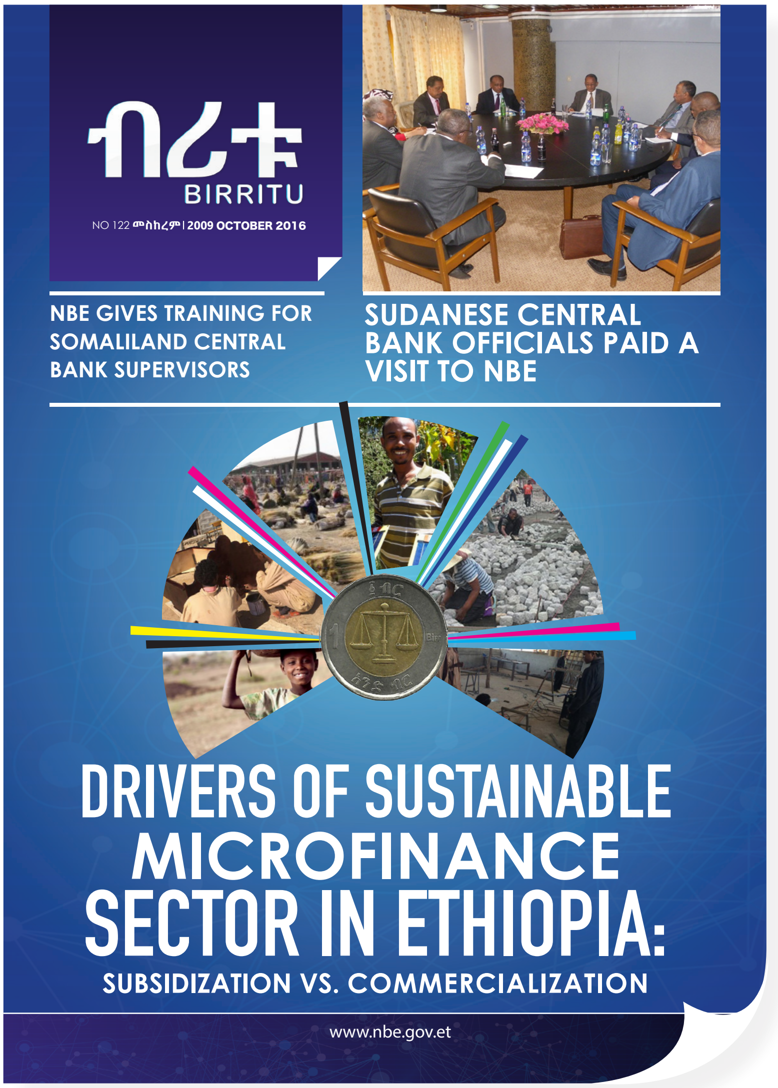

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National Bank of Ethiopia

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Editors' Note

Dear esteemed readers, we are happy to meet you with the 122nd issue of Birritu which consists of relevant and timely topics.

In the News and Information section, there are four News about Training given for Somaliland Central Bank Supervisors, a visit paid by Sudanese Delegation to NBE, the parallel Circulations, Operations of the Old and New Cheques and China's Economy to Overtake the U.S In 2018.

The Topic selected for Research Article is "Drivers of Sustainable Microfinance sector in Ethiopia: Subsidizations Vs Commercialization's". The Educational and Informative Article contains one interview, about Reinsurance: Importance, Benefits. There is also the Miscellany section which contains a poem.

Dear readers, your feedbacks and comments are invaluable for enriching the next issue of Birritu. Please keep forwarding your comments and suggestions.

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NBE GIVES TRAINING FOR SOMALILAND CENTRAL BANK SUPERVISORS

by Tsigabu Motbinor

The National Bank of Ethiopia (NBE) originated a training session and shared its experience to bank supervision officials from the Central Bank of Somaliland from 18-23 July 2016, here in Addis.

Opening the training, Ato Getahun Nana, V/ Governor of NBE said that during the last 25 years the Ethiopian financial sector saw great strives due to sound policies and strategies of the government to enhance the economic development of the country.

In addition, the government is exerting maximum efforts to achieve the objective of the Second Growth and Transformation Plan (GTP II) of the country where the National Bank of Ethiopia is playing pivotal role to strengthen the country's economic growth as well as the financial sector as a whole, he added.

"We are here not only to attend the training session, but also to strengthen the economic ties between Somaliland and Ethiopia"

Dr. Ali Issa Abdi, Managing Director of Horn Economic and Social Policy Institute (HESPI) praised the National Bank of Ethiopia for giving the training session and its sharing experience. "We are here not only to attend the training session, but also to strengthen the economic ties between Somaliland and Ethiopia", he said.

Ato Daniel Fantaye, Program Manager of Horn Economic and Social Policy Institute (HESPI) stated that the reason Ethiopia was chosen to host the training session is because it has registered marvelous development in the financial sector. As a result, the country has become a center of attention at international level. Since the Somaliland Central Bank is on its infant stage, it can draw experiences and lessons from the National Bank of Ethiopia.

On the training, the history, structure and governance, mandates, roles and core functions of the National Bank of Ethiopia were presented to the participants. Besides, development of banking sector and approval process of legal documents for banking supervision, existing proclamations and directives related to banking sector, continuous presentation and discussion on proclamations and directives related to banking sector, licensing policies and approvals process of private and government banks, banking supervision approach, risk based supervision (RBS) risk management guidelines (RMG) were the main agendas covered on the training.

In addition to the training, the Somaliland Central Bank officials have visited the head office of the Awash Bank and Currency Management Directorate of NBE.

Ato Tsehay Shiferaw, President of Awash International Bank S.C. briefed about the growth of the bank in the past 23 years to the officials. He noted that on this budget year, the bank has registered an all-time record profit since its establishment and it has been getting proper support regulation and supervision from National Bank of Ethiopia. The bank is striving to be a world class bank and to be one of the Top 10 Banks in Africa, he added.

In the closing session of the training, Horn Economic and Social Policy Institute (HESPI) Board Chairman, Ambassador Peter Robleh, said that the training has an enormous advantage to strengthen the relationship and the economic ties of the two countries. He suggested such kind of training to continue further.

Photo **Getu Tilahun**

The delegation were brifed about the process of destraction of deteriorated money

Ato Solomon Desta, Bank Supervision Director at NBE, on his part gave a closing remark that the training was conducted successfully. “This training is the beginning not the end, the National Bank of Ethiopia is pleased to share its experience of banking supervision endeavors to its Somaliland counterpart. In addition, I have observed that the National Bank of Ethiopia can also learn a lot from Somaliland Central Bank in the area of mobile banking”, he added.

The trainees on their part mentioned that their stay in Ethiopia was great. They stated that they gained great experience from the National Bank of Ethiopia and will implement it as soon as they return to Somaliland.

The Horn Economic and Social Policy Institute (HESPI) is an independent, non-profit think tank and consultancy firm established in 2006 for the member countries of the Horn of Africa in particular, and developing countries at large. HESPI provides economic and social policy analysis and research on issues of common interest to the sub-region.

The Institute undertakes commissioned studies, policy analysis and research for the public and private sectors in areas of regional or country specific interest, and provides institutional and human resource capacity building.

SUDANESE CENTRAL BANK OFFICIALS PAID A VISIT TO NBE

by Tsigabu Motbinor

Addis Ababa: The National Bank of Ethiopia (NBE) and the Central Bank of Sudan discussed on issues of the implementation status of the Ethio-Sudan joint banking agreement on August 15, 2016, in Addis Ababa, Ethiopia.

