COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

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FACTORS AFFECTING DEPOSIT MOBILIZATION IN COMMERCIAL BANKS OF ETHIOPIA IN CASE OF BOA

A Thesis Submitted to the Department of Management in Partial Fulfillment for the Requirement of the Degree of MSc in International Business

BY

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Declaration

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which has been accepted for the award of any other degree or diploma of this university or other institute of higher learning, except where due acknowledgment has been made in the text.

Iyasu Kasahun Zerihun	__________	__________
Candidate's Name	Signature	Date

Statement of Certification

This is to certify that I, Iyasu Kasahun Zerihun, have carried out this research work on the topic entitled ‘Factors affecting deposit mobilization of commercial banks in Ethiopia in case of Bank of Abyssinia S.C’ and that the work is original in nature and is suitable for submission for the reward of the Degree in Masters in Management (International Business) from Addis Ababa University.

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Contents

ACRONYMS

ATMs	Automated Teller Machines
CAP	Capital adequacy
CBE	Commercial Bank of Ethiopia
CPI	Consumer Price Index
BOA	Bank of Abyssinia S.C
E.C	Ethiopian Calendar
G.C	Gregorian Calendar
GDP	Gross Domestic Product
IRL	Interest rate on Loans & Advances
IRM	Interest Rate Margin
LC	Letter of Credit
Mo FED	Ministry of Finance and Economic Development
NBE	National Bank of Ethiopia
NPL	Non-performing loans
S.C	Share Company

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Abstract

Deposit is one of the resources financial institutions highly motivated to mobilize the liquid asset that is found in the treasury of the bank and which is ready to be dispensed to whom in need. The deposit mobilization of the banks can be affected by lots of different factors. This study tried to fill the gap that considering there are more factors that are as significant as the major commonly known factors; interest rate, inflation rate, exchange rate which affect deposit mobilization such as; emerging banks which are ethnic based, permit of foreign well-organized banks in order to be established and the impacts which result from new NBE proclamations. The general objective of the study is to examine the factors affecting deposit mobilization in commercial banks of Ethiopia in the case of BoA S.C. A mixed methods research approach underpinned by a pragmatist research philosophy, using predominantly quantitative methods with some qualitative elements added after analysis of the quantitative data to further explain key findings of the research. This study has been conducted through all the four grade branches of BOA (from Grade 1-3 and corporate branch) by selecting four branches (one from each) and district and head office staffs. As branches with same grade are homogenous in all aspects because of the bank's standard, and since they all possess a same organizational structure, behaviour and culture plus working environment four branches will be selected randomly. Descriptive and inferential techniques have been adopted for analysis of data collected from questionnaire respondents. The study shows that the factors that effect of deposit movement were the human capital, deposit mobilization strategy, interest rate, product and services, and government roles and political conditions. as a result, adopting strong strategic plan which is measurable and feasible aligned with continual review of the dynamic market could help the bank to mobilize the resources which the bank highly in need of it and helps them to deal with the dynamic business environment.

CHAPTER ONE

BACKGROUND OF THE STUDY

Saving has long been seen as one of the factors that influence growth. Enhancing the savings rate is necessary to guide poor nations toward growth. Savings give people and households a cushion of protection from unforeseen events, while savings give the country the money it needs for developmental projects. The marginal propensity to save should be increased by proper incentives and regulations in order to attain a greater rate of growth with relatively stable prices. Additionally, increased domestic savings are crucial for macroeconomic stability in a period of worldwide financial integration. (Russell & Bamindele, 2009).

Any economy's ability to grow and remain stable depends on a robust banking system. In order for businesses to make financial decisions in their institutions, this has led to the creation of controllers for the entire global economy. Any nation's economic growth can be enhanced and promoted through prudent saving and investment. Individuals that adopt a saving habit are regarded as the country's investment resource center, and it is essential to achieving continuous economic development and progress. An increase in savings will lead to capital accumulation, which will ultimately result in economic growth. Femi M, Nwankwo, Odi, SOJ. Journal of Economics

By directing money from resource surplus units to those with more lucrative investment prospects, banks play a critical role in enhancing economic efficiency. The most important elements of the public's money supply that they mobilize are bank deposits, which come from individuals, businesses, and governmental organizations. Finance VOLUME 04 ISSUE 04 APRIL 2021. 2021; 04(04).

Thus, as we all can understand that saving has been considered as one of the determinants of growth and banks play a crucial role in improving efficiency of economy through channeling funds from resource surplus area to those with better investment opportunities; in that case those financial institutions which are mostly banks in order to get those surplus resource and lend it to whom it is needed; need to mobilize those surplus resource first. That’s where deposit mobilization comes.

The success of the banking industry greatly lies on its deposit mobilization strategy. (Mishkin and Eakins, 2012). in their widespread branch network accessibility financial institutions are the most capable institutions to gather and mobilize unutilized surplus resources in the form of saving deposit. As a financial institution banks profitability is directly related to resources, they mobilize with an interest rate which is relative to the applicable markets interest rate in order to mobilize the required resource and lend it with higher interest rate for whoever is in need of it.

Financial institutions that provide this financial service to its customers in need of this service in order to maximize the value of its stakeholders and make profit are called commercial banks. Financial resources of banking system are naturally provided from people’s deposit. (Selvaraj & Kumar, 2015). therefore we can consider deposits are the main inputs of commercial banks in order to get the resource needed for their customers loan request.

In 1994, the Ethiopian government permitted the development of private banks and insurance firms, but it still forbids foreign ownership in these businesses. The National Bank of Ethiopia (NBE), the country's central bank, one government-owned development bank, one government-owned commercial bank, and 25 private banks make up Ethiopia's financial system at the moment. A minimum of 2 billion Birr ($90 million) in capital was to be required for banks to operate under the Growth and Transformation Plan II (GTP II), and all commercial banks were directed to reach that level of capital by the year 2020. Ethiopia does not allow foreign banks to offer financial services, but as Prime Minister Abiy Ahmed's administration works to implement significant economic changes, the market may eventually open up.

The Commercial Bank of Ethiopia (CBE) controls more than 60% of all bank deposits, bank loans, and foreign currency, according to the most recent data available. The NBE governs the bank's minimum deposit rate, which is currently set at 7%, while allowing lending interest rates to fluctuate. The recent decline in real deposit interest rates is a result of inflation, which was 11% as of the middle of 2019.

STATEMENT OF THE PROBLEM

One of the top private commercial banks in Ethiopia, Bank of Abyssinia (BoA) serves its clients with the goal of dominating the east African financial sector by the year 2030. Since its founding on February 15, 1996, Bank of Abyssinia has seen a tremendous increase in its paid-up capital and total assets. Additionally, it drew a sizable clientele from all walks of life, important shareholders, and numerous seasoned employees. The Bank's success demonstrates the public's trust in its dependability and satisfaction with its services. The Bank currently offers its valued and esteemed customers exceptional domestic, foreign, and customized financial services by utilizing cutting-edge banking technology. It also aims to serve all economic and service sectors through its nationwide branch network, which is constantly expanding.

By mobilizing more deposits for the purpose of making loans to its clients, it will be able to grow its share of the financial resources in the banking sector, which are naturally provided by people's deposits, and become the top commercial bank in East Africa by 2030. In this situation, deposits might be thought of as the financial institutions' most crucial inputs.

In Ethiopia, commercial banks must be able to mobilize funds without any limitations. Financial institutions are driven to use deposits as one of their resources to access the bank's treasury's liquid assets, which are available for distribution to those in need. Numerous distinct elements may have an impact on the banks' deposit mobilization. The most practical form of a bank's liability is a deposit, hence it is important to evaluate banks' ability to mobilize deposits and gauge their interdependence. Although mobilizing deposits is the primary duty of all commercial banks, monitoring and overseeing the mobilization of deposits is a requirement for banks.

Intermediation between lenders and borrowers is one of the financial sector's key roles. Financial institutions mobilize funds through various saving tools in addition to offering other services, and then lend the money to other economic sectors. The amount of savings deposits over time is thus one financial sector performance metric.[domestic resource mobilization om sub Saharan Africa: the case of Ethiopia by tsegabirhan weldegiorgis abay ; university of addis ababa]

Previously there have been made a number of researches on factors affecting deposit mobilization in commercial banks. Commonly we can consider the major factors affecting deposit mobilization broadly classified as internal and external factors which are interest rate, inflation rate, exchange rate, government policy, branch expansion, bank size, technological advancements, economic growth, population growth of the country, monopolization of sectors by the government etc.

There are other factors that significantly affect the deposit mobilization process that emerges from the technological advancement, accessibility, market entry competitors plus government policy. In addition, digitalization, emerging banks which are ethnic based can affect the industry, plus having the permit of foreign well-organized banks in order to be established are also the most significant factors that can highly affect the deposit mobilization process of the private commercial banks. It has been known that any foreign banks don't have permission to operate in local market. In addition, the new NBE proclamation that states the minimum initial capital for new emerging banks to operate from 500 million ETB to 2 billion and to reach capital of existing banks minimum threshold in the consecutive 7 years; increasing capitals of existing under operation banks to 5 billion will be a new challenge for the commercial banks.

Since there have been many researches made on this topic focusing on commonly known factors which affect the deposit mobilization process, the researcher tries to identify other significant as major ones making his focus area factors. This study tries to fill the gap that considering there are more factors that are as significant as the major commonly known factors; interest rate, inflation rate, exchange rate which affect deposit mobilization such as; emerging banks which are ethnic based, permit of foreign well-organized banks in order to be established and the impacts which result from new NBE proclamations. Keeping in mind that there are no foreign banks that started operations, this study tries to examine the impacts of the new established policy of foreign banks entering in to developing countries and the best possible ways that should be taken by local banks to be competitive and survive in the industry before the foreign banks starting operation and be financially well stable to not been overthrown by the new competitors by making best ways of mobilizing deposit and increasing their market share of financial resources.

Therefore, this study tries to investigate factors affecting the deposit mobilization for private commercial banks and recommend ways for improving the awareness for mobilizing deposit concentrating the case mainly on BoA S.C. The study attempt to respond to the following research questions.

Research Questions

The research intended to address the following research questions

- What are the major commonly known factors affecting the deposit mobilization activities of commercial banks of Ethiopia in the case of BoA S.C?
- What are the significant factors that affect BoA's deposit mobilization beside the major commonly known factors?
- What should be done to increase the markets share of deposit in BoA?

- What are the strength and weakness of the current deposit mobilization strategy of the bank?

General objective

The general objective of the study is to examine the factors affecting deposit mobilization in commercial banks of Ethiopia in the case of BoA S.C.

Specific objectives

The specific objectives of the study are

☐ To identify the basic factors affecting deposit mobilization in BoA.. .

☐ To identify the significant factors that affect BoA's deposit mobilization rather than the major factors.

☐ To identify the best possible ways to increase the banks market share of deposits.

