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**Analyzing the role of Commercial Banks' policies in promoting
savings: An applied study of a sample of commercial banks operating
in Erbil 2021**

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Abstract:

This research aims to reveal the commercial banking policies' roles in savings promotion among the people of Erbil City. For conducting the research, Erbil has been chosen as the case study area for revealing the role played by the selected commercial banks in regard to the issue. The consciousness of individuals, the status of the culture of savings and which group saves more. Indeed, the research relied on Primary data type due to lack of needed data availability. Thus, a questionnaire form was created and distributed over five commercial banks in Erbil to obtain the data needed for analyzing the problem and drawing the conclusion. For analyzing the data a statistical software package called (SPSS) was used to conclude whether the selected commercial banks have played their significant role in savings promotion amongst the people of Erbil city or not. Overall, it was found that commercial banks policies have promoted savings. Furthermore, the study provides policies for promoting more savings and overcoming challenges.

Keywords: Commercial Banking, Savings, Culture of savings and Erbil City.

تحليل دور سياسات المصارف التجارية في تحفيز الادخار

دراسة تطبيقية لعينة من المصارف التجارية العاملة في أربيل لعام ٢٠٢١

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المستخلص:

يهدف البحث إلى استكشاف وكشف دور سياسات المصارف التجارية في تحفيز الادخار بين سكان مدينة أربيل. لإجراء البحث، تم اختيار مدينة أربيل كنموذج للدراسة للكشف عن الدور

الذي تلعبه البنوك التجارية المختارة فيما يتعلق بوعي الأفراد، وواقع ثقافة الادخار، وأي فئة تدخر أكثر بين سكان مدينة أربيل. في الواقع، اعتمد البحث على البيانات المسح الميداني بسبب نقص توافر البيانات المطلوبة. وهكذا تم إنشاء استمارة استبيان وتوزيعها على خمسة بنوك تجارية في مدينة أربيل للحصول على البيانات وجمعها لتحليل المشكلة واستخلاص الاستنتاجات. لتحليل البيانات التي تم جمعها من البنوك التجارية المختارة، تم استخدام حزمة البرامج الإحصائية SPSS لاستنتاج ما إذا كانت البنوك التجارية المختارة تلعب دوراً مهماً في تعزيز المدخرات بين سكان أربيل أم لا. بشكل عام، تظهر النتائج أن سياسات البنوك التجارية عززت المدخرات. علاوة على ذلك، تقدم الدراسة سياسات تعزز المزيد من المدخرات وتتغلب على التحديات.

الكلمات المفتاحية: البنوك التجارية، الادخار، ثقافة الادخار، مدينة أربيل.

CHAPTER ONE: INTRODUCTION

1.1 Introduction

Activities of commercial banks are expanding rapidly throughout the world due to the significant role they play in business and economic development (Kalpana, & Rao, 2017). Commercial banks have been acknowledged for the crucial role they play in the economy and particularly in mobilizing funds and then channeling it for growth, and thus one of the significant ways of achieving growth is to channel savings towards investment (Akinola, 2018). Banks are institutions that take deposits and make loans (Kalpana, & Rao, 2017).

According to the classification of the North American Industry the banking industry is divided into two sectors: Commercial Banks and Savings institutions. Commercial banks take various deposits and providing loans to industrial projects, consumer demands and commercial while savings institutions take time deposits, and then providing loans for the purpose of mortgages, real estate's as well as investing in high grade securities (Irving et al., 2016) efficient flow of funds into economy is key for economic development and this can be done through banks because they are intermediaries in connecting surplus units with deficit units (Okechukwu, & Gerald, 2016).

1.2 Problem of the research

There is a controversy among researchers about the role of commercial banks in promoting and attracting savings; for instance, Branch et al (2002) stated that commercial banks are highly effective in savings attraction for the local population while Randhawa and Gallardo (2003) claimed that commercial banks may to some extent not encourage the local population to save their money in banks due to some of their unnecessary

charges on saving products among these charges are keeping the minimum balance, withdrawal charges and balance inquiry charges discourage the poor to do savings in commercial banks. Ambiguity and lack of academic research conducted on commercial banks' roles in savings promotion in Erbil is determined as one of the main problems of the research.

