



Oracle Survey: Incumbent Banks Must Go Digital to Stay Relevant

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MUDAYE NEWAY



VISION

To Become a World-Class Commercial Bank by the year 2025.

MISSION

We are committed to best realize stakeholders' values through enhanced financial intermediation globally and supporting national development priorities, by deploying highly motivated, skilled and disciplined employees as well as state of the art technology. We strongly believe that winning public confidence is the basis of our success.

VALUES

1. Integrity

- We are committed to the highest ideals of honor and integrity.
- We strive to act in an honest and trustworthy manner.
- We firmly adhere to ethical principles.

2. Customer Satisfaction

- We strive to excel in our business and satisfy our customers.
- We are committed to offering the highest quality service to our customers and aspire to be branded with quality in the minds of our customers and the general public.

3. Employee Satisfaction

- We are committed to employee training and professional development.
- We distinguish our employees as valuable organizational resources.
- We recognize our employees for their achievements.

4. Learning Organization

- We are committed to anticipating and responding to internal and external changes through constant improvement and adaptation.
- We strive to establish a culture that nurtures individual and group learning.

5. Teamwork and Collaboration

- We recognize the importance of teamwork for our success.
- We support one another and working co-operatively.

6. Public Trust

- We understand that the sustainability of our business depends on our ability to maintain and build confidence.

7. Value for Money

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- We deliver the same level of service for less cost, time or effort.
- We deliver a better service for getting a better return for the same amount of expense, time and effort.

8. Decentralization

- We are committed to delegating operations and decision-making responsibilities.

9. Corporate Citizenship

- We value the importance of our role in national development endeavors.
- We abide by the laws of Ethiopia and other countries in which we do business.
- We care about society's welfare and the environment.



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MESSAGE FROM THE PRESIDENT/ CEO

We at the Commercial Bank of Ethiopia had remarkable meetings separately with the Ethiopian Diaspora and exporters working with the bank during the last two months. In keeping with the values of CBE to create customer satisfaction, it went all the way to assessing the needs of the Diaspora and developing mortgage loan product. The loan product was hence made available to Ethiopians living abroad and foreigners of Ethiopian origin who at the forum forward feedbacks and comments for further improvements.

Many who came home to visit relatives came in droves to the meeting held at Sheraton Addis. Almost all were engaged in the discussion about building houses in their beloved country. Senior credit officials, including myself, explained about the credit service and gave clarifications. Brochures on the housing loan were also distributed and comprehensive information posted on the website of the bank. From the lively meeting we had with the Diaspora, the Commercial Bank of Ethiopia hopes that they would be wise enough to seize this opportunity as CBE has offered good service, fulfilling its values to strive for the satisfaction of customers in every form.

I would like to note here that the success of the housing loan will not only benefit the Ethiopian diaspora but also the country which can make good use of the money for the development of the nation. This mutually beneficial arrangement needs to be expanded and our bank is devoted to this objective.

Similarly, the latest meeting with exporter customers of the bank was meant to encourage the exporters and serve them better. Many exporters took part in the discussion that I discovered to be very important.

Ethiopia's export is not as glamorous as its economic growth. The stagnating or declining trend of the export trade is worrisome and calls for huge collaboration of all stakeholders. Cognizant of this responsibility, the Commercial Bank of Ethiopia has been holding an annual event that brings customer exporters of the bank together.

Dubbed CBE's Exporters Day, the 7th annual event took place at Addis Hilton at the end of December 2018. The interest of CBE and the participants was and is to develop the export sector. I believe that this common interest has brought about consensus on the need for removing domestic problems to effectively compete globally. We, the CBE, will stand by our exporters in all eventualities.

To demonstrate its continued commitment to customers and express gratitude, CBE also held a dinner party that same evening of the Exporters Day where outstanding foreign currency earners for the bank received awards. Our Board Chairperson Ato Ahmed Abtey gave the awards and assured them that the bank will do everything in its capacity to extend support to all who generate foreign currency which is vital for our socio-economic development. We are, therefore, looking forward to the export sector to pick up soon, and further improve in the years to come.

Bacha Gina
President/CEO



Ethiopian Banking in Historical Perspective and the Need to Take Proactive Actions

By Tilahun Abbay (former president of CBE)

1. INTRODUCTION

This paper is prepared in response to an invitation initiated and formally addressed to the author, among other invitees, by the former President of the Commercial Bank of Ethiopia, Ato Bekalu Zeleke, on the occasion of the celebration marking the 75th Anniversary of the Bank which began on December 2, 2017 but continued to be subsequently and colorfully celebrated intermittently by other similar complementary events. The paper is designed to highlight the salient features which characterized the developments of the financial sector during the last 113 years and the shortcomings and the challenges experienced with respect thereto. Modest attempt is also made to recommend the major responsive and proactive measures needed to be taken by regulatory authorities and other stakeholders concerned in the light of the benefits to be gained from the entry of foreign banks in due course. Most importantly in the wake of the continually globalizing world, opening up the financial sector ranks foremost lest we lag behind in the integration process due to the consequential ramifications of protracted delays which would be too costly to catch up in terms of technology transfer, human capital development and skills and complex banking prod-

ucts not yet introduced in Ethiopia. Therefore, well-thought-of, visionary and forward looking preparedness in all respects is paramount in the best interest of the finance sector in particular and the overall growth of our country at large.



photograph of the old Bank of Abyssinia

2. Early Days of Banking in Ethiopia

Unlike the historical development of banking in the rest of colonial Africa, there was no bank in Ethiopia prior to the 19th century and the legal framework for same was not in place. Nor was there the initiative needed to raise financial capital and to pioneer human capacity building to conduct banking business. Thus, the first bank in Ethiopia came only into being 113 years ago.

Although gold coins (samples of which have been preserved to date at the Ethiopian National Museum) were minted locally and used as medium of exchange during the Axumite Empire, modern banking dates back to the establishment of the Bank of Abyssinia in 1905, during the reign of Em-

peror Menelik II. The capital of the bank was 500,000 pounds sterling, of which 100,000 was subscribed and paid up when the bank was constituted and further capital was raised by public offerings of shares in Addis Ababa, Cairo, Alexandria, Vienna, Rome, London, Paris and New York.

The Emperor sought the assistance of both the British and French Governments to help him establish a bank; but he finally favored the British over the French because of an earlier resentment he had with the French with respect to the Franco-Ethiopian Djibouti-Addis Ababa Railway. (According to anecdote, the Emperor wanted the railway to extend from Djibouti to Addis then all the way through the western part of Ethiopia to the White Nile but, the French did not comply with the original agreement). Hence the British owned National Bank of Egypt was mandated to establish the Bank of Abyssinia in May 1905 under the Egyptian Commercial Law.



The Canadian, Mr.C.S Collier was appointed as the first CEO of the Bank. According to Pankurst (1965), the Bank was located initially at Ras Mekonnen Palace (now Addis Ababa University) and later moved to another building.

The Bank of Abyssinia combined both the responsibility of undertaking the central and commercial bank functions. Based on the "Charter for the Bank of Abyssinia" signed on March 11, 1905, the Bank was granted 50 years concession of exclusive monopoly right to mint coins and be the sole financial agent of the government, give priority for all issues of government loans, permission to bonded warehouses, free grant of land for the Bank's premises, and transport of its specie by rail in the country at government rates. In addition, 10% of the profit would be earmarked for distribution to shareholders as dividend and the remaining 20% of the profit assigned to the Emperor.

In return for these concessions, Emperor Menelik forwarded three pre-conditions:

- a) *Internalization of the institution on three tiers represented by shareholders, Board of Directors, and the management;*
- b) *A number of seats in the board be reserved to imperial nominees; and*
- c) *Transfer to the Emperor substantial share of profit.*

Cairo was chosen for the registered office of the institution and the forum for

the meeting of the Board of Directors and shareholders. The first Board of Directors of the Bank comprised of:

1. *Sir Elwinn Palmer, Governor of the National Bank of Egypt... .. Chairman*
2. *D. Mak Gillivray, Governor of the Bank of Abyssinia... .. V/Chairman*
3. *Bogos Pasha Nubar, Director of the National Bank of Egypt... .. Member*
4. *Raffaile Soares, Director of the National Bank of Egypt Member*
5. *J. De Menashe, Director of the National Bank of Egypt... .. Member*
6. *F.Monovissin, Director of the Societe Generale de Credit Industrial et Commercial Member*
7. *Francesco Varvaro Pojero, Director of the Bank of Italy... .. Member*
8. *Wilhelm Pelzaeus, German citizen living in Cairo Member*
9. *Ras Mekonnen, Governor of Harar (Appointed by Menelik) Member*
10. *Ras Wolde-Giorgis, Governor of Kaffa (Appointed by Menelik) Member*

In the subsequent years, however, the Emperor felt uncomfortable with the Bank's performance occasioned by its failure to promote developmental activities, its sluggish growth in terms of branch expansion and outreach, inability to introduce various banking products and the composition of Board of Directors, which was dominated by expatriates and the management disproportionately skewed in favor of catering services to the foreign communities and the limited number of rich local merchants.

Therefore, with capital increase, renewed mandate and wider owner representation on the Board of Directors, a new bank named "Bank of Ethiopia" was established in 1931 in place of the Bank of Abyssinia which was liq-

uidated by Emperor Haile-Selassie I, although the idea was originally conceived and deliberated upon by Emperor Menelik. The Bank was fully subscribed and became the first wholly owned government bank of indigenous Africans in the continent. Unfortunately, the Italian occupation of Ethiopia in 1936 caused the liquidation of Bank of Ethiopia. There were other banks as well then such as Societe Nationale d'Ethiopie pour le Developement de l'Agriculture et du Commerce (established during Emperor Menelik in 1909) and other foreign banks like Banco Di Roma (Eth) S.C, Banco Di Napoli (Eth) S.C, Banca Nazionale de Lavoro, and Banque de l'Indochine.

After the Italians were driven out of Ethiopia and Emperor Haile Selassie returned to the country, a new bank named, "State Bank of Ethiopia" was established in 1942 with a capital of one million Maria Theresa. The Bank, which began its operation in the following year with 42 staff and two branches, was entrusted with the responsibility of acting as custodian of the Ethiopian Government money and as the fiscal agent of the Ministry of Finance.

In 1946, the Bank was entrusted by the government with added responsibility of issuing bank notes and administering the foreign exchange reserves of the country, undertaking current (checking) accounts, provision of loans, monitoring foreign exchange and executing transfers telegraphically and by mail transfer orders. During the same year, savings account services began to be provided for customers at 4% interest per annum and the Bank issued bank notes and minted various denomination of coins. Going forward, it managed to replace the East African Shilling, Italian Lire and the Maria Theresa which had been circulating in the country as medium of exchange. Subsequently over the years, the Bank intensified its scope of services and began providing financing for existing manufacturing firms and

service rendering organizations.

During its 21 years of existence, from 1943 to 1963, the State Bank of Ethiopia had the following branches and agencies:

- *State Bank of Ethiopia, Addis Ketema Branch, Addis Ababa;*
- *State Bank of Ethiopia, Dessie Branch, Dessie;*
- *State Bank of Ethiopia; Assab Branch, Assab;*
- *State Bank of Ethiopia Dire Dawa Branch, Dire Dawa;*
- *State Bank of Ethiopia, Jimma Branch, Jimma;*
- *Mortgage Bank S.C, Addis Ababa;*
- *Maritime Transit Agency, Djibouti;*
- *Investment Bank Addis Ababa; and*
- *Maritime Transit Agency, Khartoum.*

With the advent of the formation of a new private-owned bank named "Addis Ababa Bank S.C", (40% owned by National and Grindlays Bank, U.K, and 60% by Ethiopian citizens and foreign nationals residing in Ethiopia), it became necessary to issue new banking laws that would accommodate private banks and simultaneously split the State Bank of Ethiopia into the "National Bank of Ethiopia" and the "Commercial Bank of Ethiopia" in 1963. The establishment of the Addis Bank S.C triggered aggressive competition within the banking industry. Enabling environment was created within the banking industry to foster competition among domestic banks and the banks started to recruit graduates from colleges and universities, motivate and retain them, refine customer service delivery, and develop new banking products. The Institute

of Banking and Insurance was established to conduct a three-year diploma program on regular basis with a view to attaining the forgoing objectives and augment the need for skilled manpower. The author of this article taught the graduating students of the institute on domestic banking, international banking and credit policies, procedures and practices for 11 years in the evening sessions.

3. Banking in Socialist Ethiopia (1974-1991)

In the wake of the foregoing developments and exactly 11 years after the split of the State Bank of Ethiopia into the National Bank of Ethiopia and Commercial Bank of Ethiopia and the promulgation of the law that allowed private banking, the military regime known as the Dergue overthrew the Emperor and took power. The Dergue changed the course of the banking industry in the country by taking the following measures:

- Three private banks, namely, Addis Ababa Bank S.C (ADB), Banco Di Roma S.C (BDR) and Banco Di Napoli S.C (BDN), were nationalized in 1975 and merged a year later to form "Addis Bank";
- The Ethiopian Investment and Savings Bank S.C was amalgamated with the Ethiopian Government Savings and Mortgage Company to form "Housing and Saving Bank";
- The Development and Industrial Bank was nationalized;
- 13 private insurance companies were amalgamated to form "The Ethiopian

Insurance Corporation";

- In 1980 Commercial Bank of Ethiopia and Addis Bank were amalgamated to form the monopoly "Commercial Bank of Ethiopia", and all banks were put under the tutelage of the National Bank of Ethiopia.

Researchers and economists believe that the post-nationalization and amalgamation of banking activities denuded the sector of its fledgling competitive feature and largely was characterized by diminishing return. The author fully subscribes to this and the following ramifications stand out vividly about the operation of the post-nationalization and merger of the sector.

