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NATIONAL BANK OF ETHIOPIA

## LICENSING AND SUPERVISION OF BANKING BUSINESS REQUIREMENTS FOR PERSONS WITH SIGNIFICANT INFLUENCE IN A BANK DIRECTIVE NO. SBB/89/2024

**Whereas**, it is vital to ensure the long-term stability and institutional success of the financial industry in general and the banking sector in particular;

**Whereas**, fitness and propriety of owners, directors and managers of banking systems are critical considerations that give the public confidence on the integrity of the sector;

**Whereas**, it is necessary to enhance the effectiveness and soundness of corporate governance in banks;

**Whereas**, the National Bank of Ethiopia is mandated to put in place an appropriate framework that ensures prudent management and propriety of the manner in which banks are directed;

**Now, therefore**, in accordance with articles 4(1 g and h), 14(4a), and 66(2) of Banking Business Proclamation No.592/2008 (as Amended by Proclamation No. 1159/2019), the National Bank of Ethiopia has issued this Directive.

### 1. Short Title

This Directive may be cited as “Requirements for Persons with Significant Influence in a Bank Directive No. SBB/89/2024”.

### 2. Definitions

For the purpose of this Directive, unless the context provides otherwise:

2.1 “**Bank**” means a private or state-owned entity, licensed by the National Bank to undertake banking business.

2.2 “**Bankrupt**” means a person who has been declared bankrupt by the court of law.

2.3 “**Chief Executive Officer**” means a person, by whatever title that person may be referred to, who is primarily responsible for the day-to-day management of the affairs of a bank.

2.4 “**Director**” means any member of the board of directors of a bank by whatever title he may be referred to.

2.5 “**Financial Institution**” means a bank, an insurance company, a reinsurer, a



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- microfinance institution, a micro insurance company, payment instrument issuer, payment system operator, a capital goods finance company, a money transfer institution, a postal money transfer institution or such other similar institution as determined and licensed by the National Bank.
- 2.6 **“Sustainability”** means social and environmental sustainability, as well as economic sustainability where it intersects with environmental and social sustainability. Sustainability information is also referred to as non-financial information.
- 2.7 **“Fit and Proper Criteria”** means criteria used to assess and determine whether persons with significant influence possess the integrity, financial soundness, competence and capacity to fulfill the responsibilities required of their positions.
- 2.8 **“Independent Director”** means a non-executive director that has no family of first degree consanguinity relationship or business, professional or commercial relationship with the bank, and is neither part of senior management nor involved in the day-to-day operations of the bank. An independent director is an experienced board member that is not under any undue influence, internal or external, political or ownership that would impede his ability to exercise objective judgment. Candidates who would not normally be an independent director include natural persons who are:
- 2.8.1 a direct or indirect shareholder, a director, a chief executive officer, or a senior executive officer of a bank and/or the spouse or relative in the first degree of consanguinity or affinity of such shareholder, director, chief executive officer, or senior executive officer, or
- 2.8.2 a shareholder, director, chief executive officer, senior executive officer of a company that has any contractual obligation towards the bank;
- 2.8.3 involved, either directly or indirectly, in any legal proceedings or out-of-court disputes against the bank, the parent undertaking or their subsidiaries;
- 2.8.4 having any business, professional or commercial relationship with the bank over the past two years; and
- 2.8.5 having any financial obligations towards the bank in an amount cumulatively above Birr fifty (50) million.
- 2.9 **“Influential Shareholder”** means a person who holds directly or indirectly two percent or more of the total subscribed capital of a bank.
- 2.10 **“Managerial Position”** means a position of at least a team leader, a unit, division head or equivalent.
- 2.11 **“National Bank”** means the National Bank of Ethiopia.
- 2.12 **“One Term”** means a period not exceeding three (3) years.
- 2.13 **“Person”** means any natural or juridical person.



