

REQUIREMENTS FOR LICENSING AND RENEWAL OF BANKING BUSINESS AND REPRESENTATIVE OFFICE

DIRECTIVE NO. SBB/94/2025

JUNE 2025
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OF ETHIOPIA



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PREAMBLE

WHEREAS, promoting strong and viable banking sector in Ethiopia is crucial for macro-economic stability and growth;

WHEREAS, proper licensing and supervision of banking business and representative offices of foreign banks is important to ensure safety and soundness of the banking sector;

WHEREAS, it is important to put in place the necessary legal framework for licensing a bank owned by foreign investors, including foreign banks, and for bringing the licensing and supervision of representative office of foreign banks to the National Bank's regulatory ambit;

WHEREAS, it is necessary to ensure that appropriate and effective coordination mechanisms are established with home supervisory authorities of foreign banks whose banks have been hosted in Ethiopia;

WHEREAS, establishing clear, objective and transparent requirements for licensing and renewal is essential to promote the sector;

NOW, THEREFORE; in accordance with, Articles 3(3), Article 4(1) (a, b, f, and i), Article 4(3 and 5), Article 5 (2), Article 6(1), Article 7, Article 10 (1)(n), Article 10 (2)(a), Article 10 (3)(b, c and f), Article 10 (4), Article 11, Article 13 (3), Article 17(5)(b), Article 82(1) and Article 91(2) of Banking Business Proclamation No. 1360/2025 (hereinafter referred to as the "Proclamation"), the National Bank has issued this Directive.



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PART ONE: GENERAL PROVISIONS

1. Short Title

This Directive may be cited as “**Requirements for Licensing and Renewal of Banking Business and Representative Office Directive No. SBB/94/2025.**”

2. Definitions

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

- 2.1 “Acceptable Foreign Currency”** means any currency other than Ethiopian legal tender, which is a legal tender in any country outside Ethiopia and shall be limited to United States Dollar, Euro and Pound Sterling.
- 2.2 “Agent Banking Service”** means the provision of banking service through an agent, under a valid agency agreement, as prescribed in the relevant National Bank Directive.
- 2.3 “Bank”** means a private or state-owned bank, a foreign bank subsidiary or a branch of a foreign bank licensed by the National Bank to undertake banking business.
- 2.4 “Banking Business”** means any business that consists of activities as prescribed under Banking Business Proclamation No. 1360/2025.
- 2.5 “Bank Group”** means both domestic and foreign bank and all of its subsidiaries, branches, affiliates, and holding company, wherever located, that the National Bank determines to be taken into account for the purpose of this Directive.
- 2.6 “Beneficial Owner”** means any natural person who ultimately owns or controls a customer or an account, the person on whose behalf a transaction is being conducted, or the person who ultimately exercises effective control over a legal person or arrangement.
- 2.7 “Branch Capital”** means minimum capital that has been permanently assigned by a foreign bank as prescribed by the National Bank, for the purposes of opening a foreign bank branch, and is inwardly remitted to Ethiopia.



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- 2.8 “Branch Management Committee”** means the committee responsible for the local management and oversight of the foreign bank branch(es), and is composed of the senior country officer as chairperson, and other senior executive officers of the foreign bank branch responsible for, at a minimum, credit operations, investment, international banking, branch operations and heads of internal audit, risk management and compliance functions.
- 2.9 “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.
- 2.10 “Chief Representative Officer”** means a person who is an employee of a foreign bank, who is resident in Ethiopia and is primarily responsible for the day-to-day management of the affairs of a representative office of the foreign bank.
- 2.11 “Commercial Code”** means Commercial Code of Ethiopia Proclamation No. 1243/2021.
- 2.12 “Company”** means a share company as defined under the Commercial Code, and registered under the laws of, and having its head office in Ethiopia.
- 2.13 “Digital Financial Service”** means provision of banking service including credit, savings, remittances, payments and other related services accessed and delivered through digital channels.
- 2.14 “Direct Shareholding”** means shareholding in a bank, by a person directly on his own name, or jointly with his spouse or with a person who has not attained the age of legal majority related to him by consanguinity to the first degree or through any other conditions as may be determined by the National Bank.
- 2.15 “Director”** means any member of the board of directors of a bank, by whatever title he may be referred to.
- 2.16 “Domestic Bank”** means a bank incorporated under the laws of Ethiopia; and is conducting banking business in Ethiopia.
- 2.17 “Employee”** means a chief executive officer, a senior executive officer or any other person who is appointed or hired by a bank or assigned through staff transfer to carry out its day-to-day activities.
- 2.18 “Financial Institution”** means a bank, an insurance company, a reinsurer, a micro finance institution, a micro insurance company, payment instrument



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issuer, payment system operator, a capital goods finance company, a money transfer institution, representative office of a foreign bank, a postal money transfer institution or such other similar institution as determined and licensed by the National Bank.

- 2.19 “Fit and Proper Criteria”** means criteria prescribed by the National Bank 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.
- 2.20 “First Degree of Consanguinity or Affinity”** means spouse, children and parents.
- 2.21 “Foreign Bank”** means a bank or bank group incorporated under the laws of a country other than Ethiopia with a banking license issued from its home country regulator and conducts its banking business in its country of incorporation or other jurisdictions as the case may be.
- 2.22 “Foreign Bank Branch”** means deposit or non-deposit taking branch of a foreign bank, having no separate legal existence.
- 2.23 “Foreign Bank Subsidiary”** means a subsidiary as defined under the Commercial Code, and controlled by a foreign bank strategic investor, and incorporated under the laws of, and having its head office in Ethiopia.
- 2.24 “Foreign National”** means a person who is not an Ethiopian national and includes foreign banks.
- 2.25 “Foreign National of Ethiopian Origin”** means a person with valid identification card obtained pursuant to Proclamation No. 270/2002 and other relevant laws issued in line with this Proclamation, attesting that he is foreign national of Ethiopian origin.
- 2.26 “Foreign Owned Ethiopian Organization”** means an entity that is fully owned by Foreign Nationals or jointly owned with Ethiopians, and registered under the laws of, and having its head office in Ethiopia.
- 2.27 “Home Supervisor”** means the supervisory authority of a foreign bank that wishes to establish a foreign bank subsidiary or open a foreign bank branch or a representative office of a foreign bank in Ethiopia.
- 2.28 “Host Supervisor”** means the National Bank of Ethiopia in respect of foreign bank subsidiaries and foreign bank branches operating in Ethiopia and representative offices of foreign banks.



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- 2.29 “Indirect Shareholding”** means shareholding in a bank through an entity owned by a direct shareholder with ten percent or more ownership in the entity or through his children who attained the age of legal majority or through any other conditions as may be determined by the National Bank.
- 2.30 “Interest Free Bank”** means a bank licensed by the National Bank to engage in interest free banking services.
- 2.31 “Interest Free Banking Service”** means provision of banking service by a full-fledged interest free bank or interest free banking service window in compliance with Shariah principles, including non-acceptance of interest.
- 2.32 “National Bank”** means the National Bank of Ethiopia.
- 2.33 “Parent Bank”** means a domestic bank that fully or partially owns more than fifty percent of the subsidiary operating in Ethiopia.
- 2.34 “Persons with Significant Influence”** are shareholders with significant ownership, directors, chief executive officer, senior country officer, and senior executive officers of a bank including branch management committee.
- 2.35 “Proclamation”** means the Banking Business Proclamation No. 1360/2025.
- 2.36 “Project Manager”** means a person who is in charge of the whole process of obtaining banking business license for a bank and, in the case of a foreign bank subsidiary or foreign bank branch, the person shall also serve as a legal proxy of the bank.
- 2.37 “Promoters”** means persons who initiate plans and facilitate the formation or generally act with the view of realizing the formation of a domestic bank or foreign bank subsidiary, and who shall be jointly and severally liable for damage sustained in connection with failure to establish the bank, if not formed, to third parties in respect of commitments entered into during the formation process.
- 2.38 “Qualification of Competency”** means required education, experience, competence, fitness and propriety as determined by the National Bank Directive.
- 2.39 “Representative Office”** means an office of a foreign bank located in Ethiopia and engaged in representational functions such as liaison, marketing, research and other similar activities as prescribed in this Directive.
- 2.40 “Senior Country Officer”** means a person who is resident in Ethiopia and is primarily responsible for the day-to-day management of the affairs of a



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foreign bank branch, as well as, representing the foreign bank as central point of contact with the National Bank and other stakeholders.

2.41 “Senior Executive Officer” means any officer of a bank by whatever title that officer may be referred to, who:

2.41.1 manages two or more departments or directorates under its portfolio or manages one department of critical importance as defined by the National Bank and is directly reporting to the chief executive officer;

2.41.2 reports directly to the board of directors;

2.41.3 is company secretary;

2.41.4 is senior country officer of a foreign bank branch who is responsible to manage the operation of the local branch/es and represent the bank in respect of its business relationship with the National Bank and other stakeholders; and

2.41.5 members of the foreign bank branch management committee.

2.42 “Shariah Committee” is a group of experts of a bank that provides interest-free banking services; having knowledge of the Shariah principles and banking business; and is responsible for ensuring that the bank's products and services are in compliance with Shariah principles.

2.43 “Significant Ownership” means direct or indirect shareholding of two percent or more of the total subscribed capital of a bank by a person.

2.44 “Staff Transfer” means the transfer of foreign national employees from a foreign bank to its branch or subsidiary in Ethiopia, as determined by the National Bank.

2.45 “Strategic Investor” means a foreign bank or a bank group with in-built good reputation in its country of incorporation or owned by the government of the country where it was incorporated, or international development finance institution, private equity fund or other similar entities to be determined by the National Bank and meet the minimum vetting criteria as set out in this Directive.

2.46 “Subsidiary” means as defined under the Commercial Code, and controlled by a parent bank, registered under the laws of, and having its head office in Ethiopia.

