



Berhan Bank SC

Revised Credit Products' Terms and Tariffs

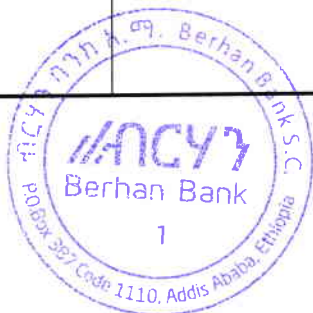


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August 2023

I. Interest Rates

Sector	Loan Type	Collateral Type	Loan Period	Interest Rate (%)
Agriculture	Merchandise	Agricultural Outputs	1 Year	21
	Overdraft	Cash	1 Year	19.5
		Cash Equivalent & Building	1 Year	20.5
	Term loan	Cash	1 Year	19
			1 Year	19.5
		Bank Guarantee (local & foreign), Share Certificate & Cash Equivalent	2 Years	19.75
			3 Years	20
			4 Years	20.25
			5 Years	20.5
		Building	1 Year	19.75
			2 Years	20
			3 Years	20.25
			4 Years	20.5
			5 Years	20.75
		Machinery & Vehicle	1 Year	20
			2 Years	20.25
			3 Years	20.5
			4 Years	20.75
			5 Years	21
Manufacturing	Merchandise	Raw Material/ Finished goods	1 Year	21
	Overdraft	Cash	1 Year	19.5
		Cash Equivalent & Building	1 Year	20.5
	Term loan	Cash	1 Year	19
			1 Year	19.5
		Bank Guarantee (local & foreign), Share Certificate & Cash Equivalent	2 Years	19.75
			3 Years	20
			4 Years	20.25
			≥ 5 Years	20.5
		Building	1 Year	19.75
			2 Years	20
			3 Years	20.25
			4 Years	20.5
			≥ 5 Years	20.75
		Machinery & Vehicle	1 Year	20
			2 Years	20.25
			3 Years	20.5
			4 Years	20.75
			5 Years	21



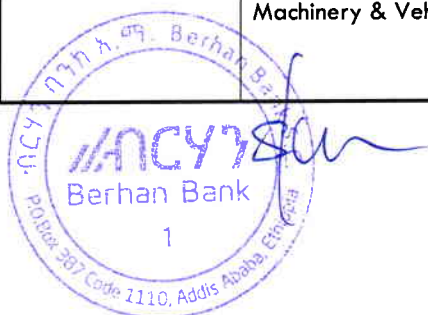
Sector	Loan Type	Collateral Type	Loan Period	Interest Rate (%)
Hotel & Tourism	Overdraft	Cash	1 Year	19.5
		Cash Equivalent & Building	1 Year	20.5
	Term loan	Cash	1 Year	19
			1 Year	19.5
			2 Years	19.75
			3 Years	20
			4 Years	20.25
			≥ 5 Years	20.5
		Building	1 Year	19.75
			2 Years	20
			3 Years	20.25
			4 Years	20.5
			≥ 5 Years	20.75
		Machinery & Vehicle	1 Year	20
			2 Years	20.25
			3 Years	20.5
			4 Years	20.75
			5 Years	21
Transport & Communication	Overdraft	Cash	1 Year	19.5
		Cash Equivalent & Building	1 Year	20.5
	Term loan	Cash	1 Year	19
			1 Year	19.5
			2 Years	19.75
			3 Years	20
			4 Years	20.25
			5 Years	20.5
		Building	1 Year	19.75
			2 Years	20
			3 Years	20.25
			4 Years	20.5
			5 Years	20.75
		Machinery & Vehicle	1 Year	20
			2 Years	20.25
			3 Years	20.5
			4 Years	20.75
			5 Years	21



Sector	Loan Type	Collateral Type	Loan Period	Interest Rate (%)
Building & Construction	Overdraft	Cash	1 Year	20
		Cash Equivalent & Building	1 Year	21
	Term loan	Cash	1 Year	19.5
			1 Year	20
			2 Years	20.25
			3 Years	20.5
			4 Years	20.75
			≥ 5 Years	21
		Building	1 Year	20.25
			2 Years	20.5
			3 Years	20.75
			4 Years	20.95
			≥ 5 Years	21
		Machinery & Vehicle	1 Year	20.5
			2 Years	20.75
			3 Years	21
			4 Years	21.25
			5 Years	21.5
Domestic Trade, Domestic Service and Health & Education	Merchandise	Merchandise Goods	1 Year	21
	Overdraft	Cash & Cash Equivalent	1 Year	19.5
		Building	1 Year	20.5
	Term loan	Cash	1 Year	19
			1 Year	19.5
			2 Years	19.75
			3 Years	20
			4 Years	20.25
			≥ 5 Years	20.5
		Building	1 Year	19.75
			2 Years	20
			3 Years	20.25
			4 Years	20.5
			≥ 5 Years	20.75
		Machinery & Vehicle	1 Year	20
			2 Years	20.25
			3 Years	20.5
			4 Years	20.75
			5 Years	21