1.3 Research Purpose

The research purpose is to investigate the role played by commercial banks in customers' savings promotion among the residents of Erbil, the Kurdistan region, Iraq.

1.4 Research Objectives

The objectives of the research can be determined as the followings:

- ❖ To reveal the savings products and services offered by commercial banks to bank customers in Erbil.
- ❖ To discover the policies employed by the commercial banks in Erbil for savings attraction.
- ❖ To create a relationship between commercial banks and customers' savings among the citizens of Erbil in the Kurdistan region of Iraq.

1.5 Research question

What is the degree of the relationship between commercial banking and savings nature in Erbil?

What are the types of savings products provided by commercial banks to the people of Erbil in the Kurdistan region of Iraq?

What mechanisms have commercial banks employed encouraging savings in Erbil?

1.6 Research Scope

This research was conducted on the selected Commercial Banks operating in Erbil including Byblos bank, Regional Trade bank (RT), Erbil bank and trade bank of Iraq and international bank of Lebanon in Erbil city. The research examined the connection between commercial banks and savings in Erbil. Thus, the interrelation between savings and commercial banks was built together with those savings services provided by commercial banks, and finally, commercial banks' role in saving attraction in Erbil city was also formed.

1.7 Significance of the research

This research provides information that may help banking decision makers for formulating strategic policies with regard to customer savings

friendly methods in commercial banks. Thus, establishing and promoting savings culture for the people in Erbil. It also plays its role in the management of commercial banks in reformulating their strategies for encouraging and promoting savings cultures in Iraq in general and Erbil in particular. Thus, through the findings of the research, the Management of commercial banks should review their unneeded charges on savings services which may not attract savings. It shows savings friendly approaches to attract more savings. The findings also assist the clients and local population to learn more of the advantages of savings, and thus encourage them more to save part of their income as a safe and secure means of keeping and accumulating.

The findings also contribute to the literature on the topic. Finally, it can be used as a source of academic references in further studies on the issue.

1.8 Sample of the research

Institutions: Byblos bank, Erbil bank, Trade bank of Iraq, and regional trade bank (RT) and international bank of Lebanon.

Location: Erbil, 2021

1.9 Hypothesis of the research

The Research has the following hypotheses:

H_0 : $B_2 = 0$, there is no a statistically significant relationship between commercial banks and savings which implies that commercial banks do not lead to promote and attract savings.

H_1 : $B_2 \neq 0$, there is a statistically significant relationship between commercial banks and savings which mean commercial banks lead to promote and attract savings.

1.10 Variables

Dependent variable: Savings promotion Independent variable: Commercial Banks' policies

$$\text{Savings Promotion}_{it} = B_1 + B_2 \text{ Commercial Banks's Policies}_{it} + u_{it}$$



CHAPTER TWO: LITERATURE AND THEORETICAL REVIEW

Section One: Literature Review

Due to globalization and digitalization the role of commercial banks appear vital in the economy as a source of connection between savings and investments. Otherwise in such institutions point of view and objective; more deposits from savings means more profits and to achieve this they have to adapt strong and developed policies to attract these savings.

For the economy, deposits from savings as means of capital resources play essential role in fostering economic development of countries. Therefore, promoting this source of capital is crucial and of great interest to international institutions, countries and as well as scholars. Promoting capital through customers' deposits to take advantage of it and exploit the promoted economic development of the countries (Tran & Others, 2020, 369). Accumulating capital through saving deposits leads to increase credit to the private sector which is seen as a fundamental element to economic growth (Akinola, 2018, 2). The commercial banks' major role is to give banking services to the ordinary people and businesses which help economic and social firmness and continuous growth of the economy (Kalpana, 2017).

The general role of commercial banks is to take deposits from customers and accumulate and package these savings and then channel it into deficit units, but some commercial banks in Erbil do not indeed offer savings accounts to their customers among them is the Biblos bank in Erbil. The researchers asked the bank's staff in order to find out the reason behind not offering savings accounts, but they were not willing to answer.