2.47 “Person” means any natural or juridical person;

2.48 In this Directive, any expression in the masculine gender includes feminine.



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3. Scope of Application

This Directive shall be applicable to those who wish to obtain or renew banking business license or obtain or renew license for representative office of a foreign bank.

4. General Principles

- 4.1** A person who desires to carry out banking business in Ethiopia or open a representative office shall apply in writing to the National Bank.
- 4.2** The National Bank's assessment of a strategic investor, shall, at a minimum, include the following criteria:
 - 4.2.1 governance and financial soundness;
 - 4.2.2 status of compliance with the requirements of the home regulator;
 - 4.2.3 approval by home regulator, including arrangements for cross-border supervision and degree of cooperation by home regulator; and
 - 4.2.4 degree of strategic value it brings to the Ethiopian financial system.
- 4.3** The National Bank's approach to a new license applicant shall cover the progression of the application through pre-application phase, application phase and commencement of operation phase.
- 4.4** The National Bank shall carry out the supervision of banking business in line with relevant international standards, as well as local regulatory standards and requirements and may engage in cooperation and exchange of relevant supervisory information with respective home supervisor of a foreign bank, as necessary.
- 4.5** A foreign bank subsidiary and a foreign bank branch shall comply with all relevant prudential requirements, equally with a domestic bank, as appropriate.
- 4.6** The National Bank, based on its own assessment and determination, shall have the power to decide on whether or not to grant a license to an applicant.
- 4.7** The National Bank may issue moratorium on the issuance of business license to new banks as determined necessary.



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PART TWO: LICENSING OF A BANK OTHER THAN A FOREIGN BANK BRANCH

5. Promoters and Project Manager

- 5.1 Promoters who desire to get a bank license for a domestic bank or foreign bank subsidiary shall appoint a project manager.
- 5.2 A foreign bank that wishes to establish a fully owned foreign bank subsidiary shall submit a power of attorney authenticated by an appropriate organ authorizing the project manager to act as an agent of the foreign bank.
- 5.3 The project manager shall have:
 - 5.3.1 first degree from recognized higher learning institution; and
 - 5.3.2 business experience, preferably in setting up a banking or other financial institutions operation or running a financial institution.
- 5.4 The project manager and the promoters shall be honest, reputable and diligent. In determining integrity of the promoters and project manager, the National Bank shall consider all relevant factors, including but not limited to:
 - 5.4.1 whether the person has a record or evidence of previous conduct and activities where he has been convicted for a criminal offense under any law designed to protect members of the public from dishonesty or fraud whether in Ethiopia or elsewhere;
 - 5.4.2 whether the person has a record of withholding information from public authorities, submission of 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 authorities;
 - 5.4.3 whether the person has an active or current record of disciplinary measures or any dispute with previous employers, or compliance with a code of conduct, which has led to the imposition of a penalty under employment law or any other disciplinary measures imposed by trade or professional associations;
 - 5.4.4 whether the person has a record or evidence of conviction of breach of trust, theft, robbery or any other similar criminal offence or failure to discharge his duties and responsibilities, in a duly and sound manner,



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in his previous role as a promoter of a business organization including a financial institution or in any other circumstance; or

5.4.5 promoters shall not be of first degree of consanguinity or affinity relationship among themselves. In the case of legal person promoter, a natural person promoter shall not have 10% or more control in the legal person.

5.5 As part of determining the fitness and propriety of promoters and/or project manager, the following documents shall be submitted to the National Bank:

5.5.1 duly completed application form for promoters and/or project manager, as specified under Annex I, of this Directive;

5.5.2 properly completed fit and proper test questionnaire for promoters and/or project manager, as specified under Annex II of this Directive;

5.5.3 copies of local identification card and national identification card for Ethiopian promoter or project manager; and in the case of a foreign project manager, a copy of valid passport authenticated by a legally recognized body of the issuing country and relevant government organ in the host country.

5.6 Notwithstanding approval requirements stipulated in the Ethiopian Capital Markets Proclamation No. 1248/2021, a promoter intending to raise capital through public offering, shall first meet all fit and proper requirements for promoters as stipulated in this Directive.

6. Licensing Requirements for a Bank Other Than a Foreign Bank Branch

6.1 Pre-application Phase

A person planning to establish a bank shall initiate the process through its promoters or project manager and shall provide the National Bank with adequate information that would allow it to gain an understanding of the applicant's business plan, its level of readiness and provide any feedback or concerns on the proposed plan. The applicant shall submit the following information and documents to the National Bank:

6.1.1 Signed minutes of first meeting of promoters or in case of a foreign bank, signed minutes of the board of directors and/or other competent



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authority authenticated by a legally recognized body in the home country, including a resolution approving establishment of a foreign bank subsidiary in Ethiopia.

- 6.1.2 The National Bank may conduct a pre-application meeting with promoters, project manager (the legal proxy) or any other delegates of a foreign bank as appropriate.
- 6.1.3 Prior to the pre-application meeting, the promoters and/or project manager shall be required to prepare high-level summary of the business proposition for the bank under formation, to be distributed to prospective investors or other stakeholders and submitted to the National Bank. At a minimum, the aforementioned summary shall contain the following:
- a) a rationale on why the applicant wants to establish the bank;
 - b) the initial business plan and strategy for the bank under formation;
 - c) an indication of the sources of funding;
 - d) proposed governance arrangements for the bank under formation, covering organogram showing key work units/functions, including internal control functions;
 - e) evidence validating compliance with relevant regulatory requirements and any other disclaimers;
 - f) project plan, including an overview and timeline plan to establish the bank; and
 - g) expected risks and impediments in realizing the establishment of the bank and plan to mitigate those risks.
- 6.1.4 Evidence of registration of trade name of the bank under formation from the pertinent organ of the Federal Government of Ethiopia. In case of a foreign bank, verification and registration of such trade name shall come from Ethiopian Investment Commission.
- 6.1.5 Written application to the National Bank requesting to open a blocked account, in the name of the bank under formation, with a domestic bank(s) and its specific branch(es). In the case of a license request for a foreign bank subsidiary, the blocked account, which shall be non-



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interest bearing and denominated in acceptable foreign currency, shall be opened with the National Bank.

6.1.6 Notwithstanding the requirements stipulated under Sub-Articles 6.1.1 to 6.1.5 of this Article and requirements in other relevant laws, the following conditions and information shall be fulfilled in the case of a foreign bank planning to establish a foreign bank subsidiary in Ethiopia:

- a) Details on ownership structure including information on who owns and controls the applicant, the beneficial owners and their percentage shareholding; as well as what level of reliance can be placed on shareholders for access to additional capital, when required.
- b) A statement from its home supervisor, in the form of a written no objection letter, shall be sent directly to the National Bank regarding the proposed establishment of a foreign bank subsidiary in Ethiopia, along with assurance certifying the following in respect of the foreign bank:
 - i. is incorporated or established in accordance with the laws of home country, with a reference to those laws;
 - ii. is licensed as a bank or bank group by an appropriate organ, is operational and the details of the license;
 - iii. is in good financial standing;
 - iv. maintains the home supervisor's risk management standards;
 - v. meets prudential requirements;
 - vi. meets capital adequacy and liquidity Basel standards currently being applied by the home supervisor;
 - vii. where applicable, is supervised on a consolidated basis;
 - viii. where applicable, the amount, composition and geographical distribution of capital and the sum of the capital requirements for consolidated group;and



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- ix. advice on whether the applying foreign bank has ever had an application to establish a presence in another country rejected or had approval to conduct banking operation in another country suspended or revoked, and the reasons for that action.
- c) Information on the recent rating of the foreign bank, if any, by external credit assessment institutions.
- d) submission of a copy of the foreign bank's certificate of incorporation or establishment, authenticated by a legally recognized body in the home country and relevant government organ in the host country, including commercial registration number of the foreign bank planning to establish a foreign bank subsidiary in Ethiopia;
- e) submission of a copy of the Memorandum and/or Articles of Association of the foreign bank, authenticated by a legally recognized body in the home country and relevant government organ in the host country, by whatever term such documents are referred to in the specific foreign jurisdiction;
- f) submission of a document showing that it is widely owned and listed in the stock exchange in its country of origin, or wholly owned or majorly controlled by the government of its country of origin wherein it is operational. The National Bank, may, however, consider, on exceptional basis, foreign bank applicants that are not listed in a capital market;
- g) Organizational arrangements, including:
 - i. organogram, showing direct and indirect affiliates and associates, if any;
 - ii. description of the nature of the relationships within the bank group or holding group, where applicable;
 - iii. indication of whether the holding group, if applicable, is operating or not; and
 - iv. where applicable, description of the business and activities of the entities found in the group, including whether the activities are regulated or not.



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- h) submission of annual reports of the foreign bank for the last three (3) years; and
- i) provision of details of the foreign bank's banking business activities in other host jurisdictions, if any.

6.1.7 Evidence of payment of non-refundable investigation fees. In the case of a foreign bank, the investigation fee shall be paid in acceptable foreign currency, as per Article 10 of this Directive.

6.2 The National Bank, after ensuring successful completion of the pre-application phase to its satisfaction shall inform the applicant in writing about same and advise to proceed to the application phase.

6.3 Application Phase

A person applying to establish a bank, after undertaking self-assessment with regard to fulfillment of the licensing requirements, shall submit the following documents and information, along with an application letter:

6.3.1 Duly completed application form, as specified under Annex III (for domestic bank) or Annex IV (for foreign bank subsidiary) of this Directive, together with all enclosures as stated herein, to the National Bank.

