

**DEPOSIT MOBILIZATION OF COMMERCIAL BANKS IN  
NEPAL**

A THESIS

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## RECOMMENDATION

This is to certify that the thesis

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## **DECLARATION**

I hereby declare that the work reported in this entitled ***DEPOSIT MOBILIZATION OF COMMERCIAL BANKS IN NEPAL*** submitted to Shanker Dev Campus, Faculty of Management, and Tribhuvan University in my original work done in the form of partial fulfillment of the requirement for the Masters' Degree in Business studies under the supervision of Keshar Singh Khatri, Lecturer of Shanker Dev Campus.

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## ABBREVIATIONS

Adj.	=	Adjusted
ATM	=	Automated Teller Machine
BAFIA	=	Banking and Financial Institution Act
C.D.	=	Coefficient of Variance
Contd.	=	Continued
Dr.	=	Doctor
e.g.	=	For example
ed.	=	Edition
Etc.	=	Etcetera
FOM	=	Faculty of Management
FY	=	Fiscal Year
i.e.	=	That is
JVB	=	Joint Venture Bank
NBL	=	Nepal Bank Ltd.
EBL	=	Everest Bank Ltd.
SBI	=	Nepal SBI Bank Ltd.
NABIL	=	Nabil Bank Ltd.
MBL	=	Machhapuchchhre Bank Ltd.
CZBIL	=	Citizen Bank International Ltd.
HBL	=	Himalayan Bank Ltd.
No.	=	Number
NRB	=	Nepal Rastra Bank
PP.	=	Page number
Prof.	=	Professor
Pvt.	=	Private
S.D.	=	Standard Deviation
S.N.	=	Serial Number
T.U.	=	Tribhuvan University
DM	=	Deposit Mobilization

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# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

One of the most important sources of funding for commercial banks is deposits. People in the UK can "deposit" money into the account of a bank or another financial organization, such a building society. You can deposit money into interest-bearing checking or current accounts in the US or the UK that are always ready for withdrawal, or you can put money into savings accounts, time deposits, or deposit accounts in the US that need notice and earn interest. The differences between these different kinds of accounts have become less obvious in recent years. (*Oxford dictionary of economics, 2004:116*).

Mobilizing deposits is one of the banking industry's primary functions. For the bank, it is an essential source of operational money. One of the most important steps in increasing the banks' resources and improving their efficiency is mobilizing deposits. Deposit mobilization is essential to provide diverse economic sectors with good service. The commercial banks have to take deposits from both rural and urban areas. This makes it easier for the banks to provide substantial quantities of money to priority businesses associated to growth.

The growth of the banking industry is largely dependent on the accumulation of deposits. Since deposits are frequently considered to be an affordable way to access operating capital, they are essential to the operation of banks. The collection of savings from rural regions is one of the main goals of commercial banks. This contributes to the growth of banking services. The NRB pushes banks to grow their deposit base by offering incentives for the opening of additional branches. The amount of money amassed has a direct bearing on how effective commercial banks are. (*Bhatta, 2061:163*).

In the banking industry, deposit mobilization plays a critical role in both developed and developing countries globally (*Mavrotas, 2017*). Financial institutions gather money from the public at large through a variety of accounts, including current, savings, fixed deposit, and other specialized schemes (*Banson, 2012*). Most people agree that deposits are an affordable source of operating capital that may help deposit-

taking institutions become more profitable and sustainable (*Garro.G, 2015*). Commercial banks are organizations that take deposits from the general public and private citizens and lend money to customers (*Mashamba, 1980-2000*).

By directing and mobilizing financial resources toward the economy, the banking system is essential to financial intermediation (*Bello, 2005*). Bank success is largely dependent on deposits, which are seen as an affordable source of operating capital. Effective deposit mobilization and management are critical to a bank's performance as deposits are a major source of funding required for banking operations (*Slavaraj & Kumar, 2015*). Deposits are the most valuable resource for commercial banks as they are the source of financial resources by nature. As a result, commercial banks have to make sure they have enough deposits on hand to both service their clients' financial requirements and engage in the market. It is anticipated that banks would actively mobilize their deposits in light of these circumstances. But in order to manage deposits well, one must have a good grasp of and control over the difficulties that come up during deposit mobilization efforts (*Mohammed, 2010*).

The lifeblood of financial institutions is deposits. One significant source of funding required for banking operations is deposits. Deposits come in a wide variety, each with its own conditions and interest rates. Deposit costs determine how deposits are mobilized. For banks, deploying deposits is as essential as oxygen is to human life. An essential component of banking operations is deposit mobilization. The primary goal of the banking sector in India today is seen to be mobilizing funds through aggressive deposit collecting.

This article examines the socio-economic effects of deposit mobilization, with a particular emphasis on the important role that commercial banks play in receiving deposits. Three primary deposit kinds are examined in the study: savings accounts, current deposits, and fixed deposits. Deposits may be created in two ways: firstly, via main deposits, where bank employees receive funds from depositors and credit them to the customer's account; secondly, through derivatives deposits, where bankers lend funds, reduce the value of bills of exchange, and provide overdraft services, therefore expanding the money supply. Banks intentionally generate these derivative deposits (*The Encyclopedia Britannica, 1981:700*).

The aim of this study is to examine deposit collecting practices and the relationship between deposits, loans, and advances about the previously listed topics. It will also evaluate how GDP, ROA, LTD, and CA affect deposit mobilization.

## 1.2 Problem Statement

In the area of commercial banks and their interactions with customers, the suggested study points out a number of difficulties, especially with regard to deposit kinds and banking services. Underutilization of deposit money for productive purposes is a common problem, with banks favoring retail over business banking.

A vital component of banking operations, deposit mobilization has a major role in the growth of the economy as a whole. It entails transferring money from units of excess to units of deficit, which eventually improves economic efficiency and opens doors for profitable investment. Although it is a difficult task, successful mobilization depends on the efficient administration of bank deposits. The growth of the financial system and the strategic activities of banks are critical to the success of deposit mobilization. *Ali & Wafik, Islam (2019)*.

Ethiopian commercial banks are required to provide resources freely; among them, deposits are a vital resource that is in great demand because of its liquidity. A number of factors might affect a bank's capacity to mobilize deposits, thus it is important for banks to properly manage and assess this process. *(Daniel, 2018)*.

Since commercial banks depend upon depositors' money for funding, there is a clear relationship between their capacity to draw in deposits and the amount of credit they are willing to provide their clients. Thus, financial institutions' key function in transferring money from the affluent to the poor is essential for promoting economic expansion. However, this position's efficacy depends on how developed the financial system is. Bank bankruptcy is another inherent danger to the financial system. *(Obamuyi, 2013)*.

According to *Friday & Nwanne (2010)*, Strategies for mobilizing deposits are essential in tackling the problem of obtaining capital in the banking industry. Because of the fierce competition in the market, changing conditions, and problems with liquidity and solvency, banks must prioritize deposit mobilization. It is often accepted that a bank's deposits base, which directly affects its liquidity situation, plays a major role in determining its strength. In order to ensure seamless operations, banks must

have sufficient cash reserves, which makes deposit mobilization a crucial strategic factor requiring constant managerial attention. Only 15.8% of deposits have been mobilized by commercial banks, according to the *National Bank of Ethiopia's 2019-20 report*, meaning that a sizable chunk (84.2%) is still unutilized. This demonstrates how inadequate the nation's deposit mobilization strategies are, highlighting the necessity of taking aggressive steps to draw deposits rather than waiting for clients to do so.

Furthermore, high-cost deposits typically account for a sizable amount of banks' deposit liabilities. Furthermore, the way liquid assets are managed exhibits a noticeable inefficiency. These issues, which include difficulties with deposit mobilization, lending procedures, deposit structure, and liquidity management, may be roughly divided into four types.

Remarkably, current patterns show that, as a result of board attitudes, management choices, and economic realities, only around 70% of the total deposit are being loaned out. Improving client happiness and financial success, as well as the efficacy and efficiency of banking operations, depend on resolving these concerns.

- What is the relationship between deposit and loans and advances of Commercial Bank?
- How far the interest rates of deposits have relationship with the deposit collection of Commercial Bank?
- What is the trend of deposit mobilization of Commercial Bank?

### **1.3 Objectives of the Study**

Public deposits and credit services are provided by banks. They take deposits from savings and lent them to others who are looking for money on the market. Banks can only function well and profitably if they mobilize deposits within the allowed limits and distribute money on time. The primary objective of this study is:

- To evaluate the position of deposit mobilization of Commercial banks in Nepal.
- To analyze the relationship between deposit and loans and advances of Commercial banks.
- To examine the impact of ROA, LTD, CA, GDP on deposit mobilization of Commercial banks.

## **1.4 Rational of the Study**

A bank's stability and, more broadly, the state of the national economy are indicated by the size and scope of its financial mobilization plan. In order to optimize the effective utilization of capital, a finite financial resource, banks need to plan ahead and execute their money mobilization plans with precision. Commercial banks play a crucial role in the economy by supplying loans. It is anticipated that the planned research will directly or indirectly benefit a number of stakeholders, including bank shareholders, creditors, investors, and lenders. It should be mentioned, nevertheless, that deposits held by commercial banks and those who invest in profitable industries are prone to change over time. Deposits are an essential part of commercial banks since they have a direct impact on their ability to invest and raise capital to maintain long-term profitability. Since loans are fundamental to the operations of commercial banks, prudent credit distribution is necessary for their existence. If prudent investing techniques are not followed, loan payback collection may become more challenging in the future. Therefore, in order to reduce the risk of default and maintain financial stability, banks need carefully vary their investment portfolios. Since banks use people's money to benefit the depositors and the bank itself, diversification is essential.

## **1.5 Limitations of the Study**

Examining commercial banks' deposit mobilization status has been the main focus of the research. There are a few restrictions on the study because it is mostly objective and was done to fulfill academic standards. A number of particular restrictions are listed below:

- Out of a total of 20 banks, seven commercial banks were selected for this study's subgroup.
- Its sole source of support is secondary data taken from these particular institutions' yearly financial reports.
- The study includes data from the fiscal years 2013/014 through 2019/020, covering a ten-year period.
- Owing to limitations in resources, the analysis uses a limited number of statistical and financial instruments.

## CHAPTER-II

### LITERATURE REVIEW

In order to understand the implications and limits of the past research studies and outcomes, the Literature Review part entails assessing pertinent subjects within the research field. It builds on prior information and aids in avoiding duplication in the present investigation. To ensure a smooth flow and progress in research efforts, this chapter is divided into two main sections: a review of relevant literature and an analysis of previous research findings. A strong foundation is established by relating this study to earlier studies, highlighting the importance of uniformity in research.

#### **2.1 Theoretical Review**

A banking institution is a corporation that creates or grows deposits, receives and protects individual deposits, and distributes reserves among a group of interested parties. (*Reference Book America, 1984:85*).

A trader who offers a variety of financial services and is paid in cash or other types of money, such as trade credits or checks, may be considered a business shareholder. (*The Unused Reference Book Britannica, 1985:605*).

A commercial financial institution is one that serves the general population by taking deposits and providing loans to numerous small enterprises and households. These banks are known as retailing or tall street banks in the United Kingdom. Additionally, they provide a number of services to investors, including contract back, agent concessions, remotely trading, stock shaking, capability office for resources and the archives, and credit and cash card arrangements. Central banks, speculation, dealer, and other professional banks that conduct small-scale business with consumers are not to be confused with commercial banks.

The US financial company has created features that banks may use, such as receiving and processing deposits, handling consumer payments, providing loans and investments, and making money through lending (*Reference Book America, 1984:85*).

A commercial bank essentially facilitates the flow of products across the economy by accepting deposits and lending to companies. A commercial bank in Nepal is defined under the *Commercial Bank Act of 1974* as an organization that trades in money, retains money, takes deposits, makes loans, and manages commercial accounts.

The name "commercial bank" might be misleading because these organizations serve more than one purpose. Commercial banks nowadays provide exchange services via checks, but they also act as guarantors for contemporary value exchange platforms, provide evaluations for their customers, and so on. (*Brealey, 1993:245*).

Financial institutions that deal with money are known as commercial banks. To put it simply, banks take money from individuals who are saving money from their paycheck or who have more to spare and lend it out to others in need, providing collateral. (*Crowther, 1985:58*).

By combining and profitably managing the community's investment resources, commercial banks play a vital role in the economy. They provide a range of services to meet the financial demands of contemporary enterprises. The public may deposit money with these institutions, but they must be repaid quickly and upon demand. Commercial banks concentrate on offering short-term financing options to businesses, including working capital loans, and are restricted in their ability to engage in corporate securities. They don't make investments for the long run. Commercial banks also provide its clients with services including cash credits, overdraft protection, invoice and check collection, safe asset storage, financial counseling, and more. (*Vaidya, 2001:38*).

### **Resources of Nepalese Commercial Banks**

Commercial banks rely on a range of resources to support their daily operations and drive further growth. However, three key sources stand out as particularly vital:

#### **I. Capital**

In terms of capital funds, it's essential to note that they primarily serve as a nominal source for commercial banks. Consequently, they are typically not utilized for investment purposes. Capital funds typically comprise two main elements: paid-up capital and general reserves. Paid-up capital represents the initial investment made by shareholders, while general reserves consist of accumulated profits retained by the bank over time. While capital funds contribute to the overall financial stability of the bank, they are generally not deployed for investment activities. Instead, they serve as a foundational component of the bank's financial structure, providing a buffer against potential losses and supporting regulatory requirements.

