0.05 and therefore we reject the null hypothesis. We accept the alternative hypothesis H_1 which confirms that the estimated model is significant and statistically significant. Generally, deposit growth rates are significant in effect In the rate of return on the right of ownership and this means that senior management is working hard to increase the wealth of the owners of this bank.
- The R^2 identification coefficient, which represents the explanatory power of the independent variables, indicates the structure of the deposits, reflecting growth rates, accounting for about 84% of the total variance in the rate of return on assets and the remaining 16% is due to the U_i error. This means that the deposit structure is employed to serve to increase the owners' wealth of this bank.
- The value of (D.W) = (1.105) located in the area of deduction and this is left to the researcher to accept or reject, and that the researcher accepts that there is no problem of self-correlation as well as the absence of the problem of linear multiplicity through the scale of (Klien).

We conclude from this that the rate of bank deposit structure in the Middle East Bank has a significant and statistically significant effect. The most influential deposit is the growth rate of fixed deposits.

d. Estimating and analyzing the total growth rates of the bank deposit structure in the rate of return on the right of ownership of the Middle East Bank

This model is designed to identify the effect of the total growth rates of the bank deposit structure on the rate of return on the Middle East Bank's right to equity as shown in Table 9.

Table 9: The effect of the total growth rates of the structure of bank deposits on the rate of return on the right of ownership of the Middle East Bank for the period (2003-2017)

$Y_2 = 11.863+0.309X_i$

Variable	B_o	B_i	S.E	t-test	Prob.	F-test	Prob.	R^2	D.W
Total deposit structure	11.803	0.309	0.060	5.107	0.000	26.082	0.000	0.68	1.407

Source: The table of the work of the researcher based on the data of the final accounts of the Middle East Bank for the period 2003 - 2017 and the results of (E Views) data.

- If we do aesthetic growth rates of the bank deposit structure in one unit will increase the rate of return on assets by the effect of (0.309) units with the remaining factors are constant, indicating that the parameter is significant because P. value for the calculated t value (5.107) . We reject the null hypothesis and accept the alternative hypothesis which confirms the existence of a significant and statistically significant relationship.
- The calculated value of F (26.082) indicates that P. value is less than the moral level of 0.05. Therefore, the estimated model is significant and statistically significant. We reject the null hypothesis (H_o) and accept the alternative hypothesis (H_1) At the rate of return on ownership of Middle East Bank.
- The coefficient of selection indicates that the structure of bank deposits accounts for 68% of the total variance of the rate of return on deposits and the remaining 32% is due to other variables that did not enter the estimated model.
- The value of (D.W) is located in the area of non-resolution and therefore the researcher accepts that there is no problem of self-correlation with the residuals as well as the absence of linear multiplicity on the scale of (Klein).

This shows the interest of senior management in this bank to increase the wealth of owners and increase and develop in the placement of deposits and directing them towards loans and investment to serve the wealth of owners and the growth and development of the bank in the future.

The Fifth Topic: Test Hypotheses of the Study

This study analyzes the correlation between the structure of bank deposits (current deposits, savings, fixed) as independent variables in the profitability of the Bank of the Middle East, Commercial Bank of Baghdad, Commercial Bank of Iraq (represented by the rate of return on assets and rate of return on ownership) A number of statistical methods for the purpose of calculating the necessary statistical indicators represented by the coefficient of self-correlation (The Linear Correlation), T.test, and the parameters of selection R2, F.test and we will address it as follows:

First: Test the Correlation between the Structure of Bank Deposits and the Profitability of the Middle East Bank

A There is a correlation between the total bank deposit structure and the rate of return on assets to Middle East Bank.

The hypothesis can be ascertained by the simple correlation coefficient, and (t) between the total deposit structure and the rate of return on assets as shown in Table (10).

Table 10: Results of the simple correlation coefficient, T.test between the total deposit structure and rate of return on assets of Middle East Bank

Independent variable	Correlation coefficient R	t-test	Significance
Total deposit structure	0.79	4.446	Significant

Source: The table of the work of the researcher based on the data of the final accounts of the Middle East Bank for the period 2003 - 2017 and the results of (E Views) data.

It is clear from the table that there is a significant and statistically significant correlation, with a simple correlation coefficient (0.79) between the total structure of bank deposits and the rate of return on assets. The value of t calculated less than the moral level 0.05 indicates a significant and significant correlation between the total bank deposit structure and the rate of return on assets to Middle East Bank.