6.3.2 Evidence of minimum paid-up capital of Birr 5 billion under the following conditions:

- a) for foreign bank subsidiary, the subscribed capital shall be fully paid in cash in acceptable foreign currency;
- b) all issued shares shall be subscribed and, except for a foreign bank subsidiary, at a minimum, one-fourth of the subscribed shares shall be fully paid in cash;
- c) source of funds for the minimum capital shall be disclosed;
- d) a person considered as foreign national of Ethiopian origin as per the relevant law or an enterprise fully owned and established by these individuals and preferred to be treated as domestic investor shall pay its paid-up capital in Ethiopian Birr, however, any proceed generated from this investment shall not be transferred abroad in foreign currency;



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- e) a foreign bank strategic investor may be allowed to establish a wholly or partially owned foreign bank subsidiary; and
- f) notwithstanding Sub-Article 6.3.2 (e), applicants shall observe the following shareholding limits:
 - i. a natural person may not directly hold more than seven percent **(7%)** of a bank's total subscribed shares;
 - ii. a juridical person may not directly hold more than ten percent **(10%)** of a bank's total subscribed shares;
 - iii. a strategic investor, as defined in this Directive, may not directly hold in a new domestic bank more than forty percent **(40%)** of a bank's total subscribed shares;
 - iv. aggregate shareholding by foreign nationals and foreign-owned Ethiopian organizations in a bank, other than foreign bank subsidiary, shall be limited to forty-nine percent **(49%)** of the total subscribed shares of a bank;
 - v. maximum limit on aggregate direct and indirect shareholding by a natural person and juridical person, excluding strategic investor, shall be fifteen **(15%)** and twenty percent **(20%)** of a bank's total subscribed shares, respectively; and
 - vi. maximum limit on aggregate direct and indirect shareholding by a natural person and juridical person together in a bank shall be twenty percent **(20%)** of the bank's total subscribed shares.
- g) disclosure of a shareholder on whether an entity in which he has ten percent (10%) or more ownership or any children who attained age of legal majority have shares in the bank.

6.3.3 Memorandum of Association or Unilateral Declaration for the bank under formation, as appropriate, written in both English and Amharic.

6.3.4 Fitness and propriety information, which shall include:

- a) Disclosure of natural person shareholders with significant ownership through submission of copy of local identification



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- card and national identification card for Ethiopian and in the case of foreign nationals, copy of valid passport authenticated by a legally recognized body of the issuing country; address; numbers and value of subscribed capital.
- b) Disclosure of legal person shareholders with significant shareholding.
 - c) Where applicable, disclosure of beneficial owners of all shareholders with significant ownership.
 - d) Duly completed general information and propriety test questionnaires for shareholders with significant ownership, as per Annex VI and Annex VII, respectively, of this Directive.
 - e) Disclosure of personal details through submission of copy of local identification card and national identification card (for Ethiopians) and a copy of valid passport (for foreign nationals), authenticated by an appropriate organ of the issuing country, as well as, curricula vitae, of the proposed directors and chief executive officer.
 - f) Duly completed general information, and propriety test questionnaires for the proposed board members and chief executive officer, as per Annex VI and Annex VII of this Directive.
 - g) Meeting minutes for appointment of directors and chief executive officer of the domestic bank or a foreign bank subsidiary along with signed minutes and other documents of the appointees in line with the relevant National Bank Directive and other relevant laws;
 - h) The following original documents for the proposed board members and chief executive officer shall be submitted, and where country of residence is different from home country, such documents shall come from both countries:
 - i. Criminal clearance certificate by Federal Police or other competent pertinent authority, issued within the last six months; and
 - ii. Tax clearance certificate, issued within the last six months.



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- i) In case of a foreign bank subsidiary, at least one-third of the total number of board of directors shall consist of individuals having Ethiopian nationality.

6.3.5 Information on the business model, with a level of detail proportionate to the scale and complexity of the proposed banking business and risks associated with same. The information shall include:

- a) Business plan, which shall effectively articulate the business model, viability of operations in the short-term and sustainability in the long-term. The plan shall contain at least the following:
 - i. executive summary;
 - ii. introduction, including rationale for the establishment of a bank and public interest motivation;
 - iii. macroeconomic analysis;
 - iv. financial sector analysis;
 - v. banking sectoral analysis;
 - vi. products and services, as well as, delivery channels, and target markets;
 - vii. business strategy;
 - viii. operational plan;
 - ix. demonstration of the long-term viability of the business proposal, underlining competitive advantages, with supporting documentation and market research;
 - x. capital plan, as well as, liquidity contingency plan and proposed source of funding;
 - xi. business continuity plan;
 - xii. planned information technology systems, which shall be capable of supporting the daily banking operation and producing all required statutory and prudential information in an accurate and timely manner, from the commencement of banking operations;
 - xiii. outsourcing policy and planned outsourcing arrangements involving third parties and where applicable, within bank group;



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- xiv. accounting policies; and
 - xv. anticipated business and regulatory risks, along with strategies for their monitoring and mitigation.
- b) Organizational structure that shall comprehensively cover business operations of the bank under formation, including:
- i. key functional areas such as credit operations, finance, retail banking, international banking, information technology, internal audit, risk management and compliance, by whatever name they may be referred to;
 - ii. position titles for chief executive officer, and other senior executive officers, including chief finance officer, and chief internal auditor and chief risk management and compliance officer, by whatever title they may be referred to;
 - iii. direct reporting lines into the board, including board committees, where applicable; and
 - iv. reporting lines for each individual position.
- c) Three (3)-year financial projections, with sufficient level of detail as outlined below and demonstrating that the business model is sustainable and can continue to meet regulatory capital and liquidity requirements:
- i. balance sheet, income statement, and cash flow, as well as the underlying assumptions;
 - ii. key prudential ratios, such as capital, non-performing loan and liquidity ratios;
 - iii. explanation of the initial and long-term viability of the business model; and
 - iv. stress scenarios to show the effect of key assumptions underpinning the business model.
- d) In addition to the requirements outlined under Sub-Article 6.3.5 (a) to (c) of this Article, the business plan for a proposed foreign



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bank subsidiary shall be primarily focused on operations within Ethiopia, referencing foreign bank operations only when necessary for context, as follows:

- i. elaborate on the foreign bank subsidiary's integration within the overall corporate structure, highlighting the relationship with the foreign bank;
 - ii. detail of any planned key outsourcing and services to be provided by the foreign bank or affiliated entities in the case of a bank group;
 - iii. provide information on the planned information technology infrastructure and systems, focusing on crucial dependencies and any outsourcing arrangements specific to the foreign bank subsidiary; and
 - iv. any other relevant issues.
- e) The business model shall take into consideration economic, social and environmental sustainability factors in Ethiopia.
- f) Outsourcing arrangements to be made with third parties or where applicable with other entities within the bank group, in line with the relevant National Bank Directive.

6.3.6 Ownership certificate and/or lease agreement for building, land, vault, equipment, fixtures and professional services to be used for the proposed banking business.

6.3.7 Evidence of insurance coverage for premises acquired or leased.

6.3.8 Description of actual purchases made or proposed purchase of goods and services or lease of real estate by the bank from related parties and promoters.

6.3.9 In addition to the licensing requirements stated under Sub-Articles 6.3.1 to 6.3.8 of this Article, for a foreign bank subsidiary, the following conditions shall be fulfilled prior to approval of license application:

- a) a signed agreement between the home supervisor and the National Bank regarding information sharing and cooperation in the regulation and supervision of the foreign bank subsidiary, in



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resolution and crisis management and in such other areas as provided under relevant pertinent laws;

- b) if the proposed foreign bank subsidiary is of significance to the foreign bank, a supervisory college shall be established, between the home supervisor and the National Bank, after commencement of operations, to ensure a common and aligned work program and harmonized supervisory decisions; and
- c) the applicant foreign bank shall provide a valid letter of undertaking, to the National Bank, covering the following:
 - i. confirms its understanding and acceptance of the ultimate objective of the maintenance of financially sound foreign bank subsidiary, including meeting of capital and liquidity requirements, in the interests of an efficiently functioning overall financial system in Ethiopia;
 - ii. undertakes to ensure that the management of the foreign bank subsidiary shall, at all times, consists of individuals considered fit and proper to fulfill their respective responsibilities and tasks;
 - iii. undertakes, to strive towards enhancing the standards of risk management being applied in respect of the business of the foreign bank subsidiary, by its management, to align with best practice;
 - iv. undertakes to safeguard the financial soundness and stability, including the maintenance of the capital of the foreign bank subsidiary;
 - v. confirms its understanding and acceptance of, and its adherence to relevant international standards, National Bank Proclamation No. 1359/2025, Banking Business Proclamation No. 1360/2025, National Bank Directives, and other relevant laws; and

6.3.10 undertakes to notify the National Bank of any planned changes or actions it intends to take that could have a material impact on the



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operations of its foreign bank subsidiary in Ethiopia or the terms on which its license was granted.

- 6.3.11 Audit report of the establishment costs audited by external auditors and approved by subscribers' meeting, as appropriate.
- 6.3.12 Notwithstanding the provisions stipulated under Sub-Article 6.3.9 of this Article, for a foreign bank subsidiary, investment permit, authenticated memorandum of association or unilateral declaration and commercial registration of the new foreign bank subsidiary, from respective competent pertinent authority, shall be submitted to the National Bank prior to granting of the final business license.
- 6.3.13 Any other information that the National Bank deems necessary to assess the application.
- 6.3.14 Evidence of payment of non-refundable licensing fee, as per Article 10 of this Directive.
- 6.3.15 In the case of a foreign bank subsidiary, the licensing fee shall be paid in acceptable foreign currency.

6.4 Processing Time frame

The National Bank shall decide on the banking business license application within ninety (90) calendar days from the last date of receipt to its satisfaction of all information and documentation as stipulated under Sub-Article 6.3 of this Directive. This timeframe excludes any waiting time spent by the applicant in attending to queries raised by the National Bank and in addressing such queries, if any.