## **II. Deposits**

Deposits serve as the primary resource for commercial banks, especially in issuing loans to borrowers. The three primary categories of these deposits are current, savings, and fixed deposits. They come from a variety of sources and are placed under various kinds of accounts. Savings deposits are essential for driving economic growth in emerging nations like Nepal, where a sizable portion of the populace still lives in poverty. Deposits are therefore the main source of funding for banks. The deposit function of banks holds significant importance as it involves aggregating small sums of money from individuals, often in denominations of twenties, fifties, and hundreds. Individually, these sums may seem insignificant in terms of economic efficiency. However, when pooled together and effectively managed by banks, they can be leveraged to accomplish substantial tasks. This aggregation process allows banks to channel these funds towards various lending activities, investments, and other financial services, thereby contributing to economic growth and development (*Roland, 1962:20*).

## **III. Domestic and Peripheral Scrounge**

Internal and external borrowings play a crucial role in supporting the financial needs of a developing country like Nepal, where commercial banks alone may not suffice to meet the demands of society due to limited resources. Commercial banks are allowed to borrow from both internal and external sources in order to close this deficit. Typically, external borrowing entails borrowing money from foreign governments, international financial institutions like the International Bank for Reconstruction and Development (IBRD), and foreign banks. These funds can be used to supplement domestic resources and support various developmental initiatives. However, external borrowing also exposes the country to foreign exchange risks and debt servicing obligations.

Internal borrowing, on the other hand, is the process of getting money from domestic sources inside the nation. Commercial banks in Nepal are able to borrow exclusively from the central bank, Nepal Rastra Bank (NRB). These internal borrowings give banks the extra liquidity they need to satisfy their operating needs, enable lending, and promote economic expansion. Benefits of internal borrowing include less exposure to foreign exchange risk and more control over monetary policy.

In general, Nepal's commercial banks depend on both domestic and foreign borrowing as vital means of obtaining new capital and advancing the nation's economy. However, to guarantee long-term financial stability, smart management and rigorous assessment of the related risks are essential.

### **Types of Deposits**

It is essential to understand the concept of a deposit from the beginning. A deposit is defined as money deposited in a current, savings, or fixed account of a bank or other financial organization under the *Commercial Bank Act 2031*. A wide range of people choose to deposit their money in banks, including members of the general public, businesspeople, industrialists, and others. The bank then utilizes these funds by providing loans and making investments in different sectors to generate profits. Typically, banks accept three main types of deposits: current, savings, and fixed deposits. However, in some countries, there may be more than three types of deposits available. In Nepal, banks allow customers to open three types of accounts under specific terms and conditions. This classification is based on various theoretical and financial considerations. As a result, bank deposits are categorized according to the following criteria:

#### **I. Demand Deposits**

Demand deposits, sometimes referred to as current accounts, are deposits in which the sum is made available right away upon request from the account holder. These deposits allow for the withdrawal of funds at any time upon demand. Unlike other types of deposits, demand deposits cannot be invested in the productive sector and therefore remain as stock in the bank. Although the bank cannot profit from investing these funds in new sectors, this facility is provided to the customer. As a result, the bank does not provide interest on demand deposit accounts. Merchants and traders benefit more from this type of deposit than individuals. The bank is obligated to honor as many cheques as are sent until there is a sufficient deposit in the account. No conditions or restrictions can be imposed on demand deposits. Institutions or individuals who require daily access to funds rely on demand deposits for their financial transactions. Current accounts are of great importance to bank customers. In institutions that handle cash transactions, there is always a risk of corruption, misuse, and fraud. To mitigate these risks, it is necessary to have a separate department of

employees responsible for cash recovery and payment. Current accounts are essential for collecting and purchasing bills, as well as utilizing services such as overdrafts, letters of credit, and remittances. Current deposits not only save time and labor but also provide significant convenience for customers. Therefore, they hold great importance.

## **II. Saving Deposits**

Savings deposits are another way that the bank might raise capital. It is important to recognize the importance of this kind of deposit and to not undervalue its significance and extent. A savings account, as defined by the *Commercial Bank Act 2031*, is an account in which money is put in a bank with the intention of saving. People in the middle class, small company owners, farmers, low-wage workers, and politicians may all benefit from this account. The features of both current and fixed period deposits are combined in the saving deposit. Savings accounts often account for the bulk of newly formed accounts, indicating that the public favors this kind of deposit. Banks may have varied criteria when it comes to creating a savings account; some may need a smaller deposit while others may require a greater one. As a result, there are differences in the maximum amount that may be taken out. Interest is offered by banks on this kind of deposit.

## **III. Fixed Deposit**

A Fixed Account is an account in which a certain sum is placed in a bank for a certain amount of time, as defined by the *Commercial Bank Act 2031*. The phrase "time deposit" refers to the fact that customers who open these accounts deposit their money for a certain period of time. People or organizations looking for greater interest rates usually go for this kind of account. In comparison to other deposit kinds, a greater interest rate is provided for a period of time that can span from three months to many years. This arrangement is advantageous to the bank as well as the consumers since the bank makes profitable investments with the funds and the clients improve their financial situation by receiving higher interest. The amount in the fixed deposit is to be returned to the customers upon maturity, and premature withdrawals are not allowed.

## **Deposits Mobilization**

To increase depositor profits, mobilizing deposits means gathering small amounts of money from various sources and distributing them to profitable industries. Reinvesting the accrued surplus is another way that this strategy encourages savings. (*NRB, 1984: 10-12*).

The primary goal of deposit mobilization is to invigorate the economy by converting idle deposits into profitable ventures, particularly for the low-income segment. Commercial banks play a crucial role in this effort by channeling capital toward important industries, trade, commerce, and agriculture. (*NBL, 2037:17*).

Commercial banks are essential to the nation's ability to accumulate capital, which is a prerequisite for economic expansion. They contribute significantly to economic growth by encouraging savings and investments and by using their network of branches and agencies to offer guidance and assistance for business endeavors. In the end, deposit mobilization drives economic growth and prosperity by acting as a catalyst for higher investment and savings rates. (*Johnson, 1965:11*).

Increasing the security of bank vaults, creating a legal environment can improve vaults, and bolstering the legitimacy of the financial markets with bank support will work to reactivate the country's idle assets. (*Ghosal and Sharma, 1965:92*).

One way to arrange capital efficiently is to combine ineffective small-scale savings from many sources. Then, by investing in profitable industries, this pooled cash may raise corporate and governmental productivity. The most important and dependable way to arrange capital is to mobilize savings. (*RBB, 2055:14*).

In banking transactions, deposits are taken from people in consideration for credit and loans, and the deposits are refunded upon request or at the conclusion of a certain amount of time. This definition highlights that deposit mobilization is the cornerstone of banking activities in accordance with banking rules. In order to support a range of banking activities, banks seek to optimize their capacity to draw in and handle deposited cash effectively.

A significant portion of working capital is comprised of deposits, including current, savings, and fixed deposits. Consequently, banks continuously work to draw deposits using all of the tools at their disposal. The conversion of scattered and ineffectual modest funds into useable and successful investments is made possible in large part

by commercial banks. In addition to gathering savings, they also help and motivate individuals to increase their savings. Commercial banks, which were established with the intention of utilizing national resources, contribute to the country's financial growth by encouraging the accumulation of deposits. Positive developments in efforts to mobilize deposits are indicated by the annual rise in commercial bank deposits that has been steady over time. (*RBB, 2054:15*).

### **Need for Deposits Mobilization**

In a developing nation like Nepal, Keep Deployment is essential for the reasons listed below. The following focuses are listed in Bunch "A" of the workshop report "*Deposit Mobilization Why and How*" as being necessary for store mobilization. (*NRB, 1984, 10-12*).

Any segment of the country that wants to advance needs capital. The aim of Store Mobilization is to collect loose cash in different forms around the nation. Channeling the accumulated store into a nation's need sector is significantly more crucial. We must use the acquired cash to divide the beneficial sectors in order to build our enterprises and other sectors in our developing country. It is believed that store mobilization is necessary to reduce overuse. If people don't save their surplus cash, it could be spent on ostentatious and needless things. Therefore, the government need to assist in the acquisition of new stores while concurrently putting into place appropriate measures to reduce superfluous spending.

Commercial banks are crucial to the advancement of the country. Extending their exercises requires store mobility. In addition to lucrative industries, food grains, gold, and silver are among the other sectors in which commercial banks are making progress. These credits have an impact on bank reserve mobilization to varied degrees, despite their conventional nature and lack of ability to increase efficiency. The reason for this is that increased production of mechanical and rural goods leads to higher incomes, which in turn allows individuals to save more and, eventually, contributes significantly to store mobilization. Unlike a produced nation, which lacks store mobilized, an undeveloped or developing nation depends on store mobilized for its financial progress.

## 2.2 Empirical Review

### 2.2.1 Review of Article/journals

*Manisha Shrestha & Rameshower Aryal (2022)* conducted a research on *Comparative Study on Deposit Mobilization of Nepal Bank Limited and Sanima Bank Limited*. Researchers carried out research on Nepal Bank Limited and Sanima Bank Limited's deposit mobilization. Using secondary data from 2011 to 2020, the study compared the deposit mobilization policies of the two banks with the goal of determining the impact of profitability, loan, and advance on deposit mobilization. The study's conclusions showed that the profitability performance of the sample banks was significantly and favorably impacted by return on assets and profits per share. The primary goals of the research were to examine how profitability, loans, and advances affected the mobilization of deposits from 2011 to 2020. The data was analyzed for the study using both descriptive and analytical statistics, as well as manual labor and the computer application SPSS 25.0. The data were analyzed using the multiple linear regression model, the mean, the standard deviation, and the coefficient of variance. The study came to the conclusion that the banks' profitability was correlated with their net assets, return on asset, loan volume, and variations in deposit interest.

*Banke and Yitayaw (2022,)* conducted research on *Deposit Mobilization and Its Determinants: Evidence from Commercial Banks In Ethiopia*. One of the most important services and components of banking operations is deposit mobilization. In Ethiopia, banks are primarily responsible for the intensive gathering of savings. Nonetheless, maintaining control over the variables that affect deposits necessitates a thorough grasp of them. Investigating the variables affecting Ethiopia's commercial bank deposit mobilization was the goal of this study. In order to determine the factors influencing commercial bank deposit mobilization, this study used a quantitative method that took into consideration the goals, established theories, and the quantitative character of the data. Therefore, this study used balanced panel data from 14 commercial banks between 2011 and 2020 to analyze the macroeconomic and bank-specific factors of deposit mobilization in the Ethiopian banking industry. To accomplish its goal, the study used secondary data sources from audited financial accounts of selected commercial banks. Both an explanatory design and a quantitative methodology were used. The model findings showed that the factors that negatively and statistically significantly affect commercial bank deposit mobilization include the

loan to deposit ratio, capital adequacy, economic growth, inflation, population growth, and political stability. On the other hand, the growth in commercial bank deposits is positively and statistically significantly impacted by the bank's profitability. According to the report, Ethiopian commercial banks could improve deposit mobilization by concentrating on internal variables that are under management's control and taking the larger political and economic landscape into account. For those involved in the deposit growth of commercial banks and its factors, including bank managers, owners, analysts, policymakers, depositors, and other stakeholders, this research provides insightful information. The results and suggestions can also be used by students and academic scholars to do more banking industry study.

*Baah Aye Kusi, Lord Mensah & Elikplimi Agbloyor (2021)* conducted research on *Bank Deposit Mobilization, Loan Advancement and Financial Stability: The Role of Bank Branches in an Emerging Market*. In an emerging market, researcher's studied the effects of bank branches on loan advancement, bank deposit mobilization, and financial stability. From 2009 to 2017, the study examined 35 banks in Ghana and using a panel two-step dynamic GMM model. The study found a non-linear association between the number of bank branches and financial stability that was referred to as a "inverted U-shaped" curve. It was shown that while a rise in bank branches can initially improve financial stability, a drop in banking stability can occur if the number of branches exceeds a specific threshold of 191 to 173. Furthermore, the study found that bank branches are essential for enhancing the beneficial impacts of deposits on bank stability and reducing the detrimental effects of bank lending on financial stability. These findings imply that while bank management can use bank branches to increase loans and deposits in order to maintain the stability of the banking system, they should also be cautious when it comes to branch count management, as going over a specific threshold may jeopardize stability.

