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Berhan Insurance S.C.

ANNUAL REPORT 2021/22

CONTENTS

Synopsis of Company's Profile

Berhan Insurance S.C. was established on October 30, 2010 with a paid up capital of Birr 9.7 Million, under proclamation No. 86/1994. Being initiated by Berhan Bank S.C., the key founding shareholders of the Company were, four hundred fifty five visionary founders to engage in General insurance business. Now the company is fulfilling NBE's requirements to launch life insurance business.

It is one of the private insurance companies operating in the Ethiopian insurance industry and currently, the number of shareholders has reached 1,621and the paid up capital as at 30 June 2022 has reached Birr 199.9 million. Its Head Quarter is situated in Addis Ababa Bole Road Wello Sefer Round About on Garad City Center.

Since it became operational on June 1, 2011, Berhan Insurance S.C is dedicated to deliver quality insurance solutions to its customers through its 25 business channels, out of which 16 of them are located in the capital and the remaining 9 are situated in economically vibrant regional towns.

Strategic Foundations of the Company

Vision To become an "Insurance Company of popular choice."

Mission To provide insurance service to the public in a professional way and satisfy all stakeholders.

Core Values Integrity, Honesty, Transparency, Efficiency, Good Governance, Re sult-Oriented Service and Non-Discrimination.

Notice of the Eleventh Annual Ordinary and Fourth Extra Ordinary General Meeting of Shareholders

Notice is here by given to all shareholders that the Eleventh Annual Ordinary and Fourth Extra Ordinary General Meeting of Berhan Insurance s.c. will be held at Addis Ababa, Elilly International Hotel located at Kazanchis, on 17th of December, 2022 starting from 8:00 AM.

All shareholders have to bring their renewed id card, driving license or passport to attend the meeting.

Agendas of the Eleventh Annual Ordinary General Meeting

1. Approving the Agenda
2. Approving transfer of shares and accept new shareholders
3. Consideration of the Report of the Board of Directors for the year 2021/22
4. Consideration of the Report of the Auditors for the year ended 30 June, 2022
5. Discuss and decide on the above reports
6. Consideration of the report of Board of Directors' nominating committee and election of Board of Directors members
7. Deciding on the appropriation of the net profit of the company 2021/22
8. Approving the Board of Directors yearly and monthly payments
9. Appointment of External Auditors of the Company and decide on their remuneration
10. Approving minutes of the meeting

Agendas of the Fourth Annual Extra Ordinary General Meeting

1. Approving the Agenda
2. Raising the capital
3. Approving minutes of the meeting

By order of the BoDs, Notice to the shareholders

Shareholders shall bring a renewed ID card or Driving License, or Passport that can clearly show their identity. A shareholder who is not able to attend the meeting may appoint a PROXY, who can bring a renewed ID card or Driving License, or Passport that can clearly show his/her identity.

OR

The proxy form should be completed and presented to the company's Finance and Investment Department, in the Head office located on Bole Road Wello Sefer Round About Garad Bole City Center 7th Floor three days before the date of the meeting.

BOARD OF DIRECTORS

Ato Tewodros Meheret
Chairman

Ato Solomon Assefa
Vice Chairman

Ato Girum Tsegaye
Director

Ato Abrham Alaro
Director

Dr. Taye Berhanu
Director

Dr. Salehu Anteneh
Director

Ato Sibilu Bodja
Director

W/ro. Melkrist Hailu
Director

W/ro.Yimenashu Kassahun
Director

MANAGEMENT TEAM

Ato Admassu Zerihun
D/CEO, Claims & Engineering

Ato Alemayehu Tefera
CEO

Ato Sibu Ayele
D/CEO, Strategy & Corporate Services

W/rt Rediet Baye
D/CEO, Underwriting & Reinsurance

Ato Hailye Gerawork
Manager,Underwriting, Reinsurance & Branch Operation Dep.

Ato Girum Teferi
Manager, Engineering Dep.

Ato Getinet Aweke
Manager, Marketing & BD Dep

Ato Natnael Hailu
Manager, Finance & Investment Dep.

W/ro Genet Yemanebirhan
Manager, HR & Property Administration Dep.

