



**AWASH INSURANCE  
COMPANY S.C.**

**Directors' Report on  
22<sup>nd</sup> Year  
of Operations**

**June 30, 2017**

**Addis Ababa, Ethiopia**



Designed & Printed by



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## VISION

To be the leading and the best insurance service provider.



## MISSION

AIC exists to provide diversified general and long-term insurance services to its esteemed customers with great excellence, profitably and ethically through the application of a state-of-the-art technology.



## CORE VALUES

- Agility
- Winning Spirit
- Adaptability
- Social Responsiveness
- Harmony



**WOLE GURMU**  
Vice Chairman



**HAMBISSA WAKWAYA**  
Board Chairman



**AMSALU BIZUNEH**  
Board Director



**GUDETA AYELE**  
Board Director



**BACHA GINA**  
Board Director



**AYELE DESALEGN**  
Board Director



**Dr. ALEMAYEHU MECHESSA**  
Board Director



**MEKONNEN TADESSE**  
Board Director



**KEBEDE BORENA**  
Board Director

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June 30, 2017  
Addis Ababa  
Ethiopia



**GUDISSA LEGESSE**  
Chief of Operations



**TSEGAYE KEMI, FLMI**  
Chief Executive Officer



**AYELE YEBASSA**  
Chief of Resource Management



**TADDESE ROBA**  
Director, Research & Business Development Directorate



**BEKALU TILAHUN**  
Director, Legal & Advisory Services Directorate



**MINTESINOT DESALEGN**  
Director, Audit & Inspection Directorate



**JIBAT ALEMNEH**  
Director, General Insurance Claims Directorate



**FREHIWOT ALEMAYEHU**  
Director, General Insurance Underwriting & Branch Operations Directorate



**ABEL TADESSE**  
Director, Reinsurance Directorate



**DEJENE TSEGAYE**  
Director, Management Information System Directorate



**MULATU TEMESGEN**  
Acting Director, Human Capital Management Directorate



**ADANE SEYOUM**  
Director, Finance & Accounts Directorate

# Notice to Shareholders

Notice is hereby given to the shareholders to attend the 23<sup>rd</sup> Annual General Meeting of Awash Insurance Company S.C. that will be held in accordance with Articles 418 and 419 of the Commercial Code of Ethiopia and Article 14 (1) of the Articles of Association of the Company on October 28, 2017 at Addis Ababa Hilton starting from 8:00 a.m. to transact the following business:

## Agenda for the 23<sup>rd</sup> Annual Ordinary General Meeting

1. Consideration of share transfers and new shareholders who acquired shares in 2016/17;
2. Consideration of the 2016/17 Annual Report of Directors;
3. Consideration of the 2016/17 Annual Report of Auditors;
4. Deliberation on and approval of items 2 & 3 above;
5. Deliberation on and approval of the proposed appropriation of 2016/17 profits;
6. Approval of Annual Compensation for Directors for 2016/17;
7. Approval of Directors' monthly allowance for 2017/18;
8. Approval of Auditors' fee for 2017/18.

**By order of the Board of Directors**

It is my pleasure to welcome you all on behalf of the Board of Directors and on my own behalf to the 23<sup>rd</sup> Annual General Meeting of Shareholders.

On 30<sup>th</sup> June 2017, our Company registered yet another year of success with performance that could be considered satisfactory in terms of net results. The ever worsening price-based competition and escalating claims cost continued to have an impact on the Company's operation in the year under review.

The Company's growth in gross written premiums in Non-life was close to 14% while the growth in life premium was 22%. The net profit for the Fiscal Year in general insurance was Birr 88 million. The return on paid-up capital during the year was 35.6%.

I feel genuinely honored to serve as Chairman of the Board of Directors who just completed its first year of the initial tenure in office of AIC. The collaborative efforts and team spirit of the Board, the Management and the entire workforce continued to register a satisfactory growth and bottom-line results. Our human resource deserves every credit mentionable for the success achieved once again, above all in consolidating our leading position among the private insurers for the fifth year in a row.

It is with due respect, therefore, that I formally submit, in accordance with Articles 418 and 419 of the Commercial



Code of Ethiopia of 1960 and Article 17(2) of the Company's Articles of Association, the report of the Board of Directors and the Audited Financial Statements for the fiscal year that ended June 30, 2017 for your kind consideration and approval.

Thank you.

**Hambissa Wakwaya**  
**Chairman, Board of Directors**



## I. INTRODUCTION

The Board of Directors of Awash Insurance Company S.C. would like to present the 22<sup>nd</sup> annual report together with the audited accounts for the Fiscal Year (FY) ended June 30, 2017. The report presents a brief review of the business landscape, in which the Company operated and the industry environment with specific reference to the major factors and events that impacted our Company's performance. Summary of the results of operations as well as prospects in the immediate future are also parts of the report.

## II. THE BUSINESS ENVIRONMENT

### 1. THE ECONOMY

The trading environment was once again characterized by more challenges during the period under review. The Ethiopian economy continued to register a satisfactory growth fueled mainly by the government's large-scale investment in the public sector under the second phase of its Growth and Transformation Plan II. According to IMF's latest report, the global economy was picking up driven by recovery in commodity prices as a result of more robust global demand.



22<sup>nd</sup> AGM in Session

### 2. THE INSURANCE INDUSTRY

The industry data collected from the National Bank of Ethiopia (NBE) showed that the Non-Life insurance market premiums for FY 2016/17 grew by 17% over the previous year mainly by the growth registered by the state-owned insurer. The Life market registered Gross Written Premium (GWP) growth of 8.1% as at June 30, 2017. It was a further rebound in both Non-Life and Life assurance from its 16.3% and 5.7% growths registered in 2015/16 respectively. The Ethiopian insurance industry is still led by the state-owned insurer, Ethiopian Insurance Corporation, with a market share of 36.5% and 28.9% for Non-Life and Life businesses respectively. Our Company followed the state-owned insurer with 7.6% and 15.3% in Non-Life and Life respectively in FY 2016/17 which made it to be on the top of all private insurers in both lines of the business.

The achievement in the market share in both Non-Life and Life was in line with the Third Strategic Plan of our Company; that of Life, in fact, by far excelled the target.

### III. OPERATIONAL RESULTS

#### GENERAL INSURANCE AND LIFE BUSINESS

In FY 2016/17, the gross written Non-Life premium grew to Birr 544.65 million - a record high growth. This growth rate was close to 14% in Non-Life as at the end of the review period.

The peer group's growth rate, an important indicator and parameter to put our growth on a scale, for the period was 12.9% in Non-Life.

The growth registered, given the challenging business in the industry environment and the state of affairs that prevailed at country level virtually throughout the fiscal period, was the result of a hard-work and perseverance under difficult circumstances. It deserves reporting that all classes of Non-Life business, with the exception of the Engineering class, registered growth – a good sign of healthy performance. The highest growth rates were exhibited in Fire class 29% followed by Bond 20% and 'Others' class 20%.

Regarding business portfolio mix, the pattern was dominated by Motor class, in fact, with a slight upward movement. Our Company's efforts to keep the loss ratio below industry average resulted in the net claims ratio of 60.3% for the period while the industry's was 65% for all classes. Out of the total net incurred claims of Birr 238.6 million, Motor class accounted for Birr 212.4 million. Its claims ratio was 69% as at June 30, 2017 while the industry's Motor claims ratio was 80% for FY 2016/17. The underwriting surplus for the year under review was Birr 105.2 million for Non-Life recording 26% growth over the previous year.

