DEPOSIT MOBILIZATION OF COMMERCIAL BANKS IN NEPAL

A Dissertation submitted to the Office of the Dean, Faculty of Management
in partial fulfillment of the requirement for Master's Degree

By

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CERTIFICATE OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled "**Deposit Mobilization of Commercial Banks in Nepal**." The work of this dissertation has not been submitted previously for the purpose of conferral of any degree nor has it been proposed or presented as part of requirements for any other academic purpose.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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REPORT OF RESEARCH COMMITTEE

Mr. Nabin Pandey has defended research proposal entitled **"Deposit Mobilization of Commercial Banks in Nepal" s**uccessfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidelines of supervisor Dhruba Subedi Submit the thesis for evaluation and viva-voce examination.

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APPROVAL SHEET

We, the undersigned, have examined the thesis entitled **"Deposit Mobilization of Commercial Banks in Nepal"** Presented by Tek Bohara Candidate for the degree of Master of Business Studies (MBS Semester) and conducted the Viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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Deposit mobilization is a key transaction for financial institutions in order to achieve the profitability for the bank's sustainability. Therefore, it is necessary for any bank to mobilize such deposit in efficient manner in order to lure stakeholder of the bank such that bank's credibility is maintained. This research is carried out to fulfill the partial requirement of Master of Business Studies. In order to perform a project many wonderful people are and I must owe them due to their inspiration and support during the research work.

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Tek Bohara

TABLE OF CONTENT

LIST OF TABLES

LIST OF FIGURES

ACRONYMS

ANOVA	Analysis of Variance
CAR	Capital Adequacy Ratio
DM	Deposit Mobilization
EBL	Everest Bank Ltd.
ER	Efficiency Ratio
GDP	Gross Domestic Product
HBL	Himalayan Bank Ltd.
INF	Inflation
INT	Real Interest Rate
KBL	Kumari Bank Ltd.
LDR	Loan to Deposit Ratio
NBL	Nepal Bank Ltd.
NRB	Nepal Rastra Bank
PG	Population Growth
ROA	Return on Assets
SBL	Siddhartha Bank Ltd.
$\bar{X}$	Arithmetic Mean
x_1	CAR
b_1	Coefficient of CAR for sample bank
b_4	Coefficient of ER for sample bank,
b_5	Coefficient of GDP for sample bank,
b_6	Coefficient of INF for sample bank,
b_7	Coefficient of INT for sample bank,
b_2	Coefficient of LDR for sample bank
R^2	Coefficient of Multiple Determinations
b_3	Coefficient of ROA for sample bank
b_8	Coefficient of PG for sample bank, and ε = Error
b_0	Constant
x_4	ER
$\hat{y}$	Estimated Value (ROA)
x_5	GDP
x_6	INF
x_7	INT
x_2	LDR
x_8	PG
x_3	ROA
σ	Standard Deviation

ABSTRACT

The main objective of this research is to figure out the internal and external factors position of the sample banks along with the financial performance, figure out relationships between internal and external factors for the sample commercial banks and DM and to analyze the impact of external and internal factors on DM for the sample commercial bank. Sample of five commercial banks have been taken to identify the deposit mobilization during the study period from 2013/14 to 2022/23. Data has been taken from the annual reports of the concerned sample financial institutions, NRB, National Statistics Office report and electronic device. The study found that Overall CAR has statistically negative impact on DM, that is, if we change or increase the amount of CAR will result in decline in DM. Moreover, GDP has statistically significant positive impact on DM. Further, ER has significant positive impact on DM. In other words, increase or decrease in amount of LDR and EF will result in increase or decrease in DM. However, INF has negative impact on DM. INT has statistically positive influence on DM while PG has negative impact on DM. Further, this study concluded that upon the query of maintaining the mandatory ratio as supervision made by NRB for CAR and LDR, CA ratio for all sample banks were satisfactory. However, NBL was not able to maintain the CA ratio during its first two year operating correcting appropriate measures to ensure that bank maintains the ratio thereon. KBL and NBL were not able to maintain the LD ratio as regulated by NRB; KBL has invested high amount in loans and advance with respect to its total deposit resulting in liquidity difficulty. Contrary, NBL have invested low amount in loans and advances compared to total deposits resulting in high liquidity, in turn, excessive amount of expenditure in overhead expenses. Further, NBL has the highest rate of deposit mobilization rate while KBL has the lowest. NBL has the highest rate of non-interest expenses during the study period compared to revenue generated by bank while SBL was the cost effective, controlling its non-interest expenses or overhead expenses from it revenue. Upon the query of maintaining the mandatory ratio as supervision made by NRB for CAR and LDR, CA ratio for all sample banks were satisfactory. However, NBL was not able to maintain the CA ratio during its first two year operating correcting appropriate measures to ensure that bank maintains the ratio thereon. KBL and NBL were not able to maintain the LD ratio as regulated by NRB; KBL has invested high amount in loans and advance with respect to its total deposit resulting in liquidity difficulty. Contrary, NBL have invested low amount in loans and advances compared to total

deposits resulting in high liquidity, in turn, excessive amount of expenditure in overhead expenses. Likewise, NBL has the highest rate of deposit mobilization rate while KBL has the lowest. NBL has the highest rate of non-interest expenses during the study period compared to revenue generated by bank while SBL was the cost effective, controlling its non-interest expenses or overhead expenses from it revenue.

Keywords: Deposit Mobilization, Bank in Nepal, Commercial Sectors, Microeconomic Variables

CHAPTER I
INTRODUCTION

1.1 Background of the Study

Deposit is cash custody in a commercial bank account or any other financial institutions in anticipation by the depositors can withdraw any time or specified period of time when needed that one transfer money to bank. Precisely, demand deposit account is basically a checking account in which depositor can withdraw money at any time. On the other hand, term deposit account usually requires that you hold your funds in the account for a certain period and amount of money.

Dilley (2008) defines deposit as account holder use various savings accounts to save money for a longer term and earn interest. These accounts are more restrictive in terms and transactions than demand deposit account. Certificates of deposit (CDs and time deposit accounts) and basic savings are the examples of these types of accounts. Banks use several different methods to compute the interest they pay on deposits, including low balance and day of deposit to day of withdrawal. The method selected depends on a number of factors, including geographical location, the bank's size, and competitive pressures. These methods of computing interest vary widely and can result in large differences in the amount of interest earned by an account holder.

Deposit mobilization states to the course of accumulating and storing moneys from the public via several deposit arrangements accessible by financial institutions. It is an important part of banking movement and plays an important role in the development of the economy. Commercial banks participate in deposit mobilization to collect savings from personalities and corporate houses. Such mobilized deposits are often used for lending and investment motives, backing economic growth. Factors such as interest rates, gross domestic product (GDP), inflation, population of the nation and money supply may impact the achievement of deposit mobilization endeavor.

Shrestha (2021) defines the status of the deposit mobilization and credit flows indicates the situation of financial resource mobilization in the economy. It represents the situation of financial resource distribution from the perspective of resource use.

For banks, the main source of funding is customer deposits; this funding is then invested in loans, other investments and fixed assets, and it is reported on the assets side of the balance sheet. The difference between total assets and total liabilities is the bank capital. Banks make profits by charging an interest rate on their loans that is higher than the one they pay to deposits. As with other companies, banks can raise funds by issuing bonds and equity, and shaving from deposits; it is this ability to collect deposits from the public that distinguishes banks from other financial institutions. Banks are deposit taking institutions and also known as monetary financial institutions. Monetary financial institutions play major role in a country's economy as their deposit liabilities from a major part of the country's money supply and are therefore very relevant to governments and central banks for the transmission of monetary policy. Banks' deposits function as money; as a consequence, an expansion of bank deposits results in an increase in the stock of money circulating in an economy. All other things being equal, the money supply that is the total amount of money in the economy will increase (Casu, Girardone and Molyneux, 2006).

The significant dissimilarity between loans and advances is their motive. Loans are characteristically used for long-term motive. Alternatively, advances are used for short-term motive. A loan is a total amount hired from a bank with the commitment to reimburse it on certain period of time. An advance is a type of loan normally used by business house to see their short-term financial needs in an expectation to repay less than a year.

Kharel and Pokhrel (2012) defines under bank-based financial system, banks and financial institutions accept deposits from the surplus units by promoting savings and lend to the borrowers so that the investment in the economy is encouraged. Banking sector credit has significant role in encouraging investment which ultimately increases production, employment and entrepreneurship in the economy. So, either through channels of deposits or credits, financial institutions play a significant role in accelerating economic growth through mobilizing financial resources.

1.2 Statement of the Problem

In recent year, many commercial banks have come into merger and acquisition due to the large number of banks. This happened due the size of the population and economy of the country, they are cheered to merge. Mergers of banks have increased their paid-up capitals. This also has increased risk management capacity along with capital growth while reducing management expenditures. Further, this activity has increased the liability in term of deposit and assets in term of investment, loans and advances. This research paper consists five commercial banks deposit mobilization and loan and advances made by these banks. Rate of interest and loans & advances may also reflect the profitability for individual bank. Likewise, ten fiscal years have been taken into consideration, in turn, overall deposit mobilization may not reflect for the population. Commercial banks primarily make profit from investing to its customers via loans and advances, collecting such loans and advances along with interest thereof. Since, bank profit is the margin between loan, advance and deposits. Since, bank has to pay its interest for the deposits made by the customers. This study seeks to figure out relationship between lending and deposits made by customers how bank has been efficient to mobilize its deposits. Thus, research problems regarding deposits mobilization and management are shown below;

- What is the current status of firms' specific factors and macro-economic factors for deposit mobilization in Nepalese commercial banks?
- Is there any relationship between firms' specific factors, macro-economic factors and deposit mobilization of Nepalese commercial banks?
- What is the impact of firms' specific factors and macro-economic factors in deposit mobilization for Nepalese commercial banks?

1.3 Objectives of the Study

The main aims of the study are given below;

i. To explore the current status of firms' specific factor and macro-economic factors and deposit mobilization for Nepalese commercial banks.
ii. To examine the relationships between firms' specific factors, macro-economic factors and deposit mobilization of Nepalese commercial banks
iii. To analyze the impact of firms' specific factors and macro-economic factors in deposit mobilization for Nepalese commercial banks.

1.4 Focus of the Study

This research confines five commercial banks' effectiveness of deposit mobilization that creates respective bank's financial performance by analyzing debt flow from the collected deposit that they are able to generate return for the survival of the bank. This study focuses on how the banks evaluate the risk factor while conceding specific loan in order to safeguard the deposits collected from customers in order to prevent credit risk, indeed, bank's failure if not handled appropriately. In other words, this research seeks to figure out the investment decision made by bank in order to generate profitability by utilizing deposits made by the depositors. It is a must for the bank to make good loan rather than non-performing loan that increase the cost of the bank resulting in lower profitability or loss.

Deposit is the defragmentation of the fund the bank does which is the sources of investment shown in liability side of balance sheet having huge amount for any commercial bank. These deposits are circulated into market in order to generate profit to meet its operating cost and profit. These deposits are to be circulated in productive sector such as agriculture, manufacturing industries etc. that generate economic expansion of the nation. Thus, this study concentrate on performing ability of the sample banks, namely Himalayan, Nepal, Siddhartha, Everest and Kumari Bank Ltd. via collection of deposit and ability to flow credit in order to generate profit. Further, how much banks are successful to increase the amount of deposit, loan and advances, investment by mobilizing the deposits. This study also focuses on impact of GPD, inflation along with banks internal factors such as liquidity, efficiency and stability.

1.5 Limitations of the Study

This research paper confines as follows;

- This study shields only five commercial banks, hence, the result from the analysis may not fits overall commercial banks performance for banking sector.
- Secondary data (annual report) has been taken into consideration, in turn result of the analysis completely depend on information provided by sample commercial banks.

- The secondary sources of data have been taken for the ten fiscal years namely; 2013/14 to 2022/23 and all other fiscal years have not been taken into consideration.
- This study confines to find out deposit mobilization, profitability of individual bank, and impact of external and internal factors in profitability of individual bank.

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1.6 Structure of the Study

This study is principally organized in five sections, that is, Introduction, Literature review, Methodology, Presentation and analysis and Summary, conclusion & implications. The synopses of the chapters have been presented below.

Chapter one defines study background, commercial banks at preview, focus of the study, problem statements, study objectives, limitation of the study along with structure of the study. Chapter two describes review of literature, literature review, review of previous research as well as empirical studies that are based on previous research paper on the related topic are described from various sources such as books, journals, dissertations, etc. Chapter three explains the term research method, in which, research methodology, research design, population and sample, sources of data, data collection and processing, Data analysis tools and techniques, statistical tools, financial tools and hypothesis are presented in order to perform research analysis to figure out findings. Chapter four consists of result and discussion that is analyzed with regard to deposit mobilization for above mentioned sample commercial banks to figure out how effectively and efficiently banks have been able to mobilize the available resources to generate profit. Last but not least, fifth chapter is summery, conclusion and implications for the effective deposit mobilization and management made by banks to minimize bank management cost and increase the profitability to meet its interest amount and operating cost of the bank from interest income made for loans and advances. This includes the implication of the study along with the any other research areas related with deposit mobilization and management.

CHAPTER II
REVIEW OF LITERATURE

This segment is concerned with the collection of reviewing related literature that provides insight about this research paper. This literature review makes guideline from various books, thesis, journal and article etc. that have been published or not to complete the research work. Earlier researches provide insight about this research paper, thus, relevant material concerning with deposit mobilization are taken into consideration. Likewise, the status of loans and advances of previous study whether that is sample bank or not along with the profitability for the bank are reviewed to find out result for this study. In fact, this section concerns on;

- Conceptual Review
- Empirical Review

2.1 Conceptual Review

For the title deposit mobilization commercial banks are required to collect scattered resources from the individuals in order to flow such resources as investment or loan and advances in order to make margin and run the banking business. Deposit embolization and profitability of bank are affected by various internal and external factors. Among internal factor, bank liquidity position, efficiency and stability affect the profitability of the bank. On the other hand, external factors such as inflation, GDP etc. as well impact on profitability of the bank. Thus, this segment describes all these research variables one by one to comprehend and understand the theories underlying behind these variables.

Banke and Yitayaw (2022) define banks play an intermediary function in a contemporary economy by mobilizing funds from savers and then lending them to investors, both individuals and business. Granting loans and advances, which is the primary source of income for banks, is usually attainable if the banks have amassed adequate deposits from the available market. Thus, deposits are a vital source of funds for banking operations and are regarded as the essential resource for commercial banks in meeting the needs of banking system. Deposit mobilization is an important source of working capital for banks and is of paramount importance to the banking industry as the size of deposits mobilized by the general public through current, savings, fixed deposits, time deposits and other

specialized systems critical to bank's success. Since a deposit is considered a low cost source of working capital, the bank's ability to lend more and its success is highly reliant on deposit mobilization.

Timsina (2016) states that commercial banks constitute a major chunk of total assets in the banking system in Nepal and extension of credit is one of the major functions of banking institutions. If banks are not efficient in their lending behavior, it may not contribute to economic growth. On the other hand, their inefficient and imprudent banking practices may lead to riskier financial instability. The main objective of the study is to test and confirm the effectiveness of the determinants of commercial bank lending behavior in Nepal by using time series Ordinary Least Square regression approach for empirical analysis. The model involves Nepalese commercial banks' private sector credit as dependent variable and other variables such as their volume of deposits, interest rate, stipulated cash reserve requirements ratio, their liquidity ratio, inflation, exchange rate, and gross domestic product as independent variables

2.1.1 Types of Deposits

A deposit is money custody in a commercial bank account or any financial institution that a transferred money from one individual to another. A call deposit account is basically a checking account in which you can withdraw funds at desired time. Similarly, a term deposit account typically entails that account holder holds funds in the account for certain given time for withdrawal. The categories for the deposits as designed by Dhakal (2022) as current, saving, fixed and other deposits which have been explained as;

1) Current Deposits 2) Saving Deposits 3) Fixed Deposits and 4) Other Deposits

2.1.2 Types of Loans and Advances

As discussed earlier, loan is the amount of money provided to customer on a certain sector to do he/her financial activity in a contract to pay the principal and interest amount for a long term investment policy by commercial bank while advance is the short term working capital for the customer or short term loan for bank. (Dhakal, 2021) has categorized the types of loans and advance who is the executive director of NRB, for Nepalese bank and financial institution as agriculture forest, fishery, mining, agriculture forestry and beverage production, non-food production, construction, power gas and

water, metal product machineries electrical and installation, transport communication, wholesalers and retailer, finance insurance, hotel and restaurant & other service that are divided into seventeen category.

2.1.3 Importance of Deposit Mobilization Management

The importance of studying deposit mobilization is to translate indolent deposits into dynamic deposit. Deposit refers to the scattered money collected from customers and lending them to money required by the customers to do financial activity in economy. By this activity bank make money between the margin of loans and advances versus deposit (Banke and Yitayaw, 2022). Deposit mobilization is the most important service and an integral part of banking operations. In Ethiopia, mobilizing savings through intense deposit collection has been regarded as the major task of banking. However, managing deposits is impossible without understanding and controlling the factors that influence it. Shrestha (2021) states a balanced and inclusive financial resource mobilization is essential for financial stability as well. The mobilization of deposits plays a pivotal role in the bank financing as it is a dominant part of BFIs' liabilities, collected mainly from public. If such deposits are 2 mobilized from the differentiated region, BFIs rarely face problems of short term solvency. Similarly, the balanced distribution of loans and advances in various sector and region automatically minimize the risk of default of large portions of loans. If loan portfolio is properly diversified, then problem faced in one sector has the lesser probability to impact other sectors so that the BFIs will bear minimum loss and can avoid the potential systemic risk.

2.1.4 Factors Affecting Deposits Mobilization of Commercial Banks

Basically, factors that affect bank deposits mobilization are categorized into two sides. First is microeconomic aspect. Microeconomic factors are bank particular variables. On the other hand, macroeconomic aspects are the external factors that cannot be controlled by bank. These factors include the contemporary interest rate, inflation, GDP growth, population growth etc. These factors will be elucidated on the research variables in third chapter.

2.2 Empirical Review

Primarily, this research concentrates in deposit mobilization of selected sample government and private sector Nepalese commercial bank; the review is founded on the analysis of micro and macro-economic factors in deposit mobilization. This sector is presented to evaluate the objective of the study from various research papers, that is, the empirical studies by various researches to find out micro and macroeconomic factors that impact on deposit mobilization. In this consequence, the dependent and independent variables have been used to examine the interactions between micro as well as macroeconomic factors and deposit mobilization. Depending on empirical evidences following pin-point topics are presented and analyzed to figure out the objective, methodology, findings and conclusion are;

Debesso and Kant (2023) analyzed the factors affecting deposit mobilization in commercial bank of Ethiopia. The aim of this is to examine factors affecting deposit mobilization in commercial bank of Ethiopia. This study uses both descriptive and regression analysis by using E-views eight software. Seven variables are regressed with the dependent variable i.e. total deposit. The explanatory variables are number of bank branches, deposit interest rate, liquid assets to deposit ratio, lagged value of bank deposits, net interest margin, inflation rate and economic growth. The result from regression analysis showed that number of bank branches, deposit interest rate, net interest margin and economic growth were significantly and positively correlated with explained variable. However, lagged value of bank deposit, liquid asset to deposit ratio and inflation rate were insignificantly negatively correlated with bank deposit mobilization. The study concluded that the coefficient of lagged bank deposit is negative and statistically insignificant impact on deposit mobilization in commercial banks. The deposit growth reacts negatively towards the increase in inflation rate. The relationship is similar to the expected sign. Since, the country has experienced double digits inflation in the study period that results in higher cost of doing business, which leads to decrease in deposit mobilized in commercial bank.

Banke and Yitayaw (2022) examined the Deposit mobilization and its determinants: evidence from commercial banks in Ethiopia. The aim of the study to examine the bank-specific and macroeconomic determinants of deposit mobilization in Ethiopian banking

sectors. The methodology used under this study using balanced panel data of fourteen commercial banks using secondary sources audited financial statements. A quantitative approach and explanatory design were employed. The findings from the study were GDP growth has negative and statistically significant influence on bank deposit mobilization which showed that an increase in GDP leads to lower bank deposit mobilization that was contrary to expectation. Population growth has negative and statistically significant impact on bank deposit mobilization, demonstrating that an increase in population leads to a decrease in deposit mobilization, contrary to what was previously expected. Political stability has a negative and statistically significant impact on deposit mobilization. Inflation has a negative and statistically significant impact on bank deposits. This result is in line with previous expectations that when inflation rate increase, purchasing power of the money would decrease and a huge amount of money would be required to consume or to do business which leads to a decrease in deposit mobilization. Profitability has a positive and statistically significant impact on bank deposit. Bank liquidity measured by loan to deposit ratio has negative and statistically significant impact on bank deposit mobilization. Capital adequacy ratio has a negative and statistically significant impact on bank deposit mobilization. Moreover, this study concluded that banks should mobilize more deposits by managing their liquidity because a lack of liquidity can put an end to bank's efforts to mobilize deposits and in the worst case scenario, cause it to collapse. As profitability has a positive and significant effect on deposit mobilization: the management ought to work to improve the bank's profitability by reducing costs and utilizing invested asset efficiently. Moreover, the government has to educate the citizens about family planning and saving to reduce the negative effect of larger family with poor saving habit on deposit mobilization.