Ato Samuel Ayele
Manager, Legal Service

Ato Yoftahe Mekonnen
Manager, IT Service

W/ro Yetinayet Asegid
Manager, Risk & Compliance Service

Chairman's Statement

On behalf of the Board of Directors and on my own behalf, it is my great pleasure and privilege to welcome our distinguished Shareholders to the Eleventh Annual Ordinary and the Fourth Extra Ordinary General Meeting of the Shareholders of the Company.

The past fiscal year was marked by war in the northern part of the country, galloping inflation and political instability in some part of the country which entailed economic and social crisis. The situation is aggravated by recurrent war which has been a huge burden on the economy and led to both human and material damage with far reaching repercussion for the country. By the same token, the industry specific challenges which were characterized by the ever declining premium against the rise in the cost of spare parts, repair expenses as well as intermittent materialization of accidents tested the industry and has endangered its operational viability. Despite all these challenges and disarray, our company registered satisfactory results in the fiscal year ended on 30th June 2022.

As of June 30, 2022 the company registered net profit before tax of Birr 53.5 million. In terms of growth, the net profit after tax showed 19.3% increment from last year similar period and attained Birr 50.4 million at the end of the fiscal year. The bottom-line results mentioned above were satisfactory given the various macroeconomic challenges experienced during the fiscal year 2021/22. The paid-up capital as of June 30, 2022 was Birr 199.9 million. Its growth over the fiscal year 2020/21 was Birr 39.6 million which showed 24.7% rise in capital. Our earning per share was 26%.

I would like to take this opportune moment to express my heartfelt gratitude to our esteemed customers' loyalty and for their continued business relationships with us. I also express my thanks and appreciations to the National Bank of Ethiopia, Insurance Supervision Directorate, Re-insurers and intermediaries for their invaluable contribution for the growth and profitability of the Company. Appreciation is also due to directors of the Company, Management team, staffs of the Company for their unreserved effort they exerted and I congratulate them for the remarkable achievement.

Dear Shareholders, in accordance with article 394 and 426 of the Commercial Code of Ethiopia (2021) and Article 3 of the company's Article of Association, I kindly present the consolidated Board of Directors' report and the report of Auditors for the fiscal year ended June 30, 2022 for your consideration and approval.

Finally, I wish this budget year be a peaceful and success-driven in all our strenuous efforts towards our goals and objectives that commensurate the name of the company

Thank You!

Tewodros Meheret
Chairman of the Board of Directors and
Annual Shareholders' General Meeting

CEO's Remark

The Company registered a notable performance during 2021/22 fiscal year under tough and challenging environment. The cut-throat competition among insurers, sky-rocketed price of spare parts and escalating office rent, stationary etc are among the problems that stressed our performance in the period under review.

In spite of all the challenges, during the financial year the Gross Written Premium (GWP) reached Birr 242.6 million achieving 37.6% growth from last year same period. The lion share which is 61% of the GWP went to motor policy and the remaining amount generated from non-motor classes of business. We scored a loss ratio of 51% which was well below the maximum limit of 70% set by the regulatory body. Again, this is a remarkable achievement.

In the reporting period, our company opened two additional branch offices in Addis Ababa, raising the total number of branches to 25 so as to create easy access to our customers. Regarding capacity building, focus was given to human capital development program, and in this respect training programs and refreshment courses were given to 74 employees to upgrade their insurance knowledge and salesmanship capacity to the intended level. As at the close of the fiscal year, staff strength of the company reached 201 out of which 110 or 54.7% were females.

In the coming fiscal year, the company planned to improve its customer service by implementing state of the art information technology, building the skill of its staff and sales agents through different capacity building programs, reduce the claims ratio by focusing on less risky non-motor classes of business and recruiting qualified and competent employees.

Finally, I would like to present my heartfelt thanks to our BoDs for their valuable strategic guidance and shareholders for their confidence in us and continued trust. I also want to thank our fellow management members for their fruitful leadership and our employees in general for their dedication and commitment throughout the year, and their initiative to combat new challenges and help the company to thrive out of the fierce competitive environment.

Thank You!

Alemayehu Tefera

Chief Executive Officer

Board of Directors' Report

The Board of Directors feel honored and privileged to present to shareholders of the company the Annual Report and the Audited Accounts for the year ended 30th, June 2022.

