WOLKITE UNIVERSITY

COLLAGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

E-BANKING SERVICE AND PERFOMANCE OF COMMERICAL BANK IN ETHIOPIA

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Abstract

this research assesses the risk management practices of nice insurance in wolkite, ethiopia. it investigates the types of risks faced by the company, challenges in implementing effective risk management strategies, and the impact of these practices on performance and sustainability. the study identifies that nice insurance faces challenges including outdated risk evaluation methodologies, limited access to local data, and insufficient staff training. the research emphasizes the need for improved risk modeling, community engagement, and digital transformation to enhance the company's performance in wolkite and meet the specific needs of the local population.

EXECUTIVE SUMMARY

This study examines the risk management practices of nice insurance in wolkite, ethiopia. nice insurance, the first privately owned insurance company in post-1994 ethiopia, operates through a network of branches, including one in wolkite. the company faces challenges in risk assessment due to outdated methodologies, limited access to accurate local data, and insufficient staff training. this study aims to identify the types of risks nice insurance faces, the challenges in implementing effective risk management strategies, and the impact of these practices on the company's performance and sustainability in wolkite. findings indicate a need for nice insurance to improve its risk modeling, enhance community engagement, and adopt digital solutions to better serve the local population and ensure long-term sustainability.

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CHAPTER ONE

1. INTRODUCTION

The increasing and widespread development of information technology and the expansion of the scope of its application to the money markets and banking, be-sides the facilitation of the customers' affairs, have changed the current banking methods. In recent years, utilizing the Information and Communication Technology (ICT) has had a significant increase in service industries especially in banking industry in which by the application of Information Technology, Internet banking, electronic payment, security investments and ex-change of information have been provided. By the use of information and communication technologies, financial organizations provide their customers with higher quality services with less effort and trouble (Narjes & Mohammad, 2015).

E-banking, or electronic banking, refers to the use of electronic means to deliver banking services to customers. It encompasses a wide range of services, including online banking, mobile banking, automated teller machines (ATMs), and point-of-sale (POS) systems. The rise of e-banking has transformed the banking sector globally, providing convenience, efficiency, and improved customer service.

Ethiopia's banking sector has undergone significant changes over the past two decades. The country has experienced economic growth, which has led to increased demand for banking services. The government has also made efforts to modernize the financial system, promote financial inclusion, and enhance the regulatory framework. As a result, commercial banks have started to adopt innovative technologies, including e-banking services.

The introduction of e-banking services in Ethiopia can be traced back to the early 2000s. However, the adoption rate has been relatively slow compared to other countries due to various challenges, including Limited internet penetration and inadequate technological infrastructure have hindered the widespread adoption of e-banking services, the regulatory environment has posed challenges for banks in implementing e-banking solutions effectively, there is a lack of awareness among customers regarding the benefits and functionalities of e-banking, Issues related to cybersecurity and fraud have made customers hesitant to embrace e-banking solutions.

Despite these challenges, several commercial banks in Ethiopia have made significant strides in offering e-banking services. These include:

Online Banking: Allowing customers to perform transactions through bank websites.

Mobile Banking: Enabling customers to conduct banking transactions via mobile applications.

Agent Banking: Utilizing local agents to provide banking services in remote areas.

Impact of E-Banking on Bank Performance

The adoption of e-banking services has the potential to enhance the performance of commercial banks in several ways, E-banking reduces operational costs associated with traditional banking methods, such as maintaining physical branches,By offering convenient banking options, banks can attract new customers, particularly in underserved areas,E-banking provides customers with 24/7 access to their accounts and transactions, improving overall satisfaction, E-banking allows banks to collect and analyze customer data, enabling them to tailor products and services to meet customer needs more effectively, E-banking can help increase financial inclusion by providing access to banking services for unbanked populations in rural areas.

E-banking services represent a significant opportunity for commercial banks in Ethiopia to improve their performance and enhance customer satisfaction. While challenges remain, ongoing investments in technology, infrastructure development, and customer education are crucial for realizing the full potential of e-banking in the Ethiopian banking sector. As the landscape continues to evolve, it will be essential for banks to adapt and innovate to meet the changing needs of their customers.

