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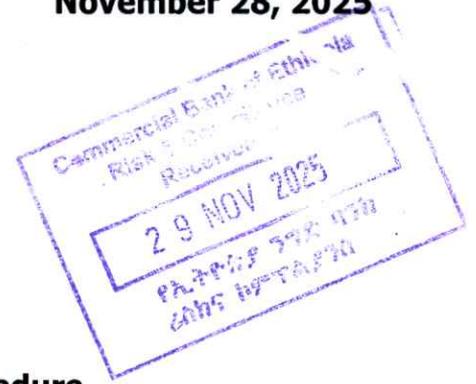
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A/P/EM/169/2025

November 28, 2025

To: All EVPs  
All-VPs reporting to the President  
Chief of Staff  
Board Secretariat  
Addis Ababa



Subject: - Consumer Loan Procedure

The Bank has approved the Consumer Loan Procedure.

This is, therefore, to formally communicate the issuance of the procedure which shall come into effect as at the date hereof for your proper notation and/or implementation and/or compliance.

Please make sure that all the concerned Departments, Districts, Units and employees under your jurisdiction have received, confirmed receipt and become aware of this guideline; and put in to practice without fail to protect the interest of the Bank while discharging their responsibilities.

Best Regards,

  
Ephrem Mekuria  
A/President  


Encl.

- Consumer Loan Procedure



**የኢትዮጵያ ንግድ ባንክ**  
**COMMERCIAL BANK OF ETHIOPIA**

**CONSUMER LOAN PROCEDURE FOR RETAIL**  
**CUSTOMERS**

**November, 2025**



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**Acronyms**

- BBO:** Branch Banking Officer
- CBE:** Commercial Bank of Ethiopia
- CCR:** Commercial Credit Report
- CFT:** Combating the Financing of Terrorism
- CSM:** Customer Service Manger
- EVP:** Executive Vice President
- KYC:** Know Your Customer
- LHC:** Land Holding Certificate
- NBE:** National Bank of Ethiopia
- NPL:** Non-Performing Loan
- RM:** Relationship Manager
- SBBO:** Senior Branch Banking Officer
- VP:** Vice President

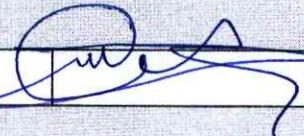
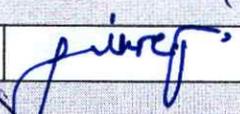
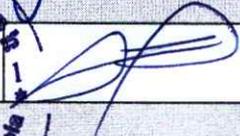


**Consumer Loan Procedure for Retail Customers**

**Document Control Details**

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Document Review and Approval

	Name	Role	Signature	Date
<b>Author</b>				
	Credit Division	A/VP – Credit		27/11/25
<b>Reviewers</b>				
	Sector	EVP – Operation		27/11/25
<b>Approver</b>				
	Ato Ephrem Mekuria	A/President		28/11/25
				
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**Document Version History**

Version	Date	Author	Revision Description/Summary Change
V.1.0	November, 2025	Credit Division	1 <sup>st</sup> Final Version

**CHAPTER ONE  
INTRODUCTION**

**1.1. Preamble**

**Whereas**, CBE aims to become a world-class commercial bank and must address the banking service needs of all Retail customer segments as world class banks do;

**Whereas**, banks need to understand their customers' needs in order not only to attract them, but to influence their switching behavior and the resulting outcomes;

**Whereas**, currently, there is a stiff competition between domestic banks in Ethiopia. Targeting the niche market is the main focus of private banks and this includes high net worth individuals, middle and mass retail customer segments;

**Whereas**, foreign banks with large capital base and banking experience are also anticipated to join the Ethiopian banking industry sooner and it is expected that individual customers are their target market;

**Whereas**, serving the needs of retail segments can impact banks' resource mobilization efforts. This indicates that by providing credit to retail customers, CBE can obtain dual benefit of generating income from the loan and Mobilization of huge purpose based saving deposits on top of retaining existings savings;

**Whereas**, Retail Branch Banking Division has identified consumer loan such as mortgage and automobile loans as one of the customer value propositions for the retail customers of CBE; and

**NOW, therefore**, this procedure is developed to enable the implementation of consumer loan for Retail customers in line with the Bank's Credit Policy and NBE's Directive No. FCP/01/2020, SBB/90/2024, SBB/88/2024 & SBB/87/2024 or as amended.

**1.2. Short Title**

This procedure may be cited as the "**Consumer Loan Procedure for Retail Customers of the Commercial Bank of Ethiopia.**"

**1.3. Definition of Terms**

For the purpose of this procedure, unless the context provides otherwise

1. "**Consumer Loan**" means a loan provided for CBE's Retail Customers basically for non-business purpose/for Consumer purpose such as mortgage, Personal Loan and Automobile purchase.



## Consumer Loan Procedure for Retail Customers

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2. "**Grace period**" means a period during which the borrower is relieved from principal loan repayments during construction and acquisition of Mortgage Loan;
3. "**Loan Workout**" means a process of renegotiation between the CBE and a borrower to normalize repayments of problem loans and advances;
4. "**National Bank of Ethiopia**" means a supervising authority of Banks and other financial institutions established as per National bank of Ethiopia Proclamation number 1359/2025;
5. "**Non-Performing Loans**" means loans or advances whose credit quality has deteriorated such that full collection of principal and/or interest in accordance with the contractual repayment terms of the loan or advance is in question as per NBE Directive No SBB/90/2024 or as amended;
6. "**Retail Customer**" means customers who are taking care of their personal financial needs and those who shall be addressed through retail banking service;
7. "**The Bank**" means the Commercial Bank of Ethiopia.

### 1.4. The Objectives of the Procedure

The main objectives of this Procedure are:

1. To ensure standardization and uniformity in Consumer Loan for retail customer product operationalization;
2. To make the Bank's Loan process transparent;
3. To assign duties and responsibilities of the Bank's organs involved in the retail consumer loan management;
4. To enhance monitoring and control of the overall retail customer Loan operation; and
5. To provide a single source of reference for performers.