A Sudanese delegation led by H.E Mr. Abdul Rahaman Hassan Abdul Rahman, Governor of the Central Bank of Sudan, paid a one day visit to the National Bank of Ethiopia. During the visit, H.E AtoTeklewold Atinafu, Governor of the National Bank of Ethiopia (NBE) welcomed the Sudanese delegation

He noted that the progress being made in the preparation of Ethio-Sudan Joint Banking agreement has been encouraging in and the process of opening a Commercial Bank of Ethiopia (CBE) branch Khartoum, Sudan is well underway

and discussed issues related to the progress that have been made by Ethio-Sudan Joint Banking Committee.

He noted that the progress being made in the preparation of Ethio-Sudan Joint Banking agreement has been encouraging in and the process of opening a Commercial Bank of Ethiopia (CBE) branch Khartoum, Sudan is well underway and he hoped that the branch would commence operation as soon as office premises are ready and the necessary license is issued by the central Bank of Sudan.

He also affirmed that some commercial banks of Sudan have already established correspondent relationships with Ethiopian commercial banks and vice versa.

H.E Mr. Abdul Rahaman Hassan Abdul Rahman, on his part stated that the Central Bank of Sudan is examining the request of CBE to open a branch in Khartoum. It has also accepted the proposal of the National Bank of Ethiopia concerning capital requirements and the possibility of opening more branches in other parts of Sudan.

> Issues related to currency swap, experience sharing in areas of Islamic banking, Islamic microfinance and liquidity management were also discussed during the visit

In addition, Issues related to currency swap, experience sharing in areas of Islamic banking, Islamic microfinance and liquidity management were also discussed during the visit.

It is noted that the visit and discussion were based on a memorandum of Understanding (MoU) signed between the two central banks in February 2016.


NBE EXTENDS THE PARALLEL CIRCULATIONS, OPERATIONS OF THE OLD AND NEW CHEQUES

by Tsigabu Motbinor

The National Bank of Ethiopia (NBE) extended the parallel circulation and operation of the old and new cheques till December 31, 2016.

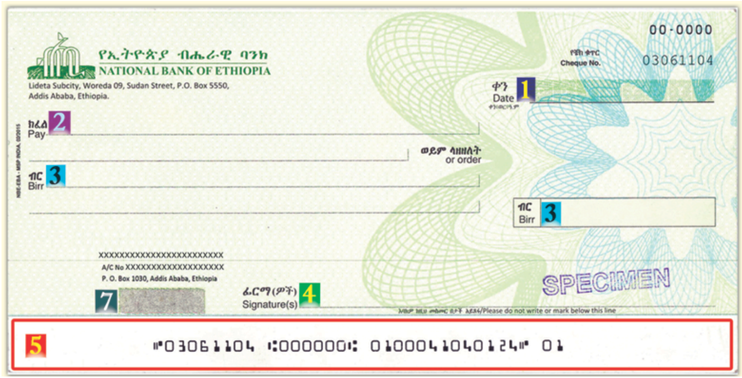
Birritu learnt that the purpose of this parallel run of both cheques is to give sufficient time to understand the operation of the new cheques by all banks, to educate customers on how to handle and write new cheques; make ready the cheque truncation system infrastructure (applications and UV enabled cheques scanners) and to ensure that cheque personalization arrangements are properly made.

To this end, all banks are required to accomplish the tasks acquiring cheque truncation solution based on the specification to be issued soon by the National Bank of Ethiopia and implementing them based on the rules and procedures approved; educating internal staff and customers on the utilization and the MICR cheque; making arrangements for cheque personalization; and reporting periodically the progress to the National Bank of Ethiopia, Payment Systems and Settlement Systems Directorate.

The steering committee has warned all banks that fail to accomplish these tasks by November 2016 will be excluded from the national clearing and settlement system.

The National Bank of Ethiopia accordance with the authority vested in it by Article 24, sub article 5 of the National Payment proclamation No.178/2011, has issued the cheque truncation rules and procedures.

The objectives of cheque truncation system(CTS) rules and procedures are to provide regulation and management of cheque truncation in Ethiopia with the view to reducing cheque clearing cost and processing time; govern the operations and use of cheque truncation system as well as to articulate the rights and responsibilities of participants in the cheque clearing and settlement process and provide minimum technical and operational standards for cheque truncation system to be used by each participant;



and facilitate the implementation of effective and efficient electronic image based payment system.

According to the rules and procedures of the Ethiopian cheque truncation system (ECTS) all licensed banks and microfinance institutions operating in Ethiopia are participants to the Ethiopian cheque truncation system as long as they fully comply with the cheque truncation system rules and procedures.

The rules and procedures further stated that the National Bank of Ethiopia has the responsibility to ensure that banks and microfinance institutions implement cheque truncation system in a way that endows benefit for the financial sector; to control cheque truncation system and regularly monitor its implementation by all participants by putting appropriate reporting structure; to ensure the existence, adequacy and properness of cheque truncation management strategy, guidelines and operating standards in participating institutions; and to administer the inter-bank payments and settlement systems.

Meanwhile, the National Bank of Ethiopia (NBE) conducteda training of trainers on cheque standardization and truncation system to bank professionals from June 17 to 24, 2016 on three rounds.

During the cermony, A/director of Payments and Settlement Systems Directorate at NBEW/ro Martha H/Mariam stated that the training was prepared to enhance the national payment systems of the country in general and to ensure successful implementation of the standardized cheques in particular and reiterated that the Directorate is responsible to follow andassist the participants of the training when they are giving training in their respective organizations.

During the training, Ato Mezmur Birhanu, Payment Systems Oversight and Development Principal Officer briefed trainees about the overview of Ethiopian cheque standardization and Ethiopian banks standardization & specification, cheque truncation system and its rules and procedures. He also briefed the advantage the standardized cheques have in limiting fraud, counterfeiting, and enhancing the speed of clearance and settlement.

Ethiopian cheque standardization project officemanager AtoHaileyesusMezgebu on his part presented Magnetic Ink character Recognition (MICR) chequeprinting process, on demand cheque printing, corporate customers MICR cheque print process, cheque truncation system implementation, major changes from the old cheques parallel operation/circulation, Do's and Don'ts in cheque truncation system and cheque return process.

At the end of the training the participants indicated that that they found the training helpful and highlighted the need for the National bank of Ethiopia and all banks sto exert maximum effort to enhance awareness creation by using effective communication through media and other forums.

In the closing session, Ato Getachew Kebede, D/director of Ethiopian Institute of Financial Studies, requested participants to prepare action plans on how to train their workers as well as customers.

The training was prepared and organized by Ethiopian, Cheque Standardization Project Office, Ethiopian Institute of Financial Studies and Payment and Settlement Systems Directorate of NBE. More than 116 participants from all commercial banks took part in the training.

CHINA'S ECONOMY WILL OVERTAKE THE U.S. IN 2018

by Mike Patton

Each country measures economic growth by its gross domestic product or GDP. Negative or positive GDP indicates whether the economy is contracting or expanding. When you combine the total economic output of each country, the result is global GDP.

In this article, we will reveal how America's contribution to global GDP has been falling while China's has been rising.

CHANGES IN THE GLOBAL ECONOMY

The Conference Board estimates that by 2018, China's contribution to global GDP will surpass that of the U.S. In other words, China's economy will become more significant than America's.

How is this possible? Is the golden era of "Made in America" in our rearview mirror? Is China entering a modern-day economic dynasty? To find the answer, we will examine the period beginning in 1970 and the forecast through 2025.

