



ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

FACTORS AFFECTING DEPOSIT MOBILIZATION
IN PRIVATE COMMERCIAL BANKS: THE CASE
OF AMHARA BANK.

ALEBACHEW BAYE MELESE
SGS/0004/2014A

JUNE 2023
ADDIS ABABA, ETHIOPIA

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APPROVAL SHEET

As members of board of examining of the final MSc thesis open defense, we certify that we have read and examined the thesis prepared by Alebachewchew Baye Melese under the title “factors affecting deposit mobilization in private commercial banks: The case of Amhara bank

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DECLARATION

The person who signed this document, declare that the thesis is my original effort, completed under the guidance of Kiros Haftu (Asst.Prof). Every one of resources used for this academic paper have been properly recognized. I additionally assure that the research paper has not been delivered in entirely or in partial to another institution of higher education for the intention of receiving a degree.

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June 2023

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ENDORSMENT

This thesis has been submitted for evaluation to St. Mary's University's School of Graduate Studies with my prior approval as a University advisor.

Kiros Haftu (Asst. Prof.)

Signature

June 2023

St. Mary's University, Addis Ababa

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ACRONYMS

SPSS	Statistical Package for Social Sciences
CBE	Commercial Bank of Ethiopia
Q1	Quarter one
GDP	Growth domestic product
TB	Terra byte
GB	Giga byte
CD	Compact disk
Pcs	pieces
E.C	Ethiopian calendar
G.C	Gregorian calendar
ATM	Automated teller machine
CLRM	Classical linear regression model

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ABSTRACT

Deposit mobilization refers to the acquisition of capital from the general population by financial organizations like bank. Mobilization is an essential component of banking operations. Promoting customers to deposit cash with the bank or convincing new clients to have a bank account is one of the deposit mobilizations.

The objective of the study is to identify the factors that affects deposit mobilization of Amhara bank in Harar and Dire Dawa district.

The study also adopted descriptive method to obtain data useful in evaluating present practices and providing a basis for decision making. The populations of the study were managers & employees of Amhara bank under Diredawa and Harar city branches. The sample design used for this study was purposive and convenient sampling technique with an objective of insuring that only those which had operated in the bank with their profession start from the bank formation. The study used the quantitative approaches and the data collection method was by employing both questionnaire and interview. The collected data was analyzed by using descriptive data analysis method. The linear regression analysis or normal distribution model revealed that a significant influence of internal and external factors on deposit mobilization.

political stability and technology are positively significant factors whereas negative significant factors are inflation, covid-19 and interest rate. Using SPSS version 28 the researcher make analysis on scale of data reliability, variability, validity and the correlation of variables using Pearson correlation, heteroscedasticity, multicollinearity and normality test.

In the light of the findings, the researcher recommended the bank to adjust interest rate and focus on designing strategies to minimize the inflation by cooperating with government. The researcher recommends the bank to work with government regarding inflation and interest relationships and minimizing the gap. The other one is the bank would be introducing its unique or brand products/services and activities provide for customers through medias or other advertising mechanisms this helps the bank to attract depositors and to increase deposits.

Key words: *Deposit, interest, mobilization, technology*

CHAPTER ONE

INTRODUCTION TO THE STUDY

Introduction is the first part of the research which helps to introduce the topic and the aims of the research and gives an overview of the paper. The chapter contains background of the study, statement of the problem, research questions, research hypothesis, general and specific objectives, significance of the study, Limitations of the study, scope of the study, and finally organization of the study.

1.1. Back Ground of the Study

By directing cash from resource surplus units to those with better productive investment prospects, banks play a critical role in enhancing economic efficiency. By dramatically lowering transaction costs and enhancing convenience, banks also play a crucial role in the commerce and payment systems (NCA, 2006). Commercial banks serve as Ethiopia's primary financial system controllers and financial intermediaries. They are the primary creditors of corporate entities and private investors and control a large percentage of the investment funds from domestic deposits.

For instance, the majority of businesses, particularly in Ethiopia, rely heavily on bank loans as a source of capital, and banks' capacity to extend loans is heavily influenced by their capacity to draw deposits. Even though mobilizing deposits is every commercial bank's primary activity, controlling and detecting the deposit's deciding elements is a requirement for banks. Without being aware of and in control of its determining variables, mobilizing deposits is not conceivable. The largest portion of the public's money supply 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 (Sergeant, 2001).

Bank deposits are made to deposit accounts, such as savings accounts, checking accounts, and time deposit accounts at a financial establishment. According to the terms and conditions of the account, the account holder has the right to withdraw any money that has been deposited. The term "deposit" refers to this responsibility rather than the actual monies that are deposited, as it relates to the bank's obligation to the

depositor (the individual or company that made the deposit). There are a number of things that are asserted to determine deposits in the literature. Accordingly, exogenous and endogenous factors, which affect commercial banks' deposits, were divided into two categories by the scholars. Exogenous variables are further separated into two categories: country-specific variables and bank-specific variables. The real interest rate, the per capita income of the society, the population growth of the nation, the economic growth (as measured by real GDP), the consumer price index, and shocks are all country-specific elements. Bank-specific considerations include the bank's liquidity, profitability, and the security of its assets (Design, 1975). Endogenous and internal factors are investigated in this study, and the link between endogenous variables and internal factors with the total deposit of Amhara Bank is identified. This research helps the bank to maintain control over the deposit problem, which is critical to the security of their operations as well as the country's economy as a whole. The purpose of this article is to assess and identify the elements that influence Amhara bank's deposit.

1.2. Statement of the problem

Commercial banks' primary service is deposit mobilization. Deposits are really mobilized to satisfy the liquidity needs of bank credit clients. This, however, is partly reliant on the availability of credit facilities and the amount borrowed. Given the economy's large funding needs, the banking sector's current rate of mobilizing appropriate resources would be inadequate, resulting almost likely in a liquidity imbalance. The fundamental causes of the liquidity gap, according to Shemsu (2015), are that money is held in conventional ways and that the majority of people are financially excluded. This suggests that deposit mobilization strategies used by Ethiopian banking sector are modest or poor. As a result, traditional banking methods should be updated and replaced with a more appropriate deposit mobilization strategy. Deposit is the most easily accessible money held in commercial banks' treasuries and available for borrowing by an entity in need of funds. According to the National Bank of Ethiopia in the fiscal year report the domestic liquidity increased by 17% in fiscal year 2019/2020 to reach 1.04 trillion (NBE annual Report 2019/20).

This demonstrates the financial sectors' have significant deposit potential.

According to the Ethiopian national bank annual report (NBE annual Report 2020/21) CBE earns 142.25 billion Birr through public mobilization, and it also improves

liquidity with 24% annual deposit growth. This demonstrates that the majority of money available for deposit in a bank has yet to be mobilized.

This means the bank requires detail investigation on deposit mobilization factors. Shemsu (2015) conducted research on one dependent variable (commercial bank deposit) and six independent factors. Economic study revealed that in the instance of CBE, deposit interest rate, general inflation rate, gross domestic product, number of branches created, individual foreign remittance, and dummy variables were all linked positively with total deposit. Among these variables, branch opening is a crucial method for deposit mobilization; it is far more essential than the others. Individual remittances from Diasporas, in addition to branch opening, have a substantial impact on Commercial Bank of Ethiopia's deposit volume. According to many newspapers and the researcher's own observations, Amhara bank is still in its early stages. As a result, the deposit has not yet been mobilized to the extent expected. Therefore it is critical to determine the key factors affecting bank the deposit of the bank. As a result, the purpose of this study was to investigate the drivers of deposit mobilization at the bank.

1.3. Objective

1.3.1. General Objective

To identify the factors that affect Amhara Bank deposit mobilization in the area of Diredawa and Harari Region.

1.3.2. Specific Objectives

- ✚ To identify internal factors that influence deposit mobilization in Amhara bank
- ✚ To identify external factors that influence deposit mobilization in Amhara bank
- ✚ To recommend strategy towards capital development through deposit mobilization

1.4. Basic Research Questions

- ✚ What are the internal factors that influence deposit mobilization in Amhara bank?
- ✚ What are the external factors that influence deposit mobilization in Amhara bank?
- ✚ What are the strategies to be followed to boost resource mobilization effort?

1.5. Research Hypothesis

Alternative hypothesis is more appropriate for this research because, it provide a precise explanation on the research questions or threats and it directs an investigation

that can be utilized to collect data and get results that are relevant to the researcher.

Based on the working hypothesis the searcher hypothesis as the following:

(H1): - Branch expansions have significant effect on the bank's deposit mobilization.

(H1): - The inflation rate of the country has significant impact on the bank's deposit growth.

(H1): - The political stability of a nation has significant effect on the banks deposit increment.

(H1): - Technology have positive effect the deposit mobilization of Amhara bank.

(H1): - Convenience of the branch location is significant to the deposit mobilization of Amhara bank.

(H1): - Interest rate is significant to the deposit mobilization of Amhara bank.

(H1): - Exchange rate is significant to the deposit mobilization of Amhara

1.6. Scope of the Study

The scope of this study is limited to a few significant elements that influence bank deposit mobilization in the case of Amhara Bank in Ethiopia. The research does not cover all Amhara bank branches; rather, specific branches were chosen on purpose based on their regional location. The study centered on three branches in Diredawa and two branches in Harar because they are located in the eastern region and which serves a significant number of customers, and the locations are easy to reach for the researcher and have an important role to play in achieving the research objectives. Deposit mobilization determinants can take many forms; however, this study focuses particularly on key internal and endogenous determinants of Amhara bank deposit mobilization in Diredawa and Harar.

1.7. Limitation of the Study

- Deposit mobilization is carried out by commercial banks in Ethiopia. However, this study only utilized data from branches in Diredawa and Harar. To overcome this limitation the researcher, recommend for other researchers to cover the other areas located in Ethiopia.
- Because of the current instability of the country, there is unavailability of employees, not all targeted populations may be available and respond to the questionnaires; however, the researcher overcomes these limitations by

constantly going to their office and developing the questionnaire using online Google Form application and sharing through their personal email.

- Unpredictable market price of research equipment's, or market inflation. This is a common challenge in our country; to overcome this limitation, online data collection data collection mechanism used, because it saves time cost and travelling cost.

1.8. Significant of the Study

The study about factors of deposit mobilization in Amhara bank is beneficial for all bank's management and stake holders. Accordingly, the following are the significances that are attained from the study:

- ✚ The research add knowledge on the field of banking industry and their determinants about deposit mobilizations and use the study may be an important reference material on the field of banking finance.
- ✚ It uses for source of reference of further studies in the area of deposit mobilization.
- ✚ Provides information about deposits mobilization to banking industry, stakeholders, boards of management and their customers in order to minimize the impact of factors determining by making them to design effective strategies to maximizing of resource mobilization.
- ✚ It is also helpful to the regulatory body to take as an additional input for future policy and strategy making amendment.
- ✚ The ending point of this research or research used for starting point or beginning idea of other further study.

1.9. Organization of the Study

The research was divided into five chapters. The first chapter dealt with the study's introduction. The second chapter examines the literature on theoretical and empirical studies of bank deposits and the factors that influence deposit mobilization activities. It includes an evaluation of studies conducted on variables that impact deposit mobilization. Chapter three describes the study's methodology, which comprised qualitative and quantitative approaches for measuring deposit mobilization factors. The findings of the analysis are presented and discussed in chapter four. Finally,

Chapter 5 summarizes and sums up the empirical findings of Chapter 4 and offers suggestions for policy consideration.

CHAPTER TWO

LITERATURE REVIEW

The theoretical review and the empirical review are the two pieces that make up a literature review. Theoretical review: In this section, hypotheses concerning commercial bank deposits and the factors that are supposed to influence deposits are reviewed. The empirical literature section discusses previous researches on the topic of the factors that determine commercial banks' deposits. The variables that were employed, the research technique, and the findings of the study under consideration are all explained in this section.

2.1. Theoretical Review

Deposit mobilization is a critical activity of traditional financial institutions or banks in order to meet one of the needs of a "banking business," namely the source of funds or borrowing money from customers. Continuous and appropriate deposit mobilization would ensure that the bank could continue to lend and invest, generating profit for future expansion. Suresh (2012). From Bologna (2011), deposits are critical in bank funding since a large amount of a commercial bank's assets are often supported by customer deposits. Banks have used numerous tactics to boost public deposit mobilization, with the most recent being a marketing strategy to deposit mobilization. Furthermore, deposit mobilization is a key source of working capital for the bank and an essential role in increasing the bank's sources to service effectively. Deposit mobilization is essential to delivering satisfactory assistance to many areas of the economy. Commercial banks must solicit deposits from both urban and rural areas. This enables banks to allocate huge sums of money to prioritized sectors for development (Rajeshwari, 2014). The amount of deposit mobilized has a big impact on the success of the banking industry.

2.1.1. The Development of Bank

Banks are crucial to increasing economic efficiency because they direct money from resource excess units to those with more lucrative investment options. Bank deposits are the most important components of the money supply utilized by the general public because they mobilize cash in the form of deposits from families, institutions, and governmental agencies (Mishkin and Eakins, 2018).

