

ST.MARY'S UNIVERSITY

DEPARTMENT OF ACCOUNTING
BUSINESS FACULTY

AN ASSESSMENT OF CASH MANAGEMENT (IN THE CASE OF DASHEN BANK S.CO.)

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**AN ASSESSMENT OF CASH MANAGEMENT
(IN CASE OF DASHEN BANK S.CO.)**

**A SENIOR ESSAY SUBMITTED TO THE DEPARTMENT OF ACCOUNTING
ST. MARY'S UNIVERSITY**

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ABSTRACT

Cash is the most important current asset for the operations of the business. Cash is the basic input needed to keep the business running on a continuous basis, it is also the ultimate output expected to be realized by selling the services or product manufactured by the firm.

The study attempt to find out problems related with Cash Management in Dashen Bank S.Co, at Head Office, And thus, it will provide valuable information and better approach to deal with maintaining a better Cash Management level in the Organization. Therefore, this study will investigate the cash management practices in Dashen Bank S.Co.in the year of 2009 - 2013.

The researchers use a sample design of descriptive research method in order to present data in tabular form. In addition to this, financial ratios are used for analyzing the last five years. In this study, the Bank holds idle cash that will reduce its future profit. Besides, Dashen Bank can use up to 80% of its own deposit for loan, but almost for the all years the bank did not use the deposits as a loan, the way that Dashen Bank administers the cash gap between the limit and excess have still some undefined problems.

Furthermore, the objective of the study is to attempt the render activity of Dashen Bank as fairly and acceptable way of Banking transaction services.

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Annex 2: Questioner

St. Mary's University
Department of Accounting
Questionnaire

Dear Respondents

This questionnaire is developed purely for academic purpose to undertake senior essay /research/ on entitled “**ASSESSMENT OF CASH MANAGEMENT (In the case of Dashen Bank S. Co,**” and collect the required data. Your support in filling of this questionnaire will make the research process complete. The information you provide for this questionnaire will be used for academic purpose and keep confidentially. Thank you in advance for your cooperation in responding the question by dedicating your precious time.

Key:

- ◆ Put a tick mark (√) on the space provided
- ◆ Do not write your name.

Part I: Background data

1. Your Position in the Bank

A. Manager B. Accountant C. Credit Officer
D. Teller E. Casher F. Any other

2. Your experience in Dashen Bank A) Less than 1 year B) 1-3years C) 3-5years D) >5years

3. Demographic variable

Sex Female Male

Age A. 18-25 B. 26-35

C. 36-45 D. >45

Educational Background

- A. High school completion with experience B. Diploma
C. Degree D. Masters E. If any other

Part II: Questions

1. Have you taken training on cash management?

Yes No

If yes, explain the types of training that you have taken

2. Does the bank control its cash?

A. Yes B. No C. Neutral

3. If your answer is yes in Q. 2, how the bank controls its cash?

4. Do you think that the current cash management is effective?

A. Highly effective B. Lowly effective C Ineffective

D. Don't know E. Neutral

5. If your answer is ineffective in Q.4, what are the problems in cash management?

6. Does the bank have good internal control over cash?

A. Yes B. No C. Neutral

7. How do you evaluate internal control over cash in the bank?

8. Regarding Q.7 what problems did you face because of cash control?

9. Is cash collection centralized?

A. Yes B. No C. Neutral

10. If the answer for Q.9 is yes, how is it centralized?

11. If the answer is No for Q.9, what are the reasons?

12. Do you think cash budget is efficiently practical?

Efficiently practiced Moderately Practiced Poor Practice

13. At what interval the cash collected from the branches?

A. Daily B. Weekly C. Monthly D. Any other

14. How do you understand the over all cash management procedure?

A. Excellent B. Very good C. Good D Well E. Neutral

15. What are the physical controlling mechanisms & Procedures over cash?

16. Does the bank hold excess cash

Yes No I don't know

17. Do you think that financial operation /cash handling/ and accounting record operations are separated?

Yes , how? _____

No , how? _____

18. What are the possible risks in connection with cash management procedure (cash collection and disbursement?)

19. How the bank collects and distributes cash from and to branches?

20. What kinds of problems do you observe in the collection and disbursement of cash?

21. What are the general problems in cash management?

22. What would be the solutions of problems of cash management?

23. Any others

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DECLARATION

We the undersigned, declare that this senior essay/project is our original work, prepared under the guidance of Advisor Getahun Guta. All sources of materials used for the manuscript have been duly acknowledged.

Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

Signature: _____

Place of Submission: _____

Date of Submission: _____

Submission of Approval Sheet

This senior research paper has been submitted to the department of Accounting in partial fulfillment of the requirement of BA Degree with my approval as an advisor.

Name _____

Signature_____

Date:_____

CHAPTER ONE

INTRODUCTION

1.1. BACKGROUND OF THE STUDY

Banks are revising their business and operating models to address increasingly demanding customers and fast-paced dynamic markets. The market place has conditioned customers to expect instant service and value from every point of contact. They measure their bank experiences against their everyday interactions with other service providers. Not only are customers looking for more value in banking relationships as individuals; they have also developed their own dialog via social media. The increasing empowerment of the collective voice of customers continues to raise the pressure on banks to improve their relationships, stay relevant and demonstrate their added value. (IBM,2011)

Now days, Banks can no longer remain idle on legacy applications. Growth, and perhaps even survival, depends upon an agile, cost effective core banking solution that delivers a differentiated service experience. Fueled by an evolving business landscape and fierce competition, financial institutions must adopt core banking technology that will enable strategic transformation without disrupting current operations. These core systems need to interoperate with existing IT investments to create an end-to-end service-based infrastructure. (IBM,2011)

Currently, almost all banks in Ethiopia are in the process of transforming their legacy banking systems to modern banking systems in which they can offer efficient and globally competent services to their customers and get customers' satisfaction in return. Moreover, the National bank of Ethiopia has required all banks to implement core banking solutions to facilitate the National payment system in which payments and settlements between two financial institutions will be effective. (EATS User Guide,2011)

Therefore, this study deals with the new IT infrastructure implemented in CBB. The latest core banking software named T 24, which serves 24 hours a day & 7 days a week and provides non-stop banking, has provided by TEMENOS, a leading banking software company in the world. On the first hand, we can say CBB has fulfilled the requirement of National bank of Ethiopia relating with the National payment system. On the other hand, the actual changes in the working environment of the bank and customers satisfaction should be evaluated to know whether the transformation objectives are fulfilled or not.

Therefore, assessing the real impacts of the new system in the working environment of the bank and analyzing the customers' feedback are the core points of this study.

1.2.BACKGROUND OF THE BANK

Construction and Business Bank S.C. is a wholly government-owned public enterprise and successor of the Housing and Savings Bank (HSB) which was formed in 1975 through the merger of two financial institutions namely, Imperial Savings and Home Ownership Association, and Savings and Mortgage Corporation of Ethiopia which were nationalized at the beginning of the socialist era of Ethiopia.(<http://www.cbb.com.et>.February 03,2014)

HSB's objectives were granting long-term loans for residential housing and commercial building construction, purchase and renovation by mobilizing financial resources through ordinary savings, time deposits and long-term borrowings. For about twenty years since 1975, HSB has made important contribution to the development of housing in the country in which until now enjoyed the reputation as a household name.(<http://www.cbb.com.et>.February 03,2014)

Following the market-based economic policy of the country and the ensuing economic reform programs initiated by the government in 1992, HSB was reconstituted as Construction and Business Bank in September 1994 by

regulation No. 203/94 with an authorized capital of Birr 71.8 million. The regulation gave CBB the mandate to provide universal banking services. In line with this, CBB has ventured into commercial banking operations stage by stage maintaining construction financing as its core business.

CBB has repositioned itself as full-fledged universal bank since 1995 E.C taking the advantage of the emerging private sector as a new market under the emerging competitive business environment. However, based on the government's decision to privatize the Bank and to pave the way for the execution of same, beginning September 2000 it has been converted to a share company in accordance with the Ethiopian Commercial Code. At this time, again CBB's capital was raised to Birr 79.0 million through the restructuring of its balance sheet. (<http://www.winne.com>. February 05,2014)

Generally, CBB provides International banking, domestic banking and Money Transfer services in the country with a vision `To be the best performing bank in Ethiopia by 2020. And it is `devoted to provide banking services to add value to the stakeholders thereby to foster national economic development` with more than 110 branches and 1856 employees in Ethiopia. (<http://www.cbb.com.et>.February 03,2014)

1.3. STATEMENT OF THE PROBLEM

A core banking system is essentially the heart of all the systems operating in a bank. It can be described as the core of a bank's IT platform. With the advancement of technology, core systems tend to cover more and more functionalities, providing the bank with an integrated solution for most of its operations in varied business lines. A core banking system resides in the heart of a bank's data center and provides a central operational database of customers' assets and liabilities. It enables a 360-degree view of a customer's relationship with the bank.(<http://www.cognizant.com>. February 05,2014)

Most core banking IT system renewals suffer significant overruns of cost and time estimates. Strong internal capabilities, careful selection of implementation partners, clear contractual parameters and roles and rigorous project and change management are the critical factors that determine the success of a core banking implementation. (Rohan,Kudav and Megha Bhasin, 2013)

In our case, Construction and business bank has implemented core banking technology in its some departments at head office and in all of city branches. Obviously, core banking implementation projects are highly expensive and requires higher dedication for the accomplishment of the related objectives. In this regard, CBB has expected some returns at the end of its implementation process. Therefore, this research tries to assess the effectiveness of the implementation process by addressing the employees compatibility with the new system, the customers satisfaction after the implementation of the new system and the changes in the working environment of the bank. In relation with this, the under mentioned research questions were covered throughout the study.

1.4 RESEARCH QUESTIONS

- How does the new system compatible with the current condition of the bank?
- How was the efficiency of the implementation process regardless of using the allocated resources?
- To what extent CBB`s customers are benefited from this technology implementation?
- What are the changes in the working environment following the implementation of the new system?

1.5.OBJECTIVES OF THE STUDY

1.5.1.GENERAL OBJECTIVE

The general objective of the study is to assess the effectiveness of the new core banking system implemented in Construction and business Bank s.co.

1.5.2. SPECIFIC OBJECTIVES

Under the general objective stated above, the research has the following specific objectives:

- To give a summarized information about the new system
- To assess the effectiveness of the implementation process
- To take a subjective measure of customers satisfaction towards the new system
- To assess the compatibility of employees with the new system
- To investigate the changes in the working environment following the new system.

