

DEPOSITS AND INVESTMENTS TREND ANALYSIS OF RASTRIYA BANIJYA BANK LIMITED

A Thesis

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ABSTRACT

Banks and financial institutions have been playing a decisive role to boost the national economy, it is important to analyze the services they render. In this research, the researcher has analyzed two of the main services; deposits and investments, Rastriya Banijya Bank delivers. The main objective of this research is to analyze the trend of deposits and investments; and the aim is to contribute to academic researchers as well as practitioners about the study. The introduction and review of literature part of this research is focused on brief introduction of the banking industry of Nepal and the terms; deposits and investments. Applying a case study research design with descriptive and analytical approach the researcher mainly has used the secondary data to obtain the trend of deposits and investments of the sample bank.

By the results of analysis, it has been determined that the bank has collected maximum amount from saving deposit and a nominal amount from other deposits. The growth rate of total deposits shows the intensity of bank in making deposits collection. Additionally, the bank has good chance to collect high other deposits than saving, current and fixed deposit in the future as the trend shows. Referring the analysis, RBB is making high investment in overdraft, trust receipt and working capital whereas the bank has offered very low marginal loans. The trend line of these loans shows high chance to collect more interest from them in future. The analysis also discloses low return and high risk while recovering loans and poor performance while recovering loans and advances from the customers. While as another outcome of this research, the bank has strong liquidity position with its increasing trend. It shows the muscular side of the bank. Furthermore, the bank is successful in getting high return from total deposit without taking high risk. The correlation coefficient (r) greater than $6 \times P.E$ shows the significant relationship between deposits and investments and also reflects strong performance of RBB to maintain positive relationship between them.

The findings from this research contribute valuable new knowledge to both researchers and practitioners in the banking industry. Similarly, there are many areas still to be discovered in this study area.

Keywords: Deposits, Investments, Trend Analysis, Liquidity Position, Loan Recovery, Rate of Return, Correlation

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ACRONYMS

ADB	Agriculture Development Bank
BFI	Banks and Financial Institutions
C.V.	Coefficient of Variation
F.Y.	Fiscal Year
GDP	Gross Domestic Product
HBL	Himalayan Bank Limited
Ltd.	Limited
M.A.	Master in Arts
NG	Non Government
NGBL	Nepal Grindlays Bank Limited
NPC	National Public Commission
NRB	Nepal Rastra Bank
OD	Overdraft
P.E.	Probable error
RBB	Rastriya Banijya Bank
ROA	Return on Assets
ROD	Return on Deposit
ROI	Return on Investment
S.D.	Standard Deviation
SEBON	Security Board of Nepal
TR	Trust Receipt
TU	Tribhuvan University
WC	Working Capital