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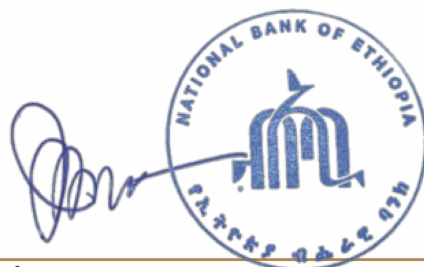
- 2.14 **“Persons with Significant Influence”** are influential shareholders, directors, chief executive officer and senior executive officers of a bank.
- 2.15 **“Senior Executive Officer”** means any officer of a bank who is managing two or more work units and is accountable to the chief executive officer or is directly reporting to the board of directors and includes positions at a level of deputy to chief executive officer.
- 2.16 **“Technically Insolvent Person”** means a person whose liabilities are greater than assets or whose significant part of assets have been foreclosed by a financial institution or sequestered by court order.
- 2.17 any expression in the masculine gender includes the feminine and/or juridical persons.

### **3. Scope of Application**

The provisions of this Directive shall be applicable to all banks operating in Ethiopia.

### **4. General**

- 4.1 Persons with significant influence shall meet all respective requirements and considerations set in this Directive.
- 4.2 Appointment of directors, chief executive officers, and senior executive officers, of a bank shall be subject to approval by the National Bank.
- 4.3 In appointing chief executive officers and senior executive officers, the board of directors of a bank shall ensure that such persons fulfill requirements set out in this Directive.
- 4.4 Any shareholding that makes a person an influential shareholder shall be approved by the National Bank.
- 4.5 Considerations relevant to the assessment of the fitness and propriety of persons with significant influence (excluding shareholders) may vary depending on the role and responsibilities in the bank.
- 4.6 In presenting approval request of appointed chief executive officer and senior executive officers to the National Bank, the board of directors of a bank shall ensure that the appointees qualify based on the bank’s internal assessment process. A bank’s board of directors shall, therefore, ensure that the bank has put in place a documented fit and proper policy and procedures.





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## 5. Fit and Proper Criteria

To establish whether a person with significant influence is fit and proper, the National Bank shall exercise judgment and discretion in all relevant matters including:

### 5.1 Knowledge and Experience

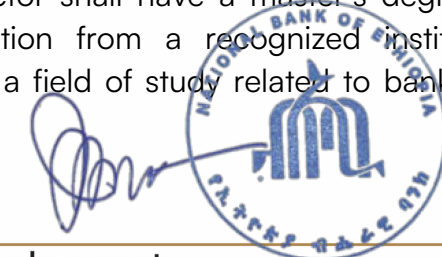
With respect to knowledge, experience and age, directors, a chief executive officer and senior executive officers shall fulfill at a minimum, the following:

#### 5.1.1 Board of Directors

- a) A director shall hold a minimum of first degree or equivalent from recognized higher learning institution and shall have a minimum of seven (7) years' experience in relevant field as specified under sub-articles (e) and (f) of this sub-article.
- b) No person shall be appointed or hold office as a director of a bank if he is serving as a director in more than four other organizations or entities.
- c) A board shall comprise of directors, who as a group, provide a mixture of core competencies such as banking, risk management, finance, accounting, management, economics, legal, business administration, auditing, information technology, investment management and sustainability.
- d) There shall not be single gender board in a bank. To this end, the board of a bank shall comprise of at least two (2) female directors.
- e) A director shall have experience in business management, banking and/or finance, and shall take training in financial analysis, corporate governance, applicable laws, regulation, directives, risk management, and internal control after holding a seat on the board.
- f) Board members shall be and remain qualified, including through training and continuous professional development, for their positions. The board shall dedicate sufficient time, budget, and other resources for this purpose.

#### 5.1.2 Independent Directors

- a) One-third of a bank's board of directors shall be constituted of independent directors. Persons who are not Ethiopian by nationality can be elected to serve as independent directors.
- b) An independent director shall have a master's degree or equivalent professional qualification from a recognized institution of higher learning institution in a field of study related to banking, accounting,





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auditing, finance, business management, economics, law, technology, and related fields.

