

## **General lending conditions**

The main conditions for obtaining the Bank's financial backing are as follows:

1. A feasibility study for the project (technical and financial).
2. Adequate technical capacity in the field of the project for which finance is being sought
3. Capacity to manage the project
4. Adequate market share to ensure a good turn-over level and project profitability
5. A minimum participation by the promoter varying between 30% and 50% of the cost of investment according to the size of the project.
6. For expansion projects, the contribution of the Bank can represent the totality of the necessary investment

## **Loan Securities**

The Bank must get adequate guarantees for the loans it gives out. These are usually in the form of:

1. Mortgages with title deeds
2. A pledge of receivables
3. The joint guaranty of a spouse, associates, or partners etc.
4. A guaranty from the Government, a Guarantee Fund, a Bank, Other partners, foreign institutions, etc.
5. The pledge of material or financial resources
6. Accident and fire insurance etc.

## **Financial Conditions**

### **1. Interest rate**

The interest rate is negotiable between the Bank and the customer and takes into account of the cost of resources used for the financing, the collateral security offered, the risk of the investment, the credibility of the promoter and the economic and the social impact of the project. Generally, BRD wants to be the leader in the reduction of the interest rates.

### **2. Repayment period**

The repayment period varies and can be up to 10 years depending on the cash-flow projected for the project. At present, the average repayment period is between 5 and 8 years.

**For more information, please contact us:**

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