Haddawee and Flayyih (2020) evaluated the relationship between bank deposits and profitability for commercial banks. The aims of the study were to measure the relationship between bank deposits and profitability generate in all kind of commercial banks and to determine the types of deposits that have greater effect on the bank's profitability. This study employed the descriptive approach of reality study and phenomenon as it exists in reality. This is determined as a precise description and it is expressed or quantified in a descriptive manner. Quantitative analysis expresses digitally, the phenomenon in a way that shows how much the phenomenon affects the size and the

extent of its relationship with another phenomenon. The study revealed that there is a significant relation between deposits and the indicators of profitability. The saving deposit is the biggest contribution to profitability, followed by time deposit, and finally the current deposits which have lowest contribution. This study concluded that profitability indicators adopted are effective. It shows that the management of the bank is moving at a correct pace by maximizing the profitability of the bank and increasing reliance on saving and term deposits. The result showed a positive correlation between these different types of deposits and profitability indicators and showed a significant effect of deposit profitability, thereby achieving the entire proposed hypothesis.

Ayene (2020) examined the determinants of deposit mobilization in the case of commercial bank of Ethiopia selected branches. The motives of the study were to identify internal factors affecting deposit and to assess the effect of external factors on deposit. The methodology used under this study, a descriptive research design was employed. Primary data collected through structured questionnaire is primarily used for analysis. Likert type questions were developed to collect data about each variables identified for the study. In addition, secondary data collected from annual reports of Commercial Bank of Ethiopia and annual reports of National Bank of Ethiopia were also used. The study found that interest rate and inflation do have positive and negative effect on deposit mobilization, respectively. Thus, interest rate and inflation rate are significant variables. Trust on banking system and saving culture of depositors' are found to be significant. Of the two variables, the effect of trust on banking system varies depending on depositors' demographic characteristics. Specifically the effect of trust on banking system varies depending on age group, marital status, occupation, level of education and years as bank customer. Among all variables taken in to account the effect of macroeconomic variables and saving culture, do not vary among individuals with different demographic characteristics. Further, it is concluded that among customer specific variables trust and saving habit of depositors' are found to be significant. Lack of trust on banking business may leads to bank run and insolvency therefore it is advisable for banks to design a mechanism that maintains customers' trust on banking system depending on depositors' demographic characteristics. In addition saving habit of depositors is also determinant factor to mobilize significant amount of deposit, thus promoting this habit in collaboration with other stakeholders is demanded. Among bank specific factors branch

expansion, variety of service offered and confidentiality of customers' are found to be significant to determine deposit mobilization. Among these respondents provide high score to confidentiality of information kept. In Ethiopian context branching is widely conducted by all banks in the industry. This should be coupled with better and diversified bank service to customers to have better share of deposit market. Interest and inflation rates are among macroeconomic variables, which are found to be significant. Deposit rate is an encouraging factor however inflation do not. In the context of Ethiopia the National Bank of Ethiopia set the minimum and maximum deposit rate. Setting this only will not be attractive unless the deposit rate offsets the inflation rate. Thus for policy makers it is advisable to manage inflation to the extent of deposit rate otherwise it is hard to mobilize savings from individuals.

Tun (2019) assessed an empirical analysis of macroeconomic factors affecting on the deposit mobilization of private commercial banks in Myanmar. The aim of the research was to explore the impact of macroeconomic factors which include real interest rate, GDP per capita, money supply and average exchange rate on deposits mobilization in the case of private commercial banks in Myanmar. The methodology used to measure deposit mobilization was secondary data from twenty four commercial banks with the help of multiple regression analysis by SPSS version 23 to describe and evaluate the relationship between dependent and independent variables. It was found that if the exchange rate of domestic country to USD depreciates, imports will be expensive. Then, more domestic currency will need for import as a result deposit of domestic banks will decrease. An increase in real interest rate makes bank deposit of private commercial banks increase. An increase in GDP per capita increase a higher income will lead to enhance deposit. An increase in narrow money to GDP makes bank deposit of private commercial banks decrease. Further, this study concluded that macroeconomic factors including real interest rate, real GDP per capital, average exchange rate have positive and significant impact on the deposit mobilization of private commercial banks in Myanmar while money supply to GDP has no significant effect on the deposit mobilization of private commercial banks.

Islam, Julfikar and Wafik (2019) evaluated the determinants of deposit mobilization of private commercial banks: evidence from Bangladesh. The aim of the study the impact of firms-specific variables and macroeconomic variables on the deposit mobilization of private commercial banks in Bangladesh using panel data regression methodology. The results of this study provide evidence that total deposit (as measured by company size) has significant negative impact on the deposit mobilization (as measured by banks deposit growth rate) and broad money supply growth rate has significant positive impact on the banks deposit growth rate whereas the rest of the selected variables i.e. number of banks branches, deposit interest rate, loan-to-deposit ratio, Gross Domestic Products (GDP) growth rate, inflation rate have no significant impact on the banks deposit growth rate of the private commercial banks in Bangladesh. This study concluded that banking sector is one of the fast growing industries in Bangladesh and it plays a unique role in the economic development of Bangladesh. Banks deposits may be considered as the most important variable for economic development in Bangladesh since deposits through investment plays a vital role in this process. Therefore, the amount of deposit of banks should be mobilized and accumulated enough so that it can satisfy the financial needs of its customers. The result of the study provide evidence that company size and broad money supply growth rate significantly affect the deposit mobilization (as measured by banks deposit growth rate) whereas number of banks branches, deposit interest rate, loan-to-deposit ratio, GDP growth rate, inflation rate affect the bank deposit growth rate insignificantly. Based on the findings of the study, the present study recommends that the managements of the banks should be very careful while managing the amount of deposited money as well as broad money supply should be managed very carefully by the central banks. This study will offer some handy information to the banks, investors, experts, and regulatory authorities.

Dagnaw (2019) examined the determinants of Commercial Banks Deposit Mobilization. The objective of this study was to identify the determinants of commercial banks deposit mobilization by considering six independent variables namely PLS , general inflation rate, the number of branches of banks, per capita income, deposit (interest) rate, exchange rate to USD. Explanatory research looks for cause and effects. Researcher has intended to describe the qualitative data received from respondents and explain the relationship between deposit (dependent variable) and independent variables (explanatory variables

(independent variable) using correlation and the effect of variables using multiple regressions. This shows that the research was descriptive and explanatory (casual) in nature. This study had shown that prize-linked savings, branch expansion, real per capita income and general inflation are the most significant factors of deposit volume. The deposit volumes of commercial banks are found to be impacted by the schemes of PLS. From the questionnaires a small number of employees agreed that customers come to banks solely due to the existence of PLS. This show there are also other reasons like the number of branches of banks (accessibility) and quality service by which customers stimulated to work with banks. Some employees specified that PLS influenced customers to minimize frequent withdrawal from their accounts. Employees believe prize-linked saving programs positively affect customers' attitude towards saving which in turn affects the level of deposits mobilized by the bank. The study concluded that PLS influence customers to minimize frequent withdrawal from their accounts. As a result of this the account balance of customers shows increase during PLS program period and deposit growth was better than without PLS period. A small number of customers agreed that they became customers of CBE solely due to the existence of PLS. However, service excellence and branch proximity were found to reasons by which customers were stimulated to join CBE. It is found out that explanatory variables, inflation, deposit(interest) rate, per capita income, branches expansion and exchange rate of Birr to USD, are factors that would influenced the deposit volume at 92.59 %(R2) of the time. Hence, the factors are found to be influential with this study. This study has shown that the branch expansion, real per capita income and general inflation are the most significant factors of deposit volume. Besides, the other variables- exchange rates and deposit (interest) rate have insignificant power to influence the dependent variable. A significant relationship was observed.

Gunasekara and Kumari (2018) analyzed the Factors affecting for deposit mobilization in Sri Lanka. The aim of the study was to investigate the most effective factors affecting deposit mobilization, followed by a random sampling method of hundred twenty deposit account holders were selected. In which, descriptive statistics and regression analysis were performed. The study revealed that there is a significant and positive and positive relationship between deposit mobilization and deposit interest rate, security, branch expansion, services, technology and awareness. Moreover, there is a significant

relationship between living area and the amount of deposits and the demographic variables such as gender, occupation, education level and income significantly affect for deposit mobilization. This study concluded that according to the findings of the present study all the factors identified are significant and positively impacted on deposit mobilization.

Nwangolo and Ogechi (2018) investigated the financial deepening and deposit mobilization of commercial banks in Nigeria: A time variant model. The purpose of the study was to examine the effect of financial deepening on customer deposit of Nigerian commercial banks. The methodology applied under the study was percentage of total customers' deposit to total assets was used as dependent variables while percentage of narrow money supply, broad money supply, money market development, money outside the bank and private sector credit to GDP was used as independent variables. Multiple regressions with ordinary least square properties co-integration, augment Dickey Fuller unit root test, Granger causality test and vector error correction model was used to examine relationship between the dependent and independent variables. The regression result found that narrow money supply and money market development have negative effect on total customer's deposit of commercial banks while private sector credit, broad money supply and money outside the bank have positive effect on customer's deposit of commercial bank. The study concluded that financial deepening has significant impact on total customer deposit. Policies should be deepened to enhance the performance of the Nigerian financial market.

Ambe (2017) scrutinized on an Investigation of Determinants of Deposit Mobilization in Commercial Banks of Ethiopia. This study is mainly aimed to investigate factor that determine customer deposit mobilization by the commercial bank of Ethiopia by using data for 20 years. Both descriptive and econometric analysis has been applied in order to investigate factors that determine deposit mobilization in the case of commercial bank of Ethiopia. As determinants of customer deposit mobilization in the bank five explanatory variable such as loan, existence of competitors, interest rate, branch expansion were included .The result of the econometric result indicate that loan provision, branch expansion and number of customers are found to have significant positive impact for the growth of deposit mobilization . However the emergence of new competitors and interest

rate is not found to have positive impact to induce deposit mobilization in the bank. The study concluded expansion of banks in different areas as well as enhancing the number of the customers via different incentive provision and coping up with emerging competitors as potential means of promoting deposit mobilization.

Ganapathy and Alagarsamy (2017) evaluated the deposit mobilization of commercial banks: A study with special reference to southern region in India. In this paper an attempt is made to evaluate the growth rate and Compound Annual Growth Rate in deposit mobilization of scheduled commercial banks. The present study was mainly based on secondary data. The secondary data have been used to analyze the deposit mobilization of commercial banks. The required secondary data were collected from RBI website. Increase the deposits every year of Southern Districts, Commercial Banks and effectiveness of mobilization of funds. The current deposit fluctuates in 2005 to 2015 in all commercial banks. The state of Andhra Pradesh the affected deposit fluctuations during the year of 2013-2014 and there is no affected other state of Tamilnadu, Karnataka, Kerala, Pondicherry, Lakshadweep and Telangana. It is due to there is positive relationship between deposits, loan and advance from the bank, the more deposits should be mobilized so as to lend more which in turn brings more revenue to the bank. The state of Lakshadweep the term deposit decrease al the same time saving deposit increase because new schemes for the arrival of the year.

Maharana, Choudhury and Panigrahi (2015) assessed the deposit Mobilization of Commercial Banks: A Comparative Study of BOB and Axis Bank in Bhubaneswar City. The objective of the study was to evaluate the trend and growth in deposit mobilization of scheduled commercial banks in Bhubaneswar. The methodology applied under the study was collected time series data are subjected descriptive statistics. Analysis is done taking primary data through a questionnaire to present different factors responsible for deposit mobilization of BOB and Axis Bank in Bhubaneswar city. The study found that The E-Banking services availed by the customers and the frequency of their use is indicated by the average weightage calculated as per the Likert scale. The rate of use of the e-banking system is normally multi focused because of which average uses it is calculated by assigning ‘2’ weight to ‘very often’ and ‘1’ to ‘often’ and ‘0’ to ‘never’ use. The analysis of both the banks shows that ATM is used more frequently than any other electronic

devices. The uses of ATM customer is 1.66 in BOB where as it is 1.38 by the depositors of Axis Bank, so one can conclude that among all the electronic devices ATM is Highly popular. Next to this electronic device, Internet banking rank in both the banks with an average weight of a 0.31 and 0.51 in BOB and Axis Bank respectively it means that the customers of Axis Bank are using the Internet banking more frequently than by the depositors of BOB. The reason for this might be an account of Axis Bank staff guiding and motivating the customers to use Internet banking. It can also be seen that uses mobile banking is showing same trend as internet banking if we compare both the banks showing the usage of mobile banking in case of Axis Bank is marginally higher than BOB. The above analysis allows rejection of the null hypothesis H_2. Further, this study concluded that it is concluded that there was a significant up trend and growth in current deposits but in terms of growth of deposit year by year is fluctuating. There is significant decline in deposits in scheduled commercial banks in Bhubaneswar during the period from 2009-10 to 2012-13. As there is a significant increase in current deposit and term deposit over the period under study the mobilization of demand deposit and term deposits by bank of Baroda is more than Axis bank over the period. On the whole, it is concluded that Bank of Baroda in Bhubaneswar city has performed well in deposit mobilization in five years from 2010-11 to 2014-15.

Antwi (2015) investigated the mobilizing deposits: the role of Commercial Banks in Ghana. The study aims to evaluate the design of bank products and services, assess their effectiveness of harnessing domestic deposits and challenges they face in mobilizing deposits. This study mainly had an explanatory research purpose since it aimed to establish the effect of methods used by commercial banks on deposits mobilization. The study reveals certain basic facts about commercial banks in Ghana in their struggle to mobilize greater domestic deposits. Firstly, Commercial banks deposits mobilization in Ghana from 2000 to 2004 indicates an upward trend however, the present level of deposits as a ratio of the total amount of money in circulation is woefully inadequate. Secondly, the methods or the design of product and services, like initial deposits as a precondition for bank account as well as ways of promoting products, have tended to benefit formal sector workers who earn regular income than the informal workers such as artisans, farmers and other small scale operators who are the majority. Thirdly, the concentration of commercial banks in urban areas couple with the insufficient instruments

used for deposit mobilization make them battle with the problem of how to effectively harness the volume of deposits left in the rural areas. Also, the attitude of bank personnel towards rural savers in Ghana has not been customer friendly to entice more depositors. Finally, even though there is a significant difference as far as the banks general deposits growth rate is concerned, in terms of annual average deposit growth rate, there is no significant difference. This study concluded that commercial Banks are absolutely essential in the development of the financial system in Ghana. At the moment they are the major mobilizes of local resources in the form of deposits. They are indeed the appropriate media to secure investment funds in these economies where the market is yet to develop. The deposits they attract over the years keep increasing, but are insufficient for self-sustainability and form a meager proportion of the money in circulation. The implication is that large unproductive deposits are left to be squeezed into loanable funds for investment. The onus rests on the commercial banks in collaboration with all other formal and informal financial service providers and government to introduce immediate reforms towards achieving these goals. They strive towards self-sufficiency in the financial sector should embrace all caliber of people in Ghana to make the Millennium Development Goals achievable.

Joyce (2015) examined the challenges of deposit mobilization at agricultural development bank. The aims of the study were to ascertain the deposit mobilization levels of ADB, identify the causes and effects of the deposit mobilization situation of ADB and to highlight possible solutions to deposit mobilization in the banking industry in Ghana. The case study design is also useful for testing whether a specific theory and model actually applies to phenomena in the real world. Questionnaires employed the use of both open and close ended questions with interviews using both the structured and unstructured technique. This use of this form of questionnaires and interview ensured coordination while facilitating easy analysis. It was found that Ideally, some parameters used in ascertaining the deposit mobilization levels of ADB over the five year period were providing loan facility, competitive interest rates, improved customer services, attractive banking products, modern ICT facilities, opening of new branches, deposit mobilization aggressiveness among others. The survey identified that the cumbersome account opening requirement and processes was a major casual factor of mobilization of ADB. Therefore, it is not attractive enough for interested customers who want to bank with ADB. This has

contributed strongly in customers` preference towards other financial institutions. The cumbersome loan application process of ADB was a casual factor to cash mobilization situation of the bank. There is no overdraft facility for personal or individual customer's account unless it is a corporate or business account and all loans are centralized. As rationale beings, customers` are attracted to banks where their services and demands are met satisfactorily. Agricultural Development Bank should adopt measures to improve their services to meet competition in the industry thereby attracting customers` to the bank which in effect raises the cash mobilization. Reduce requirement for loan application is another possible solution to the functional contribution of ADB to economic growth through domestic deposit mobilization. Customers as rational and economic beings are attracted and interested to attractive products, good customer services, competitive interest rates as well as incentives and bonanzas. Steps should be put in place to introduce attractive products to boost the confidence of customers to bank with ADB and also attract potential customers thereby improving deposit mobilization of the bank. Moreover, the study concluded the outcomes of such challenges are the inability of the bank to mobilize enough funds for their operations and also to support the development of the economy of Ghana. It is therefore necessary that pragmatic measures are adopted to regulate the efficiency and effectiveness of ADB in increasing the deposit mobilization of the bank. It is this vein; the research has provided various recommendations to the deposit mobilization challenges of the bank. Such strategies when implemented will improve or enhance the effectiveness of the bank in terms of its deposit mobilization whilst making it more attractive to domestic investments. However, these strategies would only yield the desired results if there is commitment on the part of the Management implementing them.

Mashamba, Magweva and Gumbo (2014) assessed the relationship between banks' deposit interest rate and deposit mobilization: Empirical evidence from Zimbabwean commercial banks (1960-2006). The objective of the study was to analyze the relationship between banks' deposit interest rates and deposit mobilization. Ordinary least square model to show the relationship between response and explanatory variables were used to figure out research methodology. Pearson coefficient was employed to demonstrate the strength of the relationship. The study found that a positive relationship between deposit rates and banks' deposits for the period under the study and all the other explanatory

variables were statistically significant. Also, the coefficient of determination was found to be significantly high showing that the explanatory variables were about to account for the total variable of the dependent variable-deposits. The study concluded that deposit interest rate is an important determinant of deposit mobilization in Zimbabwe. There exists a positive relationship between the two variables. Hence, an increase in savings products with higher return can positively affect deposit growth in Zimbabwe. There researcher therefore came to a conclusion that Zimbabwean banks can pool back funds into the formal banking system if they innovate savings products with attractive returns.