1.2 Problem Statement

Despite the growing adoption of e-banking services in Ethiopia, commercial banks face significant challenges that hinder their overall performance and the effective delivery of these services. The rapid expansion of digital banking is not matched by adequate technological, customer awareness. Many regions in Ethiopia, particularly rural areas, suffer from inadequate internet connectivity and technological infrastructure, which restricts the accessibility and usability of e-banking services. This gap limits the reach of banks and prevents them from serving a broader customer base, and also significant portion of the population remains skeptical about the security and reliability of e-banking services. Limited awareness of the benefits and functionalities of e-banking can lead to low adoption rates, impacting the potential for increased customer engagement and satisfaction. Additionally The interplay between e-banking service delivery and overall bank performance remains inadequately understood. There is a need to investigate how the implementation of e-banking affects various performance metrics such as customer acquisition, operational efficiency, cost reduction, and profitability.

in this research while e-banking presents opportunities for commercial banks in Ethiopia to enhance their performance and promote financial inclusion, significant challenges related to infrastructure, customer trust, and awareness must be addressed. This study aims to explore these issues comprehensively to provide actionable insights for improving e-banking services and overall bank performance in Ethiopia.

1.3 objective

1.3.1 General Objective

The main objective of this research is to investigate the relationship between e-banking services and the performance of commercial banks in Ethiopia, focusing on how these services influence operational efficiency, customer satisfaction, and overall financial outcomes.

1.3.2 Specific Objectives

- To understand the extent to which commercial banks in Ethiopia have adopted e-banking services and the factors influencing their adoption.

- To analyze customer satisfaction levels with e-banking services provided by commercial banks and how this satisfaction impacts customer loyalty and retention.
- To investigate the technological, regulatory, and operational challenges faced by commercial banks in implementing and expanding e-banking services.

1.4 Research question

1. How do e-banking services impact the profitability of commercial banks in Ethiopia?

2. What is the effect of e-banking on the operational efficiency of commercial banks in Ethiopia?

3. How do e-banking services influence customer satisfaction and retention in Ethiopian commercial banks?

1.5 Significance of the Study

The significance of studying the relationship between e-banking services and the performance of commercial banks in Ethiopia can be outlined in several key areas like Understanding how e-banking services impact the financial performance of commercial banks can help stakeholders identify strategies to improve profitability, reduce operational costs, and increase revenue. This knowledge is crucial for bank management and investors.The study can provide insights into customer preferences and satisfaction levels regarding e-banking services. By identifying areas for improvement, banks can enhance customer experience, leading to increased loyalty and retention, which are vital for long-term success.In a developing economy like Ethiopia, where a significant portion of the population is unbanked, this study can highlight how e-banking services can facilitate access to financial services for underserved communities. This has broader implications for economic development and poverty alleviation.By investigating the challenges faced by banks in implementing e-banking services, the study can provide recommendations for overcoming these obstacles. This can lead to improved operational efficiency and better service delivery.The research will add to the existing literature on e-banking and its impact on banking performance, particularly in the context of Ethiopia. It will serve as a reference for future studies and encourage further research in this area.By examining security concerns associated with e-banking, the study can lead to recommendations for improving security protocols, thereby increasing customer trust and usage rates of digital banking services.

1.5 Justification

The research was justify the global banking landscape was undergoing significant transformation due to technological advancements. Understanding how these changes impact commercial banks in Ethiopia was essential for adapting to new trends and maintaining competitiveness.With the rise of mobile technology and internet penetration, there was a growing demand for e-banking services in Ethiopia. Investigating this trend was crucial for banks to align their services with customer expectations and preferences.

Ethiopia was experiencing economic growth, but a large segment of the population remains unbanked. E-banking has the potential to enhance financial inclusion by providing access to banking services in remote areas. Studying this relationship can highlight opportunities for expanding banking services to underserved populations.

E-banking could lead to improved operational efficiency by automating processes, reducing transaction costs, and minimizing human errors. Analyzing its impact on bank performance can help identify best practices and areas for improvement. And as customer preferences shift towards convenience and accessibility, understanding how e-banking services affect customer satisfaction and loyalty is vital. This knowledge can help banks design better products and services that meet customer needs.With the increase in digital transactions, security becomes a significant concern for both banks and customers. Investigating how e-banking services influence security measures and customer trust is critical for fostering a secure banking environment.