According to theory, the buffer-stock theory (Deaton, 1989; Carroll et al., 1992), the perpetual income hypothesis (Friedman, 1957), and the lifecycle hypothesis (Modigliani and Brumberg, 1954) offer the most logical explanations for depositors' saving behavior. The lifecycle model states that individuals' income within a certain time period mostly influences consumption. This implies that individuals save up money for long-term, steady spending. Given the fluctuating nature of income across an individual's life, the stage of an individual's life dictates his/her savings pattern, meaning that individuals are net savers during their working years and become dis-savers upon retirement. Individuals' present savings are diminished by increased future income, according to the permanent income theory. Changes in individuals' temporal income are handled through consumption smoothing, in which increased spending tomorrow is supported by money windfall conserved today. On the contrary, changes in permanent income do not justify current savings, because more may be consumed regardless of the period (i.e. both present and future). According to the buffer-stock idea, individuals protect their consumption against unexpected income swings by keeping additional assets. Individuals become irritable and prudent when faced with income uncertainty, according to the hypothesis. Individuals acquire impatient as a result of borrowing against future earnings to cover current needs. Individuals exhibit prudence as well, given their preventive intentions. To mitigate the risks associated with future income changes, as well as to guarantee that consumption remains consistent, precautionary reserves are created by limiting current consumption and thereby saving more to satisfy contingent instances. As a result, the savings rate tends to be pro-cyclical, suggesting that when people's income levels are high, they seek to save more to assure smooth consumption in difficult times. On the empirical front, there is little study on what variables promote deposit growth, as most studies focus on understanding the causes of saving behavior. In general, the variables influencing bank deposits and savings are divided into microeconomic and macroeconomic aspects. Whereas microeconomic factors are related to bank-level variables, macroeconomic level determinants reflect a country's broader macroeconomic fundamentals. This section goes into further detail on how these factors impact bank deposit and savings behavior.

2.1.2. The Development of Bank in Ethiopia

A bank is commonly defined as an institution that performs basic financial services such as receiving deposits and making loans. Non-banking firms may also provide some banking services while not matching the legal definition of a bank. Banks are a type of financial services company. A banking system is a system supplied by a bank that provides cash management services to consumers while also reporting the transactions of their accounts and portfolios throughout the day. Banking in Ethiopia dates back to 1905 E.C., when the Bank of Abyssinia was formed with a capital of \$500,000.00. The establishment of this bank heralded the start of modern banking in Ethiopia. Under a 50-year franchise deal, the Ethiopian government and Egypt's central bank jointly controlled it. The closure of Abyssinia Bank in 1931 owing to inefficiency and poor profit orientation was followed by the founding of Bank of Ethiopia with a capital of \$750,000.00, the country's first indigenous bank.

Ethiopia's transitional state established the groundwork for the country's transition from a centrally planned economic system to a market economy in which the important role of the private sector in growth is formally accepted. The policy was implemented into operation in the banking industry with the issuing of the license and supervision of banking activity 84/94, which permitted the Ethiopian private sector to build privately owned banks (Shemsu (2015)). On the basis of this proclamation Amhara bank established in 2022 G.C.

Amhara bank is a public share company with over 169,000 shareholders contributing a total of birr 4.8 billion in paid-up capital and birr 6.5 billion in signed capital. The bank's broad ownership reflects its capacity to collaborate to build a successful business venture and provide commercial banking services. Amhara Bank aspires to take advantage of the enabling conditions to deliver a quality service that responds to the ever-diversifying and expanding demands of clients who expect more from banks in the form of customized and competitive banking services. The Bank intends to provide a secure, responsive, dynamic, and conducive banking environment to customers with a commitment to values and unwavering confidence, deploying the best technology, standards, processes, and procedures where customer convenience is of critical importance in order to increase the value of stakeholders. The banking business is recognized as one of the most significant aspects of an economy's soundness in terms of investment, job creation, and enabling the mobility of cash both

domestically and worldwide. Similarly, Amhara Bank is committed to promoting savings, investment, job development, and economic growth, as well as fulfilling its Corporate Social Responsibilities as of the source of reporter magazine 2022.

Bank deposits are the most important components of the public supply of money, and variations in money growth are closely linked to changes in the price of goods and services within the economy (Sergeant, 2001).

Bank deposits are made into deposit accounts of a financial institution, such as savings, checking, time deposits, and money market accounts. The account holder has the right to withdraw any deposited funds, subject to the terms and conditions of the account. The term "deposit" refers to the bank's liability to the depositor (the person or entity that made the deposit), not the actual savings deposited (Feven. 2017).

2.1.3. The Role of Banks in Financial Systems

One of the main difficulties in theoretical economics and finance is understanding the many functions that banks play in the financial system. The effectiveness with which funds are diverted into productive activities is critical for growth and overall well-being. Banks play a role in this process. Households and business firms are the primary money lenders.

These lenders can provide money to the final borrowers, who are mainly firms, governments, and households, in two ways. The first route is via financial markets, which include money markets, bond markets, and equities markets. The eighth route is via banks and other financial intermediaries such as money market funds, mutual funds, insurance firms, and pension funds. The financial sector is broad and includes the banking sector as well as other financial institutions (such as insurance corporations and pension funds, brokers, public exchange and securities markets, and so on), but in the context of the African continent, the banking industry accounts for the majority of the financial system (Feven, 2017).

Banks perform various roles, but their fundamental duty is to accept funds from customers who have money, pool them, and lend them to others who need money. Banks act as go-betweens for depositors (those who lend money to the bank) and borrowers (to whom the bank lends money). The amount that banks pay for deposits and the money they get from loans are both referred to as interest.

Individuals and households, financial and nonfinancial companies, and national and local governments can all be depositors. Borrowers are, well, borrowers. Deposits can

be made accessible on demand (such as a checking account) or with certain limits (such as savings and time deposits) (Jeanne, 2023).

The banking industry provides finance to the vast majority of enterprises (Medhat, 2004). Banks have historically been seen to have a role in financial markets for two reasons. One is that they are crucial in payment facilitation. Commercial banks and other intermediaries screen and monitor applicants, and banks reduce loan provision costs by developing expertise and diversifying among a large number of customers (Samolyk, 2019). Thus, banks provide important financial services associated with granting credit to their customers in their function as there, and to the extent that investors want to maintain bank liabilities, banks can fund borrowers directly. The principal sources of additional finance are domestic commercial banks (Herald &Heiko, 2018).

Commercial banks are financial firms that participate in two separate sorts of activities: deposit taking and lending. As a result, banks primarily perform intermediation functions, which is backed by (Russell &Bamindele, 2019). (Mahindra, 2018) identifies banks as the backbones of trade and commerce, serving as intermediaries for capital generation and supply. Even when alternative financial institutions are available, banks play a significant role in supporting the financial sector's operations. As a result, banks are the most essential of all financial organizations. Banks have an impact on the macroeconomic environment; according to Adam (2018), bank failures incur severe macroeconomic consequences. He offered 9 pieces of evidence demonstrating that bank failures have significant and seemingly long-term effects on real economic activity. As a result, banks have a substantial effect on the macroeconomic environment. Banks are mostly utilized by individuals and businesses to save money in order to get loans for project initiatives. Commercial banks, according to Kelvin (2021), are important financial intermediaries that serve the broad people in any society. Commercial banks often have larger assets than any other financial organization. Commercial banks, in addition to their different roles, promote growth and development. Banks lend in a variety of economic sectors. Furthermore, commercial banks have an impact on the general economy of the country, either positively or negatively. Commercial banks play an important role in transmitting government economic policies (especially monetary policy) to the rest of the economy. When bank credit is scarce and costly, for example, economic expenditure tends to stall.

2.1.4. The Importance of Deposit for Banks

Banks obtain cash from two sources. Specifically, from capital contributions as well as debt/deposit liabilities. Deposit is the primary source of funding for many commercial banks. According to Kelvin (2021), commercial bank deposits account for around 75% of commercial bank liabilities. Banks are channeling the deposits that have been obtained at a cost to those who want loans with a profit margin. Banks face default risks when acting as mediators between depositors and loaners. Deposit funds are less expensive than capital funds. According to a research conducted by Harvey and Spong (2021) on bank financing sources and their impact on community banks in the Tenth District of Kansas City, deposits are migrating away from community banks, and sustaining and increasing retail deposits would be a big challenge. A bank's capacity to service consumer credit needs and conduct other banking functions is dependent on collecting deposits at one set of interest rates and then lending or investing these moneys at higher rates. Because of the significant roles that deposits play in overall bank performance, there has been a lot of focus on bank financing policies and individual banks' capacity to preserve or develop their deposit base.

2.2. Factors Affecting Commercial Bank Deposits

The amount to which a credit agency, which is also a banking organization, is capable of attracting the community's funds in the form of deposits is an important indicator of its success and efficiency. However, deposit mobilization is a complex job.

It is determined by both external and endogenous influences in the financial sector (Desinga, 1975). Exogenous influences include the region's general economic climate, the amount of business transactions, and people's trust in the banking system, people's banking habits, and the region's saving potential. Even though external variables are more favorable for deposit mobilization, banks may fail due to negative endogenous factors such as location, building type, and window dressing (furniture, cheque books, vouchers, pay slips, and so on), which reassure clients about a bank's physical soundness (Desinga, 1975). Desinga (1975) divided the variables that are said to have an influence on commercial bank deposits into two categories: exogenous and endogenous factors. Exogenous has further subdivided country-specific factors and bank-specific ones for clarity. The financial system can manage endogenous factors but not external factors. Bank specific variables are those that are unique to the

banking system, whereas nation specific factors are those that exist outside of the banking system.

2.2.1. Exogenous Factors

The political stability, growth domestic product, inflation, Covid-19, technology, and exchange rate are some of exogenous factors selected for this research.

According to the research finding of (Nesru and Mekonen, 2022) political stability have a negative impact on commercial bank deposit mobilization. These are nation and bank factors that might influence the growth of commercial bank deposits. The following are discussed:

Commercial banks can be influenced by the country's economic, social, and political aspects. According to Nesru and Mekonnen (2022), country-specific risks such as political, economic, and financial concerns might influence depositors' willingness to deposit cash in the banking system. Any single bank functions under the rules and regulations of the country to which it belongs, and various difficulties and shocks that have occurred in the country have their own impact on the banks' operations. In general, the success of a bank depends primarily on the environment in which the business is conducted.

a) Political stability

The country's economic, social, and political aspects may influence depositors' willingness to invest funds in the banking system, and bank performance is mostly determined by the environment in which the business is conducted (Finger and Hesse. Political stability stimulates investment and economic growth, which increases a company's profitability. Economic freedom indices are positively associated to political stability in democratic regimes because more economic freedom promotes investment and economic growth. Conflicts and political instability, on the other hand, might increase the danger of a systemic financial crisis and low bank deposits. Conflicts harm the financial sector's performance and undermine banks' capacity to maintain their role as financial intermediaries. Political unrest may enhance the volatility of bank deposits. The Syrian crisis had a significant impact on the banking system, generating deposit and asset runs and increasing non-performing loans. Political stability boosts deposit mobilization significantly (Nesru & Mekonnen, 2022).

b) Inflation

Inflation is described as a general and sustained rise in prices of goods and services in the economy. Inflation affects bank deposits in two ways. First, it reduces the purchasing power of money and thus leads to high living costs. This means that households can hardly buy with disposable income and therefore may have little or no deposit in a bank. Second, in situations where hyperinflation occurs, i.e., Cash or bank savings are because the purchasing power of money is so much less than the sudden and excessive runaway price increases in the economy. Inflation has a significant negative effect on deposit mobilization (Nesru & Mekonnen, 2022).

c) GDP/Growth Domestic Product/

The gross domestic product, or GDP, of a country is the total monetary or market worth of all goods and services developed within its territorial limits over a particular period of time. GDP per capita is an amount of a country's GDP per person. This indicator represents a country's level of income and development. In general, a high GDP per capita correlates with a good level of livelihood. (Tamplin, 2023).

As defined by Jim (2008), per capita GDP is the amount of GDP divided by a country's or region's population. Changes in real GDP per capita over time are sometimes regarded as a measure of a country's average standard of living. Deposits rises as families and businesses groups choose to keep more money in bank (Evan et al, 2006). Thus, the link between income and deposits is positive, implying that as a society's revenue rises, so do commercial bank deposits. The society's per capita income rises, the commercial bank deposits also increased.

d) Covid-19

The Corona Virus Diseases (Covid-19) epidemic that shrinks the efficiency of most businesses, including the global economy. Banking as a business group was also influenced, as the reduction in firm performance had an impact on the decline in banks, including Islamic banks, particularly the probability effect. This is because the high number of affected customer organizations reduces financing, which reduces profitability. According to the researcher, the impact of the Covid-19 pandemic on the financial condition of Islamic banks in Indonesia includes capital adequacy ratio (CAR), non-performing financing (NPF), profitability measured by return on assets (ROA), return on equity (ROE), and net operating margin (NOM), operational costs to operating income ratio (OEIR), and financing to deposit ratio (FDR). The data was collected in four quarters prior to the pandemic and three quarters during the epidemic, and the hypothesis was tested

using an independent sample t-test. The findings revealed that profitability, as assessed by return on equity (ROE) and net operating margin (NOM), has a considerable impact, as does the financing to deposit ratio. Meanwhile, the Covid-19 pandemic had no effect on CAR, NPF, ROA, or OEIR (Sutrisno, 2020).

The Covid-19 pandemic hits all major international countries, and a catastrophic global economic disaster is predicted for 2020. Ethiopia is not an exception, as multiple negative trends appear to dominate the country's immediate economic predictions. The input-output paradigm was used in the study to investigate the effects of the COVID-19 epidemic on Ethiopia's Private Banking System and to inform interventions and policy responses. It used ten years of aggregate private commercial bank historical data from 2010 to 2019 to study patterns and examine the effect of pandemic on past essential success determinants. The findings reveal that the pandemic has an impact on both the balance sheet and the income statement of banks. The analysis showed an immediate liquidity need for private banks of roughly Birr 17 billion in order for them to easily meet the NBE's liquidity requirement. This was constrained by lower resource mobilization and loan collection of Birr 10 billion per quarter.