*Betelhem Sisay Shiferaw (2021)* conducted research on *Assessment of Deposit Mobilization Practice: The Case of Nib International Bank*. Exploration on the evaluation of NIB International Bank's deposit rallying procedures was carried out by Betelhem Sisay Shiferaw in 2021. The thing of the study was to assess the styles and instruments that NIB used in order to rally deposits, along with the tactics that it used. This study is distinct since NIB International Bank has no way before carried

out any exploration of a similar nature. The study employed a descriptive approach, and actors with a minimum of two times of experience in megacity branches, as well as head office staff and guests, were chosen for data collection. Out of the 186 branches, an aggregate of 127 were picked, and 126 consumers were chosen from an unidentified group. The system used was non-probability intentional slice. While secondary data was attained from the company's periodic report and other papers, primary data was collected through questionnaires and interviews. An external airman study was employed to demonstrate the validity of the questionnaire, and Cronbach's nascence was employed to assess its trust ability. Microsoft Excel and the Statistical Package for Social Science( SPSS interpretation 20) were used for data analysis. According to the report, NIB has been steadily adding its deposit base in recent times. The bank's deposit volume is told by a number of variables, including loans, advances, branch expansion, client service, and product variety. The results showed that NIB has been aggressively growing its branch network, furnishing a range of goods, abstaining from giving presents to new guests, and not adequately training staff members on deposit rallying. It was discovered that the bank's marketing approach increased deposit figures in malignancy of fierce competition from other banks and crummy technology for customer pleasure. The check set up low technology application, shy staff marketing capacities, a lack of presents for new guests, failings in staff training, and violent contest.

*Amenawo Ikpa Offiong, Peter Kekung Bessong, Arikpo Oka Felix, Godwin Bassey James and Anthony Ogar (2020) conducted research on Deposit Insurance Scheme Activities on Deposit Mobilization of International Association of Deposit Insurer Member Countries: Post Core principle Effect.* Researchers shouldered a exploration to determine how deposit insurance scheme operations affected the rallying of deposits in International Association of Deposit Insurers member nations( IADI). From 2014 to 2018, the study examined the impact of post-core principles on the banking diligence of 21 IADI member nations. The periodic reports of the Deposit Insurance Agencies of the chosen nations handed the data. Ex-post facto exploration design was used in the study, and panel Vector Error Correction Model( VECM) was used for estimate. The findings showed that, following the relinquishment of abecedarian principles, the operations of deposit insurance schemes in member nations had no perceptible effect on the rallying of deposits in the banking assiduity.

As a result, IADI should review and modify its guiding principles and programs as a policy-making body to more suit the distinct rates and fiscal circumstances of its member nations. This might be fulfilled by funding exploration to pinpoint certain rudiments important to every member nation and modifying policy in response. IADI should also keep an eye on member nations' compliance to make sure that its principles and programs are being enforced effectively.

*Feven Ahmed Seid (2020)* conducted research on *Assessment on Determinants of Deposit Mobilization in Private Commercial Banks*. Research on the variables affecting deposit mobilization in private commercial banks was carried out by researcher. Finding the factors that influence deposit mobilization in private banks was the primary goal of this study, which included a case study of Awash International Bank. Data from primary and secondary sources were acquired for the study, which used a descriptive research approach. 158 of the 165 respondents who were chosen for the study's questionnaires were returned and examined. Using SPSS version 20 software, descriptive statistics and correlation analysis were used to evaluate the data. The study's conclusions showed that the biggest factor affecting deposit mobilization was branch growth. Additionally, the correlation study showed that services, branch convenience, society awareness, and branch growth were positively and significantly correlated with deposit mobilization. According to the report, the bank should concentrate on growing its branch network and offering premium window services to its most affluent clients.

*Girma Jirata Duguma, Jiqin Han (2020)* conducted research on *Effect of deposit mobilization on the technical efficiency of rural saving and credit cooperatives: Evidence from Ethiopia*. Researchers carried out exploration on how deposit rallying affected Ethiopian pastoral savings and credit cooperatives' specialized effectiveness. By gathering deposits and advancing plutocrat to people, families, growers, and small enterprises in the same community, Rural Savings and Credit Cooperatives (Ru SACCOs) are essential to the growth of the original frugality. Using data from 457 Ru SACCOs that in Ethiopia during 2014 and 2017, the study shows how specialized effectiveness is told by deposit rallying. Ru SACCOs' average effectiveness has been gradationally adding over time, according to the DEA (Data Envelopment Analysis) Window model's first effectiveness estimate. The coming disquisition validates the influence of control and crucial factors on specialized effectiveness

using bootstrapped abbreviated retrogression and cleaned estimation. The study emphasizes how early in a cooperative's life cycle, fast expansion may have a favorable impact on specialized effectiveness. likewise, increased specialized effectiveness in collaborative enterprises is identified with a larger proportion of womanish members. Enhancing the rallying and effectiveness of deposits can also affect from drawing individualities from colorful angles of the original entrepreneurial community.

*New Ni Tun (2019)* conducted research on *An Empirical analysis of Macroeconomic Factors Affecting on The Deposit Mobilization of Private Commercial Banks In Myanmar*. Macroeconomic factors like the real interest rate, GDP per capita, money supply, and average exchange rate have an impact on deposit mobilization in private commercial banks in Myanmar, according to study done by New Ni Tun. 24 private commercial banks were chosen as the study's sample. We examined the correlation between macroeconomic variables and deposits by utilizing quarterly data from the fiscal years 2013–14 through 2017–18. The Central Bank of Myanmar's quarterly financial statistics bulletin and the Statistical Year Book, which is issued by CSO, Myanmar, provided the relevant secondary data. Statistical Package for Social Sciences software (version 23) was used for both descriptive and inferential data analysis, including multiple regression and correlation analysis. The results showed that the money supply had a negative and negligible influence on private bank deposits, whereas the real interest rate, GDP per capita, and exchange rate all positively and considerably affected deposit mobilization. Since real interest rates and real GDP per capita are important elements that enhance deposit mobilization, the study recommends that policymakers pursue suitable macroeconomic policies.

*SM Nahidul Islam (2019)* conducted research on *Determinants of Deposit Mobilization of Private Commercial Banks: Evidence from Bangladesh*. Researcher habituated panel data retrogression approach to probe the goods of establishment-specific and macroeconomic factors on the deposit rallying of private marketable banks in Bangladesh. Chancing the variables impacting private marketable banks in Bangladesh's deposit rallying is the main thing of this study. The study design is purposeful in that it aims to probe how macroeconomic and firm-specific factors affect the deposit rallying of private marketable banks in Bangladesh. In order to negotiate the exploration thing in this study, a quantitative exploration fashion was

used. Over the course of 10 times, the study examined fourteen traditional private marketable banks( 2007- 2016). The study's conclusions show that while the broad plutocrat force growth rate has a large positive impact on banks' deposit growth rate, total deposit( measured by establishment size) has a considerable negative influence on deposit rallying( measured by banks' deposit growth rate). still, the remaining factors, which include the number of bank branches, interest rates on deposits, loan- to- deposit rate, GDP growth rate, and affectation rate, don't significantly affect the deposit growth rate of Bangladesh's private marketable banks. The model's findings show that while the number of bank branches, firm size, and GDP growth rate have an adverse effect, the deposit interest rate, loan- to- deposit rate, affectation rate, and broad plutocrat growth rate have favorable goods.

*Byyiyet Josiah Jacob, Yusha'u Ishaya and Gashua Idachaba Odekina (2019)* conducted research on *Effect of Deposit Mobilization and Credit Financing of Commercial Banks on Capital Formation in Nigeria*. A study was done on the effect that marketable banks' deposit rallying and loan backing have on capital creation in Nigeria. The thing of the study was to look at the causes of Nigeria's poor capital conformation, which has been linked to low savings as a result of inordinate consumption and low income situations. The study employed total deposit arrears, advancing rate, and credit to the private sector as independent variables and gross fixed capital creation as the dependent variable. Time series daily data with 48 compliances from Q1 1980 to Q4 2015 were used in the study. The results showed that while credit to the private sector has an inverse connection with GDP, total deposit arrears and lending rate had a positive influence on gross fixed capital creation in Nigeria. The report concluded by advising Nigerian marketable banks to successfully direct their intermediation sweats.

*Demeke Tilahun Zelalem (2019)* studied on *challenges of deposit mobilization in bunna international bank, case study in addis ababa branches*. Researcher studied the difficulties in mobilizing deposits at Bunna International Bank, with an emphasis on the branches in Addis Ababa. A vital component of banking is deposit mobilization, especially in Ethiopia where extensive deposit collecting is seen as the main banking responsibility. The performance, difficulties, and initiatives pertaining to deposit mobilization at Bunna International Bank were evaluated in this article. Political instability, bank management administration, promotion, banking ethics, working

hours, consumption, staff experience sharing, consumer attitudes and beliefs, bank service standards, and the adoption of new technologies are just a few of the difficulties that the research found. The research employed a descriptive analytic methodology and employed both non-probable and probable sampling approaches to gather data. The results emphasized problems including poor management administration, subpar product announcements, short working hours, low service quality, exorbitant fees for POS and ATM services, a dearth of incentive schemes for new depositors, and the non-implementation of interest-free banking. In order to improve customer service, review current goods, develop new products with aggressive advertising, strengthen awareness campaigns, and expand its branch network to support consumers' acceptance of new technologies, the research advised that Bunna International Bank extend its nighttime hours.

*Helani Udara Gunasekara, Prasansha Kumari (2018)* conducted research on *Factors Affecting for Deposit Mobilization in Sri Lanka*. Researchers studied the variables affecting Sri Lankan deposit rallying. The gathering of public cash or plutocrat by fiscal institutions through a variety of channels, similar as savings, current, fixed deposit accounts, and other technical schemes, is appertained to as deposit rallying. This study's main thing is to use a arbitrary sample fashion to determine the rudiments that have the topmost influence on deposit rallying. Three accessible sample regions were used to choose a aggregate of 120 deposit account holders for the sample. Primary data was gathered by questionnaires, and descriptive statistics and retrogression analysis were employed to estimate the data. The results show that there's a strong and favorable relationship between the interest rate on deposits, branch growth, security, technology, and mindfulness, and the rallying of deposits. The study also shows that the volume of deposits, the living position, and demographic factors like income, gender, occupation, and education position all have a substantial impact on deposit rallying.

*Dr. S. Ganapathy, Thangam Alagarsamy (2017)* conducted research on *Deposit Mobilization Of Commercial Banks: A Study with Special Reference to Southern Region In India*. Researchers carried done a study on marketable banks' deposit rallying in India's southern region. The study's ideal was to assess the Southern Region's listed marketable banks' deposit rallying growth rates and composite periodic growth rates between 2005 – 2006 and 2014 – 2015. Andhra Pradesh,

Karnataka, Kerala, Tamilnadu, Lakshadweep, Pondicherry, and Telangana are all part of the Southern Region. The study concentrated on the several deposit programs that banks give to the general population, including term, savings, and current deposits. The study's foundation was secondary data analysis, which showed that fund rallying was successful and that deposits were rising annually in Southern sections and Commercial Banks. The report also emphasized how current deposits varied across all marketable Banks between 2005 and 2015.

*Tagel Tegenu (2015)* conducted research on *Assessment on Factors Affecting Deposit Mobilization*. Tagel Tegenu carried out research on the evaluation of variables affecting deposit mobilization. Examining the variables influencing deposit mobilization in private commercial banks was the aim of the study. The study specifically looked at how technology, branch expansion, interest rates, and awareness-building affected deposit mobilization. A quota sampling method was used in the study, and 46 bank employees were included in the sample. As representatives, 46 respondents from seven Arba Minch town private commercial bank branches participated in the survey. The examination of bank officials' responses revealed that the most crucial elements in promoting deposit mobilization are technology utilization, interest rate, branch development, and creation of awareness. The study also discovered—strongly supported by the data—that the proposed theories had a favorable effect on deposit growth. The reported regression findings were bolstered by the professional arguments through the use of t-statistics and standard deviation. The study included suggestions for enhancing the technology employed by financial institutions to enable a greater usage of credit cards and electronic money. Additionally, it suggested that private commercial banks devise a plan to offer banking services to underserved rural and semi-urban populations. They should also outsource certain operational tasks, like agent banking, automated tellers machines (ATMs), and mobile phone banking, to reduce costs and facilitate deposit mobilization. Furthermore, the report suggested that banks raise deposit interest rates in order to draw in additional deposits following discussions with regulators.

*Richard Tuyishime, Dr. Florence Memba And Dr. Zénon Mbera (2015)* conducted research on *The Effects of Deposits Mobilization on Financial Performance in Commercial Banks in Rwanda. A Case of Equity Bank Rwanda Limited*. Researchers carried out exploration on how deposit rallying affected Rwanda's marketable banks'

fiscal performance. The purpose of this study is to ascertain how Rwandan marketable banks' fiscal performance is impacted by deposit rallying. marketable banks use deposits as a vital instrument to increase their profitability by making loans to consumers grounded on the deposits they've raised, which results in income for the banks. The banks' capability to raise enough plutocrat from their guests is a prerequisite for them to engage in advancing operations. This study aims to ascertain the goods of interest rate oscillations on the fiscal performance of marketable banks in Rwanda, the influence of marketing strategies on the fiscal performance of these banks, and the effect of banking technology on the fiscal performance of Rwandan marketable banks. The marketing and branch operation brigades of Equity Bank Rwanda were the study's target followership of bank directors engaged in deposit rallying. A tale was employed in the study to examine a population of 27 workers. The top sources of information were the primary and secondary data. To collect the needed data, questionnaires and the talkie fashion were employed as exploration tools. After revision, the data were anatomized using descriptive statistics. For analysis, SPSS interpretation 20 was employed on a computer. The nature of the link was examined using Pearson and Spearman's correlation analysis. The results showed that utmost repliers( 85) agreed that the public recognizes the Equity Bank brand, which has helped the bank overcome obstacles, especially fierce competition from rival banks. The bank's employment of a marketing plan has helped it grow both its clientele and deposits over time.