- c) An independent director shall have a minimum of ten (10) years of professional experience in the financial sector or teaching/consulting in relation with the financial sector, or auditing or risk management or any other relevant fields.

### 5.1.3 Chief Executive Officer

A chief executive officer shall:

- a) hold a minimum of master's degree from recognized higher learning institution; and
- b) have a minimum of twelve (12) years' experience in banking and/or finance, out of which, at least five (5) years shall be as senior executive officer.

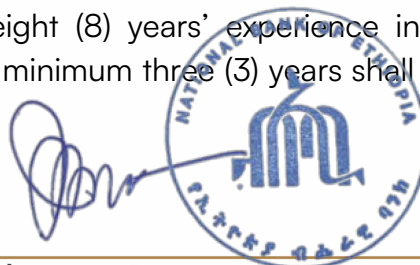
### 5.1.4 Senior Executive Officers

A senior executive officer, who is a deputy and/or reports directly to the chief executive officer and/or the board of directors, shall:

- a) hold a minimum of first degree from recognized higher learning institution; and
- b) have a minimum of ten (10) years' experience in banking and/or finance, out of which, at a minimum four (4) years shall be experience as department manager or equivalent.
- c) Notwithstanding the provision stated above, for senior executive officer positions in human resources, information technology, finance, strategy, marketing and facility management; relevant and equivalent experiences outside banking and/or finance sectors, shall be considered as qualifying. Nevertheless, such person shall take a minimum of five (5) days training on core banking business functions including credit, saving, international banking and other core functions once he assumes the position of senior executive officer and certificate of completion of training shall be deposited with the National Bank.

A senior executive officer, if directly reporting to the board of directors (mainly chief internal auditor and chief risk and/or compliance officer), shall:

- d) hold a minimum of first degree from recognized higher learning institution; and
- e) have a minimum of eight (8) years' experience in banking and/or finance, of which, at a minimum three (3) years shall be in managerial position.





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## 6. Integrity

Persons with significant influence shall be honest, reputable, and diligent. In determining integrity of persons with significant influence, all relevant factors shall be considered, including but not limited to:

- 6.1 whether the person has a history of conviction for a criminal offence under any law designed to protect members of the public from dishonesty or fraud whether in Ethiopia or elsewhere;
- 6.2 whether he or the legal person in which he has a controlling interest or exercises significant influence has withheld information from public authorities, submitted incorrect financial or other statements, prior refusal of regulatory/supervisory approval and failure to comply with requirements of regulatory/supervisory body, other corrective actions, or interventions by public authority;
- 6.3 whether the person, or any business in which he has a controlling interest or exercises significant influence, has been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, on cases related to breach of trust, fraud and other related financial crime, whether publicly or privately;
- 6.4 in case of chief executive officer and senior executive officers, whether the person has an active (current) record of disciplinary measures, or compliance with a code of conduct, which has led to the imposition of a penalty under employment law, or any other current disciplinary measures imposed by trade or professional associations, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings; and
- 6.5 in case of chief executive officer and senior executive officers, whether the person has a record of fraud, embezzlement or associated misappropriation of funds.

## 7. Financial Soundness

Persons with significant influence shall be financially sound. In determining financial soundness of persons with significant influence, all relevant factors shall be considered, including but not limited to:

- 7.1 whether he or the legal person in which he is a director or chief executive officer or senior executive officer or owner has instituted bankruptcy proceedings or was declared bankrupt, whether in Ethiopia or elsewhere, or