1.6.SIGNIFICANCE OF THE STUDY

The primary significance of this study is for the management of CBB. On the first hand, the research will provide summarized information about customer`s satisfaction related with the new system and helps the management to evaluate whether its objectives are met or not. Secondly, the management can analyze the current working condition after the new system is implemented in various departments and branches and gets the employees` response towards the new system which in return helps to make further modifications and simplifications on the system. Beside this, the recommendations of the researchers will help the bank to offer better services in the coming modern technologies.

Thirdly, its contribution to the readers supposed to be high. As the system is a recent phenomenon in our country, there are no sufficient research materials related with it. So, this research will provide some awareness about the system

and will serve as a reliable reference for the next researchers. Its significance goes to other banks or financial institutions for the reference purpose to their technological improvement programs.

Finally, methods and techniques applied in the research also enhance the researchers' know-how.

1.7.SCOPE OF THE STUDY

The findings of the study would be more fruitful if it were conducted by including most branches and departments in the bank. But due to time constraint it is impossible to do so. Thus, the study is delimited to assess three departments in head office and two branches. The three departments (Credit, Trade and Customer Accounts and Transaction) and the Main branch were selected to assess the working environment and employees' response toward the new system. And for the customer's satisfaction assessment, Abunepetros branch customers were selected.

1.8.RESEARCH DESIGN AND METHODOLOGY

1.8.1. RESEARCH DESIGN

The researchers designed a descriptive method of research design which helps to describe the major findings of the study by taking the research questions into consideration.

1.8.2. POPULATION AND SAMLING METHODS

The bank is a composition of branches and various departments at head office. And as mentioned earlier, it was impossible to conduct the research on the whole departments and branches. So that, the researchers have selected 40(66.67%) employees out of 60 employees from the 3 major departments and the Main branch. In addition to this, 80(16%) customers were randomly selected out of 500 customers in Abune petros branch. While sampling, employees with educate knowledge on the research issue and willingness to

participate in the research were purposely selected by the researchers. On the other hand, average number of customers which takes various services in the branch in two consecutive days (80 customers) were randomly selected from Abune petros branch.

1.8.3. TYPES OF DATA COLLECTED

The researchers used both primary and secondary data for the research. The primary data was considered as a major source of information as it was directly gathered from the respondents through questionnaires and interviews. On the other hand, the researchers used books, articles in the web sites and other published & unpublished materials for the research. Furthermore, previous research works (indirectly related with the research) and the bank`s internal written documents were served as a reliable source of secondary data for the researchers.

1.8.4. METHODS OF DATA COLLECTION

Basically the researchers planned to use interviews and questionnaires to gather primary data for the research. Unstructured interviews were planned to conduct with concerned higher officials with in the bank like the project manager of core banking implementation. Additionally, questionnaires with close and open ended questions were used to get direct response from the sampled employees and customers of the bank.

1.8.5. DATA ANALYSIS METHOD

Data collected through questionnaires and interviews were presented by using descriptive method of analysis in which tables and charts are the major tools of presentation. This method also helped the researchers to draw basic conclusions on the study and enabled to make valuable recommendations based on the findings.

1.9.LIMITATIONS OF THE STUDY

As Core banking technology is recently introduced to our country, we couldn't find local research materials related with it. Lack of published books (related with the topic) in the libraries also another limitation we faced. A time constraint also sets a limit in the research. Beside this, we couldn't interview the director of the core banking implementation project office as he was very busy.

1.10. ORGANIZATION OF THE STUDY

The study has organized into four chapters. The first chapter deals with the introduction part of the study in which the background of the study, background of the bank, statement of the problem, objectives of the study, significance of the study, limitation and scope of the study and research design & methodology are specified. The second chapter concerned with presenting the review of related literature. The third chapter treats the interpretation and presentation of the data collected. The fourth chapter bring to an end this study with summary, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITRATURE

The purpose of this chapter is to review the literature in the area of core banking implementation and mainly focused on the benefits of adopting core banking system. This review of literature establishes a framework, which could guide the study.

2.1. WHAT IS CORE BANKING?

Core banking is a service provided by a group of networked bank branches. Bank customers may access their funds and other simple transactions from any of the member branch offices. Nowadays, most banks use core banking applications to support their operations where Core Banking stands for "centralized online real-time electronic banking". This basically means that all bank's branches access applications from centralized datacenters. This means that the deposits made are reflected immediately on the bank's servers and the customer can withdraw the deposited money from any of the bank's branches throughout the world. (<http://www.Wikipedia.com>. February 05,2014)

In simple way it is doing all banking operations of Branches and Head Office by connecting to a central computer kept at Data center.

- **Core Banking - Basic concept**

With technology advancement particularly in "Tele Communication" and "Wireless Communication "it became possible to send data from one computer to another computer. Taking advantage of this it was thought fit to connect branch computers to a single computer at data center and have all transactions of all branches recorded live at one place. This concept is "CORE BANKING". A single computer at data center get live data from branches position of the bank as a whole is available at one place at each moment. This system of operations then brought total change in traditional banking

operations. Many repetitive functions at branches were taken at central place. This is called “business re-engineering” in terms of shifting to core banking. This change brought many advantages to bank and its customers and also changed customer service dimensions. (P.R. Kulkarni, 2010)

2.2. BENEFITS OF CORE BANKING

According to P. R. Kulkarni’s study, core banking has the following advantages:

2.2.1. It Provides a Centralized Accounting

All the transactions of the bank directly impact the General Ledger and Profit and Loss Account. This provides a real time total picture about the financial position and situation of the bank. This helps for timely effective decision making for financial management, which is a very critical and dynamic function in today’s banking. (P.R. Kulkarni, 2010)

2.2.2. It serves as a Centralized Product Control & Monitoring

Centralization helps in better product analysis, monitoring and rollout. Aspects like interest rate modifications, product modification and interest application can be done centrally from one place for all the branches. Bank can quickly respond to market scenario and customer needs. This gives competitive edge to the bank. (P.R. Kulkarni, 2010)

2.2.3. It Facilitates Technology Based Services

Service channels such as ATM, either on-site or off-site, can be started. Cheque Deposit Machines (CDM) can be installed. Such machine in WAN connectivity can allow any customer to deposit the cheque for collection at any branch. Cheque book printing machine can be installed at central location to give personalized cheque books. Such machine in WAN connectivity can receive command from any branch. (P.R. Kulkarni, 2010)

2.2.4. It Provides a Centralized Customer Account Management Tool

Anycustomer becomes the customer of the bank rather than of a branch. With unique ID/Account Number the accounts of the customers can be viewed centrally by the bank. As such, customer profile, details of products and services availed by him and customer behavior about business of the bank can be well understood. Such customer view gives the bank opportunity to decide directions for business development and marketing strategies. (P.R. Kulkarni, 2010)

2.2.5. It Facilitates Centralized Reporting

Presence of centralized data constantly live up-dated at any time ensures comprehensive report or statement generation. This tremendously helps in decision making as well as submission to various authorities. Operational efficiency of the bank gets increased due to quick report generation for bank as a whole. (P.R. Kulkarni, 2010)

2.2.6. It provides a Centralized System Administration

Centralized system or I.T administration enhances system security and user management. In legacy systems man-power for I.T. administration is required at each branch. But in core banking it is required only at one place. Thus reduction in man-power need and cost. Due to single point resource available I.T. manpower is utilized properly.

2.2.7 Advantages to Head Office

- Consolidation of statements or reporting at one place reducing duplication of tasks at branches and it is of real time.
- Supervision of branches on risk perceptions will be possible as ongoing process.
- Frequent audits and timely control measures can be initiated.

- Quick informal decisions on real time statements will be made faster and practically real time reconciliation of accounts.
- For statutory reporting and compliance no need to wait for branch compliance.
- Product-wise, customer-wise, customer profile based analysis and decision making are possible.
- Analysis of data on any aspect of banking business and control issues gives scope for keeping the bank professionally healthy.
- Centralized clearing function reduces man power requirement at each branch for the purpose. Audit on operational aspects of the accounts can be done at a single location as entire data is available at one place.
- User access to the computer system in the bank can be restricted to his/her needs and authority only that achieves safety.
- Printing of several matters such as follow-up notices, statement of accounts etc. can be done centrally on "line printer" that reduces the printing time, printer and man-power need at each branch.
- Account opening and scanning of signatures can be done at central location.

By installing mailing solution on the intra net of the bank, written communication in the form of letters, between H.O. and branches and vice versa, can be eliminated. Mailing solution can set parameters for decision timing and if not decided in time the mail can be escalated to next higher authority. This enhances the decision making procedure and delay at any level gets known to higher authority. (P.R. Kulkarni, 2010)

2.2.8. Its benefits to Credit Department

Reduced credit processing time for existing loan accounts as the Credit Department gets information handy. For processing of new loan accounts the information on product is available that facilitates proper decision. Real time credit tracking by setting alerts about delays, deviations, and penalties etc.

Corrective measures in credit portfolio can be quickly taken due to credit portfolio analysis.

2.2.9. Its benefits to Accounts Department

Centralized real time General Ledger and Profit and Loss Account almost eliminates accounting work. Greatly reduces paper work, inward communication needs and work of tallying. Deadlines of statutory compliance and submissions are met in time. Balance sheet of the bank will be available at any day, any hour and any moment. Accounts Department can concentrate on policy, compliance and reporting issues. (P.R. Kulkarni, 2010)

2.2.10. Its benefits to Information Technology Department

I.T. Department becomes the focused entity and back-bone of the operations of the bank. Central data management and application reduces logistical problems and reaction time for system changes and/or troubleshooting. Parameter settings, interest application and such other works being done at one place avoid chances of otherwise repetitive mistakes at different branches and then load on I.T. Department for rectification work. (P.R. Kulkarni, 2010)

2.2.11. Benefits to Customers

Customers can operate their account from any of the branch of the bank. More service channels can be made available to the customers. Customers get immediate credit if the transaction is between the branches of the bank. Even extension counters can provide all services to the customers.

Moreover, Customers get full attention and service satisfaction at the branches as the branches are freed from all back office functions, clearing functions and almost all accounting functions. Customers can get SMS alerts on their mobile or e-mail alerts through net for transaction taking place in their account. This gives them comfort and security. (P.R. Kulkarni, 2010)

2.2.12. It Improves Branch Functionality

With reduced work at the branches they can focus on development of business, customer service and attendance and meaningful liaison with customer for getting new business. Since customer needs are known with proper analysis they can be well attended even before their demands that enhance the image of bank as customer's perception. This increases business and thereby profit.