6.5 Conditions for Commencement of Operations

- 6.5.1 A licensed bank shall commence banking operation in Ethiopia within twelve (12) months from the date that the National Bank grants a license.
- 6.5.2 To commence operations, a licensed bank shall write a letter, informing the National Bank of its readiness to commence operation, confirming that the bank has put in place, at a minimum:
 - a) Governance, culture, remuneration and accountability arrangements:



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- i. Board of Directors: board charter; size; and composition, including gender diversity and independent directors, of which for foreign bank subsidiary, include local resident non-shareholder Ethiopians.
 - ii. Board Committees: terms of reference, chairperson and members.
 - iii. Fit and proper policy and procedure.
 - iv. Remuneration policy, which does not promote excessive risk-taking.
 - v. Conflict of interest management policy.
- b) comprehensive policies and procedure manuals for:
- i. corporate governance;
 - ii. internal control systems;
 - iii. risk management;
 - iv. credit;
 - v. liquidity management;
 - vi. investment;
 - vii. domestic and foreign banking operation;
 - viii. management information system;
 - ix. cyber resilience;
 - x. anti-money laundering and counter-terrorist financing;
 - xi. climate-related financial risks;
 - xii. planning and budgeting;
 - xiii. finance;
 - xiv. human resource management;
 - xv. fixed assets;
 - xvi. detection and prevention of criminal activities;
 - xvii. outsourcing; and
 - xviii. procurement.
- c) hire, train and place adequate and appropriate staff;
- d) have evidence of adequate security arrangements - physical and logical such as:
- i. outer door of the building housing the bank shall be of heavy-duty metal or other material of similar strength;



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- ii. all windows and glass walls of the building housing the bank shall be reinforced with metal grills or other similar material;
 - iii. cash loading and unloading area shall be suitable;
 - iv. CCTV especially in the banking hall, strongroom and loading bay areas;
 - v. fire detection alarms at strategic points within the premises; and
 - vi. where applicable, secured cash movement and escort automobiles fitted with communication equipment.
- e) ensure that the staff operating area and the banking hall have:
- i. proper ventilation and circulation of fresh air;
 - ii. suitable and clean sanitary service;
 - iii. sufficient and suitable lighting;
 - iv. display of working hours;
 - v. cashiers' tills, which are restricted to authorized persons, raid alarm especially foot operated type inside the teller cubicles; and
 - vi. fire prevention and control systems, including fire extinguishers at appropriate places.
- f) have a strong room or vault with a minimum carrying capacity of 224 cubic meters;
- g) provide evidence of insurance policy/coverage, at least for the following:
- i. fire and other perils;
 - ii. burglary and theft; and
 - iii. cash, such as cash-in-transit, cash on counter, strongroom/vault, as well as, other valuables on premises.
- h) set up a disaster recovery site at a distance of at least 40 kilometers from the head office; and
- i) put in place any other conditions, as may be required by the National Bank.



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6.7 Additional Requirements for Banks Intending to Provide Interest-Free Banking Services

Notwithstanding the licensing requirements stipulated under this Article 6, a bank that intends to provide interest-free banking services, either through a full-fledged or window approach, shall submit to the National Bank the following additional information and documentation:

- 6.7.1 At application phase: information including business plan containing proposed interest-free banking products and services; and internal Shariah governance framework that includes Shariah committee, Shariah audit and Shariah compliance functions, along with reporting lines and arrangements.
- 6.7.2 Prior to commencement of operation: information including Shariah committee charter; size and names of proposed members and chairperson of the Shariah committee; and policy and procedure manuals for the Shariah audit, Shariah compliance and Shariah-compliant products and services.



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PART THREE: LICENSING OF A FOREIGN BANK BRANCH

7. Licensing Requirements for Foreign Bank Branch

7.1 Pre-Application Phase

A foreign bank planning to open a foreign bank branch in Ethiopia shall initiate the process through its project manager (legal proxy) and shall provide the National Bank with adequate information that would allow it to gain an understanding of the applicant's business plan, its level of readiness and provide any feedback or concerns on the proposed plan. The applicant shall submit the following information and documents to the National Bank:

- 7.1.1 Where the project manager is a foreigner, copy of valid passport authenticated by a legally recognized body of the issuing country and relevant government organ in the host country.
- 7.1.2 Signed minutes of board of directors and/or other competent authority, authenticated by a legally recognized body in the home country, including a resolution approving the opening of a foreign bank branch in Ethiopia.
- 7.1.3 The National Bank may conduct pre-application meeting with the project manager (legal proxy) or any other delegates of the foreign bank as appropriate.
- 7.1.4 Prior to the pre-application meeting, the project manager shall prepare and submit to the National Bank, a high-level summary of the foreign bank's business proposition. At a minimum, the summary shall contain the following
 - a) a reason why the foreign bank wants to open the foreign bank branch;
 - b) the foreign bank's initial business plan and strategy for the foreign bank branch;
 - c) an indication of the sources of funding;
 - d) proposed governance arrangement/framework for the foreign bank branch, covering organogram showing key work units/functions, including internal control functions;



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- e) project plan, including an overview and timeline of the foreign bank's plan to open the foreign bank branch;
 - f) evidence validating compliance with relevant regulatory requirements with respect to establishment of a foreign bank branch and any other disclaimers; and
 - g) expected risks and impediments in realizing the establishment of the bank and plan to mitigate those risks.
- 7.1.5 Evidence of verification and registration of the foreign bank branch's trade name from Ethiopian Investment Commission or a government organ responsible for matters related to such investment at the time of application.
- 7.1.6 Written application requesting to open blocked account denominated in acceptable foreign currency and shall be non-interest bearing, with the National Bank, in the name of the proposed foreign bank branch.
- 7.1.7 A statement from foreign bank's home supervisor, in the form of a written no objection letter, shall be sent directly to the National Bank regarding the proposed opening of a foreign bank branch in Ethiopia, along with assurance certifying the following in respect of the foreign bank:
- a) is incorporated or established in accordance with the laws of the home country, with reference to those laws;
 - b) is licensed as a bank by an appropriate organ and is operational;
 - c) is in good financial standing;
 - d) where applicable, the amount, composition and geographical distribution of capital and the sum of the capital requirements of the consolidated group;
 - e) maintains the supervisor's risk management standards;
 - f) will provide support in case the foreign bank subsidiary is under financial distress; and
 - g) meets prudential requirements;
 - h) meets capital adequacy and liquidity Basel standards currently being applied by the home supervisor and foreign bank's compliance to same;
 - i) where applicable, is supervised on a consolidated basis; and



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- j) advice on whether the foreign bank has ever had an application to establish a presence in another country rejected or had approval to open a branch or conduct banking operation in another country suspended or revoked, and the reasons for that action.
- 7.1.8 Information on the recent rating of the foreign bank, if any, by external credit assessment institutions.
- 7.1.9 A copy of the certificate of incorporation or establishment, authenticated by a legally recognized body in the home country and relevant government organ in the host country, including commercial registration number, of the foreign bank planning to open a foreign bank branch in Ethiopia.
- 7.1.10 A copy of the Memorandum and/or Articles of Association of the foreign bank, authenticated by a legally recognized body in the home country and relevant government organ in the host country, by whatever term such documents are referred to in the specific foreign jurisdiction.
- 7.1.11 A document showing that the foreign bank is widely owned and listed in the stock exchange in its country of origin or wholly owned or majorly controlled by the government of its country of origin wherein it is operational. The National Bank, may, however, consider, on exceptional basis, foreign bank applicants that are not listed in a capital market.
- 7.1.12 Details of who owns and controls the applying foreign bank, specifying the beneficial owners and percentage shareholding, as well as, what level of reliance the foreign bank can place on its shareholders for access to additional capital when required for the proposed foreign bank branch after it becomes operational. Organizational information, where applicable, shall include:
 - a) organogram showing, direct and indirect affiliates and associates of the applicant;
 - b) description of the nature of the relationship within the bank group or holding group;
 - c) indication of whether the holding group is operating or not; and



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- d) description of businesses and activities the entities found in the group are engaged in, including whether the activities are regulated or not.

7.1.13 Annual reports of the foreign bank, for the last three (3) years.

7.1.14 The foreign bank's banking business activities in other host jurisdictions, if any.

7.1.15 Evidence of payment of non-refundable investigation fee, in acceptable foreign currency, as per Article 10 of this Directive.

7.2 The National Bank, after ensuring successful completion of the pre-application phase to its satisfaction shall inform the applicant in writing about same and advise to proceed to the application phase.

7.3 Application Phase

A foreign bank applying to open a foreign bank branch, after undertaking self-assessment with regard to fulfillment of the licensing requirements, shall submit the following documents and information, along with an application letter:

7.3.1 Duly completed application form, as specified under Annex IV of this Directive, together with all enclosures as stated herein, to the National Bank.

7.3.2 Evidence of minimum branch capital of Birr 5 billion, that has been permanently assigned and inwardly remitted in acceptable foreign currency by the applying foreign bank, which includes banking document that certifies cash deposit of the branch capital in the blocked bank account opened with the National Bank and in the name of foreign bank branch to be licensed.

7.3.3 Source of funds, for the minimum branch capital, shall be disclosed.

7.3.4 Fitness and Propriety information, which shall include:

- a) Proposed senior country officer shall be resident in Ethiopia, responsible for the local operations and be fit and proper as per relevant National Bank Directive.
- b) A copy of valid passport of the proposed senior country officer, authenticated by a legally recognized body of the issuing country (in the case of foreign national) and a copy of local identification



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card and national identification card (in the case of Ethiopian national) shall be submitted.

- c) Duly completed general information and propriety test questionnaires for the proposed senior country officer as per Annex VI and Annex VII of this Directive.
- d) Letter of appointment of the Senior Country Officer of the foreign bank branch issued by competent authority of the foreign bank, signed curriculum vitae and other documents in line with the relevant National Bank Directive.
- e) The following original documents for senior country officer shall be submitted, and where country of residence is different from home country, such documents shall come from both countries:
 - i. criminal clearance certificate by Federal Police or other competent pertinent authority, issued within the last six months; and
 - ii. tax clearance certificate, issued within the last six months.