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- his or the company's assets have been sequestered or put under administration because of bankruptcy or been foreclosed by a bank because of failure to repay a loan (the fact that one has been involved with a company that was placed under administration or liquidation, will not in itself result in adverse inference being drawn, due regard will be given on the role of the appointee in commission and/or omission);
- 7.2 whether he or the legal person in which he is a director or chief executive officer or senior executive officer or owner has defaulted on repayments of bank or other credits or tax payment;
- 7.3 whether he or the legal person in which he is a director or chief executive officer, or senior executive officer or owner carries non-performing loans in the last two (2) years preceding assessment by the National Bank, as defined by Directives of the National Bank, from any financial institution;
- 7.4 whether the person's purchase of shares in a financial institution has been funded or is known to be funded by another person who is actually bankrupted or technically insolvent because of irresponsible or reckless management, fraud or illegal business practice;
- 7.5 in the case of shareholder, whether the person's net worth at the time of acquisition of shares is at least greater than the value of shares acquired or to be acquired from a financial institution; and
- 7.6 whether a person's account has been closed and not re-instated by any bank, in line with relevant Directives of the National Bank, because of drawing checks without sufficient funds.

## **8. Conflicts of Interest and Independence of Mind**

Persons with significant influence shall ensure independence of mind, and exercise extreme caution to avoid matters that may give rise to a conflict of interest in performing their duties. This provision shall be applicable to directors or chief executive officers or senior executive officers. These appointees shall be able to make their own sound, objective, and independent decisions and shall act with independence of mind free from any conflicting interests.

- 8.1 In determining the level of independence of minds, all relevant factors shall be considered, including but not limited to:
- 8.1.1 courage, character, behavior, conviction and strength to effectively assess and challenge the proposed decisions of other directors or senior executive officers;
- 8.1.2 being able to ask questions to the members of the senior executive officers demonstrating independent thinking in the exercise of their

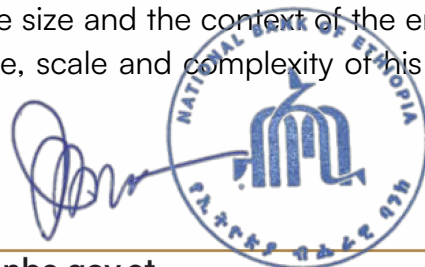


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- management function; and
- 8.1.3 being able to resist ‘group-think’ and present one’s own viewpoint and position.
- 8.2 Independence of mind can also be affected by conflicts of interest, where the conflict poses a material risk and adequate mitigation, management, or prevention of it is not possible based on the written policies of the bank. In determining the level of potential conflicts of interest, all relevant factors shall be considered, including but not limited to:
- 8.2.1 presence of any family or business, professional or commercial relationship with other senior executive officers and/or other persons assuming positions on core functions of the bank, with any influential shareholders of the bank or with clients, suppliers or competitors of the bank;
- 8.2.2 involvement, either directly or indirectly, in any legal proceedings or out-of-court disputes against the bank;
- 8.2.3 any business, professional or commercial relationship over the past two (2) years with the bank, the parent undertaking or their subsidiaries or with clients, suppliers or competitors of the bank or other subsidiaries; and
- 8.2.4 any financial obligations towards the bank, that are cumulatively above Birr fifty (50) million.
- 8.3 Appointees shall be required to provide a comprehensive description of their potential involvement in the issues listed above under sub-article 8.2.1 up to 8.2.4, currently and in the past two (2) years, as specified below:
- 8.3.1 business, professional, or commercial involvements with the bank and its environment;
- 8.3.2 involvement in any legal proceeding toward the bank and its environment; and
- 8.3.3 financial obligations toward the bank and its environment.

## 9. Time Commitment

A director shall ensure that he is able to commit sufficient time to perform his functions in the bank. A director’s time commitment shall be assessed on a case-by-case basis, taking the principle of proportionality into account. The time a director may commit to his functions in the bank may be affected by several factors, such as the number of other senior executive officer/managerial positions held in other entities; the size and the context of the entities where he holds directorships and the nature, scale and complexity of his activities there;







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the place or country where the entities are based; and the director's other professional or personal commitments and circumstances.