The report highlights major activities and achievements of the fiscal year 2021/22. Brief overview of the Global and Ethiopian Economy is also part of the report.

1. Economic Overview

1.1 The Global Economy

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook.

Fuel and food prices have increased rapidly, hitting vulnerable populations in low income countries. Global growth is forecasted to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

Global inflation is forecasted to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation. (IMF, World Economic Outlook, October 2022)

1.2 The Ethiopian Economy

Ethiopia is the second most populous nation in Africa next to Nigeria, and still the fastest growing economy in the region, with 6.3% growth in FY2020/21. However, it is also one of the poorest, with a per capita gross national income of $960. Ethiopia aims to reach lower-middle-income status by 2025.

Over the past 15 years, Ethiopia's economy has been among the fastest growing in the world (at an average of 9.5% per year). Among other factors, growth was led by capital accumulation, in particular through public infrastructure investments. Ethiopia's real gross domestic product (GDP) growth slowed down in FY2019/20 and further in FY2020/21 due to COVID-19, with growth in industry and services easing to single digits. However, agriculture, where over 70% of the populations are employed, was not significantly affected by the COVID-19 pandemic and its contribution to growth slightly improved in FY2020/21 compared to the previous year.

The consistently high economic growth over the last decade resulted in positive trends in poverty reduction in both urban and rural areas. The share of the population living below the national poverty line decreased from 30% in 2011 to 24% in 2016 and human development indicators improved as well. However, gains are modest when compared to other countries that saw fast growth, and inequality has increased in recent years. Furthermore, conflicts in various parts of Ethiopia hindered the economic and social development progress the country has achieved in recent years.

The government has launched a 10-Year Development Plan, based on the 2019 Home-Grown Economic Reform Agenda, which will run from 2020/21 to 2029/30. The plan aims to sustain the remarkable growth achieved under the Growth and Transformation Plans of the previous decade, while facilitating the shift towards a more private-sector-driven economy. It also aims to foster efficiency and introduce competition in key growth-enabling sectors (energy, logistics, and telecom), improve the business climate, and address macroeconomic imbalances. (World Bank in Ethiopia, October 2022)

1.3 Ethiopian Insurance Industry

Ethiopia's insurance market will remain at an embryonic stage of development over the medium term, characterized with low levels of insurance penetration and density. The market is dominated by non-life insurance; the life assurance share in the industry is only 7.2% from total insurance written premiums. Both life and non life insurance are growing from a very low base and will continue to be heavily dependent on the uptake of coverage among the relatively small middle class. Non life premiums growth will be supported by robust head line GDP growth, steady foreign investment, sound infrastructure development efforts and elevated government spending levels. Although the market has significant untapped long term growth potential, structural challenges such as poverty, famine and low incomes will limit the growth of life insurance and wider uptake over the foreseeable future. (Fitch Solutions, 2022)

According to the national bank of Ethiopia's report, the number of insurance companies remained at 18, of which 17 were private and 1 state owned and their number of branches increased to 673 from 629 a year ago, of which, about 54.7 percent were located in Addis Ababa. Likewise, the total capital of insurance companies reached Birr 12.5 billion, with the share of private insurance companies being 74.6 percent. (NBE 3rd Quarter Report of 2021/22)