The profit before tax for the period ended June 30, 2017 was Birr 101.7 million. Consequently, the net profit for the fiscal year 2016/17 stood at Birr 88 million. The Directors recommend that the net profit of the year be declared as dividend. Shareholders with unpaid outstanding shares may reinvest or collect their dividend in cash.

The Board encourages shareholders to increase their capital in line with the previous resolution of the General Meeting of the shareholders. We would also like to report to you that our paid-up capital has reached Birr 246,583,500 as of the balance sheet date. Earnings per share of Birr 500, weighed against the capital base that increased by nearly 30%, was Birr 178.

The growth of our life premium was buoyant unlike the previous years. It registered a growth rate of over 22% for the period ended June 30, 2017. As a result, Awash

Insurance Company became the market leader in Life business among the private insurance companies. The industry grew by only 8.1% at the end of the FY. Like in the past, our Life business did not undergo valuation by actuaries for the year under review.

The combined premiums of our Company (for Non-Life and Life) hit a record high figure of nearly Birr 600 million showing growth of 14.5%, sufficient enough to express note of satisfaction.

## IV. HIGHLIGHTS OF MAIN ACTIVITIES

### 1. BRANCH EXPANSION

One of the strategies designed to attain our corporate goals was to increase our branch network so as to take our valuable services to the community where it is needed most and where there are strong demands and great potentials for growth.

In line with that, our Company succeeded in opening three additional branches during the FY. On top of these, a contact office in Bule Hora was promoted to a branch level as at June 30, 2017 bringing the total service outlets to 44 including our Life Main Branch and another contact office.



Female staff of AIC(in partal)

### 2. HUMAN RESOURCE

Our Company shall always recognize its human capital as the most valuable asset and strives to continually enhance its knowledge, skills and attitude, all of which are crucial for organizational success. The Management of our Company continues to maintain the exemplary success achieved in its gender mix. The Company's staff

strength as at June 30, 2017 grew by 7% and reached 474; its male/female ratio was nearly 1:1. AIC was also committed towards investing in its human resource through training and development. Accordingly, quite a significant number of its regular staff attended trainings (both long-term and short-term) in the period under review both locally and overseas.

### 3. INVESTMENT

Experience justifies that the profitability of insurance business can be enhanced and sustained through investment diversification. Cognizant of the contemporary investment landscape in Ethiopia, the Board of Directors of AIC was examining the viability of project proposals submitted to it. In an effort to maximize the shareholders' benefits, an additional investment of Birr 27,417,000 was made in bank shares and Birr 3.5 million was invested in Oda S.C. during the year under report. Our Company also made an additional investment of Birr 409,000 in Addis Africa International Convention and Exhibition Centre during the period.

### 4. CORPORATE GOVERNANCE

It is to be noted that the financial year under review saw two actors in the leadership of our Company: the previous Board which completed its term in the middle of the year and the current one which succeeded the former.



AIC Staff (partial) with CEO

This report is, therefore, a fair assessment of the various performances of the outgoing and incoming Boards during the year ended.

On its part, the current Board of Directors assumed its duties and responsibilities with a concise succession briefing and a comprehensive exit report of its predecessor.

This was followed and strengthened by an induction programme, organized and conducted by the Management of the Company in an efficient manner. Moreover, the new Board took a two-day training on the new International Financial Reporting Standards (IFRS). Accordingly, these three basic programmes enhanced and broadened the awareness of the new Board for subsequent engagements in its basic and principal duties and responsibilities of providing effective corporate governance practices. The following major activities were carried out by the new Board of Directors towards ensuring the leadership of AIC in the industry:

- a. After reviewing the terms and procedures of its meetings, the Board elected its Chairman and V/Chairman and then fixed the dates and frequency of its meetings. Consequently, the Board held seven regular and four special meetings during which it received management reports and passed important decisions on various issues of major concern;
- b. It reviewed the existing SPM III as well as the annual plan and gave guidance to the Management for their implementation with the aim of keeping the Company in the leadership position and maximizing profit;
- c. It formed five Board Committees for the Audit, Risk Management and Compliance, Business Development & Strategy, Human Resource Affairs as well as Investment and Projects follow-up. In order to make them more effective, the duties and responsibilities of these committees were delineated and both monthly meetings and quarterly reports were made mandatory;
- d. The Board gave directives to enhance the effectiveness of the Audit, Risk Management and Marketing arms of the Company;
- e. It undertook group visits to branches and headquarters departments in order to assess their location, size, office organization, manpower allocation and performance;
- f. The Board attended the full sessions of the mid-term and annual performance evaluation meetings of the Management. The Board made active participations and gave guidance; and



Annual performance review meeting

- g. Although no property acquisition was made during the year ended, valuable lessons were drawn from various attempts made in this regard. Further attempts will continue in the future.

Finally, the Board would like to assure its esteemed shareholders that its multi-pronged endeavors are still continuing for the fulfillment of its mission.

## **5. PREPARATION TO COMPLY WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

The Company has been making preparations to comply with the relevant Proclamation on the International Financial Reporting Standards, Financial Reporting Proclamation No. 847/2014.

To this end, the Company formed a Task Force, provided trainings and employed a consultant to facilitate the adoption of the IFRS. Accordingly, the Company's financial reports in 2017/18 are expected to be prepared as per the requirements.

## **V. CHALLENGES AND PROSPECTS**

### **1. CHALLENGES**

Among the many challenges of the period, only those that had and might continue to have a significant impact on our business and those that are industry specific would be referred to in this annual report.

The competitive environment was, as usual, characterized by pricing strategy to the detriment of its fast and healthy growth.

The slashing of rates continued to deepen and broaden against the back-drop of increasing business running costs and ever escalating claims cost in particular in the Motor class of the business.

The low awareness level among the general public about the immense benefits of insurance, the scarcity of professionals in the market, the weak performance of the export business, etc are examples of a few of the many critical challenges the industry faced during 2016/17.

### **2. PROSPECTS**

Ethiopia's economy is expected to continue to grow at decent rates. According to official sources, real GDP grew by 8% in 2015/16. The ambitious government strategic plan as set out in the GTP II is one of the drivers behind the envisaged growth. The share of services sector in the GDP reached 47.3% as at the end of FY 2015/16.

Economic activity in both the advanced economies and the emerging market and developing economies is forecasted to register strong growth during the new fiscal year.

Our Company, with its proven strength, rich experience, strong and well built public image in the industry, will be well positioned to take advantage of all available opportunities and realize its strategic goals set out in SPM III.

Generally, prospects for growth in the years to come remain quite promising.

## **VI. VOTE OF THANKS**

The Directors wish to express their deep gratitude to all who have made the fiscal year 2016/17 a success. Our special vote of thanks goes to the most valued customers of the Company for their continued patronage. Our shareholders deserve appreciation and due respect for their unwavering support.

Our reinsurers and brokers (local and overseas), contenders and our field officers all deserve our vote of thanks for their contributions. We seize this opportunity to thank the National Bank of Ethiopia for the guidance, the Management and staff of Awash Bank for their cooperation.

Finally, the Board of Directors wishes to record its sincere gratitude to the Management and staff of AIC for their dedication to the cause of the Company. The commendable results achieved would not have been possible without their demonstrated commitment and strong team spirit at all times.

Thank you.



**Hambissa Wakwaya**  
**Chairman, Board of Directors**

TAY

TAY &amp; Co.