Section Two: Theoretical Background

2.1 Definition of Commercial Banking and Savings

2.2 Definition of Commercial Banking

The concept of commercial banking is defined as a financial institution that is allowed to hold savings and time and non-time deposits accounts for both (individuals and institutions) in the host and foreign currencies. Commercial banks are also authorized to transact in foreign exchanges, provide loans to both depositors and non-depositors. Several other services provided by commercial banks such as trade funding, presenting payments, transfers of money, mobile banking, ATMs services etc. (King and Levine, 1993 and Ajak, 2010).

2.3 Definition of Savings

Savings are defined as depositing an amount of money in a financial institution by those who have a surplus in their income and desire to either make an investment or to find a safe and secure place to keep their money in (Ajak, 2010) Thus, savings take place after making a formal agreement on terms and conditions with a financial institution with regard to interest rates, minimum balance and other services offers. Fischer (1989) stated that, savings are not set only by individuals who have average annual cash income but they are also deposited by those who have a higher average annual cash income.

2.4 Types of Commercial Banks

Public Sector Banks: public banks are those banks belonging to the government and thus managed by them. Examples of public sector banks include Rasheed, Rafidain and bank of Iraq banks (Natarajan & Parameswaran, 2010).

2.4.1 Private sector Banks: These are banks which their ownership belong to individuals as well as corporations, but come under the supervision of the Central bank. Examples of private banks are Bybilos, Erbil Bank, BBAC Bank (Sharma, & Mathur, 2020).

2.4.2 Foreign banks: These Banks owned by foreign entities but operating in a foreign country or open their branches other countries such as Ish and Al-Baraka banks (Natarajan & Parameswaran, 2010).

2.5 Importance of Commercial Banks and Savings in economic development

2.5.1 Importance of Commercial Banks:

Banks are considered one of the most essentials of any economy due to its role and importance in the economy as well as society. Nowadays, money and its necessity has become an essential part for the development of any economy. A developed financial system ensures an economy to attain development. A modern banking system provides various valuable services to a country's economy.

Therefore, in order to attain development an economy needs a developed financial system in which commercial banks play a vital role in not only supporting the economy but also in the socio economic matters of the country as well (Kalpana, 2017).

2.5.2 Importance of Savings:

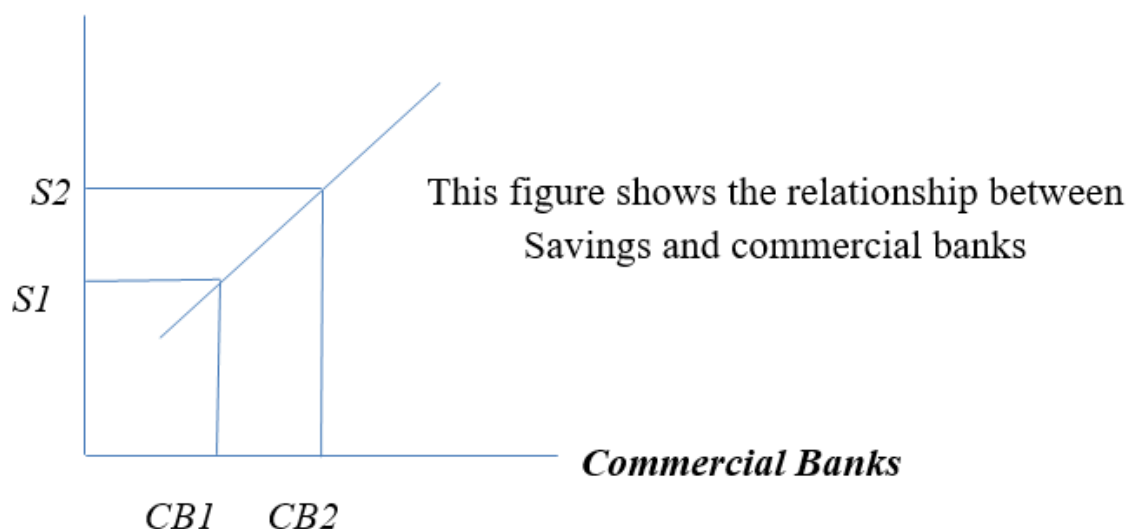
Savings are vital for the wellbeing of individuals and society. For individuals, savings assist them with their future consumptions and fund their projects in both business and human investments. At the level of macro, growing savings rates are counted as an indicator of future economic development (Karlan et al., 2014). The importance of financial institutions for savings is that it is safer, more convenient and encourages investing personal savings in the way that savings are given to investors who develop and expand investment projects in which depositors can gain interests in return for their savings (Ajak, 2010).