☐ To identify the strength and weakness of the current deposit mobilization strategy ofthe bank.

Significance of the study

In order to develop solutions for these kinds of issues, it will be helpful to discuss how deposits relate to the elements that affect them.

This study raise awareness about the elements that have an impact on commercial banks' deposits as well as the important elements that are essential for effective deposit mobilization tactics. In the instance of BoA, the researcher anticipates that this study significantly advance our understanding of the internal and external factors influencing commercial banks' deposit behavior.

Commercial banks can better manage their resource by knowing what factors influence it and which one is most crucial thanks to the study. Additionally, it can be used as a secondary source for future research in the same topics.

Scope of the study

Currently the Ethiopian banking system consists of around 1 state owned development bank, 1 government owned commercial bank and 25 private banks where 16 of them provide full-fledged banking services and the rest are new entrants to the industry. From the number of private commercial banks which provide full-fledged services the scope of this study will be limited to examine factors affecting deposit mobilization of Bank of Abyssinia.

The focus of this study has been on the main players of this deposit mobilization process which are mostly city branches of the bank and personnel of department of deposit mobilization. Both internal and external factors will be considered while conducting this study.

Limitations of the study

The entire commercial banking industry, as well as other financial institutions like microfinance institutions, have participated in the deposit mobilization activities in Ethiopia. The study used data from the Bank of Abyssinia because it is one of the top private commercial banks and has performed exceptionally well over the past four years in all metrics when compared to others. This is because it is possible to gather extensive data sets for study that may be utilized to examine patterns and conduct fair comparisons. Due to the banks' aging and the fact that there weren't many data discrepancies when they were first established, the study's scope is restricted to four years of financial data.

Organization of the study

There are five chapters in the study. The broad introduction and study overview provided in the first chapter. The associated literature on deposit mobilization and the factors has been reviewed in the second chapter. The study's methods has been the subject of the third chapter. Source of data, data collection, sample size & sampling methods, and choice of study organizations all been covered in this chapter. An attempt has been made to present, analyze, and interpret data in the fourth chapter. The final chapter included a summary, conclusion, recommendations based on the findings, and references.

Definitions of terms

The most liquid money in the bank's treasury that is available for borrowing when funds are needed is the deposit, which is one of the resources banks are highly driven to mobilize. Numerous factors may have an impact on a bank deposit. A bank's deposit is one of its most important liabilities, so it is important to understand the variables that influence it and how they are related.

Deposit mobilization is the process through which a financial institution obtains money or cash from the general public using its current, savings, fixed, recurring, and other bank-specific accounts.

CHAPTER 2

LITERATURE REVIEW

Introduction

2.1 CONCEPT OF BANKING

The history of banking relates to how banks and the related sector have changed over time. According to current sources, a bank is an establishment that offers services for accepting deposits and disbursing loans.

Any financial entity that accepts, collects, transfers, pays, swaps, loans, invests, or safeguards money for its clients falls within the broader definition of a bank. Many other financial firms that aren't often thought of as banks but yet offer one or more of these widely defined banking services are included in this expanded definition. These organizations include finance firms, investment firms, investment banks, insurance firms, pension funds, securities firms, mortgage lenders, and REITs.Encarta, (2009)

Empires required a mechanism to pay for foreign products and services with something that could be easily exchanged, and this is when banking first emerged. Over time, fragile, transient paper bills gave way to coins of various sizes and materials. But coins needed to be kept in a secure location, and old homes lacked steel safes. In Rome, wealthy citizens kept their coins and jewelry in the cellars of temples. The presence of armed guards and priests, who were thought to be pious and honest, gave them a sense of protection.

It appears from historical accounts from Greece, Rome, Egypt, and Babylon that temples did more than just save money; they also lent it out. One of the main reasons temples were looted during wars was the fact that they frequently served as the financial hubs of their cities. Coins were easier to exchange and accumulate than other commodities, such as 300-pound pigs, so a class of affluent merchants began lending coins to those in need in exchange for interest. Large loans, including those to different sovereigns, were often handled by temples, and the remaining loans were handled by affluent merchant money lenders.

The Romans, who were skilled administrators and architects, separated banking from the temples and codified it within separate structures. Moneylenders still made money at this time, just like loan sharks do now, but practically all legitimate trade and government spending included institutional banks. Andrew Beattie, May 29, 2021

Nearly seven hundred years ago, the first regular institution approaching what we now refer to as a bank was founded in Venice. Its early history had nothing to do with the banking industry. It started out like this. Due to its involvement in a war and financial constraints, the Republic was compelled to take out a loan. On the amounts contributed to that loan, the contributors were permitted a 4% annual interest rate they were required to lend, and certain public revenue sources were designated to pay the interest. A corporation called the Chamber of Loans was established with the specific goal of managing the public revenue sources designated to the lenders, managing this business, and overseeing and ensuring the timely payment of interest as it became due. Milliard, Gray & Company. 1837

Numerous histories attribute the key historical development of the banking system to Italy during the Middle Ages and the Renaissance, notably to the wealthy towns of Florence, Venice, and Genoa. In Florence in the fourteenth century, the Bardi and Peruzzi Families controlled the banking industry and opened offices across most of Europe. The Medici bank, founded by Giovanni Medici in 1397, was the most well-known institution in Italy. Banca Monte Dei Paschi di Siena, which has its headquarters in Siena, Italy, and has been in continuous operation since 1472, is the oldest bank still in existence.

From northern Italy, banking moved throughout the Holy Roman Empire and into northern Europe in the 15th and 16th centuries. A number of significant advancements that occurred in Amsterdam during the Dutch Republic in the 17th century and in London starting in the 18th century came after this. The 20th century saw significant changes in banking operations as a result of advances in telecommunications and computing, which also allowed for a sharp expansion in the size and reach of banks.

2.2 Banking in Ethiopia

When Emperor Menelik II opened the first Bank of Abyssinia on February 15, 1906, banking in Ethiopia officially began. The stock of this private bank was traded in Addis Abeba, New York, Paris, London, and Vienna. The Franco-Ethiopian Railway, which arrived in Addis Abeba in 1917, was among the first projects the bank funded. The banking system underwent changes in 1931 under Emperor Haile Selassie. As the recently founded Bank of Ethiopia, a completely government-owned bank, took over administration, personnel, and assets of the defunct bank, the Bank of Abyssinia was dissolved. The Bank of Ethiopia provides the nation with both central banking and commercial banking services (Mauri, 2010). One of the first attempts at African banking was put an end by the Italian invasion in 1935. Italian banks operated in Ethiopia while it was under occupation by the Italians. The State Bank of Ethiopia changed its name to the Central Bank on April 15, 1943, and continued to operate until 1963.Proclamation 206 of 1963 established the National Bank of Ethiopia, which went into operation in January 1964. T. F. I. Nwanne, Ph.D Jan 2015

The EPRDF proclaimed a liberal economy system after the Dergue administration, which had ruled the nation for 17 years under a command economy, fell in power in 1991. Accordingly, the Monetary and Banking Proclamation of 1994 established the Ethiopian National Bank as a legal institution that was independent of the government and set forth its primary duties.

The shift from a centrally planned economic system to a market economic system, in which the vital role of the private sector in development is fully recognized, was laid out in the new economic strategy that the transitional government of Ethiopia introduced in November 1991 G.C. The granting of the licenses in the banking sector was how the policy was put into practice and Proclamation No. 84/94 on banking business supervision authorized the establishment of privately held banks in Ethiopia by the country's private sector. Ethiopian policymakers are aware of the potential value of financial liberalization, despite widespread perceptions that such liberalization may undermine economic stability.(NBE, 2013).

The licensing and supervision of banking business No. 84/1994 and the Monetary and Banking Proclamation No. 83/1994 established the legislative framework for banking sector investment. As a result, soon after the proclamation, the first private bank, Awash International Bank, was founded in 1994 by 486 shareholders, and by 1998, the bank's permitted capital had grown to Birr 50.0 million. On September 20, 1995, Dashen Bank was founded as a share company with a Birr 50.0 million authorized and subscribed capital. Bank of Abyssinia, etc., was established by 131 shareholders with subscribed and authorized capital of 25 million and 50 million. NBE

2.3 Banks in Financial System

One of the key problems in theoretical economics and finance is comprehending the various roles that banks play in the financial system. For growth and general well-being, the effectiveness of the mechanism through which savings are directed toward productive activities is essential. One component of this procedure is banks. Lenders of money tend to be businesses and households. These lenders have two options for providing money to the final borrowers, which are typically businesses, governments, and people. The first is by way of financial markets, which include the money, bond, and stock markets. The second is done through banks and other financial intermediaries such mutual funds, insurance firms, pension funds, and money market funds. (Sheku, 2005).

The financial sector is large and includes the banking industry as well as other financial institutions (including insurance companies, pension funds, brokers, public exchanges, and securities markets, among others). However, when it comes to the African continent, the banking industry accounts for a larger portion of the financial system (Sheku, 2005). The banking industry serves as the primary source of funding for the majority of businesses (Medhat, 2004). For two reasons, banks have historically been seen as having a role in the financial markets. One is that they play a crucial part in making payments possible. Commercial banks and other intermediaries assist in the screening and monitoring of borrowers. By building up their competence and diversifying their clientele, banks lower the cost of extending credit (Samolyk, 2004). As a result, banks frequently perform more than just buy debt while acting as lenders. Instead, they offer considerable financial services related to giving credit to their clients, and to the degree that investors wish to hold bank liabilities, banks can pay borrowers directly. The domestic commercial banks serve as the primary sources of supplementary funding. (Herald & Heiko, 2008). Banks perform various roles in the economy (Franklin & Elena, 2008): -

- ❖ By keeping an eye on borrowers and assuring correct use of depositors' funds, they reduce the awareness gap between investors and borrowers.

- ❖ They offer depositors insurance against unforeseen consumption shocks as well as intertemporal smoothing of risk that cannot be diversified at a specific time. However, due to the maturity mismatch between their assets and obligations, banks are vulnerable to both systematic risk and possible run risks.

- Banks contribute to the growth of the economy.

Commercial banks are organizations that do lending and deposit-taking, two different sorts of activity, one on each side of the balance sheet. Accordingly, this is backed by the fact that banks are primarily performing intermediation functions (Russell & Bamindele, 2009). According to Mahendra (2005), banks serve as the foundation of trade and commerce by acting as a middleman for capital formation and supply. Banks have a significant role in facilitating how the financial system functions, even when other financial institutions are present. Banks are crucial among all other financial organizations, for this reason. According to Adam (2005), banks have a considerable impact on the macroeconomic environment, and bank failures have high macroeconomic consequences. Evidence supporting the impact of bank failures on actual economic activity has been compiled by Adam (2005). As a result, banks have a significant impact on the macroeconomic environment.