- The banking sector was rendered inefficient, fragile, and major hindrance to economic growth;¹
- The sector lost the advantage of competition owing to the merging of banks and this was a major setback;
- The staff of the four banks (CBE, AAB, BDR, BDN) were crowded under the umbrella of one organization haphazardly thereby precipitating manpower redundancy;
- Huge stationery and other resources of the individual banks had to be disposed of after the merger leading to wastage;
- The drive to innovation of products lagged behind;
- The separate and variable salary scales and benefits schemes of the four banks pre-Dergue Regime which was carried over to the merged bank negatively impacted the motivational spirit of some of the merged bank staff. For instance a teller from BDR was paid as much

¹ Admassu and Asayehegn in "Banking Sector Reform in Ethiopia" in *International Journal of Business and Commerce* Vol. 3, No.8: Apr 2014[25-38]

as 1,200 Birr per month while a teller in AAB earned only 300 Birr and this anomaly continued unabated until the merger with the CBE;

- The advantage of technology transfer which could have been obtained from the separate foreign-owned banks including AAB by virtue of Grinlays Banks 40% equity share ownership was curtailed;
- Throughout the 17 years reign of the socialist regime, new delivery channels such as ATM and other channels internationally introduced since the 70s were not adopted in Ethiopia;
- In general, branch expansion stagnated during the protracted civil war and key resources like computer hardware, software, and other facilities were unavailable owing to lack of foreign exchange. Poor telecom infrastructure, restrictive policy which discouraged private entrepreneurship and lack of enabling environment crippled the banking sector.

Strange as it may seem, however, the Dergue regime did not actively interfere in CBE's operations and the Bank preserved its independence in the area of branch expansion, credit review and granting process, recruitment of staff, training and promotion, motivation, etc of clerical level staff. One significant deterrent worthy of mentioning regarding human resource was the salary freeze beyond Birr 651 that made financial motivation of middle and upper management staff impossible.

With respect to operation, the management chose to stick to standard benchmarks of op-

eration, and its deft stance in this respect was praiseworthy in consideration of the potential risk that management would have faced in defying the dictates of top-level Dergue members. For instance, as CBE would largely mobilize short-term deposits, management would politely but firmly refuse to provide long-term finance to avoid the resultant mismatch. Such financing was left to the responsibility of Agricultural and Industrial Bank and Housing and Savings Bank. In accordance with the dictates of the credit policy issued by the National Bank of Ethiopia, the ultimate objective of credit was to enhance the socialization process where public enterprises claimed the largest proportion of the Bank's aggregate loans and advances. However, CBE in particular adhered to its inherited prudence in credit analysis unlike the situation in other socialist countries that had passed through socialist and central planning economic process. If the cash flow, profitability and collateral requirements of state enterprises prove to be below CBE benchmark, management would demand the counter guarantee of the Ministry of Finance, the owner of the Enterprises.

Harvey, in his research paper "Banking Reform in Ethiopia"², aptly articulated the ethical values and modus operandi of the Commercial Bank of Ethiopia as follows: "Most unusually in these circumstances, CBE continued to do credit analysis of the lending decisions according to the commercial criteria used in the pre-socialist period and continued to train staff in the necessary techniques, even

² "Banking Reform in Ethiopia" Charles Harvey, Institute of Development Studies (December 1996)

though the majority of lending was to public enterprises.... A second factor was that, although CBE was under pressure to expand its branch network, the expansion which took place was not so rapid as to endanger the efficiency and therefore the profitability of the Bank. "Other attributes were that adequate spreads between deposits and loans gave CBE comfortable profits; and the Bank always provisioned for doubtful debts, and loans granted to state owned enterprises were not high as to affect the CBE solvency."

In general, the pre-1994 banking sector milieu was marked by a shallow sector with limited access to the large portion of the population. The banking system was also unable to provide credit and foreign exchange to key sectors of the economy.

4. Economic and Financial Reform (1994-to date)

With the collapse of the Dergue regime in 1991 and the coming of the Transitional Government of Ethiopia (TGE), the banking sector saw again the financial sector reform which indicated the rebirth of market-oriented banking policy that allowed banks to operate based on the dictates of market forces. With the coming of the TGE a host of economic and financial sector liberalization were enacted, among which include the following:

- *Transitional economic policy that abrogates and voids the anti-development and anti-freedom proclamations, directives, policies, notices, etc., issued by the Dergue*
- was put in place. The policy supported private business initiative and market driven economy;*
- *Banking law, which is consistent with TGE's transitional economic policy, was enacted and the law issued in 1994 allowed for the formation of private owned commercial banks for Ethiopian citizens;*
- *Ethiopian Privatization Agency was formed and entrusted with deregulating and privatization of public enterprises. The author was assigned as a member of the Board of Management for the Ethiopian Privatization Agency to facilitate the provision of short and medium term financing and accelerate the privatization process occasionally undertaken on 50:50% basis, but generally on 70% to 30% debt-equity ratio respectively;*
- *Proclamations were issued to reestablish the Housing and Savings Bank and the Agricultural and Industrial Development Bank as the Construction and Business Bank and the Development Bank respectively and allow both to operate as universal commercial banks as the other banks, without losing sight of their core functions;*
- *Minimum interest paid to depositors were fixed at 5% for savings and the cap for interest on loans was left open-ended to be agreed upon between the banks and the borrowers on supply and demand basis. The CBE, DBE and CBB were mostly lending at 9.5% interest rate while private banks would fix interest at a higher rates depending on the size of their liquidities and the nature and scope of their customers' businesses. Exporters were accorded exceptional preferential rate of 7.5% p.a, covering credit facilities for pre and post-shipment finance;*

- During the socialist era, NBE was approving loans in excess of the single borrowers' limit set for each bank. The practice continued even during the TGE. The exercise was discontinued later on to avoid conflict of interest on the part of NBE, which has supervisory and oversight authority over banks. The responsibility was entrusted to the Board of Directors of each bank, including the governmental banks. Eventually, however, even the boards of most banks discontinued involving themselves in credit decision making;
- Treasury market was opened to banks, insurance companies and other big customers, private and public alike;
- As in the past, provision for doubtful debts was the sole discretion of banks. But later NBE issued elaborate procedures for the modus operandi of handling non-performing loans consistent with the requirements of and standards of the bank for International Settlement- (BIS advised standards);
- Based on BIS guideline, capital was required to be at a minimum of 8% of a bank's risk weighted assets;
- Insider appointment of Board of Directors by collusion on the basis of peer groups or other means of affectionate interpersonal relationship, including insider lending possibilities, is detrimental to the well-being of banks. This was enforced by NBE regulatory directives and reinforced by inspection conducted from time to time;
- Unscrupulous borrowers were deliberately refusing to honor their loan repayments taking undue advantage of the then protracted delays in the due process of court proceedings. The author took the initia

tive to prepare a paper and recommended the concept of the benefit to be derived from adopting foreclosure law which was endorsed by NBE and forwarded to the Ministry of Justice. The law was finally enacted in the form of a proclamation much to the great satisfaction and relief of the entire financial sector.

5. Impacts of Liberalization on the Banking Sector

The growth of banking in Ethiopia was in fits and spurts until the liberalization of the sector in 1994. Ethiopia only boasted 155 branches owned by the Commercial Bank of Ethiopia, until 1995. Between 1973 and 1994 the CBE branches grew from 83 to 155, a mere annualized growth of 2% or about so to speak. Bank branch per population was one of the lowest in the world at about 320 thousand people per branch.³

The very strident development in banking happened after 1994 which saw the change of the Banking Law favoring liberalization and the establishment of commercial banks. Since then, banking branch development showed an improved growth trend. Because of the introduction of private banking, branch growth surged to an annualized growth rate of 5% after 1990 and kept the pace in subsequent years and reached 7% in 2003/4. The branch expansion pace went into double digit after 2006 reaching 16% in that year. All of this time the major growth change in branch expansion was driven by private commercial banks. In fact, CBE has increased its branch network by only 20 branches in the year 1974-2005. Up

³ This and other statistics used here are obtained from NBE annual report and the Annual Report of the banks themselves

until 2010, CBE had only 209 branches, indicating the bank's overall lackluster contribution to branch network growth.

The main change in branch network growth was seen after 2011, at around the introduction of GTP I and this significant growth was spurred by CBE. In this year, CBE increased its branch network by almost 100% pushing the number from 209 to 417, in just one year. Nearly all of the growth was reflected in branch expansion of the Bank outside Addis Ababa. The branch number in the regions increased from 160 to 313, during this year. Branch network expansion has never been the same since then and the growth is in the region of 70-90% overall, for all of the banks in the country. The branch network has grown from 421 in the year 2006/7 to 4257 in 2016/17, showing a 10-fold increase in just 10 years. The tremendous growth in network has materialized in substantial number in the regions of the country.

Similar to the growth in branch network, the capital base of the banks, both private and public, has increased. Capital of banks has grown from 9.2 billion in 2006/7 to 78 billion in 2016/17. Again, the substantial portion of the capital increase has come from the side of CBE, which showed an increase of capital from 4.2 billion to 43 billion.

Branch network growth in Ethiopia has been very robust in comparison with many African countries. In just 10 years (between 2006/7-2016/17) it was possible to dwindle the population to branch ratio from 1-178 thousand to 1-22 thousand. This is a tremendous feat and is showing no abating.

Although the overall capital increase is quite heartening, it must be noted that the series of devaluations administered for the sake of macroeconomic adjustment and the crawling depreciation of the Birr, has rendered the increase less significant when compared with other African banks. This suggests that it is still necessary to account for this factor in the adjustment of capital, going forward.

Along with and as a result of branch expansion, the resource mobilization and intermediation performance of banks in the country has also shown a very good trend. Deposit mobilized by banks in the system has grown from Birr 44.4 billion to 567 billion, between 2005/6-2016/17. That is a thirteen-fold increase, in just a little over a decade. Total loan outstanding in the system, during the same period has increased from 43 billion to 323 billion, or almost by eight-fold.

In terms of ROI and ROE banks are also showing very high record, by comparison to any bank in Africa. While most banks are showing ROE in the regions of 1%, their counterparts in Ethiopia have recorded a figure as high as almost 5%. ROI of most banks is also above 30 percent in the last 10 years while this figure is hovering at around 15% for most banks in Africa.

In terms of employment creation, banks in the system have become the second largest employer next to the civil service. The sector boasts over 75 thousand direct employees and equal number of indirect employees for security and janitorial services.

Considerable effort has also been made to modernize the banking sector so much so that there is now no bank that does not have a core banking to support its operation. Most banks have now ventured into technology driven services such as ATM/POS,

Mobile, Internet and Agent banking, etc. It is believed that this will enhance the inclusion drive pushed in the Growth and Transformation Plan of the country.

The sector, with 2 public and 16 private banks has become a significant part of the country's economic mosaic and contributing substantially to the GDP of the country.

More and more role is assigned by the government to the sector so that sustainable development can be achieved over the second GTP period. Banks are required to raise more and more capital, consolidate, promote inclusion and get ready for eventual opening up. Already, all banks have published plans to expand per the GTP II requirement and we are bound to see more expansion in the sector.

6. The Pace of Liberalization and Going Forward

The first wave of financial liberalization which was taken by the GoE, especially the proclamation that allowed the formation of private owned banks and insurances in Ethiopia, reinstituted vitality and competition in the sector.

This is especially true of the number and type of sector players and physical access. From only one public commercial bank before liberalization, the number has now grown to 17 commercial banks including the public bank, CBE; same is true for insurance companies, the number has grown to 17, including the public insurance company EIC. As regards other sector players, as of 2016/17, there are 35 micro-finance institutions, 5 capital leasing companies and 18,000 Credit and Savings Cooperatives. Channel wise the sector, especially the com-

mercial banks, are employing current technologies like ATM/POS, Internet, Mobile and other devices. In terms of physical access, especially in banking, the number of population that a bank branch is serving has shown tremendous change for the better (in the last 10 years (2006/7-2016/17) the number has gone down from 1:153.4 thousand to 1:22.6 thousand). Even though the sector has seen growth, it is yet to show that it is growing in tandem with the economy of the country.

Although the number and type of financial sector players has grown substantially since the 1994 liberalization, the sector players have been content at providing only basic services and, by and large, were reluctant to innovate and produce services relevant to the economy⁴, even by comparison to their peers in Sub-Saharan Africa (SSA) countries. As some studies indicate, the efficiency of the sector is also wanting.

In spite of the fact that population per bank branch has shown tremendous improvement, in comparison to other African countries, Ethiopia still finds itself, if not in the absolute bottom, at the lowest rung of the pecking order when it comes to account ownership and actual bank service use by its population. Global Findex⁵ Report-2017/18 indicates that Ethiopia has a long way to go:

- Financial services inclusion, as measured in terms of "Account Ownership" for age 15+;
- Use of "Bank Account" for receipt, transfer of funds and similar transaction;

⁴The implementation of CBS itself needed the persuasion and finally direction of the NBE to be seriously taken up by private banks.

- Access to finance to the poor (40% of the population);
- The number of people using saving instruments at FIs;
- Use of Digital Financial Services (DFS); and
- The percentage of firms and individuals accessing loans from formal financial services providers.

Ethiopia is at the forefront in the expansion of mobile telephone service, almost outstripping most SSA countries, albeit, it is yet to deploy this infrastructure for a meaningful financial services and affordable banking use. For example Kenya, Tanzania, Zimbabwe, Ghana, Uganda, Gabon, Namibia are some of the African countries which have achieved 40% coverage of their adult population with mobile banking, while the use of mobile banking in Ethiopia is below 1%. The same is true about the population using Internet to access banking services. The use of DFS in Ethiopia is the lowest even when compared with African countries whose economies is hardly at par and their telecom infrastructure is lackluster.

This implies that there is a strong need to do a second wave of financial liberalization which focuses on improving access, use of services, relevance of services to the underserved and unbanked. There is also need to improve markets and institutions that work around financial deepening and diversification.

While the above changes are very important and should be undertaken to take the sector to the next level, a very strong voice is also

heard from the International Financial Organizations (WB and IMF) side and some academicians and business people that public banks need to be privatized and foreign bank should be allowed entry for the benefit of the country and the development of the sector. It is argued that the privatization of the public banks and the opening up of the sector to foreign banks will help domestic banks better themselves in terms of efficiency and customer servicing, through force of competition with the new foreign banks. It is also argued that the existence of foreign banks will be a pull for FDI to come into the country and the technological improvement of the sector.