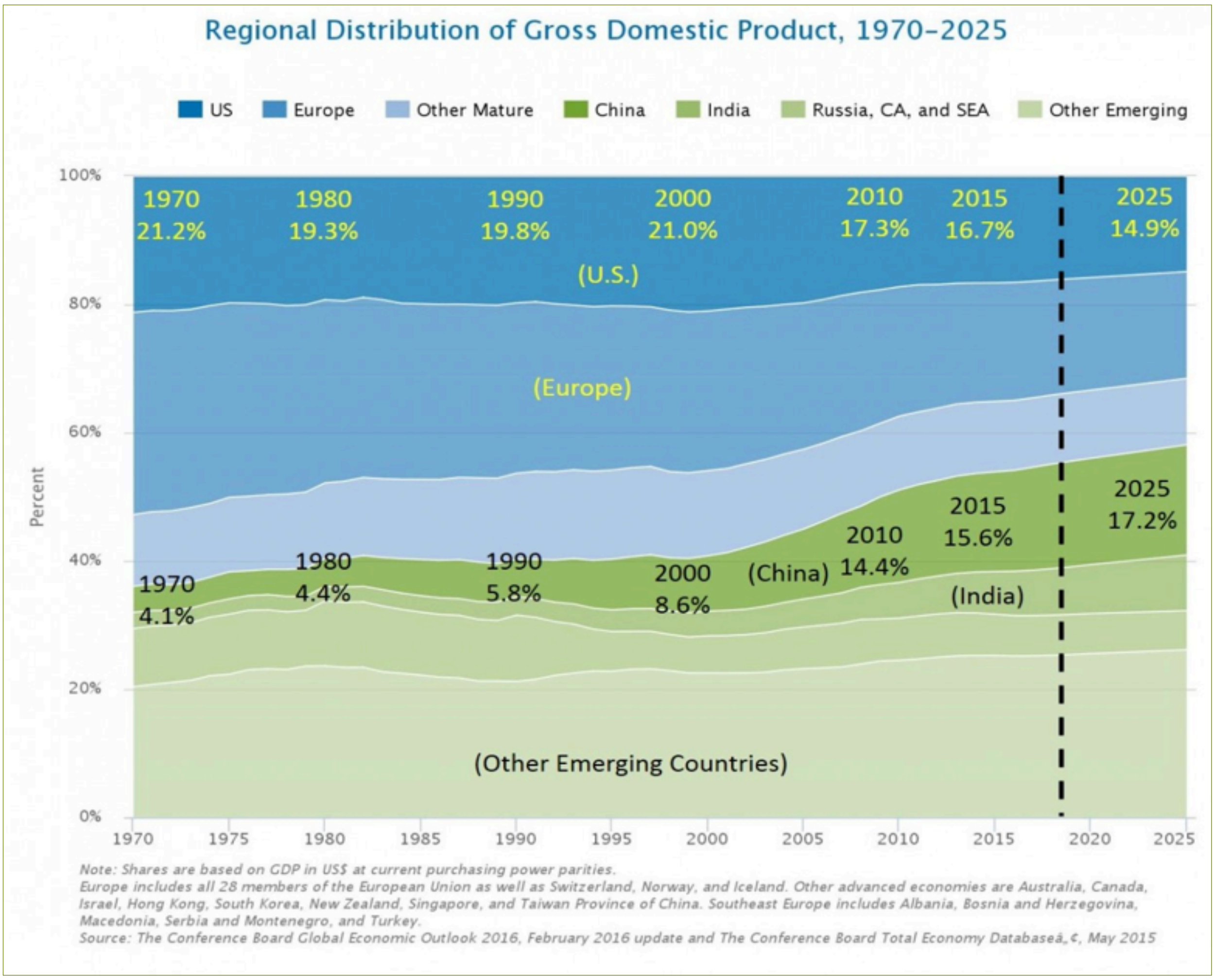
As the chart below indicates, the U.S. contributed 21.2% of total global economic output in 1970. This remained consistent until the year 2000. In every year since, with one exception, America's percentage of the world's economic output has declined. In 2015, the U.S. contributed 16.7% of the world's economy. By 2025, this is expected to fall to 14.9%.

The vertical black-dotted line on the chart denotes the year (2018) that China's economic contribution is projected to surpass the U.S

Equally noteworthy is the exceptional rise in China's economy. In 1970, China was responsible for a mere 4.1% of the total. This rose to 15.6% in 2015. In 2025, China's contribution to the global economy is projected to be 17.2%.

Since 1990, China's percentage of total global output has risen every year with one exception (1998), when it fell by one percent. The vertical black-dotted line on the chart denotes the year (2018) that China's economic contribution is projected to surpass the U.S.

There are some other notable conclusions we can make from the chart. Europe's economic contribution to global GDP is rapidly declining. India is gaining economic influence but still has a long way to go. In 2015, India's contribution to global GDP was 6.7%. This is expected to rise to 8.7% by 2025. One of the most significant observations is that large developed economies are becoming less significant while smaller, emerging economies are gaining power. This is not a complete surprise as smaller economies are much more nimble than large ones.



CHINA'S RISE

How has China become such a dominant economic power? Part of the reason is its booming auto industry. To illustrate, the total number of autos sold last year in China was 24.6 million. This dwarfs total auto sales in the U.S. last year, which hit a record 17.5 million cars and trucks. In addition, SUV sales in China increased a whopping 52% in 2015. China's auto industry is thriving and should provide stiff competition for U.S. auto manufacturers in the years ahead. Unless the U.S. government levies high tariffs on imports to equalize prices between Chinese autos and those made in America. It is important to remember that the cost of production (labor included) is much lower in China.

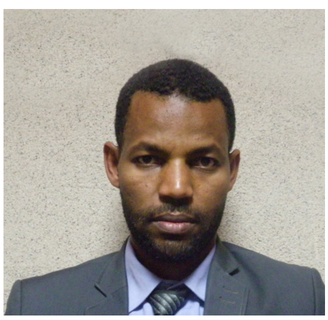
The world's economy is changing and globalization is alive and well. There will likely be a large number of new trade agreements in the months ahead as well as an increase in U.S. based companies deriving revenue overseas. Gone are the days when it was sufficient for investment analysts to analyze trends in the U.S., to the exclusion of foreign markets. In the current "global" climate, we must recognize how foreign companies will compete with U.S. corporations. Rising globalization should result in greater competition. If the federal government does not levy new and increased tariffs on imported goods, the added competition will result in lower prices for the consumer. However, I wouldn't get too optimistic about a lack of tariffs. The federal government will likely view this as a source of revenue and a way to help its constituents rather than allow cheap imports to flood the U.S. Perhaps Americans will be buying more goods online, directly from foreign companies. Does UPS or FedEx deliver cars? It could happen.

Source - www.forbes.com

DRIVERS OF SUSTAINABLE MICROFINANCE SECTOR IN ETHIOPIA:

SUBSIDIZATION VS. COMMERCIALIZATION

Key words: MFIs, sustainability



Muhidin Shifa Shikur

Senior Insurance Examiner(NBE)

……MFIs should maintain striking balance between their mission of serving the poor (increasing depth of outreach) and their sustainability by encouraging innovations, investing in technologies and creating economies of scale……..

ABSTRACT

Excessive reliance on subsidies vs. a focus on commercialization of microfinance services has become prominent issue in microfinance industry. While earlier studies in Ethiopia, on MFIs' performance, focused mostly on internal characteristics, analysis of sustainability has not been dealt sufficiently within the context of funding structures, firm specific characteristics and macroeconomic environments. In an effort to fill this gap this study is made to identify the influence of these variables on both sustainability of Ethiopian MFIs. It is found that, during the study period, increased dependence on donor funds appeared to have a decreasing effect on MFIs' sustainability while maintaining higher percentage of deposits as a percent of loans helped them to improve their sustainability. Consistent with empirical evidences, the age (maturity) of MFIs and GDP were revealed to enhance their sustainability. The study recommends that, to be financially sustainable, MFIs should resort to commercialization of their operation (while keeping their mission of serving the poor) rather than relying on grants and subsidies.