*Table 1: Summery of Empirical Review*

S.N.	Name of Article	Author	Objectives	Variables	Methodology	Findings
1	Comparative Study on Deposit Mobilization of Nepal Bank Limited and Sanima Bank Limited	Manisha Shrestha, Rameshwor Aryal, (Kathmandu Bernheart College, Bafal) (2022)	To find the effect of profitability and loan and advance on deposit mobilization from the secondary data 2011 to 2020	Net assets Return on Assets Loans volume Change on Deposit interest Profitability (dependent variable)	Data collected from m secondary sources, Financial & statistical tools, (spss)	Net assets, return on assets, loan volume and change in deposit interest have relationship with profitability of banks.
2	Deposite mobilization and its determinants: evidence from commercial banks	Nesru Kasim Banke Mekonnen KumlachewYitayaw (2022)	The purpose of this study was to fill this gap( impact of population	Bank Specific Variable ( Return on asset, loan to deposit, capital adequacy)	Descriptive measurement and economic instruments in the study. Balanced panel data.	Loan to deposite ration, capital, adequacy, economic growth, inflation, population growth,

	in Ethiopia		growth and political stability on deposit mobilization) by investigating the determinants of deposit mobilization in Ethiopia and contributes to the existing empirical evidence	Macroeconomic variable ( Inflation, GDP, Population growth, Political stability)		and political stability had a negative and statically significant impact on commercial bank deposit mobilization method
3	Bank Deposit Mobilization, Loan Advancement and Financial Stability: The Role of Bank Branches in an Emerging Market	Baah Aye Kusi, Lord Mensah & Elikplimi Agbloyor (2021)	To analyze the relationship between bank branches, financial intermediation, and financial stability	Employing a panel two-step dynamic GMM model, a non-linear “inverted U-shaped to enhance loans and deposits in promoting banking stability	Employing a panel two-step dynamic GMM model, a non-linear “inverted U-shaped” relationship is documented between bank branches and financial stability. Financial and statistical tools were used.	The findings further reveal that bank branches enhance the positive effects of deposits on bank stability whilst reducing the negative consequences of bank lending on financial stability.
4	Assessment of Deposit Mobilization Practice: The Case of NIB International Bank.	Betelhem Sisay Shiferaw (2021)	To assess the deposit mobilization practice of NIB International bank S.C and to extent NIB is exercising deposit mobilization strategies	Deposit mobilization, marketing customer, poor technology, lack of marketing skill among employees marketing strategy	Descriptive design was adopted for the study. Those having two years and above experience on city branch and head office employees and customers were selected for data collection.	The finding of the study shows that, NIB is aggressively expand its branch, provided different products, doesn't offer gifts to new customers, and does not provide necessary training for staff about deposit mobilization, marketing strategy of the bank increases the deposit amount, highly competitor from other banks,

						poor technology regarding customer satisfaction.
5	Deposit Insurance Scheme Activities on Deposit Mobilization of International Association of Deposit Insurer Member Countries: Post Core principle Effect.	Amenawo Ikpa Offiong, Peter KekungBessong, Arikpo Oka Felix, Godwin Bassey James and Anthony Ogar (2020).	To examined deposit insurance schemes' activities and its effect on deposit mobilization of the International Association of Deposit Insurers (IADI) member countries	Deposit, investment, financial and economic, , deposit insurance premium, post-core principles	The study adopted the ex-post facto research design. The estimating technique was panel Vector Error Correction Model (VECM).	Findings from the analyses showed that deposit insurance scheme activities of member countries did not significantly affect IADI's member countries banking sectors deposit mobilization after the implementation of the core principle.
6	Assessment on Determinants of Deposit Mobilization in Private Commercial Banks.	Feven Ahmed Seid (2020)	Descriptive research design was adopted for this study. The study was done based on primary and secondary data sources Questionnaires was used to collect relevant information from selected 165 respondents among this 158 questionnaires are returned and analyzed, the collected data was analyzed by SPSS version 20 software using descriptive statics and correlation analysis.	to collect relevant information from selected 165 respondents, deposit mobilization, branch expansion, and awareness	primary and secondary data sources Questionnaires collected data was analyzed by SPSS version 20 software using descriptive and correlation	The research found out that branch expansion is the most determining factor of deposit mobilization and the correlation analysis reveals branch expansion, convenience of branches, awareness of the society and services have positive and significance relation or correlation with deposit mobilization.
7	Effect of deposit mobilization on the technical efficiency	Girma JirataDuguma, Jiqin Han (2020)	To analyze the small-scale financial of	Deposit to loan ratio Deposit to total	To analyze the small-scale financial of	Attracting and including all segments of the

	of rural saving and credit cooperatives: Evidence from Ethiopia		service provider enterprises in rural areas	assets ratio Volume of deposit Demand deposit ration Interest rate	service provider enterprises in rural areas	local entrepreneurial class as a membership opens the possibilities for mobilizing more deposits to become efficient.
8	An empirical analysis of macro economics factors affection on the deposit mobilization of private commercial banks in Myanmar	New Ni Tun, Lincon University college, Malaysia (2019)	To analyze the effect of macroeconomic factors on deposit mobilization of private commercial banks in Myanmar.	Deposit, Average exchange rate Real Interest rate GDP per capita Money supply	Population of study 24 private commercial banks Secondary data source Statistical tools (spss)	Adopting appropriate macroeconomic policies are crucial on the reason that macroeconomic factors. GDP per capital should positive and significant effect on mobilization of deposit, higher incomes may increase deposit
9	Determinants of Deposit Mobilization of Private commercial banks: Evidence from Bangladesh	SM NahidulIslamm Mohammed Julfikar Ali H.M. Alif Wafik (2019)	To determined factors affection the bank deposit	Firm Specific No of bank branches Deposit interest rate Loan to deposit rate Company size Macroeconomic variables GDP growth rate Inflation rate Broda money supply growth rate Inflation rate Money supply	Quantitative research approach Data and Sample: 140	Company size and broad money supply growth rate significantly affect the deposit mobilization.
10	Effect of Deposit Mobilization and Credit Financing of Commercial Banks on Capital Formation in Nigeria	Byyiyet Josiah Jacob, Yusha'u Ishaya and GashuaIdachabaOdek ina (2019)	To analyze the effect of deposit mobilization and credit financing of commercial banks on capital formation in	Gross fixed capital formation was used as proxy for dependent variable, while credit to private	The study employed time series quarterly data from Q1 1980 to Q4 2015, which constitutes 48	The study found that (LRN and TDL) have positive impact on GFCF of Nigeria while credit to private sector has an inverse relationship

			Nigeria	sectors, lending rate and Total deposit liabilities were used as proxies of independent variables	observations. Multiple regression techniques were used to analyze the data.	with GDP.
11	Challenges of Deposit Mobilization in Bunna International Bank, Case Study in Addis Ababa Branches	Demeke Tilahun Zelalem (2019)	To analyzing the challenges of deposit mobilization in Bunna international bank in Addis Ababa Branches	managers; employee and shareholder, service quality, ATM and POSS machine service	The method of the study used descriptive analysis method with probable and none probable sampling techniques. This study data collection depended on city branch managers; employee and shareholder.	The findings of the study show that BIB, poor management administration for branch location and luck of product announcement, inaugurating working hours is not enough, low service quality, ATM and POSS machine services charge is higher and not easily adopted by customer, there is no incentive program for new depositor, there is no implementation of interest free banking.
12	Factors affecting for deposit mobilization in Sri Lanka.	Helani Udara Gunasekara, Prasansha Kumari (2018)	To investigate the most effective factors affecting deposit mobilization	Saving Interest rate. Security Branch expansion Bank Image Services Awareness Gender, age, marital status, occupation, education, income,	Followed by a random sampling method, in which 120 deposit account holders were selected as a sample from three different convenient sample areas. The Questionnaires are equipped	There is a significant and positive relationship between deposit mobilization and deposit interest rate, security, branch expansion, services, technology and awareness. There is a significant relationship between living area and the amount of deposits and the demographic variables, such as,

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					with questions to obtain primary data. The data has been analyzed using “descriptive statistics” and “regression analysis”.	gender, occupation, education level and income significantly affect for deposit mobilization.
<b>13</b>	Deposit Mobilization of Commercial Banks: A study with special reference to southern region in India	Ganapathy Subbiah Thangam Alagarsaamy (Alagappa University) (2017)	-to evaluate the growth rate and Compound Annual Growth Rate in deposit mobilization of scheduled commercial banks in the Southern Region of India	Deposit Mobilization current deposit saving deposit Term Deposit Rate of Growth Growth of current deposit Growth of saving deposit Growth of term deposit	Study was mainly based on secondary data.	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
<b>14</b>	Assessment on factors affecting deposit mobilization	Tagel Tegenu (2015)	To examine factors influencing deposits mobilization in Private commercial banks. To evaluated the impact of Awareness creation, Interest Rate, Branch Expansion and Technology on deposit mobilization	Awareness Creation and branch expansion, Interest Rate and Service level &Technology influencing deposits mobilization	This case study employed a quota sampling technique, where 46 bank staff were sampled. However, the study captured 46 respondents from seven branch of private commercial banks at Arba Minch town were selected as representatives in this study. Regression analysis were used.	The results from the analysis of bank officials’ shows that Awareness Creation and branch expansion, Interest Rate and Service level & Technology used are among the most important factors to facilitate deposit mobilization. Also the hypotheses have a positive impact on deposits growth was strongly supported by the results of this study. Regression results were presented, where t-statistics and standard deviation

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						were used to support and strengthen the professional arguments.
15	The effects of deposits mobilization on financial performance in commercial banks in Rwanda.	Richard Tuyishime, Dr. Florence MembaAnd Dr. ZénonMbera (2015)	To analyze the effects of deposit mobilization on the bank financial performance in commercial banks in Rwanda.	Deposit Loans, Net profit, Total Assets owns equity ROA ROE	The research used a census to study a population of 27 staff. The main source of data was the primary and secondary data. The documentary method, the questionnaire as research instruments were used to get the data needed for the research. Data were processed by use of descriptive statistics after editing have been done. The computer software SPSS version 20 was used as a device to accommodate analysis.	The study revealed that the introduction of innovative banking technology has led to the increase in deposits at a low cost as opposed to the usual way of getting deposits through term deposits and made financial services accessible in the unbanked people. This also made the ROA, ROE, net profit increasing due as the loans volume increases.

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### 2.2.2 Review of Thesis

Gordon (2024) conducted A research named "*The Stock Valuation using the Dividend Capitalization Approach*" with the main goal of analyzing how dividend policies affect share value even in cases when the necessary rate of return and the return on investment are identical. The research sought to ascertain if commercial banks are satisfying the financial needs of the economy, whether they have effectively gathered

deposits from a variety of industries, and whether there is a connection between deposits and loans. The main conclusions showed that investors have different perspectives on current dividends and profits retention. They choose current dividends over capital gains in the future, particularly in uncertain situations when current dividends are seen as less hazardous than anticipated capital gains.

Bajracharya (2023) conducted a study titled "*Monetary policy and deposit mobilization in Nepal*" should look at mobilizing domestic savings as one of Nepal's main monetary policy goals. The purpose of the research was to ascertain if commercial banks are satisfying the financial demands of the economy and whether they have been effective in collecting deposits from a variety of industries. The study also looked at the connection between loans and deposits, emphasizing the vital role commercial banks play as middlemen in the financial system, producing resources from private sector deposits and extending credit to investors across the economy.

Lintner (2023) conducted a study titled "*Corporate Dividend Policy in the American Context*" with several key objectives. The aims of the study were to ascertain the 'stickiness' of dividends about changes in profits, test a partial adjustment model by examining the payout patterns of 28 businesses, and pinpoint situations in which dividend modifications were thought about but not executed. The research also sought to determine if commercial banks could draw deposits from different industries, evaluate whether banks were providing the necessary funds for the economy, and look into the connection between loans and deposits. The study's main conclusions were that dividends were related to profitability, that shareholders' preferences varied, that payouts encouraged them to purchase preference shares, and that a company's dividend policy was essential for capital creation.

Joshi (2022), the study conducted by titled "*Enhancing Rural Saving Mobilization in Nepal*" aimed to develop effective strategies for saving mobilization. The study underlined the significance of contemplating long-term methods to raise investment rates and improve productivity, in addition to concentrating on suitable actions within the current banking system to encourage saving. The results made clear how important it is for people to earn more money in order to maintain deposit growth and total savings rates. The report also underlined how important it is for commercial banks to gather deposits from different industries, provide the economy's funding requirements, and investigate the connection between deposits and loans.

