

**ETHIOPIAN INSURANCE CORPORATION  
COMBINED BALANCE SHEET  
AS AT 30 JUNE 2016**

	Notes	Ethiopian Birr	Ethiopian Birr	2015 Ethiopian Birr
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
Property and equipment	1(d), 2	196,022,781		192,580,843
Investments	3	186,631,607		85,593,821
Government securities	4	150,000,000		150,000,000
Loans	5	47,688,239		51,871,007
Statutory deposit	6	<u>77,301,365</u>		<u>65,802,729</u>
			<b>657,643,992</b>	<b><u>545,848,400</u></b>
<b>CURRENT ASSETS</b>				
Stock	1(e), 7	2,829,532		2,200,636
Debtors	1(f), 8	360,632,266		317,117,211
Due from reinsurers	9	1,262,283		334,753
Due from ceding companies	9	2,106,577		2,092,945
Treasury bills	10	38,388,036		49,886,671
Fixed time deposits		2,067,147,421		1,974,999,102
Cash and bank balances		<u>356,186,242</u>		<u>250,677,246</u>
			<b><u>2,828,552,357</u></b>	<b><u>2,597,308,564</u></b>
<b>TOTAL ASSETS</b>			<b><u>3,486,196,349</u></b>	<b><u>3,143,156,964</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>CAPITAL AND RESERVES</b>				
Capital - Authorized and paid up	11	515,342,431		438,684,861
Legal reserve	12	149,107,101		110,432,559
General reserve	13	12,926,656		12,926,656
Accumulated profits		<u>360,366,647</u>		<u>368,159,521</u>
			<b>1,037,742,835</b>	<b>930,203,597</b>
<b>NON-CURRENT LIABILITY</b>				
Deferred tax liability	1(h), 14		<b>7,376,447</b>	<b>5,610,550</b>
<b>INSURANCE FUNDS</b>				
Provision for unexpired risks	1(i)(i)	709,867,417		639,309,108
Other technical provisions	1(i)(ii)	488,315,648		443,958,452
Inward business reserve	1(i)(iii)	(12,204,887)		(7,237,618)
Life insurance fund	1(i)(iv), 16	<u>499,242,160</u>		<u>430,718,185</u>
			<b>1,685,220,338</b>	<b><u>1,506,748,127</u></b>
<b>CURRENT LIABILITIES</b>				
Outstanding claims	1(g)	425,991,670		360,507,248
Creditors		86,266,074		76,670,941
Due to reinsurers		117,169,716		90,486,917
Due to ceding companies		27,852,738		22,994,040
Current tax Liability	17	<u>98,576,531</u>		<u>149,935,544</u>
			<b><u>755,856,729</u></b>	<b><u>700,594,690</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>			<b><u>3,486,196,349</u></b>	<b><u>3,143,156,964</u></b>

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

**ETHIOPIAN INSURANCE CORPORATION  
COMBINED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	Ethiopian Birr	Ethiopian Birr	2015 Ethiopian Birr
<b>INCOME</b>				
Profit from underwriting-non life	18	584,531,696		528,607,979
Profit from underwriting-life		(12,310,353)		193,253,058
Investment income		26,740,391		18,676,223
Interest income	19	119,910,072		116,027,584
Rental income		28,450,161		22,887,977
Sundry income	20	<u>17,948,221</u>		<u>11,693,307</u>
			<b>765,270,188</b>	<b>891,146,128</b>
<b>EXPENSES</b>				
Administrative and general	21	194,216,340		176,906,480
Financial charges	22	652,466		1,760,799
Depreciation		20,583,113		21,896,819
Provision for doubtful debts		30,443,418		17,704,054
Board fees		254,500		151,000
Audit fee and expenses		<u>333,500</u>		<u>382,500</u>
			<b><u>246,483,337</u></b>	<b><u>218,801,652</u></b>
<b>PROFIT BEFOR TAX</b>			<b>518,786,851</b>	<b>672,344,476</b>
INCOME TAX EXPENSE	23		(132,041,432)	(178,089,266)
<b>PROFIT FOR THE YEAR</b>			<b><u>386,745,419</u></b>	<b><u>494,255,210</u></b>

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**ETHIOPIAN INSURANCE CORPORATION  
COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

	Ethiopian Birr	Ethiopian Birr	2015 Ethiopian Birr
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation	518,786,851		672,344,476
Adjustments for			
Interest income	(119,910,071)		(116,027,584)
Rent income	(28,450,161)		(22,881,977)
Interest expense	7,132		112,577
Dividend income	(26,740,391)		(18,676,223)
Depreciation	28,532,815		29,028,259
Adjustment on property and equipment	67,627		236,998
Provision for doubtful debts	30,443,419		17,704,053
Write back of provision	(2,317,963)		(6,749)
Gain on disposal of property and equipment	<u>(588,073)</u>		-
	399,831,185		561,833,830
Movements in working capital			
(Increase)/ decrease/ in stock	(628,896)		111,699
Increase in debtors	(69,693,438)		(3,569,566)
Decrease in due from reinsurers	1,390,433		78,276
(Increase)/decrease in due from ceding companies	(13,632)		11,011,215
Increase/(decrease) in outstanding claims	65,484,422		(2,294,132)
Increase/(decrease) in creditors	9,595,133		(19,001,167)
Increase/(decrease) in due to reinsurers	26,682,799		(41,842,473)
Increase/(decrease) in due to ceding companies	4,858,698		(154,061)
Increase in provision for insurance funds	<u>178,472,211</u>		<u>9,777,568</u>
Cash generated from operations	615,978,915		515,951,189
Income tax paid	<u>(181,634,550)</u>		<u>(117,623,347)</u>
<b>Net cash generated by operating activities</b>		<b>434,344,365</b>	<b><u>398,327,842</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for fixed time deposits	(92,148,319)		(230,791,056)
Payments for acquisition of property and equipment	(33,156,349)		(39,101,193)
Payment for Bond	-		(50,000,000)
Payment for Investment	(101,037,787)		(25,848,874)
Interest received	116,891,020		105,936,357
Rent received	28,450,161		23,012,670
Investment income received	25,494,406		17,630,425
Repayment of loans	4,182,769		3,291,889
New loans granted	-		(1,159,946)
Proceeds from sale of property and equipment	1,702,043		-
Interest paid	<u>(7,132)</u>		<u>(112,577)</u>
<b>Net cash used in investing activities</b>		<b>(49,629,188)</b>	<b>(197,142,305)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		<u>(279,206,181)</u>	<u>(258,567,231)</u>
<b>Net cash used in financing activities</b>		<b>(279,206,181)</b>	<b>(258,567,231)</b>
<b>Increase/ (decrease) in cash and cash equivalents</b>		<b>105,508,996</b>	<b>(57,381,694)</b>
Cash and cash equivalents at the beginning of the year		<u>250,677,246</u>	<u>308,058,940</u>
<b>Cash and cash equivalents at the end of the year</b>		<b><u>356,186,242</u></b>	<b><u>250,677,246</u></b>

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