ABSTRACT

The study was conducted to assess the role of commercial Banks in the promotion of savings and investment in Rwanda. The specific objectives of the study were to analyze the impact of Commercial Banks on savings and investment and to determine other factors that affect savings and investment. Purposive sampling was used to select 20 Bank staff and 30 business operators (customers) due to their knowledge in loan and business operations and other related activities. Using questionnaires, interview guides, and analysis of secondary data, the study found that 53% of the respondents held that high bank deposit charges would scare off potential customers who make regular deposits at any of the bank’s branches while 47% of the respondents would maintain their deposit and withdrawal patterns in spite of the high bank charges. A three percent (3%) savings decline was, however, recorded in the period compared to the previous years. It was also established that GOGEBANQUE had a proportionately higher contribution (of 50%) in promoting savings and investments than other banks (for instance, Ecobank (24%) and Bank of Kigali (26%)). It is recommended that commercial banks in Rwanda should reduce their charges on loans and other services to attract more customers. Government should ensure strict compliance of commercial banks to policy guidelines to maximize service delivery.