Banks organize, distribute, and invest a large portion of societal savings. Banks are mostly used by households and corporations to save money so they can acquire loans for undertaking projects. Commercial banks are significant financial intermediaries that serve the broad public in any society, according to Kelvin (2001). Commercial banks often hold more assets than any other type of financial institution. Commercial banks, in addition to serving a variety of purposes, promote expansion and advancement. Lending by banks is prevalent throughout the economy.

Commercial banks will also have an impact on the nation's general economy, either favorably or unfavorably. The transmission of governmental economic policies, particularly monetary policy, to the rest of the economy is crucially reliant on commercial banks. For instance, Kelvin (2001) notes that when bank credit is expensive and hard to get by, expenditure in the economy often slows and unemployment typically rises. Thus, the incident at the commercial banks will have an impact on the whole economy of the nation.

The majority of the money supply that the general public uses is made up of bank deposits, and shifts in the money supply are closely tied to shifts in the costs of goods and services in the economy (Kelvin, 2001). The operation of commercial banks is essential to development. Banks support national growth by providing loans in industries like agriculture, manufacturing, services, construction, and energy.

The function of commercial banks is influenced by both the economy and other institutions as well. The volume, tenor, and structure of a bank's loan portfolio, as well as its expectations for the stability and level of the economy's performance, may all be affected. According to, banks increase lending when the economy is booming and there is less macroeconomic uncertainty, and they decrease lending when the economy is contracting.

2.4 The Importance of Deposits

The basis for a bank's success and ability to expand in all directions is deposits. They are a special item on banks' balance sheets that set them apart from other kinds of commercial enterprises.

From the perspective of depositors, the main reasons to use bank deposits are safety of their funds, convenience, and a potential actual return. Depositors typically maintain their money with banks as a means of funding future activities. There are reasons to save money, and the following is an illustration of some of them, according to Bhatt (1970) s: -

- to own house
- to provide for children's education and marriage
- to provide for old age
- to bequeath property to children
- to provide for emergency expenditure

Commercial banks' biggest liabilities are commercial bank deposits. According to Kelvin (2001), the liabilities of commercial banks are roughly 75% of their deposits. mainly because commercial banks are leveraging this responsibility to lend and profit from the deposits they have made. Therefore, if banks are mobilizing more deposits, they will perform better. However, deposit mobilization is a highly challenging undertaking, as N. Desinga (1975) points out. An equally significant component of the entire intermediation cost of the banking system is the cost of mobilizing deposits.

The amount of working capital available to the concerned bank is limited by deposits. The amount of money a bank has available to lend and make money will increase as deposits rise (N. Desinga, 1975). Therefore, the bank should raise its deposit in order to maximize its profit.

Deposits were also cited by Mahendra (2005) as the cornerstone upon which banks thrive and expand, as well as special things on a bank's balance sheet that set them apart from other types of corporate companies. A service sector with a high degree of inherent profit potential is commercial banking. Interest payments are a bank's main line item of expenditure. Commercial banks primarily rely on the money that people deposit with them and lend to others in order to operate to obtain a profit from interest (N. Desinga, 1975). According to Hamid (2011), banks rely on pricey non-deposit-based funding if their deposit base is lost.

1. Deposit as a source of Investment

Savings can be actively invested in homes, real estate, bonds, shares, and other financial instruments or left on bank accounts for future usage. By mobilizing resources for productive activities, banks' intermediation functions, per Ongore & Kusa (2013), play a critical role in the effective allocation of resources for nations. According to (Nwanko, Ewuim, & Asoya, 2013), savings are money that one chooses to set aside for investments rather than for luxuries. When avoiding using up all of their income, people may save money for personal savings, but they also move monies from those who aren't using them productively to those who are.

2. Focusing on Deposit is Cheaper than Raising Equity

Like any other corporate entity, banks are able to raise money through debt and/or stock. In the context of banks, attracting deposits is cheaper or less expensive than raising stock. According to Lorenzo et al. (2010), if the lending channel is active, deposit growth should result in an increase in the supply of loans because banks now have another source of funding. Banks should enhance their deposit base when loan demand rises as a result of the development effort done by people, businesses, and governments. A commercial bank plainly performs a service for which it is entitled to compensation in the form of interest payments when it establishes a deposit by lending to a businessman (Harold, 1946).

3. Banks make profit using their deposits

The majority of the components used to make bank loans come from deposits, which are the main driver of the institution's growth and profitability (Mahendra, 2005). Depositors are considered to be able to teach banks because banks use their deposits to generate revenue. According to Maria & Sergio (2001), depositors hold banks to account by requesting higher interest rates and withholding deposits. The primary goals of depository corporations, namely deposit money banks, are to engage in financial intermediation in order to generate profit and boost shareholder value (Sheku, 2005). They primarily attract deposits and use the funds to fund profitable investment portfolios to fulfill their goals.

2.5 factors affecting deposit mobilization

The ability of a credit agency—which is also a banking institution—to mobilize community savings in the form of deposits is a key metric of success and efficiency. However, deposit mobilization is a very challenging task. It depends on a variety of internal and environmental circumstances, according to Desinga (1975). External influences include the region's overall economic climate, the number of business transactions, the populace's trust in the banking system, their banking habits, and the region's potential for savings. Banks may fail due to adverse internal characteristics including location, building type, and window dressing (furniture, etc.) even while external conditions are more conducive to deposit mobilization Cheque books, vouchers, pay slips, and other items reassure consumers about a bank's physical condition, according to Desinga (1975).

The variables that are thought to affect commercial banks' deposits are divided into two categories by Desinga (1975), namely exogenous and endogenous factors. For the purpose of explanation, Exogenous has further separated its components into country-specific and bank-specific elements. The banking system has some degree of influence over endogenous (internal) elements. The banking system cannot, however, regulate exogenous elements, such as those that are country- and bank-specific. The country-specific elements are those that are independent of the banking system, whereas the bank-specific factors are those that are exclusive to the banking system.

Factors that affect deposit mobilization of banks are as illustrated below

Country Specific Factors

Commercial banks' deposits may be impacted by the economic, social, and political conditions of the nation. Herald and Heiko (2009) claim that country-specific risks, such as political, economic, and financial concerns, may have an impact on depositors' desire to put money in the banking system. Every bank operates in accordance with the laws and regulations of the nation to which it belongs, and various issues and shocks that have occurred in the nation have an impact on how each individual bank conducts business. Typically, the environment in which a bank conducts business has a major role in its success. The researcher has found national characteristics that affect the deposits made by commercial banks. These include the interest rate on savings or deposits, inflation, the real interest rate, the number of commercial banks in the nation, population growth, societal per capita income, economic growth, the consumer price index, the gross domestic product (GDP), and shocks.

Among the factors specified above the most critical are illustrated below; -

Saving interest rate

According to Mohammad and Mahdi (2010), one of the most important considerations for selecting whether to deposit money with a bank is the interest rate. Additionally, this article demonstrates how interest rates affect how well the banking system performs in relation to achieving the objectives that are expected of it. Interest was also listed by Herald and Heiko (2009) as a deciding factor for commercial banks' deposits. According to Philip (1968), delivering attractive interest rates on bank deposits may be viewed as having a positive impact. Low deposit rates, according to Mustafa and Sayera (2009), are also deterring people from mobilizing their savings.

In the banking system, interest rates are treated as investment costs from the perspective of investors and as opportunity costs from the perspective of depositors. Mahdi and Mohammed (2010). Interest rates are thus balanced by forces on the capital markets. In other words, market mechanisms should be used to decide the fair and appropriate interest rate. In other words, the interest rate is proportionate to the inflation rate and is balanced in terms of supply and demand.

According to Eustacius and David (1995), deposits are more sensitive to interest rates, and banks may decide to increase their investments in assets that are sensitive to interest rates while reducing their investments in loans.

According to Erna and Ekki (2004), conventional economists hold the opinion that depositors are drawn to placing their money in banks since doing so has a high opportunity cost when there is a high interest rate (Romer, 2001, p. 346; Athukorala and Sen, 2004, p. 498). The utility maximization (cost minimization) premise is an easy way to explain this, as a depositor will choose a course of action that will maximize their welfare or satisfaction.

According to Richard (1971), commercial banking industry regulation has an impact on the returns that commercial banks receive on their capital and deposits. In other words, even if deposits are a source of profit for banks, national regulation affects them. In light of this, the ban on paying interest on demand deposits is largely to blame for the greater profit rate on these accounts. Depositors are thus driven by returns.

Inflation

According to Herald & Heiko (2008), one of the factors affecting commercial banks' deposits is inflation. According to Fischer's research (Mohammad & Mahdi, 2010), the impact of inflation on savings and time deposits on GDP was noticeably negative in Latin America.

According to the conventional wisdom, banks are largely protected from the consequences of inflation because their assets and liabilities are expressed in monetary terms and typically increase along with the expansion of the money supply (Devinaga, 2010). In a nutshell, monetary policy affects the cost and accessibility of borrowing. In times of inflation, the central bank may increase borrowing costs and limit commercial banks' ability to extend credit. Devinaga (2010) asserts that this will increase the cost of borrowing and hence decrease demand for funds. In a similar vein, banks will adopt more conservative lending practices as their capacity to create credit declines. Deposits will undoubtedly drop as the banks' demand for funds declines. According to Mohammad and Mahdi (2010), there is a confirmed negative association between inflation, deposits that are absorbed, and amenities that are given in industrialized countries. However, the opposite is true in developing nations.

Regarding the impact of inflation on savings, it should be noted that, in general, all people who set aside a portion of their income in banks suffer direct consequences from the inflation, and their assets depreciate in line with the decline in the value of money (Mohammad & Mahdi, 2010). In that situation, as described by Mohammad & Mahdi (2010), people attempt to convert their cash and savings into more dependable and stable forms, such as real estate, jewelry, antiques, works of art, and foreign currencies, which inevitably results in a decline in commercial banks' total deposits. According to M. A. Baqui and Richard L. Meyer (1987), deposits lose actual value when inflation rates are high. Inflation technically did not decrease deposits; nonetheless, it decreases the value of deposits, according to M. A. Baqui & Richard L. Meyer (1987).

Real Interest Rate

Nominal interest rate minus inflation rate equals real interest rate. According to Mohammad & Mahdi (2010), when real interest rates are negative, consumers pull their money out of the banking system. This author cites research that suggested a decline in real interest rates would reduce true demand for money (under a broad definition that includes savings and time deposits). As a result, it suggests that there is a positive correlation between interest rates and bank deposits.

Population growth of the country

Without the public's good banking practices, commercial banks' dual goals of mobilizing deposits and increasing credit cannot be achieved. (2005) Mahendra Furthermore, according to Mahendra (2005), the quantity of deposit accounts is more crucial because it ensures that as the number of deposit accounts rises, it becomes less likely that account holders will withdraw money all at once, giving banks an advantage in terms of growing the size of the loanable fund. Therefore, the benefit to banks increases with the number of deposit accounts. The total number of bank account holders affects the total number of deposit accounts.