Furthermore, a well-conceived core banking migration will accomplish the following: (Oracle: 2009)

- **Replace legacy systems:** Old technology slows innovation and decreases productivity. Banks need new systems that empower the enterprise through an integrated infrastructure and processes aligned with strategic objectives.
- **Increase competitiveness:** The right core banking solution can help banks quickly deploy new products and lower costs to enhance the ability to compete.
- **Facilitate regulatory compliance:** Compliance is complex and expensive. The right regulatory platform will lower costs through improved asset reusability, faster turnaround times, and increased accuracy.
- **Improve information flow:** To improve the speed and accuracy of decision-making, banks must deploy systems that streamline integration and unite corporate information to create a comprehensive analytical infrastructure.
- **Optimize customer value:** Through a holistic core banking architecture, banks can target customers with the right offers at the right time with the right channel to increase profitability.
- **Create a service-oriented architecture (SOA):** A flexible, robust IT architecture based on SOA is not optional. Banks must embrace SOA to survive. (Oracle: 2009)

2.3. CORE BANKING AND ELECTRONIC BANKING (E-BANKING) SERVICES

Banks with core banking technologies can offer E-banking services to enhance their customer's value.

2.3.1. Definition of E-banking

E-banking has a variety of definitions all refer to the same meaning. According to Kamrul, E-banking is a form of banking service where funds are transferred through an exchange of electronic signal between financial institutions, rather than exchange of cash, checks, or other negotiable instruments.(Kamrul,2009).

The term of E-banking often refers to online banking/Internet banking which is the use of the Internet as a remote delivery channel for banking services (Furst & Nolle 2002, p.5). With the help of the internet, banking is no longer bound to time or geography. Consumers all over the world have relatively easy access to their accounts 24 hours per day, seven days a week.

Another definition of E-banking is that "E-banking is the use of a computer to retrieve and process banking data (statements, transaction details, etc.) and to initiate transactions (payments, transfers, requests for services, etc.) directly with a bank or with other financial service provider remotely via a telecommunications network" (Yang 1997, p.2). It should be noted that electronic banking is a bigger platform than just banking via the internet.

E-banking can be also defined as a variety of platforms such as internet banking or (online banking), TV-based banking, mobile phone banking, and PC (personal computer) banking (or offline banking) whereby customers access these services using an intelligent electronic device, like PC, personal digital assistant (PDA), automated teller machine (ATM), point of sale (POS), kiosk, or touch tone telephone (Alagheband 2006, p.11). Different forms of E-banking system were discussed as follows.

A. Automated Teller Machines (ATMs)

It is an electronic terminal which gives consumers the opportunity to get banking service at almost any time. An ATM combines a computer terminal, record keeping system, and cash vault in one unit, permitting customers to enter a financial firm's bookkeeping system with either a plastic card containing a personal identification number (PIN) or by punching a special code number into a computer terminal linked to the financial firm's computerized records 24 hours a day. Once access is gained into the system, cash withdrawals may be made up to pre specified limits, and deposits, balance enquiries, and bill paying may take place. (Alagheband, 2006)

B. Point-of-Sale Transfer Terminals (POS)

Computer facilities in stores that permit a customer to instantly pay for goods and services electronically by deducting the cost of each purchase directly from his or her account are known as Point-of-Sale (POS) Terminals. The customer presents an encoded debit card to the store clerk who inserts it into a computer terminal connected to the financial firm's computer system. The customer's account is charged for the purchase and funds are automatically transferred to the store's deposit account. (Alagheband, 2006)

C. Internet Banking

It is an electronic home banking system using web technology in which Bank customers are able to conduct their business transactions with the bank through personal computers. Use of internet to carryout financial transactions is certainly one of the most promising avenues today for linking customers with financial service providers. Through the internet a customer can:

- Verify real time account balances anytime from any location
- Move funds instantly from one account to another
- Confirm that deposits have been made, cheques have cleared, and online transactions have taken place.

- Place an order for new cheques.
- Submit an application for loans and credit cards, etc.

D. Automated Limited – service facilities

Even though full service branches still represent a very important channel through which financial firms communicate with their customers, electronic facilities and systems represent the most rapidly growing firm-customer link today. In truth, the most effective service delivery systems in use today appear to be multichannel-combining full service branches and electronic, limited service facilities with in the same financial firm. (Alagheband, 2006)

E. Mobile Banking and call centers

Mobile banking is a service that enables customers to conduct some banking services such as account inquiry and funds transfer, by using of short text message (SMS). As more cell phones appear and are linked technologically with the internet and with credit and debit card accounts, the cell phone literally becomes a “Portable Bank”. (Alagheband, 2006)

Furthermore, by combining cell networks with the power of the internet to convey vast amounts of information at high speed, the cell phone and text messaging technology seem to offer the potential to promote worldwide use of debit and credit card accounts and make purchases and payments from anywhere on the globe. (Alagheband, 2006)

Call centers focus is to assist their customers in obtaining account information and carrying out transactions, avoiding walking or driving to a branch office or ATM.

Increasingly, call centers are being used not only to answer customer`s questions, but also to cross sell services and build customer relationships. (Alagheband, 2006)

2.4. CORE BANKING AS A PREREQUISITE FOR ETHIOPIAN AUTOMATED TRANSFER SYSTEM (EATS)

2.4.1. Electronic Fund Transfer System

The Electronic Fund Transfer (EFT) system is a recent development in the banking field as a result of the adoption of modern technology in banking. It facilitates transfer of funds from one center to another across banks within a few seconds and assumes availability of funds on the next day of the transfer. (Gomez, 2008)

2.4.2. An Overview of Ethiopian Automated Transfer System

The EATS application of the EATS provides a settlement mechanism in which both processing and final settlement of inter-bank funds transfer instructions take place continuously. In EATS, the settlement of funds occurs on a transaction-by-transaction or bulk-by-bulk basis depending upon whether the originating instruction is an individual transaction or a bulk transaction. The transfers are tested for funds availability, and settled, continuously, and in real time across Central Bank settlement accounts, provided that the sending bank has sufficient covering balance or credit. EATS provides continuous intra-day finality for individual and bulk transfers. (EATS User guide, 2011)

Each Participant has a settlement account in EATS and can also have a Collateral Account, which records the available collateral for EATS settlement, an Intra-day Liquidity Facility (ILF) account which records the amount of collateral actually mobilized at any time and various Reserve Accounts which enable funds to be held back for specific purposes. (EATS User guide, 2011)

The EATS application provides inter-institution payment services for the National Bank of Ethiopia (NBE) and the Participants. In providing these services, the EATS system performs the general functions of:

- Message Handling
- Payment Processing
- Liquidity Management
- Queue monitoring and control
- Reporting
- Complete monitoring of account balances for both the Central Bank and Participants

The EATS application supports the following banking operations:

- Payments between Participants (including NBE as a Participant)
- Clearing House settlement
- Other NBE transactions affecting Participant accounts, including account adjustments (Participant Debits, Participant Credits and Participant Transfers). (EATS User guide, 2011)

2.4.3. Participants in EATS

Participants in EATS are:

- National Bank of Ethiopia (NBE)
- Ministry of Finance and Economic Development (MOFED)
- Ethiopian Revenue and Customs Authority (ERCA)
- Commercial Banks
- Clearing Houses (for the purpose of entering Net Settlement Instructions, e.g. ECX).

2.4.4. Core banking for the Improvement of Clearing House Functions

Banker`s Clearing House is a place where interbank claims arising on account of cheques received for collection by each bank drawn against other banks are settled. Every day, each bank receives hundreds of cheques drawn on different banks. It would be a difficult process to present all these cheques for payment over the counters of each bank. Today, only a very limited numbers of cheques

issued are presented for payment to the banks to obtain cash or notes in exchange. A great majority of cheques are paid through the medium of clearing houses. (Gomez, 2008) so, core banking supports this facility as all branches directly connected to the clearing house.

2.5. CORE BANKING AS A FOUNDATION OF INTERNATIONAL BANKING

International Banking

According to Alfred Slager, 2006, An international operating bank has the following characteristics:

1. Asset and/or liabilities other than in the home country and/or home country currency
2. Rights and/or claims other than in the home country and/or home country currency, part of which is:
3. Issued and collected outside the home country.

(Alfred Slager, 2006)

The most common organizational unit for most international banks is the branch office, normally offering a full line of services.

Peter & Silvia stated the following services supplied by banks in international markets:

- Making Foreign currencies available to customers
- Supplying customers with short and long term credit or credit guarantees
- Supplying payments and savings instruments to international customers
- Helping customers market their products through export trading companies. (peter & Silvia, 2008)

2.6. CORE FUNCTIONALITIES OF T 24 (THE NEW SYSTEM)

TEMENOS, the leading software company, offers a latest banking product named T24 for CBB with the following core functionalities:

2.6.1. CUSTOMER application

CUSTOMER application is central or “Core” to T24 system as all activities are customer centric in nature. All management information and services are organized around Customer record. Details mentioned in Customer records are not repeated anywhere else, but used by all applications. Any subsequent changes in these details are hence required to be done only at CUSTOMER application and hence it is easy to maintain. (Overview of T 24, 2012)

It contains all the basic information about any entity which the bank has dealings with. In T24, Customer record creation is not restricted to ‘Bank’s Customer’ in the conventional sense of the word. A customer record will need to be opened for correspondent banks, brokers, guarantors etc., as well as for Bank’s customers like current and savings account holders, borrowers, depositors and the like. (Overview of T 24, 2012)

Details in Customer record are descriptive in nature and not financial. For example, it holds the occupation, residence and contact details of a Customer. It will not hold the account numbers or balances in those accounts of a Customer.

All business process applications refer to the Customer record during processing. Therefore it must be opened before any Customer business activity. (Overview of T 24, 2012)

Customer records for Banks, Correspondent Banks and Agents should ideally be opened at the initial stage itself as this will help to minimize data

input for settlement instructions in Money Market, Foreign Exchange and Funds Transfer applications.

Though some Banks insist that their Customers should always have an account with them before getting into any Contractual relationship, this is not mandatory universally. In Retail Banking, a private or corporate customer would normally have some kind of account such as savings account, current account or Overdrafts. Banks have Nostro Account with other Banks. But a Customer need not be in account relationship with a Bank to do business. Contract type transactions such as FOREX, Money Market and Securities can still be arranged and a limit would normally be set up for a Customer for such dealings. (Overview of T 24, 2012)

Customer record holds all the basic information about a Customer.

Ideally only one Customer record should exist for each Customer. This can be created whenever a name, address and other such essential information is obtained and is not dependent on the existence of an account.