To date, there is very little research work that has established causal relationship between FDI, technological improvement and efficiency either to the privatization of banks and the entry of foreign banks into a country or any African country for that matter. The Ethiopian experience with foreign banks during Emperor Menelik and Haile Selassie until 1974 is in fact very lackluster in both branch expansion and as a pull factor for FDI. There is little healthy banking sector development worth telling during the existence of almost 40 years of foreign banks in Ethiopia, including the foreign banks.

The predominant experience in most African countries with regard to foreign banks is that they are mostly located in major cities and cherry picking of customers, essentially overturning the cross-subsidy balance available in domestic banks and the initiative of these banks to branch out to outlying branches for network effect.

The caveat for allowing foreign banks into the domestic market must be that they

⁵The Global Findex database is the world's most comprehensive data set on how adults save, borrow, make payments, and manage risk. Launched with funding from the Bill & Melinda Gates Foundation, the database has been published every three years since 2011. State on Ethiopia financial services was generated in two series in 2014 and 2017.



Future Head Quarters of CBE

should be allowed when supervision capacity is developed and as partners of the existing domestic banks to benefit from the technology and knowhow transfer.

7. Recommendations

The author believes that the banking sector in Ethiopia should develop in many ways before it opens up for foreign banks. Key among the changes envisioned by the author are the following:

1. *The gradual adoption of work flow, process streamlining and digitization of front office and back office operation covering the whole gamut of services rendered to customers (ranging from a/c opening to credit servicing and remittances to trade services);*
2. *Customer facing services should be*

time-sensitive and banks should establish service turn-around time and introduce queuing systems to help them in improving and following up service time standards;

3. *Although most banks have acquired Core Banking System (CBS), very small portion of the capacity available in the systems is implemented. The choice and implementation of the services available in the CBS must be driven by business people and the choice should be based on business requirement than on technology choice;*

4. *A specter of service denial attack and hacking for financial gains is bedeviling banks across geographies and banks using advanced technology for supporting their operation should use resources of their correspondent banks to reverse this tide and continually be vigilant in the development of their security infrastructure;*

5. *Identification of illiterate customers is a daunting task in a developing country and banks must adopt current technology which uses three tier identification systems;*

6. *A government act that introduces a national ID card system will go a long way in helping banks conduct safe and fraud-free transaction. Banks must lobby for this initiative through their Bankers association;*

7. *Before the full-fledged liberalization of the sector it is important that i) money market ii) capital market iii) foreign exchange market iv) stock exchange market; and v) full-fledged commodity market be introduced to create a free market environment for both foreign*

and local banks;

8. As more and more branches are introduced by banks in remote areas the requirement for communications of each branch with the data base in the center becomes more vital, for the bank to manage its operation and provide mandatory reports to stakeholders, including NBE. This requires the provision of VPN services to all banks beside the usual telecom infrastructure;

9. As the entry of foreign banks will bring the requirement for benchmarked international best practice procedures and regulation, it will be mandatory to harmonize NBE's working documents and directives with international benchmarks;

10. Merger between banks is being contemplated in the foreseeable future with the view to enhancing their capital base and readying them for the competition with their foreign counterparts. The merger of private banks could be daunting and time consuming given the fact that (i) these banks have separate salary scales, different motivation, ethics, vision etc. (ii) redundancy of staff and resources may ensue; (iii) there is little knowledge of asset valuation of banks; (iv) the ROA and ROE of different banks is different and compromising expectations of stakeholders may be mind-boggling.

Merger is like marriage, bound by love and with life time commitment to live together as one (caring and sharing). In view of this and the various states banks are found, the legal framework must be drafted early on and discussed by all

stakeholders before it becomes into law of the land;

11. Banks must be encouraged, cajoled or directed to sponsor and finance innovative ideas without requiring collateral. A reasonable percentage of each bank's aggregates board portfolio can be earmarked for this purpose to avoid excessive exposure on such loans;

12. Banks should provide separately or in unison the best training available during on-boarding of staff and at various levels of career building, to keep them competitive and retain their staff;

13. All banks must design ways of serving the unbanked and the underserved and this must be overseen by NBE;

14. Knowledge in money market, foreign exchange and other instrument markets and asset and liability management must be a requirement to most of the staffers working in the finance and treasury operations of banks and these must be catered for by the banks;

15. Consolidation of the momentum of the gains of many years of fast and aggressive branch expansion is necessary to keep the health of the financial sector, going forward. However, the dire need for mobilization of deposits through branch expansion should be reviewed for potential downside risk associated with the over-expansion and shareholder desire to sustain value for their investment.

16. We bankers used to extensively make use of "Discounting of promissory notes facility" during the pre-Dergue era, to facilitate transactions covering sales of merchandise on credit basis between wholesalers and retailers. Promissory note is an important negotiable instrument like cheques, stipulated in the commercial code of Ethiopia, but it was rendered null and void by a simple letter

addressed to all banks by NBE during the Dergu regime on the presumption that Government owned enterprises (Considered as sister companies) could then transact credit sales of merchandise on consignment basis. This was also aimed at avoiding accommodation paper. Nevertheless banks can exercise care to

transact with first class, credit worthy wholesalers and retailers based on genuine business and ease their liquidity needs. Therefore, this product should be reinstated as it is vital in market economies.

Ato Tilahun Abbay was long time banker who has worked in both private and public banks and was the second President of the Commercial Bank of Ethiopia after merger. Ato Tilahun has also served the African Export and Import Bank based in Cairo, Egypt, as Board Director, also as Executive Board credit committee Director and as Board committee Director for portfolio management, for foreign exchange and branch expansion 2. Board chairman for Metehara Sugar Estate 3. Board chairman for Ethiopian Shipping Lines 4. Board member, Ethiopian privatization Agency 5. Board chairman, Unico PLC 6. Board of trustee committee member for Institute of Banking and Insurance 7. Currently Arbitration and dispute resolution Council member and also advocacy committee member, for Finance and Land, Addis Ababa Chamber of commerce. 8. Board of Directors member, Red Cross and Red Crescent 9. Vice President, Ethiopian Employers Federation, Chamber of Commerce 10. Financial Advisor during the establishment of Habesha Cement Factory and Debub Global Bank S.C. 11. President of the Ethiopian Bankers Association 12. Board of trustee member for the dissolution of corporations. 13. Signatory to the charter and Board Director of the COMESA Bankers Associations, Arusha, Tanzania.

Information Technology: Opportunities & Challenges for the Ethiopian Banking Industry

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1. Introduction

The technological advancement of the present era, especially the advancement of Information Communication Technology (ICT), is bringing dramatic changes in our daily life and our ways of communication, doing business, teaching and learning, and other activities.

Businesses must adopt and embrace state of the art technologies so as to provide excellent operations and services to their clients. As a business industry, the banking sector derives benefits from the advancement of ICT. ICT enables organizations to reduce operational costs, introduce new features like anytime, anywhere banking, access new geographical areas, improve service, increase income and open new business opportunities. In the clients side: it offers no time limitation, better time organization, no geographical limits, lower costs, security and twenty four hours support.

Although ICT has brought several opportunities for the banking sector, it has also brought several challenges. Cyber-attacks are increasing enormously. A large number of cyber-attacks are exposing and exploiting data privacy and security with online payments, Automated Teller Machines (ATMs), electronic cards, Internet banking transactions, etc. Studies show that the average attacks on banking is four times than other organizations.

As a result, regulatory bodies also oblige banks to provide safe online banking environment for their users. Hence, there is a high demand for the implementation of countermeasures to protect the most valuable assets of banks against these attacks and to meet the requirements of the regulatory bodies.

2. Literature Review

Researches have pointed out that ICT plays a significant role in creating user-friendly platforms for banks and customers which enable them perform banking transactions in an effective and efficient manner. In addition to this, it helps them extend their products and services beyond the limitations of time and space. It can be summarized that ICT is important for the following three main reasons: (i) to protect and increase market share; (ii) to reduce physical operation cost; and (iii) to generate new revenue.

Yalew Nigussie and Asmare Emerie, in their analysis based on linear regression showed that positive coefficient of 0.803 for customer satisfaction and 0.725 for employee performance. These figures imply that there is a good correlation between ICT and customer satisfaction and employee performance. The research also depicted that there are challenges due to intermittent network connectivity, lack of state-of-the-art ICT infrastructures and continuous power failures while adopting ICT. In general, the paper concludes with a remark that ICT has impacted the overall performance positively for the studied Ethiopian private banks.

According to S.K Mishra, banks need to invest in cutting-edge technology and innovation if they need to stay competitive and retain their customers. This approach is enabling non-bank providers to draw customers away from banks. Many banks which do not use ICT are experiencing a significant reduction in profit due to the emergence of new entrants such as PayPal. They are utilizing banks' infrastructures while banks carry their entire burden and other issues for managing the infrastructure.

ICT is the main enabler for the rapidly changing and emerging economies. It boosts the efficiency and effectiveness of services offered to customers, enhances business processes,

managerial decision making and workgroup collaborations so as to strengthen their competitive positions. A paper by Mathew K. Luka and Ibikunle A. Frank further discusses the impacts of ICT on productivity, market structure, innovation and value chain of ICTs on the Nigerian banking industry.

A study conducted in Kenya on ICT's opportunities and challenges says that ICT is the focal point for production. The survey concludes that ICT made a great contribution to reduce operational costs, engage with more customers, and reach more customers through other channels made possible by the adoption of ICT. The study recommended that studies be conducted on human capital in harnessing ICT to its utmost advantage.

A paper by Abebe Zeleke and Fanta Tsegere reports the findings of ICT services with respect to Dashen Bank S.C., to understand the usefulness, ease of use, risk, organizational and environmental factors on adoption of ICT. The analysis shows that usefulness, risk and environmental factors were found to have significant impact.

Over the past three years three major cyber-attacks on banks were made public. Two of the three attacks resulted in financial losses of around USD 100 million. The three breaches were committed by exploiting weaknesses of the digital infrastructure and systems that connect banks to the global SWIFT network.

➤ In January 2015 in 10 days of attack, the Ecuadorian Banco Del Austro (BDA) was infiltrated by hackers with financial losses of USD 12 million.

➤ In December 2015, Vietnam's Tien

Phong Bank (TP Bank) was attacked by hackers who attempted to use fraudulent SWIFT messages to transfer more than one million Euros. The attack was not sent through the bank's network but by using the infrastructure of an outside vendor who was hired by TP to connect it to the SWIFT messaging system.

➤ In February 2016, a fraudulent transfer of USD 850 million from Bangladesh Central Bank was blocked after SWIFT detected a spelling error in the name of the recipient. However, Bangladesh Central Bank was not able to prevent the entire transfer and the hackers successfully transferred USD 101 million (of the USD 850 million). In this attack, hackers used a malware that prevented the system responsible for checking monetary transactions from functioning properly. This type of malware is difficult to detect. According to cyber-security experts, it takes around 146 days to cleanse an organization contaminated with such a malware.

According to TechRepublic.com, the attackers don't just steal the credentials; they remotely control the user's computer and log into the banking site, transfer money, change login credentials, write checks, etc. In such cases, bank-

ing sites cannot trace and identify the identity of the attacker vs. its customer. However, one security mechanism banks can implement is using two-factor level authentication.

3. Research Methodology

The main aim of this research was to investigate the challenges and opportunities of ICT for the Ethiopian banking industry. Questionnaires were used as the primary techniques of data collection. Desktop research was also performed by visiting the official websites of the banks. This survey study was composed of the following key activities. The block diagram indicated in Figure 1 below shows the steps and specific activities accomplished in each step.

A research design can be defined as a blueprint for conducting a study with maximum control over the factors that may interfere with validity of the findings. It is a plan for collecting and utilizing data so that desired information can be obtained with sufficient precision. This study adopted a descriptive or explanatory research and it was conducted on seventeen public and private banks in Ethiopia. The respondents of this survey were IT managers and security experts of each bank. During the data collection process we have observed that since most of the banks are using core banking technology in which there is a centralized database system that



Figure 1: Key activities and methods

allows access from any branch, the relevant IT infrastructure is located in the headquarters of the banks and almost all the branches use the core banking services without the need of configuration of IT infrastructure.

For each of the respondents, two types of questionnaires were prepared. The first category of questionnaires was designed to be answered by IT managers and mainly deals with concepts that show the degree of adoption of IT and to what extent are Ethiopian banks are exploiting the opportunities of IT. These questionnaires were based on five point Likert scale, where 1 = Strongly Disagree, 2 = Disagree, 3= Neutral, 4 = Agree, and 5 = Strongly Agree. The second category of questionnaires was designed to be answered by security experts in the banks and the questionnaires focused on security concepts and tools applied in banks at present time. The purpose of this category was to know whether such techniques are well adopted by Ethiopian banks or not, and the questionnaires were encoded as 1= Yes, 2 = No and 3 = I don't know.

4. Data Analysis & Discussion

Closed-ended questionnaires (with one last open-ended question for additional comments) were used to collect the primary data from the seventeen Ethiopian banks.

to the remaining six banks. Out of the seventeen banks, ten of the banks replied to the questionnaires properly. Table 1 summarizes the responses to the questionnaires:

As can be seen from table 1, the overall response rate is 64.7% and the response rate of the drop and pick later technique is 100%, but that of e-mail is 0%. This indicates that the use of e-mail to collect data for a research purpose from the banks is very poor, and hence more effort should be exerted to resolve this challenge. The details of the results of the analysis of this study are shown in the following sections.

