

**IMPACT OF DEPOSIT STRUCTURE ON PROFITABILITY OF  
LISTED COMMERCIAL BANKS IN SRILANKA**

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## ABSTRACT

The purpose of the paper is to investigate how the impact of deposit structure on profitability of commercial banks in Sri Lanka. Choose their deposit structures to identify the structural deposits-based behaviour of banking customers. The authors collected the data from the annual reports of 10 commercial banks in Sri Lanka during 2010-2019. Person's correlation analysis, simple regression analysis and multiple regression analysis conducted to examine the relationship between deposit structure and profitability using return on assets. Analysis results indicate there is a significant impact of deposit structure on profitability of commercial banks in Sri Lanka.

Moreover, result of regression analysis indicate that size of deposit schemes has a negative significant relationship with profitability, the results of regression analysis indicate that type of deposit schemes has a positive insignificant relationship with profitability and the result of regression analysis indicate that number of deposit products has negative insignificant relationship with profitability. Results of this study provide support to bank managers to understand the customer demand relates to the deposit structures and interest rates which customers are concerned more. This is the uncommon study that investigates the impact of deposit structure on profitability of commercial banks Sri Lanka. Moreover, findings of this study lay some foundation upon which a more detail analysis of deposit structure and it importance of banks could be based.

Keywords: Commercial Banks, Deposit structure, Deposit products, Profitability, Return on Assets.

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