Table 1

Summary of Empirical Review

S.N.	Author	Objective/s	Methodology	Findings
1.	Debesso & Kant (2023)	To assess bank specific factors affecting the deposit mobilization in commercial bank of Ethiopia and to examine external factors affecting the deposit mobilization in commercial bank of Ethiopia.	Used quantitative research approach methods quantitative form which can be subjected to rigorous quantitative analysis from multiple regression model as bank deposit mobilization as dependent and number of bank branch, deposit interest rate, liquid asset on deposit ratio, lagged value on bank deposit, inflation rate, economic growth and net interest margin as independent variables.	Number of bank branches, deposit interest rate, net interest margin and economic growth were significantly and positively correlated with explained variable. However, lagged value of bank deposit, liquid asset to deposit ratio and inflation rate were insignificantly negatively correlated with bank deposit mobilization. The deposit growth reacts negatively towards the increase in inflation rate.
2.	Banke & Yitayaw (2022)	Examine the bank-specific and macroeconomic	The methodology used under this study using	Population growth, inflation, bank liquidity, capital adequacy ratio and

		determinants of deposit mobilization in Ethiopian banking sectors.	balanced panel data of fourteen commercial banks using secondary sources audited financial statements. A quantitative approach and explanatory design were employed.	political stability have negative and statistically significant impact on bank deposit mobilization. However, Profitability has a positive and statistically significant impact on bank deposit.
3.	Haddawee & Flayyih (2020)	Measure the relationship between bank deposits and profitability generate in all kind of commercial banks and to determine the types of deposits that have greater effect on the bank's profitability.	This study employed the descriptive approach of reality study and phenomenon as it exists in reality. This is determined as a precise description and it is expressed or quantified in a descriptive manner.	The study revealed that there is a significant relation between deposits and the indicators of profitability. The saving deposit is the biggest contribution to profitability, followed by time deposit, and finally the current deposits which have lowest contribution.
4.	Ayene (2020)	Identify internal factors affecting deposit and to assess the effect of external factors on deposit.	Descriptive research design was employed. Primary data collected through structured questionnaire is primarily used for analysis. Likert type questions were developed to collect data about each variables identified for the study.	Effect of trust on banking system varies depending on age group, marital status, occupation, level of education and years as bank customer. Among all variables taken in to account the effect of macroeconomic variables and saving culture, do not vary among individuals with different demographic
5.	Tun (2019)	Explore the impact of macroeconomic	The methodology used to measure	Exchange rate of domestic country to USD depreciates,

		factors which include real interest rate, gross domestic product per capita, money supply and average exchange rate on deposits mobilization in the case of private commercial banks in Myanmar.	deposit mobilization was secondary data from twenty four commercial banks with the help of multiple regression analysis by SPSS version 23 to describe and evaluate the relationship between dependent and independent variables.	imports will be expensive. Then, more domestic currency will need for import as a result deposit of domestic banks will decrease. An increase in real interest rate makes bank deposit of private commercial banks increase. An increase in gross domestic product per capita increase a higher income will lead to enhance deposit. An increase in narrow money to gross domestic product makes bank deposit of private commercial banks decrease.
6.	Islam et al. (2019)	Impact of firms-specific variables and macroeconomic variables on the deposit mobilization of private commercial banks in Bangladesh	Panel data regression	Total deposit has significant negative impact on the deposit mobilization and broad money supply growth rate has significant positive impact on the banks deposit growth rate whereas number of banks branches, deposit interest rate, loan-to-deposit ratio, gross domestic product growth rate, inflation rate have no significant impact on the banks deposit growth rate of the private commercial banks in Bangladesh.
7.	Dagnaw (2019)	Identify the determinants of commercial banks deposit mobilization by considering six independent variables namely prized	Explanatory research looks for cause and effects. Researcher has intended to describe the qualitative data received from	Explanatory variables, inflation, deposit(interest) rate, per capita income, branches expansion and exchange rate of Birr to USD, are factors that would influenced the deposit volume at more

		linked saving, general inflation rate, the number of branches of banks, per capita income, deposit (interest) rate, exchange rate to USD.	respondents and explain the relationship between deposit (dependent variable) and independent variables (explanatory variables (independent variable) using correlation and the effect of variables using multiple regressions.	than ninety two percent of R2 of the time
8.	Gunasekara & Kumari (2018)	Investigate the most effective factors affecting deposit mobilization, followed by a random sampling method of hundred twenty deposit account holders were selected	Descriptive statistics and regression analysis were performed.	There is a significant positive relationship between deposit mobilization and deposit interest rate, security, branch expansion, services, technology and awareness. Moreover, there is a significant relationship between living area, the amount of deposits and the demographic variables such as gender, occupation, education level and income significantly affect for deposit mobilization.
9.	Nwangolo & Ogechi (2018)	Examine the effect of financial deepening on customer deposit of Nigerian commercial banks.	The methodology applied under the study was percentage of total customers' deposit to total assets was used as dependent variables while percentage of narrow money supply, broad	Narrow money supply and money market development have negative effect on total customer's deposit of commercial banks while private sector credit, broad money supply and money outside the bank have positive effect on customer's deposit of commercial bank.

			money supply, money market development, money outside the bank and private sector credit to gross domestic product was used as independent variables.	
10.	Ambe (2017)	Investigate factor that determine customer deposit mobilization by the commercial bank of Ethiopia by using data for 20 years.	Both descriptive and econometric analysis has been applied in order to investigate factors that determine deposit mobilization in the case of commercial bank of Ethiopia.	As determinants of customer deposit mobilization in the bank 5 explanatory variable such as loan, existence of competitors, interest rate, branch expansion were included .The result of the econometric result indicate that loan provision, branch expansion and number of customers are found to have significant positive impact for the growth of deposit mobilization. However the emergence of new competitors and interest rate is not found to have positive impact to deposit mobilization
11.	Ganapathy & Alagarsamy(2019)	Evaluate the growth rate and Compound Annual Growth Rate in deposit mobilization	The secondary data have been used to analyze the deposit mobilization.	Increase the deposits every year of Southern Districts, Commercial Banks and effectiveness of mobilization of funds. It is due to there is positive relationship between deposits, loan and advance from the bank, the more deposits should be mobilized so as to lend more which in turn brings more revenue to the bank

12.	Maharana et al.(2015)	Evaluate the trend and growth in deposit mobilization of scheduled commercial banks in Bhubaneswar.	The methodology applied under study was collected time series data are subjected descriptive statistics. Analysis is done taking primary data via a questionnaire to present different factors responsible for deposit mobilization of BOB and Axis Bank in Bhubaneswar.	The uses of ATM customer is 1.66 in BOB where as it is 1.38 by the depositors of Axis Bank, so one can conclude that among all the electronic devices ATM is Highly popular. Next to this electronic device, Internet banking rank in both the banks with an average weight of a 0.31 and 0.51 in BOB and Axis Bank respectively it means that the customers of Axis Bank are using the Internet banking more frequently than by the depositors of BOB.
13.	Antwi (2015)	Evaluate the design of bank products and services, assess their effectiveness of harnessing domestic deposits and challenges they face in mobilizing deposits.	This study mainly had an explanatory research purpose since it aimed to establish the effect of methods used by commercial banks on deposits mobilization	Even though there is a significant difference as far as the banks general deposits growth rate is concerned, in terms of annual average deposit growth rate, there is no significant difference. This study concluded that commercial Banks are absolutely essential in the development of the financial system. At the moment they are the major mobilizes of local deposits.
14.	Joyce (2015)	Ascertain the deposit mobilization levels of agriculture development bank, identify the causes and effects of the deposit mobilization situation of	Highlight possible solutions to deposit mobilization in the banking industry in Ghana. The case study design is also useful for testing whether	It is not attractive enough for interested customers who want to bank with agriculture development bank. This has contributed strongly in customers` preference towards other financial institutions. The cumbersome loan application process of

		agriculture development bank and to highlight possible solutions to deposit mobilization in the banking industry in Ghana.	a specific theory and model actually applies to phenomena in the real world. Questionnaires employed the use of both open and close ended questions with interviews using both the structured and unstructured technique. This use of this form of questionnaires and interview ensured coordination while facilitating easy analysis.	agriculture development bank was a casual factor to cash mobilization situation of the bank. There is no overdraft facility for personal or individual customer's account unless it is a corporate or business account and all loans are centralized. As rationale beings, customers` are attracted to banks where their services and demands are met satisfactorily.
15.	Mashamba et al.(2014)	Analyze the relationship between banks' deposit interest rates and deposit mobilization.	Ordinary least square model to show the relationship between response and explanatory variables were used to figure out research methodology. Pearson coefficient was employed to demonstrate the strength of the relationship.	A positive relationship between deposit rates and banks' deposits for the period under the study and all the other explanatory variables were statistically significant. Also, the coefficient of determination was found to be significantly high showing that the explanatory variables were about to account for the total variable of the dependent variable-deposits.

2.3 Review of Literature in Nepalese Context

Thapa (2023) evaluated the deposit mobilization of Nabil Bank Ltd. The objectives were to examine the relationship between total deposit mobilization, loan & advances and profitability, analyze the trend of deposit mobilization and to study total deposit

mobilization of Nabil Bank Ltd. Descriptive test statistics were adopted as research methodology. The result found that loan and advances to total deposit ratio was decreasing. The study concluded that the growth of the total deposit was increasing each year. The loan and advances has positive and significant relationship with total deposits.

Pathak (2022) analyzed the bank interest rates and deposit growth Nepal. The objective of the study was to find the interest elasticity of bank deposit in Nepalese commercial banks. The method applied under this study determinant like bank deposit, deposit interest rate, number of bank accounts, increase number of bank branches, bank liquid asset and macroeconomic variables like GDP, inflation, remittance, interest rate differential are used for regression analysis. This study found that monthly average data of deposit and interest are used for the purpose of analysis and the result shows unitary elasticity of interest rate. Bank deposit and bank's liquid assets holding have highly significant negative relationship. This study reveals weak association of interest rate change and deposit growth. Moreover, this study concluded that bank's strategy of increasing interest rate to attract more deposit is less effective and might be costly approach. Thus, banks need to seek other more effective ways to attract more deposit for sustainable banking.

Shrestha and Aryal (2022) evaluated the comparative study on deposit mobilization of Nepal Bank Limited and Sanima Bank Limited. The aim of the study was the effect of profitability and loan and advance on deposit mobilization of Nepal Bank Limited and Sanima Bank Limited. The methodology applied under this study was multiple regression model with the help of SPSS. The regression model revealed that return on assets has positive impact on the regression coefficient of Earning per share (EPS), the regression coefficient of Fixed Assets to Total Assets ratio (FA/TA), the coefficient of loan and advance to total deposit ratio (LA/TD) but negative impact on Number of branches and Total Debt to total assets ratio. There is positive impact of EPS on fixed assets to total assets ratio but negative impact on loan and advance to total deposit ratio (LA/TD of sample banks respectively. The findings of this study indicate that the return on assets and Earning per share have significant and positive impact on profitability performance of sample banks. This is evidenced by the significant result on tangibility and liquidity. In the previous study has published their most of the results were significant. But in this research some results were insignificant. The main causes are our liquidity situation,

covid-19 influence, instability on economic sector etc. This study concluded that the deposit mobilization of two commercial bank i.e. Nepal Bank Limited and Sanima Bank Limited, which explains that net assets, return on asset, loan volume and change in deposit interest have relationship with profitability of Banks. Selected banks should lunch very aggressive marketing campaign to attract more deposit and mobilize or utilize this fund in very productive sector. Hire some competitive human resource and face the challenge of competition. It has to improve the brand value in the heart of people. Some other points to improve the performance of commercial banks: Increase; proper service, deposit, quality of assets and invest in government securities as well as deprived and priority sectors. Enhance Liberal lending policy and sound credit allocation policy as well as innovative approach of marketing. Focus on rural banking and national development by branch expansion in appropriate location. Invest in human resource development to be the global competitor and focus on employee motivation, maintenance and utilization. Improve in ground level service efficiency and working environment.

Thapa (2022) examined the deposit mobilization of commercial banks: A case of Nabil, Everest and Himalayan bank limited. The motives of the study were to analyze and compare the deposit growth of NABIL, HBL and Everest Bank Limited, analyze and compare the proportion of the loans and advances of NABIL, HBL and Everest Bank Limited, analyze and compare the investment of NABIL, HBL and Everest Bank Limited and to find out the relationships between total deposits, loans and advances, total investment, total assets, and net profit, and to compare such relationships of NABIL, HBL and Everest Bank Limited. The study has been prepared with the help of structural questionnaire and the secondary data given by NBL and RBB. Descriptive and correlation coefficient have been applied to figure out the objective set. The study found that NABIL is relatively successful to invest in productive sector and has mobilized its collected deposits to provide loan and advances for the purpose of earning profit. NABIL has weak condition in mobilizing its collected deposits and total working fund in loan and advances. HBL is weak in investing its collected deposits in working capital comparison to NABIL and EBL. In comparison to NABIL, EBL, HBL seems slightly successful in mobilizing total fund on different types of government securities to maximize its earning capacity. EBL has slightly successfully invested more working funds in debentures and shares of other company whereas HBL is in weak position to make investment on shares and

debentures. NABIL appears to be more successful to earn profit on loan and advances than other two banks. Profit earning capacity of HBL is considered too weak. The average ratio of return on total working fund indicates that working fund of NABIL is well managed and efficiently utilized. HBL was not able to receive high interest on its total working fund in comparison with other banks. On the other hand, NABIL has mobilized its working fund properly and its earning capacity is also high. EBL is in better position from the viewpoint of interest expenses. It seems to be successful to collect its working fund from less expensive sources in comparison to other bank. HBL cannot able to pay interest with comparison of other banks. Correlation coefficient between deposits and loan and advances indicates the positive relationship between the variables of NABIL, EBL and HBL. In most of the cases it has been found that investment decision depends upon the deposits and only few decisions depend upon other variables. By considering the probable error, the value of coefficient of determination of all banks is greater than that of 6 P.E. so it can be concluded that the value of correlation coefficient is significant i.e. there is significant relationship between total deposits and loan and advances for all banks. Correlation coefficient between deposit and total investment of NABIL, HBL and EBL elucidates the positive relationship or there is high degree of positive correlation. Most of the investment decision of these banks depends upon deposits and only few decisions are depend upon other variables. Moreover by considering the probable error, the value of coefficient of determination of all banks are higher than 6 P.E. so it is significant i.e. there is significant relationship between deposits and total investment though there is positive relation between them. On the other hand there is significant relationship between deposits and total investment of all banks.

Bista and Basnet (2022) examined the measuring determinants of time deposit in the commercial banks in Nepal. The motive of study was to measure the determinants of time deposit in the commercial banks of Nepal with the study methodology used descriptive statistics and multiple regression models as the analytical tools. The research variables used under this study were GDP, deposit, capital, size of bank, remittance and public debt. This study found that GDP per capita, US exchange rate, interest rate and the branch of the bank are positively and significantly determinants to the time deposit of the commercial bank but inflation rate is negatively and determinant with significant. The internal variables are more determinants than the external variables to the time deposits. It

is clear that time deposit is a reliable and long term source to main the bank liquidity of the commercial bank for the financial stability and performance depends on more the internal variables than the external variables. This study concluded that maintaining bank liquidity is a major goal of monetary policy and the commercial bank for financial stability and performance. The commercial bank should improve the competitiveness and smartness of bank policy to mobilize small scattered resources all over the country through the brand of the bank; the attractive and motivating interest rate policy and increasing branch of the commercial banks for higher rate of capital formation, investment and economic growth.

Joshi (2022) evaluated the deposit mobilization and interest rate in Nepalese commercial bank. The objectives of the research were to analysis structure of interest rate of commercial bank, analysis trend of deposit, investment, loan and advances of sample bank and to compare impact of interest rate on deposit, investment and loan and advance of sample bank. The study analyzed the relationships between interest rate on deposit mobilization of Nepalese commercial banks. This study has employed descriptive and causal comparative research designs to deal with the fundamental issues associated with factors influencing interest rate with deposit mobilization in the context of commercial banks in Nepal. The study found that simple regression result of interest rate on deposit amount in positive relationship of interest rate with deposit, investment and loan amount. The slope coefficient of bank deposit is positively significant at 5 percent level which implies that banks interest rate increases with banks deposit amount. The regression result of commercial banks interest rate, Investment amount in specification shows a positive relationship between interest rate and Investment amount and the regression coefficient of firm size is statistically significant. The regression results of specification again establish the economic and statistical significance of deposit amount, loan and advance amount and investment amount. The study concluded that fluctuations in the interest rate of the commercial banks slightly affect the deposit mobilization. When there is a slight increase or decrease in interest rates of deposits and lending then changes its deposit and lending amount. The interest rate spread (deposit and lending) of all sample banks are found to be fluctuating trend. But contrary to this, deposit amount and lending amount is increasing every year. Clarify the above calculation of correlation coefficient between deposit amount and interest rate on deposit of all the sample banks was found to be positive. It

reveals that the movement of total deposit and interest rate is found in different direction whereas it shows positive relationship; it reveals that the movement of total deposit and interest rate is found in similar direction. According to Fisher effect, there should be positive correlation between these two variables but the interest rate in Nepalese financial market is affected by inflation rate to same extent only during the study period, it is found that, there exist the high spread between deposit interest rate and lending interest rate. That may be due to competitive financial environment and less availability of investment opportunity. It is also found that, lending interest rate of productive sector loan such as commercial loan, industrial loan, trade credit, working capital loan were decreased lesser in magnitude in comparison to the nonproductive sector loan.

Budaprithi (2021) assessed the deposit mobilization of commercial banks: With reference to SCBNL, EBL, HBL & RBB. The main objectives of this study were the examine deposit mobilization of Nepalese Commercial banks to analyze deposit collection of sample banks, identify the financial performance of sample banks, to find out the relationship between total deposit and loan and advances and to explore the impact of deposit and loan and advances. For the analysis of the Deposit Mobilization of EBL, HBL, RBB and SCBNL descriptive design applied to achieve the objective of the research along with regression model. It was found that the liquidity position of RBB is not satisfactory whereas EBL, HBL and SCBNL is comparatively better than that of RBB. RBB has made enough investment in government securities than other sample banks. Liquidity ratio of EBL, HBL and SCBNL is more consistent than that of RBB. In view of assets management side of sampled banks, it can be concluded that SCBNL is in weak position in mobilizing the collected deposits as loan and advances. RBB is successful in mobilizing its collected deposits on investment better than that of EBL, HBL and SCBNL. RBB has also invested its funds efficiently on government securities and share and debenture better than that of EBL, HBL and SCBNL. Assets management ratio of EBL, HBL and SCBNL is more consistent than that of RBB. SCBNL profit earning capacity on loan and advances and working fund is better that that of EBL, HBL and RBB. The return ratio of EBL, HBL and RBB is more consistent than that of SCBNL. HBL seems stronger in earning interest from working fund than that of EBL, RBB and SCBNL and it has also been successful to collect its working fund from less expensive sources. Liquidity risk of EBL is higher than that of HBL, RBB and SCBNL which indicates the lower degree risk

and variability than other sampled banks. SCBNL has maintained lower credit risk than that of EBL, HBL and RBB. From the growth ratio of total deposits, it can be concluded that SCBNL has more collected capacity than EBL, HBL and RBB. Growth rate of loan and advances of RBB is too weak in comparison to EBL, HBL and SCBNL. Growth rate of total investment of EBL, HBL and SCBNL seems too weak than RBB whereas it has better position than that of sampled banks. Growth rate of net profit RBB seems in better position than that of EBL, HBL and SCBNL. EBL has better in capital fund. RBB has been more successful to collect deposit than that of EBL, HBL and SCBNL. SCBNL borrowing is an indication that the internal fund management of SCBNL is in satisfactory position towards meeting liquidity needs, EBL has more fund as liquid and RBB is more successful in making investment in different sectors better than that of EBL, HBL and SCBNL. SCBNL also provides more funds as loan and advances. Correlation coefficient between deposit and total investment and deposits and loan and advances of RBB is EBL indicates the positive relationship or there is high degree of positive correlation. In most of the case it has been found that loan and advances and investment decisions depends upon other variables. From the calculation of regression between deposit and loan and advances it can be concluded that EBL, HBL, RBB and SCBNL banks has significant values. By considering the trend values, RBB and SCBNL seems to be more successful to utilize its total collected deposits in investment than EBL and HBL. Deposit utilization trend in relation to loan and advances of RBB and EBL is proportionately better than HBL and SCBNL.

Adhikari (2021) examined the deposit mobilization of Nepalese commercial banks: A comparative study of Everest bank ltd and Siddhartha bank ltd. The aims of the study were to examine the role of NRB in deposit mobilization, liquidity, efficiency and profitability and risk position of commercial banks. The study uses correlation and probable error as statistical tools. The study found that liquidity position of EBL is comparatively better than SBL. Thus, EBL has better deposit collection ability to meet cash requirement. EBL is comparative successful to invest in productive sector and has mobilized it collected deposit to provide loan and advance. Similarly, SBL is profitable in comparison to EBL. Likewise, EBL has maintained the lower liquidity risk and credit risk. SBL has maintained the high growth ratio in total deposit, total investment loan and advance and net profit. Further, this study concluded that banks are to maintain effective

liquidity position, increase deposit collection, make more investment in government securities, make profitable return, prefer aggressive policy, invest deprive and priority sector, make effective portfolio management.

Upadhaya (2021) investigated the deposit mobilization of commercial banks in Nepal. The motives of the study were to examine relationship between total deposit mobilization, loan and advance and profitability of Nepalese commercial bank, ascertain the profitability position, examine the effect of profitability and loan and advance on total deposit mobilization and to study the total deposit mobilization in Nepalese commercial banks. For this, descriptive research design and causal comparative research design have been employed for research methodology. Inferential statistic consists of mainly correlation for better evaluation of undertaken variables such as loan and advance ratio, net profit and total deposit mobilization. In conclusion, the loan and advance has positive and significant relationship with both net profit and total deposit mobilization. Thus, they move in the same direction. The position of profitability in commercial banks is satisfactory and found to be increasing per year. Similarly, the effect of both net profit and loan and advance over total deposit mobilization is significant and positive. Therefore, an effective mobilization of total deposit would increase the profitability of commercial banks. However, loan and advance also have positive effect on deposit mobilization of commercial banks which indicate proper maintenance of loan and advance out of total deposit mobilization.

