

**AN ANALYSIS OF DEPOSIT MOBILIZATION
OF
COMMERCIAL BANKS IN NEPAL**

(A case study of Nepal Bank Ltd. & Nepal Investment Bank. Ltd.)

A THESIS

SUBMITTED BY:

MITRA NATH GELAL

SHANKER DEV CAMPUS

ROLL NO. 172/061

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RECOMMENDATION

This is to certify that the Thesis submitted

By

Mitra Nath Gelal

Entitled

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"A case study of Nepal Bank Ltd. & Nepal Investment Bank. Ltd."

has been prepared as approved by this department in the prescribed format of Faculty of Management, T. U. This Thesis is forwarded for examination.

(Ms. Ruchila Pandey)

Thesis supervisor

(Prof. Bisheshwor Man Shrestha)

Head of Research Department

(Prof. Dr. Kamal Deep Dhakal)

Campus Chief

(Mr. Dhurba Subedi)

Thesis supervisor

VIVA-VOCE SHEET

We have conducted the VIVA-VOCE examination of the Thesis presented

By

Mitra Nath Gelal

Entitled

“An Analysis of Deposit Mobilization of Commercial Bank in Nepal”

“A case study of Nepal Bank Ltd. & Nepal Investment Bank. Ltd.”

And found the Thesis to be original work of the student written in accordance with the prescribed format. The committee recommends the Thesis to be accepted as partial fulfillment of the requirements for the degree of Masters of Business Studies (M.B.S).

VIVA-VOCE EXAMINATION COMMITTEE

Chair-Person Research Committee : -----

Thesis Supervisor : -----

Thesis Supervisor : -----

Member (External Expert) : -----

DECLARATION

I hereby declare that the work reported in this thesis entitled " **An Analysis of Deposit Mobilization of Commercial Bank in Nepal**", submitted to Shanker Dev Campus, Faculty Of Management, Tribhuvan University is my original work done in the prescribed form for the partial fulfillment of the Masters of Business Studies (MBS) under the supervision of **Ms. Ruchila Pandey**, and **Mr. Dhurba Subedi** thesis supervisors of Shanker Dev Campus.

Date:

Mitra Nath Gelal

Roll.No:172/061

TU.Reg.no.7-2-20-573-2001

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Financial intermediation is the main function of financial institutions and financial markets. Financial institutions need to better satisfy various financial demands of customers and enhance profitability by continually improving the ways in which they manage risks and their business operations. Through intermediary channels, funds should be efficiently channeled from depositors and investors to borrowers.

The banking sector is an important part of the national economy. Banks take deposits, support the payment system and provide the largest source of funds on the market. Safe and sound banking system is of crucial importance for the financial stability and sustainable development. Nepal has a special characteristic of bank dominated financial sector. As the domestic capital and stock markets are in the initial stage of development, the banking sector largely dominates the entire financial sector.

Commercial Banks are the principal agent of Money Market and they are considered to be the major instrument of the financial system as well. They take about 81% of the deposits held by entire depository institutions and lend about 71% of the total Loans and Advances. Thus, commercial Banks and their deposit mobilization transactions obviously affect the national economic system. Moreover, Lending and Borrowing transactions that take place through the commercial Banks influence the daily livings of people of each sector in the nation. In this way the relationship among Lenders (Depositors), Commercial Banks, and the Borrowers might be considered to be an enthusiastic subject to study.

On behalf of the report, I want to extent my gratitude to all who help me in the preparation of this research report. Special thanks to respective head of the research department and thesis supervisor **Prof. Bisheshwor Man Shrestha** for his final and valuable suggestion to prepare this thesis. Particularly and sincerely

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I look forward to receiving any comments and suggestions on the Thesis from all the interested readers for further improvement.

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ABBREVIATIONS

%	:	Percentage
A/C	:	Account
BD	:	Bank Draft
CV	:	Coefficient of Variation
e.g.	:	For example
Etc	:	Etcetera
ex.	:	Example
fig (s)	:	Figure(s)
FOM	:	Faculty of Management
GDP	:	Gross Domestic Product
Gov.	:	Government
i.e.	:	That is
LC	:	Letter of Credit
Ltd.	:	Limited
MIS	:	Management Information System
NABL	:	Nepal Arab Bank Ltd.
NBL	:	Nepal Bank Ltd.
NIBL	:	Nepal Investment Bank Ltd.
no (s)	:	Number(s)
NRB	:	Nepal Rastra Bank
RS.	:	Rupees
SCBNL	:	Standard Chartered Bank Nepal Ltd.
SD	:	Standard Deviation
TT	:	Telegraphic Transfer
UDC(s)	:	Under Developed Country(s)
UK	:	United Kingdom
US	:	United States
CDM	:	central Department of Management
TU	:	Tribhuvan University