### 1.5. Scope of the procedure

This procedure outlines **product features, eligibility criteria, and documentary requirements** for the provision of consumer loans to retail customers (Mass, middle and affluent retail sub-segments). All other credit products and processes not explicitly covered under this procedure will remain subject to the provisions of the existing **Credit Process Procedure Volume II** or as amended.



## **1.6. Governing Rules**

This procedure shall be governed by:

1. Banking Business Proclamation No. 1360/2025;
2. Federal Government Owned Enterprise Proclamation No. 1314/2024;
3. National Bank Of Ethiopia Proclamation No 1359/2025;
4. Anti money laundering and antiterrorism proclamation no. 780/2013;
5. National Bank Of Ethiopia Directive No SBB/90/2024, SBB/88/2024 & SBB/87/2024
6. NBE's Financial Consumer Protection Directive No. FCP/01/2020;
7. Corporate Governance framework of the Bank;
8. Risk appetite framework of the Bank;
9. The credit policy of the Bank;
10. Anti-Money Laundering and CFT policy of the Bank;
11. KYC policy of the Bank; and
12. Credit Process Procedure Volume II.

## **CHAPTER TWO CONSUMER LOAN PRODUCTS FOR RETAIL CUSTOMERS**

The Bank may provide two types of consumer loan products: mortgage and automobile loans for eligible retail customers.

### **2.1. Product Features of Mortgage Loan**

1. The loan shall be availed to all retail customers of CBE;
2. The loan shall be provided for
  - i. Construction of new residential house;
  - ii. Construction of additional house on the same title deed such as service quarter or main house, as the case may be;
  - iii. Modification (renovation, rehabilitation or expansion) of an existing residential house which add value to the residential house; and
  - iv. Purchase/acquisition of a house.
3. In the case of Construction of new residential house, there shall be a specified plot of land (whether construction started or not) allotted for construction in the name of the applicant or his/her spouse;



## **Consumer Loan Procedure for Retail Customers**

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4. The applicant shall pay equity contribution of at least 50% (fifty percent) of the cost of the residential house (purchase or construction or modification);
5. The lending interest rate shall be 14% per annum or as amended;
6. The maximum repayment period of the mortgage loan shall be 10 years including the grace period;
7. The applicant shall be granted a grace period of six months for residential building construction and, if required, a grace period of three months for the purchase of a mortgage loan;
8. The interest accrued during grace periods shall be paid by the borrower according to the repayment schedule during the grace period;
9. The applicant shall have deposit account relationship with the CBE before the date of application;
10. Mortgage loan request shall only be considered after making certain that the amount of loan the applicant may get as calculated based on his/her salary and the salary/income of his/her spouse (if any) plus the equity contribution he/she makes, would enable him/her to complete 100% of the construction work of a residential house as per the plan presented;
11. The house to be purchased/constructed/renovated offered as collateral for the mortgage loan shall be on the name of the principal borrower and/or his/her spouse ;
12. The residential house to be constructed or acquired by the applicant shall be located in eligible towns where the Bank's Branch exists. Moreover, Mortgage loan shall be extended only for residential properties situated on readily marketable sites with year-round access via all-weather roads and availability of essential infrastructure, including electricity and water;
13. The collateral coverage shall be at least 200% of the mortgage loan as per the collateral estimation valuation of the Bank; and
14. The applicant shall cover all costs related to purchase, title transfer and insurance payment.

### **2.2. Product Features of Automobile Loan**

1. Automobile loan shall be granted to the Bank's all retail customers for financing acquisition of brand new fuel, electric or hybrid Automobile. The loan is extended solely for non-commercial purpose against pledge of the automobile to be acquired plus an



## **Consumer Loan Procedure for Retail Customers**

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- eligible building mortgage which cover significant portion of the vehicle loan as indicted under sub-item 3 below;
2. The applicant shall make an equity contribution of at least 30% (thirty percent) of the total cost of the automobile to be purchased;
  3. The loan must be backed by an equity contribution, additional collateral, and the newly purchased commercial vehicle. The combined value of the equity contribution and additional collateral must account for 80% of the total vehicle loan. The breakdown of the equity contribution and additional collateral required for the automobile loan is detailed below:
    - i. When the customer provides 30% of the value of the automobile loan as equity contribution, he/she must offer a building collateral that accounts for 50% of the approved loan amount, in addition to the automobile to be purchased;
    - ii. In cases, where a customer provides 40% equity, the loan must be backed by a building collateral valuing 40% of the approved loan value, along with the automobile vehicle intended for the purpose; and
    - iii. When the customer provides 50% of the automobile loan as equity contribution, he/she must offer a mortgage/building collateral that accounts for 30% of the approved loan amount, in addition to the automobile vehicle.
  4. The maximum loan repayment period shall not exceed 5 years for vehicles that fully operate with electrical battery, fuel and hybride vehciles. This product does not include any grace period;
  5. The lending interest rate shall be 15% per annum or as amended;
  6. In the case of electric vehicles (EVs), the applicant shall purchase the vehicle from reputable supplier for ensuring the provision of warranty for the battery, spare parts, technical support, and maintenance services, including access to garage facilities;
  7. The applicant shall have deposit account relationship with the CBE before the date of application;
  8. The collateral coverage shall be at least 200% of the loan in all scenarios including the additional collateral provided by the customer; and
  9. Related costs of the automobile, like title transfer fees, vehicle registration charges, insurance, stamp duty, revenue stamp, etc., shall be borne by the applicant.