1 Introduction

1.1 Background

Aghion and Morduch (2005) noted that the modern use of microfinance has its roots in the 1970s when Muhammad Yunus, an economics professor at a Bangladesh university, started to make a small loan of US$27 to a group of 42 families as start-up money under the Grameen Bank project so that they could make items forsale, without the burdens of high interest under predatory lending. Khandker (2003) and Thapa (2007) claimed that, being an innovative approach targeting the poor, microfinance industry has become a vital tool for poverty reduction in many parts of the world.

There were growing needs for financial services among the poor communities especially from those who were financially constrained and vulnerable but have feasible and promising investment ideas.While reaching to the poor is very costly, in order to reach its full potential and further grow as a credible development tool, MFIs should be financially sound, sustainable and efficient from long term perspective. Many recognized that the industry has now grown big and MFIs serve hundreds of millions of clients.This requires MFIs to measure how well the available resources are utilized to maximize output.

A number of studies indicated that a sustainable and efficient MFI management should cover at least all administrative costs, loan losses, and financing costs from operating income within the organization. However from the going concern perspectives scholars argued that MFIs should maintain a financial self-sufficiency ratio of 100% so that they could cover administrative costs, loan losses, and financing costs from the revenues.Morduch (2005) and Morduch & Haley (2002) stated that the strength and sustainability of MFIs keep in touch with ability to meet long-term expenses and obligations as well as absorb unanticipated future commitments.On the other hand meeting sustainability has to do with a number of internal variables and external environments including financing structures, firm characteristics and macroeconomic variables.

The study employs the most common indicators for microfinance sustainability and introduces new evidence and possible explanations from an explicit perspective that might be relevant in the context of subsidies, deposit mobilization, scale of operation, gender, age and macroeconomic variables.

1.2 Current landscape of microfinance in Ethiopia

The microfinance industry has witnessed tremendous growth for the last 10 years. According to recent data from the National Bank of Ethiopia, by end 2015/16, the number of microfinance institutions reached 35. Their total capital and total asset also increased significantly by 23.2 and 20.2 percent and reached Birr 8.876billion and Birr 36.67billion, respectively. These micro-finance institutions mobilized deposits which went up by 25.2 percent and reached Birr 18.43billion. The Amhara Credit and Saving, Dedebit, Oromiya, Omo and Addis Credit and Savings institutions, accounted for nearly 83.7percent of the total capital, 92.9percent of the savings, 88.3 percent of the credit and 89.2percent of the total assets of MFIs at the end of 2015/16.

1.3 Statement of the problem

Several studies have been conducted to determine factors affecting financial sustainability of MFIs using large and developed MFIs in various countries. The level of significance of these factors in affecting the financial sustainability of MFIs, however, varies with studies (Cull et al., 2007 & Christen et al., 1995).As an element ofMFIs'financing structure, subsidies constituted a certain percentage of total capital of MFIs which puts them in a high risk of dependency and unsustainability particularly when the continuity of donated capital is uncertain and if they are inefficient.Hence according to Rhyne and Otero (2006) recently, there seems to be a shift from a subsidizing MFIs institution to a focus on sustainability of MFIs increasing commercial sources of finance such as savings and equities. On the other hand many believe that microfinance plays an important role in empowering women,who are deprived of access to microfinance in many countries.

While studies conducted by Kereta (2007), Kidane (2007), Duressa (2009), Ejigu (2009), Asnakew (2012), Yirsaw (2008), Tamene (2012) and Yenesew (2014) are worth to mention, to the best of my knowledge most of these studies focused on limited internal characteristics and did not adequately (if not at all) consider the influence of subsidies, deposit mobilization, gender and economic growthwhich has rigorously been investigated in many studies in the global microfinance industry.Hence this study is made to identify the influence of funding sources, firm characteristics and macroeconomic variables on sustainability of MFIs in Ethiopia.

1.4 Objectives of the study

The objective of this study is to empirically test the influence of funding, firm characteristics and macroeconomic variables towards long term sustainability of Ethiopian MFIs.

1.5 Significance of the study

Measuring MFI's long term sustainability calls for proper management and take advantage of grants, deposit mobilization, leverage, gender analysis, experience, portfolio quality and macro-economic variables. Such analysis can help managers of MFIs, regulators, the academic industry, donors and other decision makers in the microfinance sector to bridge the information gap in drivers of long term sustainability of MFIs,improve resource allocation, improve sector performance in terms of outreach and sustainability and enhance competitiveness in the microfinance sector.

2 Literature Review

2.1 Why financial sustainability in microfinance institutions?

Diverse literatures noted that sustainability is one of the areas that we need to look at to assess microfinance establishments. In the early days when MFI started they were financed by donor funds that have a poverty eradication goal. This brought the need for MFIs to be measured on how much MFI reach to the poor and how far the lives of those who get financial services are changing as compared to those who don't get these services. But as the MF industry grows in size, the need for increased financing coupled with unpredictability of donor funds trigger the issue of building a sustainable MFIs that stand on their own leg. Hence need to cover their own cost of operation from their program revenues. Thus we can loosely define sustainability as the ability of an MFI to cover its operating and other costs from generated revenue and provide for profit. It is an indicator which shows how the MFI can run independent of subsidies. This change in emphasis has created a different perspective on the analysis of performance of the MFIs (Basu and Woller, 2004). Sustainability in simple terms refers to the long-term continuation of the microfinance program after the project activities have been discontinued (Ahlin and Lin, 2004).

Brand and Gerschick (2000) noted that the continued commercialization of the microfinance industry and the market forces it has unleashed are powerfully impacting the field and the priorities of the relevant players. More specifically, increased competition, discriminating customers, growth and institutional development demands, regulation and donor fatigue are placing new pressures on MFIs. The number of institutions serving the once-neglected microfinance market is increasing, as is the quantity and sophistication of clients served. Neither competitors nor knowledgeable customers tolerate complacency. Hence MFIs must better leverage their scarce resources to survive let alone succeed. This pressure is particularly acute for MFIs operating in market sectors that are highly competitive or particularly challenging to reach such as poorer clients or rural areas.

The most popular measure of financial sustainability is Financial Self-Sufficiency (FSS) ratio introduced by Christen et al (1995) which in turn is measured by adjusted revenues as a percent of adjusted expenses. On the other hand, Meyer (2002) noted that there are two kind of sustainability that we could observe in assessing MFIs sustainability: Operational self- sustainability and financial self-sustainability. Operational self-sustainability is when the operating income is sufficient enough to cover operational costs like salaries, supplies, loan losses, and other administrative costs. Financial self-sustainability on the other hand is when MFIs can also cover the costs of funds and other forms of subsidies received when they are valued at market prices. CGAP (2004), too, provided a related measurement when it showed that portfolio quality can be used as a measurement tool because portfolio quality ratios provide information on the percentage of non-earning assets, which in turn decrease the revenue and liquidity position of MFIs. On the other hand Rutherford (2000) claimed that long term sustainability requires MFIs to manage delinquency, keep their cost of capital lowby mobilizing savings, rotate their portfolio efficiently, keep operating costs to the minimum and most importantly, set interest rates to cover all these costs.

Scale and depth of outreach indicators are non-financial indicators of performance. Scale of outreach indicate the scale of MFIs activities as measured by the number of clients served with different type of instruments such as saving and credit. Depth of outreach measures the type of clients served and their poverty level. The proxy for depth of outreach used in various studies is average loan size per GNI per capita, the percentage of women borrowers and percentage of rural clients (Ledgerwood, 1999).