*Chartered Certified Accountants & Authorized Auditors*  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF  
AWASHINSURANCE COMPANY S.C**

**Report on the financial Statements**

We have audited the accompanying financial statements of **Awash Insurance Company S.C**, which comprise the Balance Sheet as at 30 June 2017, Income Statement, Revenue Account, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with international standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditors considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of **Awash Insurance Company S.C** as at 30 June 2017 and of its financial performance for the period then ended in accordance with Generally Accepted Accounting Principles.

We have no comment to make on the reports of the Board of Directors so far as it relates to the financial statements and pursuant to Article 375 of the Commercial Code of Ethiopia 1960 we recommend approval of the financial statements.

  
 TAY & Co.  
 Chartered Certified Accountants &  
 Authorized Auditors



Addis Ababa  
 October 9, 2017

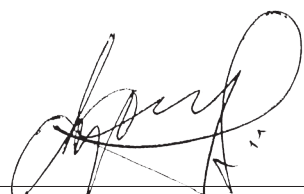
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## BALANCE SHEET AS AT 30<sup>th</sup> JUNE 2017

ASSETS EMPLOYED		General Insurance Business	Long Term Insurance Business	Total Birr	2015/16
<b>Current Assets</b>	<b>Notes</b>				
Cash, Bank & Deposit at Interest	2	427,675,830	130,987,816	558,663,646	469,383,522
Other Debtors	3.2	24,050,780	740,450	24,791,230	36,769,640
Amount Due From Reinsurers		99,743,113	158,123	99,901,236	61,040,314
Prepaid Withholding Tax		4,631,133	1,098,556	5,729,689	5,468,386
Accrued Interest Receivable		20,767,791	8,819,636	29,587,427	21,592,351
Life Account with Non-Life		<u>1,904,501</u>	<u>(1,904,501)</u>	<u>-</u>	<u>-</u>
		<u>578,773,147</u>	<u>139,900,081</u>	<u>718,673,228</u>	<u>594,254,214</u>
<b>Current Liabilities</b>					
Outstanding Claims	1d,16	228,092,855	2,266,941	230,359,796	226,732,540
Amount Due to Reinsurers		123,183,597	6,521,764	129,705,360	88,738,276
Provision for Profit Tax	5	13,976,220	-	13,976,220	13,496,002
Creditors and Accruals	7	<u>60,645,651</u>	<u>476,571</u>	<u>61,122,223</u>	<u>55,835,399</u>
		<u>425,898,323</u>	<u>9,265,276</u>	<u>435,163,598</u>	<u>384,802,217</u>
<b>Net Current Assets</b>		<u>152,874,825</u>	<u>130,634,805</u>	<u>283,509,630</u>	<u>209,451,998</u>
Fixed Assets	1a,8	231,841,260	818,247	232,659,507	229,508,967
Investment	4	161,036,000	29,073,000	190,109,000	158,783,000
Statutory Deposit	9	<u>33,397,800</u>	<u>2,250,000</u>	<u>35,647,800</u>	<u>25,340,625</u>
		<u>426,275,060</u>	<u>32,141,247</u>	<u>458,416,307</u>	<u>413,632,592</u>
<b>Total Assets Less Current Liabilities</b>		<u>579,149,885</u>	<u>162,776,052</u>	<u>741,925,937</u>	<u>623,084,590</u>
<b>FINANCED BY</b>					
Technical Provisions					
Unearned Premiums & Tech. Prov.	1c	217,630,113	-	217,630,113	196,174,515
Life Fund		<u>-</u>	<u>144,661,152</u>	<u>144,661,152</u>	<u>109,768,731</u>
		<u>217,630,113</u>	<u>144,661,152</u>	<u>362,291,266</u>	<u>305,943,246</u>
<b>Shareholders' Fund</b>					
Capital	10	231,583,500	15,000,000	246,583,500	190,269,500
Share Premium		777,500	-	777,500	777,500
Legal Reserve	11	48,333,811	3,114,900	51,448,710	42,645,937
Retained Earnings	12	2,500,000	-	2,500,000	2,500,000
Unappropriated Surplus		<u>78,324,961</u>	<u>-</u>	<u>78,324,961</u>	<u>80,948,407</u>
		<u>361,519,772</u>	<u>18,114,900</u>	<u>379,634,671</u>	<u>317,141,344</u>
<b>Total Technical Provisions and Shareholders' Fund</b>		<u>579,149,885</u>	<u>162,776,052</u>	<u>741,925,937</u>	<u>623,084,590</u>



Chairman, Board of Directors



Chief Executive Officer

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017

	Notes	General Insurance Business	Long Term Insurance Business	Total Birr	2015/16 Birr
<b>INCOME</b>					
Underwriting Profit / (Loss)		105,187,858	16,792,230	121,980,088	92,987,158
Interest Income		34,113,879	15,639,219	49,753,098	37,606,166
Dividend Income		23,699,414	4,810,369	28,509,783	24,480,384
Rent Income		6,024,915	-	6,024,915	2,762,399
Other Income		<u>9,224,563</u>	<u>4,316</u>	<u>9,228,879</u>	<u>3,057,753</u>
Total Income		<u>178,250,628</u>	<u>37,246,134</u>	<u>215,496,762</u>	<u>160,893,860</u>
<b>EXPENSES</b>					
Directors Emoluments/Expenses		432,000	-	432,000	216,000
Directors Nomination Committee Expense		337,500	-	337,500	60,000
Employees' Salaries & Benefits		26,902,480	472,718	27,375,198	20,772,659
Depreciation & Amortization		21,787,446	205,632	21,993,077	19,432,972
Audit Fee		92,000	-	92,000	92,000
Actuarial Fee		-	-	-	86,150
Provisions for Bad Debts		8,679	-	8,679	278,835
Financial Expenses		1,120,377	158,763	1,279,140	1,029,828
Administrative & General		<u>25,843,938</u>	<u>1,516,600</u>	<u>27,360,538</u>	<u>20,754,359</u>
Total Expenses		<u>76,524,420</u>	<u>2,353,713</u>	<u>78,878,133</u>	<u>62,722,803</u>
		101,726,208	34,892,421	136,618,630	98,171,058
Transfer to Life Fund			(34,892,421)	(34,892,421)	(22,123,174)
Life Fund Appropriated	13	-	-	-	<u>28,600,000</u>
Profit Before Tax		101,726,208	-	101,726,208	104,647,933
Provision For Tax	5	<u>(13,976,220)</u>		<u>(13,976,220)</u>	<u>(13,496,002)</u>
Profit After Tax		87,749,988	-	87,749,988	91,151,932
Prior Year Adjustment	17	<u>277,747</u>	-	<u>277,747</u>	<u>(209,257)</u>
Profit After Prior Year Adjust. and Profit Tax		88,027,735	-	88,027,735	90,942,675
Less: Legal Reserve 10%		8,802,773	-	8,802,773	9,094,267
Directors' Compensation		<u>900,000</u>	-	<u>900,000</u>	<u>900,000</u>
Balance Carried To Balance Sheet		<u>78,324,961</u>	-	<u>78,324,961</u>	<u>80,948,407</u>
<b>Earning per share of Birr 500.00</b>				<u>178</u>	<u>239</u>