According to this study, the covid-19 has a negative impact on private commercial banks' deposit mobilization (Boru, 2020).

e) Exchange rate

Exchange rates are expressed as foreign currency per unit of domestic currency or domestic currency per unit of foreign currency. As currencies weaken in one country, deposits diminished because investors tend to withdraw deposits and exchange them for appreciating currency (hard currency) or engage in other forms of investment rather than bank deposits. An increase in the exchange rate of 1% results in an increase in deposits of 8.490617 units of measurement. This reverses economic theory, hence it requires further investigation as to why it did not function in this subject. In the example of CBE deposit growth, a probability value of 0.0001 suggested that the exchange rate has significance for deposit growth (GEBREYOHANNES, 2016).

f) Technology

New technology is a necessary component of international financial systems. A variety of social, political, and economic issues may prevent the adoption and usage of new technology in developing countries such as Ethiopia. Technology

has become ingrained in banking, making it easier and less expensive to design and deliver financial services (Banson, 2013). Because of the highly technological environment produced in the banking industry throughout the world, the growing number of ways of distribution for financial services is dependent on a very complicated network of alliances.

Banking technology has a huge chance to connect lower-income individuals at cheaper costs and bring millions of consumers into the formal financial markets via digital platforms. Adoption of Internet banking should be more appealing to banks with larger fixed costs. As a result, the estimated indicator for Costs was positive. The empirical results from regression analysis showed that technology affects deposit of the bank positively.

Since technology is an intrinsic part of the bank, it causes significant modifications in financial transactions system (Lidet, 2021).

2.2.2. Endogenous Factors

In the literature three endogenous factors are identified that can affect the growth of banks deposits. They are convenience of Bank's office and service in the banks.

a. Convenience of Bank's Office

Road and vehicles directly influence interest bearing deposits because of the reduction in depositors' transaction costs through reduced time spent in travelling to and from banks (Baqui et al, 1987). Banks can mobilize more deposit when they make themselves closer to their customers (depositors).

b. Number of employees

According to the research (Girma, 2015) bank staffs are committed to mobilize deposit. This indicates that most of the respondent's think that BOA staffs are work hard to mobilize deposit. The motivated and confident employees can attract new depositors to the bank, therefore the number of employees is positively affecting the development of bank deposit.

c. Branch expansion

Branch expansion is a vital approach to deposit mobilization through large customer base and various depositors, it substantially increases deposit (Lidet, 2021).

There is a relationship between commercial banks deposits and commercial bank's branch expansion is not only are deposits influenced by bank branches, but the

expansion of bank branches is also influenced by the level of deposits in any area (Baquiet al, 1987). It is expected that banks make decisions on expanding their facilities by considering factors such as level of competition, deposit potential, regional income and existence of road and vehicles. As deposit potential is one thing that banks consider in expanding its branches, the deposit can also be a reason for branch expansion strategy that the banking sector uses. According to Erna and Ekki (2004), there is a long run relationship between commercial bank branch and commercial banks deposits. An argument commonly articulated in the literature is that branch banking stabilizes banking systems by reducing their vulnerability to local economic shocks; branching enables banks to diversify their loans and deposits over a wider geographical area or customer base (Mark and Kris, 2006). Restrictions on branching have been linked to the instability of banking systems.

d. Saving Interest Rate/Deposit Rate

An interest rate is the amount of interest due per period, as a proportion of the amount lent, deposited, or borrowed (called the principal sum). The total interest on an amount lent or borrowed depends on the principal sum, the interest rate, the compounding frequency, and the length of time over which it is lent, deposited, or borrowed. The interest rate is defined as the proportion of an amount loaned which a lender charges as interest to the borrower, normally expressed as an annual percentage and it is the rate a bank or other lender charges to borrow its money, or the rate a bank pays its savers for keeping money in an account. The annual interest rate is the rate over a period of one year. One of the deposit attraction techniques used by commercial banks to get more deposits from the surplus sector is by providing attractive interest payment on savings, and which is reasonable and acceptable to the owner of the money. The dynamic economic situation and the shift of depositors to risky investment to earn higher profit derived Commercial banks to device alternative strategies to improve their deposits. Because, the type of bank, type of interest-bearing account and deposit balance can play a significant role in savings rates. Offering higher interest rate on saving attract customers to return back to banks. Savings account deposits that earn a higher savings interest rate grow at a faster pace. Savings rates can also differ by account balance. More deposits may qualify for a higher savings rate (Hailesilase, 2021).

2.3. Approaches to Attract Cash Depositor

Kumar (2000) stated that, these are some of the more important expected changes in banking industry operations in the near future. Most banks adopt at least a few of these policies to maintain enough cash deposit and profitability. Perform a savings account comparison to take advantage of improved bank rates and terms. Take advantage of the positive changes in this group and closely examine their new income ideas. Always compare your institution with its competitors to learn of the best and most cost-effective offers. Go beyond interest rates to attract new customers. Most banks not able to beat the interest rates offered on a national level. One of the most difficult things for a bank to communicate to potential customers is the quality of customer service offered. Use testimonial-based advertisements to highlight the benefits of customer service. This is particularly important for long-term loan relationships such as mortgages. As the customers believe the loan officer at the bank attentive to their individual needs, they likely to overlook differences in interest rates (Kumar, 2000). Increase customer access to funds by expanding ATM networks and improving online banking offerings. ATMs and online banking are less expensive than training and paying tellers. But building an ATM network is expensive, particularly if you're not a franchise of a larger national bank. Many smaller banks have gotten around this issue by subsidizing fees 19 19 Paid to out-of-network ATMs. This allows smaller banks to offer the same ease of access as larger banks at a relatively low cost (Kumar, 2000). Create time-limited marketing incentives to attract new deposits. Offer to pay termination and transfer fees from old banks. Offer cash payments for deposits over a certain amount. To maximize effectiveness, limit the offer to a period of 60 days or less and emphasize that fact in advertisements. Offer tiered rewards depending on the level of deposit made. In most cases, customers stay with a bank that they have opened an account with for years (Kumar, 2000). Measure the effectiveness of your marketing. Try to run only a few marketing initiatives at any one time so you can more easily measure their effectiveness. Repeat promotions that have measurable results, and curtail the campaigns that fail. Consider how profitable a campaign was per dollar amount (Kumar, 2000). Offer higher interest rates on savings accounts and lower interest on loans to existing customers with high bank balances. It's much less expensive to keep a customer that you already have than to attract a new one. Tiered accounts create incentives for your customers to keep their business with you rather

than shop around elsewhere (Kumar, 2000). Adding "rewards" features to transaction accounts (checking, money market accounts, etc.). The success of rewards credit cards is sparking interest in offering similar features to other deposit and transaction accounts. Individuals should examine these offers from their current institution and competing programs from other banks. Compare money market rates and "rewards" to find the best program for you (Kumar, 2000).

2.4. Empirical review

The empirical literature section discusses previous studies on the factors influencing commercial bank deposits. The section covers the factors and method applied to conduct the research, and the findings of the study under discussion.

2.4.1. Determinants of Commercial Bank Deposit in Ethiopia

Mamo (2017) studied deposit mobilization factors in the case of an Ethiopian commercial bank using descriptive and econometric analysis. As predictors of customer deposit mobilization in the bank, five explanatory variables were included: loan, availability of competitors, interest rate, and branch expansion. The econometric results show that loan provision, branch expansion, and customer quantity all have a strong beneficial impact on deposit mobilization growth. However, the arrival of new competitors and interest rates are not proven to have a favorable impact on the bank's deposit mobilization. The study suggests that banks expand in new areas, increase the number of clients through various incentive provisions, and compete with growing competitors as potential strategies of promoting deposit mobilization.

According to the study of Lidet B. (2021),

Deposit mobilization is one of the most important problems for banks, thus reaching the ideal amount of deposit earning is essential. The objective of this research was to identify the factors that influence deposit mobilization at Debub Global Bank S.C. She adopts a hybrid research methodology (qualitative and quantitative) with primary and secondary data sources. Purposive sampling was utilized to collect primary data from Debub Global Bank S.C.'s nine branches and head office workers in Addis Abeba, who were chosen to respond to the questionnaire. While secondary sources of data would derive data from Debub Global Bank S.C annual reports from 2015 to 2019G.C. According to the study, the number of branches, deposit mobilization strategy, interest rate, technology, and competition all have an impact on deposit migration. As a result, the study suggested that banks collaborate with other economic

units to boost deposit mobilization and engage in operational enhancements. Furthermore, the bank should maintain an increased number of branches in order to mobilize more resources.

Deposit mobilization is one of the key functions of the banking system, according to Getaneh.Y (2020). Banks mobilize the financial resources needed for investment and economic growth from consumers, companies, corporate organizations, and the government. Identifying factors influencing deposit mobilization is important for being effective, competitive in the market, and maintaining liquidity. With this in thoughts, the goal of this research is to determine the factors of bank deposit mobilization in the case of the Commercial Bank of Ethiopia. In order to accomplish this objective, primary data acquired through the distribution of 238 valid questionnaires to selected bank customers is predominantly employed. Secondary data is used to supplement primary data to some extent. SPSS is used to help in quantitative data analysis. According to the study findings, branch expansion, the range of services given by the bank, the confidentiality of information about customers, trust in the banking system, and the way individuals save are major variables influencing deposit mobilization. Furthermore, interest rates and inflation are important macroeconomic factors influencing deposit mobilization (Getaneh.Y, 2020).

As of (Shemsu, 2015) empirical study on commercial banks in Ethiopia the objective was identify and assess those determining factors affecting bank deposits in the case of CBE. The researcher uses both quantitative and qualitative research methods to examine the drivers of bank deposits in the case of the Commercial Bank of Ethiopia. The study included both primary and secondary data sources, with the primary data source using a questioner and the secondary data source analyzing time series data from 1998 to 2014. The information collected was regressed using the time series OLS regression method and interpreted using various financial relationships and statistical descriptions such as standard deviation, average, minimum, maximum, and median (descriptive statistics), and multiple regression (significant test). The research focused on one dependent variable (commercial bank deposit) and six independent variables: deposit interest rate, general inflation rate, GDP, number of branches opened, individual foreign remittance, and dummy variable. In the case of CBE, the economic analysis showed that all of the explanatory variables had a positive correlation with the explanatory variable. Among these variables, branch opening is a crucial method for deposit mobilization; it is much more important than the others. Individual

remittances from Diasporas are also significantly impacted, but these influences are not as significant.

2.4.2. Determinants of Bank Deposit Growth in Rwanda

According to Kamugisha's (2022) empirical study: The research experimentally examined the relationship between chosen variables and the development of bank deposits in Rwanda. According to empirical findings, both macroeconomic and bank-specific factors can affect bank deposit growth in Rwanda. The research uses quarterly time series data from 2005 (Q1) to 2019 (Q4) to assess the long run and short run relation. The results supported both a long-run and a short-run relationship between bank deposits and their predicted drivers. The relationship between chosen variables and bank deposits in Rwanda has been experimentally studied, and the model's results suggest that macroeconomic and bank-specific factors both have a role to play in the growth of bank deposits in Rwanda. The study estimated a long-run and a short-run association using quarterly time series data spanning from 2005 Q1 to 2019 Q4. The findings support both a long-run and a short-run relationship between bank deposits and their predicted factors. Empirical findings show that gross domestic product, government spending, the number of bank branches, and the deposit interest rate all have a long-run impact on bank deposit growth in Rwanda. In the near run, data show that government spending and GDP are the most important factors of bank deposit growth. The number of bank branches and the deposit interest rate were signed properly, although insignificantly, suggesting that they had no short-run influence on bank deposits. Based on the study findings, the article proposes that policymakers at the macro level endorse measures to improve the overall macroeconomic environment, especially policies to boost economic growth. Furthermore, banks should set deposit interest rates dependent on the quantity of client deposits, so that customers who deposit more of their surplus income get a greater interest rate, encouraging people to save. Furthermore, in order to pay high interest on client deposits, banks must engage in feasible initiatives that offer larger profits. Finally, because branch expansion has a negative long-term impact on bank deposits, banks may limit branch expansion and shift their priority to developing more sophisticated electronic platforms that allow clients to trade effortlessly.

2.5. Summary and Knowledge Gap

According to the above theoretical and empirical assessment, deposit mobilization is a key activity for all banks, particularly commercial banks, because their mission is to mobilize deposits to meet the requisite liquidity for bank credit clients. However, this is also dependent on the availability of credit facilities, which is dependent on the quantity of bank deposit. It also found that bank deposits are influenced by a variety of factors, including bank-specific and macroeconomic (endogenous and exogenous) influences. This study concentrated on some of the bank-specific and external factors that influence bank deposits. Theories about bank deposits may be found in a variety of publications. However, empirical research on bank deposits are few, particularly in Ethiopia. Based on this, there is still a significant vacuum in the empirical literature on deposits and their drivers. To the best of the researcher's knowledge, no empirical studies have been conducted on the determinants of bank deposits in the instance of Amhara bank. Because Amhara Bank is still in its early stages, inflation, interest rates, exchange rates, branch office convenience, GDP, political stability, branch expansion, covid-19, staff size and technology have not yet been evaluated.