2.6 The Relationship between the Commercial Banks and Savings

The interrelation between commercial banking and savings might best be analyzed through the role savings play in the expansion and advancement of those entities. It is indicated by the literature review that savings form a crucial part of commercial banks. Jarrett, and Anderson, (1989) built connection between the two by claiming that commercial banks gather and mobilize savings from surpluses units then channel it to deficits units. Thus, it is through this process in which they are highly correlated.

Adams, (1997) stated that commercial banks help financial investment of customers through lending loans they pile from savings. In addition, Rajan and Zingales, (1998), analyzed the role played by commercial banks in raising savings.

Thus, the money gained through withdrawing services charges might be helpful for the commercial banking developments. This may a reason for commercial banks to continue gathering more savings and accumulate capital. King and Levine (1993) established the connection between commercial banks and savings with regard to the minimum opening balance charged on clients' deposits. Obviously, minimum opening balance is related to commercial banks. Through this process, banks can earn an amount of money which can be used for the needs of the financial institution. Therefore, it can be claimed that, financial entities greatly benefit from the saving put by their customers. Thus, the amount of money earned from clients' deposits can facilitate development and expansion of commercial banks.

Savings

(Prepared by the Researchers)

2.7 Saving offerings provided by Commercial Banks to their clients

Current Account: It is one of savings accounts provided by commercial banks with no interests, but allows the client to deposit and withdrawal any time they desire. Moreover, this account helps the customer release checks to use them for either payment or collection. According to Randhawa & Gallardo (2003) this account is the quickest for the account holder to have access at his convenience.

Savings account: This account is used by customers to save their money in order to have a profit margin on the balance deposited in the account which allows them to move it at any time. Hence, this account is not subject to a fixed time period. Hendry, (1986,) indicated that in this account, individuals can with little income keep on piling their earnings. The advantage of this type is that the savor can take their money with only a short call for withdrawing it. (Ajak, 2010).

Fixed Deposit Account: This is another savings offering by commercial banks. This savings account is suitable for specific group of people with high income since the minimum opening balance is quite high and withdrawing is optional (Feil, 1981).

A special feature of this account is its period; the minimum period is three months. Furthermore, the preferably of this is its high interest rates in relation to other accounts (Feil, 1981). The account may be used as guarantor by the savor.

CHAPTER THREE: DATA AND METHODOLOGY DESIGN

3.1 Data Collection

In Erbil most scholars and researchers depend on the primary data techniques for their data collection and result analysis due. Thus, the researchers created a questionnaire forms in order to collect the data needed for drawing the research conclusion. Erbil city was chosen for the research application. In the research, (100) forms in which each one consists of 16 questions were handed out to (5) commercial banks operating in Erbil including Byblos bank, Erbil bank, Trade bank of Iraq, and regional trade bank (RT) and international bank of Lebanon. And the forms were distributed among the managers, employees and customers of the chosen banks. Indeed, (72) forms were received back with responses by the chosen banks.

3.2 Methodology

A number of statistical techniques and tests were applied in this research for the purpose of data validity and their analysis. The tests applied in include;

Descriptive Statistics, Factor Analysis, Evaluating Communalities, Correlation Matrix, Kaiser-Meyer-Olkin (KMO) and Bartlett's test.