CHAPTER TWO

2. LITRATURE REVIEW

A comprehensive literature review on E-banking services and their impact on the performance of commercial banks in Ethiopia examines several facets including the development of e-banking, its types, benefits, challenges, and the implications for bank performance. This review draws from various studies, providing insights into the contributions, limitations, and the future of e-banking in the Ethiopian banking sector.

2.1 Overview of E-Banking in Ethiopia

E-banking services in Ethiopia refer to the use of electronic means to offer banking services. It encompasses various channels such as internet banking, mobile banking, ATMs, and POS systems. While Ethiopia has traditionally been a cash-based economy, e-banking has gradually gained traction in the past decade, fueled by mobile technology and the government's push for digital financial inclusion. According to Kebede (2020), while the adoption of e-banking in Ethiopia lags behind some other African countries, its growth has been accelerating, especially with the recent expansions of mobile banking and internet infrastructure.

2.2 Types of E-Banking Services

A literature review on types of e-banking services provides an overview of the various electronic banking services available to consumers and businesses. E-banking, also known as electronic banking, uses electronic platforms such as the internet, mobile phones, and ATMs to offer banking services. Below is a detailed review of different types of e-banking services and their implications.

2.2.1 Internet Banking

Internet banking, also referred to as online banking, enables customers to conduct financial transactions via the internet. It allows clients to access their bank accounts, check balances, transfer money, pay bills, and apply for loans or credit cards, all from the comfort of their homes or offices.

According to Kumbhar (2020), internet banking has become an essential service in modern banking, especially in developed countries. However, Sharma & Gupta (2019) found that internet banking adoption is still growing in emerging markets due to low internet penetration in rural areas. Internet banking’s popularity is fueled by its 24/7 availability and the convenience it offers to tech-savvy consumers.

2.2.2 Mobile Banking

Mobile banking, also known as m-banking, involves using a mobile phone to conduct financial transactions. This includes banking via smartphones, feature phones (via SMS), and mobile apps provided by banks.

Mugisha & Ndyabahika (2021) argue that mobile banking has become a cornerstone of financial inclusion, especially in developing countries. Its growth is attributed to the wide accessibility of mobile phones compared to computers or internet-enabled devices. Akinmoladun (2019) highlights that mobile banking's success in Africa, including Ethiopia, is mainly due to the low penetration of traditional banking but high mobile phone use.

2.2.3. Automated Teller Machines (ATMs)

ATMs are electronic machines that provide customers with access to banking services such as cash withdrawals, deposits, and transfers, without the need for human interaction.

Raluja & Kapoor (2017) emphasize that ATMs are one of the most widely used forms of e-banking due to their availability and accessibility. They note that the ATM network in many countries, including Ethiopia, has expanded in recent years, making banking more accessible to the general population. However, the National Bank of Ethiopia (2020) highlights that the ATM infrastructure in Ethiopia remains limited to urban centers, restricting rural access to these services.

2.2.4. Point of Sale (POS) Terminals

POS terminals are devices used by merchants to accept card payments, typically through debit or credit cards. These devices are connected to the bank's system for processing payments.

According to Gurung (2018), POS systems have transformed the retail experience, enhancing customer convenience by providing a simple and quick method for transactions. Mohammad & Azzam (2017) suggest that the growing acceptance of POS systems in Ethiopia is a result of improved infrastructure and growing consumer confidence in digital payments.

2.2.5. Mobile Wallets and Digital Payment Platforms

Mobile wallets are applications that allow users to store, send, and receive money via their mobile phones. They can be used for various types of transactions, including online purchases and peer-to-peer transfers.

Dixit (2020) states that mobile wallets have become increasingly popular due to their ability to simplify transactions and provide an alternative to traditional banking systems. Bashir et al. (2021) further argue that mobile wallets, such as M-Birr in Ethiopia, have facilitated financial inclusion by offering easy-to-use solutions for those without access to conventional banking services.

2.2.6. Digital Banking Platforms

Digital banking platforms integrate various banking services into a single digital ecosystem. These platforms offer a seamless experience by combining internet banking, mobile banking, and other digital services into one application or website.

Soni & Soni (2021) suggest that digital banking platforms are shaping the future of banking by offering a comprehensive service suite that appeals to tech-savvy consumers. These platforms reduce the need for physical bank visits, making banking services more efficient and customer-friendly. Mekonnen (2020) highlights that such platforms are especially important in Ethiopia, where mobile usage is high but traditional banking infrastructure is limited.

