A CASE STUDY ON DEPOSIT AND MOBILIZATION OF

NABIL BANK LIMITED

BY
MAHESWOR MAN SHRESTHA
MBS 2ND YEAR

T.U. REGD NO. 033-752150-5

A THESIS PROPOSAL SUBMITTED TO SARASWATI MULTIPLE CAMPUS TRIBHUVAN UNIVERSITY

IN PARTIAL FULFILLMENT FOR THE REQUIREMENTS FOR DEGREE OF MASTER OF BUSINESS STUDIES

Faculty of Management TRIBHUVAN UNIVERSITY

Recommendation

This is to certify that the fieldwork assignment report

Subm	itted	By:
Maheswor	Man	Shrestha

	4 * 4 1	
Hin	titl	64

"A Case Study on Saving Deposit of NABIL Bank Limited" has been prepared as		
Approved by this department. This fieldwork assignment is forward for		
examination		

DATE:

Head of Dep. Saraswati Multiple Campus

Table of Content

1	CHAPTER – 1	1
1.1	GENERAL BACKGROUND	1
1.2	Focus of the Study	6
1.3	Statement of Problem	7
1.4	Objectives of the Study	9
1.5	Significance of the Study	9
1.6	Limitations of the Study	9
1.7	Organization of the Study	10
1.7	Organization of the Study	10
2	CHAPTER-2	11
2.1 2.1 2.1 2.1 2.1	1.2 Functions of Commercial Bank 2.1.2.1 Primary Functions 2.1.2.2 Agency Functions 2.1.2.3 General Functions 1.3 Concept of Deposits 1.4 Types of Deposits 1.5 Meaning of Deposit Mobilization 1.6 Uses of Deposits 2.1.6.1 Cash Holding/ Cash at Vault 2.1.6.2 NRB Balance (CRR) 2.1.6.3 Loan & Advances 2.1.6.4 Fixed Assets 2.1.6.5 Investments 1.7 Assets & Liabilities Management (ALM) Review of Related Studies and Papers 2.1 Review of Articles	11 11 12 13 15 16 16 18 20 23 Error! Bookmark not defined. Error! Bookmark not defined. 31 34 36 39
	CHAPTER III earch Methodology	53 53
3.1	Research Design	53
3.2	Justification for the Selection of Study Unit	53
	•	
3.3	Nature & Sources of Data	54
3.4	Data Collection Method	54
3.5 3.5 3.5		55 55 58

4 CHAPTER IV Data Presentation and Analysis	63 63
4.1 Analysis of Deposit Position & its Composition	63
4.1.1 Analysis of Cost of Deposit	67
4.1.1.1 Trend Analysis of Interest Expense on Deposit to Total Operating Re	
4.1.1.2 Trend Analysis of Net Interest Income of NABIL	70
4.1.2 Analysis of Uses of Deposits	72
4.1.3 Analysis of Liquidity Position of the Bank	78
4.1.3.1 Liquid Assets to Total Deposit Ratio	79
4.1.3.2 NRB Balance to Total Deposit Ratio	81
4.1.3.3 Cash at Vault to Total Deposit Ratio	84
4.1.4 Analysis of Asset management Position of the bank	86
4.1.4.1 Total Investment to Total Deposit Ratio	86
4.1.5 Analysis of Correlation of Deposits with other variables 4.1.5.1 Correlation between Deposits and Loan & Advances	91 91
4.1.5.1 Correlation between Deposits and Loan & Advances4.1.5.2 Correlation between Deposits and Investments:	91 92
4.1.5.2 Correlation between Deposits and Investments: 4.1.5.3 Correlation between Loan & Advances and Investments:	92 92
4.2 Major Findings	94
4.2.1 Total deposits:	94
4.2.2 The cost of deposits:	94
4.2.3 The Net interest income:	95
4.2.4 Mobilization of deposits:	95
4.2.5 The liquid assets:	95
4.2.6 CRR of Nabil Bank: 4.2.7 The volume of cash:	96
	96 96
4.2.8 The slope obtained: 4.2.9 The total investment:	96 97
4.2.10 Relation between deposit and loan:	97
4.2.11 Best fit between deposit and investment:	97
4.2.12 Relation between loan & advance and investment:	98
5 CHAPTER V	99
5.1 Summary	99
5.2 Conclusions	102
5.2.1 Increasing of Deposit:	102
5.2.2 Interest expenses:	102
5.2.3 The increasing trend of net interest:	102
5.2.4 The assets composition:	103
5.2.5 The liquid funds:	103
5.2.6 Sufficient amount of balance:5.2.7 Liquid fund:	103 103
5.2.8 The increasing trend of assets management ratios:	103
5.2.9 Loan & advances and deposits and investments:	104
5.3 Recommendations	104
6 APPENDIX I	
7 APPENDIX II	
8 APPENDIX III	

9	APPENDIX IV	
10	APPENDIX V	
11	APPENDIX VI	
12	APPENDIX VII	
13	APPENDIX VIII	
14	APPENDIX IX	

List of Tables

Table	Tables	
A	Commercial Banks of Nepal	4
4.1	Deposit composition of Nabil Bank Ltd	64
4.2	Interest expenses on total deposits to total operating revenue	68
4.3	Net interest income	70
4.4	Uses of deposits (in percentage)	73
4.5	Investment composition (in percentage)	76
4.7	Liquid funds to total deposit ratio	80
4.8	NRB balance to total deposit ratio	82
4.9	Cash at vault to total deposit ratio	84
4.10	Loan and advances to total deposit ratio	87
4.11	Total investment to total deposit ratio	89
4.12	Correlation between deposit and loan and advances	91
4.13	Correlation between deposit and investment	92
4 14	Correlation between loan & advances and investments	93

List of Figures

Figur	Figure	
4.1	Deposit composition of Nabil Bank Ltd	66
4.2	Interest expenses on total deposits to total operating revenue	69
4.3	Trend of Net interest income of Nabil	71
4.4	Uses of deposits of Nabil	75
4.5	Investment composition (in percentage)	77
4.6	Liquid funds to total deposit ratio Vs Industrial Average	81
4.7	NRB balance / deposit ratio Vs Industrial Average	83
4.8	Cash at vault / total deposit ratio Vs Industrial Average	85
4.9	Total Loan and advances to total deposit ratio Vs Industrial Average	88
4.10	Total investment to total deposit ratio Vs Industrial Average	90