Bhattarai (2020) evaluated the bank lending determinants: evidence from Nepalese commercial banks. The purpose of the study was to determine the commercial banks' lending in Nepal. The balance panel secondary data were used. The data has been analysis with help of Gretl statistics software version 1.9.4. The loan and advance taken as dependent variables whereas liquidity, investment portfolio, cash reserve ratio, bank size, gross domestic products growth rate and inflation rate were independent variables. The result shows that investment portfolio, cash reserve ratio and bank size have positive and significant effects on loan and advance. But the liquidity has negative and statically significant with loan and advance. The macroeconomic variables gross domestic products growth rate and inflation rate have not effective roles plays to determine the loan and

advance. The concluded that liquidity, investment portfolio, cash reserve ratio and bank size were major determinants of loan and advance.

Adhikary and Jha (2020) assessed the lending practices of commercial banks in Nepal: A study of Siddhartha bank limited and sunrise bank limited. The motives of the research were to find out the trend of deposit, loans and advances, borrowings and net profits of SBL and SRBL for last five-year study period, evaluate the product wise lending practices of SBL and SRBL and to analyze the lending practices of SBL and SRBL as per NRB. variables such as deposits, investment, borrowings and net profit/net income as the independent variables which affects the lending behavior loans and advances as the independent variables. These variables may or may not have significant effect on other variables. Also, they may or may not influence the lending behavior of the commercial banks in the context of Nepal. Those dependent variables i.e. lending behavior (loans and advances) and independent variables (deposits, investment, borrowings and net profits) and their relationship. The study found that lending is the major activities of various banks and financial institutions. Banking activities help in the upliftment of the national economy. For this, lending and deposits collecting activities plays an important role. Since, the banks are going through merger and acquisition, commercial banks are taking over the banking system whereas there is chance of extinction of development and other finance companies. But the lending function of banks is not as easy as the borrowers think it is. There are various lending challenges. The major challenges are monetary policy. There is unstable political environment in the country due to which monetary policy is also changing. The monetary policy if are not in favor of the commercial banks, then lending practices might be very difficult. Banks have to face the challenges if they are not able to attract the investors. The conclusion of the study was based on the lending practices, it is believed that the facilities of lending is the important function of all the banks and financial institutions. In this research, the study is based on research about the lending practices that SBL and SRBL have undergone in order to get to the conclusion. The most important function of the banks is to collect the deposits upon which lending activities rely on. So, for banks and financial institutions, it is very necessary to focus on the lending part and must be the major priorities. Also, from the survey that have been done with the various personnel of SBL and SRBL, we can come into conclusion that banks have been lending as per the directives of the NRB. Likewise, since, all the

respondents were agreed upon the fact that deposits affect the lending practices; deposits can be considered as the main source for lending to the various individuals and business units. In case of SRBL, as per the regression analysis, there is positive effect of deposits, borrowings and investments on loans and advances and negative effect of net profit/income on loans and advances. If there is increase in the volume of deposits, borrowings and investments then SRBL can issue more loans and advances to the individual units and business units and vice-versa.

Paudyal (2020) examined the deposit mobilization of commercial banks: A comparative study of NABIL and NIBL. The basic objective of the study is to examine the deposit collection and mobilization of two selected commercial banks. The specific objectives of the study were to identify the major composition of deposit, measures the trend & growth of deposit and mobilization in investment area, analyze the area of utilization of fund and to analyze the relationship between deposit and investment performance of banks. The nature of data for the study is based on quantitative and secondary sources are used for main sources of data. Various ratio analysis along with descriptive and correlation between the research variables are analyzed. The study found that NABIL is relatively successful to invest in productive sector and has mobilized its collected deposits to provide loan and advances for the purpose of earning profit. NIBL is also not so weak in investing its collected deposits in comparison to NABIL. In the study period, both bank has increase the percentage in last four years. NABIL appears to be more successful to collect total deposit up to FY 2072/73 compare to NIBL after third year NIBL appears to be more successful in this regard. For mobilizing part of bank NIBL appears to be more successful than NABIL. In this way NABIL is more successful in collection part whereas NIBL is more successful in mobilization part. It is concluded that correlation coefficient between deposits and loan & advances indicates the positive relationship between the variables of NABIL and NIBL. In most of the cases it has been found that investment decision depends upon the deposits and only few decisions depend upon other variables. By considering the probable error, the value of coefficient of determination of both banks is greater than that of 6 P.E. so it can be concluded that the value of correlation coefficient is significant i.e. there is significant relationship between total deposits and loan and advances for NABIL as well as NIBL.

Bhattarai (2019) evaluated the determinants of commercial banks' lending behavior in Nepal. The main objective of this study was to establish the determinants of lending operations among commercial banks in Nepal. Specifically, the study sought to explore the effect of bank specific characteristics and to identify external factors that determine commercial banks' lending behavior in Nepal. Secondary panel data was used that covered a period of six years (2012/13-2017/18) of the major ten commercial banks to examine factors associated with lending behavior of in Nepal. It was found that liquidity ratio, interest rate spread and exchange rate were significant in determining lending behavior in Nepal's commercial banks. The positive effect of exchange rate infers that commercial banks in Nepal have sufficient insights into the international market and trade and that they are prepared to meet short-term and long-term commitments. Inflation maintained by the central economic policy has a positive and significant influence on lending volumes among commercial banks in Nepal. Likewise, the findings showed interest rate spread negatively and significantly on total loans advanced to individual and institutions. This implies that as the cost of borrowing increases, banks significantly increase credit supply in the market. However, there seems a greater deal of reluctance from among the borrowers to get more credit in such situations. During periods of economic stagnation, majority of loans become non-performing and thus constraining credit available to private sector. This study concluded that The positive effect of exchange rate infers that commercial banks in Nepal have sufficient insights into the international market and trade and that they are prepared to meet short-term and long-term commitments. Inflation maintained by the central economic policy has a positive and significant influence on lending volumes among commercial banks in Nepal. Likewise, the findings showed interest rate spread negatively and significantly on total loans advanced to individual and institutions. This implies that as the cost of borrowing increases, banks significantly increase credit supply in the market. However, there seems a greater deal of reluctance from among the borrowers to get more credit in such situations. During periods of economic stagnation, majority of loans become non-performing and thus constraining credit available to private sector.

Timsina and Venkata (2018) evaluated the effect of bank specific factors on bank loan performance in Nepal. This study examines the effect of bank specific factors on loan performance of commercial banks in Nepal. Bank size, capital, deposit, liquidity ratio and

lending interest rate are taken as bank specific factors. The study has conducted correlation and regression analysis using panel data of twenty four commercial banks during the period of 1996-2017. The empirical results show that bank size, capital and deposit have positive impact on bank lending. Hence, commercial bank willing to increase lending should increase its capital, even more than regulatory standard. Further banks willing to lend more should expand their total assets and deposit. Liquidity ratio and interest rate have negative impact on bank lending. Thus, commercial banks willing to increase bank lending should be careful in maintaining minimum liquidity requirement and interest rate fluctuation. Central bank willing to increase bank lending to productive sector should encourage banks to decline their lending interest rate. The major conclusion of the study is that bank capital, size and deposit have positive impact on bank lending. Hence, commercial bank willing to increase lending should increase its capital, even more than regulatory standard. Further banks willing to lend more should expand their total assets and deposit. Another conclusion of the study is that liquidity ratio and interest rate have negative impact on bank lending. Thus, commercial banks willing to increase bank lending should be careful in maintaining minimum liquidity requirement and interest rate fluctuation. Central bank willing to increase bank lending to productive sector should encourage banks to decline their lending interest rate.

Pradhan and Paneru (2017) examined the macroeconomic determinants of bank deposit of Nepalese commercial banks. The objective is to examine macroeconomic determinants of bank deposit of Nepalese commercial banks. Eighteen banks were listed on analyzing quantitative research approach with SPSS. In this study fixed deposit and saving deposit are dependent variables where GDP growth rate, inflation, number of branches and ROA are independent variables. The study found that the beta coefficient is negative for GDP, inflation return on assets, lagged GDP growth rate, lagged inflation, and lagged return on assets and trend. The result indicate that lower the GDP, inflation return on assets, lagged GDP growth rate, lagged inflation, lagged return on assets and trend lower would be the bank saving deposit. However, the beta coefficients of these variables are not significant. This study concluded that lagged log fixed deposit, number of branches, trend and lagged log saving deposit are considered are important variable for deposit in Nepalese banking sector. This implies that these explanatory variables have the heights impact and influence

on the bank deposit of commercial bank and change in it will yield the highest change in banks deposit.

Table 2

Summary of Review of Literature in Nepalese Context

S.N.	Author	Objective/s	Methodology	Findings
1.	Thapa (2023)	To examine the relationship between total deposit mobilization, loan & advances and profitability, analyze the trend of deposit mobilization and to study total deposit mobilization of Nabil Bank Ltd.	Descriptive test statistics and correlation coefficient	The result found that loan and advances to total deposit ratio was decreasing. Growth of the total deposit was increasing each year. The loan and advances has positive and significant relationship with total deposits.
2.	Pathak (2022)	Find the interest elasticity of bank deposit in Nepalese commercial banks.	The method applied under this study determinant like bank deposit, deposit interest rate, number of bank accounts, increase number of bank branches, bank liquid asset and macroeconomic variables like gross domestic product, inflation, remittance, interest rate differential are used for regression analysis.	Monthly average data of deposit and interest are used for the purpose of analysis and the result shows unitary elasticity of interest rate. Bank deposit and bank's liquid assets holding have highly significant negative relationship. This study reveals weak association of interest rate change and deposit growth.
3.	Shrestha, and Aryal, (2022)	Effect of profitability and loan and	The methodology applied under	Return on assets has positive impact on the regression coefficient of

		advance on deposit mobilization of Nepal Bank Limited and Sanima Bank Limited.	this study was multiple regression model with the help of SPSS for regression model	Earning per share, the regression coefficient of Fixed Assets to Total Assets ratio, the coefficient of loan and advance to total deposit ratio but negative impact on Number of branches and Total Debt to total assets ratio. There is positive impact of EPS on fixed assets to total assets ratio but negative impact on loan and advance to total deposit ratio of sample banks respectively. The findings of this study indicate that the return on assets and Earning per share have significant and positive impact on profitability performance of banks.
4.	Thapa (2022)	Analyze and compare the deposit growth of NABIL, HBL and Everest Bank Limited, proportion of the loans and advances of NABIL, HBL and Everest Bank Limited, analyze and compare the investment of NABIL, HBL and Everest Bank Limited and to find out the relationships between total deposits, loans and advances, total	Structural questionnaire and the secondary data given by NBL and RBB. Descriptive and correlation coefficient have been applied to figure out the objective set.	NABIL is relatively successful to invest in productive sector and has mobilized its collected deposits to provide loan and advances for the purpose of earning profit. NABIL has weak condition in mobilizing its collected deposits and total working fund in loan and advances. HBL is weak in investing its collected deposits in working capital comparison to NABIL and EBL. In comparison to NABLL, EBL, HBL seems slightly successful in mobilizing total fund on different types of government securities to maximize its earning capacity. EBL has slightly

		investment, total assets, and net profit, and to compare such relationships of NABIL, HBL and Everest Bank Limited.		successfully invested more working funds in debentures and shares of other company whereas HBL is in weak position to make investment on shares and debentures.
5.	Bista & Basnet (2022)	Measure the determinants of time deposit in the commercial banks of Nepal	Descriptive statistics and multiple regression models as the analytical tools. The research variables used under this study were Gross domestic product, deposit, capital, size of bank, remittance and public debt.	Gross domestic product per capita, US exchange rate, interest rate and the branch of the bank are positively and significantly determinants to the time deposit of the commercial bank but inflation rate is negatively and determinant with significant. The internal variables are more determinants than the external variables to the time deposits
6.	Joshi (2022)	Analysis structure of interest rate of commercial bank, Analyze trend of deposit, investment, loan and advances of sample bank and to compare impact of interest rate on deposit, investment and loan and advance of sample bank.	Employed descriptive and causal comparative research designs to deal with the fundamental issues associated with factors influencing interest rate with deposit mobilization	Simple regression result of interest rate on deposit amount in positive relationship of interest rate with deposit, investment and loan amount. The slope coefficient of bank deposit is positively significant at 5 percent level which implies that banks interest rate increases with banks deposit amount. The regression result of commercial banks interest rate, Investment amount in specification shows a positive relationship between interest rate and Investment amount and the regression coefficient of firm size

				is statistically significant
7.	Budaprithi (2021)	Examine deposit mobilization of Nepalese Commercial banks to analyze deposit collection of sample banks, identify the financial performance of sample banks, to find out the relationship between total deposit and loan and advances and to explore the impact of deposit and loan and advances.	Descriptive design applied to achieve the objective of the research along with regression model	Liquidity position of RBB is not satisfactory whereas EBL, HBL and SCBNL is comparatively better than that of RBB. RBB has made enough investment in government securities than other sample banks. Liquidity ratio of EBL, HBL and SCBNL is more consistent than that of RBB
8.	Adhikari (2021)	Examine the role of NRB in deposit mobilization, liquidity, efficiency and profitability and risk position of commercial banks.	Correlation and probable error as statistical tools	EBL has better deposit collection ability to meet cash requirement. EBL is comparative successful to invest in productive sector and has mobilized it collected deposit to provide loan and advance. Similarly, SBL is profitable in comparison to EBL. Likewise, EBL has maintained the lower liquidity risk and credit risk. SBL has maintained the high growth ratio in total deposit, total investment loan and advance and net profit.
9.	Upadhaya (2021)	Examine relationship between total deposit	Descriptive research design and causal comparative	Variables such as loan and advance ratio, net profit and total deposit mobilization. In

		mobilization, loan and advance and profitability of Nepalese commercial bank, ascertain the profitability position, examine the effect of profitability and loan and advance on total deposit mobilization and to study the total deposit mobilization in Nepalese commercial banks	research design have been employed for research methodology.	conclusion, the loan and advance has positive and significant relationship with both net profit and total deposit mobilization. Thus, they move in the same direction. The position of profitability in commercial banks is satisfactory and found to be increasing per year. Similarly, the effect of both net profit and loan and advance over total deposit mobilization is significant and positive.
10.	Bhattarai (2020)	Determine the commercial banks' lending in Nepal.	Balance panel secondary data were used. The data has been analysis with help of Gretl statistics software version 1.9.4. The loan and advance taken as dependent variables whereas liquidity, investment portfolio, cash reserve ratio, bank size, gross domestic products growth rate and inflation rate were independent variables.	Investment portfolio, cash reserve ratio and bank size have positive and significant effects on loan and advance. But the liquidity has negative and statically significant with loan and advance. The macroeconomic variables gross domestic products growth rate and inflation rate have not effective roles plays to determine the loan and advance.
11.	Adhikari & Jha (2020)	Find out the trend of	Dependent variables i.e.	Lending is the major activities of various

		deposit, loans and advances, borrowings and net profits of SBL and SRBL for last five-year study period, evaluate the product wise lending practices of SBL and SRBL and to analyze the lending practices of SBL and SRBL as per NRB. variables such as deposits, investment, borrowings and net profit/net income as the independent variables which affects the lending behavior loans and advances as the independent variables	lending behavior (loans and advances) and independent variables (deposits, investment, borrowings and net profits) and their relationship.	banks and financial institutions. Banking activities help in the upliftment of the national economy. For this, lending and deposits collecting activities plays an important role. Since, the banks are going through merger and acquisition, commercial banks are taking over the banking system whereas there is chance of extinction of development and other finance companies.
12.	Paudyal (2020)	Objectives of the study were to identify the major composition of deposit, measures the trend & growth of deposit and mobilization in investment area, analyze the area of utilization of fund and to analyze the relationship between deposit and investment	The nature of data for the study is based on quantitative and secondary sources are used for main sources of data. Various ratio analysis along with descriptive and correlation between the research variables are analyzed.	NABIL is relatively successful to invest in productive sector and has mobilized its collected deposits to provide loan and advances for the purpose of earning profit. NIBL is also not so weak in investing its collected deposits in comparison to NABIL. In the study period, both bank has increase the percentage in last four years

		performance of banks.		
13.	Bhattarai (2019)	Determinants of lending operations among commercial banks in Nepal. Specifically, the study sought to explore the effect of bank specific characteristics and to identify external factors that determine commercial banks' lending behavior in Nepal.	Secondary panel data was used that covered a period of six years (2012/13-2017/18) of the major ten commercial banks to examine factors associated with lending behavior of in Nepal.	Liquidity ratio, interest rate spread and exchange rate were significant in determining lending behavior in Nepal's commercial banks. The positive effect of exchange rate infers that commercial banks in Nepal have sufficient insights into the international market and trade and that they are prepared to meet short-term and long-term commitments. Inflation maintained by the central economic policy has a positive and significant influence on lending volumes among commercial banks in Nepal. Likewise, the findings showed interest rate spread negatively and significantly on total loans advanced to individual and institutions.
14.	Timsina & Venkata (2018)	Examines the effect of bank specific factors on loan performance of commercial banks in Nepal. Bank size, capital, deposit, liquidity ratio and lending interest rate are taken as bank specific factors.	The study has conducted correlation and regression analysis using panel data of twenty four commercial banks during the period of 1996-2017. The empirical results show that bank size, capital and deposit have positive impact on bank	Bank size, capital and deposit have positive impact on bank lending. Hence, commercial bank willing to increase lending should increase its capital, even more than regulatory standard. Further banks willing to lend more should expand their total assets and deposit. Liquidity ratio and interest rate have negative impact on bank lending. Thus, commercial banks willing to increase bank lending should be

			lending.	careful in maintaining minimum liquidity requirement and interest rate fluctuation.
15.	Pradhan &Paneru (2017)	Examine macroeconomic determinants of bank deposit of Nepalese commercial banks.	Eighteen banks were listed on analyzing quantitative research approach with SPSS. In this study fixed deposit and saving deposit are dependent variables where Gross domestic product growth rate, inflation, number of branches and ROA are independent variables.	Beta coefficient is negative for Gross domestic product, inflation return on assets, lagged Gross domestic product growth rate, lagged inflation, and lagged return on assets and trend. The result indicate that lower the Gross domestic product, inflation return on assets, lagged Gross domestic product growth rate, lagged inflation, lagged return on assets and trend lower would be the bank saving deposit. However, the beta coefficients of these variables are not significant.

2.4 Research Gap

From the valuation of various research works, it has been found many scholars have been studied on this topic as deposit mobilization. This study mainly focuses on bank's internal factor such as liquidity, profitability and efficiency, namely, deposit mobilization as response variable whereas loan and advance, deposit collection, average rate of interest, profitability etc. are predictor variables for deposit mobilization. On the other hand, inflation, GDP and population growth etc. are predictor variables for deposit mobilization as external factors for response variable. Thus, further research having number of deposit account maintained by bank is another example of predictor variable. Researcher had attempted to fill this gap by measuring the deposit mobilization of NBL, EBL, HBL, KBL and SBL by studying their deposit mobilization management. This study also aims to find out impact on deposit mobilization by various internal and external factors for the better implementation and compliance of NRB Directives and to manage the deposit mobilization in order to achieve effective and efficient profitability. Further analysis can

be made by gathering the data from the establishment of banks for better outcome of result. Thus, this study attempts to fulfill the entire research gap as previous studies have more or less not done included bank's specific and macroeconomic factors. Among the macroeconomic factors or external factor instead of GDP, purchasing power parity (PPP) should have been considered as influencing factor for deposit mobilization since one deposit the same amount in bank instead of buying things rather than what a nation produce. Since, each individual cannot product goods, the ability to buy such goods should have been taken into consideration.

CHAPTER III
RESEARCH METHODOLOGY

Research is a skill searching repeatedly. It requires hard work searching related material related to research paper and formulate it a systematic manner. In other words, research is a systematized investigation of resources and supplies to figure evidences and suppositions. Similarly, method is a development of action attaining a proper manner. Contrary, research methodology is a manner of procedures used in research field to explore the idea of concentration of study. Therefore, research methodology denotes to exploring related materials in prearranged way in examining the notion with a way of method realized to figure out evidences.