In T24, creating a Customer record need not wait till we are ready to open an account or till we propose to have a business transaction.

For example, a Customer record can be set up even when a Bank is considering having any relationship with. Later, when it decides to enter into any contractual obligation, like Foreign exchange or Money Market dealings, it can use the Customer record already created. If at any later stage, the Bank proposed to open a current account, it need not create another record for the Customer. It can as well use information already stored. (Overview of T 24, 2012)

Once a customer record is authorized, it is not possible to reverse the record. We can however amend any details as and when needed.

2.6.2. ACCOUNT application

ACCOUNT application caters to creation and maintenance of all types of accounts handled by T24. In T24, Accounts can be classified as two types, namely Customer account or internal type of account. Customer accounts are accounts opened for and owned by external customers. External customers in the sense that it should be a valid counter party. Internal accounts are accounts maintained by the bank for its own purpose, like cash account, Travelers' Cheque etc. (Overview of T 24, 2012)

Accounts module provides for calculation, accrual and application of interest on customers' accounts. Interest could be either a Fixed or a Floating rate. Further it can be level or banded. In addition, it is used for calculation of charges relating to maintenance and servicing of accounts. Rules for interest and charges can be set for an individual account or for a group of accounts. (Overview of T 24, 2012)

It is also used for production of account statements and issue of passbook for certain class of customer accounts.

It is possible to handle cheque book management in T24 like issuing, controlling stock, recording payment, noting and effecting stop payment instructions.

By linking to another related module called image management it is possible to verify signature of account holders. Sweeping of balances between accounts can also be handled. ACCOUNT module has a separate application called ACCOUNT.CLOSURE for closing accounts. (Overview of T 24, 2012)

2.6.3. TELLER application

TELLER application is meant for handling cash, traveller's cheques and account to account transfer. Teller operations handle both local currency and foreign currency transactions. Cash deposits and withdrawal, foreign

currency buying and selling, account to account transfer, sales or purchase of traveller's cheques and printing of passbooks can be handled through TELLER application. It is also possible to transfer cash from one teller to another for operational requirements in addition to transfer of cash from Vault to Tellers. Teller operations affect Customer Accounts, Internal Accounts and Profit and Loss items. Cash is an internal account and any cash transaction done by a Teller will affect Cash account. When a customer is paid cash or when cash is received from a customer for credit to account, customer's accounts are affected. Accounting is automatic. When customer accounts are affected, limits are checked and updated automatically, where applicable. (Overview of T 24, 2012)

It is possible to take charges for some operations. When foreign currency is bought or sold, banks take currency handling charges and commission. In addition to this, Teller department may like to book marketing exchange profit or loss when the rate offered to customer is different from Treasury rates. Vault is where Bank's cash is centrally held. There could be more than one vault also. Head Teller operations include control of Vault. Head Teller also controls other tellers. Controlling of other tellers include assigning tills to users, authorizing transactions of tellers and transfers between tills, physical checking of cash during till closure. (Overview of T 24, 2012)

2.6.4. FUNDS TRANSFER application

FUNDS.TRANSFER is one of the account based applications in T24 for moving funds around the system internally and externally.

Internally, payments can be made to or from a Customer's account or an internal account. It could involve transferring money from one customer account to another customer account. Some of the external types of payment include Cheques, Mail Payment, Banker's Draft, Clearing House Payments, International payments via Correspondents etc. (Overview of T 24, 2012)

The application is designed to handle all types of currencies, local or foreign and inward or outward payments.

FT application is primarily used for transfer of money from one account to another. It makes use of any of the following types, namely Customer accounts, internal accounts and Profit and loss categories. Customers have different types of Accounts such as, Current Accounts, Savings Accounts, and Margin Accounts and so on. Banks also have internal accounts, which are bank's own accounts. Examples are Cash account, Suspense Account, Draft payable account etc. Profit and Loss items, called Categories in T24, are basically of two types namely product related income or expense like interest on Loans, Commission on LC, Charges on Current Account etc. and non-product related like Salaries, Rent, Electricity, etc. All these groups are differentiated by using suitable range of CATEGORY code. (Overview of T 24, 2012)

For example, if there is a transfer of amount from one customer account to another customer account of the same bank/branch, then the transfer is between two customer accounts. If a customer requests for a Cashier cheque or a Demand Draft then a charge is collected for the purpose. Now, it makes use of three accounts namely a customer account, internal account and Profit and loss items. (Overview of T 24, 2012)

2.7. REASONS FOR FAILED CORE BANKING IMPLEMENTATIONS

Based on the observations during core banking implementations for various clients, Rohan Kudav and Megha Bhasinon have been able to identify some key reasons for failed core banking implementations as follows:

- **Lack of an appropriate product selection methodology:** The product selection methodology is based on the bank's specific requirements and characteristics. What applies to one bank may not necessarily apply to another. Hence, unless the product selection methodology is well thought

through, it can become one of the reasons for initiatives such as these to fail. (Rohan & Megha, 2013)

- **The vendor's inability to deliver:** The vendor's experience in delivering similar core banking engagements is crucial. It is therefore important to analyze the vendor's performance and capabilities in similar scenarios in the past, both in terms of functionality as well as in terms of the size and complexity of the engagement. (Rohan & Megha, 2013)
- **The project group's limited capability:** Just as the vendor needs to be experienced, it is also important that the entire project group, which would include representatives from the vendor, SI and the client, have experience in and exposure to handling projects of similar size and complexity.
- **The System Integrator limited capability:** The SI plays an important role as the interface between the bank and the vendor. Hence, the SI's capability in handling projects and programs of this magnitude is an important consideration.
- **Lack of a well-thought-through model** set in place from the very beginning of the implementation can be a major stumbling block that can trip up the initiative.
- **Lack of support from top management:** If sufficient backing is not provided by the top management of the bank for the core banking transformation, any roadblocks can turn into significant impediments to the success of the transformation. (Rohan & Megha, 2013)

2.8. CUSTOMER EXPECTATIONS AND NEXT GENERATION BANKING

Even as most banks do fire-fighting today, the smarter ones are looking towards the future with New Age Banking. New Age Banking will be driven by customers and require banks to focus on creating value for its customers. (Sumit & Alok, 2009)

Five customer imperatives

Shifts in demographics, incomes, attitudes and behavior, in addition to easily accessible information, are empowering customers to demand greater autonomy, responsiveness and transparency from their banks. Not only do they want personalized products but are willing to shift loyalties and approach another bank that offers them a better deal. Increasingly, banking customers worldwide are exercising their freedom of choice – changing their banks in search for better service. The writing on the wall is clear: `keep your customers happy and survive`.

According to the study by Sumit & Alok (2009), the five imperatives that customers will be looking at to be addressed by their bank of choice are:

- 1. Channel Amplification:** develop the right mix of assisted and self-service channels to provide a rich, unified and consistent banking experience. Today's customers have a lot of choices and banks need to understand that. To service their customers better, they need to have a right mix of both traditional and new age channels. While the importance of banking through traditional channels such as branches, ATM's, kiosks and service drop boxes are far from over, banks need to transform their channel strategy with the idea that a customer's approach to channels is additive and not substitutive.(Sumit & Alok, 2009)

- 2. Service Accessibility:** incorporate technologies which can make banking accessible to a broader base of population. Banks need not only improve service to all their customers but also:
 - Reach new markets by attracting and retaining customers from a broader base of the population.
 - Enhance the banking experience for current customers by offering accessible services.

Investing in accessibility is more than the right thing to do; it is also the smart thing to do for business. With an infrastructure of accessible hardware and software and an inclusive corporate culture in place, banks

can bring sharp focus on gaining business advantage from accessibility investments and transform to an on-demand business. (Sumit & Alok, 2009)

3. Customer serviceability: develop a responsive, reliable and competent service model, accessible via various channels that continuously take feedback and can improvise. Today, customers can access banking services 24 hours a day, 7 days a week and they can do so in person, over phone, online, and in some places through the television. Customers can now obtain information about products and services quickly, compare prices instantly and switch suppliers easily. At the other end of the spectrum, banks must also continue to serve customers who want to come to a branch and deal person directly. Many simply prefer to be able to discuss their financial service requirements face-to-face. (Sumit & Alok, 2009)

4. Data Privacy and Security: protect the identity of the customer, and ensure appropriate mechanisms are established to proactively guard against internal and external misuse of customer information. The resulting impact of data breaches on a customer's personal life is huge and has been found to result in emotional disorders and complications developed in both the short and long terms amongst banking customers. In such a critical situation, the basic expectation from customers is to find their banks to be responsive and not only ensure recovery of financial losses but, most importantly, be respectful and empathetic. (Sumit & Alok, 2009)

The ease with which traditional authentication systems are compromised in recent times together with the rapid growth in identity theft and increasing privacy concerns have resulted in a surge in demand for stronger authentication methods. Some of the key functions to be considered seriously by banks are:

- On-time implementation of government regulations of authentication processes.

- Biometric authentication methods, which use ``something you are`` as the basis of verification, rather than something you have, like a smart card or PIN.

Hence, it is logical to conclude that data privacy is still a relevant area of concern for banking customers despite technological advances and strong risk management processes needs within the bank not only to minimize the financial loss but also to safeguard emotional victimization of customers.

(Sumit & Alok, 2009)

5. **Simplified Banking:** make banking sophisticated, yet simple, in terms of processes and services, to enhance the customer experience.

In today`s world, a customer has access to multiple channels of banking. Still, we see a drift of customers from one bank to another in search of easy banking processes and smooth banking experience. Providing a simplified, yet, fully loaded banking experience is the need of the hour for bank. Banks will need to take the participative view of customers and design banking process, products and channels in such a way that banking experience remains easy and simplified and at the same time can offer world class products and services at competitive rates. (Sumit & Alok, 2009)

CHAPTER THREE

DATA PRESENTATION, ANALYSIS & INTERPRETATION

3.1. OVERVIEW

This chapter deals with the presentation, analysis and interpretation of the collected data through questionnaires and interview for the research entitled “the assessment of core banking system implementation in Construction and Business bank S.Co.” In this regard, the researchers gathered pertinent primary data through two questionnaire formats which have been distributed to 80 customers from AbunePetros branch and to 40 employees from the Main branch and 3 fundamental departments of the bank. Among the distributed questionnaires for employees all are returned timely with 100% return rate and 63(79%) questionnaires were returned from customers of the bank. Therefore, the data collected from employees has analyzed & presented first by using tables and charts and the data collected from customers has presented next.

