

**DETERMINANTS OF BANK DEPOSITS: EVIDENCES FROM  
NEPALESE COMMERCIAL BANKS**

A dissertation submitted to the Office of the Dean, Faculty of Management in partial  
fulfilment of the requirements for the Master's Degree

By

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### **Certification of Authorship**

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the reference section of the thesis.

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March, 2021

## REPORT OF RESEARCH COMMITTEE

Mr. Sunil Baral has defended research proposal entitled "**Determinants of Bank Deposits: Evidences from Nepalese Commercial Banks**" successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Dr. Arun Kumar Thakur and submit the thesis for evaluation and viva voce examination.

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**ABBREVIATIONS**

BOKL	Bank of Kathmandu Limited
CITBL	Citizens Bank International Limited
CPI	Consumer Price Index
GDP	Gross Domestic Product
GIMEBL	Global IME Bank Limited
HBL	Himalayan Bank Limited
KBL	Kumari Bank Limited
LDCs	Least Developed Countries
MBL	Machapuchhre Bank Limited
NABL	Nabil Bank Limited
NCCBL	Nepal Credit and Commerce Bank Limited
NEPSE	Nepal Stock Exchange
NIBL	Nepal Investment Bank Limited
NRB	Nepal Rastra Bank
ROA	Return on Assets
SBIBL	SBI Bank Limited
SD	Standard Deviation
SIDBL	Siddhartha Bank Limited
SCBL	Standard Charter Bank Nepal Limited
SEBON	Security Exchange Board of Nepal
S & P	Standard and Poor
SUNBL	Sunrise Bank Limited

## ABSTRACT

Deposits are the most secured and liquid financial assets available, which can accelerate bank lending to various sectors. Similarly, bank deposit plays an important role in economic development of country. Deposit serves as the main source of funds for bank intermediation activities which can simply classified as fixed deposit, saving commercial banks. The study is based on secondary data of 13 commercial banks for the period of 2013/14 to 2019/20. Data and information have been collected from Banking and Financial Statistics of NRB and annual reports of the selected commercial banks. The research design adopted in this study is descriptive and causal comparative research design as it deals with the determinants of bank deposits of Nepalese commercial banks. This study attempts to examine the determinants of bank deposits of Nepalese commercial bank.

The descriptive statistics for commercial banks show that the average saving deposit, fixed deposit, current deposit, saving deposit rate, fixed deposit rate, number of branches, return on assets, gross domestic product, population growth rate, money supply and consumer price index. The regression analysis reveals that deposit rate has positive impact on deposit. This indicates that higher deposit rate, higher would be the saving deposit and fixed deposit. Similarly, number of branches has positive impact on bank deposit. This reveals that higher the number of branches, higher would be the bank deposit. On the other hand, return on assets has positive impact on saving deposit and current deposit. This states that higher the return on assets, higher would be the saving deposit and current deposit.

The study also shows that consumer price index has negative impact on bank deposit. This reveals that higher the consumer price index, lower would be the bank deposit. Similarly, gross domestic product has positive impact on bank deposit. This states that higher the gross domestic product, higher would be the bank deposit. The study also reveals that saving deposit rate, fixed deposit rate, number of branches, return on assets and consumer price index are major determinants of banks deposit of Nepalese commercial banks.