## REVENUE ACCOUNT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017

	Notes	General Insurance Business	Long Term Insurance Business	Total Birr	2015/16 Birr
<b>TECHNICAL INCOME</b>					
Gross Written Premiums		540,818,794	55,098,807	595,917,601	520,795,778
Add: Reinsurance Premium Income Local		<u>3,829,388</u>	<u>-</u>	<u>3,829,388</u>	<u>3,315,461</u>
Total Premium Income	13	<u>544,648,181</u>	<u>55,098,807</u>	<u>599,746,988</u>	<u>524,111,239</u>
Less:					
Reinsurance Premium Ceded Overseas		124,605,656	10,630,528	135,236,185	111,364,837
Reinsurance Premium Ceded Local		<u>2,652,191</u>	<u>-</u>	<u>2,652,191</u>	<u>1,610,227</u>
Total Reinsurance Premiums Ceded	13	<u>127,257,848</u>	<u>10,630,528</u>	<u>137,888,376</u>	<u>112,975,063</u>
Net Written Premiums		417,390,334	44,468,279	461,858,612	411,136,176
Change In Unearned Premiums	14	<u>21,471,387</u>	<u>-</u>	<u>21,471,387</u>	<u>29,263,218</u>
Net Earned Premiums		395,918,947	44,468,279	440,387,225	381,872,958
Add:					
Ceding Commissions		29,939,035	2,976,027	32,915,062	31,611,302
Profit Commissions		<u>10,540,439</u>	<u>2,030,303</u>	<u>12,570,742</u>	<u>5,994,378</u>
Total Technical Income		<u>436,398,421</u>	<u>49,474,608</u>	<u>485,873,029</u>	<u>419,478,638</u>
<b>TECHNICAL OUTGO</b>					
Gross Claims Paid		270,648,234	32,503,346	303,151,580	257,951,876
Claims Ceded		<u>(35,415,210)</u>	<u>(3,740,084)</u>	<u>(39,155,295)</u>	<u>(33,186,716)</u>
Net Claims Paid		235,233,023	28,763,262	263,996,285	224,765,160
Other Technical Provisions	15	4,969,265	-	4,969,265	4,872,910
Other Technical Expenses		1,339,580	-	1,339,580	(11,892,428)
Change In O/S Claims	16	<u>(2,962,484)</u>	<u>280,894</u>	<u>(2,681,590)</u>	<u>27,222,637</u>
Net Claims Incurred		238,579,384	29,044,156	267,623,540	244,968,279
<b>Add:</b>					
Sales Commissions		<u>27,960,976</u>	<u>2,220,069</u>	<u>30,181,045</u>	<u>30,011,510</u>
Total Technical Outgo		266,540,360	31,264,225	297,804,585	274,979,788
Management Expenses		<u>64,670,203</u>	<u>1,418,153</u>	<u>66,088,356</u>	<u>51,511,692</u>
Underwriting Profit/(Loss)	1b	<u>105,187,858</u>	<u>16,792,230</u>	<u>121,980,088</u>	<u>92,987,158</u>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2017

	<b>General Insurance Business</b>	<b>Long Term Insurance Business</b>	<b>Total Birr</b>	<b>2015/16</b>
<b>OPERATING ACTIVITIES</b>				
Net Profit after Tax and Change in Life Fund	88,027,735	34,892,421	122,920,156	84,465,799
Depreciation and Amortization	<u>21,787,446</u>	<u>205,632</u>	<u>21,993,077</u>	<u>19,432,971</u>
Cash flow from operating activities before working capital change	<u>109,815,180</u>	<u>35,098,053</u>	<u>144,913,233</u>	<u>103,898,770</u>
(Increase) Decrease in Debtors	12,491,632	(8,769,600)	3,722,032	842,835
(Increase) Decrease in Statutory Deposit	(10,307,175)	-	(10,307,175)	(7,740,900)
(Decrease) Increase in Due to Reinsurers	5,905,277	(3,799,115)	2,106,162	3,663,288
Increase in Outstanding Claims	3,346,361	280,894	3,627,256	34,878,236
Increase in Technical Provisions	21,455,599	-	21,455,599	14,588,100
Increase (Decrease) in Profit Tax	5,085,755	(4,605,536)	480,219	2,617,883
Increase(decrease) in Creditors and Accruals	<u>11,404,659</u>	<u>(92,066)</u>	<u>11,312,593</u>	<u>4,095,043</u>
	<u>49,382,109</u>	<u>(16,985,423)</u>	<u>32,396,686</u>	<u>52,944,485</u>
<b>Net Cash Flow From Operations</b>	<u>159,197,289</u>	<u>18,112,630</u>	<u>177,309,919</u>	<u>156,843,256</u>
<b>INVESTMENT ACTIVITIES</b>				
Purchase of Fixed Assets & Building Construction	(33,614,233)	8,470,616	(25,143,617)	(76,746,257)
Investment	<u>(27,417,000)</u>	<u>(3,909,000)</u>	<u>(31,326,000)</u>	<u>(58,458,000)</u>
<b>Cash Flow From Investment Activities</b>	<u>(61,031,233)</u>	<u>4,561,616</u>	<u>(56,469,617)</u>	<u>(135,204,257)</u>
<b>FINANCING ACTIVITIES</b>				
Dividend Paid	(13,108,864)	(21,595,017)	(34,703,881)	(7,465,399)
Proceeds from Issue of Shares	<u>3,143,703</u>	-	<u>3,143,703</u>	<u>22,216,526</u>
Cash Flow From Financing Activities	<u>(9,965,161)</u>	<u>(21,595,017)</u>	<u>(31,560,178)</u>	<u>14,751,127</u>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	88,200,894	1,079,229	89,280,124	36,390,127
<b>Add:- Beginning Cash Balance</b>	<u>339,474,936</u>	<u>129,908,587</u>	<u>469,383,522</u>	<u>432,993,395</u>
<b>Ending Cash Balance</b>	<u>427,675,830</u>	<u>130,987,816</u>	<u>558,663,646</u>	<u>469,383,522</u>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2017

Currency in Birr

	<b>Share Capital</b>	<b>Legal Reserve</b>	<b>Share Premium</b>	<b>Retained Earning</b>	<b>Total</b>
<b>At 1 July 2015</b>	118,131,000	33,551,669	777,500	60,047,888	212,508,057
Total profit for the year				90,942,675	90,942,675
Transfer to legal reserve		9,094,267		(9,094,267)	-
Issue of new shares	72,138,500				72,138,500
Directors' Compensation				(900,000)	(900,000)
Profit Appropriated	-	-	-	(57,547,887)	(57,547,887)
<b>At 30 June 2016</b>	<u>190,269,500</u>	<u>42,645,937</u>	<u>777,500</u>	<u>83,448,408</u>	<u>317,141,344</u>
<b>At 1 July 2016</b>	190,269,500	42,645,937	777,500	83,448,408	317,141,344
Profit for the year				88,027,735	88,027,735
Transfer to legal reserve		8,802,773		(8,802,773)	-
Issue of new shares	56,314,000				56,314,000
Directors' compensation				(900,000)	(900,000)
Profit Appropriated	-	-	-	(80,948,407)	(80,948,407)
<b>At 30 June 2017</b>	<u>246,583,500</u>	<u>51,448,710</u>	<u>777,500</u>	<u>80,824,962</u>	<u>379,634,671</u>

# Notes Forming Part of the Financial Statements

For the Year Ended 30<sup>th</sup> June 2017

Currency: in Birr

## 1. ACCOUNTING POLICIES

The following accounting policies are adopted in preparing the Company's Financial Statements:

### a) **Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is calculated by pooling system other than buildings as prescribed by Income Tax Proclamation No. 979/2016 & Council of Ministers Regulation 410/2017 Art. 67 as follows.

i. Fixed assets with positive balance in a depreciation pool at a commencement of the Proclamation are depreciated at the following rates per annum.