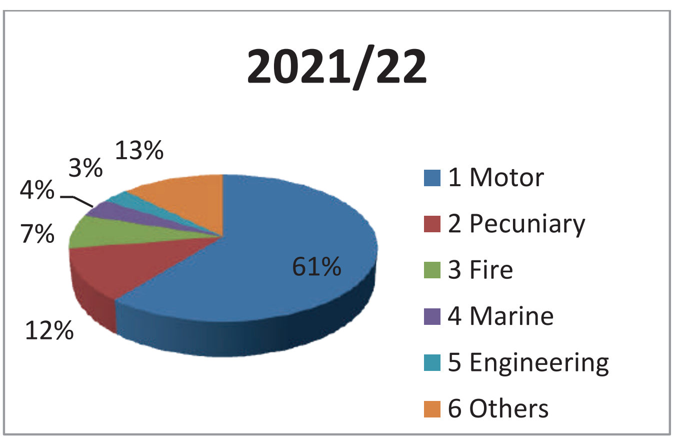
2. Performance of the Company

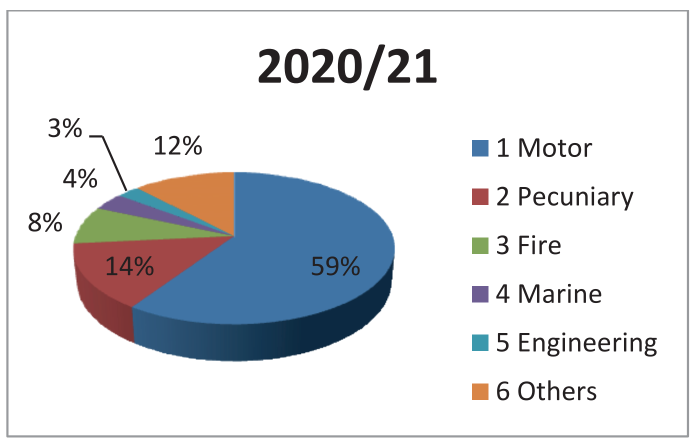
2.1 Gross Written Premium (GWP)

Premium income for the year ended 30 June 2022 grew by 37.6% to Birr 242.6 million. Motor class of business took the largest proportion in the portfolio mix. All classes of business exhibited positive growths ranging from 14% registered in pecuniary up to 69% in engineering signaling positive outlooks about the future.

Portfolio mixes of the different classes of business for two consecutive fiscal years are indicated in the following table and pie chart.

The following charts depict portfolio mixes of the two consecutive fiscal years





2.2 Net Claims Incurred

Net claims incurred for the year ended June 30, 2022 was Birr 77.7 million. The net claims ratio for all classes of business was 51%.

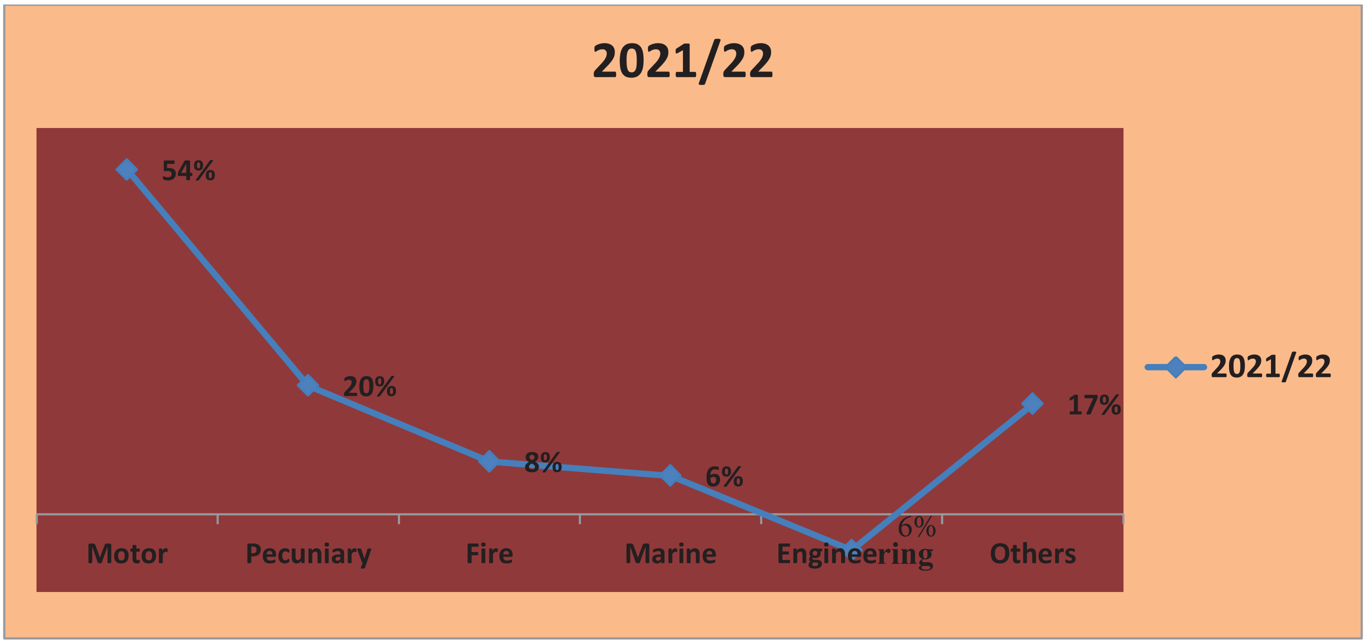
The table illustrates net claims incurred and net loss ratios by classes of business of the two consecutive fiscal years /in '000/