B "There is a correlation between the bank deposit structure and the rate of return on assets of Middle East Bank.

This hypothesis can be verified by Table (11)

Table 11: Results of simple correlation coefficient, T.test for Middle East Bank

Independent variable	R	t-test	Significance
CURDEP	0.58	2.526	significant
SAVDEP	0.77	4.285	significant
FIXED DEP	0.74	3.895	significant

Source: The table of the work of the researcher based on the data of the final accounts of the Middle East Bank for the period 2003 - 2017 and the results of (E Views) data.

Table (11) shows that there is a significant and statistically significant correlation between the structure of deposits (current, savings and fixed) through correlation coefficients is positive, positive and strong with the rate of return on assets, and the value of t calculated below the moral level 0.05 Thus, (Current, savings and fixed) are associated with significant and significant statistical relationships with the rate of return on assets of Middle East Commercial Bank.

C There is a significant correlation between the total bank deposit structure and the rate of return on ownership of the Middle East Commercial Bank.

The hypothesis can be verified by a simple correlation coefficient, T-test As shown in Table (12).

Table 12: Results of the correlation of Spearman, t-test, to the total deposit structure with the rate of return on ownership of Middle East Bank

Independent variable	Correlation coefficient R	t-test	Significance
Total deposit structure	0.827	5.107	Significant

Source: The table of the work of the researcher based on the data and the results of (E Views) data.

It is clear from Table (12) that there is a significant and statistically significant relationship between the total bank deposit structure and the rate of return on ownership. The simple correlation coefficient is 0.827 and the calculated t value is less than the moral level 0.05 and therefore we reject the null hypothesis (H0) Which confirms the relationship between the total deposit structure and rate of return on the right of ownership of the Middle East Commercial Bank.

D There is a statistically significant correlation between the bank deposit structure and the Return n Equity rate of return on equity as shown in Table (13).

Table 13: Results of the simple correlation coefficient and t-test between the deposit structure and the rate of return on ownership of the Middle East Bank

Independent variable	R	t-test	Significance
CURDEP	0.672	3.147	significant
SAVDEP	0.909	7.572	significant
FIXED DEP	0.716	3.553	significant

Source: The table of the work of the researcher based on the data and the results of (E Views) data.

Table 13 shows that the correlation coefficient between the deposit structure and the rate of return on the right of ownership of Middle East Bank, the best correlation coefficient achieved by the savings deposits as well as the significance of the estimated parameters, since all calculated t values are less than the moral level 0.05, (H_0) and accept the alternative hypothesis (H_1) that confirms a strong correlation between the deposit structure and the rate of return on the right of ownership.

II. Examining the Impact of the Bank Deposit Structure on the Profitability of the Middle East Commercial Bank

The researcher attempted to analyze and estimate the effect of the deposit structure in aggregate and individually through the multiple and simple regression to determine the effect of the deposit structure (current, saving and fixed) as independent variables in the return on assets As follows:

A There is a statistically significant effect on the overall structure of bank deposits in the rate of return on assets of Middle East Bank.
To verify the above hypothesis in Table 14.

Table 14: Results of R^2 and F tests for the effect of total bank deposits on the rate of return on assets of Middle East Bank

Independent variable	R^2	F-test	Significance
Total deposit structure	0.62	19.76	Significant

Source: The table of the work of the researcher based on the data of Bank of Middle East and the results of (E Views) data.

It is clear from the table that P-value for the calculated F value 19.76 is less than the moral level 0.05 and therefore reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1) and the ratio of the total structure of the deposits 62% of the total variance of the rate of return on assets 38% is due to other variables that have not entered the estimated model

B There is a significant statistical significance relationship to the structure of deposits in the rate of return on assets of Middle East Bank.
The hypothesis can be verified by using simple linear regression as shown in Table (15).

Table 15: Results of analysis of the impact of the deposit structure separately on the rate of return on assets of Middle East Bank

Independent variable	R^2	t-test	Significance
CURDEP	0.347	6.36	significant
SAVDEP	0.604	18.36	significant
FIXED DEP	0.558	15.17	significant

Source: The table of the work of the researcher based on the data and the results of (E Views) data

The results of the analysis show that there is a significant and statistically significant effect between the deposit structure and the return on assets on the Middle East Bank. The P-value of the current F and the savings are below the moral level (0.05), therefore we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1).