9.1 In determining the time commitment of a director, all relevant factors shall be considered, including but not limited to:

9.1.1 an assessment by the bank and by the director of the time commitment expected for the role involved;

9.1.2 a full list of mandates or positions (executive and non-executive directorships and other professional activities) requiring time commitment of the director and the (expected) time commitment for each mandate or position, including the number of meetings per year dedicated to each mandate;

9.1.3 whether any of the mandates carry any additional responsibilities, such as membership in committees or chairperson functions or other;

9.1.4 whether the nature, type and size of the entity will demand more time (e.g. the entity is regulated, listed etc.);

9.1.5 the term of the mandate;

9.1.6 confirmation that on-going learning, development and time in periods of particularly increased activity have been provided for;

9.1.7 synergies between directorships (e.g. where the director is a senior executive officer in numerous subsidiaries); and

9.1.8 whether the experience of the director generally or with respect to the bank is such that the appointee could carry out their duties with greater familiarity and hence efficiency.

9.2 A director shall be required to provide a comprehensive description of his potential involvement in the issues listed in sub-article 9.1.1 to 9.1.8, as specified below:

9.2.1 expected time commitment in the bank;

9.2.2 full list of mandates and positions requiring time commitment, with the characteristics of the entities, exerted responsibilities and assigned objectives; and

9.2.3 expected responsibilities and assigned objectives within the bank.

## **10. On-going Fitness and Propriety Test and Action by the National Bank**

The National Bank shall conduct fitness and propriety test on persons with significant influence of a bank on an on-going basis. The National Bank may interview candidates while conducting its assessment. Where such a test indicates that a person with significant influence has failed to fulfill the fitness and propriety test as set out in this Directive, the National Bank may



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- 10.1 suspend voting rights and/or economic rights (rights to dividends, rights to sell shares) of influential shareholder; and
- 10.2 suspend and/or remove a director, chief executive officer or senior executive officer.

## **11. Fit and Proper Policy**

- 11.1 A bank shall, as part of its risk management framework, prudently manage risks that persons with significant influence, who are not fit and proper, pose to the bank's business and financial standing. To this end, the board of directors shall ensure that the bank has a documented and board-approved fit and proper policy that is reviewed at least once in two (2) years to align with material changes in the business and risk profile and in the strategies of the bank.
- 11.2 The fit and proper policy of a bank shall, at a minimum, cover:
  - 11.2.1 the requirements/criteria of this Directive;
  - 11.2.2 procedures and processes for conducting fit and proper assessments, including but not limited to:
    - a) the processes to be undertaken in assessing whether a person is fit and proper, and reasons to be employed for any decisions made;
    - b) the information to be obtained and how it will be obtained; and
    - c) who will conduct fit and proper assessments on behalf of the bank.
  - 11.2.3 list of persons with significant influence in the bank;
  - 11.2.4 requirement that sufficient documentation for each fit and proper assessment is retained to demonstrate the fitness and propriety of the bank's current, and former persons with significant influence;
  - 11.2.5 adequate provisions to encourage and enable disclosure of relevant information, as well as giving or obtaining any consents required for the collection and use of any information; and
  - 11.2.6 actions, including internal governance process requirements, to be taken where a person is assessed to be no longer fit and proper for a specific position.
- 11.3 The bank shall take all reasonable steps to ensure that the chief executive officer or senior executive officers, are aware of, and understand, the provisions of its fit and proper policy.





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## **12. Whistleblowing**

A bank shall use whistleblowing as an important source of intelligence and information for fitness and propriety assessment purposes. In particular and without limiting the generality of the above:

- 12.1 A bank shall have a policy, which encourages and supports persons who have serious concerns about any aspect of the bank's work or employees to come forward and report.
- 12.2 The policy shall clearly outline the structure and process to be followed when reporting to the bank or the National Bank, as well as a mechanism to raise awareness of the whistleblowing process.
- 12.3 The policy shall require that all reasonable steps be taken to ensure that no person, including employees, making such disclosures in good faith, is subjected to or threatened with a detriment because of any such reporting.