2.6. Conceptual Frame Work of the Study

According to the above theoretical and empirical literature reviews, the key factors that impact the deposit improvement of financial institutions, particularly private banks, are separated into two categories: macroeconomic factors and microeconomic ones. This study examined both macro and micro factors of bank deposits, such as inflation, interest rates, exchange rates, branch office convenience, GDP, political stability, branch expansion, technology, covid-19 and staff size. The study quantified how these characteristics influence Amhara bank deposits in the Diredawa and Harar regions.

The following diagram depicts the conceptual framework of the connection between the dependent variable (Amhara bank deposit mobilization) and the independent variables (branch office convenience, Interest Rate, Inflation, political stability, GDP, number of employees, branch expansion, technology, covid-19 and exchange rate):

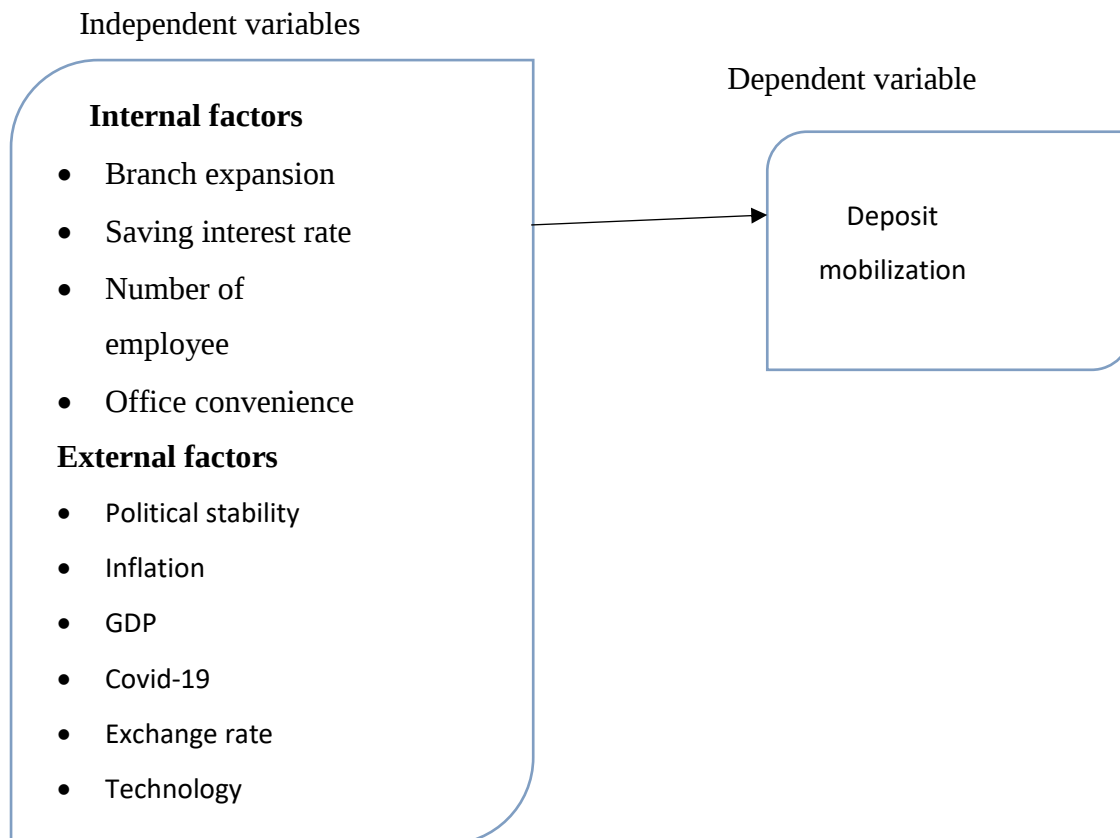


Figure 2.1 Conceptual frame work of the study

Source: from researcher

Deposit mobilization is a key function of the banking industry. It is a vital source of working capital for the bank. Deposit mobilization is a critical aspect in increasing banks' ability to manage deposits successfully. Deposit mobilization is critical to providing acceptable service to many areas of the country's economy. The success of the banking industry is dependent on deposit mobilization. Deposits are important to the bank's performance since they are a low-cost source of working capital.

CHAPTER THREE

RESEARCH METHODS

This section illustrates the procedure that has been maintained with the objective to achieve the expected outcomes in accordance with the general and specific objectives defined. The theoretical framework that is used to produce applicable knowledge about the particular research topic that the researcher has already proposed to take part in, and it explicitly provides the appropriate information on the basis of understanding the existing reality of factors affecting deposit mobilization in the selected Amhara bank branches. Furthermore, this section displays the methods that are applied during data collecting as well as the statistical instruments needed to evaluate and analyze data. This section comprehensively explains the study's data sources, research design, study population characteristics, sample and sampling procedures, and data collection schedule. It defines the types of data used in the study as well as the methods used to identify the factors influencing bank deposits. The researcher uses a descriptive study design and both quantitative and qualitative research approaches to figure out the determinants of bank deposits in the case of Amhara Bank.

Thus, in order to create reliable information, this study entails the careful selection of methods; the entire research process is directed by the following methodological components.

3.1. Research Design

The framework of study methods and techniques chosen by the researcher is commonly referred to as the research design.

A research design is a form of investigation that uses a qualitative, quantitative, or mixed methods approach to provide precise guidance for the processes in a study design (John W.Creswell, 2014).

The course of study enables researchers to focus on research methodologies that are appropriate for the subject matter and set up their lessons for success. Explanatory research is a research conducted in order to identify the extent and nature of cause-and-effect relationships, explanatory research was conducted in order to assess patterns of relationships and impacts of selected variables on mobilizing deposit of Amhara bank. The subjects of research employ either quantitative or qualitative approaches, the researcher decided which

method provides the greatest signal for the study's objectives. Researchers choose to incorporate both qualitative and quantitative data in their research because these methods offer various viewpoints on the subject matter; thus, qualitative as well as quantitative methods (Mixed approach) are used to generate necessary information and produce more rich and comprehensive data. The term "mixed methods" refers to a developing research methodology that promotes the systematic integration, or "mixing," of quantitative and qualitative data within a single study or ongoing program of investigation. The main justification for this method is that such mixed method allows for a more comprehensive and synergistic data processing than separate quantitative and qualitative data collection and analysis. The qualitative approach examines respondents' real experiences, including their own expression and interpretation of more subjective perspectives, whereas the quantitative approach focuses on the critical interpretation of quantifiable statistical data (Barlett, 2001)). The following tasks are part of the study's while using mixed method: Gathering and analyzing quantitative (closed-ended) and qualitative (closed and open-ended) data suitable to every approach, ensuring the correct number of samples for quantitative and qualitative analysis, and combining the data during data collection, analysis, or presentation. Implementing an interpretation for qualitative data and a research model for quantitative data, which includes a linear regression model helps in understanding the research's key findings inside a single model.

3.2. Data Source

The researcher employs both primary and secondary data to determine factors of Amhara bank deposits. A questionnaire used to obtain primary data. Secondary data are those that have previously been gathered by someone other than the investigator. Secondary data were gathered from a variety of sources, including E-sources and key publications on the subject.

3.3. Procedure of Data Collection

During the data collecting phase, the researcher obtains approval from all targeted branch offices in Diredawa city and Harar. The questionnaires are offered to the participants when permission has been granted. A copy of the cover letter and the questionnaire are included in the survey kit.

3.4. Research Tools

The questionnaire is the primary research tool used in this study. Because it is less expensive and takes less time than other measurement tools. The questionnaire is

divided into two parts, the first one is about the demographic characteristics of the respondents. This section includes information such as gender, age and year of service in the Bank. The second part contains eleven sections and these sections are the factors of deposit mobilization which has basic research questions under each of the section. The format of the questionnaires used in this study adapted from Gagn G. (2016)

3.5. Population, Sample Frame, Sample Size and Sampling Technique

3.5.1. Population of the Study

The employees who work in the branch of Sabian, Ashewa, Kezira, Shewa and Harar branch were the research participants or the population of the study and the questionnaires also delivered to those employees.

3.5.2. Sampling Frame

After the bank launched from June 18, 2022 it have 220 branches until this research is conducted. Among these branches 5 are the area branches found in Diredawa and Harari region till 30 May 2023. The sample includes the employees of Sabian, Ashewa, and Kezira branches from Diredawa and Shewa and Harar branch from Harari region.

3.5.3. Sampling Technique

Purposive sampling means a researcher selects individuals from the sampling frame based on characteristics that the researcher is looking for.

A researcher begins with a particular characteristic of interest that he/she want to analyze, and then chooses investigating individuals who cover all types of those characteristics. (Hugh, 2014). The researcher used purposive sampling to select the respondents of this research.

In this research the area of the study is selected by using convenience sampling method because this sampling technique is used to select the data based on the proximity and convenience of the area.

3.5.4. Sample Size

The research area was chosen using a non-probability sampling approach, while the target employees were chosen using purposive sampling selection. Because of a researcher begins with a particular characteristic of interest that he/she want to analyze, and then chooses investigating individuals who cover all types of those characteristics. (Hugh, 2014). The convenience, purposive and proportional sampling methods used for this study.

Taro Yamane's (1967) sample size determination formula was used to calculate sample size. For this formula to calculate sample size, a 95% confidence level was assumed. For this formula to calculate sample size, a 95% confidence level was assumed. As of:

$$e=0.05, n = N / (1 + N(e)^2)$$

Where n is the required sample size, N is the population size and e is the level of accuracy. $n=200 / (1+200(0.05)^2)$

$$n=200/1.5=133$$

Thus, of the 200 employees in the target population, the researcher chose 133 as a sample to distribute the questionnaires. Because the number of persons in each branch differs, the number of samples for each branch was determined using the following formula:

$$n1 = nN1/N, \text{ Where } n = \text{total number of samples}$$

$$N = \text{total number of populations}$$

$N1 = \text{total number of populations in each branch}$ Based on the above formula the following number of samples developed from each branch using proportional sampling method for each branch.

Table 3.1. Number of population and sample size

Branches	Tot targeted population	Tot Sample of Population	
Sabian branch	60	46	
Kezira branch	50	37	
Ashewa branch	35	21	
Harar branch	35	17	
Shewa branch	20	12	
Total	200	133	

3.6. Data Analysis

The data gathered from the respondents is examined and interpreted in order to arrive at relevant conclusions. The researcher used SPSS version28 software tool for analysis. The questionnaire collected by google form through online data collection

mechanism and the data responded by the participant is coded in an Excel spreadsheet before being exported to SPSS for analysis. The researcher used this type of data collection mechanism or the new form of questionnaire for the purpose of overcoming the limitations of the research. In this type of data collection there is no security issue, absence of the respondent is not the issue because the research can easily distribute through their email or telegram where ever they are. It also used to save time and money; the transportation cost, white paper cost, print cost and time cost have saved.

The raw data about the respondents' demographic and deposit mobilization factors displayed using tables.

Following the presentation of the respondent profile, the deposit mobilization factors like technology, branch office convenience, interest rate, inflation, political stability, GDP, number of employees, branch expansion, covid-19 pandemic and exchange rate are analyzed by using descriptive statics and correlation analysis.

1. Descriptive statics

Descriptive statistics are brief informative coefficients that describe a specific data collection that can represent the whole population or only a portion of a population. Measurement of central tendency and measurements of variability (spread) are two types of descriptive statistics. The mean, median, and mode are examples of measurements of central tendency, whereas standard deviation, variance, minimum and maximum variables, kurtosis, and skewness are examples of measures of variability (Hayes, 2023). The researcher used descriptive statistics for measuring the central tendency of variables and their variability (spread) as shown the next chapter.

2. Correlation Analysis

Correlation analysis is a statistical tool used in research to determine the strength of the relationship between variables and calculate the relationship between them. In other word, correlation analysis measures the amount of change in one variable as a result of a change in the other variable (Vivek Bhaskaran, 2018). As result of this assumption, the relationship and the degree of change or influence between two variables is computed using correlation analysis.

3. Cronbach's Alpha Interpretation

Cronbach's alpha has a value between 0 and 1.

The minimum acceptable value of Cronbach alpha is 0.70.

A value of zero implies that there is no association between the components in question. They are completely self-sufficient. Knowing the value of one question's response provides no information about the other questions' responses.

One means they are perfectly connected. Frost states that knowing the value of one response offers comprehensive information about the other elements (Frost, 2019).

A. Branch expansion reliability analysis

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.855	.864	4

Figure 4.1 Branch expansion reliability statistics

Source SPSS v28

As defined in the figure 4.1 Cronbach alpha value is 0.864 which is greater than 0.70, it means that the response values for each participant across a set of questions are consistent or reliable.

B. Number of employee reliability analysis

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.880	.883	3

Figure 4.2 Number of employee's reliability statistics

Source SPSS v28

In the figure 4.2 the value of Cronbach alpha is greater 0.880 which is reliable.

C. Interest rate reliability analysis

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.945	.946	2

Figure 4.3 Interest rate reliability statistics

Source SPSS v28

As defined in the figure 4.3 Cronbach alpha value is 0.945 which is greater than 0.70, it means that the response values for each participant across a set of questions are consistent or reliable.

D. Inflation reliability analysis

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.720	.759	3

Figure 4.4 Inflation reliability statistics

Source SPSS v28

As defined in the figure 4.4 Cronbach alpha value is 0.720 which is reliable.