4.1. Opportunities of IT for the Banking Industry

According to the respondents of this study, it was possible to learn that the use of IT services has enabled the banks to increase their profit. The banks have dedicated IT departments with their own managers but most of the IT managers are not aware of the annual budget allocated for IT systems (services). In relation to the general questions about the availability of different IT services (systems) in the respondent banks, the banks indicated that all of them have implemented ATM services and more than 20% percent of them have introduced ATM ten years ago. Similarly,

| No. | Technique used to contact the banks | Number of banks | Respondents | Response rate |
|-----|-------------------------------------|-----------------|-------------|---------------|
| 1 | Drop and pick later | 11 | 11 | 100% |
| 2 | E-mail | 6 | 0 | 0% |
| 3 | Total | 17 | 11 | 64.7% |

Table 1: Response rates of the banks

Table 1: Response rates of the banks

The questionnaires were administered using both electronic ways and the drop and pick later methods. Both categories of questionnaires were administered in eleven banks using drop and pick later technique; and e-mail was used to send the questionnaires

they have also introduced Internet Banking, Mobile Banking and Agent Banking Services. But 80% of the banks have not yet introduced enterprise resource planning (ERP). The detail results are shown in Figure 2 below. The banks use both internal and external capacities to design, develop and maintain their IT systems (services). Most of the respondents indicated that their bank is not able to exploit the full potential of IT services to its advantage due to lack of skilled manpower, lack of sufficient infrastructure and low awareness about the importance of IT services. The study showed that information technology has brought several advantages to the banking industry. The main reason why the banks are introducing IT services (systems) is because IT provides them with the opportunity of retaining existing customers and attracting new ones. It also enables them to remain

agile and gain competitive advantage. Similarly, it also helps them to keep track of the current technological advancements. The results of this analysis are depicted in Figure 3 below.

The other important opportunity of IT to the banking industry is customer satisfaction. It provides several advantages to bank customers. In this study, we tried to identify the perception of the banks about the benefits of IT to their customers.

It was found that the banks believe that the important advantage that the customers get from IT services provided by them is time saving with an average response rate of 4.9. And the other advantages are being able to perform tasks from anywhere without geographic limit and ease and convenience of use of banking services.

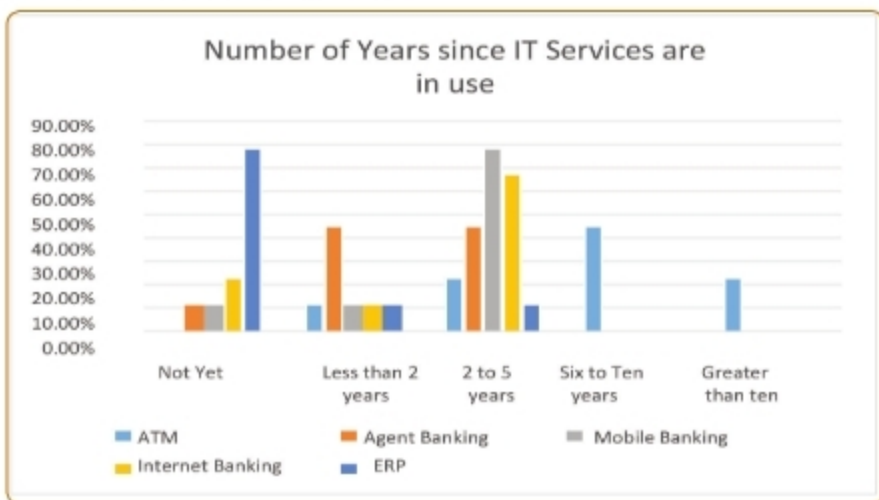


Figure 2: Number of years that the banks have been providing IT services

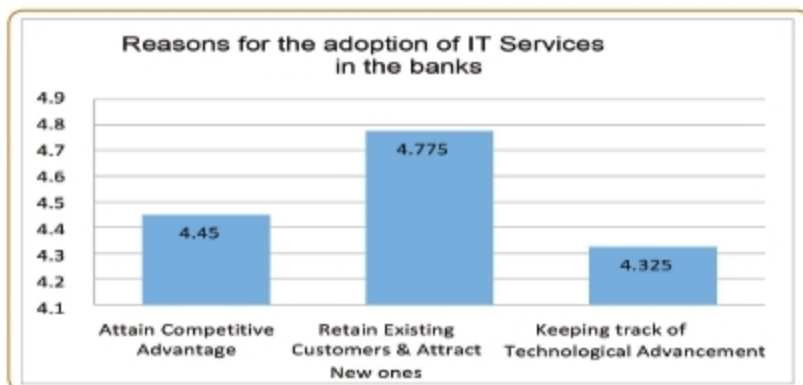


Figure 3: The percentage of the reasons for the adoption of IT services by the respondent banks

4.2. Challenges of IT for the Banking Industry

Although IT systems are the main enablers to achieve competitive advantage, there are several challenges that are considered as the main impediments for achieving competitive advantage. The study investigated the following challenges.

4.2.1. Challenges faced during the implementation of IT systems

The study indicated that Ethiopian banks are facing several challenges during the implementation of IT systems. High customer resistance and high cost of IT systems were found to be very challenging for the respondent banks. The next challenge was found to be security and privacy of systems, and the least significant challenge insufficient data regarding customer needs. Figure 4 depicts the challenges that the banks are facing during the implementation of their IT services.

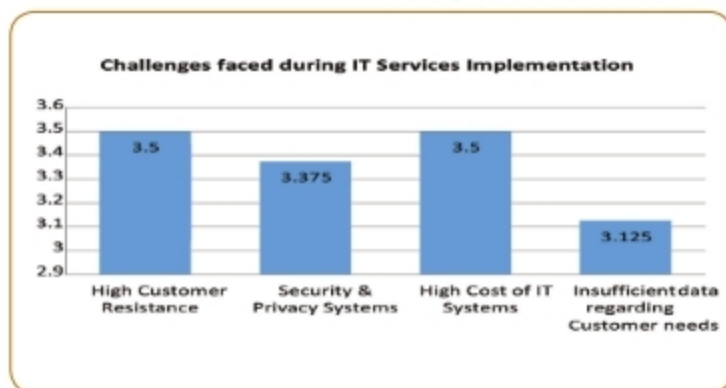


Figure 4: The average response rate of the challenges faced by the banks during implementation of IT services

4.2.2. Challenges that hinder the progress of achieving sustainable competitive advantage

The banks are facing other critical IT challenges that hinder the progress of achieving sustainable competitive advantage in the

banking industry. The result of the analysis showed that low penetration of the Internet, poor IT infrastructure, incapability of service providers to meet their service level agreement and customer resistance were found to be the main impediments for achieving competitive advantage of the IT sector. The detail results are indicated in Figure 5 below.



Figure 5. IT challenges that are impediments to achieve sustainable competitive advantage in the banking industry

| Code of the Question in the graph | Explanation of Codes used in the graph |
|-----------------------------------|--|
| Q4a | Customers are not willing to use the technology |
| Q4b | Low penetration of Internet usage |
| Q4c | Higher Management reluctance to introduce IT systems |
| Q4d | Technology is unreliable |
| Q4e | Security and privacy risks |
| Q4f | Poor IT infrastructure |
| Q4g | High cost of IT systems |
| Q4h | High operation and maintenance cost of IT systems |
| Q4i | Increasing security attacks |
| Q4j | Service providers are not able to meet their service level agreement |
| Q4k | Changes in organizational structure |
| Q4l | Adopted technology becomes obsolete due to upgrade |
| Q4m | Impact of social media on the bank's reputation |
| Q4n | Impact of digital currencies like Bitcoin |

Table 2: Question codes for figure 5 and their explanation

In order to know the awareness of the respondents about the impact of social media on the banks reputation and the impact of alternative digital currencies like Bitcoin, the respondents were asked about how much these issues challenge their banks. The impact of social media got low rating with an average response rate of 2.4, and digital currencies average rating of 2.1. This shows that these factors are not as challenging as low penetration of the Internet and poor IT infrastructure. This might be due to the fact that the Ethiopian banking system is closed. But it should be well noted that alternative digital currencies like Bitcoin and Litecoin plus security and privacy risks are becoming the main threats to the banking industry at this time. The use of technology in the nation is becoming widespread and it is expected that the nation will make its banking system open to the world when it joins the World Trade Organization. Taking this into consideration, Ethio-

pian banks should be aware about the effects of such issues for the future and plan ahead to mitigate the effects of such challenges.

4.2.3. Security & Privacy Challenges

By its nature, IT comes with security & privacy challenges since the IT services involve computing devices and communication over the Internet. The result of the analysis of the questionnaires shows that most of the banks are changing the default passwords of their electronic devices, using multifactor authentication, implemented cryptographic techniques and giving training to their end users on the application of security measures like the use of strong passwords and changing passwords frequently. But only half of the banks have protected their ATMs by Anti-Skimming Software. The figure below shows the percentage of banks applying the given security mechanisms.

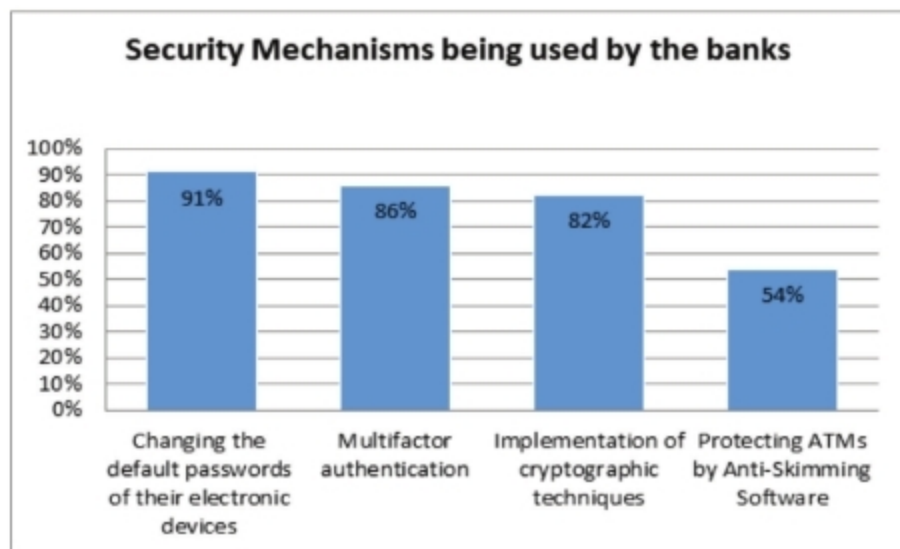


Figure 6. Security mechanisms that are being used by the banks

Testing of software applications is an important phase of software development. It checks whether the promised features of the system are developed as promised or not. It is the mechanism of checking that the system is error free. Sensitive applications like e-banking applications must be thoroughly tested before they are deployed for actual use so that defects in the applications can be detected and corrected as early as possible. From the results of the analysis, 63% said their e-banking applications are tested against common security attacks, 17% said are not tested, and 20% do not know whether the e-banking applications are tested against common security attacks or not. The results are depicted in Figure 7 below.

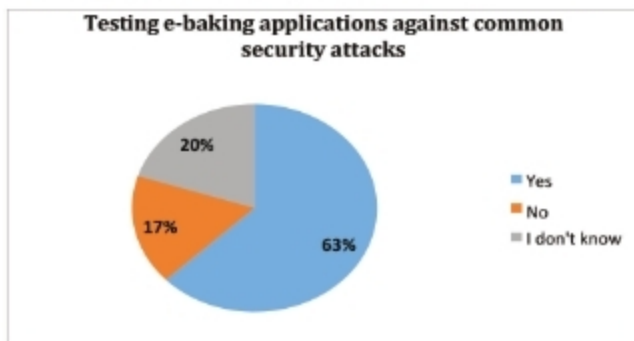


Figure 7: Testing of e-banking applications against common security attacks

Proactive monitoring of the infrastructure of the banks on an ongoing basis so as to detect and record any security breaches such as suspected intrusions is very crucial. 80 % of the respondent banks indicated that they are applying proactive monitoring of their e-banking infrastructure on an ongoing basis so as to detect and record any security breaches. A significant number of Ethiopian banks outsource the

design and development of their e-banking systems. About thirteen of the respondent banks indicated that their outsourced e-banking systems are subject to risk management, security and privacy policies that meet the standards of the banks. To tighten their security, banks must establish fraud detection application controls that could prompt additional checking of suspicious activities like unusual volume or size of transfer, large amount of deposits on new account, etc. In this regard, the results of the analysis indicated that fraud detection application controls that prompt additional checking of suspicious activities are not properly applied in the Ethiopian banks. The banks that are applying such measures are below 60%.

Banks apply alternative confirmation channels as additional authentication techniques during various activities like enrolment to a new service, large fund transfer, user account maintenance changes, erroneous login, etc. Fifty six percent of the respondent banks agreed that they are applying alternative confirmation channels during enrolment to a new service and during suspicious account activity like erroneous login. And about sixty two percent of the respondent banks agreed that they are using alternative confirmation chan-

nels during large fund transfer and user account maintenance changes. The detail results are indicated in the figure below:

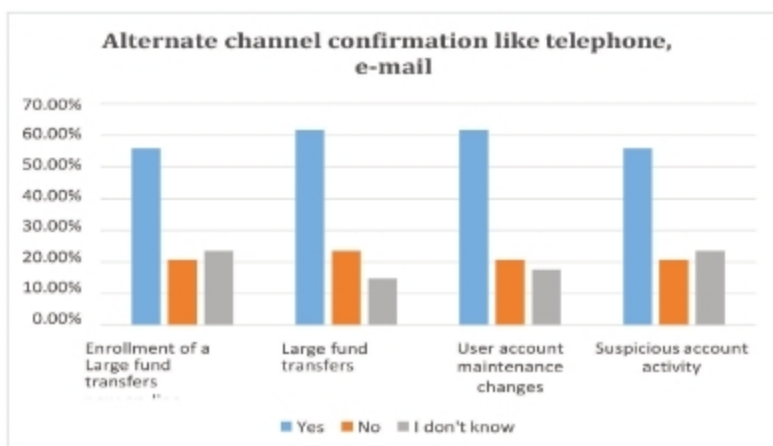


Figure 8. Use of alternate channels of confirmation like telephone, e-mail

Banks also give security precautionary advices to their customers on different issues like password selection and protection, handling of PINs, awareness creation on phishing e-mails, etc. This is a very important security measure that helps to achieve high level of security protection. Almost all

the Ethiopian banks are giving such precautionary advice to their customers, but only 59% of the banks are involved in awareness creation about email phishing. The detail results are shown in the figure below.