## **13. Subsequent Notification Requirements**

- 13.1 Persons with significant influence are required to immediately notify the National Bank, any events that might change their assessment as fit and proper.
- 13.2 If boards of directors, chief executive officer, senior executive officers or external auditors of a bank, while performing their duties, have reasonable doubt that a person with significant influence has failed to fulfill the criteria in this Directive, they shall immediately report the matter to the National Bank.

## **14. Documents to be Submitted on Application**

14.1 Written request shall be submitted to the National Bank along with the following documents to conduct fitness and propriety test.

14.1.1 For directors, chief executive officer and senior executive officers:

- a) an updated and signed curriculum vitae (including name, nationality, birth date, education, recent photograph, employment history, experience in business and financial affairs, involvement in civic, social and charitable activities including any leadership position held), accompanied with authenticated copies of documents signifying education qualification and work experience;
- b) copy of organizational structure of the bank approved by board of directors;



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- c) copies of identification card and /or passport; and
  - d) copy of signed appointment minutes of the board of directors.
- 14.2 For all persons with significant influence:
- 14.2.1 completed and signed fitness and propriety test questionnaire, which is part hereof;
  - 14.2.2 copy of tax identification number;
  - 14.2.3 certificate of good conduct from relevant government organ/federal police clearance certificate [less than six 6 months old];
  - 14.2.4 any document allowing to assess the risk of conflict of interest and the potential time commitment, as listed in sub-article 8.3 and 9.2 of this directives; and
  - 14.2.5 any other document that the National Bank deems necessary.
- 14.3 Where the director is a juridical person, both the entity and the person representing the entity shall be fit and proper.
- 14.4 In case of corporate directors and influential shareholder, the following documents shall be submitted:
- 14.4.1 copy of the entity's establishment legal documents;
  - 14.4.2 copies of audited statements of the entity concerned, for three (3) consecutive years (immediately preceding its application) or for each year it has been in operation, if less than three (3) years in operation; and
  - 14.4.3 any other documents that the National Bank deems necessary.

## **15. Rotation**

- 15.1 A person may not serve either on his own behalf or representing any other shareholder as agent, or by whatsoever means, as director of a bank for more than six (6) consecutive years starting from the date he was appointed by ordinary general meeting of shareholders; however, he may be re-elected after a lapse of six (6) consecutive years.
- 15.2 Notwithstanding provisions of sub-article 15.1 of this Article, if the ordinary general meeting of shareholders of a bank wishes to maintain continuity in the board and re-elect some of the existing board members, it may re-elect such directors for only one more term. The number of board members so re-elected shall, however, be limited to a maximum of one-third (1/3) of the board seats of the bank.
- 15.3 A bank shall notify the National Bank, in writing, any transfer or removal of senior executive officers directly reporting to the board of directors from his current position within thirty (30) calendar days before such decision is implemented, clearly stating the reason for such decision.



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15.4 A bank that undertakes re-assignment of senior executive officers previously approved by the National Bank shall notify the National Bank about the change within fifteen (15) days of the assignment.

## **16. Period of Limitation for Acting Officers**

16.1 Appointment of a chief executive officer of a bank on acting basis on a vacant post shall be approved by the National Bank.

16.2 A person shall not assume chief executive officer or senior executive officer position on acting basis for more than six (6) months.

16.3 Appointment of a senior executive officer by a bank on acting basis on a vacant post shall be reported to the National Bank within three (3) working days of such appointment.

16.4 Any experience relevant to the provision of sub-article 16.2 of this Article, exceeding six (6) months, shall not be counted as managerial experience.

## **17. Transitional Provision**

A bank shall apply the provisions of this Directive, related to changes made in Fit and Proper Criteria, during appointment of new persons with significant influence in a bank.

## **18. Repeal**

Requirements for Persons with Significant Influence in a Bank Directive No. SBB/79/2021(2<sup>nd</sup> Replacement) is hereby repealed and replaced by this Directive.

## **19. Effective Date**

This Directive shall enter into force as of the 12<sup>th</sup> day of June 2024.