E. GDP reliability analysis

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.874	.876	3

Figure 4.5 GDP reliability statistics

Source SPSS v28

As defined in the figure 4.5 Cronbach alpha value is 0.874 which means that the response values for each participant across a set of questions are consistent or reliable.

F. Convenience location reliability analysis

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.906	.908	5

Figure 4.6 Convenience location reliability statistics

Source SPSS v28

As defined in the figure 4.6 Cronbach alpha value is 0.906 which is the response values for each participant across a set of questions are consistent or reliable.

G. Political stability reliability analysis

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.844	.846	4

Figure 4.7 Political stability reliability statistics

Source SPSS v28

As defined in the figure 4.7 Cronbach alpha value is 0.844 which is greater than 0.70, it means that the response values for each participant across a set of questions are consistent or reliable.

H. Technology reliability analysis

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.868	.870	4

Figure 4.8 Technology reliability statistics

Source SPSS v28

As defined in the figure 4.8 Cronbach alpha value is 0.868 that is the response values for each participant across a set of questions are consistent and reliable.

I. Exchange rate reliability analysis

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.806	.807	3

Figure 4.9 Exchange rate reliability statistics

Source SPSS v28

As defined in the figure 4.9 Cronbach alpha value is 0.806 which is greater than 0.70, it means that the response values for each participant across a set of questions are consistent or reliable.

J. Covid-19 reliability analysis

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.770	.771	2

Figure 4.10 Covid-19 reliability statistics

Source SPSS v28

As defined in the figure 4.10 Cronbach alpha value is 0.770 the response values for each participant across a set of questions are consistent or reliable.

K. Deposit mobilization reliability analysis

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.767	.770	2

Figure 4.11 Deposit mobilization reliability statistics

Source SPSS v28

As defined in the figure 4.11 Cronbach alpha value is 0.767 which is greater than 0.70, it means that the response values for each participant across a set of questions are consistent or reliable.

3.7. Ethical Considerations

The researcher considers ethical considerations while conducting the research in the selected bank. The researcher explained the participants of the study about the objectives of the study and had to consciously consider ethical issues in getting consent, avoiding misdirection, maintaining confidentiality, respecting the privacy, and securing the anonymity of all study participants. The researcher noted these considerations because research ethics legislation prohibits conducting a study without the consent of the respondents for the reasons stated above.

CHAPTER FOUR

RESULTS AND DISCUSSION

This chapter focuses on the quantitative data observed in Chapter 3 and its analysis, discussion, and presentation. The data were analyzed using SPSS version-28 software; statistical methods such as correlation, linear regression, and ANOVA analysis were applied. Furthermore, the average results of each explanatory variable in the answers are analyzed using SPSS's "Transform" tool to compare the average results of the independent variables, as well as to observe correlation and regression of explanatory variable with explained variable. For a better presentation and to highlight the outcome, appropriate interpretation of findings and tables are prepared.

4.1. Descriptive Analysis of Demographic, Independent Variables and Dependent Variable

This section of the research paper presents brief descriptions of the statistics acquired from primary data for each demographic, independent, and dependent variable. The independent factors used in this research, such as location convenience, branch expansion, interest rate, technology, covid-19, GDP, political stability, exchange rate, number of employee and inflation have been studied, analyzed, and interpreted to demonstrate their effect on Amhara Bank's deposit mobilization. The demography and other variables analyzed using SPSS v28, and the results are interpreted in the section below.

4.1.1. Interpretation of Frequency of Demographic Variables

Out of the total, 133 questionnaires shared to the employee of the bank only 122 staffs respond. The other 11 employees not respond because of different situations like two employees fired, others were on annual leave and they went to non-network area. The overall frequency analysis of the respondent demography presented in the following tables:

Table 4.1 Gender of the respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	69	56.6	56.6	56.6
	Male	53	43.4	43.4	100.0
	Total	122	100.0	100.0	

According to table 4.1 it is observed that out of the 122 respondents 53(43.4%) of respondents were males and the remaining 69 (56.6%) were females. This shows that majority of the respondents were females. This might be due to smaller number of male employees in the bank, compared to females.

Table 4.2 Age of the respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Between 21 and 30	70	57.4	57.4	57.4
Between 31 and 40	47	38.5	38.5	95.9
Between 41 and 50	4	3.3	3.3	99.2
Less than 20	1	.8	.8	100.0
Total	122	100.0	100.0	

From the table 4.2 70 (57.4%) are between the age 21 and 30years, 47(38.5%) are between age 31-40, 4(3.3%) are between age 41-50 years and 1(0.8%) is below the age 20 years. This helps to see the view of employees from different age categories on the deposit mobilization process of the bank as employees' age category has its own influence on the view they have regarding the practice. The wider and diversified the age group, the wider and diversified are the views of the employees on the issue under consideration. The bank is manipulated by young workers so this fresh human energy helps the bank to grow its deposit and to increase customer satisfaction.

Table 4.3 Education status of the respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	2	1.6	1.6	1.6
	First degree	74	60.7	60.7	62.3
	Masters	46	37.7	37.7	100.0
	Total	122	100.0	100.0	

According to table 4.3 2 (1.6%) are diploma holder, 74(60.7%) first degree holder and the remaining 46 (37.7%) are masters. The fact that majority of respondents are having degree and masters. Respond by more of degree and masters holder helps to the respondents easily understood the questionnaire, to fill the questionnaires correctly and as a result of that the research finding become viable.

Table 4.4 Job title of the respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Loan officer	5	4.1	4.1	4.1
	Accountant	10	8.2	8.2	12.3
	Ass. Branch Manager	5	4.1	4.1	16.4
	Branch manager	5	4.1	4.1	20.5
	Customer service officer	85	69.7	69.7	90.2
	Financial Manger	5	4.1	4.1	94.3
	Marketing officers	4	3.3	3.3	97.5
	Messenger	3	2.5	2.5	100.0
	Total	122	100.0	100.0	

As presented in the table 4.4 loan officers, Ass. Branch manager, financial manager and branch manager each are 5(4.1%), 3 (2.5%) of the respondents are messenger, 4(3.3%) are marketing officer, 10 (8.2%) are accountant and 85 (69.7%) of the respondents are customer service officer of the bank. From this, we can infer that most of the respondents working on front service which is also important to customer satisfaction due to their service.

Table 4.5 Work experience of the respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Between 1-3 years	9	7.4	7.4	7.4
	Between 3-5years	63	51.6	51.6	59.0
	less than 1 year	6	4.9	4.9	63.9
	More than 5 years	44	36.1	36.1	100.0
	Total	122	100.0	100.0	

From the above table 4.5 6(4.9%) are less than 1 year experience, 9(7.4%) are 1-3 years' experience, 63 (51.6%) are 3-5 years and the remaining 44 (36.1%) are above 5 years' experience. This indicates that the respondents are well experienced and able to contribute their effort to the deposit mobilization process of the bank. Hence, data collected from them is reliable. Those experienced workers have an importance to increase the deposit of the bank by providing their knowledge on technology and service quality.

4.2. The Reliability of the Analysis

The qualities of measuring scales and the elements that form up the scales can be studied using reliability analysis. The Reliability Analysis process computes a variety of usually used measures of scale reliability and also offers information about the correlations between particular factors on the scale (Dudovskiy, 2011).

Cronbach's alpha is a measurement of the internal consistency, or reliability, of a set of questionnaire responses. The researcher applies this measurement to see if a set of items consistently measures the same feature. Cronbach's alpha measures the level of agreement on a defined 0 to 1 scale. Higher alpha values indicate better agreement between items. High Cronbach's alpha levels indicate that response values for each participant across a set of questions are consistent or reliable. When participants give a high response to one of the things, they are more likely to give a high response to the other items. This agreement shows that the measurements are reliable, and the items may measure the same trait or characteristics. Low values, on the other hand, suggest that the group of items does not reliably measure the same item. High responses to one question do not imply that participants believed the other items were highly graded. As a result, because the measurements are unreliable, the questions are unlikely to test the same attribute or property (Frost, 2019).

4.3. Statistical Analysis of the Dependent and Independent Variables

Table-4.6 summarizes the descriptive statistics of the dependent and explanatory variables for Amhara bank. The table displays the mean, median, maximum, minimum, and standard deviation values of Amhara bank's deposit (dependent variable) and the independent variables technology, covid-19, inflation, exchange rate, interest rate, branch expansion, number of employees, GDP, and convenience of branch location for a total of 122 observations.

Table 4.6 descriptive statistics of dependent and independent variables

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	Variance
DEPM	122	1.00	5.00	4.0328	.86659	.751
COV	122	1.00	5.00	4.1721	.96160	.925
EXCR	122	1.00	5.00	2.4153	.98782	.976
TECH	122	1.00	5.00	4.1393	.71079	.505
PST	122	1.00	5.00	4.4057	.64629	.418
CONV	122	1.00	5.00	3.9721	.76464	.585
GDP	122	1.00	5.00	3.8497	.71467	.511
INF	122	1.00	5.00	1.9918	.93838	.881
INT	122	1.00	5.00	2.4795	1.24050	1.539
NEMP	122	2.00	5.00	4.1667	.69135	.478
BREXP	122	1.25	5.00	4.5123	.59687	.356
Valid N	122					

Notice: PST (Political stability), INF(Inflation), GDP(Growth domestic product), COV(Covid-19), EXCHR(Exchange rate), TECH(Technology), INTR(Interest rate), NEMP(Number of employee), BREXP(Branch expansion), CONV(Office convenience), DEPM(Deposit mobilization).

The mean of deposit mobilization was 4.0328 with the standard deviation of 0.86659 (87%) it implies that the value of standard deviation not close to the mean value of deposit mobilization of the Amhara bank which means that the data points are spread out over a wider range of value. The mean value of covid-19 influence in the bank 4.1721 with the standard deviation 0.96160 from 122 number of samples indicates that the data points are spread out over a wider range of value likewise other have high value from the mean of each variable which indicates also the data are widely distributed except inflation and interest rate. The mean value of interest rate is 2.4795

with the standard deviation of 1.24050 which is comparatively low variance from the mean which indicates the data points are not widely spread.

The mean value of inflation 1.9918 with the standard deviation 0.93838 indicates that the data points are not widely spread from the mean.

4.4. Testing for Correlation

Correlation Analysis is a statistical tool designed to investigate the degree of similarity or dependency between two or more variables. When a change of one variable is closely associated by the change of another variable, the variables are said to be correlated. There are two kind of variables in a correlation analysis: dependent and independent variables. The primary objective of such an analysis is to determine whether or not a change in the independent variable results in a change in the dependent variable. Once the closeness of variables is established, we can estimate the value of an unknown variable given the value of another variable. This is practicable with regression analysis. Positive and Negative Correlation: The direction of change determines whether the correlation between the variables is positive or negative. In other words, the value of r in correlation might range from -1 to 1. If both variables move in the same direction, the correlation is positive. Values of r close to 1 indicate that there is a positive linear relationship among the data. As an independent variable rises, the other dependent variable increases on average, and when one independent variable fall, the other dependent variable falls. When both variables move in the opposite direction, the correlation is considered to be negative, i.e. values of r close to -1 indicate a negative linear relationship between the data points. When one variable rises, the other falls, and vice versa. However, r values close to 0 indicate that there is little to no linear relationship between the data. As a result, the Correlation in this study is calculated between 10 independent factors and one dependent variable called deposit mobilization. The researcher carefully examined these variables to discover the correlation utilized to evaluate the extent to which the variables are associated.

Table 4.7 Correlation Test

Pearson Correlation											
	DEPM	EXCR	TECHM	CONV	GDP M	NEMP	INFM	INTR	COV M	PSTM	BREXP
DEPM	1										
EXCR	-.177	1									
TECH	.664**	-.183*	1								
CON V	.031	.053	.133	1							
GDP	.009	.183*	-.082	.110	1						
NEMP	.132	-.061	.098	.455**	-.054	1					
INF	-.204*	.113	-.152	-.225*	.003	-.208*	1				
INTR	-.092	.008	.103	.074	-.108	.104	-.128	1			
COV	-.117	-.054	.029	.046	.038	-.011	-.165	.105	1		
PST	.624**	-.248**	.486**	-.030	-.152	.059	-.017	-.052	-.064	1	
BREX P	.269**	-.245**	.481**	.268**	-.049	.236**	-.086	.081	.060	.120	1
	122	122	122	122	122	122	122	122	122	122	122

Notice: PST (Political stability), INF(Inflation), GDP(Growth domestic product), COV(Covid-19), EXCHR(Exchange rate), TECH(Technology), INTR(Interest rate), NEMP(Number of employee), BREXP(Branch expansion), CONV(Office convenience), DEPM(Deposit mobilization).

According to the table 4.7, explanatory variables such as branch expansion, employee number, convenience of location, political stability, and technology and growth domestic product have a positive correlation with deposit mobilization. That is, when any of these independent variables grows better, the bank's deposit mobilization performance increases as well. The opposite is also true.

The other explanatory (independent variables) such as Interest rate, Inflation, covid-19 and exchange rate have a negative correlation with deposit mobilization. That means any of these negatively correlated variables increases the bank deposit is negatively affected and the growth of bank deposit is not positively correlated with these variables.

4.5. Testing the Classical Linear Regression Model (CLRM)

Assumptions

4.5.1. Discussion of the Regression Analysis Result

Regression Analysis is a statistical tool used for estimating or determine a possible change in one variable for a given amount of change in another.