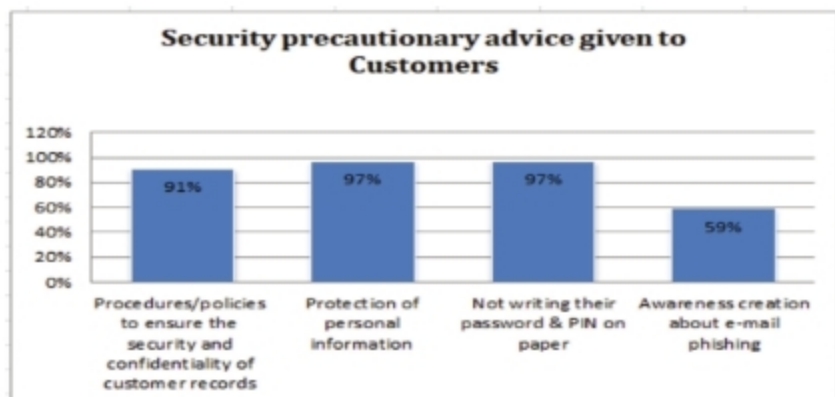


Figure 9: Security precautionary advice given by banks to customers

Comprehensive risk management frameworks that are used to identify threats and vulnerabilities, continuous checking of any risk exposure internally and continuous monitoring of risks arising from e-banking activities are very important security tools. According to this study, it was possible to figure out that more than

4.2.4. Shortage of Skilled E-banking Experts

Skilled manpower is very crucial for the success of any organization. The study also tried to investigate the availability of skilled e-banking experts with the required knowledge and experience. As can be seen from Figure 11 below, 59% of the respondents said

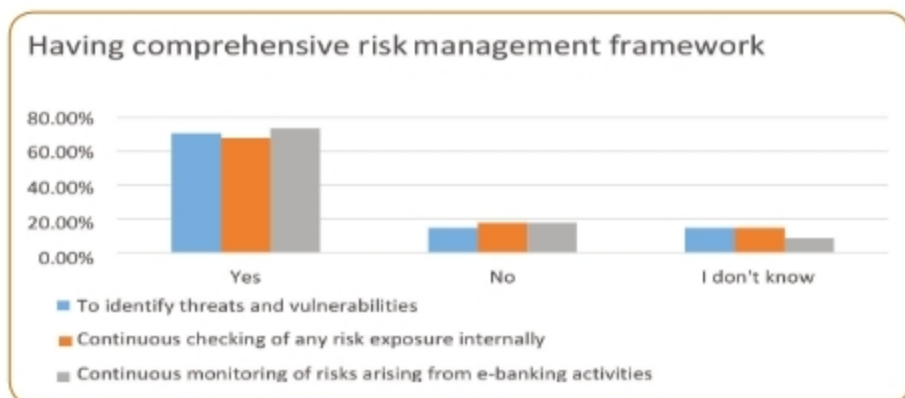


Figure 10: Comprehensive risk management framework

seventy percent of the banks have comprehensive risk management frameworks.

Policies and procedures that are applied for different security enforcement purposes such as ensuring the security and confidentiality of customer records are crucial measures that strengthen security in the banks. This study revealed that more than 85% of the respondent banks have enacted such policies/procedures so as to protect the records of their customers.

that they have adequate number of skilled staff who can deal with the technical complexities of e-banking, 20% said they don't have adequate skilled staff members and 21% have no knowledge whether there are adequate staff or not in their bank. Having skilled manpower who can deal with the complexities of e-banking applications is very crucial to accomplish tasks on time and with adequate budget. Ethiopian banks should work more in strengthening their internal capacity so as to deal with the complexities of e-banking applications.

Availability of qualified e-banking experts in the Banks

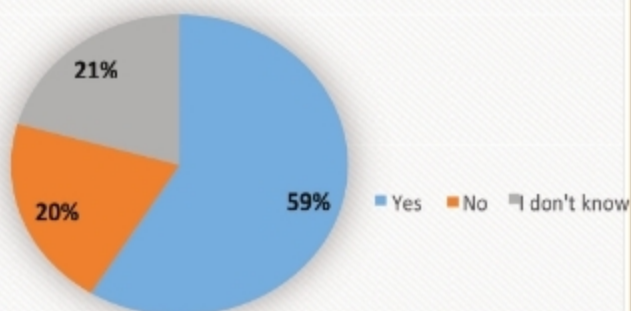


Figure 11: Availability of adequate staff with the necessary knowledge and skills in the banks to deal with the technical complexities of e-banking

4.3.Strategies Applied by the Banks to Cope with Existing Challenges

One of the objectives of this research was to identify the strategies that are applied by the banks to cope with the existing challenges and remain competitive. Analysis of results showed that personal interaction with customers, traditional advertisement

techniques and providing e-banking services, customer education and awareness creation were the main strategies applied by the banks to cope with the current challenges and remain competitive. The detail of the results is shown in the figure below.

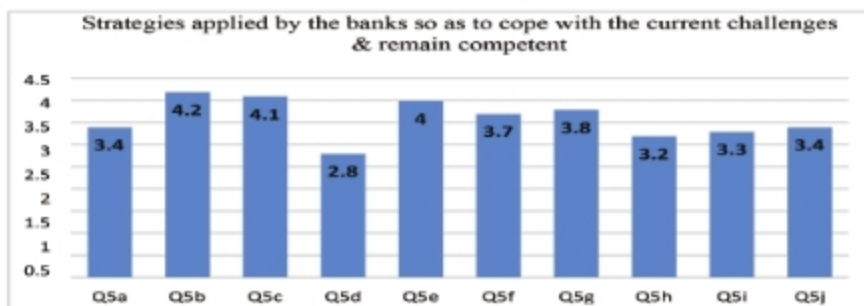


Figure 12: Strategies applied by the banks to cope with the current challenges & remain competitive.

| Code of Questions in the graph | Explanations of the codes used in the graph |
|--------------------------------|--|
| Q5a | Bank-Customer interaction online |
| Q5b | Bank-Customer interaction in Person |
| Q5c | Use of traditional advertisement techniques |
| Q5d | Use of digital advertisement techniques |
| Q5e | Providing E-banking services |
| Q5f | Investment in IT security infrastructure |
| Q5g | Customer education & creating awareness on the banking services and products |
| Q5h | Partnership with Telecommunication companies to widen the reach to customers |
| Q5i | Performing IT audits, customer education and awareness on security |
| Q5j | Offering unique products and services to customers |

Table 3: Question codes for Figure 12 and their explanation

4.4. Comparison of Results

The study covers Commercial Bnks of Ethiopian (CBE) and sixteen private banks. The following is a brief comparison between the results of CBE and the private banks.

The study indicated that CBE uses different ways of authentication mechanisms in order to protect customers' identity and accounts; but the private banks are not properly applying multifactor authentication. Most of the time, security breaches happen due to forgetting to change or reset default passwords. All the respondents from the private banks agreed that they change default/factory passwords. However, only 82.35% of CBE respondents agreed that they change default passwords. In relation to employing anti-skimming techniques in order to protect ATM machines from fraudsters, 52.14% of CBE respondents and 58.82% of private banks respondents agreed that their bank is employing this technique. Regarding penetration testing, 64.7% of both CBE and the private banks respondents agreed that they are applying it. This shows that pen-

etration testing is not properly applied in CBE and the private banks. In relation to proactive monitoring of e-banking infrastructure, 94.12% of CBE respondents agreed that their bank applies proactive monitoring practices and 71% of private banks agreed that their banks apply proactive monitoring of the e-banking infrastructure. In this case, CBE is found to be better than the private banks. With regard to risk management, security and privacy policies for the outsourced systems and operations, 88.24% of CBE respondents agreed that their bank applies such policies and 58.82% of the respondents from the private banks also agreed that their banks apply such policies.

In general, it can be deduced that both CBE and the private banks have several security issues in both CBE and private banks. As security breaches are increasing from time to time globally, there should not be a room for such security challenges. Such challenges should be resolved as early possible in order to tighten the security of the banking systems.

5. Conclusion

It is generally accepted that innovative application of ICT can dramatically change

the way banks do their business and hence enhance their profit. This study has clearly indicated that:

- The Ethiopian banks are doing their best to exploit the potential of IT to their advantage and doing several expansion and improvement activities;
- Almost all the respondent banks involved in this research have introduced most e-banking services like ATM, Mobile banking, and Internet banking. But only few of them have introduced software systems like enterprise resource planning (ERP) to automate and integrate their functional units;
- Almost all the banks consider IT as the main enabler for growth, customer satisfaction, reduction of operational costs and to gain competitive advantage. And hence, every bank has a dedicated IT department;
- According to the respondents, time saving is the most important benefit that the customers get from IT systems, and next to this was access their account information without geographical limitations;
- The banks use both internal and external capacities to design, develop, implement and maintain IT systems;
- Lack of skilled manpower, low penetration of the Internet and lack of sufficient infrastructure, security and privacy of IT systems and low awareness about the importance of IT services were found to be the main challenges that hinder the banks from exploiting the full potential of IT systems to their advantage.

6. Recommendations

- The response rate of the e-mail method was zero and the response rate of the

drop and pick later technique was 100%. This shows that the banks are not cooperative and do not respond to request from researchers to fill research questionnaires through e-mail. Therefore more effort should be exerted on this issue and adequate awareness creation activities should be done so as to minimize this challenge.

- Additional effort must be exerted so as to strengthen the internal IT capacity of the banks, especially the technical, managerial and implementation skills of e-banking services. This will ultimately positively influence the adoption of IT services in the banks.

- The banks must implement a comprehensive platform that continuously monitors the status of the e-banking services; and responsible personnel must be assigned to take corrective measures on time when any failure of e-banking service happens.

- We recommend interested researchers to apply similar or different approaches and verify the validity of the findings of this research and do further investigations on the security of the Ethiopian banking industry so that the banks will be aware about the security of their systems and take the required precautions measures.

- Similarly, researchers are recommended to do further studies on the barriers to the full adoption of e-banking services in Ethiopia.

- If the Ethiopian banks are going to cope with the current challenges and remain competitive, they must adopt modern strategies like use of digital marketing, offering unique products to customers, partnering with Ethio-Telecom to widen the reach to their customers, performing IT audits, customer education, and awareness creation on security.

In Ethiopia, the introduction of Interest Free Banking (IFB) Window alongside with conventional operations has generated a new dimension in the banking sector of the country. After three years of implementation, however, IFB products have attracted few customers.

As per the CBE's report, IFB Window maintains only less than 3% of the total accounts of the bank. Moreover, IFB's financing products able to attract a handful of credit customers. i.e., only around 0.12% of the total credit portfolio of the bank as at December 31/2016. Furthermore, IFB's Depository and Investment products jointly able to mobilize 1.31% of CBE's total deposits in the same period.

Therefore, the aim of this study is to fill the gap by providing information on determinants of customers' intention to use Interest Free Banking (IFB) Products in order to raise the awareness of stakeholders for the greater success of the business.

2.Theory of Reasoned Action and Hypothesis Development

Islamic banking adoption among some customers was motivated by religious zeal (Bley & Kuehn, 2004; Metawa and Almosawi, 1998), while other customers consider adoption as a means to harvest additional economic benefits (Dusuki & Abdullah, 2007; Erol and El-Bdour, 1989). Similarly, studies have documented that pricing can affect one's decision regarding which bank to utilize and which banking services to give their patronage (Amin, 2008).

Going beyond description of customers' religious zeal, economic benefits, and costs, researchers have also attempted to identify the causal inferences between the psychological factors and the adoption of Islamic banking using the theory of rea-

soned action (Taib et al., 2008; Amin et al, 2010; Amin et al, 2011; Wahyuni, Sakur and Arifin, 2013), theory of planned behavior (Alam et al., 2011; Amin et al., 2013; Amin et al., 2014) and technology acceptance model (Amin et al, 2008). However, due to its parsimonious and prediction capacity, Theory of Reason Action (TRA) received rich empirical support as evidenced by the work of Gumel, Othman and Yusof, 2015.

While reviewing studies conducted using TRA model, one can witness that many researchers have tried to modify the TRA model by incorporating one or more additional variables as moderator; for instance, (Ali, Raza and Puah, 2015; Amin et al., 2011) modified TRA by adding three new moderating variables, namely, "Religious obligation", "Pricing" and "Government support". However, this study for the first time used Attitude as a mediator variable in order to predict the indirect effect of religious belief and knowledge on intention in addition to their respective direct effects. Moreover, the researcher has developed new construct 'knowledge' as an explanatory variable.

2.1.Theory of Reasoned Action

This theory, developed by Fishbein and Ajzen (1975), empirically indicated that an individual's behavior intentions determine his or her actual behavior. Behavior intention in turn is determined by the individual's attitude toward the behavior and subjective norms which deal with the influence of the social environment on behavior.

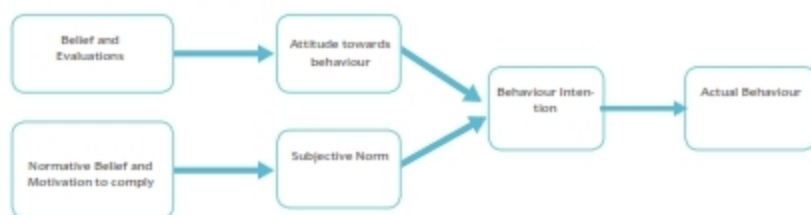


Figure 1: Theory of Reasoned Action

Source: Fishbein and Ajzen (1975)

Prior studies have documented the need to adapt the theory to better reflect the study setting (Taib et al., 2008; Ali et al., 2015). The model will help measure the intention to use IFB products by adding three new variables relevant to the Ethiopian context, namely, “religious belief”, “perceived financial cost (pricing) of IFB products” and “knowledge”.

This study excludes “actual behavior” and the other two original external constructs of TRA (Belief and evaluation and Normative Belief to comply), as this study is more interested in examining behavioral intention, attitudes and subjective norms.

This approach is similar to the model adapted by (Taib et al., 2008; Amin et al., 2011; Ali et al., 2015). Attitude is used as it is while subjective norm is renamed as social influence in order to reflect the study context.