7.3.5 Information on the business model, with a level of detail proportionate to the scale and complexity of the proposed banking business and risks associated with same. The information shall include:

- a) Business plan, which shall effectively articulate the business model, viability of operations in the short-term and sustainability in the long-term. The plan shall contain at least the following:
 - i. executive summary;
 - ii. introduction, including rationale for the opening of a foreign bank branch and public interest motivation;
 - iii. macroeconomic analysis;
 - iv. financial sector analysis;
 - v. banking sector analysis;
 - vi. proposed foreign bank branch's integration within the overall corporate operational structure of the foreign bank, including how the internal control and risk management framework of the foreign bank branch



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will be integrated in the foreign bank's internal control and risk management framework, and the level of autonomy of the foreign bank branch in terms of management of the various risks;

- vii. products, delivery channels and target market;
- viii. business strategy and operational plan;
- ix. demonstration that the business of the foreign bank branch will run in a prudent manner, that is, will have appropriate financial and non-financial resources to manage its risks in Ethiopia;
- x. capital plan and liquidity contingency plan and proposed source of funding for the business plan;
- xi. business continuity plan;
- xii. accounting policies; and
- xiii. anticipated business and regulatory risks, along with strategies for their monitoring and mitigation.

b) Organizational structure that shall comprehensively cover business operations of the bank under formation, including:

- i. key functional areas, such as credit operations, finance, retail banking, international banking, and internal audit, risk management and compliance functions, by whatever name they may be referred to;
- ii. position titles for senior country officer, and other senior executive officers, head of internal audit, head of risk management and compliance, by whatever title they may be referred to;
- iii. reporting lines within the foreign bank branch and into foreign bank head office;
- iv. reporting line for senior country officer;
- v. The chief internal auditor and the chief risk and/or compliance officer, by whatever title they may be referred to, shall functionally report to foreign bank



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head office and administratively to the senior country officer; and

- vi. branch management committee members' position titles as defined in this Directive.

c) Three (3)-year financial projections, with sufficient level of detail as outlined below and demonstrating that the business model is sustainable and can continue to meet regulatory capital and liquidity requirements:

- i. balance sheet, cash flow and earnings, as well as the underlying assumptions;
- ii. key prudential ratios, such as capital ratios and liquidity ratios; and
- iii. stress scenarios to show the effect of key assumptions underpinning the business model.

d) The business model shall take into consideration economic, social and environmental sustainability factors in Ethiopia.

7.3.6 Information on service provider management:

- a) outsourcing policy;
- b) any planned key outsourcing arrangements including service provision by foreign bank or other bank group entities, if any;
- c) controls put in place to ensure that the outsourcing arrangements with affiliated entities do not impair the branch's ability to comply with the Ethiopian regulatory framework.

7.3.7 Information Technology Framework:

- a) IT infrastructure and systems for both foreign bank and foreign bank branch, including location of data center;
- b) level of autonomy of the foreign bank branch's IT system;
- c) specific framework for back-up of the foreign bank branch activities;
- d) IT security, including anti-intrusion security; and
- e) data storage, conservation and continuity of the foreign bank branch's operations.



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- 7.3.8 Outsourcing arrangements to be made with third parties or where applicable with other entities within the bank group, in line with the relevant National Bank Directive.
- 7.3.9 Ownership certificate and/or lease agreement for building, land, vault, equipment, fixtures and professional services.
- 7.3.10 Evidence for insurance coverage for premises acquired or leased.
- 7.3.11 Reporting compliance information, including:
- a) confirmation of ability to complete required regulatory returns; and
 - b) acknowledgement by the foreign bank that the foreign bank branch will comply with the National Bank's reporting requirements.
- 7.3.12 A signed agreement between the home supervisor and the National Bank regarding information sharing and cooperation in the regulation and supervision of the foreign bank branch in resolution, crisis management and in other areas as provided under relevant pertinent laws.
- 7.3.13 A valid letter of undertaking from the foreign bank, addressed to the National Bank, that the foreign bank:
- a) confirms its understanding and acceptance of the ultimate objective of the maintenance of financially sound foreign bank branch, including meeting and maintenance of capital and liquidity requirements in the interest of financial stability in Ethiopia, ensuring of the soundness and solvency of its foreign bank branch at all times and guarantee the prompt payment of all the foreign bank branch's liabilities when they fall due;
 - b) undertakes to ensure that the management of the branch at all times consists of individuals considered as fit and proper to fulfill their respective responsibilities and tasks;
 - c) undertakes to strive towards enhancing the standards of risk management being applied in respect of the business of the foreign bank branch by its management, to align with best practice;
 - d) undertakes to observe the constitutional right of its foreign bank branch's employees;



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- e) confirms its understanding and acceptance of, and its adherence to, the relevant international standards, and provisions of National Bank Proclamation No. 1359/2025, Banking Business Proclamation No. 1360/2025, National Bank Directives and other relevant laws;
 - f) will provide support in case the foreign bank branch is under financial distress; and
 - g) undertakes to notify the National Bank of any planned changes or actions it intends to take that could have a material impact on the operations of its foreign bank branch in Ethiopia or the terms on which its license was granted.
- 7.3.14 Notwithstanding the provisions stipulated under this Article 7, investment permit, authenticated Memorandum of Association and/or Article of association or any by-laws, by whatever term such a document is referred to and commercial registration of the new foreign bank branch, from respective competent pertinent authority, shall be submitted to the National Bank prior to granting of the final business license.
- 7.3.15 Any other information that the National Bank deems necessary to assess the application.
- 7.3.16 Evidence of payment of non-refundable licensing fees, in acceptable foreign currency, as per Article 10 of this Directive.

7.4 Permissible Banking Business for a Foreign Bank Branch

- 7.4.1 A deposit-taking foreign bank branch shall be allowed to engage in all banking business activities as provided under the Banking Business Proclamation No. 1360/2025.
- 7.4.2 A non-deposit taking foreign bank branch shall also be allowed to engage in all banking business activities as provided for in the Banking Business Proclamation No. 1360/2025, except receiving funds from the public through deposit mobilization.
- 7.4.3 A foreign bank shall not be allowed to open and operate deposit-taking and non-deposit taking foreign bank branches at the same time. \



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7.5 Processing Timeframe

Processing time and conditions thereof, for assessing the application for licensing of a foreign bank branch, shall be as stated under Sub-Article 6.4 of this Directive.

7.6 Conditions for Commencement of Operations

- 7.6.1 For a foreign bank branch to commence operations, all conditions stipulated under Sub-Article 6.5 of this Directive, as appropriate, shall be fully met.
- 7.6.2 The local policies and procedures of the foreign bank branch, designated to complement the foreign bank's policies, shall include adequate details for local operations and shall adhere to the relevant laws and regulatory requirements of the National Bank. The foreign bank's policies shall not override the National Bank's regulatory requirements. In instances of discrepancy, the foreign bank shall, at a minimum, be expected to demonstrate compliance with the National Bank Directives.

7.7 Additional Requirements for a Foreign Bank Branch Intending to Provide Interest-Free Banking Services

Notwithstanding the licensing requirements stipulated under this Article 7, a foreign bank branch that intends to provide interest-free banking services, either through a full-fledged or window approach, shall submit additional information and documentation as stipulated under Sub-Article 6.6 of this Directive.

7.8 Licensing of Additional Foreign Bank Branches

- 7.8.1 Where a foreign bank has opened a first branch, and that branch is still operational in Ethiopia, the foreign bank, depending on the type of its first branch, is permitted to open additional depositing-taking or non-deposit taking branch(es) in Ethiopia, without the additional branch(es) being subject to branch capital requirements and without re-assessment



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of the foreign bank by the National Bank as per the licensing requirements in this Directive.

7.8.2 Notwithstanding the provisions of Sub-Article 7.8.1 of this Sub-Article, the following conditions shall be met in respect of application for licensing of every additional foreign bank branch:

- a) A statement from the foreign bank's home supervisor, in the form of a written no objection letter, shall be sent directly to the National Bank regarding the proposed additional foreign bank branch(es), as stipulated under Sub-Article 7.1.7 of this Article.
- b) Evidence of payment of non-refundable branch license fee, in acceptable foreign currency, as per Article 10 of this Directive. The amount of the license fee for every additional branch of a foreign bank branch shall be the same as that for domestic bank branches as stipulated in the relevant National Bank Directives.

7.8.3 In the case of presence of more than one foreign bank branch in Ethiopia, the first foreign bank branch shall be designated as an administrative headquarter and the senior country officer of that first branch shall be responsible for all other branches, which shall be headed by branch managers.

7.9 Reporting

7.9.1 Where only one branch of a foreign bank is operating in Ethiopia, that branch shall submit financial statements related to its operations in Ethiopia, consolidated financial statements for the foreign bank and other regulatory reports as determined by the National Bank.

7.9.2 Notwithstanding the provision stated under Sub-Article 7.9.1 of this Article, in the event that a foreign bank is operating more than one foreign bank branch in Ethiopia, the first foreign bank branch shall be required to submit regulatory reports on consolidated basis, incorporating the information for all foreign bank branches operating in Ethiopia.



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PART FOUR: LICENSING OF A REPRESENTATIVE OFFICE OF A FOREIGN BANK

8. Licensing Requirements for Representative Office of a Foreign Bank

A foreign bank applying to open a representative office shall submit to the National Bank the following documents and information, along with its application letter:

- 8.1** Duly completed application form, as specified under Annex V of this Directive, together with all enclosures as stated herein, to the National Bank.
- 8.2** A written no objection letter, that shall be sent directly to the National Bank, regarding the opening of a representative office in Ethiopia, along with assurance, from the home supervisor, certifying the following in respect of the foreign bank:
 - 8.2.1 has been incorporated or established in accordance with the laws of the home country, with a reference to those laws;
 - 8.2.2 is licensed as a bank by an appropriate organ and is operational;
 - 8.2.3 is in good financial standing;
 - 8.2.4 meets prudential requirements;
 - 8.2.5 advice on whether the foreign bank has ever had an application to establish a presence in another country rejected or had approval to conduct a representative office or banking operation in another country suspended or revoked, and the reasons for that action.
- 8.3** A copy of the certificate of incorporation or establishment, authenticated by a legally recognized body in the home country and relevant government organ in the host country, including commercial registration number of the foreign bank planning to open a representative office in Ethiopia.
- 8.4** A copy of the Memorandum and/or Articles of Association of the foreign bank, authenticated by a legally recognized body in the home country and relevant government organ in the host country, by whatever term such a document is referred to, and if relevant in that foreign jurisdiction.
- 8.5** Details of who owns and controls the foreign bank, specifying the beneficial owners of the foreign bank and percentage shareholding, as well as, organizational arrangements, including direct and indirect affiliates and



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associates of the applicant, and description of the nature of the relationship within the bank group or holding company, where applicable.