It refers to that the undetermined variable's value can be determined with the known value of another variable. It shows the variables' cause-and-effect relationship. The degree to which the variables are connected to one another is determined by the regression curve or line. The regression further demonstrates a correlation between two or more variables. However, there are two significant differences between correlation and regression. Such as: The correlation coefficient determines or measure the "degree of relationship" between variables, whereas the regression analysis investigates the "nature of relationship" between the variables (Andrew, 2017).

Multiple linear regression is formulated as follows:

$$\hat{Y} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_p X_p$$

Where X_1 to X_p are p distinct independent or predictor variables, β_0 is the value of Y when all of the independent variables (X_1 to X_p) are equal to zero, and β_1 through β_p are the estimated regression coefficients. Each regression coefficient shows the change in Y as the result of a one-unit change in the corresponding independent variable. In multiple regression application β_1 is the change in Y relative to a one-unit change in X_1 , while keeping all other independent variables constant (i.e., when the remaining independent variables are held constant or fixed). Again, statistical tests can be used to determine whether each regression coefficient differs significantly from zero.

The constant value determines the estimated regression coefficients for the value of the dependent variable (deposits) in this research:

Deposit mobilization = $\beta_0 + \beta_1$ (branch Expansion) + β_2 (number of employee) + β_3 (interest rate) + β_4 (Technology) + β_5 (inflation) + β_6 (GDP) + β_7 (Convenience) + β_9 (political stability) + β_{10} (exchange rate) + β_{11} (covid-19).

According to the coefficient table 4.10

(Deposit mobilization) = 1.107 + .018 (branch Expansion) + -0.095 (number of employee) + 0.030 (interest rate) + -0.111 (inflation) + 0.246(technology) + -0.065(GDP) + 0.094(Convenience) + 0.135(political stability) + -0.083(exchange rate) + 0.481(covid-19).

On the basis of the data from this research, the relationship between the independent variables and dependent variable looked at in this section. The independent variables measure how the dependent variable, deposit mobilization, is growing. The independent variables that have an effect on those mentioned regression's outputs have

an impact on the dependent variable. The P-value shows at what precession level each variable is significant. Because of this, P-value of < 0.05 indicates that there is a relationship between the dependent variable (deposit) and the independent variables (branch expansion, covid-19, GDP, political stability, inflation, employee count, exchange rate, technology, interest rate, and location convenience).

How well the regression model measures actual variations in the dependent variable is indicated by the R-squared value. R-squared values typically vary from 0% to 100% and have a range from 0 to 1. An R-squared of 100% indicates that changes in the independent variable completely reflect all changes in the dependent variable. When the R-squared value is high (between 85% and 100%), it means that the performance of the dependent variable followed the trend of the independent variable similarly (Brooks, 2008).

According to Annex 4 results from the regression analysis model, the adjusted-R squared statistics and R-squared statistics results are 61.2% and 57.3%, respectively. So this indicates the variables are correlated and the bank's deposit performance looks like to be moving somewhat in line with the independent variables, as indicated by the adjusted R squared value of 57.3%. These variables serve as useful explanatory variables to identify the causes of banks' deposit mobilization. The p-value of zero in table 4.8 above and the regression's F-statistic of 15.763 show that the null hypothesis that all of the coefficients are jointly zero should be rejected. This suggests that variations in the dependent variable, deposit mobilization, explained by the independent factors (See Appendix 4).

4.5.2. Test of Heteroscedasticity

Heteroscedasticity is an assumption related with regression, essentially states that the error variance relating to the model which varies equally across every dimension of the independent variable. In other words, heteroscedasticity occurs when the residuals from a regression analysis are not equal (Atom, 2011).

ANOVA Testing

One-way ANOVA ("analysis of variance") examines the means of two or more independent groups to see if there is statistical evidence that the related population means differ significantly. The one-way ANOVA test is a descriptive test.

ANOVA is used to determine whether there are any differences in the variables between the two sets of data. ANOVA is a powerful tool used by researchers

nowadays. The research design has a significant impact on how ANOVA is used. The t-test can be used in research to compare the means of two samples, however ANOVA is the optimum technique when comparing the means of multiple samples. ANOVA examines the mean difference between groups that have been divided into more than two components. The primary goal of more than one-way ANOVA is to determine whether there is any interaction between the more than one-way independent variables and the dependent variables. Branch expansion, COVID-19, GDP, political stability, inflation, employee count, and exchange rate are analyzed as independent variables in this study, whereas Deposit Mobilization is the dependent variable. It also tells us whether the effect of one of the independent factors on the dependent variable or deposits is identical for all other independent variable values. Variation between independent variables exist due to the differences in the level of accuracy of the independent variable because independent variables are able to fulfill the test and preferences of customers. This disparity could also be the result of other factors that are attributed to chance and beyond human control. This is referred to as "error." Thus, variations or differences in deposit mobilization may be believed to be error. As a result, estimates of the amount of variation attributable to assignable reasons (or variance between samples) and random causes (or variance within samples) are produced separately and compared using an F-test, and conclusions are reached using the value of F (Dr., 2023).

The one-way analysis of variance (ANOVA) is used to assess whether there are any statistically significant differences between the means of two or more independent (unrelated) groups (though it is typically employed when there are at least three groups, rather than two) (Lund, 2018).

Table 4.8 Linear regression ANOVA testing

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	55.598	11	5.054	15.763	0.001
	Residual	35.271	110	.321		
	Total	90.869	121			
a. Dependent Variable: DEPM						
b. Predictors: (Constant), BREXP, COV, GDP, PST, INF, NEMP, EXCR, TECH, INTR, CONV						

The entire significance on the research model is shown in table 4.8 above. According to David (1996), significance is defined as a significance level of 0.05 or less, and any value greater than this is classified as non-significant effects and if the p-value associated with a heteroscedasticity test goes below an appropriate limit (0.05), we can draw the conclusion that the data is significantly heteroscedastic.

As shown in the above table the p value is less than 0.05, therefore the data is significantly heteroscedastic.

Furthermore, according to David (1996), the F value is a measurement of how divergent the means are relative to variability within the variables. Table 4.8 shows that the F value for this study model is 15.763. The table demonstrates that the significance value is 0.001, or $p < 0.05$; this indicates there is a relationship (significant variation) between the dependent variable (deposit) and the independent variables (branch expansion, COVID-19, GDP, political stability, inflation, employee number, exchange rate, technology, interest rate, and location convenience). The test statistic suggests that the null hypothesis of all coefficients being jointly zero should be rejected. As a result, we can conclude that branch expansion, COVID-19, GDP, political stability, inflation, employee number, exchange rate, technology, interest rate, and location convenience all have a variable relationship or have a variable significant effect on deposit mobilization.

4.5.3. Tests of Normality

Histogram

Histogram is a graphical representation of data points arranged in to ranges that the user specifies.

A normally distributed variable has a histogram (or "density function") that is bell-shaped, has one peak, and is symmetric over the mean. Kurtosis ("peakedness" or "heaviness of tails") and skewness (asymmetry toward the mean) are two concepts that are commonly used to define deviations from normality ((Susan M. Krebs-Smith, 1964)

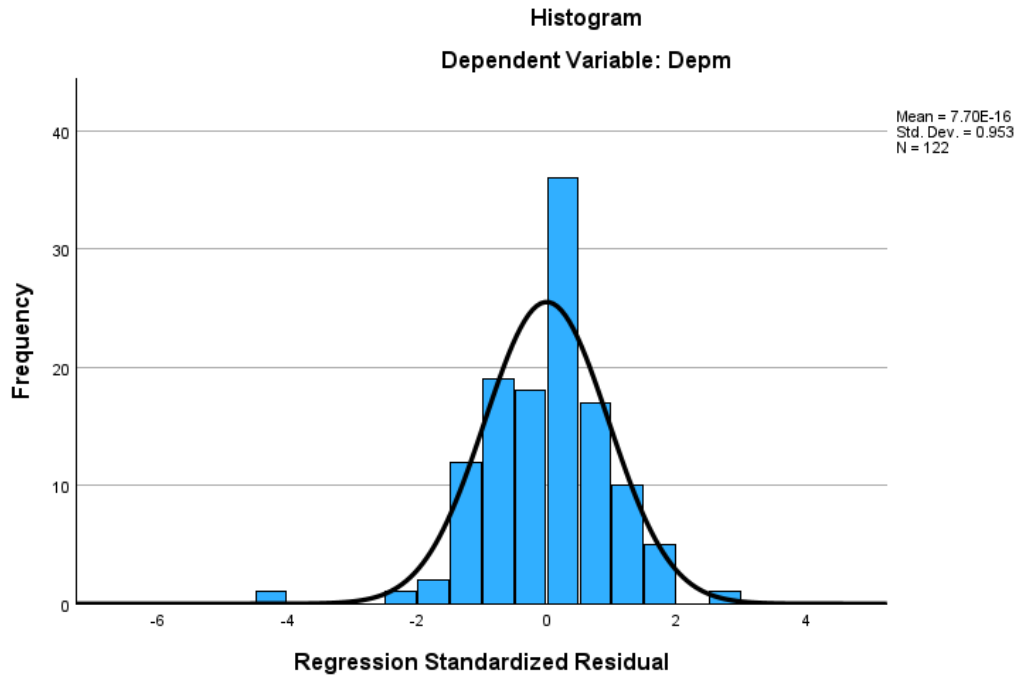


Figure 4.12: Histogram

As the picture of the histogram showed the variables or data are almost normally distributed and the data are symmetric to the mean. There is no more skewness from both in the left as well as the right. The graph has one peak and symmetric to the mean. Therefore, the variables are normally distributed.

Normal Probability Plot

The normal probability plot is a graphical tool for determining whether or not the data set is normally distributed. The data is shown against a theoretical normal distribution, with the points forming an almost a straight line. The probability plot is a component of the normal probability plot (Chambers et, 1983).

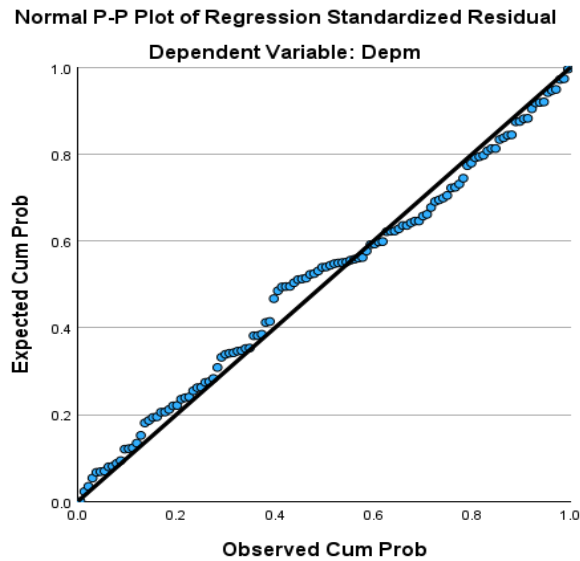


Figure 4.13 Normal probability plot

As the graph of normal probability plot showed the data normally distributed, the points are plotted along the line and forms like a straight line, this indicates that the variables are normally distributed.

4.5.4. Multicollinearity Test

Computing the variance inflation factor (VIF) for each independent variable is one method for determining multicollinearity; a VIF value greater between 1 and 5 shows moderate collinearity and VIF value greater than 5 high multicollinearities whereas greater than 10 is not tolerable collinearity.

A variance inflation factor (VIF) in regression analysis is a measure of the level of multicollinearity. Multicollinearity occurs when there is a correlation between multiple independent variables in a multiple regression model. This can adversely affect the regression outputs (Bhandari, 2020).

Based on the view of Bhandari the VIF value from the table below indicates all variables are moderately correlated.

In the multicollinearity test of variance inflation factor (VIF) table; the value of VIF for most of the variables is greater than 1 that shows the moderate multicollinearity of the variables (See Appendix 8).

4.6. Hypothesis Testing

Table 4.9 linear regression analysis coefficients

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	EXCRM	.011	.051	.013	.210	.834
	TECHM	.430	.071	.475	6.091	.001
	CONVM	-.175	.117	-.103	-1.493	.138
	GDPM	.182	.098	.113	1.865	.065
	NEMPM	.069	.053	.087	1.294	.198
	INFM	-.125	.047	-.167	-2.678	.009
	INTRM	-.078	.040	-.119	-1.979	.050
	COVM	-.107	.052	-.122	-2.041	.044
	PSTM	.325	.059	.387	5.487	.001
	BREXPm	.012	.069	.013	.174	.862
	(Constant)	1.662	.718		2.314	.023

Dependent Variable: DM Regression is significant at the 0.05 level (95% confidence level), Source: SPSS v 28

Notice: PST (Political stability), INF(Inflation), GDP(Growth domestic product), COV(Covid-19), EXCHR(Exchange rate), TECH(Technology), INTR(Interest rate), NEMP(Number of employee), BREXP(Branch expansion), CONV(Office convenience), DEPM(Deposit mobilization).

If the P-value is less than (or equal to) alpha, the null hypothesis is rejected and the alternative hypothesis is accepted. Furthermore, if the P-value exceeds alpha, the null hypothesis is not rejected (Eberly, 2023).

The word significance level (alpha) refers to a predetermined probability, whereas the term "P value" refers to a probability calculated after a particular investigation of the research. Most writers define statistical significance as $P = 0.05$, and statistically very significant as $P 0.001$ (less than one in a thousand chance of being incorrect). (David A. Belsley, 12, 2013). The chance that the null hypothesis is correct is where the value of p greater than 0.05. The probability that the alternative hypothesis is correct is 1 minus the P value. A statistically significant test result ($P \leq 0.05$) indicates that the test hypothesis is inaccurate or should be rejected. A P value larger than 0.05 indicates that no effect was found (Ioannidis, 2016).