2.2 Theoretical and empirical evidences on drivers of sustainability

Grants and deposit mobilization: Many studies undertaken around the world underscored the importance of financing structure or funding sources on sustainability. Studies undertaken by Sekabira (2013) hypothesized that grants and debts decrease sustainability whereas share capital and assets improve it and found the same result as predicted. Sekabira argued that government policy must limit MFIs access to grants and debts. On the other hand Ravicz and Cluster (1998) claimed that microfinance initiatives can reduce, and even eliminate the need for subsidies if they achieve a significant volume of business so that they can be sustainable. Bogan (2009)claimed that the negative effect of grants were a particularly meaningful result given that it is consistent with a growing view that MFIs should rely less on grants, soft loans and other types of donor funds.

In appreciating the impact of savings on sustainability, Morduch and Haley (2002) also argued that savings help MFIs to achieve independence from donors and investors, which is particularly important in periods of liquidity. Vingo (2012) gave reference to Gozalez and Meyer (2009); Wright and Elser et al., (1999) tounderstand that deposits are more than half of the total assets reported by financial institutions that have deposit mobilizations because depositors enjoy certain benefits, such as access to loans constraints. This makes savings a relatively low cost of funds and hence increasing sustainability.

Female borrowers' proportion: Several empirical evidences claimed that a focus on female contributed to financial sustainability as a focus on female targeting within microfinance has often been attributed to enhanced efficiency through low default rate (D'Espallier et al, 2009; Armendariz and Morduch, 2005; Mayoux, 1999). Mayer (2002) noted that women often face greater problems than men in accessing financial services so number of women served is often measured as another criterion.This view is supported by Hermes and Lensink (2007) when they showed that a higher percentage of female borrowers indicate more depth of outreach, because lending to women generally is related to lending to the poor.

Contrary to this, Vingo (2012) too, revealed that there were negative relationships between share of lending to women and sustainability which were also, according to his claim, consistent with the results of the comprehensive review in his study.According to Cheston and Kuhn (2002) an intentional focus on women's empowerment asacentral principle of microfinance may lead them to additional activities which couldaffect the efficiency of providing financial services to the poor in a sustainable way.

Experience: Results on the effect of MFI maturity on sustainability indicated a mixed attribution on MFIs' sustainability. Kipesha (2013) and Megali (2013) indicated that age of the MFIs has a positive impact on the profitability of Microfinance institutions and rural SACCOS reviewed in Tanzania. The result indicated that the growth of such institutions is expected toincrease with the age of the institutions as results of experience, innovations, technology as well economies of scale. However contrary to earlier studies and their hypothesis, Abdurrahman & Mazlan (2014) found that age of MFIs have a negative effect on the financial self-sufficiency ratio of MFIs in Bangladesh. These evidences indicated that there is no consensus among studies on the influence of MFIs' maturity on their sustainability.

Credit risk: Quality of the portfolio as an indicator of credit risk measures how well the MFI are collecting their loans. A loan is considered to be at risk if the payment on it is more than 30 days late and therefore has a risk of not being repaid. This will have an effect on the earnings of the MFIs, and therefore it may also have a negative effect on the performance (CGAP, 2006; Mersland, 2011). Janner (2012) too, indicated that portfolio quality has a negatively significant effect on sustainability signaling that sustainability will decrease due to a marginal increase in portfolio at risk. Gwasi and Ngambi(2014) predicted indeterminate result to their hypothesis that performance can be explained by MFIs specific factors and found evidence to support that increased exposure to credit risk is associated with lower MFI sustainability, given that credit granting is the principal source of revenue for these institutions. According to them this negative relationship attests that a higher portfolio at risk would block good financial results. This finding is consistent with Peter (2012), Richman and Aseidu (2012), Soltane (2012) which identified credit risk as the biggest risk faced by the MFIs globally.

Macroeconomic variables (GDP and Inflation): The previous empirical studies, Hansen and Wernerfelt (1989), Bogan (2009) and Vingo (2012), suggested that macroeconomic variables are based primarily upon an economic tradition, emphasizing the importance of external market factors in determining a firm's success. Bogan (2009) informed that the common approach is to study the impact of macroeconomic factors by investigating the impact of GDP growth and inflation on performance. In their empirical study Gwasi and Ngambi (2014) also tested the influence of macroeconomic indicators (GDP growth and inflation) on the sustainability of MFIs and their result showed that improving macroeconomic performance raises overall income level and business performance which ultimately improves clients repayment ability and hence sustainability of MFIs. They noted that the negative impact of inflation on sustainability indicated that repayment levels are usually weak and low in the presence of higher inflation rates. Vingo (2012) also pointed out that high inflation may increase the costs of capital and other MFI expenses, while borrowers have trouble with the repayment of loans since prices have increased but not wages.

3 Research Methodology and Model Specification

The study used the latest available audited data, predominantly of quantitative secondary data, constituted 10 years data collected from 13 MFIs and issued by AEMFI from years 2005 to 2014.The data on current landscape of MFIs were drawn from NBE's Annual Report of 2015 and MFIs industry data of 2016 from the same source.A total of 130 (more than 35% of MFIs) observations are considered to increase model fitness and precession of the resulting estimates. MFIs with missing variables have been avoided toreduce, if not to avoid, biasedness in the model. While information related to Ethiopian MFIs' financing structure and firm characteristics are collected from AEMFI and MixMarket database, data on macroeconomic variables (GDP growth rate and inflation) were collected from NBE, MoFED and the World Bank web site.

The dependent variable used to measure long term sustainability is financial self-sufficiency, FSS ratio, which in turn is measured by adjusted revenues per adjusted expenses. Proxies supposed to explain the FSS ratioare grants to asset ratio, deposits to loan ratio, gender (female borrowers' proportion), MFIs' experience, portfolio quality, GDP growth rate and inflation rate. Donated equities (resources) as a percent of assets are taken as a proxy for grants to asset ratio and collected from different sources including MixMarket and NBE.

3.1 Hypothesis of the study

Based on the forgoing discussions of theoretical and empirical reviews in section two, the following hypotheses have been established:

H1: *Grants to asset ratio has a significant negative effect on sustainability of Ethiopian MFIs.*

H2: *Deposits to loan ratio has a significant positive effect on sustainability of Ethiopian MFIs*

H3: *The proportion of female borrowers has a significant positive impact on sustainability of Ethiopian MFIs.*

H4 *The age of MFIs has a significant positive effect on MFIs' sustainability in Ethiopia.*

H5: *Portfolio at risk is negatively and significantly related to sustainability Ethiopian MFIs.*

H6: *GDP growth rate in Ethiopia positively and significantly related to FSS ratio of MFIs.*

H7: *Inflation rate in Ethiopia negatively and significantly affect sustainability of Ethiopian MFIs.*

3.2 Model estimation

To analyses the financial sustainability and cost efficiency of MFIs in Ethiopia, this study applied two separate fixed effect multiple regression models. Model diagnosis and robustness checks are made to enhance the quality of the econometric estimates. Tests for validation of the assumptions of the proposed estimation model including heteroskedasticity, autocorrelation, normality, multicollinearity and redundant fixedeffects*t*ests are made and all are not violated.

To examine whether the financial sustainability of MFIs varies significantly based on the differences in funding, firm characteristics, and macroeconomic variables, the following proposed econometric model is estimated to carry out industry wide analysis.

$$FSS = \sum_{i=1}^{2} \beta_i FSV_i + \sum_{j=3}^{5} \beta_j FCV_j + \sum_{k=6}^{7} \beta_k MEV_k$$

Where;

FSS Represents the dependent variable which is financial self-sufficiencyratio of MFIs in Ethiopia which in turn measured is by adjusted revenues as a percent of adjusted expenses.