NO	Class of business	2021/22		Loss Ratio	2020/21		Loss Ratio
		Net Claims Incurred	Net Earned premiums		Net Claims Incurred	Net earned premiums	
1	Marine	169	5,033	3%	1,368	4,511	30%
2	Others	1,071	11,556	9%	2,737	11,097	25%
3	Pecuniary	1,852	15,115	12%	222	14,391	2%
4	Fire	2,565	7,871	33%	429	6,817	6%
5	Motor	62,650	109,248	57%	49,859	77,616	64%
6	Engineering	9,416	4,815	196%	1,712	3,603	48%
	Total	**77,722**	**153,639**	**51%**	**56,326**	**118,036**	**48%**

2.3 Underwriting Surplus

During the fiscal year ended on June 30, 2022, the Company earned underwriting surplus of Birr 82.7 million which is an increase of 27.2% as compared to last year's same period of Birr 65.03 million. Motor insurance contributed the largest percentage share which was 54 % followed by pecuniary, others, Fire and Marine.

The chart displays underwriting surplus contribution by classes of business



2.4 Profit and Loss Account

The financial year that ended on June 30, 2022 yielded a net profit before tax of Birr 53.5 million displaying a satisfactory rise of 17.2%. The net profit after tax for the year stood at Birr 50.4 million.

3. Statement of Financial Position

3.1 Assets

The company's total assets at the end of 30th June, 2022 stood at Birr 734.6 million. A growth of Birr 171.6 million or 30.5% was recorded as compared to the previous year same period balance of Birr 563 million.

3.2 Liabilities

At the end of 2021/22 fiscal year, the company's total liabilities amounted to Birr 469.3 million. It shows a growth of Birr 119.6 million or 34.2% as compared with the preceding year balance of Birr 349.7 million.