Per capita income of the society

Per capita GDP is calculated by dividing the GDP by the population of a country or territory, according to Jim (2008). Real GDP per capita changes over time are frequently used as a proxy for changes in a nation's average level of living. Deposits will rise if individuals, businesses, and governments choose to store more money. Therefore, there is a positive link between income and deposits; as society's income rises, so do deposits in commercial banks. Deposits are anticipated to increase as income does (M. A. Baqui & Richard L. Meyer, 1987). As a result, deposits in commercial banks will increase in line with the rise in society's per capita income. Mahendra (2005) also asserts that banks' profitability depends on the income of the society.

Economic growth

The most common statistic for assessing economic performance is the GDP (Gross Domestic Product), which has also evolved into the de facto accepted benchmark for "standards of living"

(Yanne et al., 2007). It has certain undeniable benefits mostly because of its simplicity and is generally used in accordance with accepted norms (Yanne et al., 2007).

Growth is one of the defining variables for commercial banks' deposits, claim Herald and Heiko (2009). The value-added at each stage of production is summed up to determine GDP (after deducting the cost of generated inputs and materials bought from an industry's suppliers), Jim (2008).

Bank specific factors

Liquidity of the bank

According to ISMAL and RIFKI (2010), the idea of liquidity in finance primarily refers to two things: the liquidity of financial instruments in the financial market and the liquidity associated to solvency.

The former concerned barriers-free transactions, liquid financial markets, and financial instruments. With regard to ISMAL and RIFKI (2010), the latter addresses banks' responsibility to pay third parties (Fiedler, 2000:442). Setting up reserve liquidity policies, balancing assets and liabilities, creating liquid financial instruments, ISMAL, and RIFKI (2010) are a few instances of this.

Loan to deposit ratio is a crucial indicator of liquidity. According to Devinga (2010), the loans to deposit ratio and liquidity are inversely associated; as a result, the larger the loans to deposit ratio, the lower the liquidity.

For open market transactions and liquidity management, key liquidity indicators such as central bank credit to financial institutions, deposits as a percentage of monetary aggregates, and loans to deposits ratios are crucial. Sheku, (2005). The management of the fundamental requirements for liquidity, asset, liability, capital adequacy, credit, and interest rates risks is now more difficult than ever before, according to (Voon-Choong et al, 2010). In 2007, Mishkin. In order to fulfill the bank's commitment to depositors, banks must acquire enough liquid assets to manage their liquidity (Voon-Choong et al., 2010). The results of Dorothee and Andrea (2009) show that holding liquid assets is more profitable for savings banks than investing in them, such as medium-term interbank lending to other credit institutions.

Profitability of the bank

Erna and Ekki (2004) discover a long-term connection between commercial bank deposits and bank profitability. Higher bank earnings would typically indicate greater financial stability, which may make it simpler for these banks to draw in deposits, according to Herald and Heiko (2009). Once the other variables are taken into account, it is discovered that the impact of bank profitability and bank size is negligible. Therefore, compared to other variables, the impact of profitability and bank size on commercial bank deposits is less.

Security of the bank

In order to mobilize deposits, bank security is important. Higher interest rates would enable riskier institutions to entice deposits. Bank security has a direct effect on how appealing a bank is to depositors. Since their deposits are protected in the event of bank failure, for instance, depositors need not worry about the stability of their banks in the presence of deposit insurance. Therefore, the bank should protect its system to mobilize more deposits than previously possible, draw in new depositors, and keep existing depositors.

Branch expansion

Deposits at commercial banks and branch expansion at commercial banks are related. Deposits are affected by bank branches, but branch expansion is also affected by the amount of deposits in a certain area (M. A. Baqui et al., 1987). Banks are supposed to take into account variables such the degree of competition, deposit potential, regional revenue, the presence of roads, cars, and other infrastructures when deciding whether to expand their facilities. The deposit can also be a factor in the banking industry's branch growth strategy, as deposit potential is one factor that banks take into account when expanding their branches. Erna and Ekki (2004) claim that there is a long-term connection between commercial bank branches and deposits.

According to Daniel (2005), the growth of significant industrial businesses was hampered by the scarcity of extensive branching bank networks. It is said that unit banks gradually lose their ability to accept deposits from a wide geographic area. Additionally, a single office bank finds it more difficult to keep track of geographically dispersed borrowers than it would with many locations. Furthermore, it can be said that branch banking results in nearly complete capital mobility.

Bank size

The size of the bank is one of the elements that has been strongly linked to deposit variability one. Evidence suggests that bank size affects both the quantity and diversity of individual deposit account owners as well as the distribution of deposits by type (Kaufman, 1972). Herald & Heiko (2008) discovered that bank size has an impact on deposits, even though this effect is negligible after other factors are taken into account. Smaller banks may be more likely to achieve better deposit growth since they need to produce fewer deposits overall to get the same deposit growth as large banks. However, a bigger bank with a wider branch network and economies of scale may be better equipped to draw in deposits (Herald & Heiko, 2008).

Reserves

Legally fixed reserves, according to Richard Goode and Richard S. Thom (1959), may have an impact on the deposits that banks may retain. According to them, the maximum amount of loans and investments that each commercial bank and the banking system as a whole may keep in relation to deposits is determined by reserve requirements. Loans and investments (of the bank's choosing) cannot therefore exceed 80 percent of deposits if the reserve requirement is 20 percent of deposits. As a result, the total amount of bank deposits that can grow as a result of any primary deposit growth is constrained by reserve requirements.

Reserve requirements also have the impact of preventing the banking system from experiencing a primary fall in deposits-induced reduction in bank lending and deposits. According to Richard Goode and Richard S. Thom (1959), the only ways the commercial banks can obtain money to give out to consumers are by withdrawing from their reserve deposits at the central bank or by using till money. Till money is the currency that banks keep on hand to meet daily demands, according to Richard Goode and Richard S. Thom (1959). They emphasized that a sizable portion of the money supply in almost every nation is made up of bank deposits.

Transaction cost

The ability to raise deposits at the lowest possible cost and the availability of sufficient deposits to support the loans the bank desires to make are key indicators of managerial effectiveness in any bank (Mahendra, 2005). The two primary concerns that every bank must address while managing its deposits are highlighted in this final point (Mahendra, 2005): -

- Where can the bank raise fund at the lowest possible cost?
- How can management ensure that every bank always has enough deposits to support the volume of loans and other financial services demanded by the public?

Technological advancements

By eliminating the need to carry large amounts of cash, financial innovations like card banking allow users access to cash services seven days a week, twenty-four hours a day (Mr. Gunnar & Mr. Zhao, 2013). The conventional frontier of bank access is shifted as a result. After the advent of card payment, ATM, and mobile/internet banking technology in their financial systems, the deposit per capita of countries has increased significantly. According to a survey conducted in Georgia, these technologies have decreased the public's inclination for carrying currency in their purses.

Awareness of the society

Some researchers argue that the demand for deposits is impacted by education level, which in turn raises rural people's awareness of banking services (Mauri; Von Pischke), according to (M. A. Baqui et al.,1987). It is clear that the study by M. A. Baqui et al. (1987) takes into account awareness as a factor in deposit mobilization because it was conducted using rural areas as its base. Additionally, it was discovered that literacy, used as a stand-in for banking knowledge, has a beneficial impact on deposits.

Services

Banks are well-known for providing services, and how well those services are provided may have an impact on their commercial endeavors. According to (M. A. Baqui et al, 1987), there is some empirical data proving the beneficial impact of services provided to depositors. Baqui also recommended testing the following two innovations to give depositors incentives: - Depositors may receive additional benefits, such as prize limits, for keeping their money for a specific amount of time. One class of deposits might be specifically linked to future loans, as suggested by Nathan (1986). Bank customers may be urged to take part in a savings program that, after a set amount of savings has been gathered, might, for instance, offer housing or equipment.

The bank's services should be compelling enough for depositors to make deposits. The depositors would be more likely to maintain a portion of their savings in the form of deposits if the banks could provide these services (V. V. Bhatt, 1970).

Convenience of Banks Office

Road accessibility and car availability have a direct impact on interest-bearing deposits because they lower the transaction costs for depositors by reducing the amount of time they must spend traveling to and from banks (M. A. Baqui et al., 1987). When banks are located nearer to their clients, they can mobilize more deposits.

Foreign Banks Entry

Studies have looked at how the presence of foreign banks affects native banks. According to Dopico and Wilcox (2001), foreign banks provide the opportunity to boost the host nation's banking system's capital, technological capabilities, and human capital. These results are consistent with those of another study, which found that foreign banks can offer worldwide financial services, sophisticated marketing and managerial capabilities, and stronger governance and organizational structure (Manlagit, 2011; Mulyaningsih et al., 2015).

Wu et al.'s (2010) findings that foreign banks with greater information could provide a knowledge conduit to the host country, particularly emerging countries, support the positive view of foreign banks' penetration. In a time of crisis, foreign banks also offer more dependable loans than domestic banks. Due to their diverse worldwide asset portfolios, foreign banks are less susceptible to disruption from the domestic economic cycle. Foreign banks are shown to be less hazardous and more efficient than domestic banks, according to Jeon et al. (2011). It is feasible because foreign banks may reduce their operating expenses and interest rates to hold onto market share (Peria and Mody, 2004). Because foreign banks frequently bring new and better talents, cutting-edge management approaches, and cutting-edge technology, which positively affect the domestic banking industry, the indirect consequence of foreign bank entry is boosting cost efficiency of domestic banks in the host country. Managers of domestic banks have been forced out of their comfort zones and to exert greater effort in order to achieve cost efficiency due to the increasing degree of competition. The possibility that foreign banks could put domestic banks under competitive pressure to perform better is potentially a positive implication.

On the other hand, Okuda and Runsomboon (2006) have different opinions about the rivalry between domestic and foreign banks. They contend that domestic banks and international banks each have a unique specialization and strong suit. The human and physical features of a foreign bank are advantageous. They maintain highly qualified staff, make investments in cutting-edge technology, have a tendency to manage their credit exposure, concentrate on lending to big businesses, and use sophisticated screening and monitoring techniques. Domestic banks concentrate on accepting deposits while boosting loan channeling at the same time. Due to their greater social and cultural awareness, domestic banks possess superior client information.

Retail customers are more likely to select a domestic bank for their local transaction than a foreign bank because domestic banks have numerous branches, the majority of which are located throughout the country, making them simple for the client to access. According to Claessens et al. (2001), the fact that foreign banks are not burdened by credit allocation or other restrictions prevents them from seeing information disadvantage as a vulnerability. As a result, those banks can achieve more profitability, lower overhead costs, and lower interest margins.

13.Human capital

The most important and influential factor in a bank's triumphs and failures are its employees. A bank's profitability is significantly impacted by the quality of its human resources, including the recruitment process, training requirements, compensation package in accordance with industry standards, and attrition rate in the financial institution, which reflects employee satisfaction with their jobs and organization. Brickwork evaluations from 2008.