K.C. (2021) conducted research on the "*Investment Policy of Commercial Bank of Nepal: A Comparative Study of Nabil Bank Limited (NABIL) with Nepal Arab Bank Limited (NABIL) and Bank of Kathmandu Limited (BOK).*" The study compared the investment policies, profitability, and liquidity asset management of BOKL and NABIL. Additionally, it aimed to compare NABIL's loans and advances, total investment, and other financial indicators with BOKL and study the link between them. The research methodology comprised a comparative analysis of NABIL, NABIL, and BOKL's investment policies, profitability position, and liquidity asset management. The links between loans and advances, total investment, and other financial factors were assessed using quantitative analytic techniques. To reach its results, the research gathered and examined information from pertinent sources, including financial records. The study's main conclusions were that investing in shares and debentures encourages financial and economic development and that NABIL's increasing idle cash and bank balance may lower earnings. The study suggested that NABIL think about ways to increase its investments in shares and debentures to spur more financial and economic development, optimize its idle cash and bank balance to boost profitability, and diversify investment portfolios by adding shares and debentures of other financial and non-financial companies to help reduce risks and boost returns.

Sharma (2019) conducted a study on the "*Accumulation of Deposits & Investments at Nabil Bank Limited.*" The study sought to determine the influence of interest rates on deposit collection, examine changes in deposits and investments at Nabil Bank Limited (NABIL) across the research period, and determine the relationship between deposits and investments. Sharma employed a research technique that involved an analysis of Nabil Bank Limited's deposit and investment operations across the designated study period. The link between deposits and investments, interest rate impacts, and deposit trends were all investigated in the study using quantitative analytic techniques. The study was conducted using information from NABIL's financial records as well as other pertinent sources. The study's main conclusions reveal that, during the course of the investigation, call and fixed deposits show an increasing tendency, whereas current, savings, and margin deposits display a changing pattern. For NABIL to keep its investment portfolio balanced and

optimized, the report suggests portfolio diversification. To do this, it is suggested that the bank look into fresh, lucrative, and competitive investment options.

Katuwal (2018) conducted a research study entitled "*Examining the Mobilization of Deposits and Investments by EBL Bank Limited.*" The study's particular goals were to evaluate the correlation between EBL Bank's deposit interest rates and collection rates, explore the trends in EBL Bank's deposit mobilization, including rises and declines, and analyze the effect of interest rates on the bank's lending credit. Methods of Research: The research looked at EBL Bank Limited's deposit and investment activity during a predetermined time frame. To assess the relationship between interest rates, deposit collecting, and credit extension, quantitative analytic techniques were applied. In order to reach conclusions, information from the bank's financial records and other pertinent sources was examined. Key Findings: The study showed a good trend, with EBL Bank's interest in saving deposits steadily rising during the study period. Towards the conclusion of the research period, there was a notable variety in percentage changes among all deposits, despite an overall increasing trend. Over a 15-year period, the bank's total deposit growth ratio was 13.48%, indicating consistent growth in the amount of deposits received. On the other hand, there is potential for increased deposit collecting rates. The bank is in a good position to develop total credit in relation to deposit growth since the total credit growth ratio was higher at 17%. Suggestions: EBL Bank should keep its attention on luring savings deposits and look for ways to raise and stabilize the share of total deposits. It is important to make an effort to keep deposit collecting growing at a consistent rate, either by offering incentives to depositors or running marketing initiatives. By growing its loan portfolio and finding chances for credit expansion in industries with significant development potential, the bank should take use of its advantageous position in the credit extension market.

Bajagain (2017) conducted a study titled "*A Study on Deposit and Investment Position of Yeti Finance Company Ltd.*" The research sought to determine if finance businesses are satisfying the financial demands of the economy, analyze the trajectory of Yeti Finance Company Ltd.'s deposit and investment positions, and investigate the link between deposits and loans in the finance industry. Using a variety of financial techniques, the study approach entailed assessing secondary data with a particular focus on Yeti Finance Company Ltd.'s deposit collecting and utilization trends during

a five-year period. The main conclusions underlined the significance of financial institutions making investments in the agricultural sector and the necessity of opening branches in remote places to offer reasonably priced financing services. The effectiveness of commercial banks in obtaining deposits from a range of industries and their contribution to economic growth were also examined in the research. The recommendations included prioritizing investment in the agriculture sector, expanding reach by establishing branches in remote areas, and conducting further research on deposit collection strategies and their impact on economic development.

Khadka, (2016) conducted a study titled "*A Study on the Investment Policy of Nepal Arab Bank Ltd. in Comparison with Other Joint Venture Banks in Nepal.*" The objectives of the research were to evaluate the sources of deposits from various industries, determine how well banks meet the financial requirements of the economy, and investigate the connection between deposits and loans in commercial banks. Comparing the investment policies of Nepal Arab Bank Ltd. (NABIL), Nepal Grima Bank Limited (NGB), and Nepal Investment Bank Ltd. was part of the study approach. Over the course of five years, the study's primary objective was to analyze the major financial indicators and investment techniques utilized by the chosen institutions. The main conclusions stressed how crucial it is for joint venture banks to put real profit creation first in order to maintain the trust of customers, depositors, and shareholders. Khadka strongly advised NABIL to diversify its investments across many industries, develop new deposit plans to draw in more consumers and grow its market share, and optimize the use of risk assets and shareholders' cash to maximize profit margins.

Tandukar (2015) conducted a research study on the "*Role of Nepal Rastra Bank (NRB) in Deposit Mobilization of Commercial Banks.*" In addition to analyzing trends in deposit mobilization in relation to total investments, loans, and advances in commercial banks, the research sought to evaluate the role that NRB plays in the collecting of deposits by commercial banks. Using primary and secondary data sources, a mixed-method approach was used in the methodology. Examining previously published works, examining commercial banks' financial records, and doing surveys or interviews with pertinent parties were some of the techniques used to gather data. In addition to statistical techniques like trend analysis, the analysis included looking at financial instruments including risk ratios, profitability ratios,

liquidity ratios, and correlation coefficients. The impact of limits on debt denominated in foreign currencies and the diminished influence of state-owned financial institutions on deposit mobilization were the study's main conclusions. Tandukar suggested that in order to increase efficiency, Nepal Bank Ltd. (NBL) diversify its lending and investment portfolio. Understanding the liquidity, profitability, and risk exposure of commercial banks was possible thanks to the research. Trend analysis provided insightful information on how deposit mobilization patterns are evolving and how this affects lending and investment activity. The research made many recommendations, one of which was for NRB to keep an eye on and regulate debt denominated in foreign currencies in order to maintain financial stability and reduce currency-related risk. The government should also think about measures to bolster state-owned financial institutions' assistance for deposit mobilization initiatives. In order to diversify its loan and investment portfolio, NBL must devise strategies that take into account business operations in other industries or marketplaces. To avoid risks and make well-informed decisions, commercial banks must regularly assess their liquidity, profitability, and risk exposure using appropriate financial instruments and procedures.

Pradhan (2014) conducted a research study titled "*Investment Policy of Nepal Bank Ltd. (NBL)*." The purpose of the research was to assess how well NBL used mobilized deposits and to look into how loans and deposits related to the bank's operations. Based on NBL's financial records, the process entailed utilizing ratio analysis to evaluate loans, deposits, bank liquidity, and profitability. The primary conclusions of the study showed that, in 2034 B.S., NBL only dedicated 2.98% of its resources to the priority sector, demonstrating a scant attention to resource mobilization for critical regions. Among the suggestions were boosting funding for the agricultural industry, creating a transparent lending policy, looking into riskier industries for possible gains, and modifying interest rates to draw in more clients and maximize earnings. In order to be competitive in the market, it was also recommended that NBL update its investment strategy to better allocate resources to key sectors, improve lending policy transparency, diversify its portfolio by making investments in risky industries, and launch creative deposit programs.

Karmacharya (2013), conducted a research study titled "*A Study on the Deposit Mobilization by Nepal Bank Ltd.*" The study's objectives were to determine if

commercial banks—more especially, Nepal Bank Ltd.—are able to efficiently meet the financial demands of the economy, appraise their capacity to collect deposits from a range of industries, and look into the link between deposits and loans within the banking system. A longitudinal study lasting eight years was used in the process, which included quantitative and qualitative research techniques. Primary sources like surveys and interviews were used in the data collecting process, in addition to secondary sources like financial reports and literature reviews. The main conclusions showed that while Nepal Bank Ltd. did a good job of collecting deposits, it had trouble making use of its capital since there weren't many options for investments. In order to improve deposit collecting, the research suggested opening additional banking branches, broadening the range of lending techniques, expediting the loan application procedure, and enhancing the lines of communication between bank management and investors.

K.C. (2013) conducted a study titled "*A Comparative Study on Investment Policy of Nepal Bangladesh Bank Ltd. and Other Joint Venture Banks of Nepal.*" The study's objectives were to assess how well banks meet the financial needs of the economy and examine how deposits and loans in commercial banks relate to one another. As part of the study approach, Nepal Bangladesh Bank Ltd. (NBBL) and two other joint venture banks in Nepal were the subjects of a comparative analysis. Using a variety of approaches, including correlation ratios, liquidity, profitability, and risk, the research examined five years' worth of financial data. Furthermore, patterns and trends in investment activity were found using trend analysis. The study's main conclusions showed that long-term loans are another service provided by commercial banks, suggesting more opportunities for investment. It was also discovered that interest rates might be changed to make them more advantageous for commercial banks to expand their services into other industries. Finding opportunities for improvement and optimization was made easier by the analysis's insights into the financial performance and investment plans of NBBL and other joint venture banks. The study suggested that commercial banks should investigate opportunities for long-term lending to support sustainable development initiatives, adopt a more liberal lending policy to meet the various financial needs of the economy, and modify interest rates to encourage investment and foster economic growth in all sectors of the economy. To make well-informed decisions and develop strategic plans, financial performance

must be continuously monitored and evaluated using the right instruments and methods.

### **2.3 Research Gap**

The research gap identified in this study lies in the specificity and currency of the data and analysis conducted. By narrowing the scope to commercial banks, the study aims to provide a comprehensive analysis of deposit mobilization, exploring each aspect in detail. Unlike previous studies that covered a broader range of banks, this research fills the gap by delving deeper into the deposit mobilization practices of these selected banks individually. Furthermore, the study recognizes that the banking landscape is dynamic, with changes occurring over time. By using new data and focusing on specific banks, this research ensures that the analysis reflects the current scenario. This targeted approach allows for a more accurate assessment of deposit mobilization strategies and performance. Additionally, the study highlights that previous research has not specifically addressed the deposit mobilization of commercial banks as separate entities. Therefore, this study contributes by providing a dedicated analysis of these banks, offering insights that were previously lacking in the literature. Overall, this research serves to bridge the gap in existing literature by offering a focused and timely analysis of deposit mobilization practices in the selected banks. It aims to provide valuable insights for policymakers, practitioners, and researchers, serving as a reference for future studies in this area.

## **CHAPTER–III**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

This study examines and evaluates the budget process in the performance assessment programs. Various functional budgets, as well as other associated accounting information and bank statements, are used to analyze and evaluate the bank's performance measurement systems. This study used both descriptive and causal comparative research design.

#### **3.2 Population and Sample**

##### **Population of the Study**

Population refers to the entire group, people, events or things of interest that a researcher wishes to investigate. As this study is about impact of deposit mobilization of commercial bank, all 20 commercial banks of Nepal are taken into accounts as population.

The purpose of this study is to investigate the performance assessment aspect of total 20 commercial banks, which is population for this study (N=20). Using as examples, financial data of 7 fiscal years from 2013/014 to 2019/020 years of operation were analyzed. Although all commercial banks are included in the study, were chosen as samples for the current study.

##### **Sample Size Determination:**

Determining the sample size involves selecting the quantity of observations or replicates to be incorporated into a statistical sample. The sample size specifically pertains to the total number of data points gathered during a survey. (Kotheri, 2004). The sampling formula relies on two main components: the researcher's tolerance for risk in the study, known as the margin of error, and the alpha level, which represents the acceptable risk level for the true margin of error to surpass the acceptable margin of error. (Sangeeth, 2007). Sample size determination formula for finite population is:

$$\text{Finite population: } n' = \frac{n}{1 + \frac{z^2 \times \hat{p}(1-\hat{p})}{\epsilon^2 N}}$$

where

**z** is the z score

**ε** is the margin of error

**N** is the population size

**ĥ** is the population proportion

Thus, for this studies sample size is determined as 7 on the basis of Confidence level 70%, Margin of Error 10%, Population Proportion 10% and Population size is 20.

### **Sample Inclusion Criteria:**

On the basis of our sample size, 7 banks are selected on randomly using pools system.

The following are the banks, taken as sample for the study.

- Everest Bank Limited
- Nabil Bank Limited
- Nepal SBI Bank Limited
- Machapuchhre Bank Limited
- Nepal Bank Limited
- Citizen Bank International Limited
- Himalayan Bank Limited

### **3.3 Data Collection Procedures and Sources of Data**

This study is primarily based on secondary data. Secondary data were acquired from the banks' published annual accounting and financial statements. Similarly, other relevant data were gathered from websites, newspapers, and associated publications.

### **3.4 Analysis of Data**

The majority of this study was based on secondary data analysis. As a result, the data were collected correctly, maintained, evaluated, and displayed in appropriate tables, formats, diagrams, graphs, and charts. Such presentations were interpreted and explained as necessary. The supplied data was analyzed using financial, mathematical, and statistical methods such as ratio, percentage, regression, correlation, mean, standard deviation, coefficient of variance, percentile increment, and so on.