- Buildings 5%, using straight-line method,
- Computers, information systems, software products and data storage equipment 25%,
- All other Assets 20%

ii. Depreciable assets acquired on or after the commencement of the Proclamation are depreciated by applying the following rates per annum against the net book values of the assets.

- Buildings 5%, using straight-line method,
- Computers, information systems, software products and data storage equipment 20%,
- All other Assets 15%

### b) **Underwriting Surplus**

The underwriting surplus is net of reinsurance cessions, claims incurred, sales commissions, provisions for unexpired risks and for claims incurred but not reported at the end of the period.

### c) **Provision for Unearned Premiums**

This represents portion of premiums related to the period after the Balance Sheet date and the amount is calculated on a time basis using 1/24<sup>th</sup> method.

### d) **Provisions for Outstanding Claims**

This amount represents estimated cost of claims reported up to the Balance Sheet date based on available information and provisions for claims Incurred But Not Reported (IBNR) up to the Balance Sheet date.

### e) **Other Technical Provision**

This provision is meant to accumulate reserve to enable the Company meet unforeseen future natural and manmade perils. The reserve is realized by keeping aside amount in excess of income over outgo in respect of related classes of business.

### f) **Provision for Doubtful Debts**

The National Bank of Ethiopia's Directives No. 36/2013 stipulates 100% provisions to be held on all outstanding trade debtor balances as of December 31, 2014. Accordingly, the Company maintained 100% provision on all outstanding trade debtors.

### g) **Leasehold Land**

Value of leasehold land is amortized over the lease period starting from the date the building is ready for use.

### h) **Life Fund**

The Actuarial Valuation of the Life Insurance Fund is required to be undertaken annually

during the first five years after commencement of such business and at least once every two years thereafter. Until this is done, the profit or loss on this business for a given financial year is transferred to the Life Insurance Fund. Transfer of any profits from the Life Insurance Fund to Profit and Loss Account is made on the recommendation of the actuaries following actuarial valuation.

## 2. CASH AND BANK BALANCES

	<b>Non-Life</b>	<b>Life</b>	<b>Total</b>	<b>2015/16</b>
Cash on hand	5,938,265	-	5,938,265	5,307,985
Cash at bank	59,534,713	2,776,729	62,311,442	38,549,046
Bank deposits at interest	<u>362,202,852</u>	<u>128,211,087</u>	<u>490,413,939</u>	<u>425,526,491</u>
	<u>427,675,830</u>	<u>130,987,816</u>	<u>558,663,646</u>	<u>469,383,522</u>

## 3. DEBTORS

### 3.1 TRADE DEBTORS

	<b>Non-Life</b>	<b>Life</b>	<b>Total</b>	<b>2015/16</b>
Trade Debtors	23,537,735	-	23,537,735	23,537,735
Less: Provision	<u>23,537,735</u>	<u>-</u>	<u>23,537,735</u>	<u>23,537,735</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 3.2 OTHER DEBTORS

	<b>Non-Life</b>	<b>Life</b>	<b>Total</b>	<b>2015/16</b>
Deposits and Prepayments	10,549,175	-	10,549,175	18,266,112
Payment for Bond Guarantee	673,994	-	673,994	673,994
Sundry Debtors	<u>14,559,852</u>	<u>740,450</u>	<u>15,300,302</u>	<u>19,561,775</u>
	25,783,021	740,450	26,523,471	38,501,881
Less : provision	<u>1,732,241</u>	<u>-</u>	<u>1,732,241</u>	<u>1,732,241</u>
	<u>24,050,780</u>	<u>740,450</u>	<u>24,791,230</u>	<u>36,769,640</u>

## 4. INVESTMENTS

<b>Company Share</b>	<b>Non-Life</b>	<b>Life</b>	<b>Total</b>	<b>2015/16</b>
Awash International Bank S.C.	129,236,000	20,264,000	149,500,000	122,083,000
Sheger Invest., Hotel & Tourism S.C.	400,000	-	400,000	400,000
Biss-Veg. & Agro-Ind.S.C.	400,000	400,000	800,000	800,000
Addis Africa Int'l Convention & Exhib. Center S.C.	-	909,000	909,000	500,000
Ethiopian Rein. Co. S.C.	25,000,000	-	25,000,000	25,000,000
Oda Share Company.S.C.	-	3,500,000	3,500,000	-
<b>Bond</b>				
Great Ethiopian Renaissance Dam	<u>6,000,000</u>	<u>4,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
	<u>161,036,000</u>	<u>29,073,000</u>	<u>190,109,000</u>	<u>158,783,000</u>

## 5. PROVISION FOR PROFIT TAX

		<b>2015/16</b>
Balance Brought Forward	13,496,002	10,878,119
Less: Settlements	<u>13,496,002</u>	<u>10,878,119</u>
	=	=
Current Provision	12,303,426	12,801,963
Rent Income Tax	<u>1,672,794</u>	<u>694,039</u>
	<u>13,976,220</u>	<u>13,496,002</u>

## 6. BANK OVERDRAFT FACILITY

The Company has arranged an overdraft facility with a limit of Birr 2,000,000.00 from Awash International Bank S.C. renewable every year.

This facility was secured against the fixed deposit No. 12295 of Birr 16,737,258 maintained by the Company with the Bank.

## 7. CREDITORS, ACCRUALS AND PROVISIONS

	<b>Non-Life</b>	<b>Life</b>	<b>Total</b>	<b>2015/16</b>
Dividend Payable	14,763,248	-	14,763,248	12,275,763
Accruals	12,935,161	-	12,935,161	20,556,758
Unearned Rent Income	1,862,053	-	1,862,053	2,788,076
Sundry Creditors	<u>31,085,190</u>	<u>476,571</u>	<u>31,561,761</u>	<u>20,214,802</u>
	<u>60,645,652</u>	<u>476,571</u>	<u>61,122,223</u>	<u>55,835,399</u>



## 8. FIXED ASSETS

<b>Cost or Valuation</b>	<b>Non-Life</b>	<b>Life</b>	<b>Total</b>	<b>2015/16</b>
Motor Vehicles	92,155,729	923,000	93,078,729	80,713,039
Furniture & Equipment	25,310,789	575,915	25,886,704	23,825,667
Software Development	6,542,504	-	6,542,504	3,840,531
Tools and Other Assets	774,727	-	774,727	774,727
Leasehold Land	8,255,398	-	8,255,398	8,255,398
Buildings	184,326,309	-	184,326,309	113,161,799
Construction in Progress	<u>18,549,770</u>	<u>-</u>	<u>18,549,770</u>	<u>82,398,129</u>
	<u>335,915,226</u>	<u>1,498,915</u>	<u>337,414,141</u>	<u>312,969,290</u>
<b>Accumulated Depreciation</b>				
Motor Vehicles	48,431,214	332,280	48,763,494	38,729,410
Furniture & Equipment	15,952,916	348,388	16,301,304	13,900,352
Software Development	3,227,325	-	3,227,325	2,801,279
Tools and Other Assets	745,176	-	745,176	744,999
Amortization of Land Lease	1,379,894	-	1,379,894	1,268,607
Buildings	<u>34,337,443</u>	<u>-</u>	<u>34,337,443</u>	<u>26,015,676</u>
	<u>104,073,968</u>	<u>680,668</u>	<u>104,754,636</u>	<u>83,460,323</u>
<b>Net Book Value</b>				
Motor Vehicles	43,724,515	590,720	44,315,235	41,983,629
Furniture & Equipment	9,357,874	227,527	9,585,401	9,925,316
Software Development	3,315,179	-	3,315,179	1,039,252
Tools and Other Assets	29,551	-	29,551	29,728
Leasehold Land	6,875,504	-	6,875,504	6,986,792
Buildings	149,988,866	-	149,988,866	86,264,073
Construction in Progress	<u>18,549,770</u>	<u>-</u>	<u>18,549,770</u>	<u>83,280,178</u>
	<u>231,841,260</u>	<u>818,247</u>	<u>232,659,507</u>	<u>229,508,967</u>

Awash Insurance Company S.C. in partnership with Awash International Bank S.C. has acquired leasehold land of 2,905 square meters on November 18, 1996 for 50 years lease period. According to the agreement entered into with Awash International Bank S.C., the benefit and liability of Awash Insurance Company S.C. on the property of AIB–AIC Headquarters building and the plot of land is 34%.

