

Abstract

The banking system plays an effective role in social and economic development

In all countries. The increase in its resources is expected to increase its ability to give more finance to the productive schemes in the economy. Whenever banks managed to attract more deposits they will be able to increase their finance to different economic sectors. Specially the long terms loans which are more useful to the economy as a whole and increase the national income.

This study highlights the importance of deposits attraction policies and its effects on the size and quality of finance taking into consideration Sudan experience in this field. And the role of banking deposits will increase the banks ability to finance the different economic sectors.

The sources and application of funds are comparing for ten years from 1995 up to 2004 along with the problems facing deposits attraction and the use of these deposits. And providing the banking services.

For examining the validity of the hypothesis the researcher depends on the data collected from the commercial banks. The central banks and the Sudanese banks union. And the questionnaire to the employees with the banking system which helps to obtain the required data. the study covered a period of ten years and divided into five practical and theoretical chapters .the research concluded many findings :-

The weakness of the customer awareness of banking and little banking branches are centralized in the capital and the others regional towns. The current accounts represent a high ratio compared to the total size of deposits in Sudanese banks .and the banks failed to attract the investment deposits which enable the banks to finance the different economic sectors which long term finance. contrary to the current account which is exposed to with drawing at any time during the banking hours .the weakness of the return on the investment deposits in relation to the rate of inflation which will not encourage the customers to deposit with the banks . the escape of the monetary stock outside the banking system specially after

the procedures of currency exchange in 1992 and the special acts of the zakat and taxation which give them the authorities to disclose the balances of the customers and others transactions with the banks.

Most Sudanese banks still provide traditional banking services which considered to be the core of the business of banking in the Sudan. The failure of the Sudanese banks to give long term loans because they depend on short term resources and the current accounts represent most of these resources.

The weakness of capital of the Sudanese banks in relation to the regional and international banks. The total paid up the capital of all Sudanese banks amount to 143711 SD by the end of the year 2004. Increase in the size of the non- performing loans in the Sudanese banks by the amounts exceeding the international accepted ratio. The ratio of the NPL by the end of 2004 is 19% while the accepted ratio is 6% the developing of the banking merger among the Sudanese banks. And the accuracy of some mergers among number of Sudanese banks and also crossed borders merger. But most of these mergers failed for the absent of statutory rules of mergers.

The research also concluded many recommendations:-

The developing of banking branches in the far rural areas and the small towns. Developing banking habits among the people through the press and media to show the banking services the people specially in the rural areas. Changing the component of the banking deposits of the sack of investment deposits which proved to be the more useful to the banks in the field of different modes of finance. Stop printing of big dominations of paper currency as some of these dominations are about to be printed. Increasing of saving deposits and mobilizing the resources through developing of banking habits in the society. Attraction of resources from outsides the banks.