- 8.6** Foreign bank's board of directors, including chief executive officer.
- 8.7** Signed minutes of the board of directors or other competent authority of the foreign bank, including a resolution approving the opening of the representative office in Ethiopia.
- 8.8** Purpose of opening the representative office and list of planned business activities.
- 8.9** Proposed organization structure for the representative office.
- 8.10** The particulars of the proposed chief representative officer, including, a copy of local identification card and national identification card (in the case of Ethiopian national) or a copy of valid passport, authenticated by a legally recognized body in the issuing country (in the case of foreign national), as well as curriculum vitae.
- 8.11** Recent passport-sized photographs for the proposed chief representative officer.
- 8.12** Criminal clearance certificate, by Federal Police or other competent pertinent authority, issued within the last six (6) months, for the proposed chief representative officer. Where the country of residence is different from home country, such documents shall come from both countries.
- 8.13** The name and business address of the senior executive officer of the foreign bank to whom the chief representative officer is directly reporting to.
- 8.14** Annual reports of the foreign bank for the last three (3) years.
- 8.15** Ownership certificate and/or lease agreement for building, land, equipment, fixtures and others in Ethiopia.
- 8.16** Evidence of inwardly remitted cash deposit, in the form of copy of a bank deposit slip, of at least USD 100, 000 or in other equivalent acceptable foreign currency, covering the annual expenditure of the representative office.
- 8.17** Evidence of payment of non-refundable licensing fees, in acceptable foreign currency, as per Article 10 of this Directive.
- 8.18** Registration of the proposed representative office with the relevant Ethiopian government organ prior to granting of the final license.



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- 8.19** Assurance letter from the foreign bank, specifying that the representative office shall not engage in banking business and/or in any acts that may pre-suppose that it is a bank.
- 8.20** Any other information that the National Bank deems necessary to assess the application.

8.21 Permissible Activities

A representative office of a foreign bank may engage in one or more of the following activities:

- 8.21.1 promote the services of, and solicit new business for its foreign bank;
- 8.21.2 serve as a liaison between its foreign bank and local banks, other financial institutions, private companies and the general public;
- 8.21.3 facilitate correspondent banking relationships with local banks in a foreign country;
- 8.21.4 support group companies with operating subsidiaries in a foreign country, as well as businesses looking to expand or do business in Ethiopia;
- 8.21.5 assist exporters in finding new export markets and promoting exports to its home country;
- 8.21.6 conduct market research and collect useful economic and financial information about local market;
- 8.21.7 facilitate business lending and investment banking opportunities in Ethiopia, for its foreign bank; and
- 8.21.8 engage in other similar activities to be approved by the National Bank on case-by-case basis, from time to time.

8.22 Prohibition

- 8.22.1 No representative office shall use the word “bank” in its name, except in cases where the word “bank” forms an integral part of the name of the foreign bank to which it belongs, provided that, in such cases, the phrase “representative office of” shall come first.
- 8.22.2 A representative office of a foreign bank shall not engage in any banking business and shall only engage in permitted representational functions or activities as defined in this Directive.



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8.23 Conditions of Operation and Reporting Requirements

Upon approval by the National Bank for the opening of a representative office, the approval shall be bound by the following conditions:

8.23.1 The operations of the representative office shall remain distinct and separate from any financial institution operating in Ethiopia.

8.23.2 The chief representative officer shall not hold concurrent roles in any local financial institutions.

8.23.3 The premises of the representative office shall be physically separated from premises of any financial institution.

8.23.4 Permission to operate in multiple locations within Ethiopia or to share an office with another foreign bank's representative office shall be expressly approved by the National Bank.

8.23.5 The representative office shall:

- a) submit report on the number and list of staff to the National Bank, including date of recruitment, nationality and type of contract, on or before July 30, of each financial year;
- b) submit work permit from relevant government body for any of its foreign national employees;
- c) submit audited financial statements of the foreign bank to the National Bank each financial year, at the time the financial statements become available to the shareholders of the foreign bank;
- d) abide by all applicable Ethiopian laws and report any breaches, potential or actual, to the National Bank without delay; and
- e) promptly furnish the National Bank with any requested information regarding its operations.

8.23.6 The foreign bank that opened a representative office shall:

- a) submit an annual attestation of compliance with conditions of operations of the representative office, signed by the senior executive officer in the foreign bank with responsibility for oversight of the Ethiopian representative office, or by some other appropriate member of senior management;



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- b) immediately inform the National Bank of any significant negative developments affecting the financial soundness or reputation of the foreign bank; and
- c) immediately inform the National Bank of:
 - i. any change on the name of the representative office;
 - ii. any substitution of its chief representative officer in Ethiopia;
 - iii. any change of the address of the representative office; or
 - iv. the closing down of the representative office.

8.23.7 A foreign bank, prior to closing down its representative office in Ethiopia, shall:

- a) settle any outstanding claim or liability it owes to any person,
- b) submit tax clearance certificate from relevant government organ;
- c) surrender its license to the National Bank; and
- d) de-register the representative office with the relevant Ethiopian government and submit evidence.

8.24 Transition

A representative office of a foreign bank licensed by other Ethiopian Government body before the issuance of this Directive, shall meet the requirements stipulated in this Directive and get re-licensed by the National Bank within a maximum of six (6) months from the effective date of this Directive.



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PART FIVE: MISCELLANEOUS ITEMS

9. Data Security, Storage and Management

- 9.1** Without prejudice to requirements for a bank's customer data security, storage and management, stipulated in the Banking Business Proclamation No. 1360/2025, relevant provisions of the Personal Data Protection Proclamation No. 1321/2024 and other pertinent laws:
- 9.1.1 every bank in Ethiopia, including a foreign bank subsidiary shall be required to store and process customer data, account information and transaction records as well as, data related to its core banking business, both primary and back-up data, within Ethiopia; and
 - 9.1.2 in the case of a foreign bank branch, while it may use the foreign bank's core banking system, it shall store and process customer data, both primary and back-up data, within Ethiopia.
- 9.2** For any transfer of data other than customer's data, account information and transaction records, to another jurisdiction, a bank shall:
- 9.2.1 disclose location of data to the National Bank;
 - 9.2.2 ensure data security and protection through strong encryption and strict access control;
 - 9.2.3 perform regular internal and service provider audits to verify compliance with data protection laws and to mitigate the risk of non-compliance;
 - 9.2.4 demonstrate, to the National Bank, that the country to which data is to be transferred, will ensure an adequate level of protection of the data transferred to it;
 - 9.2.5 put in place service level agreements in the case of use of third-party and/or related party services for data storage and/or processing;
 - 9.2.6 ensure that the service level agreement includes responsibilities and liabilities of each party, the service provider's commitments for confidentiality, data security, availability, and performance, as well as provisions for data access; and
 - 9.2.7 seek prior written approval of the National Bank to transfer data outside Ethiopia for processing and/or storage.
- 9.3** Notwithstanding the provision of Sub-Article 9.2 of this Article, upon a written approval of the National Bank, a customer data, account information and



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transaction records with no personal identification detail of the customer may be transferred to a foreign jurisdiction for purposes related to the business of the bank.

10. Licensing and License Renewal Fees

10.1 Domestic Bank

10.1.1 A company applying to obtain new banking business license shall pay:

- a) investigation fee of Birr 100,000; and
- b) licensing fee of Birr 500,000.

10.1.2 A bank applying for renewal of its banking business license shall pay renewal fee of Birr 200,000.

10.2 Foreign Bank Subsidiary or Foreign Bank Branch

10.2.1 A foreign bank applying to obtain new banking license for a foreign bank subsidiary or a foreign bank branch shall pay, in acceptable foreign currency:

- a) investigation fee of USD 2,500; and
- b) licensing fee of USD 150,000.

10.2.2 A foreign bank subsidiary or foreign bank branch applying for renewal of its banking business license shall pay renewal fee of Birr 200,000.

10.3 Representative Office of a Foreign Bank

10.3.1 A foreign bank applying to obtain new license for a representative office shall pay, in acceptable foreign currency:

- a) Investigation fee of USD 500; and
- b) Licensing fee of USD 1,500.

10.3.2 A representative office applying for renewal of its license shall pay renewal fee of Birr 75,000.

11. Conditions for Renewal of License

11.1 For Domestic Bank, Foreign Bank Subsidiary or Foreign Bank Branch.

11.1.1 Without prejudice to the relevant provisions stated of the Banking Business Proclamation No 1360/2025, a license issued by the National Bank shall serve for an indefinite period.



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- 11.1.2 A bank shall renew its banking business license every year between July 1 and September 30, without going through the whole application process stipulated under Article 6 or Article 7 of this Directive as appropriate.
- 11.1.3 A bank applying for renewal of business license shall present the following:
- a) application requesting renewal of business license and any changes in particulars of the existing license;
 - b) provisional/unaudited financial statement for the fiscal year, source of any capital increment made including dividend or other, amount of updated subscribed and paid-up capital held by each shareholder, confirmation of maintenance of required legal reserve, attestation and confirmation letter signed by the chief executive officer regarding accuracy and correctness of submitted information;
 - c) original business license of the bank; and
 - d) evidence of payment of renewal fee and where applicable, penalty fee.

11.2 For Representative Office

- 11.2.1 A foreign bank shall renew its representative office license every year between July 1 and September 30.
- 11.2.2 A foreign bank applying for renewal of its representative office's license shall present the following:
- a) application requesting renewal of representative office license;
 - b) evidence of cash deposit, in the form of copy of a bank deposit slip, of at least USD 100, 000 covering the annual expenditure of the representative office;
 - c) clearance for tax payment from relevant Ethiopian government organ;
 - d) original license of the representative office; and
 - e) evidence of payment of renewal fee and/or penalty fee where applicable.