FSV Represents MFIs' financing structure variables spanning from i = 1 to 2 including, $X_{1=}$grants to asset ratio, $X_{2=}$deposits to loan ratio.

FCV Represents firm characteristics variables spanning from j = 3 to 5 including,$X_{3=}$female borrowers'proportion,$X_{4=}$age of MFIsand $X_{5=}$portfolio at risk outstanding for more than 30 days.

MEV Represents country level macroeconomic variables spanning from k = 6 to 7 including,$X_{6=}$GDP growth rate and,$X_{7=}$inflation rate.

4 Estimation results

4.1 Correlation analysis

Table 1 Correlation analysis of MFIs' financial sustainability

Covariance Analysis: Ordinary
Date: 05/28/16 Time: 18:44
Sample: 2005 2014
Included observations: 130

Correlation	FSS	GAR	DLR	FBP	AGE	PAR
FSS	1.000000					
GAR	-0.342139	1.000000				
DLR	0.394183	-0.296175	1.000000			
FBP	-0.067954	0.301902	-0.077126	1.000000		
AGE	0.217134	-0.310738	0.542510	-0.071878	1.000000	
PAR	-0.320186	-0.020828	-0.050638	-0.233889	-0.013855	1.000000

The correlation analysis for some the variables showed that grants (donated equities) to asset ratios (GAR) and female borrowers' proportion (FBP) are positively correlated, while both of these ratios are negatively correlated to financial self-sufficiency. This further mean thathighly subsidized MFIs appeared to have higher proportion of female borrowers and lower financial self-sufficiency ratio during the study period. However, being an indicator of the degree of relationship, it should be noted that the correlation analysis does not indicated that one variable should case the other to change in the same direction or have an inverse direction.

4.2 Regression result

Table 2: Regression results for the determinants of financial sustainability

Dependent Variable: FSS
Method: Panel Least Squares
Date: 05/29/16 Time: 09:38
Sample: 2005 2014
Periods included: 10
Cross-sections included: 13
Total panel (balanced) observations: 130

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.586751	0.500901	-1.171392	0.2440
AGE	0.036898	0.014587	2.529536	0.0128

GDP	13.06715	3.419400	3.821473	0.0002
INF	0.188660	0.240661	0.783924	0.4348
FBP	-0.461371	0.209729	-2.199843	0.0299
PAR	-0.968274	0.541926	-1.786726	0.0767
GAR	-0.489708	0.252229	-1.941526	0.0548
DLR	0.535465	0.180575	2.965330	0.0037

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.584638	Mean dependent var	0.942569
Adjusted R-squared	0.512894	S.D. dependent var	0.323815
S.E. of regression	0.226000	Akaike info criterion	0.004076
Sum squared resid	5.618365	Schwarz criterion	0.445235
Log likelihood	19.73508	Hannan-Quinn criter.	0.183333
F-statistic	8.148923	Durbin-Watson stat	2.091587
Prob(F-statistic)	0.000000		

The estimated result of multiple regression analysis, where R-squared is 58% and Adjusted R-squared value is 51%, indicated that there are good relationships between dependent and independent variables where all independent variables can explain about 51% of the financial self-sufficiency. Overall reliability and validity of the model was further enhanced by the Prob (F-statistic) value (0.000) which indicates strong statistical significance.

Grants to asset ratio (GAR): Consistent with the expectation ,the coefficient of the donated equity to assets ratio is negative (-0.4897) and statistically significant at 5% indicating that having donated equity as a larger percent of assets decreases the financial self-sufficiency of Ethiopian MFIs for the study period. That is increasing GAR by one percent causes MFIs' FSS ratio to fall nearly by 0.5%. While the result is consistent with the findings of Bogan (2009) and Magali (2013), it is an important result which calls for the need for Ethiopian MFIs to focus on commercialization of their operation than strive for subsidies. The result of this study also agreed with the remarks of Bogan (2009) that reliance on donor funds eliminates the motivation for MFIs to operate efficiently.

Deposit to loan ratio (DLR): Deposit mobilization of Ethiopian MFIs indicated a positive coefficient of 0.5355 and significant at 1% which further showed that a one percent increase in this ratio causes MFIs' FSS ratio to rise by 0.54% indicating that commercially available sources (savings) enhanced sustainability during the study period. This leads to acceptance of the original hypothesis that deposits to loan ratio has a significant positive effect on sustainability of Ethiopian MFIs. This result is again consistent with the claims of Ravicz and Cluster (1998), Bogan (2009) and Magali (2013) that sustainable

MFIs can reduce, and even eliminate the need for subsidies if they achieve a significant volume of business in the form of deposits.

Female borrowers' proportion (FBP): Female borrowers'proportion (FBP) indicated a coefficient level of -0.4614 and significant at 5%.It can be suggested that, according to the correlation result above and interviews with some of the MFIs, MFIs with higher proportion of women are likely to have higher donated equities in their capital structures and appeared to focuses on social motives rather than commercial purposesallowing them to overlook any inefficiency in operations during the study period .A separate analysis of MFIs' 10 years data from AEMFI supported this evidence. According to this review MFIs with gender sensitivity ratio of above 50%(MFIs with female borrowers'proportion of greater than 50%) had an average FSS ratio of 90% while those MFIs with fewer womenborrowers proportion (below 50%) had an average FSS ratio of 98%[1].The result may indicate a symptom of mission drift where some of the MFIs drifted from their mission of serving the most vulnerable segment of the society (mostly of women). This supported the view that some of larger MFIs increasingly try to cater to customers who are better off than their original customers(Sharma, 2000; CGAP, 2004; Nawaz, 2010; Ruchi and Asha, 2012).

While the result may call for further investigation of the issue, this should not discourage MFIs from serving women borrowers. The author supported the view that lending to women is considered lending to the poor (higher depth of outreach) and is within the scope of their mission. Hence MFIs with fewer numbers of women should create effective access to lending to womenand can enhance their sustainability by focusing on innovations,investing in technologies and creating economies ofscale. The government too should consider applicable rule to create striking balance between effective accessesfor women borrowers and MFIsfinancial sustainability.Being the most vulnerable to shortage of formal financial services, women should be the focus inclusive of finance programs.

MFIs experience (AGE). The maturity of MFIs is found to positively affect sustainability of Ethiopian MFIs with a coefficient level of (0.0369) and significant at 1%. The result supported the expectation that the age of MFIs has a significant positive effect on MFIs' sustainability in Ethiopia. When other things being constant, a one year increase in MFI's age leads on the average to a 0.04% increase in their FSS ratio indicating that the older the institution the more likely it is to be sustainable. This may probably happen due to the fact with experience the growth of MFIs is expected to increase as a result of better marketing, development of reputation, innovations, technology and economies scale.

GDP: It is generally believed that a stable macroeconomic environment is necessary for the viability of MFIs. This study tested the influence of macroeconomic indicator (GDP growth rate) on the sustainability of MFIs. Expectedly, the result showed a positive impact of GDP growth on the sustainability of MFIs in Ethiopia with a coefficient level of 13.07 and statistically significant at 1%. This is due to, as theoretically believed, the fact that improving macroeconomic performance raises overall income level and business performance which ultimately improves client's repayment ability and hence leading to enhanced MFIs' viability.