CHAPTER FOUR: RESULTS AND DISCUSSION

Table 1: Displays the Descriptive Statistics for Qualitative Variables

		F	%
x1 Savings form an important part of commercial banks	Neutral	4	5.55 %
	Agree	54	70.0 %
	strongly agree	14	19.44%
x2 commercial banks depend on savings to facilitate their activity and expansion	Disagree	3	4.16%
	Neutral	29	40.27%
	Agree	33	41.66%
	strongly agree	7	9.72%
x3 both types of savings (Islamic and Traditional)are available in commercial banks	strongly disagree	7	9.72%
	Disagree	36	50.0%
	Neutral	15	20.83%
	Agree	10	13.88%
	strongly agree	4	5.55%

		F	%
x4 commercial banks have promoted savings among the people of Erbil	Disagree	1	1.38%
	Neutral	21	29.16%
	Agree	43	59.72%
	strongly agree	7	9.72%
x5 the effect of having a specific bank policy by commercial banks to increase savings	Disagree	3	4.16%
	Neutral	14	19.44%
	Agree	52	72.22%
	strongly agree	3	4.16%
x6 Having a motivational and easy system for people to save	disagree	2	2.77%
	neutral	7	9.72%
	agree	56	77.77%
	strongly agree	7	9.72%
x7 providing reasonable interest rate	neutral	7	9.72%
	agree	43	59.72%
	strongly agree	22	30.55%
x8 types of services provided by CB motivate savings	neutral	13	18.05%
	agree	50	69.44%
	strongly agree	9	12.5 %
x9 the existing of an advanced marketing policy plays a key role in attracting savings	disagree	3	4.16%
	Neutral	18	25.0%
	Agree	45	62.5%
	strongly agree	6	8.33%
x10 having an advance advertising policy is a reason to encourage individuals to save	Disagree	1	1.38%
	neutral	4	5.55%
	agree	55	76.38%
	strongly agree	12	16.66%
x11 having various branches of the bank to easily reach and conduct their transaction	strongly disagree	1	1.38
	disagree	4	5.55%
	neutral	17	23.61%
	agree	42	58.33%
	strongly agree	8	11.11%
x12 the government's financial system has an impact on savings	disagree	1	1.38%
	neutral	19	26.38%
	agree	50	69.44%
	strongly agree	2	2.77%

		F	%
x13 the economic situation has an impact on savings	strongly disagree	2	2.77%
	disagree	1	1.38%
	neutral	3	4.16%
	agree	59	81.94%
	strongly agree	7	9.72%
x14 delayed payments of government employees discourage savings	strongly disagree	8	11.11%
	disagree	8	11.11%
	neutral	16	22.22%
	agree	26	36.11%
	strongly agree	22	30.55%
x15 political and political situations have an impact on savings	disagree	2	2.77%
	neutral	8	11.11%
	agree	36	50.0%
	strongly agree	26	36.11%

The above table shows 70.0% of respondents agree with (X1) which stating that Savings form an important part of commercial banks. And 9.72% of the respondents strongly agree and 41.66% agree that commercial banks depend on savings to facilitate their activity and expansion while only 4.16% does not agree with it. Regarding (x3) which states that both types of savings (Islamic and Traditional) are available in commercial banks 50.0% of the respondents does not agree with it and only 13.88% agree with the statement thus this continues to the following questions (4,5,6 up to 15), in the fourteenth question which is indicated (x14) the rates are closely distributed.

Table 2: Displays the savings groups

those who participate in savings are the following groups	Employees	41	56.94%
	Corporations	19	26.38%
	Businessmen	12	16.66%

The above table shows the savings groups in three classes. The first class which is employees participates in savings by 56.94% among the savings groups while Corporations and businessmen take 26.38% and 16.66% respectively.

Table 2: Represents the Communalities of Variables

	Initial	Extraction
x1	1.000	.716
x2	1.000	.584
x3	1.000	.547
x4	1.000	.695
X5	1.000	.685
X6	1.000	.629
X7	1.000	.741
X8	1.000	.656
X9	1.000	.754
X10	1.000	.820
X11	1.000	.674
X12	1.000	.717
X13	1.000	.642
X14	1.000	.743
X15	1.000	.726

The initial communalities are for correlation analyses, the proportion of variance accounted for in each variable by the rest of the variables. Extraction communalities are estimates of the variance in each variable accounted for by the factors in the factor solution. The extraction values above indicate the variables picked for the study fit well with the factor solution that are all greater than 0.05. Well, the extraction communalities are acceptable for this solution.