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12. Requirement to Display License

- 12.1** A licensed bank shall, at all times, display in a conspicuous place its valid original business license in its head office and copy of the business license in its branches.
- 12.2** A licensed representative office shall, at all times, display in a conspicuous place its valid original license in its office.

13. Approval or Rejection of Application

- 13.1** The National Bank may approve or reject the license request of a bank or a representative office, upon overall assessment, including an assessment of the propensity and ability of the bank or the representative office to operate honestly, fairly, and efficiently within the purpose and intent as provided under the Banking Business Proclamation No. 1360/2025 and this Directive.
- 13.2** If the National Bank decides to reject a license application, it shall communicate the rejection to the respective applicant along with the reasons for the decision.

14. Appeal Against Rejection of Application

Where an applicant wishes to appeal against the rejection, it shall do so by writing to the Governor of the National Bank, within thirty (30) working days from the date of receipt of the rejection notice.

15. Repeal

Requirements for Licensing and Renewal of Banking Business Directive No. SBB/56/2013 and Article 4.1 and Article 4.2 of Licensing, Credit Information and Examination Fees on Banks Directive No. SBB/85/2022 is hereby repealed and replaced with this Directive.

16. Effective Date

This Directive shall enter into force as of the 25th day of June 2025.

ANNEX I:

General Information of Promoter and Project Manager of a Bank Other Than a Foreign Bank Branch or Project Manager of a Foreign Bank Branch

No	Full Name	Nationality	Address						
			City	Sub-city	Wereda/District	House No./Street	Post code	Tel.	E-mail
1									
2									
.									

1. Proposed name of the bank under formation

2. Applicant for proposed bank: Name of organizing committee's chairperson of domestic bank or partially owned foreign bank subsidiary under formation or Name of Project Manager of a domestic bank, foreign bank subsidiary or foreign bank branch

2.1 Address -----

3. Present Position or Occupation of the project manager:

4. I hereby confirm that the above particulars and the information provided in the attached enclosure are true and correct.

Date -----

Signature of organizing committee's chairperson or project manager -----

ANNEX II:

Propriety Test Questionnaire for Promoter or Project Manager

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

Full Name: _____

(Promoter, project manager-**underline**)

Name of bank _____

	Yes	No
1. Have you been charged or convicted of any criminal offense, particularly an offense relating to dishonesty or fraud under any law whether in Ethiopia or elsewhere? If yes, please give particulars_____	<input type="checkbox"/>	<input type="checkbox"/>
2. Have you 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, please give particulars_____	<input type="checkbox"/>	<input type="checkbox"/>
3. Have you ever been refused approval by any regulatory/supervisory body or failed to comply with requirements of regulatory/supervisory body? If yes, please give particulars_____	<input type="checkbox"/>	<input type="checkbox"/>
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 a penalty under employment law or ever been dismissed or requested to resign from any office of employment or disciplinary measures imposed by trade or professional associations? If yes, please give particulars_____	<input type="checkbox"/>	<input type="checkbox"/>
5. Have you ever been refused, whether in Ethiopia or elsewhere, the right to carry on any trade, business or profession for which a special license, registration or other authority is required? If yes, please give particulars_____	<input type="checkbox"/>	<input type="checkbox"/>
6. Have you been declared bankrupt whether in Ethiopia or elsewhere or have your		

assets been sequestrated because of bankruptcy or foreclosed a bank due to failure to repay a loan?

☐☐

If yes, please give particulars _____

7. Have you ever been convicted of default on repayment of bank or other credits or tax payment?

☐☐

If yes, please give particulars _____

8. Have you ever been carrying non-performing loans or account been closed and not reinstated by any bank in line with relevant Directives of the National Bank or other relevant laws in any other country?

☐☐

If yes, please give particulars _____

9. Are you, as promoter or project manager, in relationship of first degree of consanguinity or affinity with, a project manager or promoter of this transaction, respectively? _____

Declaration

I am aware that under Sub-Article 6(b) of Article 90 of Banking Business Proclamation No. 1360/2025, 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 would be aware. I also undertake to inform the National Bank of any changes that are material to the application.

Name _____

Signature _____

Date _____

ANNEX III:

Application Form for Establishing a Domestic Bank

Addressed to: _____

The Director

Bank Supervision Directorate

National Bank of Ethiopia

Addis Ababa, Ethiopia.

NOTE:

- a) Read the declaration on Section B below before completing this form.
- b) In case the space provided is inadequate, use additional paper.
- c) This form should be submitted, duly completed, accompanied by the complete set of documents and information prescribed under Article 6 of this Directive.

A. DETAILS OF DOMESTIC BANK (under formation)

- 1. Name of organizing committee's chairperson/project manager _____
- 2. Name of the Bank (under formation) _____
- 3. Address of the Bank (under formation)
 - Street: _____
 - Building: _____
 - Postal address: _____
 - Telephone no: _____
 - E-mail _____

4. List of shareholders who own 2% or more

Name (Individual/Entity)	Nationality/C ountry of operation	City	Sub- city	Wereda/ District	House No./ Street	Post code	Tel.	E- mail	Subscribed capital			Paid up capital	
									Number of shares	Amount in Birr	% of Subscribed Shares	Number of shares	Amount in Birr

Grand Total													

5. Names and Address of Board Members

Full Name	Nationality	City	Sub-city	Wereda/ District	House No./ Street	Post code	Tel.	E- mail	Subscribed capital			Paid up capital	
									Number of shares	Amount in Birr	% of Subscribed Shares	Number of shares	Amount in Birr
Grand Total													

6. Products and Services of the bank

6.1 Products and services the bank intends to carry out:

7. Paid-up capital contribution

7.1 In cash birr_____

7.2 In kind (specify the type of property and value in birr and the manner of valuation, if any)_____

8. Initial capital of the bank (under formation) in birr_____

8.1 Subscribed capital birr_____.(_____ birr)

8.2 Paid —up capital birr_____.(_____ birr)

9. Shares

9.1 Number of shares subscribed _____

9.2 Par value of the share in birr _____

10. Provide details of acquired assets and services:

Item	Manner of acquisition [(lease, purchase or rent (attach agreements))]	Cost (Birr)
Building		
Land		
Vault		
Equipment		
Fixture		
Professional services		

11. Types and extent of proposed insurance

coverage _____

12. Proposed date of commencing operations: _____

13. Please give a statement that members of board of directors, chief executive officers, senior executive officers and persons with significant ownership are vetted to fulfill the requirements stated in Articles 4 (1)(h) & (i) and 17 of Banking Business Proclamation No. 1360/2025, and Requirements for Persons with Significant Influence in a Bank Directive No. SBB/89/2024.

14. Any additional comments:

DECLARATION BY APPLICANT

1. I am aware that it is an offense to knowingly or recklessly provide any information, which is false or misleading in connection with an application for an authority. I am also aware that omitting material information intentionally or unintentionally shall be construed to be an offense and may lead to rejection of my application.
2. I certify that the information given above is 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.
3. I undertake to inform the National Bank of any changes material to the applications which arise while the application is under consideration.

Date_____ signature_____

Name and official designation of the applicant

ANNEX IV:

Application Form for Establishing a Foreign Bank Subsidiary or Opening a Foreign Bank Branch

Addressed to: _____

The Director

Bank Supervision Directorate

National Bank of Ethiopia

Addis Ababa, Ethiopia.

NOTE:

- a) Read the declaration on Section C below before completing this form.
- b) In case the space provided is inadequate, use additional paper.
- c) This form should be submitted, duly completed, accompanied by the complete set of documents and information prescribed under Article 6 (for Foreign Bank Subsidiary) or Article 7 (for Foreign Bank Branch) of this Directive.

A. DETAILS OF FOREIGN BANK

- 1. Name of Project Manager _____
- 2. Name of Foreign Bank: _____
- 3. Country of Incorporation: _____
- 4. Commercial Registration Number: _____
- 5. Date of incorporation: _____
- 6. Former name(s) by which the bank has been known: _____
- 7. Physical Address:
 - Street: _____
 - City: _____

State/Province: _____

Country: _____

Telephone: _____

Email Address: _____

Website: _____

8. List of beneficial owners holding shares in foreign bank, including their percentage of ownership:

9. Home country banking license:

Home Supervisor: _____

License number: _____

Date of issue: _____

10. Is the foreign bank currently an object of corrective action or supervisory concern under any early warning surveillance program or otherwise? If so, give particulars_____

11. Has the foreign bank been put under official administration or made any compromise or arrangement with its creditors in the past or otherwise failed to satisfy creditors in full?

If so, give particulars_____

12. Has the foreign bank ever had an application to establish a presence in another country rejected or had approval to conduct banking operation in another country suspended or revoked? If so, give particulars_____

B. DETAILS OF PROPOSED FOREIGN BANK SUBSIDIARY OR FOREIGN BANK BRANCH

1. Name of Foreign Bank Subsidiary or Foreign Bank Branch (**indicating deposit-taking or non-deposit taking foreign bank branch**):

2. Address in Ethiopia:

Street: -----

Building: -----

City: -----

Region: -----

Postal address: -----

Telephone: -----

E-mail: -----

3. Initial minimum of paid-up capital of the foreign bank subsidiary or foreign bank branch, in acceptable foreign currency:-----

4. Shareholders with significant ownership (2% or more), in addition to the foreign bank, if any (**not applicable to foreign bank branch**):

Name of entity/individual	Address (physical and postal)	Country of operation/Nationality	Shareholding		Percentage shareholding
			Number of shares	Amount	
1.					
2.					
...					
Grand Total					

5. Board of Directors of the proposed foreign bank subsidiary **(not applicable to foreign bank branch)**

Full Name	Address (physical and postal)	Nationality	Qualifications	Designation
1.				
2.				
...				