The main aim of this research is to institute deposit mobilization factors, namely, internal or external that indicates to efficient profitability, liquidity and or efficiency of bank internal factor. As we know, external factors cannot be controlled by the bank rather it can be manipulate to achieve bank's goal to grow deposit mobilization in efficient manner in order to gain profitability for bank.

3.1 Research Design

This paper is based on descriptive and causal research design. Historical data has been applied to evaluate deposit mobilization management of selected sample banks. Thus, response variable such as Deposit mobilization (DM) and internal predictor variables, namely, liquidity, profitability and efficiency are examined to understand betterment of DM. Likewise, bank has external factor as well, namely, gross domestic product (GDP), inflation (INF), population growth (PG) etc. impact on DM.

3.2 Data Collection Procedure

This study mainly concentrates on secondary data gathered from annual reports of concerned government and private commercial bank of Nepal. NRB directives relating to banks financial indicators are analyzed and compared, e-media, journal and article are the sources of materials for the data collection. Individual visit or e-media are to be applied to gather information from the sample concerned banks. The data have been gathered from the fiscal year 2013/14 onward to evaluate and construe data using descriptive and

mathematical, financial and statistical analytical tools. Similarly, all annual reports for AGM of concerned banks have been approved and verified by the central bank of Nepal, NRB are used for analysis.

3.3 Population and Sample

Currently, Nepal has total twenty private and government commercial banks (after mergers and acquisitions of BFIs: Mid July 2023) that operate in economy. Among them five of A class commercial banks have been taken as sample commercial bank to evaluate these commercial banks performance regarding deposit mobilization. Thus, among the twenty commercial banks, all commercial banks deposit mobilization management analysis is a tiring job. So, to analyze the deposit mobilization of concerned commercial banks have been taken into consideration to examine their performance regarding the deposit mobilization.

3.4 Data Presentation and Processing

Crude data have been presented in tabular format and is placed in annexure and calculated with the help of SPSS Version 25 in order to carry out descriptive statistics such as average and standard deviation. Similarly, correlation and regression are causal research design along with hypothesis are presented from calculation from aforesaid software in order to distinguish the significance of the study. Banks' publication secondary sources of data have been attained and presented in various forms such as table and graph where applicable.

3.5 Analytical Tools

In order to get a result from the raw data various tools financial and statistical tools are to be adopted that are listed as;

3.5.1 Bank's Specific and Macroeconomic Factors

Bank's specific factors consist of liquidity, profitability and efficiency. Likewise, macroeconomic factors referred to those factors which are GDP, real interest rate (INT), PG and INF in this research paper. Further, liquidity consists of acid test or quick ratio, profitability consists of return on assets (ROA). The efficiency is the ratio between the

non-interest expenses to revenue generated; control over cost of bank. These factors are listed as;

3.5.1.1 Loan to Deposit Ratio (LDR)

Acid test ratio is also regarded as quick ratio, is an ability to meet its liquidity or cash requirement in short span of time when cash is required to meet its obligation to pay. It is a liquidity ratio that measures how adequate a bank's short term assets are to be enclosed its current liabilities. It is a comparative measure of liquidity expressed as ratio or percentage from total loans and advances by total deposit as loan to deposit ratio (LDR). It is expressed as follows;

$$\text{LDR} = \frac{\text{Total loans and advances}}{\text{Total deposits}}$$

3.5.1.2 Capital Adequacy Ratio (CAR)

It is a ratio among risk-weighted asset and bank's capital express in percentage. It is used for defending deposits and to defend stability and efficient financial arrangements and is expressed as;

$$\text{CAR} = \frac{\text{Equity}}{\text{Risk-Weighted Assets (RWA)}}$$

3.5.1.3 Efficiency Ratio (ER)

In bank, ER is ratio between non-interest expenses to revenue generated. This shows how efficient the bank's administration control their overhead cost. This permits experts to measure the performance of commercial banks and is measured as;

$$\text{ER} = \frac{\text{Overhead Cost}}{\text{Revenue}}$$

3.5.1.4 Gross Domestic Product (GDP)

Curtis and Irvine (2017) state GPD as real GDP is a simple measure of the total income and output of an economy. The percentage change in real GDP shows how fast the economy is growing. For a given real GDP, the larger the population, the lower is productivity and the smaller is the quantity of goods and services per person. To get a simple measure of the standard of living enjoyed by a person in economy it is better to

look per capita real GDP, which adjust for population. To find per capita real GDP for a country, which is real GDP per person, we simply divide real GDP by population.

$$\text{GDP} = \frac{\text{Real GDP}}{\text{Population}}$$

3.5.1.5 Inflation (INF)

In market prices for goods and services vary, due to rise and fall. Inflation is due increase in prices of goods and services. In other words, inflation decreases the worth of currency.

$$\text{INF rate} = \frac{\text{Current Price Index}}{\text{Base Price Index}}$$

3.5.1.6 Population Growth (PG)

PG is the difference between the initial year population and the population at next year. Thus, obtained difference and initial population is divide, thus, multiplied by hundred is the growth rate.

$$\text{PG rate} = \frac{\text{Next Year Population - Initial Population}}{\text{Inititial Population}}$$

3.5.1.7 Real Interest Rate (INT)

Real interest rate is an interest rate that has been adjusted to eliminate the effects of inflation. Once adjusted, it replicates the real cost of funds to a borrower and the real yield to a lender.

$$\text{INT} = \text{Nominal Interest Rate - Rate of Inflation}$$

3.5.1.8 Deposit Mobilization (DM)

Investing the collected resources in the productive sectors and improving the income of the depositor is also known as deposit mobilization. It cares to increase the saving through the investment of increased extra amount either.

$$\text{DM} = \text{Log of Total Deposits}$$

3.6 Arithmetic Mean (□X□)

Arithmetic mean is widely applied tool to measure an average of an observation expressed as;

$$X\square = \frac{\Sigma X\square}{n}$$

3.7 Standard Deviation (σ)

It is a measure of fragmentation to express by how large it contrasts from the average value and is expressed as;

$$\sigma = \sqrt{\frac{\Sigma(X-X\square)^2}{n}}$$

3.8 Multiple Regressions

Multiple regressions is a supplement to ordinary least square, to expect the value of a variable based on the value of more than two independent variables. For example, DM is the response variable for the sample banks whereas predictor variables are bank's specific factors such as CAR, LDR, ROA, ER. Other is the macroeconomic or external factors such as GDP, INF, INT and PG. The model is shown as below;

This model is based on the impact on deposit mobilization

$DM = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_6 + \beta_7 x_7 + \beta_8 x_8 + \varepsilon$

Where,

DM = Deposit mobilization for the sample bank or response variable

b_0 = Constant, b_1 = Coefficient of CAR for sample bank, x_1 = CAR

b_2 = Coefficient of LDR for sample bank, x_2 = LDR

b_3 = Coefficient of ROA for sample bank, x_3 = ROA

b_4 = Coefficient of ER for sample bank, x_4 = ER

b_5 = Coefficient of GDP for sample bank, x_5 = GDP

b_6 = Coefficient of INF for sample bank, x_6 = INF

b_7 = Coefficient of INT for sample bank, x_7 = INT

b_8 = Coefficient of PG for sample bank, x_8 = PG and ε = Error

3.9 Analysis of Variance (ANOVA)

ANOVA examines any number of factors which are hypothesize or said to affect the dependent variable. This also helps to examine the differences amongst various groups

within each of these factors which may have a large number of possible values. Symbolically,

$$F = \frac{\text{Estimate of Population Variance based on between samples variance}}{\text{Estimate of Population variance based on within samples variance}}$$

3.10 Research Framework and Defining Research Variables

Sample commercial banks have their respective profitability, efficiency and liquidity as bank's specific factors and macroeconomic factors that influence the DM as dependent variable following research framework has been drawn.

LDR is an ability to meet its liquidity or cash requirement in short span of time when cash is required to meet its obligation to pay. It is a liquidity ratio that measures how adequate a bank's short term assets are to be enclosed its current liabilities. It is a comparative measure of liquidity expressed as ratio or percentage from total loans and advances by total deposit as loan to deposit ratio (LDR).

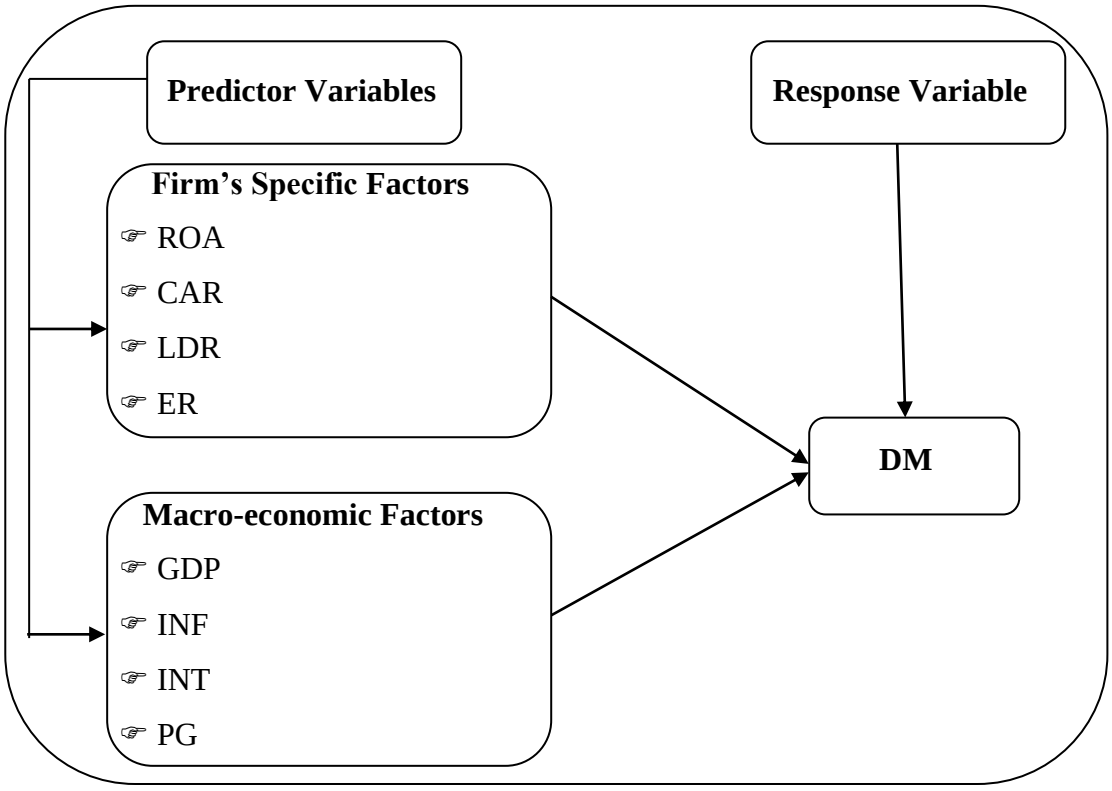

Figure 1: Research Framework

It is a measurement for the profitability of bank with respect to assets is termed as return on total assets (ROA). This measures as a tool to evaluate how efficient a bank is able to generate income with respect to its total assets. It is a ratio among risk-weighted asset and bank's capital express in percentage. It is used for defending deposits and to defend stability and efficient financial arrangements. In bank, ER is ratio between non-interest expenses to revenue generated. This shows how efficient the bank's administration control their overhead cost. This permits experts to measure the performance of commercial banks. GDP is a simple measure of the total income and output of an economy. The percentage change in real GDP shows how fast the economy is growing. For a given real GDP, the larger the population, the lower is productivity and the smaller is the quantity of goods and services per person. To get a simple measure of the standard of living enjoyed by a person in economy it is better to look per capita real GDP, which adjust for population. In market prices for goods and services vary, due to rise and fall. Inflation is due increase in prices of goods and services. In other words, inflation decreases the worth of currency. PG is the difference between the initial year population and the population at next year. Thus, obtained difference and initial population is divide, thus, multiplied by hundred is the growth rate. Real interest rate is an interest rate that has been adjusted to eliminate the effects of inflation. Once adjusted it replicates the real cost of funds to a borrower and the real yield to a lender. Investing the collected resources in the productive sectors and improving the income of the depositor is also known as deposit mobilization. It cares to increase the saving through the investment of increased extra amount either.

Dependent Variable:

Deposit Mobilization:

- **Operational Definition:** The total amount of deposits collected by commercial banks from the public during a specific period. It includes savings deposits, fixed deposits, current account balances, and other forms of deposits. It is usually measured in monetary terms (e.g., NPR) and can be analyzed through the growth rate or absolute value.

Independent Variables

Return on Assets (ROA):

- **Operational Definition:** A financial ratio that measures a bank's profitability relative to its total assets. It is calculated as the net income divided by the total assets of the bank. ROA is expressed as a percentage and indicates how efficiently the bank is using its assets to generate profits.

Loan to Deposit Ratio (LDR):

- **Operational Definition:** A ratio that measures the proportion of a bank's total loans to its total deposits. It is calculated by dividing the total loans by the total deposits. This ratio indicates the bank's liquidity and how well it is using its deposits to extend credit.

Capital Adequacy Ratio (CAR):

- **Operational Definition:** A ratio that measures a bank's capital in relation to its risk-weighted assets. It is calculated by dividing the bank's capital by its risk-weighted assets. CAR is expressed as a percentage and indicates the bank's ability to absorb potential losses, ensuring stability and protection for depositors.

Efficiency Ratio:

- **Operational Definition:** A financial metric that measures the bank's operational efficiency by comparing its operating expenses to its operating income. It is calculated by dividing non-interest expenses by total income (net interest income plus non-interest income). A lower efficiency ratio indicates higher efficiency in managing expenses relative to income.

Gross Domestic Product (GDP):

- **Operational Definition:** The total market value of all goods and services produced within Nepal during a specific period, usually a year. It is an indicator of the overall economic activity and health of the economy, measured in monetary terms.

Inflation:

- **Operational Definition:** The rate at which the general level of prices for goods and services is rising, and subsequently, the purchasing power of currency is falling. It is usually measured by the Consumer Price Index (CPI) and is expressed as a percentage.

Population Growth:

- **Operational Definition:** The rate at which the population of Nepal is increasing or decreasing during a specific period, usually expressed as an annual percentage. It takes into account births, deaths, and net migration.

Real Interest Rate:

- **Operational Definition:** The interest rate adjusted for inflation, reflecting the true cost of borrowing and the real yield to lenders. It is calculated by subtracting the inflation rate from the nominal interest rate.

CHAPTER IV
RESULT AND DISCUSSION

Collected historical data has been compiled from annual reports are presented and analyzed them in order to achieve the motives of this research.

4.1 Sample Commercial Banks' Specific & Macro-economic Factors

Bank makes earnings by investing money as loans and advance, in turn, receives interest and pays interest and administrative expenses; the excess of revenue over its interest and administrative costs. Bank's external factors consist of various economic activities outside the bank. Among them four economic activities, that is, GDP, INF, INT and PG have been taken into consideration for the research purpose. GDP growth help enable individual or corporate house to earning more money due to product and service available to sell and buy, Economic activities in the nation people have money that can be deposited for the future consumption by which they will be paid some money as interest. Likewise, INF is another factor for the financial performance for the bank. Since, INF causes the rise in the price of the commodities and services, in turn people can barely making saving resulting in liquidity crisis for bank. Real INT is another factor for the commercial banks. Higher real interest motives the depositors to save more money, in turn higher liquidity of cash for bank by which bank can invest such money in order to increase efficiency of bank. Similarly, PG helps enable bank increase deposits. Since, larger number people in a certain area, some of the citizens might deposit in bank for future purpose. These factors are presented in the following tables.

ROA for five sample banks. Highest ROA represented by KBL was 1.79 percent during the study period of FY 2014-2015. Lowest ROA was 0.24 percent of KBL in FY 2018/19. Similarly, highest ROA for EBL was 2.28 percent while the lowest 0.89 percent. Likewise, SBL, NBL and HBL highest ROA were 2.02, 2.89 and 2.38 percent whereas lowest ROA were 1.17, 0.58 and 0.58 percent respectively. Average ROA earnings by the sample commercial banks during ten years accounting period has been shown. The highest earning made by the sample commercial was 1.69 percent by NBL whereas EBL and HBL have the second highest earnings during period being 1.678 percent. SBL

earned 1.60 percent while the lowest earning was 1.19 percent by KBL during the study period. (Refer Appendix V)

The symbol σ represents the standard deviation that how much the average income fluctuates from the average return. NBL return is more fluctuating that any other sample commercial bank return, that is, 84.87 percent while the less volatile return was for SBL being 30.51 percent from its ROA.

CAR is a meter that how efficient a bank can meet its responsibilities that this ratio equates capital to risk-weighted assets and is examined by regulators to determine a bank's risk of failure. This is measured as $CAR = \frac{\text{Total Capital (Tier One +Tier Two)}}{\text{RWA}}$ and is presented in table 3. All sample commercial bank CAR were sufficient enough as regulated by NRB as 10% while tier one capital being 5.50-6 percent. Rather, NBL has not been able to meet NRB requirement to meet minimum CAR by 5.5 percent and 2.5 percent in FY 2013/14 and 2014/15 respectively. All sample commercial banks' average CARs were satisfactory, since the ratios were above NRB mandatory ratio, that is, ten percent. All sample banks have average of more than twelve percent during the study period. Thus, CAR has no issue in this regard maintain the mandatory ratio as regulated by NRB during the study period from 2013/14 to 2022/23.

ER is also regarded as operational efficiency ratio and is calculate to evaluate bank's revenue generating power to meet its non-interest expenses. It is calculated as:

$ER = \frac{\text{Overhead Cost}}{\text{Revenue}}$, which is presented in table 3. Overhead cost for KBL has the lowest compared to other sample commercial banks which has the lowest 16.83 percent while KBL has 90.60 percent for NBL. EBL has also very low ER; minimum of 14.49 percent and up to 24.64 percent. NBL bears highest ER compared to other commercial banks. SBL has very low cost compared to the revenue generated by the bank while NBL has the highest amounting to 75.54 percent during the studying period. In other words, NBL spent more than seventy five paisa from one rupee revenue. Similarly, both EBL and HBL spent more than thirty three percent from the revenue generated by the banks. KBL spent more than twenty three percent from the revenue generated by the bank during the study period.

NRB has regulated commercial bank to maintain at least eighty to ninety percent LDR during the study period. KBL has maintained this ratio only in the year 2021/22 and 2022/23 where other fiscal years short fall or ratio is above standard. EBL has maintained the ratio while short falls during the fiscal year from 2013/14 to 2015/16. Likewise, SBL has maintained the ratio during the fiscal year 2014/15-2016/17 and 2022/23 while other fiscal years either shorts fall or beyond the standard. NBL has only maintained the standard ratio during the fiscal year in 2018/19, 2020/21 and approximately 2021/22. Furthermore, HBL shorts fall in fiscal years 2013/14 to 2016/17 and exceed in 2020/21 and 2021/22. Average LDR is satisfactory for all sample banks except for NBL short falls the NRB regulatory ratio to maintain the level at eighty to ninety percent.

GDP is the aggregate products and services produced by the people in an economy during a year period. Due to buy and sell of such products and services people can save some money in bank is derived as GDP = $\frac{\text{Real GDP}}{\text{Population}}$ and is presented in table 9. Since, the data for the population is only provided for the fiscal year 2020/21, while the percentages of population has been provided GDP is derived as the base index for the fiscal year 2012/13. Base index is assumed fiscal year 2012/13, GDP growth for the following years have been presented. GDP has been growing from the fiscal year 2012/13 up to 2016/17, while declined in fiscal year 2017/18 and continuing to increase onwards. Taking 2012/13 as base year as index year, the average GDP growth reached up to 223.36. This indicates that the GDP reached Rs. 3,786.044 billion during the study period.

Simply, the rise price for services and goods is regarded as INF. The INF rate 9.10 percent in the initial phase whereas this rate was fluctuating during the study period. Minimum INF rate was 3.60 percent whereas the highest INF rate was 9.90 percent during the study period. During three consecutive years INF rate stood above 4%. Average INF rate stood 4.01 percent, being lowest 3.60 and highest being 9.90 percent during the study period. Standard deviation stood 3.49, that is, more than three hundred percent indicating larger variation in INF rate during the study period.

INT rate is the real interest rate as prescribed by NRB during the study period. This rate is the minimum interest rate to recover the INF rate in the economy plus extra for sacrificing

current purchase that one can recover for future purchase for goods and services. INF condition of Nepal during the study period is the situation since one is unable to compensate to purchase commodity or service in present due to INF. Starting with INF rate 0.72 percent in the initial phase of the study period gradually increasing up to FY 2018/19, declined in FY 2020/21 and 2022/23, nevertheless increase up to 10.19 percent INF rate. This is due to COVID 19 and foreign counties slack in economic activities influenced in Nepal's economy. This is the highest rate of INF during the study period. Average real INT rate during the study period stood 6.34 percent. This rate recovers the average INF rate which was 4.01 percent; this recovers the INF rate which was above 2.33 percent. In other words, real INT rate can recover the INF and make saving by 2.33 percent for individual or corporate house for future consumption.