Table 3: Represents Correlation Matrix of the (ARCBPPS)

	x2	x3	x4	x5	x6	x7	x8	x9	x10	x11	x12	x13	x14	x15
x1	.479	.125	-.128	.067	.240	.044	.134	-.022	-.046	-.082	.309	.285	.189	.080
x2		.199	-.007	.144	.156	.188	.156	.029	-.025	.055	.316	.217	.181	.169
x3			.235	.033	-.068	-.098	-.044	0.000	.043	-.188	.117	-.158	-.173	-.253
x4				.046	-.116	.049	.045	.033	-.071	-.069	.326	-.296	-.186	-.445
x5					.217	-.097	.217	.276	.155	.218	.336	.108	.402	.074
x6						.035	.082	.458	.259	.061	.285	.448	.218	.266
x7							.330	-.044	.167	.123	.174	.203	.144	.254
x8								.153	.356	-.004	.285	.144	.089	.163
x9									.545	.241	.329	.284	.312	.213
x10										.362	.131	.134	.077	.175
x11											.226	.210	.276	.189
x12												.355	.361	.132
x13													.459	.560
x14														.577

The Readings in yellow are greater than 0.30

In these values, there are 19 correlations in the matrix bigger than 0.30, which is fulfilling their needs (Table 3).

Table 4: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.624
Bartlett's Test of Sphericity	Approx. Chi-Square	332.088
	Df	120
	Sig.	.000

The above table displays two tests that mark the suitability of our data for structure detection. The first one is Kaiser-Meyer-Olkin (KMO) in which sampling adequacy is measured. In this table, the value is 0.624 which is greater than 0.5 that implies the factor analysis can be useful for our data.

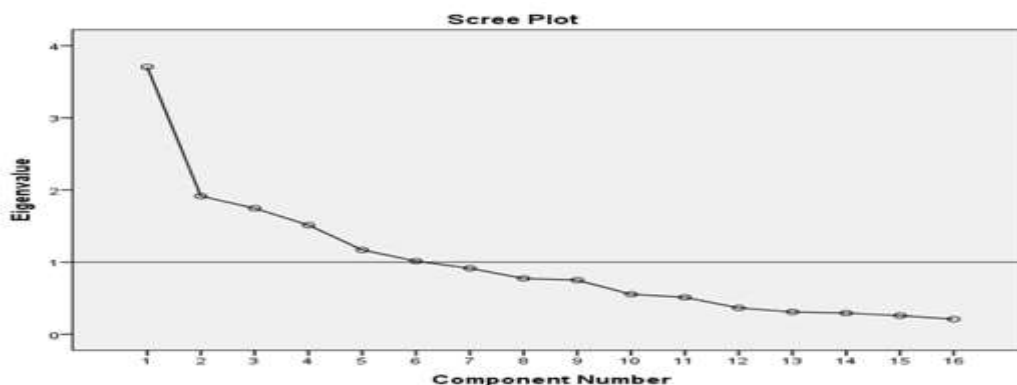
The second one is Bartlett's test of Sphericity in which the hypothesis that correlation matrix is an identity matrix is tested, which would show that the variables are unrelated and therefore unsuitable for structure detection.

The p-value shown in the table is less than 0.05 meaning that factor analysis is a good test for our data.

Table 5: Total Variance Explained

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.706	23.162	23.162	3.706	23.162	23.162
2	1.915	11.968	35.129	1.915	11.968	35.129
3	1.746	10.913	46.042	1.746	10.913	46.042
4	1.513	9.455	55.498	1.513	9.455	55.498
5	1.169	7.304	62.801	1.169	7.304	62.801
6	1.014	6.335	69.137	1.014	6.335	69.137

That table shows the variance explained. The cumulative variability illustrated by these six factors in the extracted solution is 69.137% that is smaller than the initial solution. That small-scale percentage is lost due to latent factors unique to the original variables and variability that simply can't be explained by the factor model.