Cost of Buildings and Land Lease properties of Awash Insurance Company S.C. includes its own Headquarters building as stated above, and the following real estate properties.

A plot of land with an area of 3,868 square meters was acquired at Kaliti on September 09, 2014 for a lease period of 60 years and a lease cost of Birr 3,294,380 that was fully settled. A ground plus one building was built on this site for the total cost of Birr 2,408,569. The site is used for Company office, store and wreck yard.

Another plot of land with store was acquired at Burayu on July 7, 2005 at an initial auction price of Birr 496,800 for the land and Birr 698,430 for the store. The total area of the land is 4,320 square meters and the lease period is 50 years.

A mixed use building (under construction) having a basement floor and ground plus seven with a land area of 776.5 square meters was purchased on June 6, 2014 for Birr 30,000,000.

The building was completed with a total cost of Birr 69,642,092. The lease period is 40 years at a lease cost of Birr 757,078 which was fully paid.

Land with a store was purchased at Kaliti during 2014/15 financial year for a total cost of Birr 12,988,000. The total area of the land is 2107 square meters.

A contract was signed between the company and Abyssinia Real Estate PLC on September 29, 2015 to acquire office space with an area of 530 square meters for Birr 18,500,000 which was fully paid. The office would have been ready for use within 16 months from the date of the contract. However, due to failure on the part of the seller, the contract period has been extended up to November 27, 2017.

## 9. STATUTORY DEPOSIT

This is cash deposited with the National Bank of Ethiopia in line with Article 20 of Insurance Business Proclamation No. 746/2012. The statutory deposit includes Birr 32,542,000 that is transferred to Ethiopian Government Saving Bond bearing interest income of 6% per annum.

		<b><u>2015/16</u></b>
Non-Life	33,397,800	23,090,625
Life	<u>2,250,000</u>	<u>2,250,000</u>
	<u>35,647,800</u>	<u>25,340,625</u>

## 10. PAID-UP CAPITAL

**10.1** The Company was registered and had secured License No. 003 from the National Bank of Ethiopia on 1st October 1994 to engage in General and Long Term Insurance businesses. The paid-up capital of the Company is as shown below.

		<b><u>2015/16</u></b>
Non-Life	231,583,500	175,269,500
Life	<u>15,000,000</u>	<u>15,000,000</u>
	<u>246,583,500</u>	<u>190,269,500</u>

**10.2** The subscribed capital of the Company is Birr 300,000,000.

## 11. LEGAL RESERVE

This amount represents the appropriation of 10% on the net profit after tax as stipulated in Article 22 of Insurance Business Proclamation No. 746/2012. This insurance law specifies that such reserve be accumulated until the amount equals the paid-up capital. The movement is:-

		<b><u>2015/16</u></b>
Balance at 1st July 2016	42,645,937	33,551,669
Current Year Transfer	<u>8,802,773</u>	<u>9,094,268</u>
	<u>51,448,710</u>	<u>42,645,937</u>

## 12. RETAINED EARNINGS

Represents the amount transferred to capital to strengthen the financial position of the Company.

## 13. INSURANCE PREMIUM

### General Insurance

<u>Class of Business</u>	<u>Gross Written Premium</u>	<u>Reinsurers' Premium</u>	<u>Net Written Premium</u>	<u>Year 2015/16</u>
Fire	42,596,620	25,187,309	17,409,311	14,571,439
Burglary	3,843,761	1,848,264	1,995,497	222,483
Motor Own Damage	276,150,574	32,406,593	243,743,981	230,672,570
Motor Third Party	80,102,962	6,281,574	73,821,388	64,312,218
Marine	28,863,039	11,383,513	17,479,526	16,406,688
Goods in Transit	7,851,859	1,417,201	6,434,658	6,523,411
Workmen's	12,122,293	562,428	11,559,865	3,930,896
Group Personal Accident	13,014,941	5,511,237	7,503,704	10,516,487
Engineering	27,533,336	18,273,126	9,260,210	11,753,284
Liability	13,996,756	5,564,864	8,431,892	7,267,966
Pecuniary	35,743,311	17,153,932	18,589,379	7,665,790
Floriculture	1,984,356	1,667,806	316,550	801,901
Others	<u>844,373</u>	-	<u>844,373</u>	<u>265,483</u>
Total	<u>544,648,181</u>	<u>127,257,847</u>	<u>417,390,334</u>	<u>374,910,616</u>

### Life Insurance

<u>Class of Business</u>	<u>Gross Written Premium</u>	<u>Reinsurers' Premium</u>	<u>Net Written Premium</u>	<u>Year 2015/16</u>
Individual Life	4,267,076	212,138	4,054,938	2,495,241
Group Life	19,809,148	9,747,837	10,061,311	8,777,309
Group Medical	<u>31,022,583</u>	<u>670,553</u>	<u>30,352,030</u>	<u>24,953,010</u>
Total	<u>55,098,807</u>	<u>10,630,528</u>	<u>44,468,279</u>	<u>36,225,560</u>

## 14. UNEARNED PREMIUM PROVISION

### General Insurance

<u>Class of Business</u>	<u>Gross Unearned Premium</u>	<u>Reinsurers' Unearned Premium</u>	<u>Net Unearned Premium</u>	<u>Year 2015/16</u>
Fire	21,487,604	12,014,969	9,472,635	7,812,384
Burglary	2,350,260	1,130,118	1,220,143	357,628
Motor Own Damage	129,957,848	6,650,898	123,306,950	119,422,615
Motor Third Party	40,491,669	2,011,634	38,480,035	33,281,720
Marine	16,915,955	6,109,389	10,806,566	6,765,848
Goods in Transit	4,568,709	824,617	3,744,092	2,042,027
Workmen's	6,293,879	292,012	6,001,867	5,387,646
Group Personal Accident	7,215,126	3,096,331	4,118,794	6,564,236
Engineering	14,705,004	8,654,218	6,050,786	7,175,150
Liability	6,558,709	2,607,627	3,951,082	3,310,246
Pecuniary	20,126,306	9,735,141	10,391,165	3,722,860
Floriculture	<u>575,006</u>	<u>489,009</u>	<u>85,998</u>	<u>316,366</u>
Comparative adjustment	-	-	-	(15,793)
<b>Total</b>	<u>271,246,076</u>	<u>53,615,964</u>	<u>217,630,113</u>	<u>196,158,726</u>
<b>Change in Unearned Premium</b>				<u>21,471,387</u>