It is estimated that savings deposits achieved the highest rate of interpretation in the total variance of the return to assets at 60% and fixed at about 55%, current 34%, and the remaining one is due to factors other than estimated models.

C The effect of the overall structure of bank deposits on the rate of return on ownership is significantly significant for Middle East Bank.
The hypothesis can be verified by the R^2, F-test, as shown in Table 16.

Table 16: Results of the analysis of the effect of the total structure of bank deposits on the rate of return on the right of ownership of the Middle East Bank

Independent variable	R^2	F-test	Significance
Total deposit structure	0.682	26.082	Significant

Source: The table of the work of the researcher based on the data of Bank of Middle East and the results of (E Views) data.

It is clear from the analysis that P. value for the calculated F value is below the moral level (0.05) and therefore we reject the null hypothesis and accept the alternative hypothesis H1 because there is a relationship between the total bank deposit structure and the rate of return on the Middle East Bank's right of ownership. The explanatory power of the total deposit structure is about 68% of the total variance of the rate of return on ownership of Middle East Bank.

D There is a significant correlation between the individual deposit structure and the rate of return on the right of ownership of Middle East Bank with significant statistical significance.

The hypothesis can be verified by the F-test, R2, as specified in Table 17.

Table 17: Results of the analysis of the impact of the bank deposit structure separately on the rate of return on the right of ownership of the Middle East Commercial Bank

Independent variable	F-test	R^2	Significance
CURDEP	9.904	0.45	significant
SAVDEP	57.33	0.826	significant
FIXED DEP	12.62	0.51	significant

Source: The table of the work of the researcher based on the data of Bank of Middle East and the results of (E Views) data.

Table (17) shows that all -.value of calculated F values is less than the moral level of 0.05 for all deposits. Therefore, we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1) which confirms that there is an effect of current deposits, savings and fixed rate of return on ownership. The most significant deposits are saving deposits with a calculated value of about 57.33, and the ratio of the total variance of the return on equity to 82% and the remaining 18% due to other variables. In general, all deposits have significant and statistical significance. In the rate of return on the right of ownership of the Middle East Commercial Bank.

Conclusions and Recommendations

The research produced a number of facts through which to reach specific conclusions and recommendations that can be summarized as follows:

First: Conclusions

Based on what was presented in the theoretical side and the results of analysis of the applied side of the research, the researcher considered a number of conclusions as follows:

1. The deposit is one of the most important means of keeping money and maintaining it in old and recent times. Therefore, the deposit is no longer limited to this, but it has diversified to other horizons. The depositor has exceeded the bank and considered it a tool to promote development and develop the national economy. Is a way to reduce the maintenance of inflation that accompanies the process of economic development, and reduce the stagnation as it leads to the disruption of funds and the prevention of benefit and erosion of value, and rein in inflation, absorption of surplus purchasing power as it was intended to saving assets?
2. The structure of bank deposits is the main source of financing activities of various banks and constitute. The largest part of their assets, so banks have modernized and innovate new types of those deposits commensurate with the needs and desires of customers to the contemporary changes in the banking environment.
3. Deposits represent the available financial resources, which are fed by the banks in their borrowing and credit operations, as well as by employing a percentage of the available funds in the various aspects of employment and obtaining commissions deducted by the bank from the receipts or receipts made by the bank for the benefit of its customers. Of the cost of capital and retained earnings, and deposits will not be lost or stolen and can be transferred easily without cost or risk.
4. The emergence of developments in the investment objectives of banks as a result of developments in financial thought and financial theory. The results of the analysis showed that the average lending rate for the Middle East Bank is about 31%, and the results of the analysis show that the rate of lending to the Middle East Bank is about 31%, The employment rate is about 51% for Middle East Bank. However, the profitability of the Middle East Bank may be low, with a return to assets ratio of 2.18%. Return on equity is about 16%, and these ratios are small, unable to increase owners' wealth or create new investment potential.
5. The correlation between the deposit structure and the rate of return on assets is significant and significant for the Middle East Bank, and the highest correlation coefficient achieved by the savings deposits of the Middle East Bank.
6. The correlation between the deposit structure and the rate of return on the right of ownership is significant and statistically significant for the Middle East Bank and the highest correlation coefficient achieved by savings deposits
7. The results showed that there is a significant effect on the structure of deposits in the rate of return on assets of Middle East Bank.
8. There is a significant statistical significance for the savings and fixed deposits of the Middle East Bank in the right of ownership and few for the current deposits