[1] Own computation from 10 years data available from AEMFI covering the periods 2005 to 2015

5 CONCLUSION AND RECOMMENDATION

5.1 Conclusions

- It is found, during the study period, that increased dependence on donor funds appeared to decrease sustainability while maintaining higher percentage of deposits as a percent of loans (increased commercialization) helped MFI to improve their sustainability. The findings from grants and deposit mobilizations indicated that sustainable MFIs can reduce, if not eliminate, the need for subsidies if they can mobilize a significant volume of savings
- Consistent with theories and most empirical evidences, the experience of MFIs and macroeconomic growth (GDP) growth rate is revealed to enhance their sustainability.

5.2 Recommendations

- MFIs should resort to commercialization of their operation rather than relying on subsidies grants and soft loans. However government and donor should encourage smart subsidies. That is they can promote microfinance in remote areas in Ethiopia where required initial start-up costs are high, and private firms are hesitant to enter the market. If these projects are not subsidized in their early years, they will be forced to charge high interest rates that clients could not pay. With the expansion in scale and commercialization (growth in savings and loans), subsidies can decline dramatically.
- Being the most vulnerable to shortage of formal financial services, women should be the focus of inclusive finance programs .MFIs should maintain striking balance between their mission of serving the poor (increasing depth of outreach) and their sustainability by encouraging innovations, by investing in technologies and by creating economies of scale .
- MFIs should utilize the opportunities of macrocosmic environment because improvedmacroeconomic performance raises overall income level which ultimately improves clients repayment ability and hence sustainability of MFIs.

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Reinsurance: Importance, Benefits

Birritu talked to Insurance Supervision Directorate (ISD) of the National Bank of Ethiopia (NBE) about the essence, importance and benefit of establishing Reinsurance Company in Ethiopia.

Birritu: What is the current status of insurance business in Ethiopia?

ISD: There are 16 private and one public insurance companies operating in the sector. Nine of them are composite insurers, i.e. transacting both general insurance and long-term insurance, while eight of them are general insurance companies. The total assets reached 11.3 billion; total capital reached 2.97 billion, investment Birr 6.99 billion and gross premium Birr 3.54 billion. The number of branch offices has reached 424 showing a 13% growth over last year same period. Moreover, over 1,950 insurance sales agents, 53 insurance brokers, 97 loss assessors and two surveyors are operating in the market.

What is more, we are at a historic juncture where the establishment of the first ever indigenous reinsurance company, Ethiopian Reinsurance Company, fully owned by Ethiopian nationals and companies would be heralded. The Company is expected to open its doors for business very soon.

Birritu: Would you explain to us what reinsurance is all about?

ISD: Reinsurance can be defined in a variety of ways. In essence, reinsurance is insurance for insurance companies. It is a contractual arrangement under which an insurer secures coverage from a reinsurer for a potential loss to which it is exposed under insurance policies issued to original insured's.

Reinsurance is a contract by which one insurer transfers (cedes) all or part of a risk it assumes to another insurer. According to Robert Kiln, reinsurance is: the business of insuring an insurance company or an underwriter against suffering too great a loss from their insurance operation; and allowing an insurance company or underwriter to lay off or pass on part of their liability to another insurer on a given insurance which they have accepted.

> Basically, the function of reinsurance is the transfer and spreading of losses and eliminating the damaging impact of losses from primary insurers

According to Dr Tuma, the Dutch Engineer, reinsurance is a shock-absorbing device attached to the car of the direct insurer. The shock absorber does not make the roads smoother but makes the journey comfortable.

Basically, the function of reinsurance is the transfer and spreading of losses and eliminating the damaging impact of losses from primary insurers.

Reinsurance is a contract of indemnity between commercial parties – an insurer (i.e., the "cedant" or "ceding insurer") and one or more "assuming insurers" (i.e., reinsurers) – by which, in exchange for a premium, a specified portion of the risks under one or more insurance policies written by the cedant are transferred ("ceded") to the reinsurers.

Birritu: What necessitated the establishment of a reinsurance company in Ethiopia?

ISD: As is known, the Ethiopian insurance industry is a century old industry. Nevertheless, due to various reasons it is not as matured as its age suggests. Over the past couple of decades the industry has shown growth in terms of number of players, coverage and turnover and it is expected to grow tremendously in the coming years. Thus far, the industry fully depended on foreign reinsurance companies for its reinsurance needs. As the data of the past five years indicates, the industry has been paying (ceding) about 30% of the premium written to reinsurers domiciled outside the country.

By increasing the national risk retention capacity, it is possible to reasonably reduce the outflow of premiums. Setting up a local reinsurance one of the ways for minimizing the outflow of hardly earned foreign currency. Moreover, it can generate foreign exchange by actively participating in the global reinsurance market. Sub-Saharan Africa including Ethiopia is expected to continue to grow fast. As the economy grows, demand for insurance will naturally increase, and more and more mega risks would emerge which require more capacity. In view of the above, the establishment of a national reinsurance company is an essential move.

Birritu: Could you tell us the benefits of establishing a reinsurance company for the insurance industry in particular and the national economy in general?

ISD: Reinsurance is an important mechanism by which an insurer manages risk and the amount of capital it must hold to support such risk. Some of the more common purposes for reinsurance are highlighted below. In as much as reinsurance is a business-to-business transaction, the purpose and terms of reinsurance contracts can vary greatly based upon the parties' needs and commercial objectives. Moreover, as will be discussed under the next question, reinsurance has tremendous economic benefits.

Spreading Risk

Reinsurance serves the same purpose as insurance contracts in that it spreads the impact of loss but at macro level. It is a mechanism by which insurers can spread their loss by transferring risks to the insurers. It is a vital tool in handling an insurer's risks as it provides a greater degree of financial control over the risks that the insurer has underwritten.

Stabilizing Underwriting Results

Insurers generally set prices for their products before the "cost of services sold" or claims are known. It may take years for a claim from a particular portfolio to fully develop. Insurance business is inherently susceptible to fluctuation in underwriting gain or losses which will eventually affect the financial standing. Reinsurance helps to mitigate such fluctuation in underwriting results faced by insurers.

Insurers can avoid fluctuation in claims level from year to year through arranging reinsurance treaties. These treaties can put a cap on the maximum loss to be borne by the direct insurer. Claims falling beyond the agreed claims threshold shall be borne by reinsurers thereby rendering stability in the level of claims to the direct insurer. Properly structured reinsurance program will assist insurers by limiting wide fluctuations in underwriting results. For example, insurers with significant exposures to catastrophic losses utilize reinsurance to help manage the extent of losses from a single event. Insurers often use reinsurance to limit potential losses from an individual policy or on an entire portfolio of policies ("book of business"), thereby tampering the adverse impacts of volatility.

Increasing Underwriting Capacity

Insurers are required to hold an appropriate level of capital so that they honor policy obligations and comply with regulatory requirements. Regulatory requirements and potential loss levels that may significantly reduce or encumber capital may limit the ability of insurers to write increased, or even existing, levels of business, or to write policies with large limits.

Reinsurance provides flexibility for insurers in the size and type of risk and the volume of business they can reasonably underwrite. An insurer might be limited in its overall capacity to accept risks which depends much on the size of available assets. In determining its capacity, an insurance company has to calculate how much of its capital it is prepared to put at risk. Reinsurance enables an insurer to offer a greater gross capacity that it considers prudent to retain to its net account by paying to a reinsurer on the difference.

By transferring all or a portion of the insurer's risk on specific policies or portfolios, an insurer increases its capacity to write additional new business. For example, insurers are typically required to maintain a certain ratios of net written premium to capital and reserves.

Through reinsurance, insurers can reduce net written premiums(NWP), increase surplus, and better manage NWP-to-PHS ratios within regulatory standards.