### **2.3. Eligibility Criteria Of Retail Consumer Loan Products**

1. The applicant shall be an Ethiopian national with minimum age to apply for a loan shall be 18 years on the date of application, while the maximum repayment age for salaried (with pension) shall be up to 60 years and for non-salaried individuals up to 65 years;
2. The applicant should be retail customer of CBE who have a secure regular source of income (salaried employees, self-employed individuals including businessmen and farmers);
3. The applicant shall have saving account in any Branch of the CBE;
4. The applicant and/or his/her spouse shall not have non-performing loans in any bank;
5. The applicant shall not have any loss loan status history with the Bank. To this effect, internal records shall be thoroughly checked;
6. A customer shall open a **"Mortgage Loan and/or Automobile Loan Savings Account"** at any CBE branch;
7. The loan applicant shall regularly save the necessary equity contribution for the loan in the newly opened mortgage loan and/or automobile loan saving account for at least six (6) months prior to the application date;
8. An eligible applicant can secure each mortgage and automobile loan for multiple times provided that his/her repayment track record is satisfactory. However, the second loan request shall not be allowed on the same category before full settlement of the first loan;
9. The applicant shall be eligible for mortgage and automobile loan at a time/overtime depending on the repayment capacity of the borrower;
10. A retail Customer is eligible for multiple consumer loan products at a time or overtime as far as his/her capacity is capable for loan repayment;
11. The applicant shall meet specific eligibility criteria for each consumer loan product;
12. The applicant shall present written credit application and properly filled credit application form (CAF) which are signed by the applicant or his/her legal agent;
13. The applicant shall fully disclose, within the credit application form, any existing consumer loans held by themselves or their spouse, and any attempt to conceal such information shall result in administrative measures, including disqualification from future credit eligibility;



## Consumer Loan Procedure for Retail Customers

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14. If loan repayment is based on applicant's salary, compulsory debt repayment obligations, including repayment of the requested loan, shall not exceed one-third of the applicant's basic salary. Moreover, the applicant shall submit a formal letter/ pay slip from his/her employer stating his/her basic pay along with all deductions;
15. In a situation where the income of a spouse is considered, the debt repayment obligations shall not be more than one-third of the total basic salaries of the couple. However, the maximum loan to be approved shall not exceed twofold of the amount of loan to be granted to the applicant based on his/her salary;
16. The borrowing capacity of the applicant and his/her spouse shall be determined in the following ways:
  - i. If the source of loan repayment is salary, compulsory debt repayment obligations including repayment of the requested loan shall not exceed one-third of the basic salary of the applicant and his/her spouse (if any).
  - ii. If the applicant is self-employed, his/her borrowing capacity shall be determined based on applicant's declared monthly income (supportive documents shall be presented while declaring their income) and deducting other commitments such as tax and cost of living .
  - iii. For others, a proof of document that shows reasonable source of income must be provided along with other deductions (if any).
17. The maximum loan amount shall be 50% of value of the purchase/constructed mortgage loan and 70% of purchased of brand new car;
18. The maximum loan to be granted to applicant with his/her spouse, shall be the lowest among the following alternatives:
  - i. The maximum loan repayment capacity of the borrower; or
  - ii. The maximum loan amount shall be Birr 30 million for mortgage loan and 10 million for automobile loan request.
19. The employment/Business experience of the applicant shall be eligible as follows:
  - i. Salaried employee should have been in continuous employment for at least 1 year and should provide confirmation letter with pay slips from current employer for at least the last 3 months;
  - ii. In the case of self-employed individuals/ business man, minimum experience of 3 years; and
  - iii. For other individuals adequate source of income must be confirmed.



## **Consumer Loan Procedure for Retail Customers**

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20. The applicant shall sign an undertaking contract to collect and effect the periodic repayment of the loan on his/her spouse's behalf; and
21. The applicant shall pay a credit processing fee and collateral estimation fee as per Bank's terms and tariffs.

### **2.4. Documentary Requirements**

All applicants shall be advised to submit the under listed major documents required for consumer credit process and the RBB/Associate RM shall collect and confirm the required documents for credit processing;

1. Written Loan Application/Indicating purpose, amount, type & tenure of loan/ and should be signed with Spouse (if any);
2. Credit Application Form /CAF/ (Bank format) completely filled and signed with Spouse (if any);
3. Renewed Identification Card and National ID with spouse(if any);
4. Tax identification number (TIN) with spouse(if any);
5. Marital status certificate;
6. Salary payslip of the applicant(Current Month)
7. Authenticated Power of Attorney (if applicable);
8. Commitment letter of applicant and spouse (if applicable)
9. In case of house construction, rehabilitation or expansion;
  - i. Work Permit;
  - ii. Bill of quantity;
  - iii. Ownership Certificate and approved Plan;
  - iv. Lease Certificate/ current lease payment receipt, as appropriate; and
  - v. Current Tax Payment Receipt;
10. In case of purchase of a house;
  - i. Valid purchase/sales contract registered by authorized government body;
  - ii. Ownership Certificate and approved Plan;
  - iii. Current lease payment receipt, as appropriate;
  - iv. Current tax payment receipt;



## **Consumer Loan Procedure for Retail Customers**

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- v. 5 years' ownership certificate (if condominium); and
  - vi. sales contract/with housing corporation(if condominium).
11. In the case of purchase of automobile;
- i. valid pro forma invoice; and
  - ii. Sales Contract Agreement with seller
12. If spouse of the applicant is an employee of government or private or non-governmental organization, letter from employer specifying;
- i. The spouse is currently a permanent employee of the organization;
  - ii. His/her age, years of services in the organization and the number of years left for retirement;
  - iii. Basic salary and list of compulsory debt repayments;
  - iv. Cumulative progressive work experience with the current or different employers; and
  - v. Latest salary slips showing statutory/all deductions or a declaration from employer giving details of income and statutory/all deductions which is duly signed by authorized signatory of the organization.
13. If the spouse of the applicant is a business person, he/she shall stay in business at least for three years and present the following:
- i. Renewed trading license;
  - ii. Tax Identification Number;
  - iii. Tax payment receipts at least for two years;
  - iv. Tax clearance certificate;
  - v. CCR/provisional/audited financial statement for the recent year, and
  - vi. All expenses and liabilities properly accounted.
14. Other documents as required by the Bank as per the attached Annex 3, 4 & 5.