This is similar with the study of (Amin et al., 2011). The dependent variable consists of one variable, that is, the intention to use IFB products, while the independent variables consist of five variables, namely, “attitude”, “social influence”, “religious belief”, “perceived financial cost” and “knowledge”

2.2. Development of Hypothesis

Determinant 1: Attitude

In the TRA, attitude refers to the positive effects (like / well) or negative (not like / bad) of the evaluation of individual feelings in assessing an individual's behavior. Attitude is considered as the first antecedent of behavioral intentions. Individuals will have an intention to show a certain behavior when they judge it positively. Many studies show a significant effect of attitude on intention (Taib et al. 2008; Amin et al., 2011, Abduh and Abdul Razak, 2012). However, Amin (2012) argued that attitude appears to have no significant effect on intention. Therefore, this study also hypothesized as follows:

H1: Attitude has a positive influence on intention to use IFB products.

Determinant 2: Social Influence

The term social influence refers to subjective norm or normative pressure. It can be defined as one's perception that those who are important to her or him should or should not perform the behavior in question (Fishbein and Ajzen, 1975). Taib et al. (2008) found subjective norm

to be associated with the level of acceptance of diminishing partnership and in fact, the subjective norm was found to be a more influential predictor of intention to use Islamic financing than attitude. However, results of previous studies have been mixed. (Chau and Hu, 2001; Lewis, Agarwal, and Sambamurthy, 2003) have found subjective norm to have no direct impact on intention to use information technology. In view of the above studies, the following hypothesis is proposed:

H2: Social influence has a positive influence on the intention to use the products of IFB.

Determinant 3: Religious Belief

Religious belief is defined as “the extent to which an individual is committed to the religion he or she professes and its teachings, such as the individual’s attitudes and behaviors reflect this commitment” (Johnson, Jang, and Larson, 2001). Religiosity has a personal dimension, as per Slater, Hall and Edwards (2001) it represent an individual’s real relation to the sacred. In this study, it indicates to the role of religion in affecting one’s choices and activities.

Alam et al. (2012) clarified religion as one of the most universal and famous social institution which may influence attitudes, values and behavior of individuals and communities in the rankings. Meanwhile, religious belief can influence people’s ethical beliefs and can reflect human daily conduct and commitment (Conroy and Emerson, 2004). Furthermore, religious belief indirectly provides significant determinant of consumer ethical beliefs and practices (Vitell and Paolillo,

2003). Hence the hypothesis suggested is:

H3: Attitude mediates the relationship between religious belief and intention to use IFB products.

Previous empirical studies found a positive influence of religious belief on banking selection (usage) criteria. Metawa and Al-mossawi (1998) found religion as the main factor that affects customer perception in the selection of Islamic banking system and not the yield on their investment. In addition, they found religiosity is ranked as the highest factor in affecting selection criteria followed by profitability. Conversely, a Jordan based study found that religion did not play significant role to adopt an Islamic bank, but profit driven criteria was an important factor to choose a bank (Erol, C. and R. El-Bdour, 1989). Moreover, the study of Amin et al. (2011) confirmed the insignificant contribution of religious obligation. Consistent with previous studies, the following two hypotheses are proposed:

H4: Religious belief has a positive influence in the usage of IFB products.

Determinant 4: Perceived Financial Cost (Pricing)

Pricing plays on consumers’ perception and it is the customers’ perception of price that makes them buy a product and not the actual money price. According to

Olson and Zoubi (2008), Islamic banks use profit and loss sharing in charging for the financial transactions services. Dusuki and Abdullah (2007) argued that Islamic hire purchase (Ijarah) was expensive whereas other systems just seemed confusing. Similarly, Amin and Isa (2008) found “lower monthly payments” was ranked second behind “transparency practice”, implying that lower pricing was one of the motivators for customers to deal with Islamic banks. This is consistent with the view of (Erol, C. and R. El-Bdour, 1989).

(Yu, 2012) found perceived financial cost is significant and has negative relationship with mobile banking acceptance. Luarn and Lin (2005) use Technological Acceptance Model (TAM) to explain one's acceptance on mobile banking. They note that perceived financial cost is significantly related to mobile banking acceptance and it is of inverse relationship. Amin et al. (2011) found that financial cost (termed as ‘pricing’ in their work) is influential in determining the behavioral intention to use IFB products.

H5: Perceived financial cost (pricing of IFB products) has negative influences on the intention to use IFB products.

Determinant 5: Knowledge

Knowledge of the product is one of the determinants in influencing individual behavior. Research conducted by Tang, Jianghong and Juan (2011) for person-

al computer users in China support this statement. Kaplan, Schoder and Haenlein (2007), who conducted a study on print media customers, assert that the knowledge of the print media category has significantly direct impact on intention to subscribe. This result was similar with Amin (2012)'s study of Islamic Credit Cards.

In relation to attitudes, the research of Fazio and Zanna (1981) revealed that there is a positive relationship between knowledge and attitude towards the product. This result is in line with the study of (Tang et al., 2011). In this study, the researcher has examined the knowledge/awareness of IFB products and services, i.e., awareness of the financial teachings of Islam. Hence the hypothesis suggested is:

H6: Knowledge has a positive relationship with attitude towards IFB product.

The study of Wahyuni (2012) shows that the Moslem community in Surakarta on average has relatively low knowledge but the standard deviation is actually quite high on Islamic banking with a high standard deviation, indicating that there is variation of knowledge about Islamic banking product among individuals in Surakarta community. Those who have relatively little knowledge stated that the operation of Islamic banks is similar with conventional banks: only the name changed. For example, if you have the deposit, you will get profit sharing as an interest for a conventional bank. With little knowledge, the intention to use Islamic banking products is also small.

This result is in line with research of Kaplan et al. (2007) that the knowledge about the product category is positively related with the intense adoption/use of the product concerned. Engel et al.

(1990), as stated in the research of Tang et al. (2011), acknowledged that attitudes mediate the relationship between knowledge and purchase (intention to use). So the following hypotheses are proposed:

H7: Knowledge has a positive relationship with intention to use IFB products.

H8: Attitudes mediate the relationship between knowledge and intention to use IFB products.

3. Research Method

The research was conducted in Commercial Bank of Ethiopia (CBE) by focusing on IFB windows located at Addis Ababa city specifically to investigate the Determinates of Customers' Intention to use IFB products. CBE is the biggest bank in the country. It has over 1,167 branches (While this study was conducted). It provides both conventional and IFB products and services to its customers. The bank has started providing IFB services since October 28, 2013. The bank provides IFB products through Windows in its selected 796 branches.

This study used a self-administered questionnaire for data collection. The questionnaires were hand delivered to CBE's customers to elicit voluntary participation. The survey was conducted in April 2017 during banking hours. Respondents were sought individually to complete the survey questionnaire by the researcher and research assistants.

The sample size of this study was 384, however, for contingency purpose, 420 questionnaires were distributed to the customers of CBE and 403 were returned. 380 questionnaires, which is 99% of the sample size, found to be appropriate. Moreover, eleven questionnaire responses with critical values above 71.5 Mahalanobis Distance (MD) were considered as outliers and excluded from further analysis. Therefore, 369 questionnaires, which is 96% of the sample size, were found to be valid for further statistical analysis.

Data Analysis

Analysis of Moment Structure (AMOS) version 20 and Statistical Package for the Social Sciences (SPSS) version 20 were used to analyze the data. Structural Equation Modeling (SEM) with Maximum Likelihood Estimation (MLE), using AMOS, was adopted to assess both the measurement model and the structural equation model. The measurement model was first evaluated to determine the internal consistency and construct validity of the multiple item scales used to operationalize the study variables. Then, the structural model was tested to evaluate the strength and the direction of the relationships between latent constructs.

The minimum factor loading of 0.6 on its hypothesized constructs is proposed (Nunnally, 1978). Using Nunnally's (1978) recommendation, the original 28 items were reduced to 23 as they had values of 0.6 and higher. These 23 items were retained since they met essentially significant level of convergent validity. The measures used

for assessing convergent validity were the Average Variance Extracted (AVE) test statistics and Composite Reliability (CR) estimates. The AVE scores need to be greater than 0.5 and the CR should be greater than 0.7 (Hair et al., 2010). On the basis of the analysis, the 23 items were grouped into five factors, namely "Attitude", "Social Influence", "Religious Belief", "Perceived Financial Cost" and "Knowledge". For each factor, there exists some connotations, for instance, Knowledge had five items, leading to the use of factor analysis. This technique is argued to be consistent with that used by De Vaus (2002) who claimed that factors are not single measurable entities but are constructs of a number of other directly observable variables. Items related to the intention to use interest free banking products were excluded from the analysis since it is a dependent variable. This approach is in line with the approach employed by Amin et al. (2011).

Discriminant Validity

Discriminant validity refers to the principle that the indicators for different constructs should not be so highly correlated as to lead one conclude that they measure the same thing. A demonstration of Discriminant Validity used in this study is provided through the comparison of the squared factor correlation outputs of Amos measurement model and AVE scores for each of the pair-wise constructs. As computed in the study, the AVEs are greater than the values of the Squared Correlation (r^2). Thus the model does not violate the assumption of Discriminant validity.

RESULTS

Customer's Profile

The male customers constitute 236 (64%) of the respondents while female respondents constitute 133 (36%). Respondents below the age of 30-year accounts for 66.1% of the total respondents followed by the age group 30-45 which comprise 26% of valid responses. The survey result shows that 44.2% of the respondents have first degree and 18.2% college diploma. The study also shows that 38.8% of the respondents are employed at the private sector and 35.8% the public. With regards to monthly income, 37.1% of the respondents are within the income range of Birr 2,000 - 4,999 and individuals with monthly income below birr 2,000 constitute 16.5% of the total valid responses.

Correlation

The results indicate that Attitude, Social Influence, Religious Belief, and Knowledge are positively correlated with the intention to use IFB products at (p , 0.01 and p , 0.05). This means the stronger the attitude, social influence, religious belief and knowledge, the greater the use of IFB. The correlation between Perceived Financial Cost and intention to use IFB is negative, which means, the greater perceived cost of IFB, the lower the intention of customer to use IFB products and services.

Discussion of Results

➤The results of alternative hypothesis H1 and H2 indicate that the two constructs, Attitude and Social Influence, are found to be positively related with the intention to use IFB products. Attitude is positively related with intention to use IFB products at less than one percent significance level (p -value

= 0.000, $t = 4.311$). Similarly, Social Influence is also positively related to the intention to use IFB products, but at five percent significance level (p -value = 0.013, $t = 2.478$). These findings are consistent with previous studies of (Amin, 2013; Amin et al., 2011; Abdurazak and Taib, 2011; Amin et al., 2010; Taib et al., 2008). Thus, the more positive is the Attitude, the more likely that IFB products are utilized by bank customers. In addition, the more positive the Social Influence, the more likely that IFB is utilized by bank customers. These findings provide evidence for the appropriateness of the original constructs of TRA in the context of Interest Free Banking products. Hence, the results confirmed that the model of customers' intention to adopt IFB financing products can be approached by the TRA framework. Attitude ($\beta = 0.311$) is found to be a stronger predictor than Social Influence ($\beta = 0.106$), indicating that bank customer has made a firm decision after the evaluation of the outcome of engaging in use of IFB products rather than motivation to comply with expectations of others. i.e., social influence.

➤ Moreover, H4 which hypothesized Religious Belief is positively related with intention to use IFB products is supported. This means the greater the Religious Belief, the more likely that IFB products will be utilized by bank customers. This finding is in line with the findings of (Amin, 2012; Bley and Kuehn, 2004; Metawa and Almossawi 1998).

➤ As for Perceived Financial Cost (H5), it is reported to be negatively related to the intention to use IFB products. The result indicates that Perceived Financial Cost has a negative impact on the intention to use IFB products. This means, the lower the Perceived Financial Cost of IFB products, the greater the likelihood that the service is going

to be used by bank customers. This finding support past studies conducted by (Amin, 2013), (Amin et al., 2011), (Amin et al. 2010).

➤ Moreover, the research finding shows that Knowledge has a positive relationship with Attitude towards IFB products, which supported H6. This result is in line with the findings of (Amin, 2012; Tang et al., 2011; Kaplan et al., 2007; Fazio and Zanna, 1981).

➤ On the other hand, Knowledge, found to be insignificant predictor of Intention to use (ITU) (p -value = 0.758, $t = 0.449$), which rejected H7. This result is not in line with the findings of (Tang et al., 2011; Engel et al., 1990). On the other hand, having mentioned this result, one should not conclude that IFB customers do not need knowledge to increase their usage intention; instead, the result of the analysis specifies that customers attach more importance to Attitude, Social Influence, Religious Belief and Perceived Financial Cost. Thus, the management of CBE should take lesson on the issue.

➤ As stated above, Religious Belief has significant direct positive effect on intention to use and also significant indirect positive effect on intention to use through mediating variable Attitude. This finding, by supporting H3, confirms the findings of (Corroy and Emerson, 2004; Vitell and Paolillo, 2003).

➤ H8, which hypothesized that Attitudes mediate the relationship between knowledge and intention to use IFB products, is rejected. This result is not in line with the findings of (Tang et al., 2011; Engel et al., 1990).

5. Recommendations

Based on the analysis and findings of this study, the following recommendations have been forwarded:

1. To increase customers' intention to use IFB products, the bank needs to work on improving customers' attitudes in the following manner.

a. To create positive attitude, CBE must conduct mass awareness creation programs. Moreover, the bank should implement effective promotional campaigns by targeting specific customer groups to stimulate IFB usage. For instance, with the help of the Ethiopian/Addis Ababa Chamber of Commerce and Sectoral Association, IFB services could knock the door of traders with the help of local mosques, the bank can reach to its retail/financing customers and female related organizations can be used for enhancing the awareness of women. This approach can instill positive attitude on IFB products.

b. Considering the low level of subscription of CBE's IFB financing products, the bank should strengthen its effort to finance many more customers who engage in domestic trade sector, by setting aside its priority sector financing scheme at least for the time being. This could give the bank a word of mouth which in turn helps to crop positive attitude. Moreover, the bank should increase its accessibility by preparing windows in the remaining branches that do not yet give IFB services.

c. The bank should secure certificate

of Sharia compatibility for its working procedures, guidelines, and contracts from local or foreign trusted Sharia advisory organs; and

d. Though the current NBE directive restricts IFBs to be given in windows of the conventional facility, it should consider giving IFB products in separate facility, at least in dedicated branches of the conventional bank in order to improve attitude and increase IFB adoption intention.

