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NATIONAL BANK OF ETHIOPIA
ADDIS ABABA

FIS/BSD/413/2011
November 25, 2011

All Private Banks
Addis Ababa

Dear Sirs/Madam;

Subject: NBE Circular No. BSD/04/2011

Sub-article 11(1) of Proc. No. 592/2008 limits shareholding by a person, other than the Federal Government of Ethiopia, to 5 percent of a bank's total shares; and the subsequent Directive No. SBB/47/2010 allows 36 months to **reduce** any holding above the limit to **5 percent or less**, in line with sub-article 11(6) of the Proclamation.

Accordingly, any move to acquire:

- i. shares in excess of the limit by any shareholder who currently has less than or equal to 5 percent stake in any bank, and
- ii. additional shares by a shareholder who has already exceeded the limit;

contrary to the intent of the Proclamation as well as the Directive, is unacceptable as well as illegal entailing penalty as per sub-article 58(7) of the Proclamation.

Yours sincerely,


Solomon Destaf
Director, Bank Supervision Directorate



CC

- H.E. The Governor
 - The Vice Governor, Financial Institutions Supervision
 - Insurance Supervision Directorate
 - Legal Service Directorate
- National Bank of Ethiopia**