The Scree plot emphasizes the choice of six components.

Table 6: Displays the Rotated Component Matrix for a Principal Component Analysis of the (ARCBPPS).

	Component					
	1	2	3	4	5	6
X6	.582					
X9	.580					
X13	.589					
X14	.729					
X15	.710					
X16	.648					
X3		.585				
X4		.713				
X1			.683			
X2			.507			
X10			.622			
X7				.669		
X8				.588		
X12				.551		
X11					.523	
X5						.512

Extraction Method: Principal Component Analysis.

In this table, the first factor is extremely correlated with x6, x9, X13, X14, X15 and x16. The second factor is correlated with x3 and x4. The third factor is correlated with X1, x2 and x10. The fourth factor is correlated with x7, x8 and x12. The fifth factor is correlated with x11. But the sixth factor is only correlated with x5.

Table7: Simple Regression Analysis between independent variable (Commercial banks' policies) and dependent variable (Saving promotion)

	Coefficients			Model Summary		ANOVA	
	B	t	P-Value	Corr.	R Square	F	P-Value
(Constant)	1.11	1.349	0.001	0.698	0.592	40	0.001
Commercial banks' policies	0.694	2.454	0.001				

Table 7 shows that there is a positive relation between the dependent variable (Savings promotion) and the independent one (Commercial banks' policies). After discovering a positive relationship between the dependent and independent variables (0.698) from the pearson's correlation analysis, it is vital to know the role of commercial banks policies in stimulating savings. The table also contains the ANOVA for checking the goodness of fit for the explanatory variable (Commercial bank's policies) on the response variable (Savings promotion). Thus, the model is suitable based on (F= 40 and P-Value = 0.001).

The table also shows the result of constant, Slope, t-value, and (R Square). Regression Coefficient (B) for commercial banks' policies is 0.694, which implies, increasing one unit for commercial banks' policies will stimulate savings by 0.694. The (R Square) explains how much variation in the dependent variable is explained by the independent variable. Determination of Coefficient (R²) shows that 59% of the variation of savings promotion is determined by commercial banks' policies and the remaining variation is turning to other factors that effect on savings.

Results and Discussions

Based on the correlations found among the values of qualitative variables, the factor analysis was employed to mitigate the value of the initial variables by discovering a minimized value of latest variables to be known as factors.

The first component that is of a great significance in the interpretation of Analyzing the role of Commercial Bank' policies in promoting savings where it explains (23.162%) of the total variance and has a number of variables influencing the phenomenon such as Having a motivational and easy system for people to save (X6), the existing of an advanced marketing policy plays a key role in attracting savings (X9), the government's financial system has an impact on savings (X13), the

economic situation has an effect on savings (X14), delayed payments of government employees discourage savings (X15), and politics and political situations have an impact on savings (X16). The second component explains (11.968%) of the total variance in which a set of variables impact the phenomenon such as both types of savings are available (X3), commercial banks have promoted savings among the people of Erbil by the following policy (X4). The third component explains (10.913%) of the total variance which has only one variable impacting the phenomenon that is savings establish an important part of commercial banks (X1), commercial banks rely on savings to help their activities and development (X2) and having an advance advertising policy is a reason to encourage individuals to save (X10).

The fourth component explains (9.455%) of the total variance and it also has one variable influencing the phenomenon that is providing reasonable interest rate (X7), types of services provided by CB motivate savings (X8) and those who participate in savings are the following (X12). The fifth component explains (7.304%) of the total variance and has again one variable impacting the phenomenon which is having various branches of the bank to easily reach and conduct their transaction (X11). The sixth component explains (6.335%) of the total variance having one variable impacting the phenomenon such as the effect of having a specific bank policy by commercial banks to increase savings (X5).