2.2.7. E-money and Digital Currency

E-money refers to electronic money that represents a digital alternative to physical cash, often used for online transactions. Some e-money platforms issue their own digital currency, which can be used for various financial activities, such as payments and savings.

Akpan & Ogban (2020) state that e-money, particularly mobile money services, has revolutionized payment systems in several African countries, including Ethiopia. Alemu (2019) notes that platforms like M-Birr in Ethiopia have allowed users to store and transfer e-money, contributing significantly to the country's financial inclusion efforts.

2.3. Impact of E-Banking on Bank Performance

The adoption of e-banking services has been shown to have significant impacts on the performance of commercial banks in Ethiopia, particularly in the following areas:

Operational Efficiency: E-banking enables banks to reduce operational costs by automating various services such as account management, fund transfers, and bill payments. Taddesse and Tsegaye (2018) argue that the implementation of e-banking has led to substantial cost reductions, especially in terms of staffing and physical infrastructure. The reduction in transaction times also boosts efficiency, enabling banks to serve more customers at lower costs.

Revenue Generation: With e-banking, banks are able to generate new revenue streams through transaction fees, ATM fees, and mobile banking services. Endale (2017) highlighted that the introduction of mobile and internet banking in Ethiopian commercial banks has provided them with new avenues for income, contributing to the overall financial growth of these institutions.

Customer Base Expansion: E-banking facilitates broader access to banking services, especially for unbanked populations in rural areas. Bekele (2021) found that mobile banking services have significantly increased customer reach, providing financial inclusion to underserved groups. By offering banking services via mobile phones, banks have reduced barriers related to branch proximity and service hours.

Improved Customer Satisfaction: E-banking offers customers the convenience of accessing their accounts and performing transactions 24/7, leading to higher satisfaction levels. Mekonnen (2022) notes that Ethiopian banks that have implemented e-banking services have improved customer retention and loyalty, as customers increasingly value the convenience and time-saving nature of digital services.

Competitive Advantage: The ability to provide innovative digital banking services gives commercial banks a competitive edge. Yimer (2020) states that e-banking has become a key differentiator in Ethiopia's banking sector, as customers tend to favor banks with advanced digital offerings over those relying on traditional banking methods.

2.4. Challenges Faced by E-Banking in Ethiopia

Limited Internet and Mobile Connectivity: Despite high mobile penetration, internet access is still limited, particularly in rural areas. Yimer (2020) reports that low internet penetration, especially in less developed regions, hampers the wide adoption of internet banking services.

Cybersecurity Risks: As e-banking services expand, so do the risks associated with cyber threats, such as hacking and fraud. Girma and Hailu (2018) stress that the lack of robust cybersecurity infrastructure in Ethiopia has led to concerns about the security of online transactions, thereby reducing customer confidence in digital banking.

Regulatory and Legal Framework: The regulatory framework for e-banking in Ethiopia is still developing. Abate (2021) argues that while the National Bank of Ethiopia (NBE) has made efforts to create regulations for electronic banking, these regulations are not as comprehensive as in other nations. This creates a lack of clarity around issues such as digital currency and mobile money regulations.

Digital Literacy: The general population, especially in rural areas, may not have the skills required to use e-banking services effectively. Tadesse (2021) points out that financial literacy and digital literacy remain barriers to e-banking adoption, as many customers are not familiar with how to use digital platforms or even trust these technologies.

2.5. Strategic Implications for Commercial Banks

The successful implementation of e-banking requires that commercial banks adopt strategies that address the unique challenges faced in Ethiopia. Taddesse and Tsegaye (2018) suggest that banks should focus on:

Investing in Digital Literacy: Banks must invest in educating their customers about the benefits and use of digital banking services. Public awareness campaigns and training programs are essential to overcoming digital literacy barriers.

Improving Cybersecurity: Strengthening cybersecurity measures is vital to ensure the safety of online transactions. Girma and Hailu (2018) recommend that Ethiopian banks adopt international standards for cybersecurity and build customer trust in the security of digital platforms.

Expanding Network Coverage: Banks should work to expand their ATM networks and mobile banking infrastructure to cover rural and underserved areas. Mekonnen (2022) emphasizes that providing better network coverage would enhance the accessibility and usability of e-banking services for all customers.

