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AwashBank

**Terms and Tariff for Domestic
Banking Services (Revised)**

October 2023

1. Introduction

1.1. Background

As the retail banking market becomes more price competitive in terms of the products and services offered, banks must move towards a position where they adopt largely explicit and rational pricing methods. Banks should also alternatively introduce policies that reinforce customer loyalty and obtain a substantial long-term return from the totality of the relationship with the customer as the introduction of new technology-based products breaks down the traditional homogeneity of bank products. Accordingly, AB (Awash Bank) has revised its existing domestic banking services' term & tariff (which was revised three months ago) to be competitive in the market and to enhance its sustainable profitability.

1.2. Objectives of the Revision

The general objectives of this revision are to make AB more competitive and profitable. Specifically, it aims to minimize customer complaints; maintain reasonable prices to attract more customers, and update services not included in prior terms and tariff documents.

1.3. Scope of the Revision

This term and tariff revision deals with the commission and service charge of the Bank's domestic banking services such as the Banker's Cheque (CPO), standing instructions, inter-branch transaction, account statements, different letters issued by the bank, and other related domestic banking services. All Mail Transfers (MT) and Demand Draft (DD) are excluded from these terms and tariffs as it is replaced by a new system.

1.4. Methodology

To revise the existing terms and tariff secondary data were utilized, especially, CBE. Specifically, the following steps were followed while revising the existing domestic banking terms and tariffs of the Bank:

- a) Assessing the existing domestic banking services term & tariff document.

- b) Collecting other Banks' domestic banking services related terms & tariffs such as Commercial Bank of Ethiopia, Bank of Abyssinia, Dashen Bank, and Cooperative Bank of Oromia.
- c) Compare and contrast the Bank's domestic banking terms and tariff with those of peer Banks (Bank of Abyssinia, Dashen Bank & Cooperative Bank of Oromia).
- d) Revise the Bank's domestic banking terms and tariffs based on the market and our internal cost structure.
- e) Have a discussion with the concerned stakeholders (including the CRMT) and incorporate their comments.

1.5. Limitations/Challenges

- a) Getting genuine and updated data from peer Banks on time, and
- b) Impact assessment due to changes in the terms and tariff was not performed due to the fact that most of the items have the same internal account.

2. Recommended Revision areas

Based on the analysis of the banking industry data, the following revisions were recommended on the existing terms and tariffs of Awash Bank, with an intention to make the Bank more competitive and maintain sustainable profitability. The revised terms and tariffs are depicted in the following table:

No	Services, Terms and Conditions	Terms & Tariffs
1	Local Money Transfer (LMT)	
1.1	All Local Money Transfer	
	Commission	Service does not exist.
	From Account	
	From Non account holders (cash)	
	Service Charge	
1.2	Amendment (on customer's Request)	
	Service Charge	
1.3	Staff Transfer (LMT)	
	Commission	
No	Services, Terms and Conditions	
1.4	Inter-branch and Inter-bank Transaction	
1.4.1	Account to Account Transfer Birr1 - 10,000	Birr 5
	Birr 10,001 - 100,000	Birr 10
	Above birr 100,000	Birr 15
1.4.2	Transfer from Customer's Account to other banks accounts (RTGS) for CPO, Cheque, Letter.	Br. 100 flat

	1.4.3	Incoming Special* Clearance	Br. 50 flat
	1.4.4	OBC*	Br. 20 flat
	1.4.5	Transfer of tax collected on behalf of the Government to NBE account*	Br. 100 flat
	No	Services, Terms and Conditions	Current Terms & Tariffs of Awash Bank
2		Bankers Cheque (CPO)	
	2.1	Upon Issuance	
		Commission	
		From Account	Br. 100 Flat
		From non-account holders (Cash)	Up to Br. 100,000=Br.300
			From 100,001-500,000=Br.500
			Above Birr 500,00=Br.750
	2.2	Upon Replacement of the Bankers Cheque	
		Service Charge	Br.200 for Account holders
			Br.400 for Non-account holder
	No	Services, Terms and Conditions	Current Terms & Tariffs of Awash Bank
	2.3	Upon Bankers Cheque Cancellation/voiding	
		Service Charge (For voiding)	Br.100 flat

			Br.200 for non-account holders
	2.4	Refunding lost Bankers Cheque	
		Service Charge	Br. 200 flat for Account holders Br. 250 flat for Non-Account holders
	2.5	Cheque Books Issued by Branches)	
		10 Leaves	-
		25 leaves	Br. 75
		50 leaves	Br. 170
		100 leaves	Br.300
	2.6	Standard Cheque Books Issued by NBE	
		25 leaves	Br. 50
		50 leaves	Br. 100
		100 leaves	Br. 200
	No	Services, Terms and Conditions	Current Terms & Tariffs of Awash Bank
3		Deposit Accounts	
	3.1	Savings Passbook	
		Pass book Issuance upon opening	Free
		Lost/Damaged Passbook Replacement	Br. 100 per passbook
		Closure of S/A within 6 months from date of opening	Br. 100 per passbook
4	4.1	Saving and Checking Account Freeze(court case) in favor of plaintiff (beneficiary)	
		Service Charge	Br. 100 Flat