Sector	Loan Type	Collateral Type	Loan Period	Interest Rate (%)
Import	Merchandise	Imported Goods	1 Year	21
		Merchandise in Transit		21
	Advance on Import Bills	Import Document	< 90 days	21
	Overdraft	Cash	1 Year	19.5
		Cash Equivalent & Building	1 Year	20.5
	Term loan	Cash	1 Year	19
		Bank Guarantee (local & foreign), Share Certificate & Cash Equivalent	1 Year	19.5
			2 Years	19.75
			3 Years	20
			4 Years	20.25
			5 years	20.5
		Building	1 Year	19.75
			2 Years	20
			3 Years	20.25
			4 Years	20.5
			5 Years	20.75
		Machinery & Vehicle	1 Year	20
			2 Years	20.25
			3 Years	20.5
			4 Years	20.75
			5 Years	21
Export (Goods or Services)	Pre-shipment	Sales Contract	1 Year	14
		Letter of Credit	1 Year	13.5
	Merchandise	Exportable Goods	1 Year	14
	Overdraft	Cash	1 Year	13.5
		Cash Equivalent & Building	1 Year	14.5
	Term loan	Cash	1-15 Years	13
		Bank Guarantee (local & foreign), Share Certificate & Cash Equivalent	1 Year	13.5
			2 Years	13.75
			3 Years	14
			4 Years	14.25
			≥ 5 Years	14.5
		Building	1 Year	13.75
			2 Years	14
			3 Years	14.25
			4 Years	14.5
			≥ 5 Years	14.75
		Machinery & Vehicle	1 Year	14
			2 Years	14.25
			3 Years	14.5
			4 Years	14.75
			5 Years	15



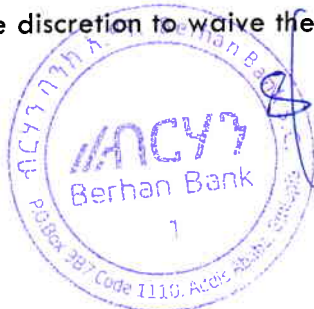
Sector	Loan Type	Collateral Type	Loan Period	Interest Rate (%)
Overdrawal (Irrespective of Sector)	For Account Holders	-	90 Days	21.5
	For Borrowers			21
Diaspora	Business	Equity Contribution 30%	1 - 15 Years	13.5
		» » 40%		11.75
		» » 50%		10
	Housing	Equity Contribution 20%	1 - 20 Years	10.5
		» » 30%		9.5
		» » 40%		8.5
		» » 50%		7.75
Diaspora	Automobile (new)	Equity Contribution 20%	1 - 10 Years	11.5
		» » 30%		10.5
		» » 40%		9.5
		» » 50%		8.5
	Automobile (Used)	Equity Contribution 20%	1 - 10 Years	12.5
		» » 30%		11.5
		» » 40%		10.5
		» » 50%		9.5
	Consumer	Equity Contribution 20%	1 - 5 Years	11.5
		» » 30%		10.5
		» » 40%		9.5
		» » 50%		8.5
Personal	Regular Customers	Building, Vehicle, Shares	1 Year	20.25
			2 Years	20.5
			3 Years	20.75
			≥ 4 Years	21
	Corporate Customers ¹ & their Employees		1-25 Years	7 to 13.5
Staff	Housing	Building	1-25 Years	Saving interest rate
	Automobile	Vehicle	1-12 Years	
	Personal	Personal Guarantee, Building, Vehicle & Share Certificate	1-5 Years	
	On-Demand	Clean	1-4 Years	Nil



¹ Corporate customers include NGOs, other high-value and niche customers of the Bank.

1.1 Governing Rules (Interest Rates)

- For loans granted against multiple collaterals the one constituting more than 50% shall be considered to determine the respective interest rate;
- Except export loans, all clean loan shall have addition interest rates applied to the corresponding business sector's interest rate as follows: where $X \approx$ clean portion:
 - $0 < X < 30\%$ (clean portion) additional 0.5%,
 - $31 \leq X \leq 50\%$ (clean Portion) additional 0.75%,
 - $51 \leq X \leq 75\%$ (clean Portion) additional 1%, and
 - $76 \leq X \leq 100\%$ (clean Portion) additional 1.5%; However, the reference point for increment of interest rate on above 50% and fully clean loan shall be the corresponding sector's rate of Machinery & Vehicle collateral;
- The upper credit committee based on the authority vested upon it to deliberate on exceptions, can intrinsically apply competitive interest rate on multi-benefit loan packages during package approval;
- Interest rate for corporate customers including faith based institutions shall range from 7% to 13.5% depending on their merits;
- Interest rates of Overdraft facilities exceptionally availed against collaterals other than building shall bear corresponding interest rate of building collateral;
- If a borrower generates (promises to generate) foreign exchange above the equivalent amount of the loan, the upper credit committee can reduce the respective interest rate depending on the cost benefit analysis;
- Loan and advances restructuring decision shall entail additional 0.25%, 0.5%, 0.75% and 1% interest rate for the first two, 3rd, 4th and 5th restructuring respectively. However, the upper credit committee can waive these increments on case by case basis;
- Default rate of 3% per annum shall be applied on outstanding loans and advances that have non-performing status i.e. arrear days of 90 and more. This 3% default rate shall continue until three, two and one repayment for consecutive monthly/quarterly, semiannual and annual repayment modalities respectively after restructuring is implemented;
- Export loans that failed to generate the expected foreign currency amount shall be converted to corresponding import interest rates. However, the upper credit committee shall have the discretion to waive the rate alteration on case by case basis;



- Prepayments and early settlements of loans and advances shall have a commitment charge [on the outstanding principal balance] of 2% for buyouts and 1% for early payments/ settlements by borrowers. However, the upper credit committee shall have the mandate/ discretion of waiver on case by case basis; and
- The maximum interest rate of the Bank in spite of restructuring, excluding default rate, shall not be beyond 24.5%. However, loan accounts that have already exceeded the maximum interest rate shall remain unchanged.