### **2.5. General Conditions**

- 1. The credit request for retail Consumer Loan shall be lodged only at grade 3 and above Branch of CBE and not necessarily where the saving account is maintained;



## **Consumer Loan Procedure for Retail Customers**

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2. Each District shall receive an annual lending budget at the beginning of each fiscal year, based on its deposit mobilization efforts and overall credit performance;
3. The borrower shall be willing to keep the minimum balance at least enough for the next repayment installment in advanced so that the system automatically collects from the loan accounts on the repayment date, this shall be a part of the loan contract;
4. All loans availed for the applicants shall be subjected to the Bank's liquidity position and disbursement allocation plan; and
5. In the case of loanable fund shortage, It shall be served on first come first served basis.

### **2.6. Loan Processing, Approval and Follow Up**

Unless specified otherwise in this procedure all loan administration issues shall be handled in agreement with the relevant provisions stipulated for Credit Process Procedure Volume II (Consumer loan), or as amended, for the respective loan and mortgage contracts.

#### **2.6.1. Credit Management Process**

1. The credit request shall be lodged at a Grade 3 or higher branch of CBE, and it is not necessary where a saving account/s to be maintained;
2. The applicant shall complete the standard Credit Application Form designed for the purpose;
3. RBB/Associate RM receives loan application and all documents required for collateral valuation from customer;
4. SBBO/BBO/CSM collects/deducts required fees and charges from customer;
5. RBB-RM/Associate RM sends required documents for valuation/estimation to Collateral Valuation;
6. The District Collateral Valuators process and send the valuation/estimation report to Branch RBB/RM/ Associate RM;
7. RBB-RM/ Associate RM check the required documents, assessing the request, determine the amount to be granted, and forward the case with his/her recommendation to the Branch Credit Decision Making Committee for review and decision/approval after confirming the availability of Budget/loanable fund from District/Team Leader - Retail Credit.



## **Consumer Loan Procedure for Retail Customers**

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8. The Credit Decision Making Committee at Branch approves/decides on the loan based on the available information;
9. RBB-RM/ Associate RM communicates the decision/approval to customer and requests to finalize fulfilment of additional documents/requirements, if any;
10. The Branch prepares loan and mortgage contracts with the support of respective District Legal Team and forward to the Branch Manager;
11. The Branch Manager shall sign loan and mortgage contracts with customer;
12. The Branch registers the contract documents to the appropriate government organ;
13. The Branch shall get insurance coverage for all insurable asset to be held as collateral;
14. The District Retail Credit Team (Retail Credit Officer) disburses the loan after checking that all requirements are fulfilled;
15. The District Retail Credit Team (Retail Credit Operation Officer/Credit Administrator) maintains security and loan documentation;
16. The Branch (RBB-RM/ Associate RM) undertakes proper collection and follow-up of the loan; and
17. The District Monitoring Team performs the proper monitoring of the loan.

### **CHAPTER THREE AUTHORITY AND RESPONSIBILITY**

#### **3.1. President**

The President shall:

1. Approve this procedure;
2. Ensure proper implementation of the procedure;
3. Oversee the cross-functional coordination and integration among business units for effective implementation of the procedure;
4. Ensure effective internal control, risk management, and governance systems are put in place in the retail customers' products; and
5. Establish, change, suspend or reinstate the credit approving team/individual member.

#### **3.2. Executive Vice President – Operations**

The EVP Operation shall:

1. Oversee proper implementation of the procedure and initiate changes as required;



## **Consumer Loan Procedure for Retail Customers**

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2. Oversee that consumer credit products sold for retail customers in compliance with the credit policy, procedure, applicable standards and this procedure;
3. Oversee that there are strict loan follow-up mechanisms to ascertain the timely collection of loans;
4. Oversee proper monitoring of credit portfolio limit to consumer credit products for retail customers; and
5. Oversee maintaining an adequate level of loan provisioning to consumer credit products.

### **3.3. Executive Vice President – Business**

The EVP Business shall:

1. Oversee that consumer credit products and services meet standards and exceed retail customer expectations, promptly taking remedial actions to address any deviations in collaboration with other divisions;
2. Oversee that consumer credit products and services are sold to retail customers in compliance with the credit policy, procedure, and applicable standards through enhanced sales force;
3. Oversee cross-selling of consumer credit products to increase the Bank's share within the retail segment;
4. Oversee that adequate resources are allocated to and mobilized from the target market; and
5. Oversee instant, secure, and compliant processing of consumer credit service provided under his/her domain.

### **3.4. Executive Vice President – Technology**

The EVP Technology shall:

1. Ensures that Retail credit data is properly maintained and timely available to internal users and for reporting to external parties;
2. Ensures integration with credit division on digitization and automation of manual processes;
3. Enhances the core banking system and any other information systems utilized in the credit business process to accommodate the requirements of the credit division; and
4. Provides other required technical support to the credit division.



### **3.5. VP-Retail Banking**

The VP-Retail Banking shall:

1. Guide, plan and coordinate the overall activities in relation with retail customer;
2. Ensure that retail banking proactively recruit retail customers, customer due diligence, selling Bank's products through enhancing sales force effectiveness, are being conducted as per the Bank's directions, policies, procedures and standards;
3. Ensures that retail customer's products are being sold to customers and operated as per the Bank 's credit policy and procedure;
4. Ensure service provision for retail customers is up to the standard and expectation of the customers;
5. Ensure retail customers loan product portfolio expansion to target priority segments and their respective value chains;
6. Oversee the Bank's retail customers loan products are in appropriate use, only for intended purpose and corrective actions are taken in case of diversion; and
7. Oversee that there is strict loan follow-up to ascertain timely collection of loan.

### **3.6. VP-Credit**

The VP-Credit shall:

1. Ensure the development/revision of of this guideline to enhance uniformity and standardization of the credit process;
2. Ensure the implementation and enforcement of the credit policy, procedures and guidelines approved by the Bank's President;
3. Ensure that the credit operations comply with applicable regulations, policy, procedures and guideline;
4. Oversee that there is strict loan follow-up to ensure timely collection of loans;
5. Ensure proper monitoring of credit portfolio limit of retail credit products as per the NBE requirement and risk appetite framework of the Bank; and
6. Ensure maintaining an adequate level of loan provisioning to consumer credit products.