CHAPTER FIVE: CONCLUSION AND RECOMMENDATION

5.1 Conclusion

The purpose of conducting this research was to demonstrate the relationship between the selected commercial banks' policies and savings in the city of Erbil and the role played by commercial banks in promoting the culture of savings as well as the products offered by those banks and the challenges facing those banks in trying to promote savings among the people of Erbil.

Based on the findings, the researchers can conclude that against our hypothesis came true which presumed that there is no a significant relationship between commercial banks and savings. The results discovered in this research reveal that savings form an important part of selected commercial banks and hence banks can benefit from these customers savings for developing and expanding their banking businesses. The

commercial banks have motivated the people to save through several means and products offered by those banks such as providing reasonable interest rate, types of services provided, and an easy system to open saving accounts in their banks.

There are some challenges that the commercial banks face while operating in Erbil, for instance, it is found in the research that the selected commercial banks provide only the traditional type of savings but not the Islamic one which is seen as a challenge for them to promote savings as desired because a large proportion of the population living in Erbil is Muslim. Delayed payments of the government employees have decreased the motivation as well as the ability of the people to save. Politics and political issues have their own impacts on savings because in a volatile political situation people less interested in putting and saving their money in the bank.

5.2 Recommendation

To promote savings and the savings culture amongst the people of Erbil city and to overcome those challenges faced by the commercial banks in Erbil city the followings are recommended.

1. Using an advanced marketing and advertising policy to attract more of costumer's savings.
2. Providing Islamic savings accounts for those who are concerned about religious principles.
3. Setting up an easier and motivational system for the people to open accounts and save in the bank.
4. Providing more types of services in order for people to save and be encouraged to save,
5. Promoting the culture of savings through various means such as mass media, NGOs, and educational institutions and governmental offices.
6. Establishing more branches of the bank in order to easily reach and conduct transaction.
7. Ensuring people about their money through ensuring the commercial banks by big insurance companies.

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Appendix

Ministry of Higher Education & Scientific Research
Salahaddin University/Erbil
College of Administration and Economics
Finance & Banking Department



Questionnaire Form

Dear respondents:

This questionnaire form is to conduct an academic research entitled (**Analyzing the role of Commercial Banks's policies in promoting savings**), and it is used for purely academic purposes. So, please don't hesitate to express your opinion by filling it out, without the need to mention your name, we highly appreciate your time and effort.
Researchers: Muhammad Muhsin & Sangar Sarbast and Hazhar Talaat Bilbas

Section One: Personal information

1. Gender: Male ☐ Female ☐
2. Age: 20-25 ☐ 26-30 ☐ 31-35 ☐ 36-40 ☐ 41-45 ☐ 46-50 ☐ 50-Above ☐
3. Years of experience: 1-5 ☐ 6-10 ☐ 11-15 ☐ 16-20 ☐ 21& above ☐
4. Education: Secondary ☐ High School ☐ Diploma ☐ Bachelor ☐ Master ☐ PhD ☐
5. Do you work in your Specific Specialty? Yes ☐ No ☐
6. Position:

Section Two: The relationship between commercial banks' policies and savings:

1. Savings form an important part of commercial banks.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
2. Commercial banks depend on savings to facilitate their activities and expansion.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
3. Both Traditional and Islamic savings accounts are offered by commercial banks.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
4. Commercial banks have played a crucial role in promoting savings among the people of Erbil.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
5. The effect of having a specific bank policy by commercial banks to increase savings.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
6. having a motivational and easy system for people who desire to save
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
7. Providing reasonable interest rates as a motivator for saving.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
8. Types of services provided by commercial banks motivate individuals to save.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
9. The existence of an advanced marketing policy plays a key role in attracting savings.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
10. Having an advanced advertising policy is a reason to encourage individuals to save.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
11. Having various branches of the bank for customers to easily reach and conduct their transaction.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
12. Those who participate more in savings are in the following class:
Employees ☐ Corporations ☐ Businessmen ☐ Government ☐ Others ☐
13. The government's financial system has an impact on saving.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
14. The economic situation has an impact on savings.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
15. Delayed payments of government employees discourage savings.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐
16. Politics and political situations have an impact on savings.
Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