Supporting Entry into and Exit from Insurance Markets

Reinsurers usually assist insurers who are trying to enter into a market or expand into new markets or to withdraw from particular segments. Even established insurers with ample capital may need support when entering new markets, new lines of business, or offering new products. Reinsurers can assist the transition by assuming a portion of the insurer's related risks. In addition, with regard to both new and established markets, reinsurers may offer advice and expertise on underwriting, pricing and claims-handling issues.

In general, reinsurers can supply technical, underwriting and claims assistance to insurers in specialized areas where an insurer may have little or no experience. The qualified members of staff of a professional reinsurer can offer services regarding the underwriting and claims processes to new insurers in particular and / or to insurers taking up new business lines or expanding their areas of operations. As primary insurers' prudence and competence have paramount impact on their business, reinsurers have a long tradition of providing technical assistance to direct insurers.

Achieving Risk Concentration or Diversification

Insurers generally seek a balance between risk concentration and diversification when underwriting one or more books of business. Insurers may use reinsurance to assist in achieving a targeted risk profile. While a large pool of relatively homogeneous risks may suit certain business objectives, including efficient use of a company's underwriting expertise; too much exposure to one class of risk might leave an insurer susceptible to adverse consequences due to that concentration (e.g., an accumulation of correlated exposures in a catastrophe-prone area). Risk transfer in this manner may be particularly important for smaller insurers that have more limited opportunities to diversify risk through underwriting practices than do larger insurers with risk profiles that include multiple lines of business written in multiple jurisdictions or across broader and more diverse geographic regions.

Birritu: What is the global trend concerning reinsurance business specifically the African experience?

ISD: In the global reinsurance industry there are thousands of reinsurance companies, however, the number of strong companies is around 200. Every year hundreds of billions of dollars of premium is written by the industry. According to A.M. Best, the top five global reinsurers account for more than $120 billion of gross premiums were written in 2013 of which Munich Re and Swiss Re accounted for $ 71 billion. The reinsurance premium written in 2013 by different regions shows that Germany singly accounted for 27.3% followed by Switzerland and the Americas who accounted each for 15.6%. Bermuda (11.3%) is the fourth largest market, putting behind Asia Pasific(11.1%), Other European Market(10.2%), the London market(8.6%) and others(0.3%)

In 2014, the top 40 insurers have written a net premium of $194.9 billion of which the top 10 reinsurers share 74% or 144.8 billion. We can see here that the global market is substantially dominated by very few established reinsurance companies. Germany, Switzerland, UK, and America account for a net premium of $ 44.4, 13.4, 26 5 and 44.44 billion dollars respectively.

The ex Egyptian Reinsurance Corporation was the only pre-1960 African reinsurer followed by the Moroccan state owned Societe Centrale Reassurance established in 1960. Thus, from the forging one can easily understand that reinsurance is only part of the post colonial period and the share of the African Reinsurance from the global market is very small. In the continent there are three types of reinsurance companies: locally owned reinsures, foreign owned South Africa based reinsurers and foreign based reinsurers. The share of locally owned reinsurers is 26.5% while the foreign based reinsurers took 58.8% of the non-life business according to the 2010 data. The Non life reinsurance premium written in 2010 was $5.8 billion and the life premium was $ 996.3 million. In the same period, only 2% of the life premium was written by the locally owned reinsurers; while 98% was shared among the South African based foreign insurers and the foreign reinsurers. The single largest life market is South Africa which holds 78.6% of the total premiums. In the non-life/ general insurance business, South Africa, Angola, Egypt, Nigeria and Morocco share 72.7% of the market.

Birritu: What can we look forward concerning the industry?

ISD: I don't want to be unduly optimistic about the insurance industry's immediate future. The industry is very young and underdeveloped and currently sailing against many odds. The challenges are many, but through a united and well synchronized effort we can change the industry's landscape.

Notwithstanding the above, in the coming four years, we expect the industry to significantly grow in terms of premium volume, asset size, branch network. We also hope that more and more insurers will introduce inclusive insurance products, come up with innovative distribution channels including the deployment of large number of sales agents and that the number and variety of products will increase.

የቀን መኻታ

በቀን ተጋድሜ...

በግማሽ ተኝቼ... በግማሽ ነቅቼ

አምናዬን ስሳደብ፣ ትላንቴን ስራገም

ተመልሶ እንዳይገዝ፣ ደግሞ እንዳይደገም

እርም ያባቴን ስጋ! እርም የናቴን ስጋ!

ትላንቴን ላልኖረው ላልደርስ ቅድሜ ጋ

በቃሌ ስገዘት ቃልኪዳን ስገባ

ያለፈ ቁስሌን ቂም ሳራግፍ ሳጋባ

ዛሬዬን...አሁኔን... አላጤንኩት ኑሬ

አሁኔን... ዛሬዬን... ሳላየው መርምሬ

ሳልመረኮዘው ዘለልኩት ስነሣ

ስንደረደር በሃሣብ ወደነገው ማሣ

...እንዲህን አንስቼ... እንዲህ እጥልና...

...እንዲህን ሠርቼ... እንዲህ አተርፍና...

...እንዲህን አግኝቼ... እንዲህ አደርግና...

...እንዲህ...እንዲህ... እንዲህ... እንዲህ... እሆንና

ውጥኔ ተሟልቶ፣ ፍላጎቴ ረክቶ

የጠየኩት ሁሉ፣ በአፍታው እጄ ገብቶ

በተድላና ደስታ ኑሮዬ ሞቆልኝ

በሳቅ በጨዋታ ቤቴ ደርጅቶልኝ

ለሞት እስክርቀው በምኞት አድጌ

አለሙን የገዛሁ እስኪመስለኝ ድረስ ርቄ ተመንድጌ

ጉም ተጨብጦልኝ

ነፋስ ተዘግኖልኝ

ሁለመናው ብርሃን ሁለመናው ፋና

ሁኖልኝ ስዝናና

ስዛና… ስዝናና

ድንገት ሆዴን እርቦት ጮኾ ቀሰቀሰኝ

ከህልም አለም ገነት ጎጆዬ መለሰኝ

ራብና ጥማት እየመተለገኝ

ብቻዬን እቤቴ ጋደም እንዳልኩ ነኝ

ውሃም አልተቀዳ

ምግብ አልተሰናዳ

መብራቱስ መች በርቷል

ስጋደም ቀን ነበር አሁን ግን መሻሸቷል

ምሳ አልበላሁ ቅድም ራት የለኝ ማታ

ምን ይባላል አሁን የኔ የቀን መኝታ?

ምን ተኝቼ ባልም ተጋድሜ ብመኝ

ታልተነሳሁ አልጠግብ ታልሰራሁ አይተርፈኝ

ተነሳሁ ስጉተት ሰባቴ አዛግቼ

እንቅልፍ እንደሁ የለኝ ተኛሁ አጋብቼ

ተነሳሁ ላልተኛ ለአቅሜ አቅም ሰጥቼ

ከቀን መኝታዬ ከአልጋው ተፋትቼ

ምንጭ፡ የካፊያ ምች

በተፈሪ ዓለሙ

CAPITAL GOODS FINANCE COMPANIES

No	Name Of Company	Address	Phone	Fax
1	Waliya Capital Goods Finance Business S.Co	Bahirdar	058-2206780	
2	Oromia Capital Goods Finance Business S.Co	Addis Ababa	0115-571159	251-0115571152
3	Addis Capital Goods Finance Business S.Co	Addis Ababa	0111-567026	251-0111573124
4	Debub Capital Goods Finance Business S.Co	Hawasa	0462208091	251-0462202052
5	Kaza Capital Goods Finance Business S.Co	Mekelle	0344409306	251-0344406099

Capital Goods Finance Bussiness Licensing and Supervision Team