

OVERDRAFT

FACILITY

PRODUCT OVERVIEW:

An overdraft facility is a type of credit arrangement that permits a customer to withdraw funds beyond the deposits in their current account. This is exclusively for meeting the day-to-day operational requirements of a viable and ongoing business.



Key Features and Benefits

- It is a facility repayable on demand.
- Interest is applied to the outstanding balance of the overdraft facility on a daily basis.
- The overdraft facility may be secured against immovable property (residential or business building), cash deposits in the bank, other banks' guarantees, or government securities.
- The bank may extend the overdraft facility on a clean basis or against other collateral for its valued customers.
- Submission of audited financial statements is specifically required for requests of Birr Five Million and above.
- The Overdraft account must display a debit balance of at least five percent (5%) of the approved limit or a credit balance during the 360 days preceding the expiry date.
- The bank may offer a reduced interest rate on the facility for high-performing clients as outlined in the Terms and Tariff book of the bank.
- Clean base overdraft facilities are entertained for customers with a Risk Grade of 1, 2, or 3.

ELIGIBLE CANDIDATES:

Offered for customers in export, import, manufacturing, Domestic trade service, construction and machinery sector, hotel and tourism, agriculture, transportation service, health and education, Microfinance, and Mining and natural energy sectors.



TARGET CUSTOMERS

- Suited for sizable business activities and well-established customers, serving as a valuable supplement for working capital.