The beta coefficient is the amount that the result of a variable changes for every unit change in the predictor variable. Following the examination of the F value and R^2 , the regression beta

coefficients must be evaluated. The beta coefficients can be negative or positive, and each has a t-value and significance of the t-value. If the beta coefficient is positive, it means that for every unit rise in the predictor variable, the outcome variable increases by the beta coefficient value. If the beta coefficient is negative, it means that for every one unit rise in the predictor variable, the outcome variable decreases by the beta coefficient value (Harcourt, 2012). As shown from the above linear regression analysis table five variables are significant.

1. Positively Significant variables

(1):- Technology have positive effect the deposit mobilization of Amhara bank.

According to the coefficients table 4.10 above statistically stated P-value of 0.001 with corresponding Beta value of 0.473 which means the value p less than the value of alpha (0.05) and the significant that is technology has significant as well as positive effect for deposit growth as of the research (Lidet, 2021).; hence the null hypothesis (H0) is rejected. The deposit mobilization of Amhara bank increased by a unit of 0.473 as following the technology rise by everyone unit amount of 0.473.

(2):- The political stability of a nation have positive effect on the banks deposit increment.

In accordance with coefficients table 4.10 above, the statistically stated P-value of 0.001 with corresponding Beta value of 0.387 which means the value p less than the value of alpha and the significant that political stability is significant as well as it has positive effect for deposit growth. In this result of testing the null hypothesis rejected rather the alternative hypothesis accepted. Because of the value of p less than the value of alpha (0.05). The deposit mobilization of Amhara bank increased by a unit of 0.387 in each units of increment of political stability. Similarly, Political stability boosts deposit mobilization significantly as of (Nesru & Mekonnen, 2022).

2. Negatively Significant variables

(3):- The inflation rate of the country has significant impact on the bank's deposit growth.

From the table 4.10 above statistically stated P-value of the independent variable inflation is 0.009 with corresponding Beta value of -0.167 which means the value p less than the value alpha and it is negatively significant and it has negative effect for deposit growth. The null hypothesis (H0) is rejected and alternative hypothesis became true. The deposit mobilization of Amhara bank decreased by amount of 0.167 units as following the rise of ever one units of Inflation. With similar fashion inflation has a significant negative effect on deposit mobilization (Nesru & Mekonnen, 2022).

(4): - Covid-19 pandemic affect the deposit mobilization of Amhara bank.

From the coefficient table 4.10 above statistically stated P-value of the variable is 0.044 with corresponding Beta value of -0.122. The p value less than 0.05, which is significant. In this case the null hypothesis has rejected. Since the beta value is negative the deposit mobilization of Amhara bank decreased by a unit of 0.122 in every unit of rise of or expansion of the pandemic. Likewise, covid-19 has a negative impact on private commercial banks' deposit mobilization (Boru, 2020).

(5):- Interest rate significant to the deposit mobilization of Amhara bank.

As a result of coefficients table 4.10 above, statistically stated P-value of 0.050 with corresponding Beta value of -0.119 which means the value p equal to the value of alpha, the significant that of the variable interest rate shows negative significance on deposit mobilization of the bank; hence the null hypothesis (H_0) is rejected. The result indicates as the bank losses by amount of 0.119 in each units of rise or change of interest rate. According to the research of (Hailesilase, 2021) offering higher interest rate on saving positively affects the deposit of the bank. Saving account deposit earn a higher savings interest rate grow at a faster pace. More deposits may qualify for a higher savings rate. Contrarily, the finding of this research implies increasing the rate of interest not increase the deposit of the bank because the amount of increasing rate recorded by the bank not comparable with the retain amount from the customer. Therefore, the way to increase the deposit of the bank or the liquidity of the bank is by maintaining or increasing the rate of interest rather decreasing or maintain the present interest rate and focus to the other factors of deposit mobilization.

3. Not-Significant variables

(6): - Branch expansions have significant effect on the bank's deposit mobilization: According to the coefficients table 4.10 above statistically stated P-value of the variable branch expansion is 0.862, which is greater than the value of alpha. Which means it is insignificant.

However, branch expansion was positively significant in the research of (Lidet, 2021) but in this research the statistical finding indicates branch expansion is insignificant for deposit mobilization. In this regard the null hypothesis is acceptable.

(7):- Convenience of the branch location is significant to the deposit mobilization of Amhara bank.

From the table 4.10 above statistically stated P-value of the variable branch location convenience is 0.138, which is greater than the value of alpha. The result indicates

insignificant of the variable. Even though office convenience is positively affecting the bank deposit and it is significant (Baqui et al, 1987), but in this research the statistical finding indicates office location convenience is insignificant for deposit mobilization and the null hypothesis is acceptable.

(8):- Number of employees have significant effect on the deposit mobilization of Amhara bank.

From the table 4.10 above statistically stated P-value of the variable number of employees is 0.198, which is greater than the value of alpha. The result indicates insignificant of the variable. The number of employees in the bank is positively affects the bank deposit and it is significant (Girma, 2015), but in this research the statistical finding indicates number of employees in the bank doesn't determine the development bank deposit and it is insignificant for deposit mobilization and the null hypothesis is acceptable.

(9):- Exchange rate significant to the deposit mobilization of Amhara bank.

As defined from the table 4.10, P-value of the variable exchange rate is 0.834, which is greater than the value of alpha. The result indicates the variable is insignificant. Exchange rate has significance for deposit growth (Gebreyohannes, 2016), but in this research the statistical finding indicates exchange rate not determine the bank deposit and it is insignificant for deposit mobilization and the null hypothesis is acceptable.

(10):- GDP is significant to the deposit mobilization of Amhara bank.

As stated from the table 4.10, P-value of the variable growth domestic product is 0.065, it is also greater than the value of alpha. Hence the result indicates the variable is insignificant.

Growth domestic product is significance for deposit growth (Tamplin, 2023) but in this research the statistical finding indicates growth domestic product not determine the bank deposit and it is insignificant for deposit mobilization as well as the null hypothesis is acceptable.

4.7. Discussion of Result

In the discussion part of the research, the researcher interprets the meaning of the results, puts them in context, and explains why they matter.

Technology: As of the research finding (Lidet, 2021) the empirical results from regression analysis showed that technology affects deposit of the bank positively and it is significant in financial transactions system. Likewise, technology is statistically

significant in this research because it determines the growth of customers and bank deposit by facilitating and fastening the customer financial transaction activities.

ATM and mobile banking have positive effect for deposit growth. According the result of the research finding in each unit of technology development, the deposit of Amhara bank increased by a unit of 0.473.

Political stability: The country's economic, social, and political aspects may influence depositors' willingness to invest funds in the banking system (Finger and Hesse).

Political stability stimulates investment and economic growth, which increases a company's profitability. Conflicts and political instability, on the other hand, might decrease bank deposits.

Conflicts harm the financial sector's performance and undermine banks' capacity to maintain their role as financial intermediaries. Political unrest may enhance the volatility of bank deposits. Political stability boosts deposit mobilization significantly (Nesru & Mekonnen, 2022).

The research from Amhara bank indicates the political stability is significant and positively affect deposit growth. As the political stability ensured, the freedom of economy and business activities push the customer to be profitable. The deposit mobilization of Amhara bank increased by a unit of 0.387 in each units of increase net of political stability. In reverse instability negatively affect the deposit growth by distracting the economy and wealth of the organizations and properties of individuals.

Inflation: According to the research of (Nesru & Mekonen, 2022) Inflation affects bank deposits it reduces the purchasing power of money. Inflation has a significant negative effect on deposit mobilization.

In this research also, inflation has significant effect and negatively affect deposit growth. In each rate of inflation, the deposit growth decreased by of 0.167 units.

Inflation increases living costs and hyperinflation occurs, which is Cash or bank savings purchasing power of money become so much less than the sudden and excessive runaway price increases in the economy. Therefore, people chosen to convert deposits and cash into storage commodities and they didn't deposit money in bank.

Interest rate: According to research, (Hailesilase, 2021) accounts that pay interest and deposits in banks can have significant effects on savings rates. Paying higher savings interest rates encourages clients to return to banks. Deposits in deposit accounts that receive a higher savings interest rate grow faster. Savings rates might also vary

depending on account balance. More deposits could subject you to a greater savings rate. In the contrary the deposit mobilization of Amhara bank decreased by a unit of 0.119 in each units of change of interest rate. As the bank increase the interest rate on the account of customers, the bank loses its deposit by the amount of 0.119 in each rate of unit.

Covid-19: The Corona Virus Diseases (Covid-19) epidemic that shrinks the financial organizations like banking sectors. The national and global economy affected and the performance of the firm decreased due to covid-19 this leads the decline of bank deposit including Islamic banks. Because the customer organizations affected and they cannot profitable (Sutrisno, 2020).

According to the conclusions of (Boru, 2020), the pandemic has an influence on both the balance sheet and earnings report of banks. According to the analysis, private banks require approximately Birr 17 billion in immediate cash in order to easily meet the NBE's financial assets demand. Lower resource mobilization and loan collection of Birr 10 billion every quarter limit the deposit of the bank.

According to this study, the covid-19 has a detrimental impact on the deposit mobilization of private commercial banks.

In case of this research the bank deposit decreased by 0.122 units following the expansion of covid-19 diseases. The customer not freely invest and engaged on their business as a result of this their profitability become decreased and not have deposit on the bank. By developing the strategy of pandemic prevention and controlling mechanisms the bank can also solve the problem of the bank. The bank delayed from its emerging time and it lost time value because of covid-19. Even if the result

Exchange rate: Even though the exchange rate is significant in the research of (Gebreyohannes, 2016), it is insignificant from this research.

Branch expansion: Based on the result of the research (Lidet, 2021) Branch expansion is a positively significant but it is insignificant from this research finding.

Number of employees: Due to the research (Girma, 2015) number of employees is significant. But it is insignificant in the research of deposit mobilization factor in the case of Amhara bank.

Office convenience: The branch convenience location is positively significant as a result of the research (Baqui et al, 1987). In the case of this research office convenience is not significant.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This is the final chapter of the research and the most unique of the others. Because the previous chapters can be simply created by keeping to a pattern with specific standards for each part. The researcher's purpose in this final chapter is to tell the reader about the results and what they mean. The researcher describes how the findings can benefit people in the real world as well as future study in this area. This chapter's goal is to update the reader of the previous chapters' findings, clarify interpretations, and show how the research impact the current knowledge of the topic and how it can be applied in practice. This chapter is critical for concluding up the untied ends and bringing together the research findings. The chapter divided into three components. The first section is a simple summary, the second is the study's findings, and the third is the researcher's potential recommendation based on the findings.

5.1. Summary of Findings

The research showed that deposit mobilization is the primary objective for financial organization like banks. Nevertheless, getting deposit has become an increasingly difficult task for the banks consistent with the increasing demand of borrowing. Deposit mobilization gets an essential element of achievement for Amhara bank due to the country's growing need for capital from new and existing businesses, as well as the banks' desire to profit from those capitals.

In this section of a research the research questions and hypothesis clearly identified and explained why they are interesting.

The researcher briefly describes the methods (design, participants, materials, procedure, independent variables and dependent variables).

The main objective of this study was determining the factors affecting deposit growth of Amhara bank. A casual or explanatory research design was adopted to determine the casual relationships between the dependent variable (DEP) and independent variables (political stability, branch expansion, covid-19, interest rate, exchange rate, technology, GDP, number of employee and convenience of the office). The total populations were employees of Amhara bank who works in Harar and Diredawa branches. These branches of a bank selected by using convenience sampling method

and the respondents of the research question were selected by using purposive sampling and proportionality sampling methods. All primary data collected from the employees who were selected purposively and proportionally from each branch which are also selected by convenience sampling. As linear regression model showed political stability and technology are positively significant variables whereas interest rate, covid-19 and inflation have a negative significant effect on the deposit of Amhara bank. The other factors are insignificant for the deposit mobilization of the Amhara bank, such as number of employees, branch expansion, convenience office, growth domestic product and exchange rate.

5.2. Conclusion of the Study

Private banking institutions are important for the growth and development of any country's economy. By a means of deposit mobilization, institutions form a vital component of the financial system by transferring limited capital from an excess financial entity to the lower economic segments. The increase of bank deposits is typically expressed as a function of many variables. The primary objective of this study is to identify the variables influencing Amhara Bank's deposit growth. The study used mixed approach such as qualitative and quantitative methods of research to accomplish this extensive objective. Data were gathered by choosing the employees using purposive and proportionality sampling method and the researcher used convenience sampling method to select the research areas like Sabian, Ashewa, and Kezira branches from Diredawa and Shewa and Harar branch from Harari region.

Ten independent variables have included or chosen by the researcher as factors determining the deposits of Amhara Bank such as Political stability, branch expansion, covid-19, interest rate, exchange rate, technology, GDP, number of employees, and office convenience were the independent variables that the researcher used for investigation. The dependent variable was the improvement of bank deposits. A regression model used for the data analysis with SPSS version 28. The researcher tests the data validity and variability using different testing mechanisms or tools like heteroskedastic, autocorrelation, multicollinearity, and normality. According to the regression outcomes; political stability and technology have positive significance on the deposit mobilization of the bank and inflation, interest rate and covid-19 pandemic also have negative significance on the growth of the bank whereas branch expansion,

convenience branch location, exchange rate, GDP and number of employees have no any effect on the deposit of the bank.