In this part, National Statistics Office, 2021 revealed the total population of 29,164,578. However, the data was not available for other fiscal years; the growth rate has been available in this report and is provided in the table below. Average PG stood 1.81 percent during the study period, highest PG stood in the FY 2016/17 whereas lowest growth in FY 2021/21. PG helps improve DM for the commercial banks. Since, higher number of people have income in order to make deposits, thus, bank can make flow cash as loans and advances in the economy.

Average log of total deposits for respective commercial banks stood, 10.89, 11.05. 10.10, 11.08 and 11.05 being NBL the highest deposit mobilizer while SBL the lowest during the study period. The standard deviation of the deposit mobilizations were 34.68, 18.49, 27.47, 17.94 and 18.49 percent being KBL the most fluctuating deposit mobilizer while HBL and EBL have less fluctuating, that is, these bank are safe to make deposit when customers are required to withdraw cash with low probability of liquidity risk.

The average collection of deposit during ten years study period was 11.017 which amount to NRs. 103.992 billion. Likewise, CAR was 12.684 that meet the mandatory requirement of ten percent as regulated by NRB. LDR has 83.6 percent which lies between the standard of NRB regulation of eighty to ninety percent. ER 34.99 percent represents that sample commercial banks' non-interest expenses has approximately thirty four percent with respect to revenues of the banks. Overall return of the bank with respect to assets

was 1.56 percent during the stud period. Similarly, average GDP growth stood 223.36 which is equivalent to NRs.3785.977 billion. Average INF rate stood 6.33 percent, real INT rate 4.01 and average PG was 1.81 percent during the study period.

Table 3

Overall Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CAR	50	4.55	17.62	12.6836	2.06885
LDR	50	56.30	104.75	83.6002	9.75934
ER	50	14.49	90.60	34.9910	22.13845
ROA	50	.24	3.01	1.5574	.54506
GDP	50	115.90	330.34	223.3640	75.52902
INF	50	3.60	9.90	6.3350	2.05510
INT	50	.72	10.19	4.0120	3.34496
PG	50	.92	2.62	1.8080	.51593
DM	50	10.44057	11.49975	11.0174852	.23990025
Valid N (listwise)	50				

(Refer Appendix VIII)

4.2 Relationships Between the Variables

This part analyzes the connection between the variables. The association between these research variables has been presented in the following table. The individual sample commercial banks' correlation coefficients' can be viewed in Appendix VI.

Table 4: *Correlation Coefficients*

	DM	CAR	LDR	ER	ROA	GDP	INF	INT	PG
DM									
CAR	.278								
LDR	.348	.420							
ER	.126	.110	-.413						
ROA	-.217	.073	-.200	.164					
GDP	.584	.448	.501	-.034	-.190				
INF	-.331	-.468	-.554	.036	-.041	-.545			
INT	.632	.231	.498	-.032	-.402	.682	-.230		
PG	-.496	-.195	-.223	-.018	.423	-.184	.080	-.364	
N	50	50	50	50	50	50	50	50	50

P-value: 0.05

(Source: SPSS V.25)

The relationship between CAR and DM has low degree of positive correlation. This represents that there is some inclination for sample commercial banks with advanced levels of deposit mobilization to also have advanced capital adequacy ratios, but the relationship is weak. Additional factors possible play significant roles in determining a bank's CAR beyond unbiased its ability to attract more deposits. LDR and DM have low positive correlation. This means that higher percentage of LDR will not results in higher amount of DM, since, the relationship is delicate. Furthermore, ER and DM have very weak association, that is, worst relationship between them among aforesaid research variables. However, ROA and DM have negative weak relationship between them. In other words, increase in ROA will not results in increase DM, that is, banks can attract much more deposits from customers. Similarly, INF and PG have also negative connection with DM, that is, INF results in price increase deteriorating the purchasing power of public, in turn, less deposits in the bank. However, this study showed that PG has negative association with DM; moderate degree of negative correlation. This means that even the growth in the population and due to inflation in the economy people are demotivated or do not have money to save in the bank. On the other hand, GDP and real interest rate have positive moderate connections indicate that these two independent variables will advocate the movement of direction to upward or downward, since, growth in GDP and INF rate attract the depositors to deposit.

CAR and other independent variables, that is, internal and external factors have been analyzed in this part. CAR has moderate positive connections with LDR and GDP while weak and very weak relationships between INT and ROA respectively. Contrarily, CAR has negative moderate and weak connections with INF and PG respectively. Broadly speaking, a moderate positive relation normally arises when the moderate value of the correlation coefficient with LDR and GDP. Whatever the amount of change in the value of CAR, that is, increased or decreased, motivate to less amount for INT and ROA. Further, if bank change in whatever amount of CAR will result in moderate but reverse, that is, if you increase in CAR results in decrease in INF and PG, however, moderate and weak and vice versa.

Correlations between research variables, LDR has negative association with ER, ROA, INF, PG while positive with GDP and INT. Precisely, if you increase LDR will result in

decrease in the amount ER, ROA, INF and PG. Contrary, increase in LDR will result to increase GDP and INT. ER has positive association with ROA and INF but very weak. Similarly, ER has negative connection with GDP, INT and PG with very weak correlations.

ROA has negative correlation with GDP, INF and INF while positive correlation with PG with moderate association. Likewise, GDP has negative moderate connection with INF but weak connection with PG. ROA has moderate positive connection with INT. Further, GDP has negative correlation with INF which is moderate connection, weak with PG while moderate connection but positive with INT. INF has negative weak connection with INT while very weak positive connection PG. Finally, INT has negative moderate connection with PG.

4.3 Impact of Bank's Specific and Macro-economic Factors

Multiple regression analysis is prolonged form of simple regression influence of independent variables to dependent variable. In this regard, bank's specific factor; CAR, ER, AQ and ROA, macro-economic factors; GDP, INF, INT and PG as independent variable will impact on dependent variable; DM.

Table 5: *Model Summaries*

					Change Statistics				
Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	R^2 Change	F Change	df1	df2	Sig. F Change
Overall	.757[a]	.573	.490	.17134045	.573	6.882	8	41	.000

P-value: 0.05

(Refer Appendix VI)

R is a multiple correlation among PG, ER, INF, INT, CAR, ROA, LDR, GDP with correlation coefficient of .757, which indicates that there is a strong positive relationship between dependent and independent variables. Moreover, R^2 explains coefficient of determination, which helps measure explained variations. This means that R^2 = 0.573 taken a set, independents PG, ER, INF, INT, CAR, ROA, LDR, GDP account for 57.3 percent variance for dependent variable; DM. In other words, above value of R^2 shows

that 57.3 percent of total variation in DM is explained by the regression. For the reliability of the data, significance F has a value of 0.000 compared to $\alpha_{0.05}$, which is significant. Standard error of the estimate is simply a square root of mean square error of .029 as shown in ANOVA. This is a measurement of unexplained variation. Higher the amount of standard error higher will be the unexplained variation. Table 6, values of significance for intercept (a) is 0.00 is significant with CAR, LDR, ER, GDP, INF, INT, PG have less than $\alpha_{0.05}$, hence, these independent variables will contribute any to the dependent variable. Thus, the require regression for determinants of deposit mobilization is $11.061 – 0.008x_1 + 0.00x_2 + 0.001x_4 + 0.001x_5 – 0.011x_6 + 0.025x_7 - 0.171x_8 + 0.0459$, which is based on the multiple regression model,

This model is based on determinants of deposit mobilization.

$y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5 + \beta_6x_6 + \beta_7x_7 + \beta_8x_8 + \varepsilon$

Table 6

Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
(Constant)	11.061	.459		24.114	.000
CAR	-.008	.015	-.071	-.543	.022
LDR	.000	.004	.007	.043	.009
ER	.001	.001	.136	1.077	.004
ROA	.049	.054	.111	.897	.158
GDP	.001	.001	.283	1.627	.002
INF	-.011	.017	-.097	-.657	.023
INT	.025	.012	.345	2.004	.050
PG	-.171	.056	-.368	-3.069	.004

a. Dependent Variable: DM

P-value: 0.05

(Refer Appendix VIII)

4.4 ANOVA

ANOVA is an examination applied to decide variances between research results from more than three different groups which calculated as $F = \frac{MSB}{MSE}$.

Table 7

Overall ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.616	8	.202	6.882	.000[b]
	Residual	1.204	41	.029		
	Total	2.820	49			

a. Dependent Variable: DM

b. Predictors: (Constant), PG, ER, INF, INT, CAR, ROA, LDR, GDP

P-value: 0.05

(Source: SPSS V.25)

Overall ANOVA table has F_{cal} = 6.882, the value of significance is 0.000 which is less than $\alpha_{0.05}$. This denotes that value of F_{cal} is statistically significant. This means that null hypothesis is rejected and alternative hypothesis is accepted. In other words, PG, ER, INF, INT, CAR, LDR, GDP have influence on DM for the sample commercial banks while ROA has no influence in DM. Precisely, from the hypothesis H_1: CAR has significant negative influence on DM and the result agrees that CAR has negative impact on DM. Similarly, H_2: LDR has significant negative influence on DM. However, the result shows that there is positive significant influence on DM. Further, H_3: ROA has significant positive impact on DM, rather, ROA has no impact on DM. H_4: ER has significant positive impact on DM, this statement agrees with result of this research. Moreover, H_5: GDP has significant positive impact on DM. This statement is true as the result of this research has significant positive affect on DM. H_6: INF has significant negative influence on DM. This statement is also fact as the result of this research from coefficient table. H_7: INT has significant positive impact on DM. However, the significance is exactly five percent result shows positive impact on DM. Finally, H_8: PG has significant positive impact on DM. Contrary; PG has negative impact on DM.

4.5 Discussion

From the findings based on result and discussion, following key results have been discovered during the study period of five samples commercial banks.

Average KBL's DM stood 10.88 during the study period. Likewise CAR, 12.85 which was above the NRB regulatory standard and is satisfactory level which should be minimum 10 percent. LDR was above ninety percent and regulatory standard is eighty to ninety percent. Moreover, ER stood 23.69 percent, that is, this sample bank spent more than 23 percent of its revenue on non-interest expenses or overhead cost. This sample bank was able to ear 1.19 percent earning based on assets during the last 10 years duration.

Similarly, EBL's DM was 11.05 which is the log of total deposits of ten year duration. CAR has 12.33 percent which satisfactory for this sample, since the ratio should be 10 percent which was beyond NRB standard. Further, LDR lies between the standard ratio between eighty to ninety percent and has above eighty three percent. However, Adhikari (2021) has found that EBL was not able to meet the requirement short falls by 1.89 percent below the standard study made for five year data. ER has 32.33 percent which more than KBL's expenses. This means that the sample bank spent 32.33 percent on overhead cost from its revenue during the study period. ROA is greater than that of KBL that stood 1.68 percent, that is, bank was able to earn 1.68 percent return from its assets employed.

SBL's DM was 10.99 or nearly 11 that was the log of total deposits during the study period. Moreover, CAR was 12.34 percent and was satisfactory compared with the NRB standard. LDR was also satisfactory since the ratio stood between the standard ratio as regulated by NRB. Sample bank made 22.74 percent of its revenue on overhead expenses during the study period of ten year. Likewise, ROA stood 1.60 percent, that is, sample bank was able to earn 1.60 percent from total assets.

NBL's DM was 11.08, that is, the log of total deposits of the bank during last ten year. Shrestha and Aryal (2022) have figured out that this sample bank has been able to collect average total deposits 10.94, that is, NRs. 86,735 billion during the study period 2011-2020. Shrestha & Aryan's average was lower than this research. In other words, NBL has increased its average total deposits during last three years impressively. CAR was health

for the sample bank that was above standard of NRB mandatory ratio. Likewise, LDR ratio was 75.54 percent and do not lie between the standard of NRB. This statement agrees with the analysis made by Shrestha and Aryal (2022) explain the average LDR was 67.628 percent that is below NRB standard. This bank has highest ER, that is, 75.54 percent. This shows that this sample bank spent most of its revenue on overhead expenses during the study period. The bank was able to generate 1.69 percent ROA during the study period.

HBL's DM was 11.05, that is, the log of total deposits. CAR was healthy to defend its capital in case of probable loss. LDR was either healthy maintaining between the standard of NRB regulation. ER stood 32.33 percent, that is, bank was spending 32.33 percent of revenue on overhead costs. Among them bank made 1.68 percent ROA during the study period.

Overall sample banks DM was 11.02 i.e. the log of total deposits. Bista and Basnet (2022) have found 13.13 i.e. log of average total deposit, precisely, NRs. 13502 billon from the sample of NBL, HBL, EBL, SBI and NIC Asia. However, the data has been taken for eighteen year. Overall CAR was satisfactory for all sample banks because all the sample banks maintained the ratio made mandatory to commercial banks. However, Soni (2022) found bit more CA ratio during his study on a study on liquidity management of commercial banks in Nepal amounting 13.29 percent. LDR was 83.60 percent maintained the ratio as regulated by NRB. Soni (2022) found LDR ratio to be 82.19 percent including KBL from the analysis of three sample commercial bank during ten year study period. Overall overhead expenses 34.99 percent with respect to their revenues for sample banks. Likewise, ROA was 1.56 percent for sample banks. Soni (2022) also found bit more average for three sample commercial banks including KBL that amount 1.79 percent. However, Gurung and Gurung (2022) agree the ROA of this study of average 1.56 percent; they found the average ROA during the study period study to be 1.51 percent. Similarly, they found the LD ratio 43.9 percent, this study contradicts with this research paper which is nearly half of total deposits were invested in loans and advances. However, CAR was recorded to be 12.77 percent compared to 12.68 percent, that is, nearly to this research paper. Hakuduwal (2021) found average ROA of commercial banks to be 2.16 percent which contradicts with this research paper as Hakuduwal has 0.60 percent more.

Further, his research revealed that LD ratio 58.72 percent that fall far beyond the average of this research.

Among the sample bank highest deposit mobilizer was NBL whereas the lowest was KBL. Similarly, KBL has the highest CAR whereas EBL and HBL equal CAR being the lowest. KBL and NBL were unable to maintain the LDR ratio during the study period whereas other commercial banks were satisfactory. NBL spent lots of money on overhead cost from the revenue generated by bank. On the other hand, SBL spent few amount on overhead costs. Highest earner was NBL whereas lowest was KBL during the ten years study period.

Based on the bank's external factors, GDP growth rate index stood 223.36 (Appendix V). This revealed that average of 123.36 index growth from based year. Average INF rate stood 6.34 percent during the study period. Similarly, the real INT rate stood 4.01 percent and PG rate stood 1.81 percent during the study period. Likewise, Gurung and Gurung (2022) & Pradhan and Paneru (2017) found GDP growth rate to be 4.48 percent and 4.58 percent compared to 22.34 percent which contrast widely to their analysis. However, the rate of INF on their study found to be 7.64 percent that just above 1.30 percent that has decrease in FY 2022/23. However, Pradhan and Paneru (2017) revealed the rate of 9.67 percent INF during their study period. Further, Bista & Basnet (2022) figured out INT to be 6.8 percent compared to 4.01 this research paper, upto last year average INT rate was high. Similarly, they found the rate of INF to be 6.89 percent compared to 6.34 percent which is nearly similar. This means that in the year 2022/23 the rate of INF has not been increase that much.

CAR, ER and LDR has low positive correlation with DM. Further, INT has moderate positive correlation with DM. Contrary, Mashamba et al. (2014) have found that the INT and DM has weak positive relationship between these variables, that is, how larger the rate of interest is changed the change in DM will be low compared to increase in the rate of INF. Opposing to these two findings, Debesso and Kant (2023) have figured out the relationship between these two variables has moderate but positive correlation between them, that is, DM and INT. ROA and INF has low negative correlation with DM that agrees with the findings from Pradhan & Paneru (2017), however, Debesso and Kant

(2023) have found that low positive connection. Rather, Mashamba et al. (2014) have found moderate negative correlation with each other. PG has negative moderate correlation with DM. GDP and INT have positive moderate connection with DM which agrees with the finding from Debesso and Kant while contradicts with the findings from Pradhan & Paneru (2017) stating that negative low correlation between GDP and DM. This statement agrees with the finding that DM and GDP have the positive moderate relationship (Mashamba et al., 2014).

CAR has moderate positive correlation with LDR and GDP while weak association but positive with INT, ROA and ER, rather, Kunwar and Jnawali (2023) and Soni (2022) revealed that CAR has negative moderate connection with ROA. In contrast, PG has negative weak association with CAR while moderate correlation with INF.

LDR has weak negative correlation with ROA and PG while moderate correlation with INF. On the other hand, GDP and INT have positive moderate correlation with LDR.

ER has very weak association with INF while weak positive with ROA. On the other hand, negative very weak correlation with GDP, INT and PG. ROA has negative very weak connection with GDP and INF, however, Kunwar & Jnawali (2023) state ROA has positive weak association INF. ROA has moderate with INT. However, positive moderate connection with PG.

GDP has negative moderate and weak correlation with INF and PG while moderate positive correlation with INT. Similarly, INF has weak negative correlation with INT, but, very weak positive correlation with PG. Finally, INT has negative moderate connection with PG. In this research paper, INT has moderate negative correlation with ROA that agrees with the research Kunwar and Jnawali (2023) that these variables has negative, however, Kunwar and Jnawali revealed that these factors has very weak association.

Overall CAR has statistically negative impact on DM, that is, if we change or increase the amount of CAR will result in decline in DM. Similarly, LDR has statistically significant positive impact on DM that agrees with the finding Upadhaya (2021). Further, ER has significant positive impact on DM. In other words, increase or decrease in amount of

LDR and EF will result in increase or decrease in DM. Abdelzaher (2023) has found a significant positive relationship between the rate of efficiency ratio, inflation rate and deposit growth. This statement agrees with the result of this study of ER and contradicts with INF. ROA has statistically insignificant impact on DM, since the value of significance is more than five percent. Moreover, GDP has statistically significant positive impact on DM. This statement agrees with the finding from Tun (2019) revealed that macroeconomic factors including real interest rate and real GDP per capita have positive and significant positive impact on the deposit mobilization of private commercial banks in Myanmar. However, INF has negative impact on DM. INT has statistically positive influence on DM while PG has negative impact on DM. Bista and Basnet (2022) have found except for negative relationship between time deposit and inflation rate that agrees with this research paper, all parameters: external GDP per capita and interest rate have positive relationship with fixed deposit. It means the growth of GDP per capita and interest rate expanding time deposit but the growth of inflation rate contracts time deposit. Banke and Yitayaw (2022) revealed that loan to deposit ratio, capital adequacy, economic growth, inflation, and population growth all had a negative and statistically significant impact on commercial banks' deposit mobilization in Ethiopia over the study period. However, a bank's profitability has a positive and statistically significant impact on deposit growth, implying that the higher the profitability, the more deposits are mobilized. However, Banke and Yitayaw study contradicts with this study that LDR and GDP have negative impact on DM. However, this research paper has significant impact on DM contradicts insignificant influence with our study.

CHAPTER V

SUMMARY, CONCLUSION AND IMPLICATIONS

5.1 Summary

The main motive of the study is to figure out internal and external factors influence deposit mobilization of sample commercial banks. Numerous researches on the subject matter have been developed to review the required factors along with prospective factors influencing the deposit mobilization. On the basis of related research variables concerning deposit mobilization were nominated in order to conduct analysis and thereof the output from the analysis. Thus, these research variables were demarcated and usages of these variables were displayed. Dependent variable in this research paper indicates to DM whereas independent variables ROA, CAR, ER, LDR as bank's specific factors and GDP, INF, INT and PG as macro-economic factors.

Statistical tool is applied to figure out the question regarding the existence of relationship between bank's specific, macro-economic factors and DM. Generally, the output regarding the relationship among variables implies that there exists a positive or negative connection between these factors DM of sample commercial banks of Nepal. Precisely, the study acknowledged factors that influence the DM of sampled Nepalese commercial banks.

From the result and discussion, none of the bank's specific as well as macro-economic factors influence KBL's DM. In other words, all of variables have statistically insignificant impact on KBL's DM. Moreover, EBL, SBL and HBL have insignificant impact on DM. However, NBL's factors such as CAR, INF and INT have statistically positive significant whereas PG has negative impact on DM. Upon the query of overall influence of factors on DM, CAR, INF and PG have statistically negative significant impact on DM while LDR, ER, GDP and INT have statistically positive influence on DM. In contrast, ROA has statistically insignificant impact on DM.