### **3.7. VP – Customer Experience**

The VP Customer Experience Division shall:

1. Promote and build the retail customers consumer loan across various communication channels;
2. Ensure clear and consistent messaging around retail customers' consumer loan products and service usage;



3. Deliver a consistently high-quality customer experience throughout the customer journey;
4. Deploy proper customer Complaint management system and guarantee timely resolution of customer complaints regarding retail customers consumer loan; and
5. Ensure customer queries are promptly and effectively addressed through appropriate communication channels.

### **3.8. VP-Internal Audit**

VP-Internal Audit shall:

1. Audit the implementation of this procedure and communicate audit findings to concerned organs; and
2. Follow up corrective actions are taken in line with findings forwarded.

### **3.9. VP – Risk Management and Compliance**

The VP Risk Management and Compliance shall:

1. Ensure retail customers loan activities comply with the regulatory organ directives and credit policy of the CBE;
2. Develop credit risk appetite limit and threshold for retail customers' consumer credit products in consultation with the Credit Division and set optimal credit appetite and tolerance limits as well as targets for skewed consumer credit products risk profiles;
3. Inform the Board of directors and the President on the retail customers' risks and potential loss exposure in outstanding loans; and
4. Conduct performance review and identify risks for possible remedial actions.

### **3.10. VP - Legal**

The VP Legal shall:

1. Ensure the development of standardized loan and security contracts to keep the interest of the Bank;
2. Ensure that proper legal advisory service is provided to Retail Banking and Credit Division;
3. Ensure disclosure of terms and condition under the contents of the contractual agreement when the customers for consumer loan are on-board; and
4. Undertakes foreclosure to recover unsettled loans representing the Bank in courts.



### **3.11. Director-Credit Monitoring**

Director-Credit Monitoring shall:

1. Guide, plan and coordinate the overall credit monitoring process of Retail customer's loan of the Bank;
2. Ensure the Retail customer's loan monitoring process's adherence to Directives of the Supervising Body, Credit Policy and Procedure and guideline of the Bank;
3. Periodically review Retail customer's loan portfolio of the Bank to ensure that the Bank maintains a balanced retail credit concentration as per the Bank's risk appetite,
4. Draft revision of consumer loan procedure for retail customers based on feedbacks from all concerned organs, own observations and product initiations;
5. Monitor that retail customer consumer disbursements are made in line with the relevant credit and upon fulfillment of the stipulated terms and conditions; and
6. Ensure maintaining an adequate level of loan provisioning to consumer credit products.

### **3.12. District Director**

District Directors shall:

1. Guide, plan and coordinate the overall retail customers consumer credit products;
2. Ensure all retail customer consumer credit products process such as customer recruitment, customer due diligence, approval, operation and collection are being conducted as per the Bank's directions, policies and this procedure;
3. Ensure that the retail credit team has the required awareness in the retail consumer credit product financing;
4. Ensure that the retail credit team is performing in compliance to applicable directive, credit policy and procedure and guideline of the Bank;
5. Ensure that the district maintains a balanced retail Loan portfolio concentration as per its risk appetite/limit set;
6. Ensure that all loan requests/deteriorating loans get timely decisions/solutions;
7. Oversee that accurate and complete Credit Data is inputted and maintained in the CBE's core-banking (T-24) system;
8. Ensure the retail consumer credit service is delivered in timely, secure and compliant process under his/her domain;



## **Consumer Loan Procedure for Retail Customers**

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9. Ensure compliance and reporting of related party exposure, anti-money laundering, Combating the Financing of Terrorism as per the relevant NBE directives;
10. Ensure that the loan shall be disbursed after checking that all requirements are fulfilled and maintain security and loan documentation;
11. Integrate District retail banking with other Bank organs;
12. Ensure that the proper collection, follow-up and monitoring of the loan shall be performed;
13. Ensure that audit and risk findings on the case are rectified and/or properly justified;
14. Ensure that the district's non-performing loan to this specific loan is within acceptable margin;
15. Oversee that retail loans are properly classified in line with the relevant NBE directives; and
16. Facilitate the effort of the legal division on surveillance of defaulting borrowers' properties on which additional properties are required.

### **3.13. District Credit Operation Team**

The team shall:

1. Ensure that loan and security contracts are properly signed in accordance to the CBE's standards;
2. Ensure that security contracts are registered by the concerned government organ;
3. Ensure proper registration of movable collateral in the NBE system;
4. Ensure a system to properly check registration of security contracts, insuring mortgages, and fulfillment of terms and conditions stipulated in the credit approval before the loan disbursement;
5. Ensure the timely disbursement of loans in strict accordance with the stated terms and conditions of the loan;
6. Ensure that approved loans are disbursed only for the intended purpose;
7. Put in place a system to prepare documentation checklist for all the approved cases;
8. Ensure timely and accurate collateral registration, and maintenance of comprehensive and updated database for all the collaterals held by the CBE;
9. Ensure renewal and/or securing of insurance policy and coverage for all insurable collaterals;



## **Consumer Loan Procedure for Retail Customers**

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10. Ensure that accurate and complete Credit Data are inputted, timely authorized and maintained in the CBE's Core-Banking (T-24) System for each borrower under his/her domain;
11. Ensure that proper system is in place for case by case follow up of insurance, period of limitation of contracts and collateral re-estimation; and
12. Manage collateral release/replacement system implemented upon approval and fulfillment of the necessary requirements.