Second: Recommendations

Based on the above results, a number of suggestions can be summarized as follows:

1. It is important for the commercial bank's management to structure the deposits and improve them by introducing new methods and adding deposits and employing loans and investments in serving the profitability of the bank through studying the internal and external environment and developing the staff in it or integrating with other banks in order to avoid stumbling and avoiding risks.
2. The need to introduce modern mechanization in the work of the bank and its daily activities as a fundamental part of the assets of banks, thereby achieving several objectives both at the level of the bank or the level of depositors (dealers with the bank) in short time and effort spent and reduce the wages paid to employees as well as accuracy in work and achieve customer satisfaction Improving the level of banking.

3. The management of the Middle East Bank should apply the principle of diversity in its investment operations using diversified investment instruments. Shares, bonds and real estate comprise a diversified investment portfolio, thus enabling the Bank to generate increased returns and reduce risk.
4. It is necessary that the management of the bank to develop its financial performance in line with the financial circumstances, can fully compete with other banks and continue in the banking market with emphasis on the need to keep abreast of developments in the world of banking, whether in the performance or financial instruments used and take measures to improve risk management systems and increase efficiency and effectiveness, As well as evaluating the adequacy and effectiveness of internal control systems and the objective control procedures to ensure the soundness of financial performance and determining the adequacy of the adequacy ratio determined by the Iraqi supervising authorities in line with the requirements of the Basel International Committee.
5. It is necessary to give importance to the banking environment and its various effects in the national economy, and the need to keep up with the bank to modern technological developments so that the bank can compete with international banks, and establish specialized centers to divide the bank's performance centrally within the tools and follow up developments locally.
6. Improve the level of control and development of accounting systems in line with modern international standards and regulations so that the bank and its components can complement and exchange information with other international banks.
7. Expanding the branches of the Bank of the Middle East internally and externally, in accordance with special regulations and regulations to obtain profitable investment opportunities as well as training and qualifying employees, and increasing public awareness towards the direction of innovation by increasing the interest rate to attract internal and external depositors.

References

References in Arabic

[1] Samarrai, Yousra Mahdi, Al-Douri, Zakaria Mutlaq Central Banking and Monetary Policy, 1st ed., Academy of Graduate Studies and Economic Research, Tripoli, Libya, 1999.

[2] Wadi, Mahmoud Hussein, Samhan, Hussein Mohammed, Samahan, Suhail Ahmed, Money and Banks, First Edition, Dar Al Masirah, Amman, Jordan, 2010.

[3] Shammari, Sadiq Rashed, Banking Management: Reality and Practical Applications, First Edition, Al-Farah Press, Baghdad, Iraq, 2008.

[4] Hassan, Salah, Banks and Risks of Global Financial Markets, Modern Book House, Cairo, Egypt, 2011.

[5] al-Sayed. Ali, Abdul Moneim, Al-Issa, Nizar Saad Al-Din, Money, Banks and Financial Markets, 1st ed., Dar Al-Hamed Publishing and Distribution, Amman, Jordan, 2004.

[6] Sharaf, Kamal, Abu Araj, Hashim, Money and Banks, 2nd ed., Damascus University Press, 1994.

[7] Al-Azzawi, Huda, The Study of Government Banking Activity in Iraq during the Period 1947-1994, unpublished doctoral dissertation, Mustansiriya University, Faculty of Management and Economics, Iraq, 1997.

[8] Kangoo, Kangoo, Al-Hamdu, Asri, Sheha, Ayman, of Financial Institutions management, 1st ed., Faculty of Economics, Aleppo University Press, Syria, 2006.

[9] Al-Luzi, Sulaiman Ahmed, Mahdi Hassan Zuilef, Medhat Ibrahim Al-Tarawneh, Management of Banks, first edition, Dar Al-Fikr for Printing, Publishing and Distribution, Amman, 1997.

[10] Al-Duri, Zakaria, Al-Samarrai, Yousra, Central Banks and Monetary Policies, Dar Al-Yazuri Scientific Publishing and Distribution, Arabic edition, Amman, Jordan, 2006.

