

ANNEX 2: GENERAL ELIGIBILITY AND REQUIRED DOCUMENTS

1. All natural or juridical persons engaged in lawful, financially viable, technically feasible and environmental friendly business/investment activities, are eligible to borrow business loans;
2. The applicant and any of its major shareholders and/or subsidiaries and/or sister companies and/or his/her spouse (in the case of sole proprietorship) and/or legal agents shall fully settle any previous loss loan (written off loans) to the CBE, if any. To this effect, internal records shall be thoroughly checked;
3. The applicant and/or his/her spouse (in the case of sole proprietorship) or mortgagors or major shareholders (in the case of Share Company) or all shareholders (in case of PLC) shall not have any non-performing loans in any bank. In addition, if a group of connected counterparties has one or more non-performing loans and advance in any bank, which accounts 20% & above of the borrower's total loans with the bank, then all other loans or advances to the borrower shall automatically considered as NPL;
4. The person who signed of the loan application request should be legally empowered to request a loan, sign on loan contract and pledge the company's/ third party property; In this regard legal opinion shall be obtained;
5. The applicant shall not be blacklisted in the mal-operation list of the checking account in the CBE banking system at the time of the loan processing;
6. The applicant shall present written credit application and properly filled credit application form (CAF) which are signed and stamped-by authorized person; (Stamp may not be mandatory for sole proprietorship);
7. The applicant and his/her/its guarantor(s) shall give a written and signed consent for access of his/her/its credit information maintained with the Credit Reference System and sharing of same among all other Banks and authorize the CBE to collect related fees and service charges from his/her/its bank account;
8. The applicant shall present registered and authenticated power of attorney, if the applicant is a legal agent;
9. The applicant's credit risk rating shall be grade 1 or 2 or 3 or 4. However, in exceptional cases, new or additional credit may be considered for risk grade 5 and 6;

10. The applicant shall present adequate collateral that covers at least the minimum requirement set by this procedure. All Documents related to offered collateral like ownership certificate/ booklet, approved plan, current land revenue tax payment, and lease agreement shall be presented by the applicant;
11. All loans and advances shall be given in local currency except foreign bank guarantee in which the CBE's commitment would be in FCY;
12. The applicant shall have current/saving account in any branch of the CBE;
13. Applicants with existing business shall submit financial statements (including balance sheet, income statement, and cash-flow statement). The statement may be actual and/or projected financial statement;
14. All applicants requesting Birr 10 Million and above shall bring financial statement audited by external auditors.
15. The CBE shall not accept the credit requests of customers if the latest fiscal year audited financial statements with adverse or disclaimer audit opinion;
16. The applicant shall present all the documents/information demanded by the CBE as per the check list; and
17. Any CBE's active staff engaged in business in his/her name or as major shareholder or a manager, shall not be eligible for business loan.