### 3.5 Statistical Tools

To get a conclusion after evaluating the acquired data, simple statistical tools such as arithmetic mean, multiple bar diagram, pie chart, and tabulation were used to display the comparison results.

#### A. Arithmetical Mean

It represents the entire data by a single value. It provides the gist and gives the bird's eye view of the huge mass of unwieldy numerical data. It is calculated as:

$$\bar{X} = \frac{\sum X}{n}$$

Where

$$\bar{X} = \text{Arithmetic mean}$$

$$n = \text{Number of observations}$$

$$\sum X = \text{Sum of observations}$$

#### B. Standard Deviation

Standard deviation is an important and widely used to measure dispersion. A standard deviation is the positive square root of the arithmetic mean of the squares of the deviations of the given observations from their arithmetic mean. It is denoted by the letter  $\sigma$  (sigma).

In this study standard deviation of different ratios are calculated.

$$\sigma = \sqrt{\frac{\sum X^2}{n} - \left(\frac{\sum X}{n}\right)^2}$$

Where,

$$\sigma = \text{Standard Deviation}$$

$$X = \text{Value of Variable}$$

#### C. Coefficient of Variation

The Coefficient of variation is the most commonly used measure of relative variation. It is the relative measures of dispersion, comparable across distribution, which is defined as the ratio of the standard deviation to the mean expressed in percent. It is used in such problems where the researcher wants to compare the variability of data

more than two years. A series with smaller C.V. is said to be less variable or more consistent or more homogeneous or more uniform or more stable than the others and vice versa. It is calculated as;

$$\text{Coefficient of Variation} = \frac{\text{Standard Deviation}}{\text{Mean}} \times 100$$

#### **D. Correlation Analysis**

Correlation analysis is a statistical technique utilized to determine the direction and strength of the connection between two sets of variables. It demonstrates the manner in which two variables change in relation to each other and measures the extent of their association. The Pearson correlation coefficient is employed to describe this relationship, with its value ranging from -1 to +1. A correlation coefficient of -1 signifies a complete negative correlation, indicating that the variables move exactly in opposite directions. Conversely, a correlation coefficient of +1 indicates a perfect positive relationship between the variables.

#### **E. Regression Analysis**

A collection of statistical techniques called regression analysis is used to estimate the associations between a dependent variable and one or more independent variables. It can be used to simulate the future relationship between variables and evaluate how strongly the variables are related to one another. It can be expressed in following Equation:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \dots + e$$

$$\text{MVPS} = a + \beta_1 \text{DPS} + \beta_2 \text{EPS} + \beta_3 \text{PE} + \beta_4 \text{BVPS} + e$$

Where,

Y (MVPS) = Dependent Variables

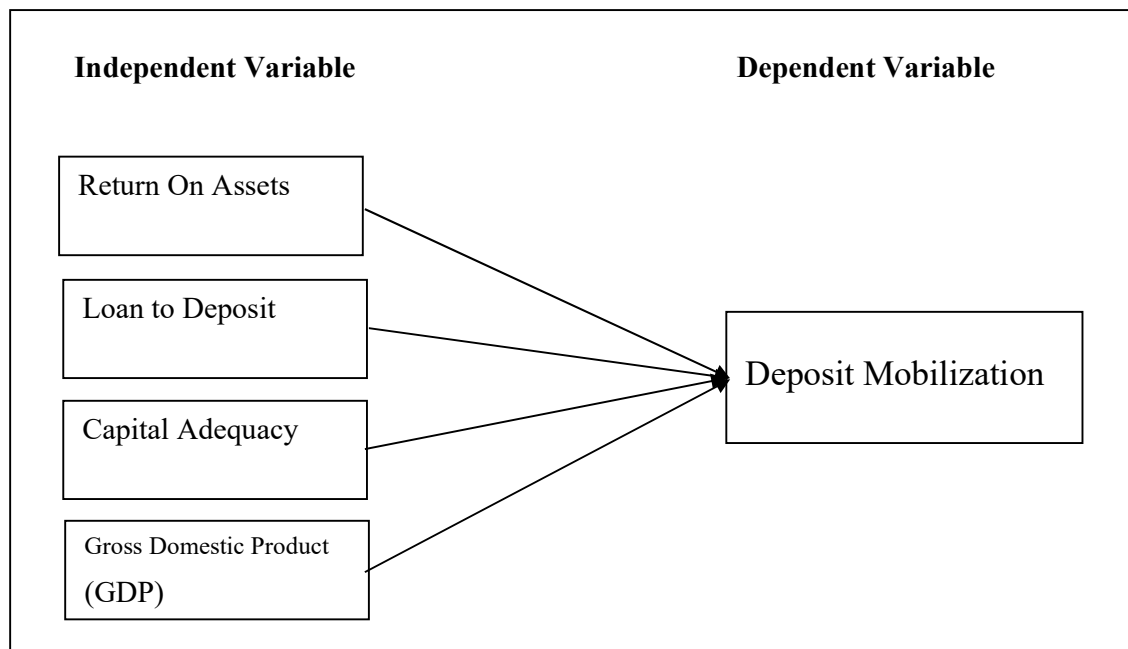
a = Intercept or Average

$\beta_1, \beta_2, \dots$  = Slope of Independent variables

e = Error,

### 3.6 Research Framework and Definitions of Variables

A research framework is a versatile analytical instrument that may be used in a variety of situations. It is employed to arrange concepts and draw conceptual distinctions.



*Figure 1: Research Framework*

Source: *Banke and Yitayaw, Future Business Journal (2022)*

The Figure 1 shows that independent variable ROA, LTD, CA and GDP used in this study to measure its impact on Deposit Mobilization. Deposit Mobilization used as dependent variable.

#### **Return On Assets (ROA)**

Return on assets (ROA) is a profitability ratio that measures how well a company uses its assets to generate earnings. It is calculated by dividing net income by total average assets. ROA is expressed as a percentage; the higher the ROA, the more efficient the company's management is.

- $ROA = \text{Net Income} / \text{Total Assets}$

#### **Loan to Deposit (LTD)**

The loan-to-deposit ratio assesses a bank's liquidity by comparing a bank's total loans to its total deposits for the same period. If the ratio is lower than one, the bank relied on its own deposits to make loans to its customers, without any outside borrowing. If

on the other hand the ratio is greater than one, the bank borrowed money which it reloaned at higher rates, rather than relying entirely on its own deposits. Banks may not be earning an optimal return if the ratio is too low. If the ratio is too high, the banks might not have enough liquidity to cover any unforeseen funding requirements or economic crises. Loan to Deposit calculated as:

- $LDR = \text{Total Loans} / \text{Total Deposits}$
- Alternatively,  $LDR = \text{Average Net Loans} / \text{Average Deposits}$

### **Capital Adequacy (CA)**

Capital adequacy is a measure of how well a bank or financial institution can meet its obligations and absorb losses. It is usually expressed as a ratio of capital to risk-weighted assets. Capital is the "cushion" for potential losses and protects the bank's depositors and other lenders. Regulators set the minimum amount of capital adequacy a bank needs to hold, as a percentage of its risk-weighted assets, to prevent its failure.

- The formula for CAR is:  $(\text{Tier 1 Capital} + \text{Tier 2 Capital}) / \text{Risk-Weighted Assets}$

### **Gross Domestic Product (GDP)**

The gross domestic product (GDP) represents the total market value of all the goods and services produced within a country's borders during a specific time period, typically a year. It is a key indicator for assessing the economic performance of a nation. Azolibe CB (2019)

It is a measure of the monetary value of goods and services that a country produces and its consumers buy within a particular period. GDP serves as a specific measure of overall domestic output, as a detailed scorecard of the economic health of a given country. There are two primary methods or formulas by which GDP can be determined:

- Expenditure approach:  $GDP = C + G + I + NX$ , where C is consumption, G is government spending, I is investment, and NX is net exports.
- Income approach:  $GDP = \text{total income earned by all factors of production in a country, such as wages, rents, interest, and profits.}$

**Deposit Mobilization (DM)**

In this research, the focus was on utilizing deposit mobilization (Natural log of total deposit) as the dependent variable. Deposit mobilization plays a crucial role in the banking sector as it serves as a primary source of working capital for the bank. The success of the bank heavily relies on the amount of deposits gathered from the public through various accounts such as current, savings, fixed, and recurring accounts, along with other specialized schemes. Viswanadham P, Yirgalem T, Medanit B (2015).

## CHAPTER-IV

### RESULT AND DISCUSSION

This section provides an overview and discussion of the data analysis conducted in this chapter. Data analysis encompasses the collection of secondary data and the identification of findings throughout the research process. Once the data has been evaluated, conclusions are drawn. The primary conclusions derived from the data analysis are presented as research objectives, achieved through the application of various quantitative data analysis techniques.

The outcomes of the data analysis are generated using tools such as descriptive statistics, correlation, and regression analysis. To enhance understanding, the derived data is presented in the form of tables and figures. A comprehensive description of the data analysis results is provided in the subsequent subsection.

#### 4.1 Result

##### 4.1.1 Descriptive Statistics Analysis

The study focuses on comparing the mobilization of commercial banks in Nepal. In order to achieve one of the research objectives, a descriptive statistics analysis is carried out. This analysis is conducted for each selected sample bank, as part of the comparative study. The table presents the calculated minimum, maximum, mean, and standard deviation of the research variables.

*Table 2: Descriptive Statistics*

	Minimum	Maximum	Mean	Std. Deviation	CV (in %)
ROA	.05	3.25	1.6924	.72011	42.55
LTD	-.0554	.9590	.064896	.1395647	215.06
CAR	10.20	17.01	13.3098	1.75144	13.16
GDP	.20	7.74	4.5543	2.63339	57.82
DM	45.44	102.45	71.8757	20.62841	28.70
Valid N (listwise)					

Source: Appendix

Table 2 shows the descriptive statistics of the research variables. The result shows the descriptive statistics of dependent and independent variables for the selected commercial banks. The research variables are Return on Assets (ROA), Loan to Deposit ratio (LTD), Capital Adequacy Ratio (CAR), Gross Domestic Product (GDP)

and Deposit Mobilization (DM). The data are collected from the annual report of the respective sample bank annual report and each of bank has 7 observation or in total 49 observation are the research observations. All the 49 observations are used for the calculation of the descriptive statics know as mean, standard deviation, coefficient of variation, minimum, maximum.

In the tables the minimum, maximum, mean, standard deviation and coefficient of variation of ROA is .05, 3.25, 1.6924, .72011 and 42.55 respectively. The LTD one of the independent variables of the research minimum, maximum, mean, standard deviation and coefficient of variation is-.0554, .9590, .064896, .1395647 and 215.06 respectively. The Capital Adequacy Ratio (CAR) also the independent variables of the research minimum, maximum, mean, standard deviation and coefficient of variation is 10.20, 17.01, 13.3098, 1.75144 and 13.16 respectively. The GDP also the independent variables of the research minimum, maximum, mean, standard deviation and coefficient of variation is .20, 7.74, 4.55, 2.63 and 57.82 respectively. Here the Deposit Mobilization (DM), dependent variable of research minimum, maximum, mean, standard deviation and coefficient of variation is 45.44, 102.45, 71.8757, 20.62841, 28.71 respectively.

#### **4.1.2 Correlation Analysis**

Correlation is a statistical method used to determine the strength and nature of the relationship between pairs of variables. It is suitable for quantifiable data where numbers hold significance, typically representing quantities. The outcome of a correlation analysis is known as the correlation coefficient, denoted as "r," which falls within the range of -1.0 to +1.0. A correlation coefficient closer to +1 or -1 indicates a stronger relationship between the two variables. Karl Pearson's Method is commonly utilized in banking to calculate the coefficient of correlation, making it a valuable tool for assessing the connection between variables X and Y.

Table 3: Correlation Analysis

		ROA	LTD	CAR	GDP	DM
ROA	Pearson Correlation	1				
	Sig. (2-tailed)					
LTD	Pearson Correlation	-.357*	1			
	Sig. (2-tailed)	.012				
CAR	Pearson Correlation	-.055	-.352*	1		
	Sig. (2-tailed)	.707	.013			
GDP	Pearson Correlation	.012	.087	.211	1	
	Sig. (2-tailed)	.935	.552	.146		
DM	Pearson Correlation	.318*	-.142	.443**	.213	1
	Sig. (2-tailed)	.026	.331	.001	.141	

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Source: Appendix

Table 3 shows the Pearson correlation coefficients for selected commercial banks. This correlation matrix shows the correlation coefficients between the dependent variable "and the independent variables " ROA LTD, CAR, GDP and DM," The Pearson correlation coefficient ranges between -1 to 1, where -1 represents a perfect negative correlation, 0 represents no correlation, and 1 represents a perfect positive correlation.

Based on the matrix, we can see that the Deposit Mobilization (DM) has a strong positive correlation with the Return on Assets (0.318\*), which is significant at the 0.05 level. There is a moderate positive correlation between ROA and DM. Higher values of ROA tend to be associated with higher values of DM (Deposit Mobilization). This correlation is statistically significant at the 0.05 level. It states that increase in ROA leads to increase in deposit mobilization.

