

**BANKS' PERFORMANCE: ISLAMIC VIS-À-VIS
CONVENTIONAL BANKS IN SYRIA**

THESIS

**Submitted To Attaine Master Degree of Islamic Economics Science
to
Islamic Economics Department Master of Islamic Economics Science**



by

**KHALED NOUR ALDEEN
NIM : 091814553028**

**FAKULTAS EKONOMI DAN BISNIS
UNIVERSITAS AIRLANGGA
SURABAYA
2020**

IR – PERPUSTAKAAN UNIVERSITAS AIRLANGGA

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oleh

Khaled Nour Aldeen

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telah dipertahankan di depan Dewan Penguji pada
tanggal 20 Januari 2020 dan dinyatakan memenuhi syarat untuk
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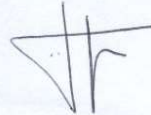
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DECLARATION

I, (Khaled Nour Aldeen, 091814553028), declared that:

1. My thesis is genuine and truly my own creation, and is not another's person work made under my name nor a piracy or plagiarism. This thesis has never been submitted to obtain an academic degree in Airlangga University or in any other universities or collages.
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DEDICATION

In the name of Allah the most Merciful and Beneficent

First and Foremost praise is to ALLAH, the Almighty, the greatest of all, on whom ultimately we depend for sustenance and guidance. I would like to thank Almighty Allah for giving me opportunity, determination and strength to do my research. His continuous grace and mercy was with me throughout my life and ever more during the tenure of my research.

To my beloved parents father Mohammad Bassem Nour Aldeen, Sabah, Ayadah for your generous and selfless offer to advance the cause of educating me; the seed you have sowed has been germinated.

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To all my lecturers back home in Damascus university especially Dr. Suliman and Dr. Samer for your recommendations and advice.

Researcher,

Khaled Nour Aldeen

ABSTRACT

Doubtful finance is the worst nightmare for banks, but this this can be avoided if a bank follows a proper strategy to avoid such kind of finance. Private banks in Syria have been established in 2004. It has been said that political conflicts affect a country's economy. Due to the current conditions that Syrian economy passing through, most of the studies have excluded Syria from their samples due to the violent political crisis in the country. The purpose of this research is to evaluate the performance of Islamic and conventional banks in Syria Through a comparative analysis. Moreover, indicate the main factors influence the doubtful finance. This study shouldered the entire private banking sector in Syria comprises of 11 conventional banks and 3 full-fledged Islamic banks, over the period 2011-2017. Several financial ratios were used to examine the banks' performance in addition to macroeconomics variable We employed independent sample t-test, and panel data regression to meet our objectives. It is found that Islamic banks were better in term of assets quality. Panel date regression manifested that GDB growth, exchange rate, finance to deposit ratio, and operating expenses ratio has a significant impact on NPFs. This study provides an alluded picture of Syrian private banking sectors particularly non-performing finance. Moreover, it enables policy makers to deliberate on the pertinent macroeconomic NPFs determinants such as exchange rate and GDP growth.

Keywords: Syria, Conventional Banks (CBs), Islamic Banks (IBs), Financial Performance, and Non-Performing Finance NPF.