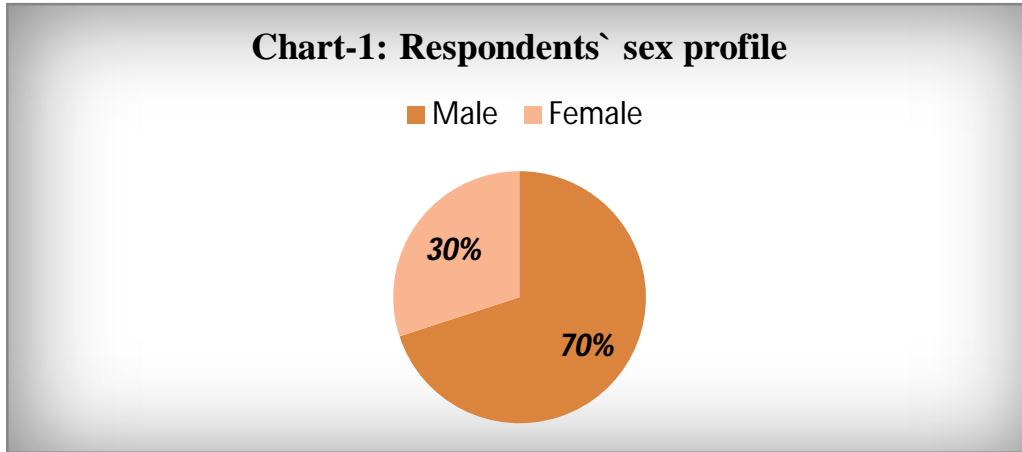
3.2. DATA PRESENTATION, ANALYSIS & INTERPRETATION OF DATA COLLECTED FROM EMPLOYEES

3.2.1. Characteristics of the study population

The data obtained through questionnaires indicates the general information of respondents.

3.2.1.1. Sex Distribution

The sex distribution of respondents is here under presented



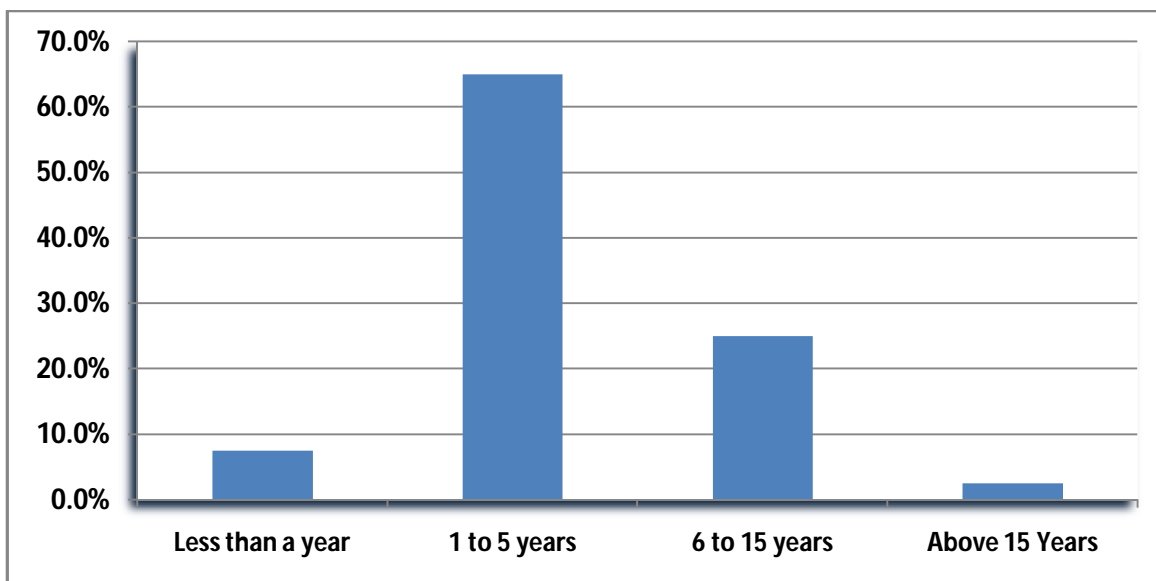
Source: Primary Data

As indicated in chart-1, among 40 employees, 12(30%) of them were female and the remaining 28(70%) were male. This implied that there are large number of male employees in the major 3 departments and the main branch of the bank.

3.2.1.2. Work experience of the respondents

The work experience of employees is here under presented:

Chart-2: Respondents` Service year profile



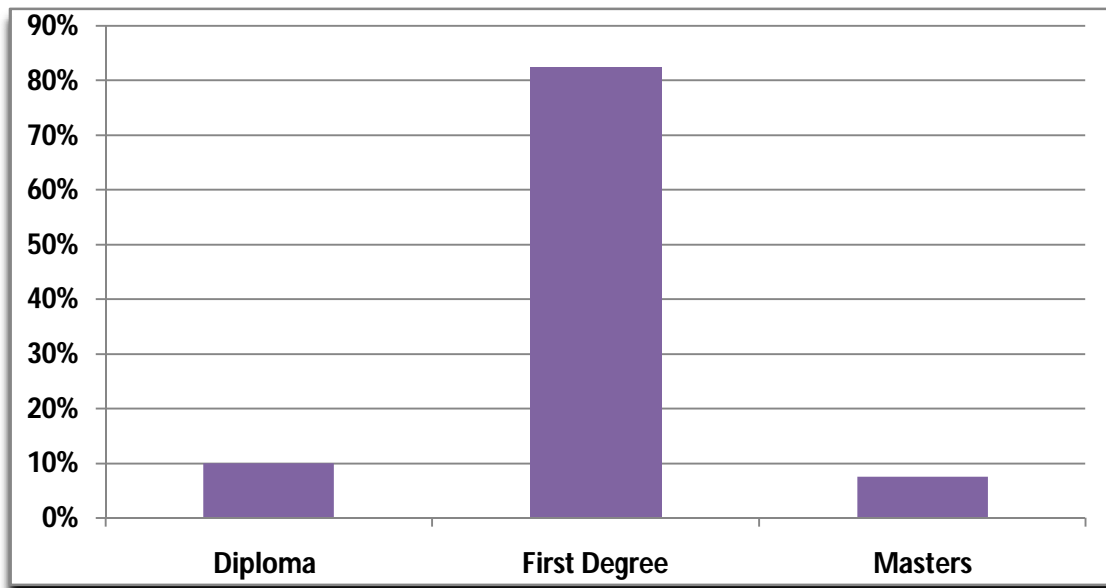
Source: Primary Data

As indicated in chart-2, the working experience of employees, out of 40 employees 26(65%) of them have a service life of 1 to 5 years which is the largest portion among others. Employees with the experience of 6 to 15 years rates 10(25%), and 3(7.5%) of employees serving for less than a year. 1(2.5%) employee has a service life of more than 15 years in the bank. This implied that the bank has more employees with the early stage of service years.

3.2.1.3. Educational qualification of respondents

The educational qualification of employee has a crucial contribution for the accomplishments of the bank`s objectives and vision. The educational qualification of employees is depicted below:

Chart-3: Respondent`s Educational Qualification



Source: Primary Data

As indicated in the chart-3, the educational qualification of employees, among 40 respondents, 33(82.5%) of them were first degree holders which possess the majority number among other qualifications, and the remaining 4(10%) &3(7.5%) of them were Diploma & Masters holders respectively. This indicates

that the bank owns relatively qualified employees in its major departments and main branch.

3.2.1.4. Analysis of major findings of the study

Providing effective training about the new system for the employees is the major task in the core banking system implementation process. So that, the researchers started by gathering related data from the employees, summarized and briefly presented by using tables.

Table 1: Employees` response about the training in general

<i>Item</i>	<i>Questions</i>	<i>Yes</i>		<i>No</i>		<i>No Idea</i>	
		<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
1	Do you think the bank is committed to provide sufficient training for the employees?	27	67.5	9	22.5	4	10
2	Have you got any training about the new system (T 24)?	38	95	2	5		

Source: Primary Data

Item one of the above table shows that 27(67.5%) of respondents replied that they think the bank is committed to provide sufficient training for the employees, 9(22.5%) of them said No for it and the remaining 4(10%) of them had no idea whether the bank is committed to provide sufficient training or not.

Item two of the above table depict whether the respondents took training on the new core banking system (T 24) implemented in the bank. As illustrated above, 38(95%) of the respondents took the training and the remaining 2(5%) didn't. This indicates that almost all senior staffs of the bank are trained of the new system and minimizes the confusion of employees while performing their tasks.

Table 2: Employees` Response about the Training Qualities

Item	Qualities of the training	Very High		High		Neutral		Low		Very Low	
		No.	%	No.	%	No.	%	No.	%	No.	%
1	<i>Attractiveness</i>	7	18.42	14	36.84	11	28.95	6	15.79	-	-
2	<i>Simplicity</i>	2	5.26	23	60.53	9	23.68	3	7.89	1	2.63
3	<i>understandability</i>	3	8.11	22	59.46	11	29.73	1	2.7	-	-
4	<i>Efficiency</i>	4	10.53	13	34.21	18	47.37	3	7.89	-	-
5	<i>Timely</i>	5	13.16	17	44.74	12	31.58	4	10.53	-	-
6	<i>Trainers` competency</i>	5	13.16	20	52.63	12	31.58	1	2.63	-	-

Source: Primary Data

The above table summarizes the responses of the employees towards the qualities of the training on the new system (T 24). As indicated in item one, the majority of 14(36.84%) & 7(18.42%) respondents rate the attractiveness of the training with high and very high status respectively. This implies the training was well prepared and the trainers presented it with eye-catching features.

Item two evaluates the simplicity of the training in which 23(60.53%) of respondents believe the training was with high status of simplicity. This implies that since the new system is recently introduced to our country and came up with very complicated features, the bank and the trainers were committed to present the training with simple way of techniques.

Item three describes the understandability of the training in which 22(59.46%), the majority of respondents rate it with high status and the training was presented in highly understandable way. This may help the trainees to catch the basic concept of the training.

Item four illustrates that the majority of the respondents, 18(47.37%) were neutral towards the efficiency of the training. On the other hand 13(34.21%) of respondents believe that the training was highly efficient. These relatively close responses imply that the efficiency of the training was in question.

As indicated in the fifth item, the majority of respondents, 17(44.74%) of them believe the training was delivered on the very true time. This implies that since the training was timely delivered, the employees could memorize what they have learned when they get back to their duties.

The sixth item portrays that majority of respondents, 20(52.63%) observe that the trainers were highly competent and committed for their duties during the training session. Moreover, as the bank used its employees to provide the training for other employees, it could minimize the cost which has been paid for other training providing companies.