6. Details of proposed Chief Executive Officer of the foreign bank subsidiary or Senior Country Officer of foreign bank branch:

Full Name	Address (physical and postal)	Nationality	Qualifications	Designation

7. Products and services the foreign bank subsidiary or foreign bank branch intends to carry out:

8. Provide the following with respect to:

9.1 In cash (birr) -----

Item	Manner of acquisition [(lease, purchase or rent (attach agreements))]	Cost (Birr)
Building		
Land		
Vault		
Equipment		
Fixture		
Professional services		

9.2 Indicate, if any, of items herein is acquired from related parties.

9. Types and extent of proposed insurance coverage:

10. Proposed date of commencing operations: _____

11. Please give statement that members of board of directors for the proposed foreign bank subsidiary, chief executive officer of the proposed foreign bank subsidiary or Senior Country Officer of the proposed foreign bank branch are vetted to fulfill the requirements stated in Articles 4 (1)(h) and 17 of the Banking Business Proclamation No. 1360/2025, and Requirements for Persons with Significant Influence in the National Bank Directive No. SBB/89/2024.

12. Any additional comments

C. DECLARATION BY CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR OF APPLICANT (FOREIGN BANK)

1. I am aware that it is an offense to knowingly or recklessly provide any information, which is false or misleading in connection with an application for an authority. I am also aware that omitting material information intentionally or unintentionally shall be construed to be an offense and may lead to rejection of my application.
2. I certify that the information given above is 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.
3. I undertake to inform the National Bank of any changes material to the applications which arise while the application is under consideration.

Name of Managing Director/Chief Executive Officer_____

Signature: _____ Date: _____

ANNEX V:

Application Form for Opening a Representative Office

Addressed to: _____

The Director

Bank Supervision Directorate

National Bank of Ethiopia

Addis Ababa, Ethiopia

NOTE:

- a) Read the declaration on Section C below before completing this form.
- b) In case the space provided is inadequate, use additional paper.
- c) This form should be submitted, duly completed, accompanied by the complete set of documents and information prescribed under Article 8 of this Directive.

A. DETAILS OF FOREIGN BANK

- 1. Name of project manager _____
- 2. Name of Foreign Bank: _____
- 3. Country of Incorporation: _____
- 4. Commercial Registration Number: _____
- 5. Date of incorporation: _____
- 6. Former name(s) by which the bank has been known: _____
- 7. Physical Address:
 - Street: _____
 - City: _____

State/Province: _____

Country: _____

Telephone: _____

Email Address: _____

Website: _____

8. Home country banking license:

Home Supervisor: _____

License number: _____

Date of issue: _____

9. List of beneficial owners holding shares in foreign bank, including their percentage of ownership:

10. Is the foreign bank currently an object of corrective action or supervisory concern under any early warning surveillance program or otherwise? If so, give particulars_____

11. Has the foreign bank been put under official administration or made any compromise or arrangement with its creditors in the past or otherwise failed to satisfy creditors in full? _____

If so, give particulars_____

12. Has the foreign bank ever had an application to establish a presence in another country rejected or had approval to conduct banking operation in another country suspended or revoked? If so, give particulars_____

B. DETAILS OF THE PROPOSED REPRESENTATIVE OFFICE

1. Has the representative office been **previously licensed** by other Ethiopian Government body?

2. Name of Representative Office: -----

3. Address:

Street: -----

Building: -----

City: -----

Region: -----

Postal address: -----

Telephone: -----

E-mail: -----

4. Management of the representative office:

4.1 Name, nationality, designation and qualifications of the designated chief representative officer for the foreign bank:

4.2 Name, nationality, business address and designation the officer in the foreign bank to whom the chief representative officer will report to:

5. Activities that the representative office intends to carry out:

6. Provide the following with respect to:

6.1 In cash (birr)

Item	Manner of acquisition [(lease, purchase or rent (attach agreements))]	Cost (Birr)
Building		
Land		
Equipment		
Fixture		

6.2 Indicate if any of items herein is acquired from related parties.

7. Types and extent of proposed insurance coverage:

8. Proposed date of commencing operations: _____

9. Please give statement that the chief representative officer is cleared by police to fulfill the requirements stated in Sub-Article 8.12 of this Directive.

10. Any additional comments

C. DECLARATION BY CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR OF FOREIGN BANK

1. I am aware that it is an offense to knowingly or recklessly provide any information, which is false or misleading in connection with an application for an authority. I am also aware that omitting material information intentionally or unintentionally shall be construed to be an offense and may lead to rejection of my application.
2. I certify that the information given above is 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.
3. I undertake to inform the National Bank of any changes material to the applications which arise while the application is under consideration.

Name of Managing Director/Chief Executive Officer_____

Signature: _____ Date: _____

ANNEX VI:

General Information for Significant Shareholder of a Bank, Member of Board of Directors of a Bank, Chief Executive Officer or Senior Executive Officer of a Bank, Senior Country Officer of a Foreign Bank Branch

(**Underline**- shareholder with significant ownership, member of board of directors of proposed bank, chief executive officer of proposed bank or senior executive officer of a bank or senior country officer of proposed foreign bank branch,)

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

1. Name of Bank (domestic bank or foreign bank subsidiary) or Foreign Bank Branch:

2. Personal information

2.1 Full Name: -----

2.2 Date of birth: -----

2.3 Place of Birth: -----

2.4 Nationality: -----

2.5 Identification Card Number and Date of Issue: -----

2.6 Passport Number and Date of Issue: -----

2.7 Tax Payer Identification Number: -----

- 2.8 Address:

Street: -----

Building: -----

City: -----

Sub-city: -----

District: -----

Region: -----

Postal address: -----

Telephone: -----

E-mail: -----

2.9 Educational Qualification:

2.10 Summary of Work Experience:

No.	Organization	Position	Duration	Number of Years

2.11 Name (s) of your bankers for the last 5 years: -----

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

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

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

4.1 current shareholding or ownership in non-financial institution Companies

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

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

Company Name	Date incorporation	Amount shareholding	% shareholding (in total shares of the company)	Reason for termination of shareholding	Remark
1					
2....					

4.3 Borrowing (directly and indirectly):

	Name of borrower*	Name of lending institution	Type of facility	Amount borrowed	Date of approval	Security offered (type)	Value of security	Current outstanding balance	Status of loan (Pass, Special mention...)	Remark
1										
2										
...										

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

5. If legal person (for shareholder with significant ownership and director in a bank). Please complete the following table for the recent three financial years (Please also attach audited financial statement)

Year	Assets	Liabilities	Net-worth	Remarks

6. If you are new shareholder to the bank or existing shareholder planning to increase your share holding 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.

--

Declaration

I am aware that under Sub-Article 6(b) of Article 90 of Banking Business Proclamation No. 1360/2025, 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 would be aware. I also undertake to inform the National Bank of any changes material to the application.

Name _____

Signature _____

Date _____

ANNEX VII:

Propriety Test Questionnaire for Significant Shareholder of a Bank, Member of Board of Directors of a Bank, Chief Executive Officer or Senior Executive Officer of a Bank, Senior Country Officer of a Foreign Bank Branch.

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

Full Name: _____

(**Underline**- shareholder with significant ownership, member of board of directors of proposed bank, chief executive officer of proposed bank or senior executive officer of a bank or senior country officer of proposed foreign bank branch)

Name of Bank (domestic bank or foreign bank subsidiary) or Foreign Bank Branch:

- | | <u>Yes</u> | <u>No</u> |
|---|--------------------------|--------------------------|
| 1. Have you or the legal person in which you were a director, chief executive officer or senior executive officer or owner been charged or convicted of any criminal offense, particularly an offense relating to dishonesty, fraud, under any law whether in Ethiopia or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, please give particulars_____ | | |
| _____ | | |
| 2. Have you or the legal person in which you were a director, chief executive officer or senior executive officer or owner been imposed with corrective actions or interventions by public authority due to withholding information or submission of incorrect financial or other statements? | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, please give particulars_____ | | |
| _____ | | |
| 3. Have you or the legal person in which you were a director, chief executive officer or senior executive officer or owner been refused approval by any regulatory/ supervisory body or failed to comply with requirements of regulatory/ supervisory body? | <input type="checkbox"/> | <input type="checkbox"/> |

If yes, please give particulars_____

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 a 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, please give particulars_____

5. Have you ever been refused, whether in Ethiopia or elsewhere, the right to carry on any trade, business or profession for which a special license, registration or other authority is required?

☐☐

If yes, please 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 professions?

☐☐

If yes, please give particulars_____

7. Have you or the legal person in which you were a director, chief executive officer or senior executive officer or owner been declared bankrupt where in Ethiopia or elsewhere or have your assets been sequestrated because of bankruptcy or foreclosed by a bank due to repay a loan?

☐☐

If yes, please give particulars_____

8. Have you or the legal person in which you were a director, chief executive officer or senior executive officer or owner been convicted default on repayment of bank or other credits or tax payment?

☐☐

If yes, please give particulars_____

9. Have you or the legal person in which you were a director, chief executive officer or 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, please give particulars_____

10. Has your purchase of shares in a financial institution been 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, please give particulars_____

11. Has your minimum net worth at time of acquisition of shares at least greater than the shares acquired or to be acquired from financial institutions?

☐☐

If yes, please give particulars_____

12. Are you currently member of board of directors or chief executive officer in any of the financial institutions?

☐☐

If yes, please give particulars_____

13. Are you currently a member of board of directors in any organization?

☐☐

If yes, please give particulars_____

14. Are you assuming concurrent responsibilities in the bank (as a board member or employee), and if yes, state how will you manage time in discharging your duties as director, chief executive officer or senior executive officer? _____

☐☐

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, or senior executive officer? _____

☐☐

Declaration

I am aware that under Sub-Article 6(b) of Article 90 of Banking Business Proclamation No. 1360/2025, 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 would be aware. I also undertake to inform the National Bank of any changes material to the application.

Name _____
Signature _____
Date _____