5.3. Recommendations

According to the result of the research, the following useful recommendations have been forwarded to Amhara Bank in helping in deposit improvement:

- ✚ Deposits are Amhara Bank's primary asset or resources, the bank ought to place a higher value on deposits and try to boost the amount of deposit by focusing on modern banking services include new products such as core banking solutions, Net Banking/ E-Banking, Mobile banking or mobile deposit, debit card/ credit cards; Automated Teller Machines (ATM). To have more depositors and to attract the new customers the bank should go one step forward from the competitors by technology.
- ✚ Improve and keep secured the electronic devices and software systems in order to be confidential for the depositors and for the bank itself.
- ✚ To attract international depositors and to satisfy modern communities, online account opening system is better to increase bank deposit.
- ✚ As the result of this research interest rate is negatively significant for deposit growth of the bank i.e. the increment of interest rate negatively affects the bank deposit, so to avoid this problem the bank should increase the amount of interest rate when borrowing for customers and make a balance on the customer's account interest. The bank should also offer competitive deposit interest rates decide on sustainable deposits while maintaining a reasonable profit margin. A fair interest rate payment choose deposit-on-demand clients could also be considered and the bank should increase its interest rate when it lends for customers, or the bank should follow other mechanisms that compensate this deficit of the bank coming by the case of interest rate.
- ✚ Inflation has negative effect on the bank so, the bank should involve on the market management in order to make stable economy in the country.
- ✚ The bank should issue or borrow high investment capitals to investors and motivate these investors to be more productive on their business. This type of mechanism helps to make stable market or economy as a result of market stability the bank deposit can be increased because of the growth of individual's capital due to the market stability.
- ✚ Pandemic diseases are the major threats of the financial system, as shown from the research so the bank should follow preventive mechanism for such type of unexpected

pandemic diseases rather than controlling i.e. give more emphasis for preventive mechanism more than controlling.

- ✚ The researcher recommends to the bank to have readiness for all type transmitting diseases by office setup, service type, device access, building structure and technology.
- ✚ The last of the researcher recommendation is the bank should perform a research on the other factors that determine the deposit of the Amhara bank including these insignificant factors which investigated in this research.
- ✚ This research used for as a reference of other researches, therefore the researchers can conduct further investigation on Amhara bank deposit mobilization based on this research finding.
- ✚ Finally, the researcher recommends for future research on loan to deposit ratio, capital adequacy, economic growth, population growth, public awareness, operational inefficiency and competition.

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APPENDICES

Appendix 1

St. Mary University

Department of Masters in Business Administration

(School of Graduate Studies)

Questionnaire on Factors Affecting Deposit Mobilization:

The Case of Amhara Bank

Dear Respondents:

This questionnaire prepared for the research paper in the partial fulfillment of requirements for masters of business administration from Saint Mary's University. The research title is "Factors affecting deposit mobilization in the case of Amhara bank" The information from the bank is regarded as critical input for the effective completion of the study. The researcher respectfully requested to the respondents to complete the questions correctly and return timely.

I sincerely appreciate your cooperation in advance.

Any information you provide is kept confidential; the reliability of the information obtained from you determines the study's success.

Prepared by: Alebachew Baye Melesse

St. Marry University, School of Graduate Studies

Department of MBA

Addis Ababa, Ethiopia

April/2023

Part I. Background of the respondent

1. Sex: Male ☐ Female ☐
2. Age: Below 25 ☐ 26-35 ☐ 36-45 ☐ 46 and above ☐
3. Educational status: Diploma ☐ 1st degree ☐ Masters and above ☐
4. Your job title.....
5. Work experience: less than 1 year ☐ between 1-3 years ☐ between 3-6 years ☐
more than 6 years ☐

Part II: Factors affecting deposit mobilization (Independent Variables)

Instruction: Please put x mark for your level of agreement or disagreement.

1; strongly disagree; 2- Disagree; 3- Neutral; 4- Agree; 5- Strongly Agree

Section 1: Branch expansion

1. Branch expansion has positive effect on deposit mobilization of Amhara bank.
 1. Strongly disagree ☐
 2. Dis agree ☐
 3. Neutral ☐
 4. Agree ☐
 5. Strongly agree ☐
2. Branch expansion has a significant effect on deposit mobilization
 1. Strongly disagree ☐
 2. Dis agree ☐
 3. Neutral ☐
 4. Agree ☐
 5. Strongly agree ☐
3. Opening new branches benefit the bank in terms of market share as well as deposit mobilization.
 1. Strongly disagree ☐
 2. Dis agree ☐
 3. Neutral ☐
 4. Agree ☐
 5. Strongly agree ☐

4. Branch expansion in order to mobilize deposit is cost effective.

- 1. Strongly disagree ☐
- 2. Dis agree ☐
- 3. Neutral ☐
- 4. Agree ☐
- 5. Strongly agree ☐

5. In your own word, how do you express the effect of saving interest rate on the mobilization of deposit of Amhara bank? -----

Section Two: Number of Employee

6. Does number of employees have positive effect on deposit mobilization

- 1. Strongly disagree ☐
- 2. Disagree ☐
- 3. Neutral ☐
- 4. Agree ☐
- 5. Strongly agree ☐

7. Number of employees has a significant effect on deposit mobilization

- 1. Strongly disagree ☐
- 2. Disagree ☐
- 3. Neutral ☐
- 4. Agree ☐
- 5. Strongly agree ☐

8. Does increasing number of employees increase customer satisfaction quality of product and that the bank offers.

- 1. Strongly disagree ☐
- 2. Disagree ☐
- 3. Neutral ☐
- 4. Agree ☐
- 5. Strongly agree ☐

9. In your own word, how do you express the effect of number of employees on the mobilization of deposit of Amhara bank? -----

Section Three: Interest rate

10. Does number of interest rate has positive effect on deposit mobilization
1. Strongly disagree ☐
 2. Disagree ☐
 3. Neutral ☐
 4. Agree ☐
 5. Strongly agree ☐
11. Interest rate has a significant effect on deposit mobilization
1. Strongly disagree ☐
 2. Disagree ☐
 3. Neutral ☐
 4. Agree ☐
 5. Strongly agree ☐
12. In order to attract high deposits from customers the interest rate provided by private banks should be comparable to influence.
1. Strongly disagree ☐
 2. Disagree ☐
 3. Neutral ☐
 4. Agree ☐
 5. Strongly agree ☐

13. In your own word, how do you express the effect of saving interest rate on the mobilization of deposit of Amhara bank? -----

Section four: Inflation

14. Does inflation have positive effect on deposit mobilization
1. Strongly disagree ☐

2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

15. Inflation has a significant effect on deposit mobilization

1. Strongly disagree ☐
2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

16. The rate of inflation increases the customer drawn there deposit and shifted to physical assets.

1. Strongly disagree ☐
2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

17. In your own word, how do you express the effect of inflation rate on the mobilization of deposit of Amhara bank? -----

Section five: Growth Domestic product (GDP)

18. Does GDP has positive effect on deposit mobilization

1. Strongly disagree ☐
2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

19. GDP has a significant effect on deposit mobilization

1. Strongly disagree ☐
2. Disagree ☐

3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

20. Increasing the GDP leads to shift the depositor's transaction by decreasing the price of goods.

1. Strongly disagree ☐
2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

21. In your own word, how do you express the effect of Growth Domestic Product on the mobilization of deposit of Amhara bank? -----

Section six: Exchange rate

22. Exchange rate has positive effect on deposit mobilization

1. Strongly disagree ☐
2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

23. Exchange rate has a significant effect on deposit mobilization

1. Strongly disagree ☐
2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

24. The exchange rate of birr per USD growth leads depositors to deplete in the process of importing good and services.

1. Strongly disagree ☐
2. Disagree ☐

- 3. Neutral ☐
- 4. Agree ☐
- 5. Strongly agree ☐

25. In your own word, how do you express the effect of exchange rate on the mobilization of deposit of Amhara bank? -----

Section seven: Branch office convenience

26. ATM machines are located in convenient locations near Amhara Bank branches.

- 1. Strongly disagree ☐
- 2. Disagree ☐
- 3. Neutral ☐
- 4. Agree ☐
- 5. Strongly agree ☐

27. Amhara Bank does well at serving customers with distinctive demands such as the disabled, the elderly, pregnant mothers, and other vulnerable.

- 1. Strongly disagree ☐
- 2. Disagree ☐
- 3. Neutral ☐
- 4. Agree ☐
- 5. Strongly agree ☐

28. Amhara Bank is great in putting directive symbols and indicators where customers can get the services they seek.

- 1. Strongly disagree ☐
- 2. Disagree ☐
- 3. Neutral ☐
- 4. Agree ☐
- 5. Strongly agree ☐

29. Amhara bank have convenient parking area.

- 1. Strongly disagree ☐

- 2. Disagree ☐
- 3. Neutral ☐
- 4. Agree ☐
- 5. Strongly agree ☐

30. Location of Amhara bank is suitable to have transportation service to and from the bank.

- 1. Strongly disagree ☐
- 2. Disagree ☐
- 3. Neutral ☐
- 4. Agree ☐
- 5. Strongly agree ☐

31. In your own word, how do you express the effect of convenience on the mobilization of deposit mobilization of Amhara bank? -----

Section eight: political stability

32. Political stability has positive consequences on Amhara bank deposit mobilization.

- 1. Strongly disagree ☐
- 2. Disagree ☐
- 3. Neutral ☐
- 4. Agree ☐
- 5. Strongly agree ☐

33. Political stability stimulates investment and economic growth and it improve the bank's profitability.

- 1. Strongly disagree ☐
- 2. Disagree ☐
- 3. Neutral ☐
- 4. Agree ☐
- 5. Strongly agree ☐

34. Political stability in democratic states has a positive relationship to metrics of economic freedom because greater economic freedom encourages investment and economic growth.

1. Strongly disagree ☐
2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

35. Political stability affects deposit mobilization significantly.

1. Strongly disagree ☐
2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

36. In your own word, how do you express the effect of politics on the mobilization of deposit mobilization of Amhara bank? -----

Part 12, Deposit mobilization

37. The deposit of Amhara bank requires more promotive activities and other arrangements.

1. Strongly disagree ☐
2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

38. Deposit of the bank mainly affected by technology, Covid-19, current political situation, branch location, GDP, interest rate and by current market inflation.

1. Strongly disagree ☐
2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

39. Amhara bank have highest deposits and depositors due to its mobilization technique during its emerging stage.

1. Strongly disagree ☐
2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

40. In 2022 the bank deposited 237-million-birr profit with its 11-day mobilization

1. Strongly disagree ☐
2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

41. The number of customers and their total deposits reached 550,000 and 8.7 Billion Birr respectively till 2023.

1. Strongly disagree ☐
2. Disagree ☐
3. Neutral ☐
4. Agree ☐
5. Strongly agree ☐

Appendix 2

Work Schedule

	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>
<i>Literature review</i>					
<i>Data collection</i>					
<i>Data analysis</i>					
<i>Write first draft</i>					
<i>Write second draft</i>					
<i>Write final draft</i>					
<i>Printing and documentation</i>					
<i>Research Due</i>					

Appendix 3

Model Summary ^b									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.782 ^a	.612	.573	.56626	.612	15.763	11	110	<.001
a. Predictors: (Constant), BREXP, COV, GDP, PST, INF, NEMP, EXCR, TECH, INTR, CONV									
b. Dependent Variable: DEPM									

Appendix 4

Budget Plan

	Description	Units	Quantity	Unit cost(ETB)	Amount (ETB)
1	Stationaries				
	Paper	Pack	4	700	2800
	print and Photo copy	Pcs	550	5	2750
	Flash Disk (16 GB)	pcs	1	450	450
	Hard disk 1 TB	Pcs	1	3500	3500
	Laptop (Toshiba)	Pcs	1	36000	36000
	Blank CDs	Pcs	2	80	160
2	Transportation	Pcs	1	10000	10000
3	Others	service		12000	12000
Total					67660

Appendix 5

ANOVA

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.782 ^a	.612	.573	.56626	.612	15.763	11	110	0.001

a. Predictors: (Constant), BREXP, COV, GDP, PST, INF, NEMP, EXCR, TECH, INTR, CONV
Dependent variable DEPM

Appendix 6

Multicollinearity test of variance inflation factor (VIF)

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.662	.718		2.314	.023		
	EXCR	.011	.051	.013	.210	.834	.841	1.190
	TECH	.430	.071	.475	6.091	.001	.557	1.796
	CONV	-.175	.117	-.103	-1.493	.138	.719	1.391
	GDP	.182	.098	.113	1.865	.065	.921	1.086
	NEMP	.069	.053	.087	1.294	.198	.753	1.328
	INF	-.125	.047	-.167	-2.678	.009	.868	1.153
	INTR	-.078	.040	-.119	-1.979	.050	.937	1.068
	COV	-.107	.052	-.122	-2.041	.044	.950	1.052
	PST	.325	.059	.387	5.487	.001	.681	1.468
	BREXP	.012	.069	.013	.174	.862	.652	1.533
a. Dependent Variable: DEPM								

Notice: PST (Political stability), INF(Inflation), GDP (Growth domestic product), COV(Covid-19), EXCHR (Exchange rate), TECH(Technology), INTR (Interest rate), NEMP (Number of employee), BREXP (Branch expansion), CONV (Office convenience), DEPM (Deposit mobilization).