  
**Mamo Esmelealem Mihretu**  
Governor





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**ANNEX 1: GENERAL INFORMATION** (influential shareholder, director, chief executive officer or senior executive officer or chief internal auditor or chief risk and/or compliance officer — Underline).

**NB:** In case the space provided is inadequate, use additional paper.

1. Name of bank \_\_\_\_\_

2. Personal Information

a) Full Name: \_\_\_\_\_

b) Date of Birth: \_\_\_\_\_

c) Place of Birth: \_\_\_\_\_

d) Nationality: \_\_\_\_\_

e) Identification Card Number and Date of Issue: \_\_\_\_\_

f) Passport Number and Date of Issue: \_\_\_\_\_

g) Tax Payer Identification Number: \_\_\_\_\_

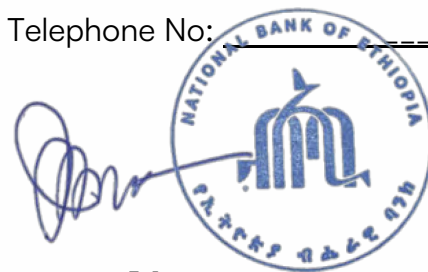
h) Address: Building \_\_\_\_\_ Street \_\_\_\_\_ City: \_\_\_\_\_

Sub-City: \_\_\_\_\_

Zone: \_\_\_\_\_ Woreda/District: \_\_\_\_\_ Kebele \_\_\_\_\_

House No.: \_\_\_\_\_ Postal Address: \_\_\_\_\_ Telephone No: \_\_\_\_\_

Email: \_\_\_\_\_





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i) Educational Qualification:

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j) Summary of Work Experience:

No.	Organization	Position	Duration	Number of years

k) Name(s) of your bankers for the last 5 years

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3. Please list financial institutions in which you currently (as of completing these form) own shares in the following table:

Name of the financial institution	Subscribed Shares Owned			Remarks
	In number	Amount	Share in the financial institution's total subscribed capital (%)	

4. Description of your past and current business activities in Ethiopia and abroad (if applicable)

a) Current shareholding or ownership in non-financial institutions/companies

Company name	Date of incorporation	Amount of shareholding	% of shareholding (in total shares of the company)	Remark







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b) Past shareholding or ownership in a company (shares you owned in the past but had been relinquished) including financial institutions

Company name	Date of incorporation	Amount of shareholding	% of shareholding (in total shares of the company)	Reason for termination of shareholding	Remark

c) Borrowings (directly or indirectly)

	Name of borrower*	Name of lending institution	Type of facility	Amount borrowed /Facility limit	Date of approval	Security offered (type)	Value of security	Current outstanding balance	Status of loan (classification)	Remark
1										
2										
3										
...										

\*Including all companies which are 10% or more owned by the applicant, the applicant's spouse and children less than 18 year.



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5. If legal person (only for influential shareholder and director in a bank), please complete the following table for the recent three financial years (Please also attach audited financial statements)

Year	Assets	Liabilities	Net worth	Remarks

6. If you are new shareholder to the bank or existing shareholder planning to increase your shareholding above what you currently own, please provide details of the actual source(s) of funds that you, as a shareholder, would like to invest or use in the acquisition of the shares in the bank.

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## Declaration

I am aware that under sub-article 6(b) of Article 65 of Banking Business Proclamation No. 592/2008 (as Amended by Proclamation 1159/2019), it is an offense to provide false or misleading statement.

I certify that the information and/or statements given above are complete and accurate to the best of my knowledge, and that there are no other facts relevant to this application of which the National Bank should be aware. I also undertake to inform the National Bank of any changes material to the application.

Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_





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### ANNEX 2: PROPRIETY TEST QUESTIONNAIRE

Please give yes or no answers for the following questions and if your answer is “yes”, please give particulars.