To sum up, this study endorses that the finding of Upadhaya (2021) that LDR has statistically positive significant influence on DM. However, Banke and Yitayaw (2022) contradict with this research that these variables have negative influence. Pathak (2022)

and Kunwar and Jnawali (2023) have confirmed that average deposit rate shows positive but significant relationship with average deposit i.e. change in average deposit rate leads to change in bank deposits, holding other factors constant while in positive direction. Abdelzaher (2023) has found the ER has statistically positive significant impact on DM. Abdelzaher (2023) has found the INF has statistically positive significant impact on DM. Pradhan and Paneru (2017) have discovered the beta coefficient is negative for GDP, inflation and return on assets. The result indicates that lower the GDP, inflation and return on assets, and trend lower would be the bank deposit. Banke and Yitayaw (2022) ave also agreed with findings GDP and INF have negative influence on DM. However the beta coefficients of these variables are not significant as ROA is insignificant with DM in this research paper as the result from Banke and Yitayaw (2022). Further, Debesso & Kant (2023) have found INT and GPD have statistically positive significant influence on DM agreeing the result of this research. Rather, INF has negative influence on DM as the results of Bista and Basnet (2022) have researched. Moreover, Banke and Yitayaw (2022) oppose the result of this study that CAR has negative impact on DM while agreed with impact of PG on DM.

5.2 Conclusion

Deposit mobilization is important aspect of commercial banks since its mobilization are influenced by various factors included or not in this research, performance of the bank rely on that factors; internal and external factors, following conclusions have been drawn for KBL, EBL, SBL, NBL and HBL.

Survival of bank relies on profitability, thus, it needs to figure out the ROA of sample banks. NBL has the highest rate of ROA, while EBL and HBL have equal rate of ROA and KBL has the lowest rate of ROA during the study period.

Upon the query of maintaining the mandatory ratio as supervision made by NRB for CAR and LDR, CA ratio for all sample banks were satisfactory. However, NBL was not able to maintain the CA ratio during its first two year operating correcting appropriate measures to ensure that bank maintains the ratio thereon. KBL and NBL were not able to maintain the LD ratio as regulated by NRB; KBL has invested high amount in loans and advance with respect to its total deposit resulting in liquidity difficulty. Contrary, NBL have

invested low amount in loans and advances compared to total deposits resulting in high liquidity, in turn, excessive amount of expenditure in overhead expenses. Further, NBL has the highest rate of deposit mobilization rate while KBL has the lowest. NBL has the highest rate of non-interest expenses during the study period compared to revenue generated by bank while SBL was the cost effective, controlling its non-interest expenses or overhead expenses from it revenue.

Average GDP growth rate stood 22.34 percent, average INF rate 6.34 percent, average real INT rate stood 4.01and average PG was 1.81 percent during the study period as a macro-economic indicators for the sample commercial banks.

The correlation between the research variable might have negative or positive, the degree of correlation between them were either moderate or low or very weak association.

General impact of factors on DM, CAR, INF and PG have statistically negative significant impact on DM while LDR, ER, GDP and INT have statistically positive influence on DM. In contrast, ROA has statistically insignificant impact on DM is the concluding remark for the sample commercial banks.

5.3 Implications

Result and discussion part revealed the following implications for efficient banking operation for sample banks.

- Capital adequacy ratio is to be maintained in case of loss in future that bank may collapse tier two capital will recover the losses to compensate the stakeholder of the bank. In case of insufficiency to recover by tier two capitals, tier one or core capital will help improve recover in such difficulties. However, all banks have maintained the rate of capital adequacy, NBL was not able to meet the ratio in its first two year operation, bank should be aware of such incident in future operations confirming that bank will be efficient enough to cover the contingent capital crisis.

- However, all the sample banks have maintained the LD ratio KBL and NBL were not able to meet the required ratio during the study period. All the banks ratios were

fluctuating, NBL and KBL should be aware to maintain liquidity requirement. Since, higher LD ratio will result in liquidity crisis, in turn, unable to meet its daily cash requirement to meet operating expenses, deposit withdrawal and interest expenses to be paid to customers. On the other hand, low rate of LD will result in high liquidity, in turn, bank unable invest and make earning resulting in lower profitability.

- Efficiency ratio determines the ability of bank to control the cost in overhead or non-interest expenses. Since, over expenditure will result in low profitability that bank cannot survive or compete with similar financial institutions. Therefore, NBL should scrutinize on its efficiency ratio, what was the reason behind huge amount of expenses in overhead of the bank. Rather, other banks have less than thirty three percent of revenues were spent on overhead costs.

- To wrap up, among the internal or bank's specific factors; number of deposit customers, information technology cost and income level of public etc. are the suggested factors that should be included in studying factors influencing deposit mobilization. Since, limited factors will not provide the real picture factors influencing deposit mobilization. On the other hand, external factors such as purchasing power parity etc. are also be included while making study on deposit mobilization. Thus, to obtain the real figure further study is to be carried out with the inclusion of more sample banks, internal and external factors.

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APPENDICES

Appendix I: Banks' Financial Indicators

KBL Year	LA	NIE	DT	NP	TA	REV	CAR
2012/13	19,369,317,883	760,028,063	25,318,568,802	291,445,365	28,222,569,756	2,701,361,923	12.17
2013/14	21,898,115,132	461,821,815	27,578,376,145	341,654,966	31,020,602,045	2,744,150,312	12.27
2014/15	26,246,038,476	829,592,476	33,421,910,946	394,788,376	37,374,510,826	2,730,685,079	13.03
2015/16	29,486,505,624	790,919,792	37,950,525,144	716,064,646	42,416,507,543	3,031,101,490	13.18
2016/17	44,088,049,895	869,861,311	52,037,387,304	660,741,966	60,993,261,002	4,002,497,151	13.18
2017/18	62,375,510,500	1,321,554,258	59,546,335,519	1,076,236,251	82,557,922,464	7,519,127,905	13.36
2018/19	76,053,317,026	1,916,966,827	73,201,143,766	1,235,390,769	105,341,404,409	9,925,057,972	11.75
2019/20	114,513,472,307	2,760,930,726	116,547,033,196	1,191,360,475	153,464,178,691	11,539,444,191	15.35
2020/21	143,021,606,174	3,734,129,616	145,838,231,009	2,074,399,664	189,994,111,410	14,584,725,996	13.71
2021/22	158,409,191,998	4,402,983,657	176,767,665,556	2,712,775,752	212,539,283,876	20,421,822,953	12.68
2022/23	280,691,614,769	12,437,943,595	316,047,054,527	698,022,889	380,757,023,115	36,695,466,989	12.11
EBL							
2012/13	43,393,187,065	1,070,104,520	57,720,464,632	1,471,117,291	65,741,150,457	5,560,372,262	11.59
2013/14	47,572,024,207	1,212,134,248	62,108,135,754	1,549,698,560	70,445,082,845	5,818,870,792	11.15
2014/15	54,482,465,225	1,406,694,172	83,093,789,957	1,574,352,443	99,152,806,017	5,788,812,292	13.33
2015/16	67,955,107,021	1,471,192,699	93,735,480,708	1,730,207,025	113,885,046,402	5,970,066,925	12.66
2016/17	77,287,764,142	1,669,586,738	95,094,461,030	2,006,247,780	116,510,445,575	7,752,793,425	14.69
2017/18	94,182,247,596	2,421,595,990	115,511,705,922	2,581,681,778	144,811,151,443	11,337,369,514	14.20
2018/19	112,007,182,134	2,782,271,797	129,568,152,895	3,054,122,062	170,077,533,454	14,584,510,879	13.74
2019/20	119,069,238,189	4,121,101,025	143,545,475,184	2,516,243,710	185,023,189,704	28,439,509,040	13.39
2020/21	135,173,248,173	2,968,419,917	160,220,256,940	1,770,939,490	211,650,249,438	13,075,950,491	12.48
2021/22	155,053,839,709	3,521,910,874	172,739,184,905	2,479,400,875	225,381,322,534	17,355,916,122	11.89
2022/23	167,556,175,716	4,220,649,083	198,007,807,066	3,362,115,439	250,090,492,650	24,297,032,325	13.30
SBL							
2012/13	23,086,563,330	1,006,839,613	28,383,286,527	481,416,512	33,691,223,791	3,361,936,208	11.70
2013/14	27,186,905,349	1,102,009,173	35,414,007,591	700,534,999	40,277,752,199	3,911,637,325	11.39
2014/15	36,339,796,450	1,059,904,107	44,722,073,261	776,974,011	50,719,745,186	3,960,055,067	11.10
2015/16	55,350,891,229	1,156,213,125	64,902,005,101	1,270,472,755	74,826,329,704	5,004,583,863	11.25
2016/17	65,986,366,620	1,859,912,659	77,317,559,299	1,386,175,502	89,901,512,010	7,851,345,738	12.74
2017/18	86,078,748,466	1,898,660,995	94,245,389,984	1,998,990,550	120,257,346,677	11,573,699,140	12.12
2018/19	108,150,245,519	2,858,681,044	114,555,895,583	2,318,854,984	154,400,998,348	14,894,349,228	12.77
2019/20	127,583,303,001	4,258,328,777	139,172,356,368	2,193,840,786	182,841,381,377	17,491,022,782	13.17
2020/21	164,617,846,143	4,599,499,151	180,438,924,523	2,961,131,889	229,586,631,845	18,352,228,523	13.36
2021/22	185,001,091,836	4,937,315,738	191,156,475,501	2,958,683,514	264,736,276,211	23,680,965,749	13.00
2022/23	189,190,137,350	5,950,468,055	223,307,001,273	3,229,154,188	286,371,971,442	30,084,001,194	12.47
NBL							
2012/13	35,611,699,549	3,490,894,306	62,984,350,047	755,180,353	70,776,982,567	3,106,192,843	0.20
2013/14	39,035,600,831	4,387,652,978	69,337,609,696	716,958,108	77,980,528,805	3,356,504,572	4.55
2014/15	50,970,857,910	4,400,073,807	77,998,775,919	483,848,520	88,211,085,964	3,865,802,951	7.50
2015/16	61,250,072,485	3,382,108,817	89,410,018,773	2,882,978,165	103,479,534,057	5,329,323,673	10.20
2016/17	71,745,887,800	3,733,610,252	93,944,014,252	3,117,893,760	112,057,149,438	6,696,105,748	14.47
2017/18	78,295,981,444	2,844,077,799	99,540,725,763	3,215,681,985	133,467,201,041	7,606,519,844	11.27
2018/19	95,724,917,509	3,226,667,824	117,200,788,938	2,596,736,045	171,515,645,958	7,736,715,790	16.80
2019/20	106,824,941,131	3,923,960,040	141,530,380,569	2,332,888,541	191,162,816,827	7,171,880,776	17.01
2020/21	141,959,058,859	3,841,338,375	162,813,383,867	2,961,230,329	222,645,477,378	8,188,998,955	17.62
2021/22	177,640,124,742	4,432,393,981	196,076,149,283	2,923,277,569	260,077,877,377	8,069,857,851	15.05
2022/23	184,056,228,816	6,479,768,087	244,513,999,703	3,437,578,995	296,735,597,837	10,925,892,491	13.74
HBL							
2012/13	39,723,805,566	2,384,992,830	53,072,319,487	943,697,990	61,113,501,223	5,649,024,253	11.55
2013/14	45,320,359,244	2,760,812,518	64,674,848,295	959,107,241	73,589,845,698	6,018,322,317	11.23
2014/15	53,476,229,873	3,032,605,243	73,538,200,185	1,112,285,716	82,801,550,614	6,037,772,422	11.14
2015/16	67,745,978,944	3,157,641,419	87,335,785,849	1,935,907,634	99,863,008,080	6,345,854,698	10.84
2016/17	76,394,259,228	2,766,995,024	92,881,114,255	2,178,234,893	107,255,479,966	8,416,896,836	12.15
2017/18	86,160,212,665	3,461,960,314	98,988,791,212	1,875,610,467	116,462,301,380	11,630,186,889	12.46
2018/19	97,470,071,077	2,865,761,228	109,184,801,597	2,977,623,635	133,862,215,596	13,598,554,729	12.60
2019/20	106,726,542,430	3,339,125,301	125,096,953,881	2,757,225,272	156,917,788,247	14,414,835,829	14.89
2020/21	132,093,945,891	3,234,422,749	140,848,614,773	3,123,930,713	179,656,852,778	14,200,437,906	13.93
2021/22	154,933,569,743	4,603,900,438	168,419,486,693	2,610,465,087	216,286,273,674	19,429,386,453	11.75
2022/23	237,989,493,662	7,557,852,107	275,310,993,682	1,604,146,361	332,392,900,007	31,382,299,212	12.31

(Source: Annual Reports, 2013-23 and Author Compilation)

Appendix II: Capital Composition

	KBL			EBL		
Year	**Tier One**	**Tier Two**	**Total Capital**	**Tier One**	**Tier Two**	**Total Capital**
2012/13	2,633,194,811	216,942,843	2,850,137,654	4,639,762,000	1,137,920,000	5,777,682,000
2013/14	2,926,214,914	259,293,043	3,185,507,957	5,307,829,000	1,020,658,000	6,328,487,000
2014/15	3,303,344,149	311,026,746	3,614,370,895	6,624,423,000	1,832,600,000	8,457,023,000
2015/16	3,915,468,909	343,611,997	4,259,080,906	8,240,695,000	1,854,109,000	10,094,804,000
2016/17	7,054,885,115	53,885,371	7,108,770,486	11,309,301,000	1,754,401,000	13,063,702,000
2017/18	9,770,376,973	692,550,000	10,462,926,973	13,912,342,000	1,704,328,000	15,616,670,000
2018/19	10,591,966,780	840,934,144	11,432,900,924	15,276,006,000	1,679,632,000	16,955,638,000
2019/20	15,999,385,000	4,442,302,000	20,441,687,000	15,843,628,000	1,936,729,000	17,780,357,000
2020/21	17,363,344,000	5,019,187,000	22,382,531,000	17,194,480,000	1,894,841,000	19,089,321,000
2021/22	19,722,816,000	5,729,016,000	25,451,832,000	19,924,143,000	2,046,603,000	21,970,746,000
2022/23	29,952,982,000	14,654,077,000	44,607,059,000	22,186,573,000	4,229,401,000	26,415,974,000
	SBL				**NBL**	
2012/13	2,465,753,000	1,047,813,000	3,513,566,000	(424,918,000)	568,543,000	143,625,000
2013/14	2,942,642,000	1,053,132,000	3,995,774,000	3,096,839,000	496,284,000	3,593,123,000
2014/15	3,580,887,000	1,663,751,000	5,244,638,000	3,709,071,000	689,122,000	4,398,193,000
2015/16	6,061,317,000	1,647,241,000	7,708,558,000	6,571,894,000	867,741,000	7,439,635,000
2016/17	9,273,351,000	1,444,109,000	10,717,460,000	11,235,928,000	922,990,000	12,158,918,000
2017/18	11,952,193,000	1,234,813,000	13,187,006,000	10,082,734,000	957,006,000	11,039,740,000
2018/19	13,520,872,000	3,433,078,000	16,953,950,000	21,020,849,490	1,223,963,380	22,244,812,860
2019/20	14,231,784,000	6,008,672,000	20,240,456,000	21,635,078,000	1,372,356,000	23,007,434,000
2020/21	16,725,924,000	9,495,145,000	26,221,069,000	22,466,114,023	5,416,279,014	27,882,393,037
2021/22	19,557,921,000	8,560,603,000	28,118,524,000	24,849,681,310	6,437,713,340	31,287,394,650
2022/23	21,782,517,000	7,203,045,000	28,985,562,000	23,991,431,000	6,377,915,000	30,369,346,000
	HBL					
2012/13	4,972,173,697	1,442,263,755	6,414,437,452			
2013/14	5,754,474,636	1,401,104,840	7,155,579,476			
2014/15	6,841,375,523	1,200,591,560	8,041,967,083			
2015/16	8,537,167,898	1,278,031,071	9,815,198,969			
2016/17	11,350,053,313	1,263,763,714	12,613,817,027			
2017/18	13,131,659,830	1,217,838,627	14,349,498,457			
2018/19	14,650,186,178	1,221,401,023	15,871,587,201			
2019/20	16,210,310,670	4,312,770,217	20,523,080,887			
2020/21	18,930,605,612	4,516,199,886	23,446,805,498			
2021/22	20,552,905,862	2,471,993,247	23,024,899,109			
2022/23	26,548,093,623	9,619,974,390	36,168,068,013			

(Source: Annual Reports, 2013-23)

Appendix III: Total Risk Weighted Assets Exposure (RWA)

Year	**RWA**				
	KBL	**EBL**	**SBL**	**NBL**	**HBL**
2012/13	23,418,742,000	49,834,045,000	30,018,453,000	71,433,221,000	55,520,649,287
2013/14	24,136,981,000	56,780,162,000	35,068,791,000	79,008,725,000	63,729,135,353
2014/15	29,448,841,000	63,451,114,000	47,263,368,000	58,656,402,000	72,183,721,696
2015/16	32,683,533,000	79,711,762,000	68,506,564,000	72,907,713,000	90,507,189,794
2016/17	53,946,801,000	88,929,577,000	84,146,878,000	84,053,201,000	103,796,762,776
2017/18	78,296,737,000	110,005,455,000	108,801,328,000	97,993,125,000	115,140,220,166
2018/19	97,302,294,000	123,391,104,000	132,722,481,000	132,429,132,690	125,984,230,370
2019/20	133,178,681,000	132,822,211,000	153,630,155,000	135,227,950,000	137,875,246,204
2020/21	163,263,589,000	152,955,307,000	196,267,972,000	158,243,984,313	168,346,336,423
2021/22	200,716,942,000	184,803,010,000	216,336,270,000	207,829,853,616	195,980,584,813
2022/23	368,452,781,000	198,639,377,000	232,358,788,000	221,105,592,000	293,852,537,203

(Source: Annual Reports, 2013-23)

Appendix IV

Macro-economic Indicators

Year	INF (%)	GDP (Billion)	PG (%)	INT (%)
2012/13	9.90	1,695.011	1.16	2.71
2013/14	9.10	1,964.54	2.27	0.72
2014/15	7.20	2,120.47	1.64	0.76
2015/16	9.90	2,248.691	2.05	0.72
2016/17	4.50	5,599.23	2.62	2.10
2017/18	4.20	3,455.9	2.08	4.83
2018/19	4.64	3,859.0	2.25	4.78
2019/20	6.15	3,943.7	1.35	2.26
2020/21	3.60	4,352.6	0.92	4.16
2021/22	6.32	4,933.7	1.70	10.19
2022/23	7.74	5,381.3	1.20	9.60

(Source: National Statistics Office & NRB's Annual Reports, 2013-23)

Appendix V

	ROA					CAR					ER					LDR					DM				
X	1.19	1.68	1.60	1.69	1.68	12.85	12.33	12.34	12.82	12.33	23.69	32.33	22.74	75.54	32.33	90.38	83.65	87.88	75.54	83.65	11.05	11.05	10.10	11.08	11.05
σ	.42	.52	.31	.85	.52	.62	1.27	.83	4.36	1.27	5.48	11.83	3.65	10.19	11.83	10.37	7.95	6.23	10.18	7.95	.35	.18	.27	.18	.18

	GDP	INF	INT	PG	GDP
X	223	4.0	6.3	1.8	223
σ	.36	1	4	1	.36
σ	78.81	3.49	2.06	.54	78.81

Appendix VI

Bank's Specific and Macro-economic Factors

KBL									
Year	**CAR (%)**	**LDR**	**ER**	**ROA**	**GDP_I**	**INF**	**INT**	**PG**	**DM**
2012/13	12.17	76.50	28.13		100.00	9.90	2.71	1.16	
2013/14	13.20	79.40	16.83	1.15	115.90	9.10	0.72	2.27	10.44057
2014/15	12.27	78.53	30.38	1.79	125.16	7.20	0.76	1.64	10.52403
2015/16	13.03	77.70	26.09	1.28	132.67	9.90	0.72	2.05	10.57922
2016/17	13.18	84.72	21.73	1.50	330.34	4.50	2.10	2.62	10.71632
2017/18	13.36	104.75	17.58	1.31	203.89	4.20	4.83	2.08	10.77486
2018/19	13.18	103.90	19.31	0.92	227.67	4.64	4.78	2.25	10.86452
2019/20	11.75	98.26	23.93	1.21	232.67	6.15	2.26	1.35	11.0665
2020/21	13.71	98.07	25.60	1.35	256.79	3.60	4.16	0.92	11.16387
2021/22	12.68	89.61	21.56	0.24	291.07	6.32	10.19	1.70	11.2474
2022/23	12.11	88.81	33.90	1.15	317.48	7.74	9.60	1.20	11.49975
EBL									
2012/13	11.59	75.18	19.25		100.00	9.90	2.71	1.16	
2013/14	11.15	76.60	20.83	2.28	115.90	9.10	0.72	2.27	10.79315