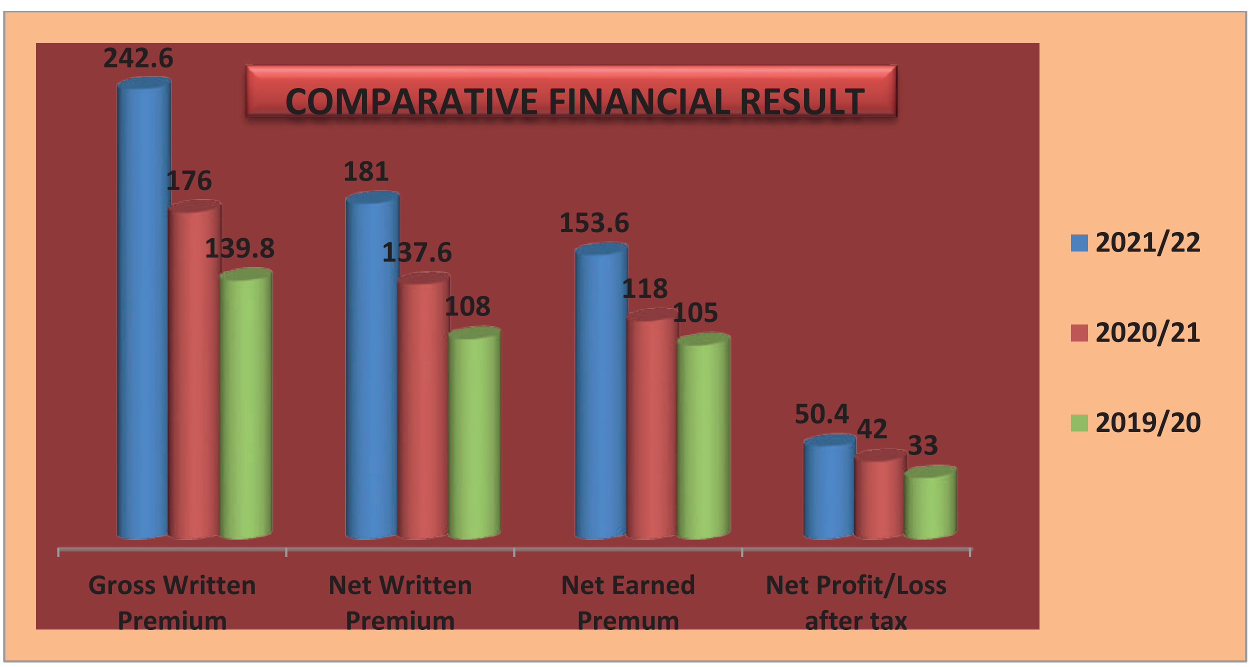
3.3 Equity Capital

The company's total equity capital at the end of 30th June, 2022 amounted to Birr 265.3 million. It grew by Birr 52 million or 24.4 % as compared with the balance as at 30th June 2021 of Birr 213.3 million.

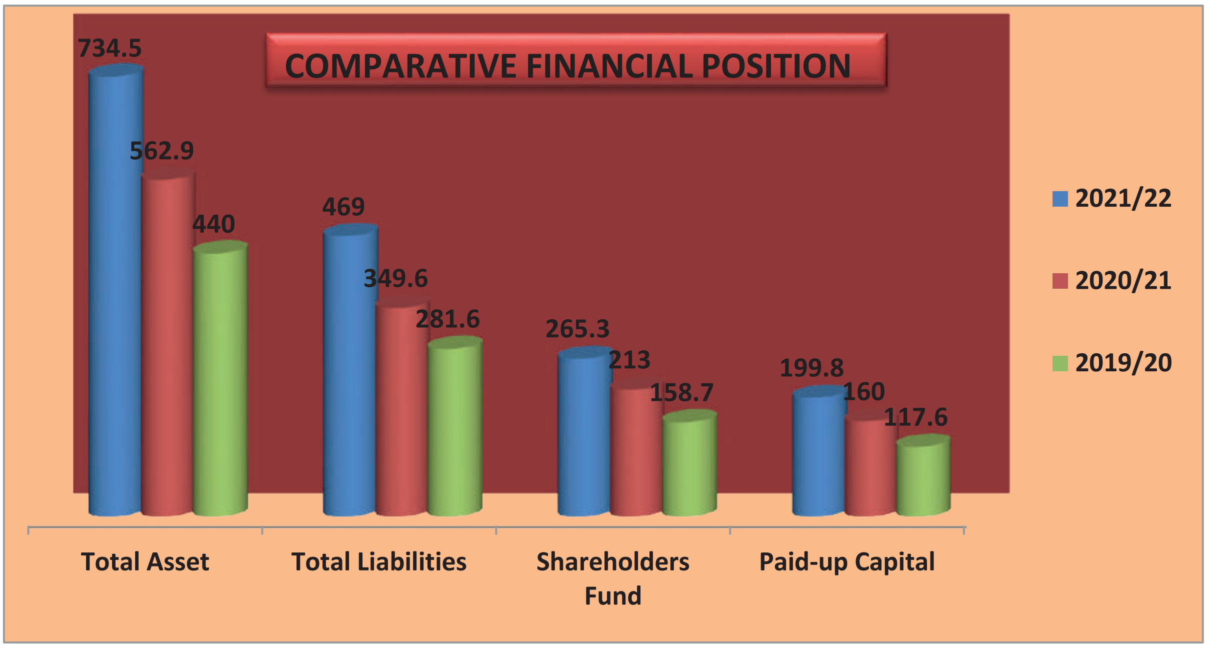
The table shows three consecutive fiscal years key performance indicators /in million/

In million	2021/22	2020/21	2019/20
FINANCIAL RESULT			
Gross Written Premium	242.6	176	139.8
Net Written Premium	181	137.6	108
Net Earned Premium	153.6	118	105
Net Profit/Loss after tax	50.4	42	33
FINANCIAL POSITION			
Total Asset	734.5	562.9	440
Total Liabilities	469	349.6	281.6
Shareholders Fund	265.3	213	158.7
Paid-up Capital	199.8	160	117.6

The chart portrays the three consecutive fiscal years comparative Financial Results



The chart represents the three consecutive fiscal years comparative Financial Position



4. Branch Expansion

Expanding our network of physical outlets is one of our strategies designed to attain company's goals. We managed to open two full-fledged branch offices in Addis Ababa. Although we planned to open four branches, only two were realized due to external forces beyond our control. At the end of the reporting period on June 30, 2022, the numbers of branch offices reached 25 of which 16 of them are located in the capital and the rest 9 are in regional towns.