At the moment, a lot of attention is being paid to the skills that the organization's personnel possess and will require if it is to expand in the future. Even so, once an organization combines human capital with complementary resources and uses this combination to develop organizational capabilities, losing one or a few individuals may not result in a loss of competitive advantage, contrary to what might first appear to be the case. John I , (2009).

Empirical review

The pertinent empirical review pertaining to the research of deposit mobilization is provided in this part. Bank Deposits are sums of money made at a financial institution for a variety of reasons, including safety, the potential for interest to be earned without risk, and future use. In the past, financial intermediaries were prevented from mobilizing savings due to a lack of demand and investment opportunities in Ethiopia, which led to surplus liquidity in banks and even hampered their capacity to leverage the advantages of having access to public funds. As a result, banks focused on extra top deposits, particularly those that were viewed as stable, long-term, and less expensive. Despite the banking industry's relatively flat expansion over the past 10 years, it is currently extremely difficult for them to balance the rising demand for loans with deposit mobilization. Since shareholders expected a sufficient return on their investment, the challenge to the bank's management also became crucial.

Some studies have been taken in to consideration for empirical review from the various articles written on the topic: -

According to Daniel,(2018) The bank should use the average of the month's deposit balance into account when evaluating branches for their success in deposit mobilization rather than the month's final deposit balance, which could cause problems for banks. When comparing branches, the bank should take geographic advantages and disadvantages into account.

Ashenafi goche,(2016) The study establishes empirically that it is impossible to manage deposits without understanding and managing the elements that influence them. It is well knowledge that the commercial bank of Ethiopia's primary business is deposit mobilization. In light of this, CBE cannot function as a bank without having deposits. Due to the fact that the bank's management, employees, and stakeholders must be concerned about deposits and the factors that affect deposits.

According to the report, employees' knowledge, abilities, and devotion, top management cooperation, laws and regulations, service quality, customers' awareness, overseas remittance, exchange rate, branch expansion, and nominal GDP are the main drivers of deposit growth. Even while the model results indicate that inflation and deposit interest rates are negligible and don't have a substantial impact in predicting deposit mobilization, the examined literature suggests that they do.

Lidet belete,(2021) According to descriptive regression statistics, the relationship between the dependent variable (deposit mobilization) and the independent variables (the number of branches, the saving interest rate, the technology the bank uses, and the competition capabilities) is positive.

Due to its huge customer base and diverse depositors, branch development is a crucial strategy for mobilizing deposits, significantly increasing deposits. Since the Branch expansion is a vital approach to deposit mobilization through large customer base and various depositors, it substantially increases deposit.

In order to summarize the empirical review considering the fact that most of the studies were made before the new government policy and made their focus area on the same factors that puts them on same findings but different organization, furthermore the banking industry were at its peak in the last 5 years competition demanding further studies on the area through ascertaining new significant factors rather than the ordinary ones like the new government policy, ethnic based bank establishment, and economic growth of the country.

Conceptual framework

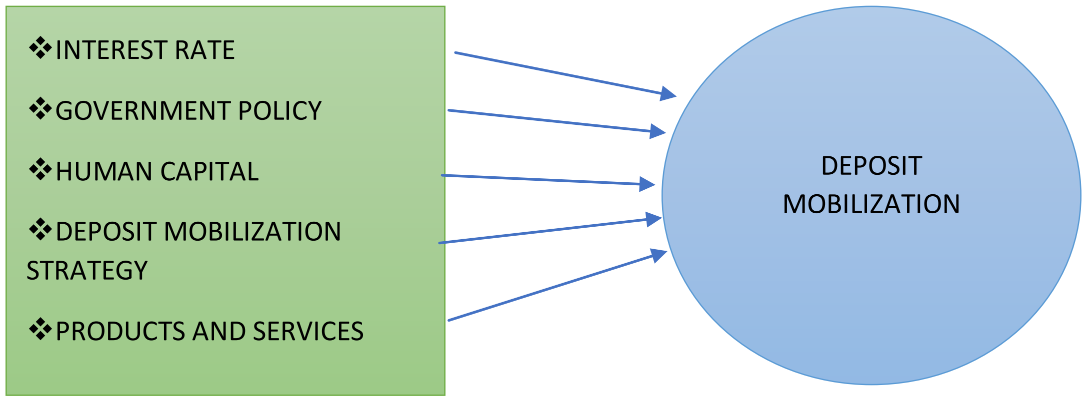


Figure 2.1;Source; own design

CHAPTER THREE

Research Design and Methodology

3.1 INTRODUCTION

Research methods refer to the detail technical procedures implemented across areas of sampling (size calculation and method of selection), data collection (e.g. questionnaires, in-depth interviews, focus groups), and analysis. Research design refers to the overall structural framework or plan for the proposed research. For instance, whether a descriptive or experimental study is to be applied and with what target population. The selection of agreeable research design will then lead to deciding the specific study methods including data collection and analysis required to answer the statement of the problem. Bowling A. (2014). This chapter explains design and method related issues of the research to be conducted.

3.2 RESEARCH DESIGN

A mixed methods research approach underpinned by a pragmatist research philosophy, using predominantly quantitative methods with some qualitative elements added after analysis of the quantitative data to further explain key findings of the research. The quantitative approach provides the overall picture of the phenomenon and the qualitative aspect provides support for interpretation of the results and answers to some of the basic raised questions in research questions. To accomplish the objectives of the research, a descriptive and inferential mixed method research design have been employed as it is an approach to investigate that integrates both qualitative and quantitative findings. Creswell JW & Clark VLP. (2018).

3.3 POPULATION AND SAMPLING DESIGN

A study population refers to the entire group of individuals, events, or things of interest that a researcher aimed to examine and from which inferences can be made from a sample statistic. Creswell JW & Creswell JD. (2018).

The population for this study has been those BOA employees working in central Addis Ababa district selected branches including district and head office staffs, branch managers, team leaders, and officers which mainly will make its focus area on business teams since they are the main players of this study. The sampling design used has been cluster sampling which is a type of non-probability sampling design while ensuring that most senior and junior branches are involved in the study.

3.4 SAMPLE SIZE AND SAMPLING TECHNIQUE

This study has been conducted through all the four grade branches of BOA (from Grade 1-3 and Corporate branch) by selecting four branches (one from each) and district and head office staffs . As branches with same grade are homogenous in all aspects because of the bank's standard, and since they all possess a same organizational structure, behaviour and culture plus working environment four branches have been selected randomly, using the formula proposed by Taro Yamane. The sample size will be determined and calculated as follow:

$$n = \frac{\mathrm{N}}{1 + \mathrm{N}(\mathrm{e})^2}$$

Where;

n -is the sample size,

N- is the total population and

e- is the level of precision or sampling error which is= (0.05)

n = 110/1+110(0.05) ² =86

Hence, a total sample size(n) of 86 participants will be selected from the total population(N) of 110 found across the four branches and district and head office staffs.

The study used both primary and secondary source of data and in addition, the study used quantitative and qualitative data. In order to address the research objectives, primary data has been collected from each sample of district and head offices, and branches using questionnaires. The secondary data has been gathered from, literatures and previous studies in the sector and experience of other countries, Studies, Reports, newsletters and Annual reports of BoA, National Bank of Ethiopia, and other private banks and any other related Journals and Articles

3.5 DATA COLLECTION METHODS, TOOLS AND PROCESS

Questionnaires has been distributed to branch business teams (managers, business managers, officers district office staffs and head office staffs). And the data collection for the questionnaires has been distributed through both in person and the banks internal emailing platform (BOAs internal communication channel Outlook) and it is filled and collected electronically through email and link provided for the questionnaire. The student researcher will be using different kinds of techniques to increase the response rate through continuous email contact and phone calls to the respondents.

Quantitative data were entered and analyzed using SPSS version 26. The socio-demographic data summarized by using descriptive statistics (frequencies and percentages). Bi-variate analysis was used to analyze the statistical difference between different respondent characteristics of research participants across branches. To control the confounding effect of other variables, linear regression analysis was carried out by selecting significant variables in the bivariate analysis. To determine the odds ratio and confidence interval of statistical associations, linear regression analysis was also performed. The strength of statistical association measured by adjusted odds ratios and 95% confidence intervals. A p-value of < 0.05 was used as a cut-off point to establish a statistical significance.

Following the quantitative data collection, open ended has been used to collect data that requires further describe key findings across the factors which have significant impact. The qualitative approach has been used to collect and evaluate the factors of deposit mobilization by developing and distributing questionnaires to the target sample employees of the bank. Hence, the questionnaire for the quantitative section of this study has been designed using and aiming to address factors which have effect on deposit mobilization. In this regard, a close-ended and open-ended types of questions will be designed and distributed across study sites to collect data from the sample of participants. Interviews will be made based on findings of quantitative component as a means of adding further viewpoints to the context if findings found to be not enough to make conclusions.

3.6 DATA PRESENTATION AND ANALYSIS METHODS

Descriptive and inferential techniques have been adopted for analysis of data collected from questionnaire respondents.

3.7 ETHICAL CONSIDERATION

Each participant in the study has given informed consent after being clearly informed of the purpose of their participation in the study, and any engagement has only occurred with their full consent. Everyone has the right not to participate in the study if they choose not to. By not including any personal information on the questionnaire and keeping the questionnaires closed, confidentiality has been guaranteed from all data collectors and lead investigators.

CHAPTER FOUR

4. Data presentation, Analysis and Interpretation

4.1 Respondents Profile

This section will provide, analysis and interpreted data gathered from primary and secondary source through linear regression model with descriptive statistics, reliability and correlation test to achieve the research objectives.

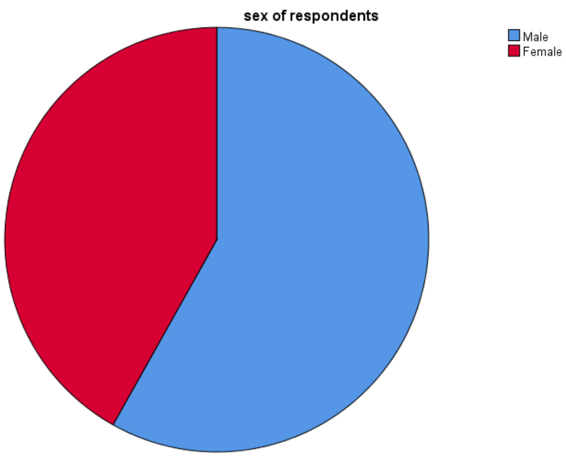
The study employed questionnaires as a major tool for data collection. All the questionnaires distributed were properly filled and returned. The composition of respondents is denoted in the tables below.