2014/15	13.33	65.57	24.30	1.86	125.16	7.20	0.76	1.64	10.91957
2015/16	12.66	72.50	24.64	1.62	132.67	9.90	0.72	2.05	10.9719
2016/17	14.69	81.27	21.54	1.74	330.34	4.50	2.10	2.62	10.97816
2017/18	14.20	81.53	21.36	1.98	203.89	4.20	4.83	2.08	11.06263
2018/19	13.74	86.45	19.08	1.94	227.67	4.64	4.78	2.25	11.1125
2019/20	13.39	82.95	14.49	1.42	232.67	6.15	2.26	1.35	11.15699
2020/21	12.48	84.37	22.70	0.89	256.79	3.60	4.16	0.92	11.20472
2021/22	11.89	89.76	20.29	1.13	291.07	6.32	10.19	1.70	11.23739
2022/23	13.30	84.62	17.37	1.41	317.48	7.74	9.60	1.20	11.29668

SBL									
2012/13	11.70	81.34	29.95		100.00	9.90	2.71	1.16	10.54918
2013/14	11.39	76.77	28.17	1.89	115.90	9.10	0.72	2.27	10.65052
2014/15	11.10	81.26	26.76	1.71	125.16	7.20	0.76	1.64	10.81226
2015/16	11.25	85.28	23.10	2.02	132.67	9.90	0.72	2.05	10.88828
2016/17	12.74	85.34	23.69	1.68	330.34	4.50	2.10	2.62	10.97426
2017/18	12.12	91.33	16.40	1.90	203.89	4.20	4.83	2.08	11.05902
2018/19	12.77	94.41	19.19	1.69	227.67	4.64	4.78	2.25	11.14355
2019/20	13.17	91.67	24.35	1.30	232.67	6.15	2.26	1.35	11.25633
2020/21	13.36	91.23	25.06	1.44	256.79	3.60	4.16	0.92	11.28139
2021/22	13.00	96.78	20.85	1.20	291.07	6.32	10.19	1.70	11.3489
2022/23	12.47	84.72	19.78	1.17	317.48	7.74	9.60	1.20	10.54918
NBL									
2012/13	0.20	56.54	56.54		100.00	9.90	2.71	1.16	
2013/14	4.55	56.30	56.30	0.96	115.90	9.10	0.72	2.27	10.84097
2014/15	7.50	65.35	65.35	0.58	125.16	7.20	0.76	1.64	10.89209
2015/16	10.20	68.50	68.50	3.01	132.67	9.90	0.72	2.05	10.95139
2016/17	14.47	76.37	76.37	2.89	330.34	4.50	2.10	2.62	10.97287
2017/18	11.27	78.66	78.66	2.62	203.89	4.20	4.83	2.08	10.998
2018/19	16.80	81.68	81.68	1.70	227.67	4.64	4.78	2.25	11.06893
2019/20	17.01	75.48	75.48	1.29	232.67	6.15	2.26	1.35	11.15085
2020/21	17.62	87.19	87.19	1.43	256.79	3.60	4.16	0.92	11.21169
2021/22	15.05	90.60	90.60	1.21	291.07	6.32	10.19	1.70	11.29242
2022/23	13.74	75.27	75.27	1.23	317.48	7.74	9.60	1.20	11.3883
HBL									
2012/13	11.55	74.85	42.22		100.00	9.90	2.71	1.16	
2013/14	11.23	70.07	45.87	1.42	115.90	9.10	0.72	2.27	10.81074
2014/15	11.14	72.72	50.23	1.42	125.16	7.20	0.76	1.64	10.86651
2015/16	10.84	77.57	49.76	2.12	132.67	9.90	0.72	2.05	10.94119
2016/17	12.15	82.25	32.87	2.10	330.34	4.50	2.10	2.62	10.96793
2017/18	12.46	87.04	29.77	1.68	203.89	4.20	4.83	2.08	10.99559
2018/19	12.60	89.27	21.07	2.38	227.67	4.64	4.78	2.25	11.03816
2019/20	14.89	85.32	23.16	1.90	232.67	6.15	2.26	1.35	11.09725
2020/21	13.93	93.78	22.78	1.86	256.79	3.60	4.16	0.92	11.14875
2021/22	11.75	91.99	23.70	1.32	291.07	6.32	10.19	1.70	11.22639
2022/23	12.31	86.44	24.08	0.58	317.48	7.74	9.60	1.20	11.43982

FY 2012/13 is assumed as GDP base year
(Source: Author Compilation)

Appendix VII

KBL Descriptive Statistics

	Mean	Std. Deviation	N
DM	10.8877040	.34676455	10
CAR	12.8470	.62318	10
LDR	90.3750	10.36756	10
ER	23.6910	5.48149	10
ROA	1.1900	.40596	10
GDP	223.3640	78.81441	10
INF	6.3350	2.14450	10
INT	4.0120	3.49046	10
PG	1.8080	.53837	10

KBL Correlations

		DM	CAR	LDR	ER	ROA	GDP	INF	INT	PG
ρ	DM	1.000	-.306	.447	.414	-.479	.766	-.297	.850	-.678
	CAR	-.306	1.000	.170	-.549	.016	-.074	-.360	-.151	.352
	LDR	.447	.170	1.000	-.329	-.246	.380	-.768	.378	-.204
	ER	.414	-.549	-.329	1.000	.313	.164	.270	.186	-.628
	ROA	-.479	.016	-.246	.313	1.000	-.332	-.015	-.700	.022
	GDP	.766	-.074	.380	.164	-.332	1.000	-.545	.682	-.184
	INF	-.297	-.360	-.768	.270	-.015	-.545	1.000	-.230	.080
	INT	.850	-.151	.378	.186	-.700	.682	-.230	1.000	-.364
	PG	-.678	.352	-.204	-.628	.022	-.184	.080	-.364	1.000
	N	10	10	10	10	10	10	10	10	10

KBL ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.082	8	.135	227.794	.051[b]
	Residual	.001	1	.001		
	Total	1.082	9			

a. Dependent Variable: DM

b. Predictors: (Constant), PG, ROA, INF, CAR, GDP, LDR, INT, ER

KBL Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	9.266	.410		22.584	.028
	CAR	.011	.018	.019	.593	.659
	LDR	.011	.002	.324	6.476	.098
	ER	.005	.004	.080	1.203	.441
	ROA	-.082	.051	-.096	-1.604	.355
	GDP	.003	.000	.581	12.318	.052
	INF	.053	.010	.326	5.472	.115
	INT	.017	.006	.174	2.805	.218
	PG	-.272	.027	-.422	-10.138	.063

a. Dependent Variable: DM

KBL Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Change Statistics				
					R^2 Change	F Change	df1	df2	Sig. F Change
1	1.000[a]	.999	.995	.02436244	.999	227.794	8	1	.051

a. Predictors: (Constant), PG, ROA, INF, CAR, GDP, LDR, INT, ER

EBL Descriptive Statistics

	Mean	Std. Deviation	N
DM	11.0532330	.18485500	10
CAR	12.3300	1.26574	10
LDR	83.6450	7.94865	10
ER	32.3290	11.82751	10
ROA	1.6780	.51807	10
GDP	223.3640	78.81441	10
INF	6.3350	2.14450	10
INT	4.0120	3.49046	10
PG	1.8080	.53837	10

EBL Correlations

		DM	CAR	LDR	ER	ROA	GDP	INF	INT	PG
ρ	DM	1.000	.388	.712	-.727	-.516	.749	-.184	.869	-.623
	CAR	.388	1.000	.605	-.736	.192	.430	-.600	.129	-.518
	LDR	.712	.605	1.000	-.904	.085	.723	-.698	.704	-.415
	ER	-.727	-.736	-.904	1.000	.005	-.775	.679	-.691	.364
	ROA	-.516	.192	.085	.005	1.000	-.159	-.341	-.537	.449
	GDP	.749	.430	.723	-.775	-.159	1.000	-.545	.682	-.184
	INF	-.184	-.600	-.698	.679	-.341	-.545	1.000	-.230	.080
	INT	.869	.129	.704	-.691	-.537	.682	-.230	1.000	-.364
	PG	-.623	-.518	-.415	.364	.449	-.184	.080	-.364	1.000
	N	10	10	10	10	10	10	10	10	10

EBL Model Summary

					Change Statistics				
Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	R^2 Change	F Change	df1	df2	Sig. F Change
1	.985[a]	.971	.741	.09410143	.971	4.216	8	1	.361

a. Predictors: (Constant), PG, INF, INT, ROA, GDP, CAR , ER, LDR

EBL ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.299	8	.037	4.216	.361[b]
	Residual	.009	1	.009		
	Total	.308	9			

a. Dependent Variable: DM

b. Predictors: (Constant), PG, INF, INT, ROA, GDP, CAR , ER, LDR

EBL Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	10.842	2.915		3.719	.167
	CAR	-.034	.138	-.232	-.246	.847
	LDR	.009	.031	.399	.297	.816
	ER	-.008	.020	-.488	-.373	.773
	ROA	-.081	.327	-.226	-.247	.846
	GDP	.001	.001	.420	1.311	.415
	INF	.037	.036	.432	1.031	.490
	INT	-.007	.088	-.140	-.084	.947
	PG	-.105	.176	-.307	-.598	.657

a. Dependent Variable: DM

SBL Descriptive Statistics

	Mean	Std. Deviation	N
DM	10.9963690	.27169016	10
CAR	12.3370	.83021	10
LDR	87.8790	6.23426	10
ER	22.7350	3.64819	10
ROA	1.6000	.30507	10
GDP	223.3640	78.81441	10
INF	6.3350	2.14450	10
INT	4.0120	3.49046	10
PG	1.8080	.53837	10

SBL Correlations

		DM	CAR	LDR	ER	ROA	GDP	INF	INT	PG
ρ	DM	1.000	.688	.857	-.209	-.279	.290	-.630	.183	-.174
	CAR	.688	1.000	.744	-.301	-.701	.799	-.708	.523	-.367
	LDR	.857	.744	1.000	-.630	-.438	.502	-.614	.564	-.220
	ER	-.209	-.301	-.630	1.000	.120	-.431	.381	-.633	-.079
	ROA	-.279	-.701	-.438	.120	1.000	-.705	.229	-.721	.668
	GDP	.290	.799	.502	-.431	-.705	1.000	-.545	.682	-.184
	INF	-.630	-.708	-.614	.381	.229	-.545	1.000	-.230	.080
	INT	.183	.523	.564	-.633	-.721	.682	-.230	1.000	-.364
	PG	-.174	-.367	-.220	-.079	.668	-.184	.080	-.364	1.000
	N	10	10	10	10	10	10	10	10	10

SBL Model Summary

				Std. Error of the	Change Statistics				
Model	R	R^2	Adjusted R^2	Estimate	R^2 Change	F Change	df1	df2	Sig. F Change
1	.987[a]	.974	.766	.13146213	.974	4.680	8	1	.344

a. Predictors: (Constant), PG, ER, INF, GDP, LDR, INT, ROA, CAR

SBL ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.647	8	.081	4.680	.344[b]
	Residual	.017	1	.017		
	Total	.664	9			

a. Dependent Variable: DM

b. Predictors: (Constant), PG, ER, INF, GDP, LDR, INT, ROA, CAR

SBL Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	5.115	2.481		2.062	.287
	CAR	-.021	.185	-.065	-.115	.927
	LDR	.056	.018	1.288	3.110	.198
	ER	.045	.028	.603	1.590	.357
	ROA	.175	.482	.197	.364	.778
	GDP	.000	.002	.051	.105	.933
	INF	-.018	.036	-.144	-.505	.702
	INT	-.004	.033	-.053	-.125	.921
	PG	.002	.141	.003	.011	.993

a. Dependent Variable: DM

NBL Descriptive Statistics

	Mean	Std. Deviation	N
DM	11.0767510	.17942407	10
CAR	12.8210	4.35814	10
LDR	75.5400	10.18878	10
ER	75.5400	10.18878	10
ROA	1.6920	.84866	10
GDP	223.3640	78.81441	10
INF	6.3350	2.14450	10
INT	4.0120	3.49046	10
PG	1.8080	.53837	10

NBL Correlations

		DM	CAR	LDR	ER	ROA	GDP	INF	INT	PG
ρ	DM	1.000	.697	.708	.708	-.217	.741	-.241	.866	-.672
	CAR	.697	1.000	.855	.855	.140	.747	-.665	.468	-.372
	LDR	.708	.855	1.000	1.000	.127	.712	-.703	.683	-.333
	ER	.708	.855	1.000	1.000	.127	.712	-.703	.683	-.333
	ROA	-.217	.140	.127	.127	1.000	.149	-.142	-.178	.522
	GDP	.741	.747	.712	.712	.149	1.000	-.545	.682	-.184
	INF	-.241	-.665	-.703	-.703	-.142	-.545	1.000	-.230	.080
	INT	.866	.468	.683	.683	-.178	.682	-.230	1.000	-.364
	PG	-.672	-.372	-.333	-.333	.522	-.184	.080	-.364	1.000
	N	10	10	10	10	10	10	10	10	10

NBL Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Change Statistics				
					R^2 Change	F Change	df1	df2	Sig. F Change
1	1.000[a]	.999	.996	.01184449	.999	294.749	7	2	.003

a. Predictors: (Constant), PG, INF, INT, ROA, CAR , GDP, ER

NBL ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.289	7	.041	294.749	.003[b]
	Residual	.000	2	.000		
	Total	.290	9			

a. Dependent Variable: DM

b. Predictors: (Constant), PG, INF, INT, ROA, CAR , GDP, ER

NBL Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.976	.103		106.372	.000
	CAR	.017	.003	.413	6.739	.021
	ER	-.003	.001	-.168	-2.168	.162
	ROA	.008	.007	.036	1.137	.373
	GDP	.000	.000	.189	3.779	.063
	INF	.016	.003	.185	4.514	.046
	INT	.030	.003	.576	10.251	.009
	PG	-.121	.011	-.364	-11.292	.008

a. Dependent Variable: DM

HBL Descriptive Statistics

	Mean	Std. Deviation	N
DM	11.0532330	.18485500	10
CAR	12.3300	1.26574	10
LDR	83.6450	7.94865	10
ER	32.3290	11.82751	10
ROA	1.6780	.51807	10
GDP	223.3640	78.81441	10
INF	6.3350	2.14450	10
INT	4.0120	3.49046	10
PG	1.8080	.53837	10

HBL Correlations

		DM	CAR	LDR	ER	ROA	GDP	INF	INT	PG
ρ	DM	1.000	.388	.712	-.727	-.516	.749	-.184	.869	-.623
	CAR	.388	1.000	.605	-.736	.192	.430	-.600	.129	-.518
	LDR	.712	.605	1.000	-.904	.085	.723	-.698	.704	-.415
	ER	-.727	-.736	-.904	1.000	.005	-.775	.679	-.691	.364
	ROA	-.516	.192	.085	.005	1.000	-.159	-.341	-.537	.449
	GDP	.749	.430	.723	-.775	-.159	1.000	-.545	.682	-.184
	INF	-.184	-.600	-.698	.679	-.341	-.545	1.000	-.230	.080
	INT	.869	.129	.704	-.691	-.537	.682	-.230	1.000	-.364
	PG	-.623	-.518	-.415	.364	.449	-.184	.080	-.364	1.000
	N	10	10	10	10	10	10	10	10	10

HBL Model Summary

					Change Statistics				
Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	R Square^2	F Change	df1	df2	Sig. F Change
1	.985[a]	.971	.741	.09410143	.971	4.216	8	1	.361

a. Predictors: (Constant), PG, INF, INT, ROA, GDP, CAR , ER, LDR

HBL ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.299	8	.037	4.216	.361[b]
	Residual	.009	1	.009		
	Total	.308	9			

a. Dependent Variable: DM

b. Predictors: (Constant), PG, INF, INT, ROA, GDP, CAR , ER, LDR

HBL Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	10.842	2.915		3.719	.167
	CAR	-.034	.138	-.232	-.246	.847
	LDR	.009	.031	.399	.297	.816
	ER	-.008	.020	-.488	-.373	.773
	ROA	-.081	.327	-.226	-.247	.846
	GDP	.001	.001	.420	1.311	.415
	INF	.037	.036	.432	1.031	.490
	INT	-.007	.088	-.140	-.084	.947
	PG	-.105	.176	-.307	-.598	.657

a. Dependent Variable: DM

(Source: SPSS V.25)

Appendix VIII

Overall Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CAR	50	4.55	17.62	12.6836	2.06885
LDR	50	56.30	104.75	83.6002	9.75934
ER	50	14.49	90.60	34.9910	22.13845
ROA	50	.24	3.01	1.5574	.54506
GDP	50	115.90	330.34	223.3640	75.52902
INF	50	3.60	9.90	6.3350	2.05510
INT	50	.72	10.19	4.0120	3.34496
PG	50	.92	2.62	1.8080	.51593
DM	50	10.44057	11.49975	11.0174852	.23990025
Valid N (listwise)	50				

Correlations

		DM	CAR	LDR	ER	ROA	GDP	INF	INT	PG
ρ	DM	1.000	.278	.348	.126	-.217	.584	-.331	.632	-.496
	CAR	.278	1.000	.420	.110	.073	.448	-.468	.231	-.195
	LDR	.348	.420	1.000	-.413	-.200	.501	-.554	.498	-.223
	ER	.126	.110	-.413	1.000	.164	-.034	.036	-.032	-.018
	ROA	-.217	.073	-.200	.164	1.000	-.190	-.041	-.402	.423
	GDP	.584	.448	.501	-.034	-.190	1.000	-.545	.682	-.184
	INF	-.331	-.468	-.554	.036	-.041	-.545	1.000	-.230	.080
	INT	.632	.231	.498	-.032	-.402	.682	-.230	1.000	-.364
	PG	-.496	-.195	-.223	-.018	.423	-.184	.080	-.364	1.000
	N	50	50	50	50	50	50	50	50	50

Model Summary

Model	R	R Square	Adjusted R^2	Std. Error of the Estimate	Change Statistics				
					R^2 Change	F Change	df1	df2	Sig. F Change
1	.757[a]	.573	.490	.17134045	.573	6.882	8	41	.000

a. Predictors: (Constant), PG, ER, INF, INT, CAR, ROA, LDR, GDP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.616	8	.202	6.882	.000[b]
	Residual	1.204	41	.029		
	Total	2.820	49			

a. Dependent Variable: DM

b. Predictors: (Constant), PG, ER, INF, INT, CAR, ROA, LDR, GDP

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	11.061	.459		24.114	.000
	CAR	-.008	.015	-.071	-.543	.022
	LDR	.000	.004	.007	.043	.009
	ER	.001	.001	.136	1.077	.004
	ROA	.049	.054	.111	.897	.158
	GDP	.001	.001	.283	1.627	.002
	INF	-.011	.017	-.097	-.657	.023
	INT	.025	.012	.345	2.004	.050
	PG	-.171	.056	-.368	-3.069	.004

a. Dependent Variable: DM

(Source: SPSS V. 25)

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1 Abstract

The main objective of this research **is to** figure out **the** internal and external **factors** position **of**

the sample banks along with the financial performance, figure out relationships between internal and external factors for the sample commercial banks and DM and to analyze the impact of external and internal factors on DM for the sample commercial bank. Sample of five commercial banks have been taken to identify the deposit mobilization during the study period from 2013/14 to 2022/23. Data has been taken from the annual reports of the concerned sample financial institutions, NRB, National Statistics Office report and electronic device. The study found that Overall CAR has statistically negative impact on DM, that is, if we change or increase the amount of CAR will result in decline in DM. Moreover, GDP has statistically significant positive impact on DM. Further, ER has significant positive impact on DM. In other words, increase or decrease in amount of LDR and EF will result in increase or decrease in DM. However, INF has negative impact on DM. INT has statistically positive influence on DM while PG has negative impact on DM. Further, this study concluded that upon the query of maintaining the mandatory ratio as supervision made by NRB for CAR and LDR, CA ratio for all sample banks were