

**ETHIOPIAN INSURANCE CORPORATION**  
**COMBINED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2015**

	Notes	Birr	Birr	2014 Birr
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
Property and equipment	1(d), 2	192,580,843		196,446,527
Investments	3	85,593,821		59,744,947
Government securities	4	150,000,000		100,000,000
Loans	5	51,871,007		48,627,450
Statutory deposit	6	<u>65,802,729</u>		<u>9,151,056</u>
			545,848,400	<u>413,969,980</u>
<b>CURRENT ASSETS</b>				
Stock	1(e), 7	2,200,636		2,312,335
Debtors	1(f), 8	317,117,211		308,655,368
Due from reinsurers	9	334,753		3,670,159
Due from ceding companies	9	2,092,945		13,104,160
Treasury bills	10	49,886,671		106,538,344
Fixed time deposits		1,974,999,102		1,744,208,046
Cash and bank balances		<u>250,677,246</u>		<u>308,058,940</u>
			<u>2,597,308,564</u>	<u>2,486,547,352</u>
<b>TOTAL ASSETS</b>			<u>3,143,156,964</u>	<u>2,900,517,332</u>
<b>EQUITY AND LIABILITIES</b>				
<b>CAPITAL AND RESERVES</b>				
Capital - Authorized and paid up	11	438,684,861		61,007,038
Legal reserve	12	110,432,559		61,007,038
General reserve	13	12,926,656		12,926,656
Accumulated profits		<u>368,159,521</u>		<u>559,574,887</u>
			930,203,597	694,515,619
<b>NON-CURRENT LIABILITY</b>				
Deferred tax liability	1(h), 14		5,610,550	4,638,848
<b>INSURANCE FUNDS</b>				
Provision for unexpired risks	1(i)(i)	639,309,108		524,233,726
Other technical provisions	1(i)(ii)	443,958,452		411,029,843
Inward business reserve	1(i)(iii)	(7,237,618)		(4,778,084)
Life insurance fund	1(i)(iv), 16	<u>430,718,185</u>		<u>566,485,074</u>
			1,506,748,127	<u>1,496,970,559</u>
<b>CURRENT LIABILITIES</b>				
Outstanding claims	1(g)	360,507,248		362,801,380
Creditors		76,670,941		95,672,108
Due to reinsurers		90,486,917		132,329,390
Due to ceding companies		22,994,040		23,148,101
Current tax Liability	17	<u>149,935,544</u>		<u>90,441,327</u>
			<u>700,594,690</u>	<u>704,392,306</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			<u>3,143,156,964</u>	<u>2,900,517,332</u>

The notes on pages 12 to 27 form an integral part of these financial statements.

ETHIOPIAN INSURANCE CORPORATION  
COMBINED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2015

	<u>Notes</u>	<u>Birr</u>	<u>Birr</u>	<u>2014</u> <u>Birr</u>
<b>INCOME</b>				
Profit from underwriting-non life	18	528,607,979		522,428,513
Profit from underwriting-life		193,853,058		(9,400,734)
Investment income		18,676,223		17,559,909
Interest income	19	116,027,584		83,964,495
Rental income		22,887,977		22,223,556
Sundry income	20	<u>11,693,307</u>		<u>11,822,974</u>
			891,146,128	<u>648,598,713</u>
<b>EXPENSES</b>				
Administrative and general	21	176,906,480		143,438,464
Financial charges	22	1,760,799		343,217
Depreciation		21,896,819		18,728,498
Provision for doubtful debts		17,704,054		45,555,807
Board fees		151,000		249,663
Audit fee and expenses		<u>382,500</u>		<u>284,500</u>
			<u>218,801,652</u>	<u>208,600,149</u>
<b>PROFIT BEFORE TAX</b>			672,344,476	439,998,564
<b>INCOME TAX EXPENSE</b>	23		<u>(178,089,266)</u>	<u>(116,789,525)</u>
<b>PROFIT FOR THE YEAR</b>			<u>494,255,210</u>	<u>323,209,039</u>

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**ETHIOPIAN INSURANCE CORPORATION**  
**COMBINED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<u>Notes</u>	<u>Birr</u>	<u>Birr</u>	<u>2014</u> <u>Birr</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation		672,344,476		439,998,564
Adjustments for				
Interest income		(116,027,584)		(83,964,495)
Rent income		(22,881,977)		(22,223,556)
Interest expense		112,577		15,901
Dividend income		(18,676,223)		(17,559,909)
Depreciation		29,028,259		25,197,140
Adjustment on property and equipment		236,998		(600,784)
Provision for doubtful debts		17,704,053		45,555,807
Write back of provision		(6,749)		(28,272)
Write back of liability		-		(3,097,148)
Gain on disposal of property and equipment		-		(792,387)
Write-off of debtors		-		(16,221,464)
		<u>561,833,830</u>		<u>366,279,397</u>
Movements in working capital				
Decrease/ (increase) in stock		111,699		(755,494)
Increase in debtors		(3,569,566)		(9,310,369)
Decrease in due from reinsurers		78,276		2,864,667
Decrease in due from ceding companies		11,011,215		37,133,747
(Decrease) in outstanding claims		(2,294,132)		(10,057,337)
(Decrease) Increase in creditors		(19,001,167)		12,190,077
(Decrease) Increase in due to reinsurers		(41,842,473)		28,709,026
(Decrease) in due to ceding companies		(154,061)		(6,435,673)
Increase in provision for insurance funds		<u>9,777,568</u>		<u>114,445,203</u>
Cash generated from operations		515,951,189		535,063,244
Income tax paid		<u>(117,623,347)</u>		<u>(109,960,789)</u>
Net cash generated by operating activities			398,327,842	<u>425,102,455</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for fixed time deposits		(230,791,056)		(316,468,331)
Payments for acquisition of property and equipment		(39,101,193)		(69,548,129)
Payment for Bond		(50,000,000)		-
Payment for Investment		(25,848,874)		-
Interest received		105,936,357		90,848,926
Rent received		23,012,670		20,385,012
Investment income received		17,630,425		14,943,046
Repayment of loans		3,291,889		2,733,229
New loans granted		(1,159,946)		(861,348)
Proceeds from sale of property and equipment		-		798,532
Interest paid		<u>(112,577)</u>		<u>(15,901)</u>
Net cash used in investing activities			(197,142,305)	(257,184,964)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividend paid			(258,567,231)	(190,031,524)
Net cash used in financing activities			<u>(258,567,231)</u>	<u>(190,031,524)</u>
Decrease in cash and cash equivalents	24		(57,381,694)	(22,114,033)
Cash and cash equivalents at the beginning of the year	24		<u>308,058,940</u>	<u>330,172,973</u>
Cash and cash equivalents at the end of the year	24		<u>250,677,246</u>	<u>308,058,940</u>

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