Table 4.1 Gender Composition of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	50	58.1	58.1	58.1
	Female	36	41.9	41.9	100.0
	Total	86	100.0	100.0	

Source; IBM SPSS statistics 26

Figure; 4.1



Source; IBM SPSS statistics 26

As shown in table 4.1 and figure 0.1, 58.1% of the respondents were Male and 41.9% female. Even though the company gives equal opportunity for both gender categories, the sex distribution disclosed that male employees have the highest number of shares from the total respondents of the bank.

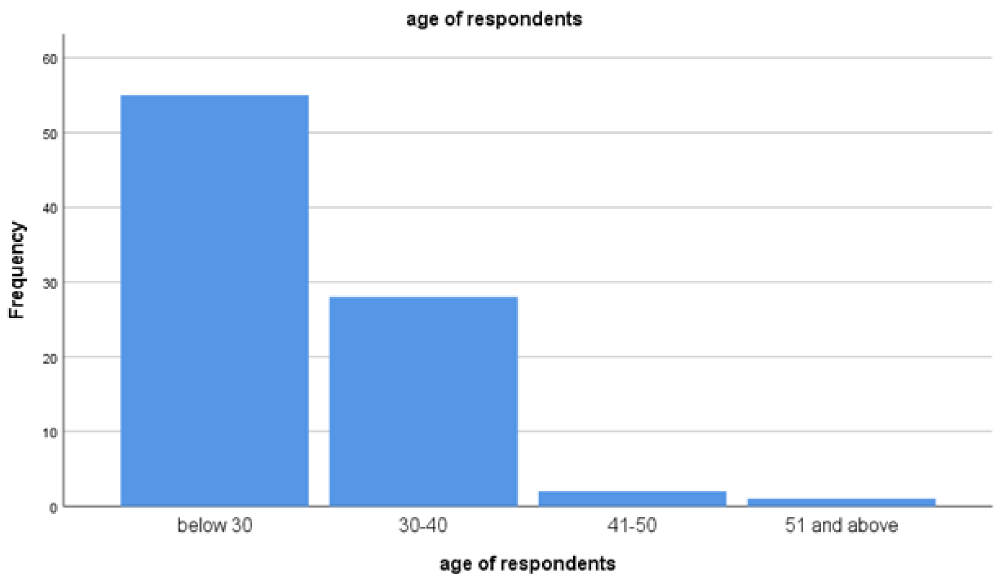
Table 4.2 Age Composition of respondents

Age of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 30	55	64.0	64.0	64.0
	30-40	28	32.6	32.6	96.5
	41-50	2	2.3	2.3	98.8
	51 and above	1	1.2	1.2	100.0
	Total	86	100.0	100.0	

Source; IBM SPSS statistics 26

Figure 4.2



Source; IBM SPSS statistics 26

As shown in table 4.2 and figure 0.2, 64% of the respondents were below 30, 32.6% of the respondents were 30-40, 2.3% of the respondents were 41-50 and 1.2% of the respondents were found 51 and above. From the above statistics we can claim that more than half of the respondents were ones who are active participant and players of the topic.

Table 4.3 Job Title of the respondents

position

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	district managers	1	1.2	1.2	1.2
	district business managers	1	1.2	1.2	2.3
	district operation manager	1	1.2	1.2	3.5
	branch manager	3	3.5	3.5	7.0
	branch business manager	4	4.7	4.7	11.6
	branch operation manager	6	7.0	7.0	18.6
	senior banking business officer	13	15.1	15.1	33.7
	senior banking operation officer	7	8.1	8.1	41.9
	banking business officer	12	14.0	14.0	55.8
	banking operation officer	9	10.5	10.5	66.3
	Other	29	33.7	33.7	100.0
	Total	86	100.0	100.0	

Source; IBM SPSS statistics 26

Table 4.4 Academic background Structure of respondents

Educational background of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BA	48	55.8	55.8	55.8
	MA	38	44.2	44.2	100.0
	Total	86	100.0	100.0	

Source; IBM SPSS statistics 26

Concerning their educational background, it was found that 55.8% of the respondents have undergraduate degree and the remaining of the respondents that is 44.2% of them are graduate degree holders. This gave us assurance that the respondents were educated enough such that their perspective and reviews based on the questionnaire will not be out of place.

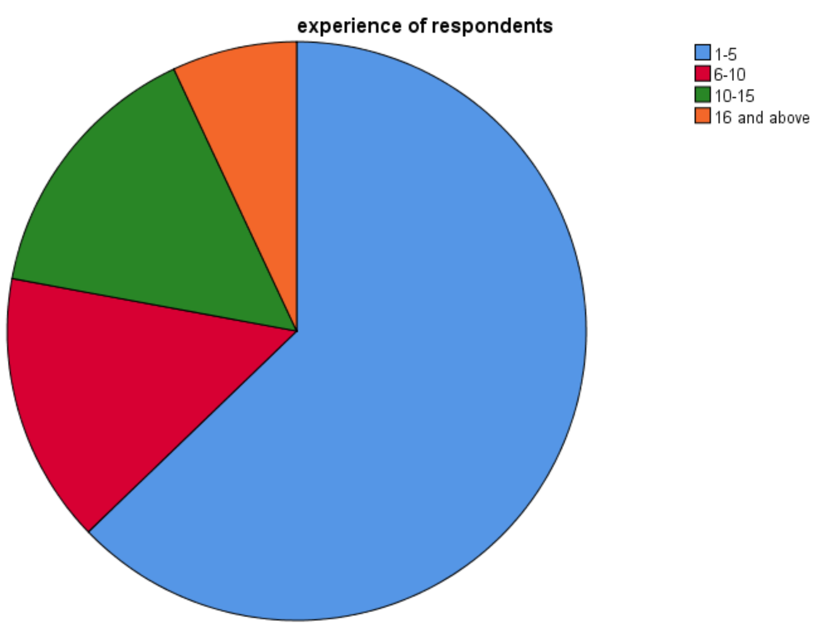
Table 4.5 The respondent's Work experience in the organization

Experience of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5	54	62.8	62.8	62.8
	6-10	13	15.1	15.1	77.9
	10-15	13	15.1	15.1	93.0
	16 and above	6	7.0	7.0	100.0
	Total	86	100.0	100.0	

Source; IBM SPSS statistics 26

Figure 4.3



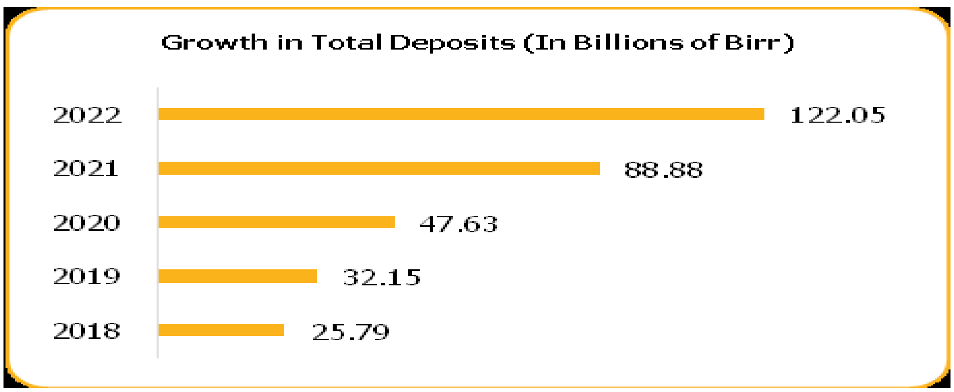
Source; IBM SPSS statistics 26

As shown in the above table, Among the respondents 62.8% of the respondents have (1-5) years of experience and 15.1% of the respondents have (6-10) years of work experiences and there are also 15.1% of the respondents who has experience of (10-15) years of experience and the remaining 7% of the respondents has more than 16 and above years of experience in the area. That shows lion’s share of respondents had not enough work experience within the bank.

4.1. Descriptive Analysis of Variables

4.1.1 Deposit Mobilization

Figure 4.4 Incremental Deposit Performance

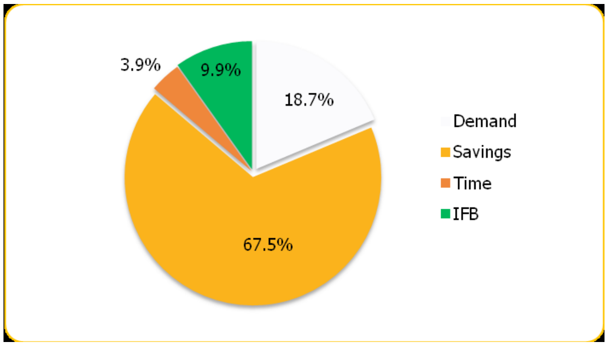


Source; annual report of the bank FY 2022

The Bank sustained its momentous growth trajectory starting from 2019 Fiscal Year; and the total incremental deposits mobilized in the reporting period starting from 2019 to 2022 reached from Birr 32.15 billion to 122.05 billion, up 37.3% from the level of deposits at the end of the previous Fiscal Year which is an outstanding achievement for the organization having such results in such short period of time. As a result, the total outstanding deposit of the Bank reached Birr 122.05 billion during the year. The Bank has a firm stand and ample experience in developing and introducing new products and services as well as designing and implementing innovative solutions having customers’ needs in mind. Various activities that are guided by the Bank’s business strategies were conducted aiming at invigorating the resources mobilization efforts, in both deposit and forex mobilization, which have contributed to the performance in these areas. Expanding service outlets has been one of the major business expansion activities done to reach out to more customers. In this regard, a total of 125 service outlets were opened during the year 2021/22 of which 115 were new branches and 10 sub-branches. Accordingly, the total number of service outlets increased to 748 including a special service outlet at the International Banking.

Source; annual report of the bank

Figure 4.5 Incremental Deposit Performance percentage



Source; annual report of the bank

4.1.2 Independent Variables

In this section, the study exhibited the results of data collected from measurements of independent variables (Deposit mobilization strategy of the bank, products and services, government roles and political conditions, human capital and interest rate) and dependent variable (Deposit Mobilization) in linear regression model.

Statistics

		DMS 1	DMS 2	DMS 3	DMS 4
N	Valid	86	86	86	86
	Missing	2	2	2	2
Mean		3.5233	4.5000	3.5930	3.5581
Std. Deviation		.91686	.50293	.81714	.80593
Skewness		-.586	.000	-.704	-.953
Std. Error of Skewness		.260	.260	.260	.260

Source; IBM SPSS statistics 26

1. Deposit Mobilization Strategy

The above table demonstrates the effect of deposit mobilization strategy with a mean value of 3.79 which signifies there is significant relationship causing a high major change between deposit mobilization. The cause of deposit mobilization strategy effects highly significant development in deposit mobilization.