2.6. Future Prospects for E-Banking in Ethiopia

The future of e-banking in Ethiopia looks promising. The increasing focus on mobile and internet infrastructure by both the government and private sectors is expected to fuel further growth in the adoption of digital banking services. Kebede (2020) predicts that by improving internet access and introducing mobile money platforms, Ethiopian banks will experience further operational improvements and enhanced customer service. Additionally, the national financial inclusion agenda may push for more inclusive e-banking services that cater to rural and underserved populations.

In conclusion, e-banking services have significantly impacted the performance of commercial banks in Ethiopia. The growth of digital banking has contributed to improved efficiency, expanded customer reach, and higher profitability. However, challenges such as internet access, cybersecurity risks, and digital literacy need to be addressed to fully harness the potential of e-banking in the country.

CHAPTER THREE

3. Methodology of the study

To fully comprehend the effect of e-banking on the performance of Ethiopian commercial banks, the research technique combines a quantitative approach with aspects of qualitative analysis. The study was employ both primary and secondary data.

3.1.1 Information Gathering Primary Data

Surveys and interviews was used to gather primary data. A sample of Ethiopian consumers who utilise e-banking services will get a structured questionnaire. Customer satisfaction, usage trends, and opinions regarding e-banking services was all be covered in the survey.

3.1.2 Secondary Data

Existing records, including scholarly publications, yearly reports, and reports from the financial sector, was used to collect secondary data. This was shed light on Ethiopian commercial banks' growth measures, e-banking technology usage, and financial performance.

3.2.Sampling techniques

Customers that actively utilise e-banking services (such as internet banking, mobile banking, ATMs, and point-of-sale systems) as well as staff members of Ethiopian commercial banks who work in e-banking was make up the target demographic.

Sampling Method: To ensure a representative sample across various geographies (rural and urban) and bank sizes, a stratified random sampling technique was employed to choose consumers. Purposive sampling was used for the bank management and staff to make sure that participants who have firsthand knowledge and experience with online banking are

A stratified random sampling technique was used to select customers, ensuring a representative sample across different regions (urban and rural) and bank sizes. For the bank managers and employees, purposive sampling was employed to ensure that participants with direct knowledge and experience of e-banking are selected.

3.3. Data Analysis

Quantitative Data Analysis: The data collected through surveys was analyzed using statistical methods such as:

Qualitative Data Analysis: Data from interviews will be analyzed thematically using a coding approach. Themes was extracted related to the benefits, challenges, and perceptions of e-banking from both customers and bank employees. NVivo software will be used for qualitative analysis if necessary.

3.4 Research Design

This research will use a cross-sectional design, which involves collecting data at one point in time from a sample representing different customer groups and commercial banks in Ethiopia. The cross-sectional design is suitable for this study as it allows the collection of data on the current state of e-banking and its effects on bank performance without requiring a long time frame.

Independent Variables (E-Banking Services)

Internet Banking: The use of online platforms for account management, money transfers, and bill payments.

Mobile Banking: The use of mobile phones to access banking services like balance checks, transfers, and payments.

Automated Teller Machines (ATMs): Self-service machines for cash withdrawals, deposits, and account inquiries.

Point of Sale (POS): Digital terminals used for processing card-based payments at retail stores.

Dependent Variables (Bank Performance)

Profitability: Measured by indicators such as Return on Assets (ROA), Return on Equity (ROE), and net profit margins.

Operational Efficiency: Measured by cost-to-income ratios, number of transactions processed, and reduction in manual processing.

Customer Satisfaction and Retention: Measured by customer satisfaction surveys, net promoter score (NPS), and customer retention rates.

Market Reach/Customer Base Expansion: Measured by the number of new customers, particularly from underserved regions, and the extent of financial inclusion

CHAPTER FOUR

4. DISCUSSION AND ANALYSIS

The respondent of the questioner are not be given response properly. Because of respondents are careless and involenter.This study are analyzed and make recommendations from 20 Questionaries and 16 questionnaires are returned back. Total existing customers and employees of the bank 16 respectively. The data to be presented and analyzed in mainly primary data gathered through questionnaires.

4.1 Analysis of Employee Respondent

Personal/Demographic Information

Table 4.1 Sex Distribution Of Respondents

Sex	Number of respondents	Percent
Male	12	75
Female	4	25
Total	16	100

Source: own survey

As can be seen in the table the sex distribution of respondent 12(75%) of respondents are male and

4(25%) are female. So we can understand that the most work run by male employees.