Furthermore, when the respondents questioned whether additional training is required if new features are added in to the system, 22(56.41%) & 15(38.46%) of majority of respondents mentioned that they strongly agree & agree with the necessity of consecutive trainings in the future.

Table 3: Employees` response about the new system

Item	Question	Yes		No		No Idea	
		No.	%	No.	%	No.	%
1	Is there developed and implemented core banking system in CBB now?	38	95	–	–	2	5

Source: Primary Data

As it is indicated in the above table, item 1, majority of respondents, 38(95%) of them replied that there is developed and implemented core banking system in CBB. This implies that the employees in the three major departments and the main branch are familiar with the new system and aware of its implementation.

Table 4: Employees` response about the new systems` compatibility

Item	Questions	Responses in	
		No.	%
1	Do you believe that the system is compatible with the current condition of the bank than other core banking systems?		
	Response options		
	Yes, it is compatible with the bank	21	53.85
	No, the bank failed to choose the compatible one	3	7.69
	I am not aware of other core banking systems	11	28.21
	I have no idea	4	10.26

Source: Primary Data

The above table illustrates the employees' response towards the compatibility of the new system with the current condition of the bank. As indicated above, majority of respondents which marks 21(53.85%) said yes for its compatibility. In contrast, 3(7.69%) of respondents consider the bank failed to choose the compatible core banking system. On the other hand, 11(28.21%) & 4 (10.26%) of respondents emphasize that they are not aware of other core banking systems and have no idea about the issue. The given responses and the majorities' option implied that the bank has chosen the right core banking solution which fits with its current condition.

Table 5: Employees` response about the old system

Item	Question	Yes		No		No Idea	
		No.	%	No.	%	No.	%
1	Is there any computerized banking system before the current implemented core banking system in your department/branch?	38	95	1	2.50	1	2.50

Source: Primary Data

As depicted in the above table the respondents have been asked whether a computerized banking system existed before the implementation of the new system (T24). The majority of respondents from three departments and the

main branch, 38(95%) of them, replied that there was a computerized system before T 24 has implemented in the department and branch they are working.

The given data implied that the departments and the branch have using locally networked computerized system before the new system has implemented. Furthermore, the old system makes the data migration process very easy and contributed a lot to the employees to be easily familiar with the new system (T24).

Table 6: Employees` response about the termination of the old system

Item	Question	Responses in	
		No.	%
1	Does the old system still working in your department or branch?		
	<i>Response options</i>		
	My department is still using the old system	2	5.13
	It works parallel with the new system	17	43.59
	No, it`s completely terminated	20	51.28

Source: Primary Data

As illustrated in the above table whether the old system is still working in their departments or branch, majority of respondents, 20(51.28%) of them replied that the old system has completely terminated in their departments. In contrast, among 17(43.59%) respondents, who replied the old system is working parallel with the new system, 10(58.82%) respondents were from the main branch. This implies that the old system is still working parallel with the new system in the main branch. Related with this, the under depicted table illustrates the reason why the old system is partially working.

Table 7: Employees` response about the reason why the old system is still in use

Item	Questions	Responses in	
		No.	%
1	Why the old system is still in use in your department/branch?		
	Response options		
	The old system works parallel to the current system and planned to gradually shifted to the current system	4	26.67
	The new system is not capable in some tasks	11	73.33
	The old system is more suitable for my department	-	-

Source: Primary Data

As indicated in the above table, 11(73.33%) of respondents mentioned the reason of the old system is still in use as the new system is not capable in some tasks. In addition, 4(26.67%) of respondents emphasize the plan of gradual shift from the old system to the new one. By inferring the replay of respondents in the related open ended question, all respondents from the main branch specify the reason as the old system is needed for communicating with offline branches for telegraphic transfer transactions only. Additionally, some respondents mentioned that they are using the old system for reference purposes in order to acquire certain information. Therefore, it is expected that the old system will be terminated after all offline branches get connected.

Table 8: Employees` response towards Inter branch transactions and settlement issues

Item	Question	Strongly agree		Agree		Disagree		Strongly disagree	
		No.	%	No.	%	No.	%	No.	%
1	How do you agree that the new system facilitate inter-branch transactions and settlement issues in the easiest way?	17	42.5	20	50	2	5	1	2.5

Source: Primary Data

As illustrated in the above table, majority of respondents, 17(42.5%) & 20(50%) of them normally and strongly agree with the option the new system could facilitate inter branch transactions and settlement issues in the easiest way.

This indicates that the new system helps to achieve one of the bank's objective by making the working environment moderate and eliminate the traditional way of settlement of accounts between branches. Since the old system was only locally networked, one department or branch couldn't access other departments' or branches' account and that makes the settlement process bulky and took a long process.

Table 9: Employees' response relating with the reporting process

Item	Questions	Responses in	
		No.	%
1	Does the new system improve the reporting process of your department/branch?		
	Response options		
	Yes, it improves very well	19	47.5
	No, the reporting process remains the same	4	10
	The new system complicated the reporting process	11	27.5
	I have no idea	6	15

Source: Primary Data

As indicated in the above table, the respondents asked whether the new system improves the reporting process in their department or branch and majority of respondents, 19(47.5%) of them replied yes for the given question. In contrast, 4(10%) of them believed that the reporting process remains the same and they didn't observe any change. On the other hand, 11(27.5%) respondents think that the new system complicated the reporting process. The gathered data indicates that there are sorts of weakness on the reporting process of the new system.

Table 10: Employees` response towards the efficiency of the new system

Item	Questions	Responses in	
		No.	%
1	Is the implemented core banking system efficient for the performance of CBB`s banking operations?		
	Response options		
	Efficient with no limitation	4	10
	Efficient with some limitation	36	90

Source: Primary Data

As depicted in the above table, the employees` response towards the efficiency of the new system for the performance of the bank`s operations presented. Among 40 respondents, majority 36(90%) of respondents replied that the system is sufficient with some limitations. This implies that there is an agreement between almost all employees that the system has some weakness on specified areas. The following table summarizes the major limitations the new system faced.

Table 11: Employees` response on the limitations of the new system

Item	Questions	Responses in	
		No.	%
1	What is the specific limitation of the new system?		
	Response options		
	Posting transactions	4	8.89
	Report enquiries	17	37.78
	Printing options	9	20
	Security issues	7	15.56
	All have limitations	8	17.78

Source: Primary Data

As indicated in the above table, the respondents mentioned the specific limitation of the new system & some respondents discuss more than a limitation. In this regard, 17(37.78%) of respondents, which are the majority, mentioned that the new system gets some problems related with reporting facilities. The next 9(20%) replied that there is a limitation related with the printing options, 7(15.56%) mentioned the limitation related with security issues in the system. Less number of respondents 4(8.89%) address the

limitation in posting transactions. Beside these, 8(17.78%) of respondents mentioned that the system has all limitations.

Table 12: Employees` response on the benefits of the new system

Item	Questions	Responses in	
		No.	%
1	What benefits does the bank have attained as a result of applying core banking system?		
	Response options		
	Time saving	12	20.34
	Cost reduction	1	1.69
	Customer satisfaction	11	18.64
	Competitive advantage	8	13.56
	All are benefits	27	45.76

Source: Primary Data

The above table summarizes the employees response towards the bank`s benefit due to the new system implementation. As indicated above, 27(45.76%) of respondents mentioned that the bank attained all benefits offered for the choice. 12(20.34%) specifically address the benefit of time saving on the bank side. 11(18.64%) of them particularly focus on the benefit of customer satisfaction & 8(13.56%) of respondents states that the bank attained the competitive advantage. One respondent (1.69%) mentioned the cost reduction benefit for the case.

Table 13: Employees` response towards network problem & system Interruption

Item	Questions	Yes		No		Sometimes		Always		No Idea	
		No.	%	No.	%	No.	%	No.	%	No.	%
1	Is there a system interruption or network error during working times?	38	95	2	5						
2	How often it occurs?					35	89.74	2	5.13	2	5.13
3	Is there any responsible department or body which gives a solution for the problem occurred in the system?	35	87.5	4	10					1	2.5

Source: Primary Data

As depicted in the above table, item one, respondents from three departments and a main branch were asked whether system interruption or network error

exists during working times & majority of respondents, 38(95%) of them responded yes for the request. Related with this, as indicated in the above table, item two, they responded how often the system interruption and network error occurs. So that, 35(89.74%) of respondents stated that it occurs sometimes & 2(5.13%) of them mentioned the problem occurs always. On the other side, 2(5.13%) of respondents have no idea about the issue.

Item three summarizes the response of respondents whether there is a responsible department which is accountable for the problems occurred and gives the necessary solution. Majority, 35(95%) respondents, responded yes for the request & the remaining 4(10%) said No and 1(2.5%) proclaim have no idea about the issue. Depending on the response, it is clear that there is a responsible body with in the bank that stands to solve problems related with the network problem and system interruption. In connection with this issue the following table summarizes how respondents are satisfied with the solution given by the concerning body.

Table 14: Employees` response about the solution maker

Item	Questions	Responses in	
		No.	%
1	How does it respond to give a solution for the problems occur?		
	Response options		
	Very late to respond	3	8.33
	Late to respond	8	22.22
	On time response	24	66.67
	I have no idea	1	2.78
2	How often are you satisfied with the solution given by the concerning department?		
	Response options		
	Always	9	23.68
	Sometimes	26	68.42
	Not satisfied all times	3	7.89

As the above table, item one and two indicates, majority of respondents, 24(66.67%) of them believed that the solution making body gives on time response for the problem occurs related with system interruption and network

error. In connection with this 26(68.42%) & 9(23.68%) of respondents replied that they are sometimes and always satisfied with the solution given by the concerning body respectively. On the other side, 8(22.22%) of respondents disagree with the option that states there is on time response and they believe there is late response by the concerning body so that 3(7.89%) of respondents are not satisfied all times.

Table 15: Employees` response towards the new system`s performance

Item	Questions	Responses in	
		No.	%
1	<i>Do you think that the current system is more efficient & effective than the previous system in general?</i>		
	<i>Response options</i>		
	Yes	33	82.5
	No	1	2.5
	I can`t compare	6	15
2	<i>Does the current implemented system helpful for good performance?</i>		
	<i>Response options</i>		
	Yes it is	21	52.5
	Yes, without some limitation	18	45
	No, it is not helpful	1	2.5

Source: Primary Data

The above table summarizes the responses of respondents that requests whether the current system is more efficient and effective than the old system and 33(82.5%) of respondents said yes for it. In contrast, 1(2.5%) respondent stands contrary. The remaining 6(15%) respondents proclaim that they couldn't compare the two systems. Next to item one, item two requests whether the current system is helpful for the good performance of the bank and 21(52.5%) of respondents said definitely yes for it and 18(45%) of them preferred to say yes with some limitation.