2. In order to cater the Religious Belief of customers, the bank should establish/strengthen professional Sharia advisory board, which will advise the bank on IFB related Sharia issues. The selection of board members should be based on competency, religious knowledge, integrity, and they should have public respect and acceptance in order to gain public trust and avoid suspicion on the part of customers.

3. In terms of Social Influence, the bank should use the support of well-known and respected local religious leaders or even Sharia board members to explain the benefits of using IFB. Moreover, by working in collaboration with voluntary ex-Zemzem bank board members, the bank can persuade the general public and exert influence among the public. Furthermore, the bank may build customer database in order to identify existing customers who are using the service by training them about the principles applied in IFB. They could help the bank to persuade their friends, relatives and other people to use IFB in the future.

4. In order to address the customer's perception of costly IFB offering charges, the bank should render "a fair and transparent pricing policy practices".



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Interest Free Banking Service

Oracle Survey: Incumbent Banks Must Go Digital to Stay Relevant

*by Fintechnews Singapore
April 20, 2018*



The era of traditional banking is coming to an end as customers are now demanding banking to be better integrated into their digital lifestyle, providing service that is instant, integrated with social platforms and driven by data, according to a new survey by Oracle.

The Oracle research, published on April 11, found that out of the 5,200 customers from 13 different countries polled, 67% have already made the switch to digital, accessing their bank accounts through digital channels and platforms including mobile banking apps and web-based banking platforms.

According to Sonny Singh, senior vice president and general manager of Oracle's financial services global business unit, consumers are increasingly opting for digital banking for its ease and convenience.

“While customers are generally satisfied with basic banking services, their satisfaction drops when attempting more complex transactions such as securing a loan,” Singh said.



“Banks today must provide a more seamless customer experience or run the risk of losing out to non-banking alternatives.”

Going further, the research also found that as much as 69% of consumers want their entire financial lifecycle on digital channels, highlighting a substantial shift in consumer needs.

The Rise of Challenger Banks and Fintechs

As the top three most important factors for choosing a banking services provides, respondents cited trust, costs and experience. However, when customers go into the banking lifecycle, the costs and experience triumphs trust, making non-bank options an attrac-

tive alternative to incumbent banks.

One-third of respondents said they were looking for alternatives for personal loans and mortgages because of the unsatisfactory experience. Other areas that are often unsatisfactory in terms of experience include personal finance and investment.

With the major shifts happening across the consumer financial lifecycle, consumers are showing high interest in exploring challenger bank options at every stage. This high level of interest in alternatives highlights a need for today’s banks to improve services at every financial lifecycle stage, the report says.

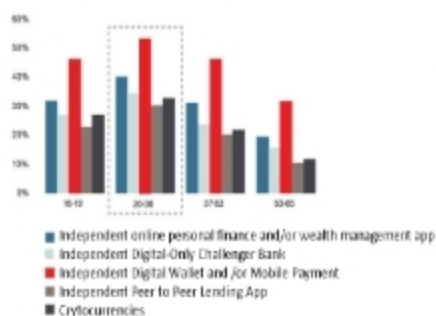
More than 40% of customers believe non-banks assist them best in their personal finance management and investment needs.

“For a long time, financial services have been about buying a product, with little or no service. With powerful technology companies like Google, Apple and Amazon influencing other parts of consumers’ lives, they now are demanding similar levels of personalized digital interactions from their financial services,” said Charlotte Petris, co-founder and CEO of peer-to-peer marketplace Timelio.

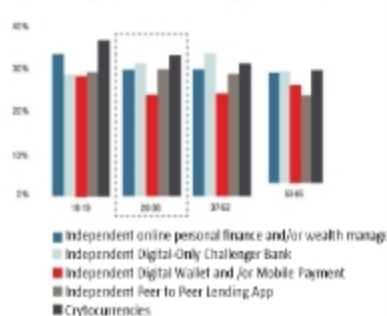
In particular, consumers in emerging economies such as India, China, Indonesia and Brazil, ranked as the most open to trying new digital platforms, while the US fell in middle of the pack at seventh and the UK at ninth.

Interest in FinTech & Challenger Bank Alternatives is High and Growing

Current Usage Of FinTech And Challenger Bank Platforms



Interest To Try Out FinTech And Challenger Bank Platforms



Level Of Openness To New Digital Platforms Across Countries



The New Digital Demand in Retail Banking, Oracle Financial Services Global Retail Banking Survey 2018



“Today, the fastest growing financial services organizations in the world are, without exception, technology-based providers, not incumbent banks or institutions. From Ant Financial, Alipay and WeChat in China, M-Pesa in Kenya, Paytm in India, Kakao in Korea, and more,” said Brett King, founder and chairman of mobile money platform Moven and the author of Bank 4.0.

“Technology allows much faster scale on much thinner margins, but it is fundamentally about a key element in the future of customer-centric banking – the removal of friction.”

Bruno Diniz, a fintech advisor, speaker and managing partner of Spiralem, Innovation Consulting in Brazil, cited the case of Brazil where several fintech companies have become very successful by focusing on specific issues to serve the unbanked.

“The fintechs that are appearing in the Brazilian scene generally offer solutions that are niched and focused in a very specific problem, usually delivering a better experience than the bank offers. The clients are usually underserved by their existing banking provider opening space for them to test fintech alternatives,” said Diniz.

“After some time, the fintech alternatives often set the benchmark for a determined solution such as Guiabolso did with Personal Financial Management and Nubank with credit card segment.”

LITERATURE

የመጀመሪያው ገንዘብ መቆጠቢያ ደብተር ታሪክ

ከሱለይማን አዳም



የኢትዮጵያ ንግድ ባንክ 75ኛ አመት ክብረ በአል አስመልክቶ በተዘጋጀው የአጭር ልብወለድ ውድድር 2ኛ የወጣ፡፡

ለመጀመሪያ ጊዜ የተከፈተውን የገንዘብ መቆጠቢያ ደብተር በተመለከተ ምናል እንዲሰልፉ አዘዘኩት። ጠና ያሉ ሰው፤ በዘመዶቻቸው ታጅቦው፤ ገንዘብ አስገብተው መተማመኛ ደብተር በሰማቸው ከተሰማቸው በኋላ ወደ ቤታቸው ተመለሱ። ገንዘብን ያክል ነገር ባንዲት ደብተር ተክቶ መመለስ ስላልጣማቸው ጠጥቶ ጠጥቶ ባንክ ቤት ስላም ጣደሩን ለማየት ጋቢያቸውን እንደለበሱ፤ ነጭ ጭፍራቸውን እያወናጨፉ “እንደምን አደራችሁ?” እያሉ ወደባንክ ቤት ደጅ የሚሄዱ የዘመኑ የንጥይና የእድሜ ባለጤጋ ሰው ናቸው” አለን። በምናቢ ስዕል ራሴ ፈገገ ብልም በኔ ከተከፈተችው እረንጓዴ መቆጠቢያ ደብተር ታሪክ ጋር በሆነ መቶኛ ስለሚዛመዱ የኔን ደብተር ታሪክ እነሆ።

ከ1995 ዓ.ም እጅግ ተደም ብሎ በታሪክ አጋጣሚና በኤይወት አስገዳጅነት፤ እኔን አሳታኝና ጠንቀቂ የማሳደግ ሃላፊነት ከወላጆቼ እጅ ወጥቶ ለየግላችን ተሰጠ። የመታወም አድል አልነበረንም። ሁሉ ነገር ያለ ልምምድ በድንገት ነው የሆነው። ከዛ ጊዜ በኋላ በየፊናችን በሃላፊነት ጎዳና በእናት ሀገራችን ኢትዮጵያ ገላ ላይ ተበተንን።

የኔው መንገድ ከጎጃም አውጥቶ ለጎጃም በረንጃ አሳልፎ ሰጠኝ። ከጎጃም በረንጃ ተጥሎ ወደት እንደምሄድ ሳላውት ለወራት እዛው አካባቢ አዘውተርኩ። በሰፈሩና ከሰዎች ጋር እየተተራረብኩና እየተላመድኩ ሰሄድ በንግግራ ምክንያት ጎጂ ተብሎ እጠራ ጀመር። ባንሬ ስም መጠራቱ ደስ ቢለኝም የግል መጠሪያ ስሜ ግን ‘ከፈለው’ ነበር፤ ያባቱ ስም ደግሞ ‘ንጥይ’ ብዙ ሰዎች በስሜ ላይ ያነጣጠረ አንድ መፅሀፍ የሚወጣው መጠይቅ ያዘንቡብኛል።

ለሁሉም የሚገባኝን አንድ መልስ እንዲሁ ብዬ እመልሳለሁ። “በጎታም ምክንያት ወላጆቼ ማሳደግ ሲያትታቸው እኔው ራሴን እንዳሳድግ የሰጠኝ የሃላፊነት ስያሜ ነው። ይህን ካደረግኩ ለንጥይ ውለታን ከፈልኩ ማለት ነው!” ብዬ። ይህን የምነግራቸው ሁሉ ገና ሳላፈዘ፤ ድንገት ጎልማሳ የሆነኩባቸው ይመስል፤ በአንድ ጊዜ ከባላት፤ ከፈዘና ከቀልድ ወደተምነገረኝ ዝም ተውሰጥ ይገባሉ።

ከዛም “ጎጂ ና ይሄን አድርስ! ጎጂ ና ይሄን ገዝብ ነ!” እያሉ ከመጻ ወለቡ መዘታ ቤት ጀምሮ ትዕግስት ዐረ ተባዩ፤ አበባ ጨው መጋዘን፤ ፍስሃ የሆነ የመሳሪያ ሱት፤ መዲና ማርና ትቢ እና ሌሎች በርካታ የንግድ ቤት ባለቤቶች ደግሞ ከየቤታቸው ምሳቸውን እንዳወጣ ቢልኩኝም ውሎ አድር ሲላይ ያጋቱ ሳህናቸውን ማመላለስ ታጂ ሰራዬ ሆኖ ይከፈለኝ ጀመር።

አንዳንድ አመቤቶች “አየሽተተህ ከምትመለስ” ብለው ምሳ ስለሚሰጡኝ ከማገኘው ክፍያ በላይ ወጭ ስለተረፈኝ ገንዘብ ለመቀጠብ ጠተመኝ። ሰዓት ደግሞ እንደበላሁ ደግሞ እናቱ ሌላ ባል አግብቶ አዲሳዊ መምጣቷን ሰማሁ። በኋላ እሷ አረፈላል። አገኘችኝ። ሳያት ኑሮ የተመቻች ትመሰላለች። ገንዘብ መያዣ መተነቷ ላይቀር ወገቧን ለቆቃል። በምትኮ የጅ ዐርሳ ይዛለች።

እያወራኝ ጠጉራኝ ስትሳብሰኝ ከቀየች በኋላ “በል አንሂድ፤ ተቀየህ አባወራው ይቀጣል!” አለችኝ። የሰውየው ትብጠት አብሽቶኝ ተናደድኩ። ደግሞ እሱ ቤት ልሄድላት። “አልሄድም” አለኳት። እርሷም በእነጋገራ ደንገጥ ብላ “በጉደ ወጣሁ” አለች። “አሁን ገንዘብ እያገኘህ ስለሆነ አንቺ ዘንድ እያመጣህ አጠራትግለሁ!”። እርሷም ተበል አርጋ “ባንኳን ግዛ” አለችኝ፤ ትንሸጥን ሳጥን ማለቷ ነው። “በጂ” ብያት ተነስቼ ቆምሁ።

የሰልክ ቱፕሯን እንድይዘው “ገሳ መዝግበው” ብላ ቀራጭ ወረተት አተበለችኝ። ልብሰ የሚጠግኑት ጋሽ ገላን ጀሯቸው ላይ ያስተመጠኑትን እስከረቢቶ ተወሺ ቁፕሯን ከንደ ላይ ጣናሁና ወረተቷን መለሰሁላት። ወደዐርሳዋ ገብታ የተሸበለሰች አስር ብር ሸሽጋ “ከፈ በዚች ሳቦ ብላባት። ሌላ ቀን አወስድሃለሁ” አለችኝ።

አንድ ክፉ ሰዊት ጉርርዬ ውስጥ ተሰጎትሮ ልላኔን ተማኝ። አስር ብር ስትሰጠኝ የገባኝ ነገር ቢኖር ኑሮ እንዳልተመቻች ነው። “ወይኔ እናቱን”፤ እያየጋት ዞራ ሄደች።

ከዚህ ቀን በኋላ ያለ እረፍት በሰራ ተጠመድኩ። ትር ያለኝ ነገር ቢኖር ስለ ኑሮዋ፤ ስለ እህትና ወንድሞቼ ሁኔታ ሳልጠይቃት መቅረቷ ነው።

አንድ ቀን አመሻሽ ላይ በቲሌ ሴንተር ስልክ ደወልኩላት። ክርችፋችፋ ድምፅ “ማን ልበል?” አለኝ። “የብርጃልን ፈልጌ ነበር” አልኩት። ከትከት ብሎ ሳተና “የብርጃል... የብርጃል ስልክ” ብሎ እየተጣራ ከሰልኩ አካባቢ ሲርቅ ይሰማኛል።

ትንሽ ቆይታ “ከፈ” አለችኝ። ሌላ የሚደውልላት ስለሌለ ድምጼን ሳትሰማ አወቀችኝ።

“እንደት ሰነበትን አማ?” አሁን ሳማት አማ አልኳት እንጂ በፊት ቢሆን “የብራ” ነበር የምለት።

“እነዚህር ይመሰገን፤ በተደም ለት አንድ ዘመደን ሰላንተ ጉብዝና እየነገርኳቸው ነበር። እንደውም እምጥተሽ ታስተዋውቀኛለሽ ብለውኛል።”

“ዘመድ አለን እንደ አዲሳዊ? ደግሞ ሳጥኗን ገዢዬ አስተዛራ ያጠራተምኩትን ገንዘብ አዘጋጅቼ ነበር።”