Statistics

		PRS 1	PRS 2	PRS 3	PRS 4
N	Valid	86	86	86	86
	Missing	2	2	2	2
Mean		4.1744	3.9419	3.6512	3.3953
Std. Deviation		.93547	.78747	1.09294	1.04351
Skewness		-1.948	-1.228	-.813	-.605
Std. Error of Skewness		.260	.260	.260	.260

Source; IBM SPSS statistics 26

2. Product and Services

The above table illustrates the essence of Product and Services with a mean value of 3.79 which means there is highly significant variation between deposit mobilization. From the statistical data which we can observe from the above table we can claim that Product and Services effects major and significant development and change in the dependent variable (deposit mobilization).

Statistics

		GRP 1	GRP 2	GRP 3	GRP 4
N	Valid	86	86	86	86
	Missing	2	2	2	2
Mean		3.9186	3.9767	3.7558	3.5116
Std. Deviation		1.06512	.96986	.91954	.94239
Skewness		-.911	-1.379	-.606	-.509

Std. Error of Skewness	.260	.260	.260	.260

Source; IBM SPSS statistics 26

3. Government Roles and Political Conditions

The above table demonstrates the effect of government roles and political conditions with a mean value of 3.79 which denotes significant relationship between deposit mobilization. We can claim that government roles and political conditions of the country highly affects the deposit mobilization process of the bank in a significant manner.

Statistics

		INT 1	INT 2	INT 3	INT 4
N	Valid	86	86	86	86
	Missing	2	2	2	2
Mean		3.7326	3.8023	4.4884	3.5814
Std. Deviation		.99911	.82348	5.45300	.91350
Skewness		-.450	-.133	9.007	.085
Std. Error of Skewness		.260	.260	.260	.260

Source; IBM SPSS statistics 26

4. Interest Rate

The above table demonstrates the effect of interest rate with a mean value of 3.90 which signifies significant relationship between deposit mobilization. We can consider that interest rate highly affects the deposit mobilization process of the bank in a significant manner.

Statistics

		HUC 1	HUC 2	HUM 3	HUM 4
N	Valid	86	86	86	86
	Missing	2	2	2	2
Mean		3.9419	3.8721	4.0581	3.5581
Std. Deviation		.84512	.86496	.70885	.90235
Skewness		-1.564	-.752	-.083	-.178

Std. Error of Skewness	.260	.260	.260	.260

Source; IBM SPSS statistics 26

5. Human Resource Capital

The above table shows the effect of human resource capital with a mean value of 3.85 which signifies significant relationship between deposit mobilization. We can consider that human resource capital highly affects the deposit mobilization process of the bank in a significant manner.

4.2 Reliability, Correlation and Linear Regression Analysis

The statistical method used to determine how closely two or more variables are related is called a correlation analysis. When the movement of one variable is accompanied by the movement of another, the variables are said to be correlated. There are two categories of variables in the correlation analysis: dependent and independent. Regression analysis is used in this analysis to determine if any change in the independent variable causes a change in the dependent variable or not.

Positive and Negative Correlation: The direction of the change determines whether the correlation between the variables is positive or negative. i.e. The range of r values for correlations between any two real numbers is from -1 to 1. A value of r close to 1 indicates that there is a positive linear link between the data. The correlation is positive if both variables move in the same direction. On average, when one independent variable rises, the other dependent variable rises as well, and when one independent variable falls, both dependent variables fall.

When both variables move in the opposite direction, the correlation is considered to be negative, i.e., values of r close to -1 indicate that there is a negative linear relationship between the data. Both variables decrease and rise when one goes up. However, if the values of r are close to 0, it means that the data have little to no linear relationship. Therefore, the correlation between five independent factors and one dependent variable—deposit mobilization—is assessed in this study.

4.2.1 Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.904	6

Source; IBM SPSS statistics 26

The student researcher had also made a test for its data reliability and get a coefficient α value .904(90%), which indicates a very good reliability and its internal consistency of the data.

4.2.2 Correlation Test

		DM	HR	DMS	PRS	GRP	IR
DM	Pearson Correlation	1	0.110	.848**	.890**	.902**	.727**
	Sig. (2-tailed)		0.314	0.000	0.000	0.000	0.000
	N	86	86	86	86	86	86

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

Source; IBM SPSS statistics 26

As the table illustrates, there is a strong statistically significant relationship between the deposit mobilization factors that is interest rate and the increase in Deposit at a confidence level of 99% (r=0.727). There is also significant relationship between the dependent variables and factors like government roles and political conditions at 99% level of confidence (r=0.902), Deposit mobilization strategy has a relationship with the dependent variable at the confidence level of 99% (r=0.848), product and services with 99% level of confidence (r=0.890) and the only independent variable which doesn’t have strong significant relationship found to be human resource with (r=0.110). these indicates almost all the independent variables have strong relationship with the deposit mobilization except the human resource in the Pearson correlation table.

4.2.3 Linear Regression Analysis

Deposit mobilization = βo + β1 (human resource) +β2 (deposit mobilization strategy) +β3 (interest rate) + β4 (products and services) + β5 (government roles and political conditions)

TABLE 0.3 LINEAR REGRESSION ANALYSIS MODEL SUMMARY

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.945[a]	.893	.887	.28494

a. Predictors: (Constant), IR, HR, GRP, DPM, PRS

b. Dependent Variable: DEPOSIT MOBILIZATION

Source; IBM SPSS statistics 26

From the above model summary, we can claim that 88.7% of the variance change in the dependent variable can be predicted by the independent variables.

TABLE 0.4 LINEAR REGRESSION ANALYSIS COEFFICIENTS

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.512	.209		-2.450	.016
	HUMAN CAPITAL	.124	.085	.054	1.453	.150
	DEPOSIT MOBILIZATION STRATEGY	.181	.066	.190	2.737	.008
	PRODUCT AND SERVICES	.252	.087	.247	2.890	.005
	GOVERNMENT ROLES AND REGULATIONS	.407	.077	.424	5.277	.000
	INTEREST RATE	.241	.071	.171	3.372	.001

a. Dependent Variable: DEPOSIT MOBILIZATION

Source; IBM SPSS statistics 26

As indicated in the above table, from the independent variables interest rate, government roles and political conditions and product and services fit of the regression model with a significance level of each IR 0.001 (β=0.241, $p < 0.05$), GRP 0.000 (β=0.407, $p < 0.05$)and PRS 0.005 (β=0.252, $p < 0.05$) which is less than the level of significance of 0.05(95% confidence level); this signifies the existence of a relationship between the interest rate, government roles and political conditions and product and services in the bank and the deposit mobilization process. Moreover, deposit mobilization strategy and human resource capital of the bank also has a positive effect but statistically not significant on deposit mobilization DMS 0.008(β=0.181, $p < 0.05$), HUR 0.150(β=0.124, $p < 0.05$).

There are also some open-ended questions for the respondents to react in the questionnaire. The summary will be provided in the below section with the respondent's response. Since open ended questions have a lot of different perspectives to same questions the student researcher has some of the following major findings selecting responses which gets high reputation.

The respondents also answer for the question "What are the strength and weakness of the current deposit mobilization strategies of the bank?

Strength

- service excellency
- mass marketing
- strong brand
- digital accessibility
- branch expansion
- variety of products
- continuous follow-up

Weakness

- not providing loan for lower customers

- improve resource allocation
- interest calculation problem
- no unique activity between commercial banks in Ethiopia

For the question "can you list out some of the major and significant factors that affect your banks deposit mobilization activity so far?" the respondents reacted as follows

- political conditions of the country
- new intrant of competitors to the industry
- similar strategies in the industry
- resources are almost in the hands of small groups
- digitalization
- government rules and procedures
- inflation
- devaluation of money
- scarcity of foreign currency

The respondents also answer for the question "What should be done to increase the market share of deposit in bank of Abyssinia?" as follows

- aligning its strategic plan to be measurable and feasible market share
- providing alternate value proposition to customers
- expanding foreign currency
- daily interest calculation
- value proposition
- branch expansion
- attention to details, nowadays personalized/customized service is the best way to both promote oneself and retain existing customers
- understanding customers and meet their expectation
- exert effort in digitalization
- government rules and procedures

- continual review of the dynamic market
- provide loan to lower customers

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

In the preceding section findings constructed from the data analysis will be presented with conclusions and recommendations.

5.1. Summary of Major Findings

Findings of the study showed that the Bank's five years from 2019 to 2022 deposits practice was exhibited outstanding improvement.

The descriptive regression statistics result demonstrates the relationship between independent variables (the human resource, interest rate, deposit mobilization strategy of the bank, product and services and government roles and political conditions of the country) and dependent variable (deposit mobilization) is found to be positive.

Since the Branch expansion and mass marketing strategy applied in the bank is found to be a vital approach to deposit mobilization through large customer acquisition and accessibility of the bank, it momentously and significantly increases deposit.

The existing Deposit mobilization strategy performance of the bank show positive but not found to be statistically significant effect with the deposits but in the overall performance of the bank it relies on its strategies. The deposit mobilization strategy needs solitary assessment attached with another variable that could chip in for deposit mobilization. improper resource allocation not providing loan services to middle level customers and having no unique activity between other commercial banks in the industry plus target setup cause low performance in the process.

The people in a bank are the most valuable resources and the major driving force for successes and failures. The quality of human resources employed by a bank greatly affects its profitability; although statistically not found to be significant the human resource capital of the bank positively affects the deposit mobilization process of the bank.

The findings also examined the relationship that the interest rate have on the deposit mobilization process which is significant and positive and has fair and competent compared to the the industry. But the respondents claim also that it needs to adjust its interest calculation system with daily basis in order to get the lion's share of the independent variable in the market.

The study reviewed that government roles and political conditions of the country also affects in crucial way in extent level of significantly the practice of deposit mobilization. The deposit mobilization process must also align with the countries government policy and political conditions. The student researcher also came up with major finding relation between the deposit mobilization and the banks product and services causing to be positive and significant change. Since product differentiation is basic for a business development and organizations accessibility of variety products and services to meet customer expectations and needs. Multiple channel banking is one of addressing customer needs to deal with their satisfaction and the bank is highly positively affected by variable which indeed has been the concern of the bank developing new products to comply with its deposit mobilization process.

Annual report from 2019 to 2022 also support its continuous and remarkable improvement in the deposit. In regards with a stiff competition between banks. It requires substantial capacity for the continuity.

Findings of the study inveterate the degree to which the correlation of the independent variables to the dependent variable along with each other. Almost all listed variables have a positive and significant effect to the variable deposit mobilization except human resource capital which has got the positive but not significant effect on Deposit mobilization.

5.2. Conclusion

The study concludes that, most of the employees are agree with Bank of Abyssinia provides excellent and unreserved service for their customers but resource allocation like not providing middle level customers with enough current loan demand can be difficult to achieve the deposit target of the bank and to address the customer needs. in this regard, the government roles and political condition, saving interest rate and the banks products and services in addition deposit mobilization strategy that the bank employing is recognized to be highly related that the bank achieves from efforts that can be done to mobilize more deposits rather than the low presentation of human resource capital. Philip (1968), states that the offering of attractive interest rate on bank deposits may be considered to have had a beneficial effect.