II. Fees & Charges

S.N.	Description	Proposed Rate
1.	Credit processing fees	
1.1	New credit processing fee to all loans	0.1% (Min. Birr 2,500)
1.2	Renewal of existing credit facility	0.03% (Min. Birr 2,500)
	Renewal of existing facilities (due over one month from expiry date)	0.03% (Min. Birr 2,500)
1.3	Conditional line of credit (for guarantee)	0.025% (Min. Birr 500)
1.4	Un-Conditional line of credit (for guarantee)	0.075% (Min. Birr 5,000)
2.	Credit information inquiry fee	
2.1	For requests of ≤ Birr 1 million	1,000
2.2	For requests of above Birr 1 million	2,000
3.	Appeal processing fee	2,500
4.	Loan re-approval fee	5,000
5.	Loan file transfer fee	5,000
6.	Moveable collateral management fee	
6.1	Movable collateral registration at initial notice	200/ Registration
6.2	Extending the period of effectiveness of initial notice;	100
6.3	Obtaining a signed certificate for search;	100
6.4	Motor vehicles, construction machinery and equipment	1,000/booklet
6.5	Factory machinery	2,000/plant
7.	Amendment related to collateral	



S.N.	Description	Proposed Rate
7.1	Collateral substitution fee	5,000
7.2	Collateral release fee per collateral	2,500
7.3	Any amendment related to collateral	5,000
7.4	Allowing registration of building collateral on 2 nd degree	5,000/ LHC
8.	Credit renegotiation fees	
8.1	Wavier of repayment	5,000
8.2	Rescheduling	
8.3	Amendment of repayment	
8.4	Cancellation or suspension of foreclosure decision	
8.5	Guarantee conversion to term loan	20,000
8.6	Any letter regarding credit facility to be issued at the request of the borrower	500
9.	Early settlement/ prepayment fee (calculated on the outstanding principal balance)	
9.1	Early settlement fee through loan buyout	2%
9.2	Early settlement/ prepayment fee by the borrower	1%
10.	Estimation & inspection fees	
10.1	Residential building or unit apartment	2,500/ LHC
10.2	Commercial, mixed use, real estate or apartment building	5,000/ LHC
10.3	Factories, stores or warehouses	5,000/ LHC
10.4	Staff residential building	500/ LHC
10.5	Coffee hulling and washing site	10,000/ Site
10.6	Fuel station	7,500/ Site
10.7	Flower farm	10,000/ Site

2.1 Governing Rules (Fees & Charges)

- Loan processing fee shall be blocked in non-interest bearing payable account for the requested loan amount upon sending the loan file for analysis. If the request is declined only the minimum amount shall be collected as an income and the remaining amount shall be credited to applicant's account. Besides, if less amount of the request is approved, the fee shall be collected based on the approved amount only and the remaining amount shall be reimbursed to applicant's account; and
- Whenever the Bank requires to employ the expertise of an asset valuator other than its own, the applicant/ borrower shall cover the estimation cost.




III. Local Guarantee Commissions

No.	Type of Guarantee	Collateral Type	Rate In %age
1	Bid	Cash	0.5
	Others		0.75
2	Bid	Cash equivalent, bank guarantee (local or foreign) and share certificate	0.75
	Others		1
3	Bid	Building	1
	Others		1.25
4	Bid	Machinery & vehicle	1.25
	Others		1.5
5	Bid	Clean/ personal guarantee	1.5
	Others		1.75

NB: Other guarantees means Performance, Advance Payment, Retention, Supplier's Credit, Custom Duty & others stated on the credit procedure.

3.1 Governing Rules (Local Guarantee Commissions)

- Whenever presented collaterals involve various mix, the corresponding rate of commission assigned for each collateral type shall be applied;
- Whenever negotiating rate of commission appears to be necessary, from the Bank's benefit point of view, the upper credit committee of the Bank may do so, on letter of guarantees that fall within its discretionary lending limit;
- Guarantee commission shall be collected upon issuance of the guarantee or as stipulated on the LAF. However, for acceptable reasons, the upper credit committee of the Bank may approve issuance of letter of guarantee before collection of commission income. In such case, interest rate of the corresponding sector shall be calculated on the amount of uncollected commission based on the number of days taken for settlement; and
- Quarterly minimum commission amount shall not be below Birr 500 and Birr 2,500 for bid bonds and other guarantees respectively.



 15/12/15