Table 4.2 Age distribution of the respondent

Age	In no	In percent
18-25	10	62.5
26-35	4	25
36-45	2	12.5
Above 46	0	0
Total	16	100

Source: own survey

From the age distribution shows in the table 10(62.5%) are under the age of 18-25, 4(25%) are 26-35, 2(12.5%) are 36-45.this indicates that the majority of respondent are young age group.

Table 4.3 Educational level

Item	No of respondent	In percent
Certificate	0	0
Diploma	2	12.5
Degree	12	75
Master	2	12.5
Total	16	100

Source: own survey

As can be from the above table 2(12.5%) are diploma holder, 12(75%) are degree, and the remaining 2(12.5%) are master holders. Therefore these shows educational levels of the employee are degree holders.

Table 4.4 work experience in this organization

Item	No of respondent	In percent
1-2	4	25
3-5	10	62.5
6-10	2	12.5
Above 10	0	0
Total	16	100

Source: own survey

As can see from the above table 4(25%) are 1-2, 10(62.5%) are 3-5, and the remaining 2(12.5%) are 6-10 year of experience and there is no above 10 years experience.

Table 4.5 bank overview

Item	Response	No of respondent	In percent
frequency use of e-banking services	Daily	1	6.25

E-banking service use	Weekly Monthly Occasionally Never	9 6 0 0	56.23 37.5 0 0
How easy is it to use e-banking services provided by your bank?	Veryeasy Easy Neutral Difficult Very difficult	6 10 0 0	37.5 62.5 0 0
How would you rate the security of e-banking services offered by your bank?	Very secure Secure Neutral Insecur Very insecure	16 0 0 0 0	100 0 0 0 0
challenges while using e-banking services	System downtime Transaction failure Difficulty in navigation Fraud/Scam incidents No challenges	5 8 3 0 0	31.25 50 18.75 0 0

Frequency of Use of Banking Services

Most respondents use banking services weekly (37.5%) or monthly (25%) ,.A smaller portion use them daily (12.5%), and some use them occasionally (25%).No respondents reported never using banking services.

Interpretation: This indicates regular engagement with banking services, with weekly and monthly usage being the most common patterns.

Preferred Banking Service Use

The majority use mobile banking (62.5%), followed by ATM transactions (25%).Internet banking and POS transactions are less common (6.25% and 0%, respectively).SMS banking is used by 6.25%.

Interpretation: Mobile banking is the dominant channel, reflecting a shift towards digital and convenient banking solutions.

Ease of Use of Banking Services

Most respondents find banking services easy to use (62.5%).25% find them neutral, while 12.5% find them difficult.No one reported banking services as "very difficult."

Interpretation: The majority perceive banking services as user-friendly, though a minority still face usability challenges.

Security of Banking Services

62.5% rate the security as secure, while 37.5% rate it as very secure.No respondents consider the services insecure or very insecure.

Interpretation: There is a high level of confidence in the security of banking services among users.

Challenges While Using Banking Services

The most common challenge is system downtime (43.75%), Transaction failure is experienced by 18.75%,Fraud/scam incidents are not reported, and 37.5% report no challenges.

Interpretation: System reliability is a significant concern, with nearly half experiencing downtime. Transaction failures are also notable, but fraud is not reported as a major issue.

Findings

Mobile banking is the most popular service, indicating strong adoption of digital channels.

System downtime and transaction failures are the primary challenges, suggesting a need for improved infrastructure and reliability.User confidence in security is high, which is positive for customer trust.

Summary

The data reflects a positive trend towards digital banking adoption, with high user confidence in security and ease of use. However, technical challenges like system downtime and transaction failures need to be addressed to enhance user experience and service reliability.