We will continue to expand to reach out to important and commercially viable locations based on thorough market feasibility studies.

5. Human Resource Development

Our company recognizes its human capital as the most valuable asset and strives to continually enhance their capacity. The company was committed towards investing on its human capital through training and development. Accordingly, 74 employees attended different trainings in various topics in the period meant to fill up their skill and knowledge gaps.

Staff strength of the company as at June 30, 2022 reached 201. In order to enhance and maintain the team spirit and collaboration among employees, staff day was prepared during the period under review.

6. Investment

Cognizant of the investment scenarios and the directive of the regulatory body, cash of the company invested on the shares of Berhan Bank S.C and Ethiopian Reinsurance S.C to maximize the shareholders' benefit.

The company is constructing a warehouse on 1,500 square meter plot of land in the premises of a recovery yard of the company in Akaki Kality sub-city.

In order to have our own headquarter building, we are trying all possible means to acquire a building that can fulfill our technical specifications and meets our financial capacity.

7. Corporate Social Responsibility

To discharge social responsibility as a corporate citizen, the company responded to social and national calls. Accordingly, the company provided support for the following entities:

- Kidney Failure Dialysis Charity Organization
- Victims of draught in Borena & Guji Zones
- Finfine Surrounding Chamber of Commerce and Sectorial Associations

8. Marketing & Business Development

In the reporting period, the company and its insurance solutions were promoted through selected Television Channels and Radio Stations, Billboard and other print media. Additionally, in order to support the effort of premium income generation, 19 new sales agents were recruited and trained.

Although there is a shortage of life professionals in the market, we are still trying for a professional who can fulfill the licensing requirements of the regulatory body so as to launch life assurance business.

9. Risk & Compliance Service

During the year under review appropriate risk management strategy was in place to protect the company from uncertainties so as to strengthen the risk management system and ascertain its financial viability and stability.

10. Information Technology Service

With the objective of increasing customer satisfaction and the overall operational efficiency of the company, Integrated Insurance Management Information System (IIMIS) project is underway for implementation.

11. Reinsurance Arrangement

In order to share its risk and enhance its risk acceptance capacity, the company has entered into reinsurance agreements with internationally renowned "A" rated and "B" rated Reinsurers including Ethiopian Reinsurance S.C. and managed to give covers for the proposed risks beyond its capacity.

12. Vote of Thanks

The Directors would like to express their gratitude to all who exerted their effort towards the satisfactory achievements registered in the reporting period. Our special vote of thanks goes to our esteemed customers for their continued patronage. We also wish to express our appreciation and respect to National Bank of Ethiopia, founders, shareholders, Management and Staff of the company, Management of Berhan Bank S.C, Reinsurers, Sales Agents, Brokers and other stakeholders for their most valuable contributions.

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Berhan Insurance S.C.

AUDITORS' REPORT

BERHAN INSURANCE S.C
AUDITOR'S REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

Berhan Insurance S. C
Contents
For the year ended 30 June 2022

Berhan Insurance S. C
Directors, professional advisors and registered office
For the year ended 30 June 2022

Company registration number: 020/2/9361/2003

Board Of Directors *(as of 30 June 2022)*		**Designation**	**Appointment Date**
1	Ato Tewodros Meheret	Chairman	18/Jun/20
2	Ato Solomon Assefa	D/chairman	24/May/17
3	W/ro Yemenashu Kassahun	Member	18/Jun/20
4	Ato Abraham Alaro	Member	18/Jun/20
5	Dr. Salehu Anteneh	Member	18/Jun/20
6	Ato Girum Tsegaye	Member	24/May/17
7	Ato Sibilu Bodja	Member	24/May/17
8	W/ro Melkerist Hailu	Member	24/May/17
9	Dr. Taye Berhanu	Member	18/Jun/20