“በል በል ነገ ጠሃዩ በረድ ሲል ፋፋዬ ተሳልሟ እዛው እጠብቃለሁ፤ በዛው እኚህ ዘመድህ ላይ ወሰጄህ እሳቸው ዘንድ ሳጥኔን ታስተምጥና ታጠራትግለህ” አለችኝ። “እህ አንቺ ዘንድ አይተመጥም አንደ?” ልላት ብዬ ወዲያው ተወኩት። ግራ እንደገባኝ ሰላወተች “አይዘህ የጠሉት ስው ናቸው” አለችኝ። “አንቺ ታልሽ እሺ” አልኳት።

በተቀጣጠርንበት ሰዓት ፋፋዬ ቤት ክርስቲያን ስደርስ አንድ ጥግ ይዛ ና ውረድ ትለዋለች። ጠሎቷን አድርሼ ሰጪርስ ይዛኝ ወደ ዘመድ ቤት አመራኝ።

አልፈነው ልንሄድ የነበረ እናቱ ላይ ሚንጦ ያበዛ፤ የአንድ ሰራ ግቢ ጥቁር ብረት በር አንኳኳች። ወደ ግቢው ስመለከት ዘመናይ ቤትና አንድ ገረመይና መላይ ደንበሻን ባናጢሟ የተደፋችበት ጎጂ ቤት እየሆነያዋቂ ቤት ነው የሚመስለው። ያዘጠዘጠች ሰራተኛ ራማ ከፈተችልን። እናቱን እንዳየች ግን ችሏታ እየሆባት። በየደረሰሁበት ሁሉ ችሏታ በዘቶ አያለሁና ገንዘብ ለማግኘት ያለ ፋታ የመሰራት እልኪን ይጨምረዋል። ገንዘብ ሳገኝ ዘመደ እንዲበዛ አውቃለሁ።

ወደውስጥ ገብተን አንድ ድንኳን ቢጢ ላይ እንደደረሰን እናቱ ተንበርክኮ ገባችና እማን ቅንጥራ ሩም አሳት የሚቀለብ ምድጃ ላይ ጨመረች። ከዛም ከዐርሳዋ እምስት ብር አውጥታ በፍፁም ጥንታቂ አስተመጠች። ነገረ ሰራዋ ሁሉ ግራ እየገባኝ መጣ።

ስትወጣ “ትድም ቤተሰቢያን አሁን ደግሞ ምንድነው የጠገቷይ ቤት የመሰለ” አረኝ አፈነችኝ። “እሸሸሽ! ይሰማሃል አንተ ጅል” አለችኝ። ብቻችንን እንደሆንን እያወቅኩ ገልመጥ ብዬ ካየጥ በኋላ፤ ዛፍ ትጠሉን በመጠርጠር ፍርሃት አድሮብኝ ዝም አልሁ።

ከቆይታ በኋላ አንድ ሹሩቢ ከጎጂ ቤቷ ወጥተው ወደኛ መጡ። እናቱ ቆመች። ተከትያት ቆምሁ። ጉልበታቸውን ሰማ ቀና ስትል እኔ ተተካሁ።

“እንደት አይነት ትሁት ልጅ አለሽና” እያሉ ጉንጭና ጉንጨን ከሳው በኋላ “እፍፍፍ እፍፍፍ” እያሉ በሁለት ትከሻሻቸው በኩል የጫት ብዮች ያዘለ ትንፋሻቸውን ነፋብኝ። “ወይጉድ ገንዘብ አስተምጦ ለመሄድ ይህ ሁሉ አንገኝና ግራንጃ” አልኩ በውስጤ።

ሳጥኔን ሲያዩ የሚቆጧት መሰሉ። ስራተኛዋን ጠርተው “የሽታን ጥረልኝ፤ ለልጆቼም ቡና አትርቢላቸው!” አሏት።

ስራተኛዋ ለአምላክ በተረበ ትሁትና እየተሰበደበደች ፈጥና ተመለሰች። የሽታ በእድሜ ከእናቱ የምትበልጥ ባለቤታቸው ናት።

“አቤት ገጉሉ” ብላ ጎንበስ አለች። “የሽታ ይህ ጎበዝ የነገ ታላት ስው ነው፤ ታይቶናል። ታዲያ በዚች ማጠራተም ከሚጀምር ለበረካው ትልቁ የኛ ሳጥን የለም፤ በሱ አድርጊላትና ቀልፈሽ ቀልፋን ያዝገላት” አሏት። “እኔ የምን ቀልፍ ላይ ፊጥ ማለት ነው” አልኩ በውስጤ። እናቱ በበኩሏ “እልልል! እልልል!” አለች። ነገሩ ሁሉ ግራ ገባኝ። “በል ገንዘብህን አስረክባቸው” አለችኝ። መቶ ጊዜ የቀጠርኩትን ሶስት ሺህ እምስት መቶ ብር አስረክብኩ።

“ቅጥር ያልሰጠና ቅጥር ያልተረከበ ሁለቱም ሊባ ናቸው” ሲባል ሰምቼ አውቃለሁ። የሽታቸው አልቀጠረቸውም። “ክጠረው!” ልላት ነበር። ነገር ግን ሁሉም ነገር አጥል በሆነበት ገቢ ውስጥ እንዲህ ያለው ቀም ነገር ብላሽ ሆኖ ስለየሁ ፍላጎቴን ጥጥኩት።

ማይ ማይ እያየሁና እንደ ሰሜኑ የተዘተዘውን ሻሂ በሃፍረት እየጠማሁ እናቴ ከሰውየው ጋር የጀመረችውን መተማጠፍ የበዛበት ወሬ እስከትጨርሰ አጠብቅ ጀመር። “ጎበዜ በል በርትተህ ሰራ። እያመጣም ለየሽታ ሰማት፤ አብረንህ ነን አይዘህ” አሉኝ። ይህን የሰማችው እናቴ ከንፍ አውጥታ ልትበር ትንሽ ሲተራት እያየሁ እኔ ራሴን በእሸታ ነጥነትኩ።

ሾርቤውን ሰው ተሰናብተን መግን። ገንዘቡ የተተኮሰ ጥይት ሆኖብኝ አልመልሰው ነገር ግራ ስለገባኝ እናቴንም ግራ ላለማጋባት ዝም አልሁ። በዝምታ አንተልባ ጫሂ ነፍሴን እሸፋፋ እያልኩ ከእናቴ ጋር ወደ አዲሱ ቤት አብረን ወድን። ልጆቼንና አዲሱ ባሕን አስተዋውቃኝ ስጧት ቆየሁ።

አዲሱ አባቴ በለሆሳስ እናቴን “የ! ይሄን ልጅ ታስበያዋለሽ” ሲላት ከፋት ሰማሁ። በዚህም የሰውየው መልካምነት ተገለጠልኝ። ከልጆቼ ጋርም በእንድ ተን እድሜ ስንግባባ መንታ የተወለድን እንጂ የእንጀራ ልጆች አንመሰልም ነበር።

* * *

ከዚህ አጋማሚ በኋላ በየሳምንቱ ብዙ ብር ለየሽታ አስረክብሁ። ታዲያ የማየው ነገር እያለጋኝ ሄደ። ምን ያህል ገንዘብ እንዳጠራቀምሁ ለማውቅም ትጓዙ። “ስንት ሆነልኝ?” ብዬ መጠየቅ ግን ቀላል አልሆነልኝም። እንድ ተን ሳምንት ያጠራቀምሁትን ገንዘብ ከሰጠኝ በኋላ “ስንት እንዳጠራቀምሁ ባውት ደስ ይልኛል” አልኝት። “አሁን እያደገችልህ ስለሆነ ዶር አርደህ እንጀራ ገዝተህ ምስጋና ማትረብ አለብህ” አለችኝ።

የጠየኳትና የመለሰችልኝ ፍየል ትዝምዝም ሆኖብኝ አፍራ “በሂተለሙ ሳምንት በእናቴ እነግራታለሁ” አልኝት። ወዲያው “ዛሬ ያመጣኸው ለዚህ ስለሚበታ እኔው አዘጋጃለሁ” ብላ ዘጠኝ መቶ ብረን በሃፍረት ጠቅልላ መሰረችው።

በዚህ ቀን ከፍተኛ ጥርጣሬ አደረብኝ። በዓይኖቼ እንቅልፍ ሳይዞር ሰንብቼ “ገንዘቡን መቀበል አፈራጋለሁ” ብዬ በአዲሱ አባቴ ፊት እናቴን ነገርኋት። “ምንው ምን ተፈጠረ?” አለችኝ። የተፈጠረውን ነገርኋት። ለእንድ የሰላሳ ብር ዶር ዘጠኝ መቶ ብር መስጠቱ እንደማያዋጣኝ ነገርኋት። አባቴም “በል በል ገንዘብህን ተቀበልና በራስህ ስም የባንክ ቡክ እንከፈትና እካ ታጠራትማለህ” አለኝ። “ድርም መድጀህ ነበር” አልሁት። ከትከት ብሎ ሳት። ልጆቼም ተከትለውት ሳት።

በዚህ የተነሳ እናቴ ሃፍረት ተሰማች። አንድ ቀን ወደ የሽታ ዘንድ ሄጄ “ዛሬ ያመጣሁት ገንዘብ ይህ ነው! በዚህ ላይ ጨምሮ ጨው ልነግድበት ነው ገንዘቡን ስጭኝ!” ብዬ ጠየኳት። ደነገጠች። “ይኸው ባለፈው ሊዶር ከዚህ ላይ ውስጥ ብላሽኝ ክንበረው ውጭ አልነካሁም!” ብላ ለመጀመሪያ ጊዜ ከሰጠኝ ገንዘብ ያነሰ ገንዘብ እጄ ላይ ጣለች። መጀመሪያ “አልነካሁም?” ምን አመጣው? ተጥሎ ሰማቴ ነው “ሊዶር ውስጥ ያልኳት?” ተምታቀብኝ።

በሄድኩ ቅጥር የምገዛው ቡና፤ እጣንና ሰንደል ሳይታሰብ ሲያገስ ለመጀመሪያ ጊዜ የሰጠኝን ገንዘብ ማግኘት አልነበረብኝም? አይኔ እያየ እየደገምኩ መቶጠራ አስደነግጣት መስል ላትመለስ ወደ ታዳ ገብታ ተረቷ። ቱልፋ በእጄ የነበረው ‘ትልቅ’ ሳጥን ገንዘቢን ልሶት ተረ። የሰጠችኝን ይገዛ መጣሁ።

በተጥታ ወደ እንጀራ አባቴ ዘንድ ካዘጋጀሁት መታወቂያና ሁለት ጉርድ ፎቶ ጋር ገንዘቡን ይገዛ (በትክክል ቢጠራቀም ሰንት ይሆንልኝ እንደነበር እያሰለሰኩ) ሄድኩ። ከፋነቱ እኔም እምነት የሚመስል ሰንፍና ስለተጠናቀቀኝ እንጂ ለሰንት ሳምንት ሰንት ገንዘብ እንደሰጠኝ መመዝገብ ነበረብኝ። ለነገሩ ብመዘግበውም የሊባን አይነደረት ምን ላድርገው እችላለሁ? ስህተት የተሰራው እናቴ “አስረክባቸው” ያለችኝ ተን ነው።

ከዚህ በኋላ ማመን ቀላል ስላልሆነልኝ “ንግድ ባንክ ይታመናል?” ብዬ አባቴን ጠየቅኩት። ሳይመልስልኝ በፊት ከእህቱ ጋር ተባብሮ ላቱ “እስ ንግድ ባንክ የዶር፤ የቡና፤ የጭሰ፤ የሰንደል አይጠይቅም?” አልኩት። ቤት ውስጥ የነበረው ሁሉ ሳትብኝ።

በዕለቱ ወደኢትዮጵያ ንግድ ባንክ የቱጭራ ቅርንጫፍ ሄደን በሰሜን መቶጠሪያ ደብተር ካወጣን በኋላ “በል አሁን ገንዘቡን ሰጥ” አለኝ። “ደህና ዘበኛ አላቸው?” አልኩት። ከሱ አልፎ የባንክ ቤቱ ስራተኛ በንግግራ ፊቱን አዘሮ ሳት። እጆቼ እየተንተጠተጠ አውጥቼ ለአባቴ ሰጠሁት። የማደርገው ነገር ሁሉ ለሱ የመሳታዎ ምክንያት ሲሆን፤ እኔ ግን ግራ የገባው አንድ ብላቴና ድርጊት ብቻ ነው።

ለመያዝና ለማስተመጥ ቀላል የሆነ፤ በከፊል ፎቶዬ ላይ ህጋዊ ማህተም ያረፈበት የኢትዮጵያ ንግድ ባንክ አረንጓዴ ማጠራቀሚያ ደብተር በ1995 ዓ.ም አመጣሁ። ከዚህ በኋላ በፊት በሳምንት በሁለትና በሶስት ተናት እንዳንድ ጊዜም በየዕለቱ የባንክ ቤቱን ደጅ የምጎበኝው እኔ ብቻ ነበርኩ።

ለሚሰጠኝ አገልግሎት ዲንቡሎ ሳይጠይቀኝ በየጊዜው የምወሰደውን ገንዘብ በታማኝነት አስተምጦ ለዛሬው ማንነቱ ታላቅን አስተዋፅኦ አደረገ። ባንኩ ለረጅም ጊዜ ሀብረተሰብን በታማኝነት የማገልገል ታላቅ ገድል ተዳሚ ምስክር ነኝ። አስቴኝ ነገር ደሞ ገንዘቢን ማጥር የጀመርኩ ሰጥን ንግድ ባንክ ብሬን ይዞ ሰላም ማድፋን ለማየት ጠጥት ጠጥት ራጉኋል ቤተ ክርስቲያን የምሄድ መስፍን በንግድ ባንክ በኩል እንደምናቢ ሰው “እንደምን አደራችሁ?” ሳልል እመላለስ ነበር። የማይጠረጠረውን የኢትዮጵያ ንግድ ባንክ መጠርጠሪያ ዛሬ ድረስ ያስተኛል።

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