### **3.14. District Credit Valuation Team**

1. Receive and entertain property estimation requests of retail credit customers;
2. Confirm the fulfillment of all the necessary documents for valuation;
3. visits collateral valuation as per the schedule together with the owners of the case (RM or Retail Credit Officer);
4. Proper and timely valuation of collaterals;
5. Solve un-reconciled estimation issues in collaboration with the counter team (collateral valuation maker-checker);
6. Contact or communicate with the customer only through the owner of the case (RM or Retail Credit Officer);
7. Valuate collateral in line with the relevant valuation manuals and the dictates of the consumer credit procedure. In addition, periodically reviews the collateral valuation process at districts; and
8. Accept and respond on appeal of collateral valuation result and reevaluate the collateral which are not involved in the first estimation.

### **3.15. Branch Manager**

Branch Manager shall:

1. Provide overall leadership and direction for branch lending operation for consumer credit for retail customers;
2. Receive retail customers loan request at his/her convenience and assign/direct the case to the respective RM/Associate RM for further processing of the loan;
3. Assesses risks associated with loan applications;
4. Manage the overall retail customer service of the branch and ensure adherence to policies, credit procedure and this guideline.



## **Consumer Loan Procedure for Retail Customers**

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5. Chair and participate in the Credit Decision Making Committee at Branch for loan applications of retail consumers;
6. Ensure that all loan requests get timely decision and sign loan contracts with the applicant and his/her spouse (if any);
7. Track and review retail consumer credit performance; and
8. Request legal support from the respective District if the rehabilitation efforts made by the Branch fail to produce the desired result and forward the case to its legal team for further legal action.

### **3.16. Relationship Manger (Associate RM)**

The RM shall:

1. Recruit potential retail credit customers by considering their creditworthiness and resource potential;
2. Perform appropriate KYC/ Customer Due Diligence of the customer;
3. Advise customers and sell the Bank's retail customer consumer loan products as per the Bank's Credit policy and this procedure;
4. Support retail customers in preparing and submitting loan applications;
5. Collect and Check the required documents as per the check list, assessing the request, determine the amount to be granted, and forward the case with his/her recommendation to the Branch Credit Decision Making Comitee for review and decision/approval after confirming the availability of budget/loanable fund from District;
6. Build and maintain strong and positive relationships with all retail credit customers;and
7. Monitor loan repayments and follow up of the retail customer loans.

### **3.17. Operation/Business/Customer Service Manager**

The Manager shall:

1. Collects/deducts required processing fees from customer;
2. Report any credit transaction that has suspicious nature to Compliance Department;
3. Manage the overall retail customer service of the Branch and ensure adherence to Directives, policies, credit procedure and this Procedure; and
4. Participate in the Credit Decision Making Committee at Branch.



**CHAPTER FOUR  
MISCELLANEOUS PROVISION**

**4.1. Compliance Provision**

Each lending officer with noncompliance towards this procedure either by negligence or intended malpractice will be penalized.

**4.2. Revision**

This Procedure is subject to revision every 5 (five) years. But it might be revised as deemed necessary when the situation demands revision.

**4.3. Effective Date**

This procedure shall be effective as of the date approved and signed by the A/President as of the date 28<sup>th</sup> Nov, 2025

  
\_\_\_\_\_

**Ephrem Mekuria**

**A/President**

**November, 2025**



# ANNEX



### Annex 1: Consumer Loans Process Workflow For Retail Segments

Customer	Branch	District	Remark
	RBB/Associate RM receives <b>loan application</b> and all documents required for collateral valuation from customer		
	SBBO/ <b>BBO</b> /CSM collects/deducts required fees and charges from customer		
	RBB-RM/ Associate RM sends <b>required documents for valuation/estimation</b> to Collateral Valuation	The District Credit Valuation Team process and send the <b>valuation/estimation report</b> to Branch RBB/RM/ Associate RM	
	RBB-RM/ Associate RM checks/confirms from District/Team Leader - Retail Credit <b>availability of budget/loanable fund</b> before decision/approval		
	RBB-RM/ Associate RM finalizes processing and forwards the case to Credit Decision Making Committee at Branch for review and <b>decision/approval</b>		
	Credit decision Committee at Branch <b>approves/decides</b> on the loan		
	RBB-RM/ Associate RM <b>communicates</b> the decision/approval to Customer and requests to finalize fulfilment of additional		



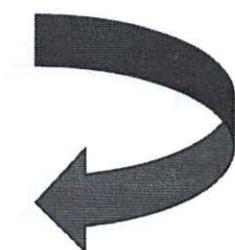
## Consumer Loan Procedure for Retail Customers

documents/requirements, if any

The Branch prepares loan and mortgage contract with the support of the District Legal Team and sends to Branch Manager

Branch Manager **signs loan and mortgage contracts**

all process shall be done by branch (contract registration, insurance) except disbursement and maintaining security documents which shall be done by districts.



The Retail Credit Team (Retail Credit Officer) **disburses** the loan after checking that all requirements are fulfilled

The Retail Credit Team (Retail Credit Officer/Credit Administrator) maintains **security and loan documentation.**

The Branch RM undertakes collection of the loan

The Credit **Monitoring** Team undertakes the proper monitoring of the loan

The Retail Credit/Loan process work flow shall end after full collection/settlement



**Annex-2: Credit Application Form (CAF)  
COMMERCIAL BANK OF ETHIOPIA  
CREDIT APPLICATION FORM (CAF)**

Date \_\_\_\_\_

1. Name of Applicant \_\_\_\_\_
2. National ID \_\_\_\_\_
3. Date of Birth: \_\_\_\_\_
4. Residential Address: Sub-City \_\_\_\_\_ Woreda \_\_\_\_\_ H.NO \_\_\_\_\_  
Telephone No. \_\_\_\_\_
5. Loan Amount Requested \_\_\_\_\_
6. Purpose of the Loan \_\_\_\_\_
7. Value of House/Automobile amount \_\_\_\_\_
8. Location of the House \_\_\_\_\_
9. Source of Income \_\_\_\_\_  
Income: \_\_\_\_\_  
Deduction  
Loan Repayment \_\_\_\_\_  
Legal Obligation if any \_\_\_\_\_  
Total deduction \_\_\_\_\_  
Net Income \_\_\_\_\_
10. Saving Account Number \_\_\_\_\_

