

**ETHIOPIAN INSURANCE CORPORATION  
COMBINED BALANCE SHEET  
AS AT 30 JUNE 2017**

	Notes	Ethiopian Birr	Ethiopian Birr	2016 Ethiopian Birr
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
Property and equipment	1(d), 2	199,330,418		196,022,781
Investments	3	189,124,866		186,631,607
Government securities	4	138,501,364		150,000,000
Loans	5	48,031,046		47,688,239
Statutory deposit	6	<u>88,800,000</u>		<u>77,301,365</u>
			<b>663,787,694</b>	<b>657,643,992</b>
<b>CURRENT ASSETS</b>				
Stock	1(e), 7	6,478,989		2,829,532
Debtors	1(f), 8	460,386,644		360,632,266
Due from reinsurers	9	18,092,293		1,262,283
Due from ceding companies	9	2,223,651		2,106,577
Treasury bills	10	38,354,036		38,388,036
Fixed time deposits		2,577,815,363		2,067,147,421
Cash and bank balances		<u>354,390,614</u>		<u>356,186,242</u>
			<b>3,457,741,590</b>	<b>2,828,552,357</b>
<b>TOTAL ASSETS</b>			<b><u>4,121,529,284</u></b>	<b><u>3,486,196,349</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>CAPITAL AND RESERVES</b>				
Capita - Authorized and paid up	11	592,000,000		515,342,431
Legal reserve	12	199,275,808		149,107,101
General reserve	13	12,926,656		12,926,656
Accumulated profits		<u>533,428,308</u>		<u>360,366,647</u>
			<b>1,337,630,772</b>	<b>1,037,742,835</b>
<b>NON-CURRENT LIABILITY</b>				
Deferred tax liability	1(h), 14		<b>10,697,274</b>	<b>7,376,447</b>
<b>INSURANCE FUNDS</b>				
Provision for unexpired risks	1(i)(i)	866,030,895		709,867,417
Other technical provisions	1(i)(ii)	499,976,214		488,315,648
Inward business reserve	1(i)(iii)	(17,508,076)		(12,204,887)
Life insurance fund	1(i)(iv)	<u>576,374,963</u>		<u>499,242,160</u>
			<b>1,924,873,996</b>	<b>1,685,220,338</b>
<b>CURRENT LIABILITIES</b>				
Outstanding claims	1(g)	362,230,628		425,991,670
Creditors		97,663,340		86,266,074
Due to reinsurers		201,395,636		117,169,716
Due to ceding companies		33,224,789		27,852,738
Current tax Liability	16	<u>153,812,849</u>		<u>98,576,531</u>
			<b>848,327,242</b>	<b>755,856,729</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			<b><u>4,121,529,284</u></b>	<b><u>3,486,196,349</u></b>

The notes on pages 14 to 28 form an integral part of these financial statements.

**ETHIOPIAN INSURANCE CORPORATION  
COMBINED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	Ethiopian Birr	Ethiopian Birr	2016 Ethiopian Birr
<b>INCOME</b>				
Profit from underwriting-non life	17	815,931,302		584,531,696
Loss from underwriting-life		(15,071,950)		(12,310,353)
Investment income		31,582,424		26,740,391
Interest income	18	132,582,986		119,910,072
Rental income		28,568,493		28,450,161
Sundry income	19	<u>21,607,628</u>		<u>17,948,221</u>
			<b>1,015,200,883</b>	<b>765,270,188</b>
<b>EXPENSES</b>				
Administrative and general	20	223,106,550		194,216,340
Financial charges	21	560,608		652,466
Depreciation		19,155,260		20,583,113
Provision for doubtful debts		75,293,238		30,443,418
Board fees		144,000		254,500
Audit fee and expenses		<u>368,000</u>		<u>333,500</u>
			<b><u>318,627,656</u></b>	<b><u>246,483,337</u></b>
<b>PROFIT BEFORE TAX</b>			<b>696,573,227</b>	<b>518,786,851</b>
INCOME TAX EXPENSE	22		(194,886,158)	(132,041,432)
<b>PROFIT FOR THE YEAR</b>			<b><u>501,687,069</u></b>	<b><u>386,745,419</u></b>

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**ETHIOPIAN INSURANCE CORPORATION  
COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017**

	Ethiopian Birr	Ethiopian Birr	2016 Ethiopian Birr
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation	696,573,227		518,786,851
Adjustments for			
Interest income	(132,582,986)		(119,910,071)
Rent income	(28,568,493)		(28,450,161)
Interest expense	-		7,132
Dividend income	(31,582,424)		(26,740,391)
Depreciation	27,047,148		28,532,815
Property and equipment	368,847		67,627
Provision for doubtful debts	75,293,238		30,443,418
Write back of provision	(334,194)		(2,317,963)
Write back of liability	-		-
Gain on disposal of property and equipment	<u>(3,170,708)</u>		<u>(588,073)</u>
	603,043,655		399,831,184
Movements in working capital			
Increase in stock	(3,649,457)		(628,896)
Increase in debtors	(167,431,279)		(69,693,437)
(Increase) Decrease in due from reinsurers	(16,555,776)		1,390,433
Increase in due from ceding companies	(117,074)		(13,631)
(Decrease)/Increase in outstanding claims	(63,761,042)		65,484,422
Increase in creditors	11,397,266		9,595,133
Increase in due to reinsurers	84,225,921		26,682,799
Increase in due to ceding companies	5,372,051		4,858,697
Increase in provision for insurance funds	<u>239,653,658</u>		<u>178,472,211</u>
Cash generated from operations	692,177,922		615,978,915
Income tax paid	<u>(136,329,013)</u>		<u>(181,634,550)</u>
<b>Net cash generated by operating activities</b>		<b>555,848,909</b>	<b>434,344,365</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for fixed time deposits	(510,667,942)		(92,148,319)
Payments for acquisition of property and equipment	(31,292,856)		(33,156,349)
Payment for Investment	(2,493,258)		(101,037,787)
Interest received	126,702,967		116,891,020
Rent received	28,568,493		28,450,161
Investment income received	29,940,067		25,494,406
Repayment of loans	3,766,632		4,182,769
New loans granted	(4,109,440)		-
Proceeds from sale of property and equipment	3,739,932		1,702,043
Interest paid	-		(7,132)
<b>Net cash used in investing activities</b>		<b>(355,845,405)</b>	<b>(49,629,188)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(201,799,132)	(279,206,181)
<b>Net cash used in financing activities</b>		<b>(557,644,537)</b>	<b>(328,835,369)</b>
<b>(Decrease)/ Increase in cash and cash equivalents</b>		<b>(1,795,628)</b>	<b>105,508,996</b>
Cash and cash equivalents at the beginning of the year		<u>356,186,242</u>	<u>250,677,246</u>
<b>Cash and cash equivalents at the end of the year</b>		<b><u>354,390,614</u></b>	<b><u>356,186,242</u></b>

The notes on pages 14 to 28 form an integral part of these financial statements