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NATIONAL BANK OF ETHIOPIA
ADDIS ABABA

TELEGRAPHIC ADDRESS
NATIONBANK
TELEX 21020
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P. O. Box 5550
ADDIS ABABA

LICENSING AND SUPERVISION OF
THE BUSINESS OF
MICRO-FINANCING INSTITUTIONS

Directive No. MFI/06/96

INVESTMENT IN EQUITIES OF ALLIED ACTIVITIES

1. Issuing Authority

These directives are issued by the National Bank of Ethiopia pursuant to the authority vested in it by Article 41 of the Monetary and Banking Proclamation No. 83/1994 and by Article 25 of the Licensing and Supervision of the Business of Micro-Financing Institutions Proclamation No. 40/1996.

2. Investment in allied activities

- 2.1 Licensed institutions may invest in equities of allied activities provided that the total investment shall not exceed ten percent (10%) of the equity capital of the institution.
- 2.2 The equity investment of a licensed institution in any single enterprise shall be limited to three percent (3%) of the net worth of the institution.
- 2.3 Allied activities include:-
- Bank, financial institutions and non-bank financial intermediaries;
 - Warehousing and other pre/post-harvest facilities;
 - Agricultural inputs and farm equipment distribution;
 - Trucking and transportation of agricultural products;
 - Other activities as may be determined by the National Bank of Ethiopia.

These directives shall enter into force as of 21st day of October 1996.



Dubale
Dubale Jale
Governor

National Bank of Ethiopia