[11] Hindi, Munir Ibrahim, Department of Derivatives and Capital Markets, Third Edition, Delta Press, Alexandria, Egypt, 2011.
[12] Sultan, Mohamed Said Nour, Management of Banks, New University House, Alexandria, Egypt, 2005.
[13] Al-Fouli, Osama Mohamed, Awad Allah, Zeinab, Fundamentals of Monetary Banking Economics, Halabi Publications, Beirut, Lebanon, 2003.
[14] Daoud, Ahmad Adnan Sulaiman, Evaluation of Financial Performance Using Computer / Applied Study in the General Company for Northern Cement for the years 2005-2008, Master of Legal Accounting, Arab Institute of Certified Accountants, 2010.
[15] Al-Rawabi, Nabil, Inflation in Different Economies - An Empirical Study on the Egyptian Economy, University Culture Foundation, Alexandria, Egypt, 1973.
[16] Soliman, Fathi Mohamed, Foreign Exchange Risk Management in Arab Countries, Unpublished Master Thesis, Faculty of Management and Economics, Mosul University, Mosul, Iraq, 2004.
[17] Farahat, Suhair Mohamed Ahmed, Measurement and Management of Interest Rate Risk to Determine the Proper Structure of the Bank's Budget - Application in a Sample of Arab Banks for the Period (2000-2003), Unpublished Master Thesis, Faculty of Management and Economics, University of Mosul, 2006.
[18] Mohammed, Abdul Hussain Jassim, Effect of the Legal Reserve on the Performance of Commercial Banks / An Analytical Study in the Arab Bank of Jordan, Iraqi Journal of Administrative Sciences, No. 23, 2006.
[19] Al-Mashhadani, Iman Shihan Abbas, The Effect of Understanding Corporate Governance on Improving the Strategic Financial Performance of Banks / Applied Study in a sample of Iraqi Private Banks, High Diploma (unpublished), Higher Institute of Accounting and Financial Studies, Baghdad University, Baghdad, Iraq, 2009 .
[20] Abu Ahmad, Reza Sahib, Kadouri, Faeq Meshaal, Managing Banks, Dar Al-Atheer Publishing House, Mosul University, Mosul, Iraq, 2005.
[21] Al-Jameel, Sarmad Kawkab, International Finance An Introduction to Structures, Processes and Tools, University Press and Publishing House, Mosul, Iraq, 2002.
[22] Said, Abdulsalam Lefta, Mathematics of Money and Investment (Simple and Complicated Interest), Al-Thakira for Publishing and Distribution, Amman, Jordan, 2013.
[23] Al-Shamaa, Khalil Mohammed, Financial Management, Al-Ikhaa Baghdadia Press, Fourth Edition, Baghdad, 1992.
[24] Amiri, Mohamed Ali Ibrahim, Advanced Financial Management, Dar Wael Publishing, Amman, Jordan, 2010.
[25] Amiri, Mohamed Ali Ibrahim, Modern Financial Management, Dar Wael Publishing, Amman, Jordan, 2013.
[26] Kassem, Ahmad Rafiq, Macroeconomic Analysis, Sawt Al Khaleej Press, Abu Dhabi, United Arab Emirates, 1981.
[27] Omar, Hussain, Principles of Economic Knowledge, Dar Al-Salasil Publications, Kuwait, 1989.
[28] Ministry of Finance, Final Accounts of the Middle East Bank for the years (2003 - 2018).

Other Language References

[1] Bodiem Zvi & Kane, Alex & Markus, Alan J., Investments, 8th ed., McGraw-Hill Irwin, Inc., America, 2008.
[2] Reilly, Frank K. & Brown Keith C., Analysis of Investment & Management of Portfolios. 10th ed., South-Western, Printed in Canada, 2012.
[3] Rose, Peter S, Commercial Bank Management, McGraw-Hill Irwin, Companies Inc. United States of America, 1999.

[4] Saunders, Anthony, Financial Institution Management, 2nd ed., McGraw-Hill Irwin, Boston, 1997.
[5] Gitman, L.J., Principles of Managerial Finance. Massachusetts: Addison Wesley. 1997
[6] Jeter, D.C and P.K. Chaney, Advance Accounting, New Jersey, John Wiley & Sons Inc. 2012.
[7] Lumby, S. and C. Johns, Corporate Finance Theory and Practice. London: South-Western, 2011.
[8] Vernimmen, P.P Quiry, M. Dallochio and A. Salvi. Corporate Finance, Theory and Practice, John Wiley & Sons, Ltd, 2011.