The current situation of Political instability, NBE directives and devaluation of money puts negative impact on the business environment. Therefore, there is no other preference rather than detecting sources of impediments in deposit mobilization and tackling them with overweening strategies.in this case, interest rate, government roles and political conditions and product and services fit of the regression model to be significantly affect the deposit mobilization take a lion's share followed by deposit mobilization strategy and effective human resource capital management can be considered an important strategy for resource mobilization through customer deposit, it significantly increases deposit.

5.3. Recommendation

The political instability which is going through the past four years which has been affecting the overall business and economic environment of the industry. Since mobilizing resources from various economic units through the industry can not be put in to negotiable ways of doing other things would allow the Bank to realize its strategies there by to stay ahead of other competitors in the industry and sustain its remarkable consistency of achieving its goals. Accentuating or boosting the volume of deposit is one of the main objectives of the bank. Therefore, the Bank needs to entertain superlative strategies that would comply with the Bank to win competition towards resource mobilization to surpass and segment superior market share in the industry.

Based on the findings and conclusions of the study the researcher recommends the following for the bank: -

❖ Since deposit is the most crucial and significant resource for all banks mobilizing it from the environment and increasing their market share couldn't be put in a position for negotiable. In order to get the scarcest resource of the environment the industry players implement their deposit mobilization strategy of their banks accordingly. Implementing a well-studied strategies and making their strategies dynamic and applicable to the environment is significant and recommended.

❖ Investing in digitalization found to be very significant in order to increase accessibility of the bank plus digital banking is being considered as the future bank and one way of accentuating deposit.

❖ The branch expansion and mass marketing found to be the most crucial and significant factors to increase the deposit of the bank. Developing strategies supporting those factors could place the bank's deposits in virtuous position.

❖ service excellency, mass marketing, continuous follow-up and support, money tracking, increasing digital accessibility, having variety of products, strong brand, increasing customer base, branch expansion and networking found to be the strength of the current deposit mobilization strategy of the bank.

❖ Improper resource allocation, failure to collect loan on time, not providing loan and fcy to lower and middle level customers, concentration risk, target setup, interest calculation, quality of accounts, no unique activity in the industry and less product variety that differs from the market found to be the weakness of the current implemented deposit mobilization strategy of the bank.

❖ Having strategies to deal with inconsistent government regulations and NBE rules and regulations found to be valuable because of their direct relationship.

❖ New intrants of the banking industry, political conditions of the country, inconsistent government regulations, similar strategies in the industry, inflation, scarcity of FCY, devaluation of money, resource being in the hands of smaller groups and resource distribution found to be the major and significant challenges of the bank.

❖ Interest rate calculation system advised to be on daily basis in order to have competitive advantage in the market and to meet customer needs and satisfaction since it is found to be positive and significant relation to deposit mobilization in regression analysis.

❖ Adopting strong strategic plan which is measurable and feasible aligned with continual review of the dynamic market could help the bank to mobilize the resources which the bank highly in need of it and helps them to deal with the dynamic business environment.

❖ Providing loan and value propositions to lower level and middle level customers would be advantageous to encourage and motivate its customers and to minimize its customers migration to micro finances seeking for loan. This would not only be beneficial to attract new customers it will also retain its customer since customer retention also a crucial strategy for the bank.

❖ Attention to detail nowadays personalized/customized service is the new best way to both promote oneself and retain its existing customers to increase its deposit market share in the industry.

❖ Expanding its foreign currency market share and improving its proper allocation could help the bank managing the scarcest resource in the industry in order to entertain its financial seekers to the best.

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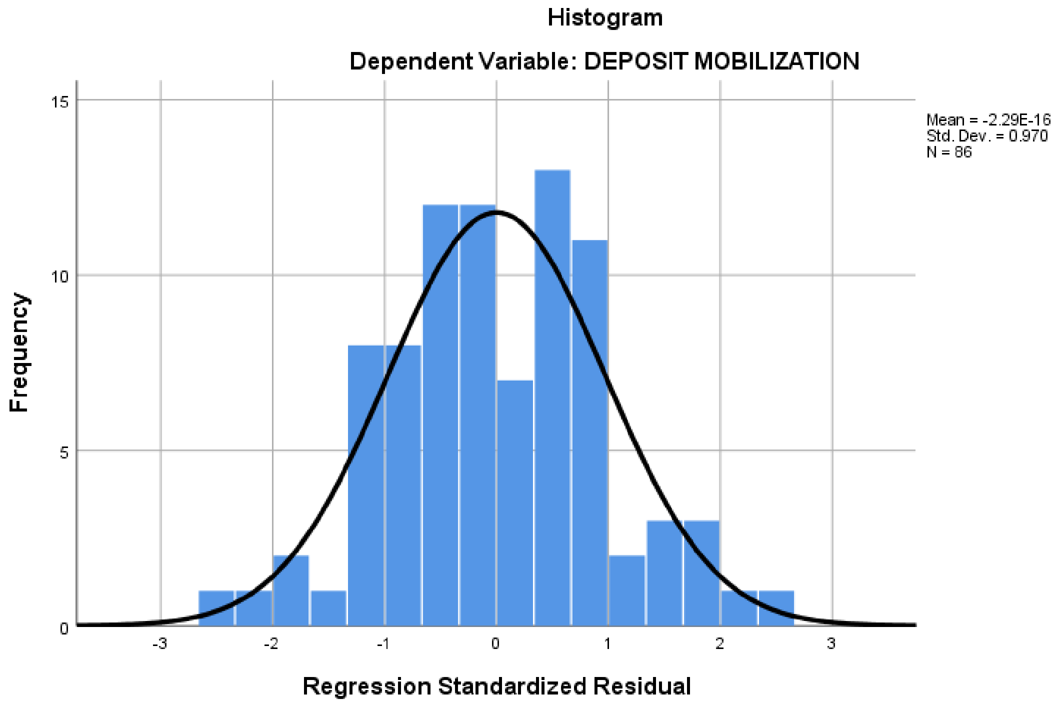
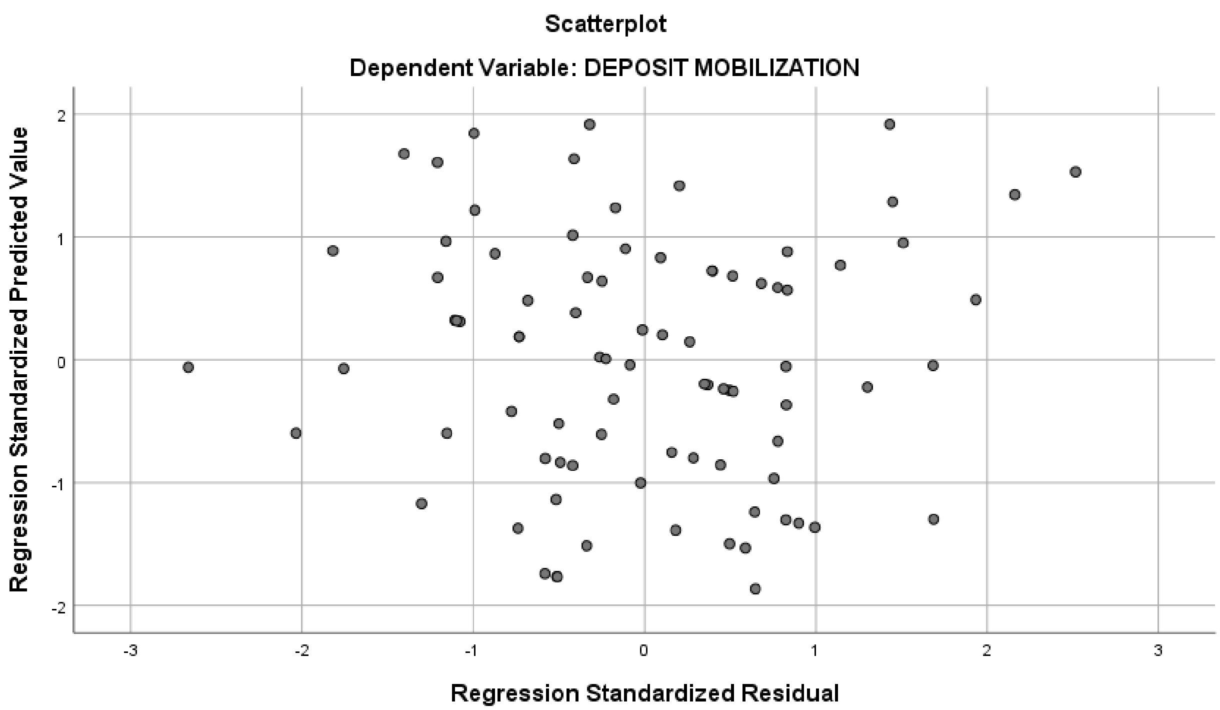
APPENDIX FOR REGRATION





Questionnaires

1. The branch expansion can be considered as the most significant factor which affects Bank of Abyssinia's deposit?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

2. The deposit mobilization strategy makes the performance of the bank increasing every year?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

3. The concerned higher official in addressing branches specific challenges in deposit mobilization is high?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

4. The mass marketing strategy applied in the banking industry can be considered as one of the most significant factors which affects Bank of Abyssinia's deposit?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

5. The banks various products contributes in the effort of mobilizing deposit?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

6. The bank promote awareness to the Society pertaining to the services it renders?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

7. The bank provides special services for corporate depositors/customers?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

8. The volume of deposits grow because of special services provided for the corporate depositors?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

9. The role and regulation of government affect deposit mobilization process of Bank of Abyssinia?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

10. The minimum interest rate set by the regulatory body affects deposit mobilization process of the bank?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

11. The current political conditions of the country which is attached with ethnic based economic environment highly affects deposit mobilization of the bank?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

12. The new government policy letting foreign banks to be established in local market affects your banks deposit mobilization considering that they aren't yet get in to operation?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

13. The interest rate doesn't have that much impact on Bank of Abyssinia's deposit mobilization process?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

14. The bank has attractive interest rate for the customer?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

15. The interest rate added value to the deposit mobilization of the bank?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

16. the interest rate of the bank can be considered as competitive from its competitors?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

17. The commitment of staffs for deposit Mobilization is very high?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

18. The training given to the staff regarding deposit mobilization activities is adequate?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

19. The bank has very competent staffs from its competitors in the industry?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

20. The bank provides annual competency exams to maximize its employee's competency level?

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

21. The deposit status of the bank can be alleged on a virtuous position.

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

22. The Bank has consistently managed the deposit mobilization progression.

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

23. The bank has continuous inspection to regulate factors of deposits from the commencement by detecting sources of obstacles in deposit mobilization.

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

24. The effectiveness of deposit mobilization plan is properly evaluated in terms of improvements in performance.

Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