

Bank of Abyssinia scales interest-free banking with Azentio's iMAL

8 Billion+

birr mobilized in interest-free deposits, just in 2024

100%

Shari'ah compliant for all profit-sharing calculations

Bank of Abyssinia is a leading financial institution in Ethiopia, recognized for its scale, innovation, and commitment to Shari'ah-compliant banking. With nearly three decades of service, BoA continues to expand its footprint while driving digital transformation and financial inclusion.

Customer highlights

- **Extensive reach**
Serves 4.6M+ customers through 930+ branches and 1,200+ ATMs across Ethiopia.
- **Pioneering IFB growth**
Mobilized 6.07B birr in 2024 IFB deposits, totaling 24.14B birr; IFB financing reached 4.91B birr.
- **Corporate & retail focus**
Offers a comprehensive range of Shari'ah-compliant and conventional banking services to individuals and businesses.
- **Technology-driven vision**
Partners with global providers like Azentio to lead in Islamic core banking and digital innovation.

Business impact

- **Fast and Compliant Interest-Free Banking Rollout**
With iMAL, BoA quickly rolled out Shari'ah-compliant products that met regulatory standards that helped the bank scale efficiently and lead Ethiopia's growing Islamic finance market.
- **Accurate Profit Distribution**
Automated profit-sharing, built on configurable rules and pool structures, ensured every payout was timely, transparent, and fully aligned with Shari'ah guidelines.
- **Efficiency, Cost Savings & Customer Trust**
By automating complex workflows, BoA reduced manual tasks, lowered costs, and improved decision-making, while fair, timely profit payouts deepened customer confidence and loyalty.
- **Fewer Disputes, Faster Audits**
Automation minimized profit-related disputes and significantly reduced audit preparation time, thanks to accurate, real-time reporting and audit-ready records.

Challenges

- **Regulatory and technological gaps in Islamic banking**
Following Ethiopia's 2019 reforms enabling full-fledged Islamic banks, BoA faced challenges in launching interest-free banking due to legacy systems built for conventional banking. The lack of standardized Shari'ah-compliant solutions, evolving regulations, and limited skilled resources further added to the complexity.
- **Need for a certified, compliant platform**
To ensure full compliance with AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions) standards and to uphold stakeholder trust, BoA required a robust platform designed specifically for Islamic finance.
- **Lack of a scalable and automated profit distribution system**
BoA sought a solution that could support complex profit distribution rules while automating end-to-end processes. The bank wanted to ensure accurate and timely distribution of net income among investors, in full accordance with Shari'ah principles.

Solution

- **Purpose-Built Islamic Core for Interest-Free Banking**
BoA implemented Azentio's iMAL to overcome limitations of conventional systems and meet Shari'ah requirements. The platform enabled automated, AAOIFI-compliant profit distribution and flexible setup of interest-free products
- **End-to-End Profit Calculation and Distribution Automation**
BoA deployed iMAL's Profit Calculation System to automate complex Shari'ah-compliant profit distribution. This eliminated manual processes, ensured accuracy, and enabled timely, compliant payouts with minimal operational effort
- **Configurable Pool Structures**
With iMAL, BoA defined custom pool structures and profit-sharing rules aligned with various Islamic products. The system allowed rule-based configurations for income, expenses, and investor contributions, delivering transparent, efficient profit allocation.
- **Real-Time Dashboards & Analytics**
iMAL's dashboards gave BoA real-time insights into pool performance, customer profitability, and compliance status, enabling faster decisions and confident scaling of its interest-free banking operations.



"With Azentio, we've achieved full Shari'ah compliance while streamlining our operations and delivering transparent, efficient services to our customers. The solution has been a reliable backbone in our journey to scale and lead in Ethiopia's interest-free banking sector."

Daniel Hailu
CIO, Bank of Abyssinia