## 15. IBNR PROVISION

### General Insurance

<u>Class of Business</u>	<u>Gross IBNR</u>	<u>Reinsurers' IBNR</u>	<u>Net IBNR</u>	<u>Year 2015/16</u>
Fire	2,892,140	1,317,234	1,574,906	1,319,044
Burglary	185,113	71,815	113,298	60,973
Motor Own Damage	26,563,113	2,575,570	23,987,543	21,090,087
Motor Third Party	7,289,301	426,994	6,862,307	6,297,125
Marine	1,871,293	527,412	1,343,881	1,280,764
Goods in Transit	532,517	59,258	473,259	397,354
Workmen's	1,121,606	27,042	1,094,564	894,626
Group Personal Accident	1,181,489	241,491	939,998	807,151
Engineering	2,000,348	961,891	1,038,457	938,566
Liability	1,074,830	295,724	779,106	658,647
Pecuniary	1,987,324	741,879	1,245,445	739,209
Floriculture	<u>172,572</u>	<u>117,880</u>	<u>54,692</u>	<u>54,645</u>
<b>Total</b>	<u>46,871,646</u>	<u>7,364,190</u>	<u>39,507,456</u>	<u>34,538,191</u>
<b>Change in IBNR</b>				<u>4,969,265</u>

## 16. OUTSTANDING CLAIMS

### General Insurance

<u>Class of Business</u>	<u>Gross Outstanding Claims</u>	<u>Reinsurers' Outstanding Claims</u>	<u>Net Outstanding Claims</u>	<u>Year 2015/16</u>
Fire	4,347,199	2,858,410	1,488,789	792,886
Burglary	15,249	-	15,249	50,071
Motor Own Damage	140,659,895	14,095,142	126,564,753	129,320,031
Motor Third Party	39,000,168	1,016,440	37,983,728	38,503,842
Marine	5,274,302	4,031,976	1,242,326	434,071
Goods in Transit	250,000	81,867	168,133	1,216,481
Workmen's	1,860,679	57,862	1,802,817	1,081,139
Group Personal Accident	2,110,794	685,147	1,425,647	111,046
Engineering	6,768,557	4,306,121	2,462,436	2,674,930
Liability	2,935,291	641,620	2,293,671	1,909,457
Pecuniary	12,696,634	3,943,812	8,752,822	11,309,057
Floriculture	<u>3,050,000</u>	<u>2,787,242</u>	<u>262,758</u>	<u>22,602</u>
<b>Total</b>	<u>218,968,768</u>	<u>34,505,639</u>	<u>184,463,129</u>	<u>187,425,613</u>
<b>Change in Outstanding Claims</b>				<u>(2,962,484)</u>
Net Outstanding Claims			184,463,129	187,425,613
Net IBNR Claims ( <b>Note 15</b> )			39,507,456	34,538,191
Claim Under Litigation			<u>4,122,270</u>	<u>2,782,689</u>
			<u>228,092,855</u>	<u>224,746,493</u>

### Life Insurance

<u>Class of Business</u>	<u>Gross Outstanding Claims</u>	<u>Reinsurers' Outstanding Claims</u>	<u>Net Outstanding Claims</u>	<u>Year 2015/16</u>
Individual Life	62,417	-	62,417	1,986,047
Group Life	768,974	-	768,974	
Group Medical	<u>1,484,874</u>	<u>49,324</u>	<u>1,435,550</u>	-
	<u>2,316,265</u>	<u>49,324</u>	<u>2,266,941</u>	<u>1,986,047</u>

## 17. PRIOR YEAR ADJUSTMENTS

		<b>2015/16</b>
<b>Income</b>		
Adjustement to Rent Income	<u>277,747</u>	-
	277,947	-
<b>Expense</b>		
Adjustment to Premium Income	-	(194,257)
Miscellaneous Expenses	-	(15,000)
	<u>277,747</u>	<u>(209,257)</u>

## 18. Commitment

A contract was signed between the company and Infosion Software Private Limited for the acquisition of Enterprise Resource Planning (ERP) on March 30, 2016 for Birr 3,376,753 of which Birr 2,482,410 was paid. The system is expected to go live in the middle of December 2017.

## 19. COMPARATIVE FIGURES

To facilitate comparison, certain figures as at 30th June 2016 were rearranged in these accounts.

## 20. SUBSEQUENT EVENT

As per the Financial Reporting Proclamation No. 847/ 2014, the Financial Statements of the year 2017/18 are expected to be prepared in accordance with the requirements of first time adoption of International Financial Reporting Standards (IFRS).



**አዋሽ ኢንሹራንስ ኩባንያ አ.ማ.**  
**AWASH INSURANCE COMPANY S.C.**

**You are in good hands with Awash for your Life, Property and Liability insurance services**

**አጠቃላይ የንብረት ኢንሹራንስ**

- ኩባንያችን ከሚሰጣቸው የንብረትና የሕጋዊ ኃላፊነት ኢንሹራንስ አገልግሎቶች ዋና ዋናዎቹ
- የልዩ ልዩ ተሽከርካሪዎች፣
  - የእሳት ቃጠሎና ተዛማጅ አደጋዎች፣
  - በኃይል ቤት በመስበር ለሚፈጸም ስርቆት፣ ዝርፊያ፣
  - በመርከብ በየብስና በአየር ለሚጓዙ እቃዎች፣
  - የአሰሪ ግዴታ፣
  - የአደጋ (የግለሰብና የቡድን)፣
  - አጠቃላይ የምሕንድስና፡- (የቦይሊር፣ የማሽን መሰበር ወዘተ)፣
  - የሕጋዊ ተጠያቂነት፣
  - የገንዘብ (በካዝናና በጉዞ ላይ)
  - የእምነት ማጉደል፣
  - ፕሌት ግላስ፣
  - የቦንድ (የሥራ አፈፀፀም፣ የአቅርቦት፣ የጥገና፣ የጉምሩክ ቀረጥና የቅድሚያ ክፍያ ቦንድ)፣
  - የፍሎሪካልቸር ዋስትና፣
- .... እና በርካታ ሌሎች የኢንሹራንስ አገልግሎቶችን ከአዋሽ በተሟላ ሁኔታ ያገኛሉ።

**General Insurance**

- The Major Products are the following:
- Motor;
  - Fire and lightning and allied perils;
  - Burglary and House-breaking;
  - Marine Cargo;
  - Inland Transit Risk;
  - Workmen’s Compensation;
  - Personal and Group Personal Accident;
  - Engineering:
    - Boilers,
    - Contractors’ All Risks,
    - Erection All Risks,
    - Contractors’ Plant and Machinery,
    - Electronic Equipment,
    - Machinery breakdown and others.
  - Public Liability;
  - Money in Safe and in Transit;
  - Fidelity Guarantee;
  - Plate Glass;
  - Bonds;
  - Floriculture Insurance;
- .... and many others are available with AWASH!

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## Term Assurances

Individual and Group Life

## Endowment Assurances

10,15,20. . . years endowment,  
Anticipated endowment,  
Endowment Annuity & Education Policy.

## Whole Life

## Riders

### Accident Insurance

Supplementary Accident Insurance (SAI)  
Comprehensive Accident Insurance (CAI)

### Waiver of Premium

## Medical Expenses Insurance

## Travelers' Health Insurance

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#### AIC S.C. Head Office

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Fax - +251-11-557 02 08

✉ - 12637 A.A.