The LTD is negative correlated to DM which indicates that decrease in LTD, leads to increase Deposit Mobilization. There is a weak negative correlation between LTD and DM, but it is not statistically significant ( $p > 0.05$ ).

There is a strong positive correlation between CAR and DM. Higher values of CAR are strongly associated with higher values of DM (Deposit Mobilization). This correlation is statistically significant at the 0.01 level. The relationship between the CAR and DM is positive and high level of relationship but not perfectly and also which in significant relationship. The correlations value is 0.443 which represent the

high positive correlations value. The significant value is 0.001 which is equal to 0.01 so the relationship is significant or called 1 percent level of significant.

Similarly, the GDP is also positively correlated to deposit mobilization which indicates that increase in GDP, leads to increase deposit mobilization. There is a positive correlation between GDP and DM, but it is not statistically significant ( $p > 0.05$ ).

Overall, this matrix provides valuable insights into how each financial indicator (ROA, LTD, CAR, GDP) correlates with Deposit Mobilization (DM). It helps in understanding which factors may influence deposit mobilization for the banks.

#### 4.1.3 Regression Analysis

Regression analysis is employed to ascertain the causal connection between variables. It is not always imperative to possess a causal relationship between two closely associated variables. A regression analysis is essential in order to establish a cause-and-effect relationship among variables. The researchers utilized SPSS to conduct a regression analysis in order to unveil this discovery.

*Table 4: Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.591 <sup>a</sup>	.349	.290	17.38792

a. Predictors: (Constant), GDP, ROA, CAR, LTD

Source: Appendix

Table 4 shows the model summary of 49 observations of 7 commercial banks in Nepal and respondent of each bank has 7 observations. This model has multiple predictors: GDP, ROA, CAR, LTD. The model has an R-squared value of .349, indicating that 34.9% of the variability in the dependent variable can be explained by the independent variables. The adjusted R-squared value is .290, indicating that the model is a better fit for the data than a model with fewer predictors. The standard error of the estimate is 17.38792, which represents the average distance that the observed values fall from the regression line. Overall, this model has a good fit and explains a significant amount of the variability in the dependent variable.

Table 5: ANOVA of Variables

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7122.559	4	1780.640	5.890	<.001 <sup>b</sup>
	Residual	13302.952	44	302.340		
	Total	20425.511	48			

a. Dependent Variable: DM

b. Predictors: (Constant), GDP, ROA, CAR, LTD

Source: Appendix

Table 5 shows the ANOVA of seven commercial bank of 49 observations. Here dependent variable Deposit Mobilization (DM) and independent variable GDP, ROA, CAR, LTD. Here regression is significant because significant value is 0.001 less than 5%. Its mean there is linear relationship between Deposit Mobilization (DM) and GDP, ROA, CAR, LTD.

Table 6: Coefficients of Variables

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	-32.484	23.969		-1.355	.182
	ROA	11.673	3.834	.407	3.044	.004
	LTD	25.948	21.438	.176	1.210	.233
	CAR	6.000	1.628	.509	3.686	<.001
	GDP	.673	.996	.086	.675	.503

a. Dependent Variable: DM

Source: Appendix

Table 6 shows the coefficient of commercial bank. The coefficient of different seven commercial bank total 49 respondents of each of 7. Here dependent variable DM called predictor and independent variable ROA, LTD, CAR, GDP. Here coefficient table shows the individual variable variation to the dependent variable, their accuracy, significant level.

The impact of the ROA to the DM is positive which shows by the beta value of positive 11.673. The beta value shows 1 percent change in to ROA than positive 11.673 percentage change in to DM of the bank. The standard error calculated is very high i.e., 3.834 which mean high level of accuracy of calculated value. The significant value (0.004) is less than 0.05. It Means ROA has positive significant impact on Deposit Mobilization (DM).

The impact of the LTD to the DM is positive which shows by the beta value of positive 25.948. The beta value shows 1 percent change in to LTD than positive 25.948 percentage change in to DM of the bank. The standard error calculated is very high i.e., 21.438 which mean high level of accuracy of calculated value. The significant value (0.233) is more than 0.05. It Means LTD has positive but insignificant impact on Deposit Mobilization (DM).

The impact of the Capital Adequacy Ratio (CAR) to the DM is positive which shows by the beta value of positive 6.0. The beta value shows 1 percent change in to Capital Adequacy Ratio than positive 6 percentage change in to DM of the bank. The standard error calculated is very high i.e., 1.628 which mean high level of accuracy of calculated value. The significant value (0.01) is less than 0.05. It Means CAR has positive significant impact on Deposit Mobilization (DM).

The impact of the GDP to the DM is positive which shows by the beta value of positive 0.673. The beta value shows 1 percent change in to GDP than positive 0.673 percentage change in to DM of the bank. The standard error calculated is very high i.e., 0.996 which mean high level of accuracy of calculated value. The significant value (0.503) is more than 0.05. It Means GDP has positive but insignificant impact on Deposit Mobilization (DM).

The coefficient table provides insights into how each predictor variable (ROA, LTD, CAR, GDP) relates to the dependent variable (DM). ROA and CAR are statistically significant predictors of DM. ROA has a moderate positive effect, while CAR has a strong positive effect. LTD and GDP do not significantly predict DM in this model.

### **4.3 Major Findings**

This study has mainly focused on position of deposit mobilization of commercial banks in Nepal. This study used Deposit Mobilization (DM) as dependent variable. Similarly, Return on Assets (ROA), Loan to Deposit ratio (LTD), Capital Adequacy Ratio (CAR), Gross Domestic Product (GDP) variables as dependent variable. The result acknowledged in this study is based on the selected 7 commercial banks of Nepal.

Based on the analysis of data, on the basis of objectives of this study the major findings are summarized as under:

**a. Position of Deposit Mobilization of Commercial Banks in Nepal**

- Overall, there is a positive trend in deposit mobilization over the years, albeit with variations among different banks.
- Some banks show consistent growth in deposits (e.g., NABIL, EBL), while others exhibit more fluctuation (e.g., MBL, NBL).
- Factors like Return on Assets (ROA), Loan to Deposit Ratio (LTD), Capital Adequacy Ratio (CAR), and economic indicators (GDP growth) play significant roles in influencing deposit mobilization trends.

**b. Relationship Between Deposit and Loans/Advances of Commercial Banks**

- The correlations and regression coefficients suggest that factors like ROA and CAR have stronger relationships with deposit mobilization compared to GDP or LTD.
- This relationship can indicate how banks manage their balance sheets. Generally, banks use deposits to fund loans and advances. A positive correlation or strong relationship here would indicate that as deposits increase, so do loans and advances, and vice versa.

**c. Impact of ROA, LTD, CAR, GDP on Deposit Mobilization of Commercial Banks Analyzing the coefficients and significance levels:**

- ROA: Higher ROA tends to positively impact deposit mobilization significantly ( $p = 0.004$ ), indicating that banks with higher profitability attract more deposits.
- LTD: Loan to Deposit Ratio shows a positive relationship but is not statistically significant ( $p = 0.233$ ), suggesting that it may not strongly influence deposit mobilization compared to other factors.
- CAR: Capital Adequacy Ratio has a strong positive impact on deposit mobilization ( $p < 0.001$ ), indicating that banks with better capital adequacy attract more deposits.
- GDP: Gross Domestic Product growth does not significantly impact deposit mobilization ( $p = 0.503$ ), suggesting it is less influential compared to internal financial metrics like ROA and CAR.

Also, others finding of this study is as below:

- The study found that Nabil Bank had a superior Return on Assets (ROA) compared to other banks in the study. ROA varied across most selected banks over the study period, indicating fluctuating profitability.
- Nabil Bank Limited showed a lower coefficient of variation (CV) in its return on loan and advance ratio compared to other sample banks, suggesting better performance efficiency.
- The study highlighted a negative growth trend in loans and advances for NBL (Nepal Bank Limited). This decline could be attributed to policies of financial restructuring and challenges in loan recovery efforts amid economic and political instability. Private sector banks appeared more efficient compared to government-owned banks in this regard.
- The regression model included predictors such as ROA, Loan and Advance to Total Deposit Ratio, Capital Adequacy Ratio, GDP, and Deposit Mobilization. The model's R-squared value of 0.349 indicates that 34.9% of the variability in the dependent variable (likely Deposit Mobilization) can be explained by these predictors. The adjusted R-squared value (0.290) suggests the model is a good fit for the data. The standard error of the estimate (17.38%) represents the average distance of observed values from the regression line.
- The descriptive analysis showed that deposit mobilization ranged from a minimum of 45.44 to a maximum of 102.45, with a mean of approximately 71.8757.
- The coefficients of the regression model indicated that deposit mobilization had a significant positive effect on ROA. However, the Loan and Advance to Deposit Mobilization Ratio had a significant negative effect on ROA, suggesting a complex relationship between these variables.
- GDP was highest in 2016/17 and lowest in 2015/16 among the study years, reflecting macroeconomic fluctuations.
- The study found a positive impact of GDP on deposit mobilization. A positive beta coefficient for GDP suggests that higher GDP leads to increased savings

deposits, highlighting the relationship between economic growth and banking sector performance.

- Banks with higher profitability (ROA) and better capital adequacy (CAR) are more successful in mobilizing deposits. The study underscores the critical role of ROA and CAR in influencing deposit mobilization and overall financial performance of commercial banks in Nepal.
- Policies aimed at improving capital adequacy and profitability could potentially enhance deposit mobilization in commercial banks.
- Future studies could delve deeper into interest rate dynamics and their impact on deposit behavior, as well as consider additional macroeconomic factors that may influence deposit trends in Nepal.

## **CHAPTER IV**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Summary**

The financial institution's revenue and success are influenced by its loaning processes, loaning guidelines, and the allocation of its assets into different securities. Commercial banks can effectively manage their deposits, for instance, by providing loans and financial support for a project based on performance, because of inadequate investment strategies. The main objective of this research is to evaluate the effectiveness of the performance evaluation strategies adopted by commercial banks. The research heavily relies on secondary data, with the essential information being collected from a range of public and undisclosed sources.

In Nepal, there are a total of 20 commercial banks that were selected as the population for this study. Among them, a sample of seven banks including SBI, EBL, NABIL, MBL, NBL, CZBIL, and HBL were chosen for analysis. The collected data underwent examination through a range of financial and statistical tools like ratio analysis, correlation coefficient, regression equation, and more.

In evaluating the performance of commercial banks, five key factors are taken into consideration when granting loans: liquidity, performance capability, security, and diversity of suitability. The research utilizes a range of methods for making investment choices, such as established investment procedures, security analysis, portfolio construction, review, and performance assessment. The information used for the assessment was gathered from the annual reports of the banks involved, along with financial records spanning the past seven years.

This study aimed to describe the position of deposit mobilization in Nepalese commercial banks by analyzing key financial metrics such as Return on Assets (ROA), Loan to Deposit Ratio (LTD), Capital Adequacy Ratio (CAR), and Gross Domestic Product (GDP). It sought to explore the relationship between deposit mobilization and loans/advances within commercial banks, focusing on efficiency and trends in loan portfolio management. This study analyzed the impact of ROA, LTD,

CAR, and GDP on deposit mobilization, investigating how these factors influence bank performance and deposit growth.

The study found that Nabil Bank leads in Return on Assets (ROA) among the banks analyzed, showing better efficiency in asset utilization despite some fluctuations over the period. Nabil Bank also excelled in managing its loan portfolio, unlike Nepal Bank Limited (NBL), which faced negative growth in loans and advances. The regression analysis indicated that higher ROA and Capital Adequacy Ratio (CAR) significantly boost deposit mobilization, suggesting that more profitable and financially stable banks attract more deposits. Additionally, the positive correlation between GDP and deposit mobilization was evident, implying that economic growth encourages higher savings deposits within the banking sector.

The study underscores the importance of ROA, CAR, and GDP in influencing deposit mobilization and overall financial performance of commercial banks in Nepal. It recommends policies focusing on enhancing capital adequacy, profitability, and economic stability to stimulate deposit growth and ensure banking sector resilience. Future research could explore further dynamics of interest rates and external economic factors on deposit behavior for deeper insights into optimizing banking strategies in Nepal.

This study contributes valuable insights into the dynamics of deposit mobilization and its implications for financial stability and performance within the context of Nepalese commercial banks. It provides a foundational understanding for stakeholders, policymakers, and bank management seeking to enhance banking sector efficiency and resilience in Nepal.

## **5.2 Conclusions**

The study has comprehensively examined the dynamics of deposit mobilization and its impact on the financial performance of commercial banks in Nepal. Through a detailed analysis of key financial metrics and economic indicators, several significant findings have emerged:

- i. Position of Deposit Mobilization:
  - The study provided an overview of deposit mobilization across several commercial banks in Nepal, highlighting variations in Return on Assets

(ROA), Loan to Deposit Ratio (LTD), Capital Adequacy Ratio (CAR), and their implications for bank performance.