**WE CONFIRM THAT THE ABOVE INFORMATION IS TRUE AND CORRECT**

**APPLICANT SIGNATURE** \_\_\_\_\_

**SPOUSE'S NAME, SIGNATURE AND TELEPHONE NO**

**NAME** \_\_\_\_\_

**SIGNATURE** \_\_\_\_\_

**TELEPHONE NO** \_\_\_\_\_

**Checked by** \_\_\_\_\_

**Signature** \_\_\_\_\_



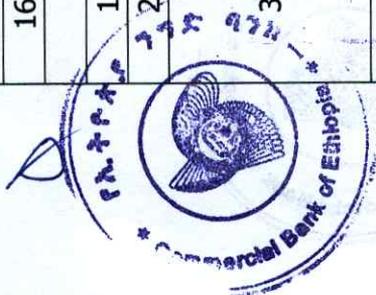
**Annex 3: Residential Purchase Check List**

No.	Required Document <b>I. Documents to be presented by the Applicant</b>	Mark
1	Written Loan Application/Indicating amount, type & tenure of loan/ and should be signed with Spouse (if any)	
2	Credit Application Form (Bank format) completely filled and signed with Spouse (if any)1	
3	Renewed Kebele ID, employment ID	
4	National ID	
5	TIN No with spouse(if any)	
6	Marriage Certificate registered by Vital Events Registration Office/ Renewed Non marital status document Vital Events Registration Office	
7	Power of attorney of Spouse (optional)	
8	Commitment letter of applicant and spouse expressing their willingness for deduction of up to half of his/her/their salaries for loan repayments of the borrower and spouse (if any)	
9	Commitment letter of the applicants confirming absence of direct or indirect liability of the borrower and spouse (if any)	
10	Salary payslip of the applicant(Current Month)	
11	If the applicant is Business individual: <ul style="list-style-type: none"> <li>• Tax clearance Certificate</li> <li>• Renewed Trade Licence</li> <li>• Trade licence Registration Certificate</li> <li>• VAT Registration Certificate, if applicable</li> <li>• TIN Number</li> </ul>	
	<ul style="list-style-type: none"> <li>• Financial Statements/CCR/ for the recent year ; all expenses &amp; liabilities properly accounted</li> <li>• Income tax payment receipt for the past two years period</li> </ul>	
12	Approved plan (Structural and architectural and Electrical and Sanitary for G+1 and above buildings less than only Architectural plan)	



**Consumer Loan Procedure for Retail Customers**

	Sales contract with seller registered by the Federal Document Autentication and Registration Agency in Case of Addis Ababa
13	Power of attorney if applicants' spouse has given power of for signing of loan contract
14	Lease contract(if applicable)
15	Lease payment receipt(current year)
16	Land taxes bill
	<b>II. If Married other required documents</b>
1	Renewed Kebele ID
2	Renewed ID Issued by Employer
3	Letter from the employer company which states the employee's <ul style="list-style-type: none"> <li>• Permanent employee</li> <li>• Date of Birth</li> <li>• Date of Employment</li> <li>• Basic salary, Payment and amount of income tax and pension, other debt deductions</li> </ul>
4	Current month salary Payslip indicating detail payments and deductions
5	Salary income tax payment receipt from ERCA for the past six months period
6	Employer's income tax declaration Schedule to be submitted to ERCA /ሰንጠረዥ ሀ ግብር ክፍያ ማስታወቂያ ቅፅ /ለቀጠረዎች/
	<b>III. If the spouse Income is from Business</b>
1	Tax clearance Certificate
2	Renewed Trade Licence
3	Trade licence Registration Certificate
4	VAT Registration Certificate
5	TIN Number
6	Financial Statements/CCR/ for the recent year ; all expenses & liabilities properly accounted
7	Income tax payment receipt for the past two years period



**Consumer Loan Procedure for Retail Customers**

**IV. Documents to be produced by the Branch**

1	Information from Enterprise Reporting on credit history of the applicant if case of salaried employee	
2	Credit Information from NBE indicating all settled and outstanding loans(if any) of the applicant and spouse (if any) with	
3	Receipt of credit information collection from NBE;	
4	Property Estimation Report	
5	Loan Approval Form & ANNEX- in 3 copies	
6	Collect memo with receipt mentioning blocking of required equity contribution (if applicable)	
7	Autontication of the power of attorney if Applicants' spouse has given power of attorney for signing of loan contract.	
8	Authentication sales contract with seller registered by the Federal Document Autontication and Registration Agency in Case of Addis Ababa	
9	Authenticated power of attorney(if applicable) if the seller is an agent	
10	Authenticated court decision (if applicable)	
11	legal opinion in case of legal heirs, minors heirs and divorce	

**Please note the following:** - All documents should be verified and stamped as original is seen.

Checked by \_\_\_\_\_

Signature \_\_\_\_\_



**Annex 4: Residential Construction Check List**

No.	Required Document	Mark
<b>I. Documents to be presented by the Applicant</b>		
1	Written Loan Application/Indicating amount, type & tenure of loan/ and should be signed with Spouse (if any)	
2	Credit Application Form (Bank format) completely filled and signed with Spouse (if any)1	
3	Renewed Kebele ID, Employment ID	
4	National ID	
5	TIN No with spouse(if any)	
6	Marriage Certificate registered by Vital Events Registration Office/ Renewed Non marital status document Vital Events Registration Office	
7	Power of attorney of Spouse (optional)	
8	Commitment letter of applicant and spouse expressing their willingness for deduction of up to half of his/her/their salaries for loan repayments of the borrower and spouse (if any).	
9	Commitment letter of the applicants confirming absence of direct or indirect liability of the borrower and spouse (if any).	
10	Salary payslip of the applicant(Current Month)	
11	If the applicant is Business individual: <ul style="list-style-type: none"> <li>• Tax clearance Certificate</li> <li>• Renewed Trade Licence</li> <li>• Trade licence Registration Certificate</li> <li>• VAT Registration Certificate, if applicable</li> <li>• TIN Number</li> <li>• Financial Statements/CCR/ for the recent year ; all expenses &amp; liabilities properly accounted</li> <li>• Income tax payment receipt for the past two years period</li> </ul>	
12	Land Holding Certificate( LHC)	