Full Name: \_\_\_\_\_

(Underline - influential shareholder, director, chief executive officer, senior executive officer, chief internal auditor, or chief risk and/or compliance officer -)

Name of bank: \_\_\_\_\_

**Yes**      **No**

1. Have you or the legal person in which you were a director, chief executive officer, senior executive officer, or owner been charged or convicted of any criminal offence, particularly an offence relating to dishonesty or fraud, under any law whether in Ethiopia or elsewhere?  
If yes, give particulars \_\_\_\_\_

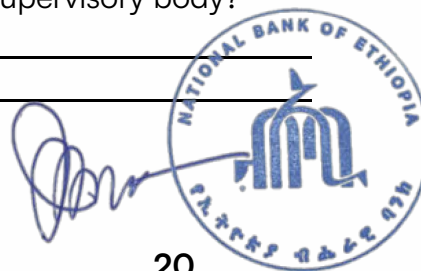
    

2. Have you or the legal person in which you were a director, chief executive officer, senior executive officer, or owner ever been imposed with corrective actions or interventions by public authority due to withholding information or submission of incorrect financial or other statements?  
If yes, give particulars \_\_\_\_\_

3. Have you or the legal person in which you were a director, chief executive officer, senior executive officer, or owner been refused approval by any regulatory/supervisory body or failed to comply with requirements of regulatory/supervisory body?  
If yes, give particulars \_\_\_\_\_



    





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4. Have you ever been in dispute with previous employers concerning fulfillment of position or compliance with a code of conduct which has led to the imposition of penalty under employment law or ever been dismissed or requested to resign from any office of employment or disciplinary measures imposed by trade or professions?    
If yes, give particulars \_\_\_\_\_  
\_\_\_\_\_
5. Have you been refused, whether in Ethiopia or elsewhere, the right to carry on any trade, business or profession for which a specific license, registration or other authority is required;    
If yes, give particulars \_\_\_\_\_  
\_\_\_\_\_
6. Have you been notified of any impending proceedings or of any investigations, which might lead to such proceedings, by employer or trade or professional association?    
\_\_\_\_\_
7. Have you or the legal person in which you were a director, chief executive officer, senior executive officer, or owner been declared bankrupt whether in Ethiopia or elsewhere or have its assets been sequestrated because of bankruptcy or foreclosed by a bank due to failure to repay a loan?    
If yes, give particulars \_\_\_\_\_  
\_\_\_\_\_
8. Have you or the legal person in which you were a director, chief executive officer, senior executive officer, or owner been convicted of default on repayments of bank or other credits or tax payment?    
If yes, give particulars \_\_\_\_\_  
\_\_\_\_\_



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9. Have you or the legal person in which you were a director or chief executive officer, senior executive officer, or owner been carrying non-performing loans (in the past two years) or account been closed and not re-instated by any bank in line with relevant directives of the National Bank?    
If yes, give particulars \_\_\_\_\_  
\_\_\_\_\_

10. Has your purchase of shares in a financial institution been funded or to be funded by another person or legal entity who is actually bankrupted or technically insolvent because of irresponsible or reckless management, fraud or illegal business practice?    
If yes, give particulars \_\_\_\_\_  
\_\_\_\_\_

11. Has your minimum net worth at the time of acquisition of shares been at least greater than the shares acquired or to be acquired from a financial institution?    
If yes, give particulars \_\_\_\_\_  
\_\_\_\_\_

12. Are you currently a member of board of directors or chief executive officer or senior executive officer in any of the financial institutions?    
If yes, give particulars \_\_\_\_\_  
\_\_\_\_\_

13. Are you currently a member of board of directors in any other organization?    
If yes, give particulars \_\_\_\_\_  
\_\_\_\_\_





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14. Are you assuming concurrent responsibilities in the bank as board member or employee? If Yes, state how you will manage time in discharging your duties as director, chief executive officer, or senior executive officer?

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15. Are you free from any business or other relationship which could pose a conflict of interest in discharging your duties as director, chief executive officer, senior executive officer?

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## Declaration

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Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