Table 16: Employees` response towards working procedures and manuals

Item	Questions	Responses in	
		No.	%
1	<i>Are there working procedures and manuals in your department/branch?</i>		
	<i>Response options</i>		
	Yes	34	85
	No	3	7.5
	I don` t know	3	7.5
2	<i>Can you get and refer it?</i>		
	<i>Response options</i>		
	Yes I can	31	91.18
	No I can` t	3	8.82
3	<i>If no, why don` t you get & refer it</i>		
	<i>Response options</i>		
	It is bulky and hard to understand		
	I have no idea where it is	3	100
	It is locked in box		

Source: Primary Data

As illustrated in the above table, the respondents requested whether there are procedures and manuals in their department or branch. Then, majority of respondents 34(85%) replied yes & 3(7.5%) said no for it. On the other hand, 3(7.5%) respondents have no idea about the issue. If we take the majority into consideration, it can be said that there are working procedures and manuals in the major departments and main branch of the bank.

In connection with this, Item two requests the respondents whether the existed procedures and manuals are available to reference purposes. So that, 31(91.18%) of respondents proclaim that they can get the procedures and refer it. In contrast, only 3(8.82%) replied they couldn` t. As item three indicates, all respondents 3(100%), who couldn` t get & refer the procedures & manuals, describe the reason as they didn` t have the clue of where it is.

Table 17: Employees` response about the procedures & manuals of the new system

Item	Questions	Responses in	
		No.	%
1	Is there any manual or procedure related with the current core banking system?		
	Response options		
	Yes	24	60
	No	8	20
	I don`t know anything about it	8	20
2	Does it contain clear and understandable guide to use the current system?		
	Response options		
	Yes	22	88
	No	2	8
	I have no idea	1	4
3	I there is no procedure, do you think there is some confusion because of it?		
	Response options		
	Yes, there is some confusion	1	16.67
	No, there is no confusion	1	16.67
	I have no idea	4	66.67

Source: Primary Data

The above table illustrates whether there are procedures and manuals related with the new system in the main branch and major departments of the bank. Therefore, as indicated in item one, 24(60%) majority of respondents replied yes for the request. In contrast, 8(20%) of respondents said No for it & the remaining 8(20%) have no idea about the issue. In connection with this, out of 24 respondents, 22(88%) of them believe that the procedure & manuals have clear and understandable guide to use the new system. On the other hand, out of 8 respondents, who said there are no procedure and manual in there department, 1(16.67%) believe that there is some confusion because of It.

Table 18: Employees` response towards the new systems` functionality

Item	Questions	Responses in	
		No.	%
1	Is the new system (T24) easy to use than the old system (SMART)?		
	Response options		
	Yes it is	16	45.71
	SMART is easy	13	37.14
	Both are easy	6	17.14
2	Have you any doubt on the current system that there is a possibility of breaking your password by another user?		
	Response options		
	Yes I doubt	13	32.5
	No, I don` t have any doubt	14	35
	I have no idea	13	32.5
3	If you are connecting directly with customers, does it make you to serve the customers better?		
	Response options		
	Yes it makes me better	23	69.70
	No change on the service I give	9	27.27
	I have no idea	1	3.03
4	Have you take sufficient access in the system that makes your job simple and fast?		
	Response options		
	Yes I have sufficient access	25	62.5
	I take more access than I need		
	I need more access	13	32.5
	I have no idea	2	5

Source: Primary Data

As indicated in the above table respondents gave their opinions towards the new system`s functionalities. Firstly, as depicted in item one, they are requested whether the current system is easy to use than the old system and 16(45.71%), majority of respondents replied that the new system is easy to use than the old system in contrary with the 13(37.14%) respondents who said the reverse. On the other side, the remaining 6(17.14%) respondents stated that both systems are easy to use.

The request in item two concerned about the security issue of the new system for which 14(35%) respondents express their opinion that they didn`t have any doubt on the possibility of breaking their passwords by another user.

In contrast, 13(32.5%) of respondents have a doubt on the issue. On the other side, 13(32.5%) of them replied that they don't have any idea whether their account could be accessed by another user. This implies that there is a need of eliminating the possibility of deceitful acts towards breaking passwords of users and other security issues and providing training for the employees for they can protect themselves from getting trouble as well.

Item three focuses on the serviceability of the new system which requests about the changes on the service after the new system is implemented. In connection with this, 23(69.7%) respondents believe that the new system improves the service they are giving in contrary with 9(27.27%) respondents who believe the service they are giving remains the same.

Item four discuss whether the employees have sufficient access in the new system which enables them to provide fast & efficient service for the customers. In this regard, 11(62.5%) of respondents stated that they have sufficient access in the new system in contrary with 13(32.5%) respondents who proclaim they need more access. This indicates that there is a need of revising the users access and facilitating the easy of conducting operations.

3.3. DATA PRESENTATION, ANALYSIS & INTERPRETATION OF DATA COLLECTED FROM CUSTOMERS OF THE BANK

3.3.1. Characteristics of the study population/customers

In any research, the researcher needs to assess the relevance of its respondents with respect to the data needed to be obtained for making certain findings. Accordingly the researchers collected the following data about sex, Educational qualifications and customary relationship with the bank.

3.3.1.1. Sex distribution of respondents

The sex distributions of selected customers are presented as follows:

Table 19: customer`s sex distribution

Gender	Frequency	Percentage
Male	21	34
Female	42	66
Total	63	100

Source: primary Data

As indicated in the above table, majority, 42(66%) of respondents were female and 21(34%) were male. This implies that there are large numbers of female customers in Abunepetros branch and there is a demand of gender based banking services.

3.3.1.2. Educational qualification of respondents/customers

Educational qualification of customers has a great impact over the bank`s initiative to come up with modern banking services like Internet and Mobile banking. In this regard, the educational qualification of customers is presented below.

Table 20: Educational Qualification of customers

Level of Qualification	Frequency	Percentage
Note educated	-	-
Elementary level	-	-
High school level	6	9.52
Certificate	6	9.52
Diploma	21	33.34
First degree & above	30	47.62
Total	63	100

Source: Primary Data

As depicted above, majority of respondents, 30(47.62%) of them are First degree holders and above and the next majority are diploma holders who rates 21(33.34%). The rest of respondents are in the certificate and high school level.

This implies that the customers are in the level of competency which enables them to run up with the banks` technological changes. So that the bank wouldn`t face significant challenge if it plan to come up with latest banking services with a little effort of equipping its customers.

Table 21: Customer`s relationship with the bank

Item	Questions	Responses In	
		No.	%
1	For how long have you a customary relationship with the bank?		
	<i>Response Options</i>		
	Less than a year	21	33.33
	1 up to 5 years	33	52.38
	above 5 years	9	14.29
	Total	63	100
2	How do you select CBB from other competitive banks?		
	<i>Response Options</i>		
	Because its government owned	6	9.52
	Because of its accessibility	27	42.86
	Because of its better service	24	38.10
	Other reason	6	9.52
	Total	63	100
3	What kind of service are you taking from the bank?		
	<i>Response Options</i>		
	Saving or current account	42	66.67
	Foreign currency exchange service	12	19.05
	Loan or trade service		
	Money transfer service	9	14.29
	Total	63	100

Source: Primary Data

As illustrated in the above table, the customer`s relationship with the bank analyzed and presented. In the first place, the request in item one presents the customer`s years of customary relationship with the bank. In this regard, majority, 33(52.38%) of respondents proclaim that they have one to five years of customary relationship with the bank. Customers with a relationship of less than a year rates 21(33.33%) and 9(14.29%) of respondents have been customers for more than five years.

Based on the gathered data, majority of customers are in the earliest stage of customary relationship with the bank so that the bank should be committed to sustain its relationship by satisfying existing customers and attracting the new.

Item two requests how the customers are choosing the bank among other competitive banks. In this regard, majority, 27(42.86%) of respondents proclaim that they are attracted by the bank`s accessibility. The next majority, 24(38.10%) of respondents believe that they preferred the bank by its better service. On the other hand, 6(9.52%) respondents replied that they preferred the bank because of its government ownership. While inferring this, the bank should improve its strength which helps to stay in a highly competitive banking industry.

As indicated in Item three, customers were requested what kind of service they are taking from the bank. In this regard, among the selected 63 respondents, 42(66.67%) of them are saving or current account holders & 12(19.05%) respondents proclaim that they are taking foreign currency exchange services. Beside this, 9(14.29%) of respondents stated that they are local money transfer service customers.

Table 22: Customers` response towards the new system

Item	Questions	Responses In	
		No.	%
1	How much do you know about core banking technology?		
	<i>Response options</i>		
	Very much	-	-
	Sufficiently	18	28.57
	A little bit	24	38.10
	Nothing	21	33.33
	Total	63	100
2	Do you believe that it is the right time to implement core banking technology in the bank?		
	<i>Response options</i>		
	Yes, it is the right time	24	40
	Very lately done	18	30
	I have no idea	18	30
	Total	60	100
3	How are you satisfied by the service of the bank after core banking implementation?		
	<i>Response options</i>		
	Highly satisfied	18	33.33
	Satisfied	33	61.11
	Dissatisfied	3	5.56
	Total	54	100

Source: Primary Data

As illustrated in the above table, item one, respondents were requested how much they know about the core banking technology and 24 (38.10%), majority of them replied that they know a little bit about it. Beside this, 21(33.33%) respondents know nothing about the core banking technology. In this regard, there is a need of introducing the new system with various advertisement techniques to familiarize the customers with the benefits of the new system.

Item two contains the response related with the time of the core banking implementation for which 24(40%) of respondents proclaim that it's the right time to implement. In contrast, 18(30%) of them replied that the implementation was very lately done. On the other hand, 18(30%) respondents

stated that they have no idea about the issue. Inferring the relatively close responses, it can be said that the time of implementation is in question.

As item three indicates, respondents were requested how much they are satisfied with the service of the bank after core banking implementation and 33(61.11%) of them proclaim they are normally satisfied & 18(33.33%) of them stated that they are highly satisfied. In this regard, we can infer that there is an improvement of service within the branch after the new system has implemented.