### Consumer Loan Procedure for Retail Customers

13	Approved plan (Structural and Arctectural and Electrical and Sanitary for G+1 and above buildings less than only Arctectural plan)	
14	Lease contract(if applicable)	
15	Lease payment receipt(current year)	
16	Land taxes bill	
17	Construction work permit (With in approved period)	
18	Bill of quantity and specification with renewed work permit from the engineer, Professional licence of the Engineered preparing the BOQ (if any)	

#### II. If Married other required documents

1	Renewed Kebele ID	
2	Renewed ID Issued by Employer Letter from the employer company which states the employee's <ul style="list-style-type: none"> <li>• Permanent employee</li> <li>• Date of Birth</li> <li>• Date of Employment</li> <li>• Basic salary, Payment and amount of income tax and pension, Other debt deductions</li> </ul>	
4	Current month salary Payslip indicating detail payments and deductions	
5	Salary income tax payment receipt from ERCA for the past six months period	
6	Employer's income tax declaration Schedule to be submitted to ERCA /ሰገጠረዥ ሀ ግብር ክፍያ ማስታወቂያ ቅፅ /ለቀጠረዎች/	

#### III. If the spouse Income is from Business

1	Tax clearance Certificate	
2	Renewed Trade Licence	
3	Trade licence Registration Certificate	
4	VAT Registration Certificate	
5	TIN Number	



## Consumer Loan Procedure for Retail Customers

6	Financial Statements/CCR/ for the recent year ; all expenses & liabilities properly accounted	
7	Income tax payment receipt for the past two years period	
<b>IV. Documents to be produced by the Branch</b>		
1	Information from Enterprise Reporting on credit history of the applicant	
2	Credit Information from NBE indicating all settled and outstanding loans(if any) of the applicant and spouse (if any) with	
3	Receipt of credit information collection from NBE	
4	Property Estimation Report	
5	Loan Approval Form & ANNEX- in 3 copies	
6	Collect memo with receipt mentioning blocking of required equity contribution (if applicable)	
7	Autontication of the power of attorney if Applicants' spouse has given power of attorney for signing of loan contract.	

**Please note the following:** - All documents should be verified and stamped as original is see

Checked by \_\_\_\_\_

Signature \_\_\_\_\_



**Consumer Loan Procedure for Retail Customers**

**Annex 5: Automobile Check List**

No.	Required Document	Mark
<b>I. Documents to be presented by the Applicant</b>		
1	Written Loan Application/Indicating amount, type & tenure of loan/ and should be signed with Spouse (if any)	
2	Credit Application Form (Bank format) completely filled and signed with Spouse (if any)	
3	Renewed Kebele ID, employment ID	
4	National ID	
5	Marriage Certificate registered by Vital Events Registration Office/ Renewed Non marital status document	
6	TIN No with spouse (if any)	
7	Power of attorney of Spouse (optional)	
8	Commitment letter of applicant and spouse expressing their willingness for deduction of up to half of his/her/their salaries for loan repayments of the borrower and spouse (if any).	
9	Commitment letter of the applicants confirming absence of direct or indirect liability of the borrower and spouse (if any).	
10	Salary payslip of the applicant(Current Month)	
11	If the applicant is Business individual: <ul style="list-style-type: none"> <li>• Tax clearance Certificate</li> <li>• Renewed Trade Licence</li> <li>• Trade licence Registration Certificate</li> <li>• VAT Registration Certificate, if applicable</li> <li>• TIN Number</li> <li>• Financial Statements/CCR/ for the recent year ; all expenses &amp; liabilities properly accounted</li> <li>• Income tax payment receipt for the past two years period</li> </ul>	
<b>Regarding the Vehicle and the Vendor/Supplier/</b>		
1	Renewed Trade Licence of seller	
2	TIN Number of seller	



## Consumer Loan Procedure for Retail Customers

3	Valid Proforma Invoice/ Sales Contract Agreement with seller	
4	Declaration of the Vehicle	
<b>II. If Married Required Documents</b>		
1	Renewed Kebele ID	
2	Renewed ID Issued by Employer	
3	Letter from the employer company which states the employee's <ul style="list-style-type: none"> <li>• Permanent employee</li> <li>• Date of Birth</li> <li>• Date of Employment</li> <li>• Basic salary, Payment and amount of income tax and pension, Other debt deductions</li> </ul>	
4	Current month salary Payslip indicating detail payments and deductions	
5	Salary income tax payment receipt from ERCA for the past six months period	
6	Employers income tax declaration Schedule to be submitted to ERCA /ሰንጠረዥ ሀ ግብር ክፍያ ማስታወቂያ ቅጽ /ለቀጣሪዎች/	
<b>III. If the spouse is a business person</b>		
1	Tax clearance Certificate	
2	Renewed Trade Licence	
3	Trade licence Registration Certificate	
4	VAT Registration Certificate	
5	TIN Number	
6	Financial Statmens/CCR/ for the recent year ; all expenses & liabilities properly accounted	
7	Income tax payment receipt for the past two years period	
<b>IV. Documents to be produced by the Branch</b>		
1	Information from Enterprise Reporting on credit history of the applicant	
2	Credit Information from NBE indicating all settled and outstanding loans(if any) of the applicant and spouse (if any) with	
3	Receipt of credit information collection from NBE	



**Consumer Loan Procedure for Retail Customers**

4	Property Estimation Report	
5	Loan Approval Form & ANNEX- in 3 copies	
6	Collect memo with receipt mentioning blocking of required equity contribution (if applicable)	
7	Autentication of the power of attorney if Applicants' spouse has given power of attorney for signing of loan contract.	

**Please note the following:** - All documents should be verified and stamped as original is seen.

Checked by \_\_\_\_\_

Signature \_\_\_\_\_