- Nabil Bank emerged as a leader in ROA, demonstrating its ability to generate higher returns from its assets compared to other banks studied.
- ii. Relationship with Loans and Advances:
- The analysis revealed contrasting trends in loan portfolio management among banks. While some banks showed efficient management and stable growth in loans and advances, others faced challenges such as negative growth trends attributed to financial restructuring policies and economic instability.
- iii. Impact of Financial Indicators on Deposit Mobilization:
- Regression analysis underscored the significant influence of ROA and CAR on deposit mobilization. Banks with higher profitability and stronger capital adequacy ratios were found to attract more deposits, thereby enhancing their financial stability and lending capacity.
  - GDP was also identified as a positive influencer of deposit mobilization, indicating that economic growth fosters savings and deposit accumulation in the banking sector.
- iv. Policy Implications:
- The findings suggest that policymakers and bank management should prioritize strategies that enhance capital adequacy, profitability, and economic stability to stimulate deposit growth and ensure resilience against economic shocks.
  - Addressing challenges in loan recovery and promoting efficient loan portfolio management are crucial for sustaining deposit growth and overall financial health in commercial banks.
- v. Future Directions:
- Future research could delve deeper into the impact of interest rate dynamics, regulatory policies, and external economic factors on deposit behavior in Nepalese commercial banks.

- Additionally, exploring customer behavior and preferences towards banking products and services could provide further insights into optimizing deposit mobilization strategies.

In conclusion, this study contributes valuable insights into the complex interplay between deposit mobilization, financial performance, and economic factors within Nepal's banking sector. By understanding these dynamics, stakeholders can formulate informed strategies to enhance banking sector stability, profitability, and resilience in the face of evolving economic challenges.

### **5.3 Recommendations**

Based on the findings and conclusions of this study here are some recommendations for stakeholders, policymakers, and bank management:

- i. Enhance Capital Adequacy and Profitability Measures:
  - Strengthen Capital Reserves: Commercial banks should prioritize maintaining robust Capital Adequacy Ratios (CAR) to instill confidence among depositors and regulatory authorities. This can be achieved through prudent capital management and strategic investments.
  - Improve Profitability: Banks should focus on enhancing Return on Assets (ROA) by optimizing asset utilization, controlling costs, and diversifying revenue streams. Strategies could include improving asset quality, streamlining operations, and leveraging digital banking solutions to reduce operational expenses.
- ii. Optimize Loan Portfolio Management:
  - Enhance Loan Recovery Processes: Address challenges in loan recovery by implementing effective debt collection strategies and leveraging technology for credit monitoring and risk management.
  - Diversify Loan Products: Develop innovative loan products tailored to diverse customer needs while maintaining prudent risk management practices. This can help attract a wider customer base and mitigate risks associated with economic fluctuations.

- iii. Promote Economic Stability and Growth:
  - Supportive Regulatory Policies: Policymakers should enact policies that promote economic stability and growth, as higher GDP growth rates positively impact deposit mobilization. Measures could include fiscal incentives, infrastructure development, and policies that foster a conducive business environment.
  - Monitor Macroeconomic Indicators: Regular monitoring of GDP trends and other macroeconomic indicators can provide early insights into economic conditions affecting deposit mobilization. Banks can adjust their strategies accordingly to capitalize on growth opportunities and manage risks.
- iv. Invest in Customer Engagement and Financial Literacy:
  - Enhance Customer Education: Educate customers about the benefits of savings and deposit products through financial literacy programs. This can increase deposit mobilization by encouraging savings behavior and promoting long-term financial planning.
  - Improve Customer Experience: Invest in digital banking platforms and customer service enhancements to provide seamless and convenient banking experiences. This can attract tech-savvy customers and strengthen customer loyalty.
- v. Conduct Further Research and Analysis:
  - Explore Interest Rate Dynamics: Investigate the impact of interest rate changes on deposit behavior and bank profitability. This research can provide insights into how monetary policy decisions influence deposit mobilization strategies.
  - Evaluate Regulatory Frameworks: Assess the effectiveness of existing regulatory frameworks in promoting financial stability and consumer protection. Identify areas for regulatory enhancement to ensure a resilient and competitive banking sector.

Implementing these recommendations can help Nepalese commercial banks strengthen their financial position, enhance deposit mobilization, and navigate economic challenges effectively. By focusing on capital adequacy, profitability,

prudent loan portfolio management, and supportive regulatory frameworks, stakeholders can foster a robust banking sector that supports economic growth and financial inclusion in Nepal.

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## Appendix

### Appendix I : Return on Assets (ROA) of Commercial Bank of Nepal for the period of 2013/14 to 2019/20.

Bank \ Year	SBI	EBL	Nabil	MBL	NBL	CZBIL	HBL
2013/14	1.01	2.1	2.43	0.05	1.07	1.79	1.54
2014/15	0.83	2.11	2.8	0.16	0.3	1.71	1.3
2015/16	1.19	2.39	3.25	0.49	1.07	1.95	1.34
2016/17	1.51	2.39	2.65	1.12	0.92	2.24	1.94
2017/18	1.8	1.85	2.06	1.26	0.55	1.8	2.19
2018/19	1.7	1.61	2.32	1.51	2.79	1.72	1.67
2019/20	1.53	1.72	2.7	1.89	2.78	1.62	2.21

Source: Annual Report of Selected Bank.

### Appendix II: Loan to Deposit Ratio (LTD) of Commercial Bank of Nepal for the period of 2013/14 to 2019/20.

Bank/ Year	SBI	EBL	NABIL	MBL	NBL	CZBIL	HBL
2013/14	0.0346	0.0358	0.0279	0.959	0.0196	0.0346	0.062
2014/15	0.0193	0.0304	0.0409	0.136	0.0061	0.0304	0.075
2015/16	0.0265	0.0339	0.0436	0.029	0.0022	0.0436	0.098
2016/17	0.0259	0.0326	0.047	0.064	0.0154	0.064	0.082
2017/18	0.0245	0.0289	0.0364	0.256	0.0099	0.0099	0.096
2018/19	0.0284	0.0255	0.0386	0.029	-0.0372	0.135	0.15
2019/20	0.0238	0.0297	0.0408	0.0362	-0.0554	0.0196	0.135

Source: Annual Report of Selected Bank.

**Appendix III: CAR of Commercial Bank of Nepal for the period of 2013/14 to 2019/20.**

Bank/ Year	SBI	EBL	NABIL	MBL	NBL	CZBIL	HBL
2013/14	13.7	12.89	11.59	10.84	10.2	11.89	11.55
2014/15	13.47	13.32	11.24	11.69	14.47	12.99	11.23
2015/16	13.33	12.79	11.57	14.5	11.27	13.27	11.14
2016/17	15.92	14.85	11.73	13.36	16.8	12.4	10.84
2017/18	15.48	14.97	12.9	11.75	17.01	16.88	12.15
2018/19	14.01	13.75	13	15.35	16.8	13.84	12.46
2019/20	15.44	13.32	12.5	13.71	15.05	14.37	12.6

Source: Annual Report of Selected Bank.

**Appendix IV: Total Deposit of Commercial Bank of Nepal for the period of 2013/14 to 2019/20. (In Billion)**

Bank/ Year	SBI	EBL	NABIL	MBL	NBL	CZBIL	HBL
2011/12	49.3	49.3	49.3	49.3	49.3	49.3	49.3
2012/13	45.44	45.44	45.44	45.44	45.44	45.44	45.44
2013/14	56.04	56.04	56.04	56.04	56.04	56.04	56.04
2014/15	77.31	77.31	77.31	77.31	77.31	77.31	77.31
2015/16	80.03	80.03	80.03	80.03	80.03	80.03	80.03
2016/17	92.56	92.56	92.56	92.56	92.56	92.56	92.56
2017/18	102.45	102.45	102.45	102.45	102.45	102.45	102.45

Source: Annual Report of Selected Bank.

**Appendix V: money supply, population growth rate, consumer price index and gross domestic product.**

year	GDP	Population Growth	Money Supply	Consumer Price Index (CPI)
2013/14	5.4	1.47	19.1	9.1
2014/15	3.4	1.45	19.9	7.2
2015/16	0.2	0.92	19.5	9.9
2016/17	7.74	1.35	15.5	4.5
2017/18	6.3	1.68	19.4	4.2
2018/19	7	1.83	15.8	6.16
2019/20	1.84	1.85	19.88	4.54

Sources: Central Bureau of Statistics, Nepal

**Appendix VI: Total Dataset on IBM SPSS.**

Bank	Year	ROA	LTD	CAR	GDP	TD
SBI	2013/14	1.01	0.0346	13.70	5.40	49.30
SBI	2014/15	0.83	0.0193	13.47	3.40	45.44
SBI	2015/16	1.19	0.0265	13.33	0.20	56.04
SBI	2016/17	1.51	0.0259	15.92	7.74	77.31
SBI	2017/18	1.80	0.0245	15.48	6.30	80.03
SBI	2018/19	1.70	0.0284	14.01	7.00	92.56
SBI	2019/20	1.53	0.0238	15.44	1.84	102.45
EBL	2013/14	2.10	0.0358	12.89	5.40	49.30
EBL	2014/15	2.11	0.0304	13.32	3.40	45.44
EBL	2015/16	2.39	0.0339	12.79	0.20	56.04
EBL	2016/17	2.39	0.0326	14.85	7.74	77.31
EBL	2017/18	1.85	0.0289	14.97	6.30	80.03
EBL	2018/19	1.61	0.0255	13.75	7.00	92.56
EBL	2019/20	1.72	0.0297	13.32	1.84	102.45
NABIL	2013/14	2.43	0.0279	11.59	5.40	49.30
NABIL	2014/15	2.80	0.0409	11.24	3.40	45.44
NABIL	2015/16	3.25	0.0436	11.57	0.20	56.04
NABIL	2016/17	2.65	0.0470	11.73	7.74	77.31
NABIL	2017/18	2.06	0.0364	12.90	6.30	80.03
NABIL	2018/19	2.32	0.0386	13.00	7.00	92.56
NABIL	2019/20	2.70	0.0408	12.50	1.84	102.45
MBL	2013/14	0.05	0.9590	10.84	5.40	49.30
MBL	2014/15	0.16	0.1360	11.69	3.40	45.44
MBL	2015/16	0.49	0.0290	14.50	0.20	56.04
MBL	2016/17	1.12	0.0640	13.36	7.74	77.31
MBL	2017/18	1.26	0.2560	11.75	6.30	80.03
MBL	2018/19	1.51	0.0290	15.35	7.00	92.56
MBL	2019/20	1.89	0.0362	13.71	1.84	102.45
NBL	2013/14	1.07	0.0196	10.20	5.40	49.30
NBL	2014/15	0.30	0.0061	14.47	3.40	45.44
NBL	2015/16	1.07	0.0022	11.27	0.20	56.04
NBL	2016/17	0.92	0.0154	16.80	7.74	77.31
NBL	2017/18	0.55	0.0099	17.01	6.30	80.03
NBL	2018/19	2.79	-0.0372	16.80	7.00	92.56
NBL	2019/20	2.78	-0.0554	15.05	1.84	102.45
CZBIL	2013/14	1.79	0.0346	11.89	5.40	49.30
CZBIL	2014/15	1.71	0.0304	12.99	3.40	45.44
CZBIL	2015/16	1.95	0.0436	13.27	0.20	56.04
CZBIL	2016/17	2.24	0.0640	12.40	7.74	77.31
CZBIL	2017/18	1.80	0.0099	16.88	6.30	80.03
CZBIL	2018/19	1.72	0.1350	13.84	7.00	92.56

CZBIL	2019/20	1.62	0.0196	14.37	1.84	102.45
HBL	2013/14	1.54	0.0620	11.55	5.40	49.30
HBL	2014/15	1.30	0.0750	11.23	3.40	45.44
HBL	2015/16	1.34	0.0980	11.14	0.20	56.04
HBL	2016/17	1.94	0.0820	10.84	7.74	77.31
HBL	2017/18	2.19	0.0960	12.15	6.30	80.03
HBL	2018/19	1.67	0.1500	12.46	7.00	92.56
HBL	2019/20	2.21	0.1350	12.60	1.84	102.45

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CHAPTER I INTRODUCTION 1.1 Background of the Study One of the most important sources of funding for commercial banks is deposits. People in the UK can "deposit" money into the account of a bank or another financial organization, such a building society. You can deposit money into interest-bearing checking or current accounts in the US or the UK that are always ready for withdrawal, or you can put money into savings accounts, time deposits, or deposit accounts in the US that need notice and earn interest. The differences between these different kinds of accounts have become less obvious in recent years. (Oxford dictionary of economics, 2004:116). Mobilizing deposits is one of the banking industry's primary functions. For the bank, it is an essential source of operational money. One of the most important steps in increasing the banks' resources and improving their efficiency is mobilizing deposits. Deposit mobilization is essential to provide diverse economic sectors with good service. The commercial banks have to take deposits from both rural and urban areas. This makes it easier for the banks to provide substantial quantities of money to priority businesses associated to growth. The growth of the banking industry is largely dependent on the accumulation of deposits. Since deposits are frequently considered to be an affordable way to access operating capital, they are essential to the operation of banks. The collection of savings from rural regions is one of the main goals of commercial banks. This contributes to the growth of banking services. The NRB pushes banks to grow their deposit base by offering incentives for the opening of additional branches. The amount of money amassed has a direct bearing on how effective commercial banks are. (Bhatta, 2061:163). In the banking industry, deposit mobilization plays a critical role in both developed and developing countries globally (Mavrotas, 2017). Financial institutions gather