Table 23: Customers` response towards Inter branch transactions

Item	Questions	Responses In	
		No.	%
1	How do you rate the importance of accessing an account from any branch of the bank?		
	<i>Response options</i>		
	Very important	33	52.38
	Important	27	42.86
	Neutral	3	4.76
	Not important	-	-
	Total	63	100
2	For how many times did you access your account from other branch?		
	<i>Response options</i>		
	I didn't access it ever	24	42.11
	Sometimes	27	47.37
	Always	6	10.53
	Total	57	100

Source: Primary Data

The above table presents the customers` response related with inter branch transactions and as item one indicates, 33(52.38%) of respondents believe that accessing an account from another branch is very important. Beside this, 27(42.86%) of respondents preferred to say it is normally important. Yet its importance doesn't get in question, as item two indicates, 24(42.11%) of respondents didn't access their account from another branch and only 27(47.37%) of customers used this privilege sometimes. On the other hand,

6(10.53%) respondents proclaim that they are always using inter branch transactions.

Table 24: Customers` response towards network problems & system Interruptions

Item	Questions	Responses In	
		No.	%
1	How often temporary network problem exist in the branch?		
	<i>Response options</i>		
	Every day	8	17.39
	At least once in two days	8	17.39
	Sometimes	30	65.22
	Total	46	100
2	What do you do when you can't withdraw from your account due to temporary network problem existed in the branch?		
	<i>Response options</i>		
	I try to withdraw from nearby branch	40	74.07
	I postpone my withdrawal plan until the problem is resolved	10	18.52
	Other	4	7.41
	Total	54	100

Source: Primary Data

As the above table indicates, respondents were requested about their observations towards network problem and system interruption on the new system and 30(65.22%) of respondents stated that there is network problem sometimes in the branch. Beside this, 8(17.39%) of them replied that there is temporary network problem at least once in two days. By inferring the gathered data, almost all respondents agreed that there is temporary network problem in the branch that its frequency depends on the respondents` observation.

Item two requests the respondents` reaction while there is temporary network problem that prevents to withdraw from an account. Related with this, 40(74.07%) of majority of respondents preferred to withdraw from other nearby branch. Others, 10(18.52%) respondents proclaim that they prefer to postpone the withdrawal until the problem gets resolved. This indicates, the bank offers and introduces other solution while network problem exist.

Table 25: Customer`s response towards customer service of the bank

Item	Questions	Responses In	
		No.	%
1	Is there any delay while providing service in the branch?		
	<i>Response options</i>		
	There is no delay	12	21.05
	Always delay	6	10.53
	Sometimes delay	30	52.63
	I don't know	9	15.79
	Total	57	100
2	If there is any delay sometimes or always, what is the reason in your opinion?		
	<i>Response options</i>		
	Network problem	30	47.62
	Employees incompetency	6	9.52
	Customer's crowded	3	4.76
	Power interruption	12	19.05
	All are causes	12	19.05
	Total	63	100
3	Is there one window service with in the bank in which all services are available at a place?		
	<i>Response options</i>		
	Definitely yes	21	41.18
	Sometimes not	24	47.06
	Always not	6	11.76
	Total	51	100
4	How do you rate the employee's commitment on their job?		
	<i>Response options</i>		
	Very well	24	53.33
	Well	21	46.67
	Total	45	100

Source: Primary Data

As indicated in the above table, item one, respondents were requested whether there is a work delay in the branch and 30(52.63%) replied that there is a delay sometimes in the working process. Beside this, 6(10.53%) respondents proclaim that there is always delay in the working process. In contrast, 12(21.05%) of respondents didn't observe any delay in the working process. Relating with this, as depicted in item two, respondents` observation towards the reason of delay in the working process stated. In this regard, 30(47.62%) of respondents observe that the delay is due to the network problem while

12(19.05%) respondents believe it is due to power interruption and others, 6(9.52%) proclaim it is because of the employees incompetency. Less rated respondents, 3(4.76%) believed that the delay in the working process is due to customer`s crowed in the branch.

Item three contains the responses of customers concerning one window service in the branch and 24(47.06%) proclaim that sometimes they are not getting one window service in the branch in contrast with those 21(41.18%), who preferred to say definitely yes for they are getting one window service.

Finally, as the above table, item four indicates, customers were requested about the employees` commitment and 24 (53.33%) of them found the employees commitment with very well status. Others, 21(46.67%) preferred to grade as well status. This refers the employees commitment is in the very encouraging condition that they have to keep it up.

CHAPTER FOUR

SUMMARY, CONCLUSIONS & RECOMMENDATIONS

As it is stated in chapter one, the objective of this study was assessing the effectiveness of the core banking technology implementation in construction and business bank. So that, primary data through questionnaires were gathered from employees and customers of the bank and analyzed, interpreted and presented in the previous chapter. This chapter, therefore, presents the summary, conclusions & recommendations of the major findings.

4.1. SUMMARY OF THE MAJOR FINDINGS

Based on the analysis made in the previous chapter, the following major findings are summarized.

- The bank owns relatively qualified employees in its major departments and the main branch, which enables to accomplish its objectives related with providing modern banking services to its customers.
- Majority of employees have got sufficient training about the new core banking system which refers the bank`s encouraging effort to equip its employees. Beside this, the training was effective as the bank used its own employees to deliver the training with minimum cost. Furthermore, the employees need unceasing training while there are upcoming modern banking technologies.
- Majority of employees stated that the bank choose the right core banking solution which fits with its current condition.
- There was locally networked computerized software named SMART in all departments and it's still in use until all branches are networked. Beside this, the departments are using the old system for reference purposes.
- Now Branches and departments can make inter branch transactions which facilitates automatic settlement of accounts so that customers become customers of the bank rather than a single branch. Automatic

settlement of accounts enables the customers to access their account from any branch which gets online. This minimizes the work load of a single branch and has substantial reduction of tasks in the customer account and transactions department (CAT).

- Majority of employee respondents stated that the new system improves the reporting process of their departments. This is because of all financial data are kept centrally and easily accessed by concerned body.
- Comparing with the old system, the new system has limitation on report formats which the employees observe it doesn't contain clear and understandable details. In this regard, the researchers observe that the bank is on the way of implementing special report module which is expected to improve the reporting process as well.
- Relating with the benefits of the new system, employees mentioned, time saving, cost reduction, customer's satisfaction and competitive advantage.
- Concerning with network problems and system interruptions, majority of employee respondents stated that sometimes there are network problems and system interruptions in the system and the solution is given by the concerning body on time.
- Procedures and manuals related with the new system have prepared and accessed by the employees whenever they need. The procedures and manuals contains clear and practical guide for using the new system that eliminates the confusions and misunderstandings.
- Concerning with the simplicity of the new system comparing with the old one, majority of respondents replied that the new system is easy to use.
- Relating with the security issue, majority of respondents didn't have any doubt on the possibility of breaking their passwords by another user. But, others have a doubt on the issue.
- Majority of respondents stated that they have sufficient access in the system which enables them to perform their duties in the easiest way.

- The new system (T 24) helps the credit department by facilitating online follow up of loan accounts and their respective customers' profile. Beside this, tasks previously performed by branches like Loan account creation, Loan disbursements and related loan reports are now handled centrally by credit experts that allow standardizing the overall credit operations.
- As the information collected from the trade service department, the new system (T 24) facilitates easy communication with correspondent banks through SWIFT messages as it is directly linked with the SWIFT alliance. Moreover, it facilitates easy way of exchanging required documents from branch to the concerned Trade service department through electronic data transferring medium.
- The new system facilitates online auditing that helps to eliminate error and adjust the error on the same date.
- As the data collected from respondent customers implied, majority of respondents have a little awareness about the new core banking technology and its various functionalities.
- Majority of respondent customers are satisfied with the service they are taking after core banking technology has implemented.
- Majority of respondent customers found very important to access an account from any branch of the bank which minimizes the cost and time.
- Majority of respondent customers observe that there are network problem and system interruption on the system sometimes and it causes delay on the service they are taking. And if the system gets temporary offline, they used to access their account at nearby branch of the bank.
- Regarding with the employees commitment, respondent customers found the employees commitment with very well and encouraging condition.
- Modern banking services like ATM, Mobile & Internet banking are expected by customers in nearby future.

4.2. CONCLUSIONS

By considering the summary of findings, the researchers made the following conclusions:

- Selecting the best core banking solution which fits with the current & future conditions of the bank was the primary task in the core banking implementation process. In this regard, the bank has implemented a latest core banking solution named T 24 which is provided by worldly competent, leading banking software company, TEMENOS. Based on the findings we conclude that the bank choose the best core banking solution which is compatible with its current & future conditions and enables the bank to achieve its goals and stay competent in the banking industry.
- Providing adequate training about the new system to the end users was the next essential step in the core banking implementation process. In this regard, based on the findings, we conclude that the bank was committed to provide training to all of the employees with a minimum cost.
- By inferring the findings, we conclude that the new system has came up with the following critical facilities which changed the working environment of the bank:
 - **Centralized accounting**, all transactions of the bank directly affect the general ledger and profit & loss account. This provides a real time total picture about the financial position & situation of the bank. Beside this, online settlement of accounts and centralized cheque clearance functions are supported by the new system.
 - **Centralized customer account management**, this assumes customers as customer of the bank rather than of a branch and enables customers to access their account from any branch they need. Beside this, any

department or branch can access and use a customer`s detail profile at no cost.

- **Centralized reporting**, this helps the bank to get quick report for effective decision making and enhance its operational efficiency. Furthermore, it reduces manual report preparation tasks in branches and departments of the bank.
- Based on the findings, we conclude that the major threat of the new system is temporary network problem which occurs sometimes. This problem has different impact on different branches as it is based on location. Beside this, problems which can be solved by the bank gets immediate solution by the concerning body.
- Concerning with the procedures and manuals, we conclude that the bank has clear and accessible procedures and manuals for essential operations and this helps to reduce the confusions and mistakes which could be occurred due to lack of clear guidance.
- Most of the customers have a little awareness about the new system but they are satisfied with the service they are taking after the new system has implemented in the branch and they sometimes access their account from other branch. Beside this, they expect the bank to provide modern banking services like ATM, Mobile & Internet banking in short future.

4.3. RECOMMENDATIONS

- The software company (TEMENOS) provides latest versions of systems so that the bank should update its system in order to be benefited from the new features added to the latest versions.
- The bank should own competent and qualified employees in order to accomplish its goals and objectives so that the bank needs to offer free local and international scholarships for the employees.

- As indicated in the findings, more customers didn't know a lot about core banking and its functions so that the bank should advertise the product through different Medias.
- Customers are expecting modern E-banking services like ATM, Mobile and Internet banking services so that the bank should come up with those facilities as soon as possible.