		Release (Payment to 3rd party by court)	
		Service Charge	Br. 100 per beneficiary
	4.2	Inactive/Dormant A/C Service Charge for	
		S/A balance below Birr 50 for one year	Br.25 per six months
		C/A balance Below Birr 500 for six months	Br.250/six months for a balance less than 1,000 Br.
	4.3	Standing Instruction (S/A, C/A, TD, FCY, O/D, etc.)	
		Service charge	Br 25/transaction
	No	Services, Terms and Conditions	Current Term & Tariffs of Awash Bank
	4.4	Balance Order Instruction	
		Service charge	Br.100/ transaction
	4.5	Stop Payment Order	
		Service Charge (Single Cheque Issued)	Br. 300 per Cheque
		Service Charge (for Range of Cheques or Pad Un-issued)	Br. 300 flat and plus Br. 10 Per Cheque leaf
5	5.1	Sundries Services	
		Salary payment service	Br.3 per account. But Branch Managers are authorized to waive this charge in view of the customer's r/ship with the bank.
		Provident fund handling	Free
		Authentication fee at Documents Authentication and Registration Office and Courts.(In person)	Br. 250 plus 3rd party charge
		Online Authentication	50 Br. Per Authentication
		Customer Door to Door Service to open Account	Free

		Customer door to door service to pay and collect Cash (with in the same town)	As per the agreement
		Change of signature	Br.25/account
	No	Services, Terms and Conditions	Current Term & Tariffs of Awash Bank
6	6.1	Insufficient Fund	
		First Time	Mark in the register book and communicate written warning
		Second Time	Penalize 3% of Cheque value (not exceeding Br. 25,000 + Second written warning)
		Third Time	5% of Cheque amount not exceeding Birr 50,000, close the account & communicate to the office of Chief Retail & SME Banking, Internal Audit Directorate and same to customer/s.
	6.2	Duplicate Account Statement on Request (S/A, C/A, TD, FCY, O/D, Loan Accounts etc	
		Current Month	Br. 25 per Page + Br. 5 for every additional copy page
		Historical	Br. 50 per Page + Br. 5 for every additional copy page
	No	Services, Terms and Conditions	Current Term & Tariffs of Awash Bank
	6.3	Balance Confirmation to External Auditors	

		(S/A, C/A, TD, FCY, O/D, Loans a/c, etc.)	Br. 200 flat
6.4		Duplicate Account Statement on Request (S/A, C/A, TD, FCY, O/D, Loan Accounts etc)	
		Current Year	Br. 25 per Advice or per page
		Over a Year	Br. 50 per Advice or per page
6.5		Balance Availabilty Notification (S/A, C/A, TD, FCY, O/D, Loan Accounts etc)	
		Local	
		Service Charge	Br. 200 Flat
		Registered mail	As per the Postal Service
		International	
		Service Charge	Br. 200 Flat
		Courier Charge	As per courier cost
6.6		Interest on Saving Deposit	As per the existing NBE rate
6.7		Time Deposit	Negotiation
7	7.1	Issuance of Letter on credit status	Br. 200
	No	Services, Terms and Conditions	Current Term & Tariffs of Awash Bank
8		Safe Box Rent	
	8.1	Small	Br. 4000 per annum
	8.2	Medium	Br. 6000 per annum
	8.3	Large	Br. 7000 per annum
	8.4	Extra Large	Br. 8000 per annum
	8.5.	Penalty for failing to renew contract/pay annual rent/	100% of the annual rent in arrears. But 150% of the annual rent in arrears if the payment is above maturity period of the contract.

9		Share & Related Issues	
	9.1	Share Certificate Issuance when transfer of shares from one shareholder to another shareholder or to several other shareholders	Br. 200 per each share certificate from both party
	No	Services, Terms and Conditions	Current Term & Tariffs of Awash Bank
	9.2	Share Transfer fee (to be collected from the transferor and the transferee)	1.25% from each party of gross proceed), minimum Br. 500
	9.3	Splitting/Consolidating share certificate/s in the name of the same shareholder	Br. 500 per share certificate
	9.4	Replacement of share certificates	No charge, if replacement is caused by error (s) committed by the Bank
			Br. 500 per each share certificate, if replacement is not caused by error (s) committed by the Bank
	9.5	Blocking of AB's share to be held as collateral with other entities	For Below Birr 1,000,000; Br 1,500 For Br. 1,000,000 and above, Br 2,500
	9.6	Unblocking of AB's share held as collateral with other entities	Br.1000
	9.7	Share balance confirmation letter issuance-Staff	Birr Free
	9.8	Share balance confirmation letter issuance-Non-staff	Birr 200