Table 4.6 Customer Satisfaction and Performance

Item	Response	No of respondent	Percentage
satisfied with the overall performance of e-banking services	Very satisfied Satisfied Neutral Dissatisfied Very dissatisfied	5 10 1 0 0	931.25 6.25 0 0 0
e-banking services have improved the performance of your bank	Yes No Not sure	16 0 0	100 0 0
e-banking services affectes	Convenience of banking Speed of transactions Customerservice experience	2 4 3	12.5 25 18.75

	Accessibilityof bankingservices Bank'scompetitivenes	0 6	0 37.5
Item	Response	No of respondent	Percentage
satisfied with the overall performance of e-banking services	Very satisfied Satisfied Neutral Dissatisfied Very dissatisfied	5 10 1 0 0	931.25 6.25 0 0 0
e-banking services have improved the performance of your bank	Yes No Not sure	16 0 0	100 0 0
e-banking services affectes	Convenience of banking Speed of transactions Customerservice experience Accessibilityof bankingservices Bank'scompetitivenes	2 4 3 0 6	12.5 25 18.75 0 37.5

Do you prefer using e-banking services over traditional banking services?	Yes No Sometimes	12 0 4	75 0 25

Interpretation: A large majority (62.5%) are satisfied with e-banking, with a smaller portion (18.75%) being very satisfied. A small percentage are dissatisfied (12.5%).

E-banking Services Have Improved the Performance of Your Bank. 16 respondents (100%) so

All respondents agree that e-banking services have improved the performance of their bank.

E-banking Services Affected

Interpretation: The smoothness of the bank's operations (37.5%) and the speed of transactions (25%) are the most cited ways e-banking services have had an effect.

Preference for E-banking Services Over Traditional Banking Services

Interpretation: Most respondents (75%) prefer e-banking services over traditional banking, with a quarter (25%) sometimes preferring e-banking.

Findings

High satisfaction: The majority of respondents are satisfied with e-banking services.

Positive impact on bank performance: All respondents believe e-banking has improved their bank's performance.

Preference for e-banking: Most prefer e-banking services over traditional methods.

Smoothness and speed: E-banking is seen to improve bank operations and transaction speed.

Summary

The data suggests a positive view of e-banking among respondents, who are mostly satisfied with its performance and believe it has improved their bank's operations. There's a strong preference for e-banking services over traditional methods. The emphasis on smoothness and transaction speed indicates that these are important benefits perceived by users.

Table 4.7: General Views on E-Banking in Ethiopia For bank workers

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Item	Categories’	no of respondent	In percent
In your view, how well are commercial banks in Ethiopia adopting and implementing e-banking technologies?	Very well	9	56.25
	Well	6	37.5
	Neutral	0	0
	Poorly	0	0
	Very poor	1	10

the main benefits of e-banking for customers in Ethiopia	Convenience Fastertransactions Cost-effectiveness Access to 24/7 services Better customer support	16 16 16 16 16	100 100 100 100 100
the main challenges that customers face when using e-banking services in Ethiopia	Poorinternet connectivity Limited access to e-banking facilities (e.g.,ATMs, mobile apps)	10 6	62.5 37.5
Do you believe e-banking services have the potential to replace traditional banking in Ethiopia?	Yes No Not sure	16	100

How Well Commercial Banks in Ethiopia are Adapting to Banking Technologies

Interpretation: The majority of respondents believe that commercial banks in Ethiopia are adapting well to banking technologies, with over half saying "very well"(56.25%) and over a third saying "well"(37.5%) A small minority feels they are adapting very poorly(6.25%).

Interpretation: All respondents agree that e-banking provides convenience, customer resources, cost-effectiveness, 24/7 accessibility, and better customer support.

Main Challenges Customers Face When Using Banking Services in Ethiopia

Poor/intermittent internet connectivity: 10 respondents (62.5%)

Limited access to e-banking facilities (e.g. ATMs, mobile apps): 6 respondents (37.5)

Interpretation: The most significant challenge is poor internet connectivity, followed by limited access to e-banking facilities.

Do You Believe Banking Services Have the Potential to Replace Traditional Banking in Ethiopia?

16 respondents (100%) said yes.

Interpretation: All respondents believe that banking services have the potential to replace traditional banking in Ethiopia.

Findings

Positive adaptation: Commercial banks are generally seen as adapting well to new technologies.

Multiple benefits of e-banking: E-banking is perceived to offer convenience, cost-effectiveness, accessibility, better customer service, and improved customer resources.

Connectivity and access issues: The main challenges are related to internet connectivity and limited access to e-banking facilities.

Potential to replace traditional banking: There is a strong consensus that banking services can eventually replace traditional banking.

Summary

The survey paints a positive picture of e-banking's potential in Ethiopia, but highlights infrastructure challenges. While respondents see banks as adapting well to technology and recognize the numerous benefits of e-banking, issues with internet connectivity and limited access to facilities need to be addressed to fully realize this potential. There is a strong belief in the future of banking services as a replacement for traditional banking methods.