E-mail - [aic@ethionet.et](mailto:aic@ethionet.et)

Website - [www.awashinsurance.com](http://www.awashinsurance.com)



ለንብረቱ ግምት ለሕይወቱ ዋጋ የሚሰጥ ሁሉ  
አዋሽ ኢንሹራንስ ኩባንያን ይመርጣል!!

ቅርንጫፎቻችን **Our Branches**

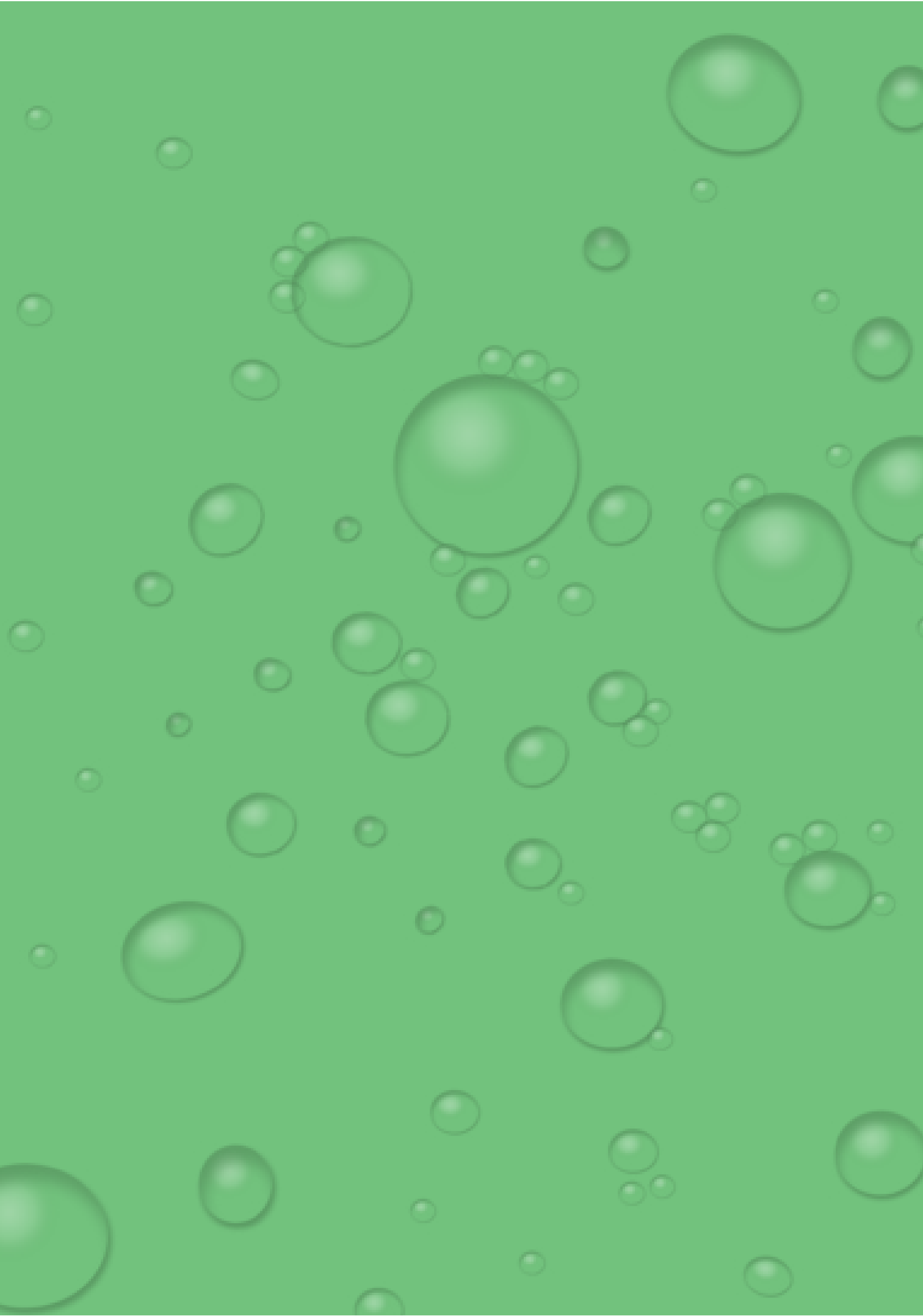
S.No	Branches	Telephone	Fax
1	Bole G. Main	(011) 661 4420/70	(011) 661 4419
2	Addis Ababa Main	(011) 156 00 96	(011) 155 9997
3	Adama	(022) 111 1215	(022) 112 1282
4	Ghimbie	(057) 771 0657	(057) 771 1022
5	Dire Dawa	(025) 111 4362	(025) 111 8165
6	Jimma	(047) 111 2196	(047) 112 3458
7	Merkato	(011) 276 0040	(011) 276 1577
8	22 Mazonia	(011) 662 5751	(011) 662 5750
9	Bishoftu	(011) 433 6262	(011) 433 6263
10	Gotera	(011) 466 3338	(011) 466 3337
11	Kolfe	(011) 278 4100	(011) 278 4101
12	Ambo	(011) 236 2758	(011) 236 2558
13	Piazza	(011) 111 8276	(011) 111 8277
14	Kazanchis	(011) 550 9865	(011) 550 9865
15	Shagar	(011) 667 0026	(011) 667 0027
16	Life Main	(011) 557 0266	(011) 557 0281
17	Gofa Mazonia	(011) 466 1267	(011) 466 1268
18	Nifas Silk	(011) 442 15 25	(011) 443 1291
19	Dilla	(046) 331 2450	(046) 991 0910
20	Nakamte	(057) 661 3203	(057) 661 8513
21	Shashamane	(046) 110 3679	(046) 110 3678
22	Finfinne G. Main	(011) 557 0280	(011) 557 0281
23	Tekle Haimanot	(011) 277 3082/83	(011) 277 3082
24	Gerji	(011) 651 6590	(011) 647 6646
25	Mekelle	(034) 440 2761	(034)440 2769
26	Lideta	(011) 554 2400	(011) 554 2399
27	Hawassa	(046) 221 2028	(046) 221 4218
28	Gulalle	(011) 278 7400	(011) 278 7401
29	Central Merkato	(011) 213 4923	(011) 275 8633
30	Dil Gebeya	(011) 320 4183	(011) 320 4184
31	Wallo Sefer	(011) 552 6050	(011) 552 6091
32	Sebategna Akababi	(011) 276 0041	(011) 276 0172
33	Kaliti	(011) 442 2013	(011) 442 2013
34	Sarbet	(011) 320 0402	(011) 442 2023
35	Alemgena	(011) 367 9094	(011) 367 9135
36	Bahir Dar	(058) 220 8224	(058) 220 8197
37	Dessie	(033) 454 0445	(033) 454 0415
38	Birbirsa	(011) 126 4609	(011) 126 4611
39	Megenagna	(011) 667 4516	(011) 667 4533
40	CMC	(011) 667 6126	(011) 667 6322
41	Oda	(011) 554 2041	(011) 554 8686
42	Walisoo	(011) 366 4435	(011) 366 4505
43	Bule Hora	(046) 443 1053	(046) 443 1052
44	Life Main	(011) 557 0066	(011) 557 0042

አዋሽ ባለበት የተሟላ ዋስትና አለ!

Where there is Awash, there is peace of mind!



AIC/Awash Bank Management Joint Consultative Meeting in Pictures





አዋሽ ባንክ  
**AwashBank**  
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**N**urturing Bank!

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