CHAPTER FIVE

5. CONCLUSION

NICE Insurance in Wolkite faces challenges in risk assessment due to outdated methodologies, limited access to local data, and insufficient staff training. The study identifies that effective risk assessment is crucial for maintaining financial stability and offering sustainable coverage. The need for improved risk modeling, community engagement, and digital transformation is evident to enhance the company's performance in Wolkite and meet the specific needs of the local population.

5.2 RECCOMENDATION

Improve Risk Modeling: Implement modern risk modeling techniques to more accurately assess client risk profiles, leading to appropriate premium pricing and reduced claims volatility.

Enhance Community Engagement: Engage with the local community to gather localized data, which can improve risk assessment accuracy and better meet the specific needs of the population.

Digital Transformation: Adopt digital tools to improve efficiency in policy management and claims processing, reducing operational risks and enhancing customer service.

Staff Training: Invest in training programs to equip staff with modern risk modeling techniques and knowledge of local risk factors.

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WOLKITE UNIVERSITY

COLLAGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

Dear Respondent,

This questionnaire is part of a research project conducted by Afran Abdo, a student at Wolkite University, to study the "E-Banking Service and Performance of Commercial Banks in Ethiopia." The aim of this study is to explore how e-banking services are impacting the performance of commercial banks in Wolkite Ethiopia, focusing on customer satisfaction, the effectiveness of online services, and the overall success of these financial institutions in the digital age.

Your responses will provide valuable insights into the role of electronic banking in the Ethiopian banking sector. The questionnaire consists of questions regarding your personal experiences, perceptions, and usage of e-banking services.

Section 1: Demographic Information

1. Gender

A. Male

B. Female

C.Other

2.Age

A. Below 20

B. 21-30

C. 31-40

D. 41-50

E. Above 50

3. Occupation

A. Student

B. Employee

C. Business Owner

D. Other (please specify)

4.Level of Education:

A. High School

B. Undergraduate

C. Graduate

D. Postgraduate

Section 2: Usage of E-Banking Services

How frequently do you use e-banking services?

Daily

Weekly

Monthly

Occasionally

Never

Which of the following e-banking services do you use? (You may select multiple)

Mobile Banking (e.g., using apps or mobile platforms)

Internet Banking (via a website)

ATM Transactions

SMS Banking

Point of Sale (POS) Transactions

Other (please specify)

How easy is it to use e-banking services provided by your bank?

Very easy

Easy

Neutral

Difficult

Very difficult

How would you rate the security of e-banking services offered by your bank?

Very secure

Secure

Neutral

Insecure

Very insecure

Have you ever faced any challenges while using e-banking services? (Select all that apply)

System downtime

Transaction failure

Difficulty in navigation

Fraud/Scam incidents

No challenges

Section 3: Customer Satisfaction and Performance

How satisfied are you with the overall performance of e-banking services provided by your bank?

Very satisfied

Satisfied

Neutral

Dissatisfied

Very dissatisfied

Do you think that e-banking services have improved the performance of your bank?

Yes

No

Not sure

In your opinion, how have e-banking services affected the following? (Rate each on a scale of 1 to 5, where 1 is “Not at all” and 5 is “Very positively”)

Convenience of banking

Speed of transactions

Customer service experience

Accessibility of banking services

Bank’s competitiveness

Do you prefer using e-banking services over traditional banking services?

Yes

No

Sometimes

Section 4: General Views on E-Banking in Ethiopia For bank workers

In your view, how well are commercial banks in Ethiopia adopting and implementing e-banking technologies?

Very well

Well

Neutral

Poorly

Very poor

What are the main benefits of e-banking for customers in Ethiopia? (Select all that apply)

Convenience

Faster transactions

Cost-effectiveness

Access to 24/7 services

Better customer support

What are the main challenges that customers face when using e-banking services in Ethiopia? (Select all that apply)

Poor internet connectivity

Limited access to e-banking facilities (e.g., ATMs, mobile apps)

Lack of trust in online transactions

Security concerns

Others (please specify)

Do you believe e-banking services have the potential to replace traditional banking in Ethiopia?

Yes

No

Not sure

Thank you for taking the time to participate in this important study. Your feedback is greatly appreciated.

Sincerely,