Executive Management Team *(as of 30 June 2022)*		**Designation**	**Appointment Date**
1	Ato Alemayehu Tefera	Chief Executive Officer	21/Jun/15
2	Ato Sibu Ayele	DCEO, Strategy and Corporate Service	1/Feb/20
3	W/rt. Rediet Baye	DCEO, U/W and Reinsurance	1/Dec/20
4	Ato Admassu Zerihun	DCEO, Claims and Engineering	1/Dec/20
5	Ato Girum Teferi	Manager, Engineering Department	12/Jun/17
6	Ato Hailye Gerawork	Manager, U/Writing,reinsurance & Branch oper.	1/Nov/21
7	Ato Natnael Hailu	Manager, Finance and Investment Department	28/Feb/22
8	Ato Getinet Awoke	Manager, Marketing and Bussiness Dev't Dep't	1/Sep/21
9	W/ro Genet Yemanebirhan	Manager, HR and Property Administration Dep't.	26/Apr/22
10	Ato Yoftahe Mekonnen	Manager, IT Service	23/Sep/21
11	Ato Samueal Ayele	Manager, Legal Service	23/Mar/22
12	W/ro Yetnayet Asegid	Manager, Risk & Compliance Service	21/Apr/22

Independent auditor

Degefa and Tewodros Audit Service Partnership
Chartered Certified Accountants (UK) and Authorized Auditors (Eth.)
Addis Ababa,
Ethiopia

Corporate office

Berhan Insurance S.C
Garad City Center
7th floor
Bole, Wollosefer
Addis Ababa,
Ethiopia

Consulting Actuaries

Actuarial Service (EA) Ltd
26th Floor, UAP Old Mutual Tower, Upper Hill Road
P.O.Box 10472 - 00100 Nairobi, Kenya

Nairobi City, Kenya

Principal bankers

Berhan International Bank
NIB International Bank
United Bank
Enat Bank
Oromia Cooperative Bank

Re-insurers

African Reinsurance Corporation
Ethiopian Reinsurance S.C
PTA Reinsurance Co.
Ghana Reinsurance Company
East Africa Reinsurance Co.

Berhan Insurance S. C
Report of the directors
For the year ended 30 June 2022

The directors submit their report together with the financial statements for the year ended 30 June 2022, to the members of Berhan Insurance S.C. This report discloses the financial performance and state of affairs of the Company.

Incorporation and address

Berhan Insurance Company (S.C) was incorporated in Ethiopia on 1 October, 2010 as a share company, and is domiciled in Ethiopia.

Principal activities

The principal activity of the Company is to engage in general insurance business.

Results and dividends

The Company's results for the year ended 30 June 2022 are set out on page 26. The profit for the year has been transferred to retained earnings. The summarised results are presented below.

	30 June 2022 Birr'000	30 June 2021 Birr'000
Gross premium written	242,585	176,350
Profit before income tax	53,514	45,664
Profit tax expense	(3,109)	(3,403)
Net Profit for the year	**50,406**	**42,261**

Directors

The directors who held office during the year and to the date of this report are set out on page 21

Alemayehu Tefera
Chief Executive Officer
Addis Ababa, Ethiopia

Berhan Insurance S. C
Statement of directors' responsibilities
For the year ended 30 June 2022

In accordance with the Financial Reporting Proclamation No. 847/2017, the Accounting and Auditing Board of Ethiopia (AABE) has directed the Company to prepare financial statements in accordance with International Financial Reporting Standards (IFRS).

The directors are responsible for the preparation and fair presentation of these financial statements in conformity with accounting principles generally accepted in Ethiopia and in the manner required by the Commercial Code of Ethiopia of 2013, 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. The Company is required to keep such records as are necessary to:

a) exhibit clearly and correctly the state of its affairs;

b) explain its transactions and financial position; and

c) enable the National Bank of Ethiopia to determine whether the Insurance Company had complied with the provisions of the Insurance Business Proclamation and Regulations and Directives issued for the implementation of the aforementioned Proclamation.

The Directors accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards, Insurance Business Proclamation, Commercial code of 2013 and the relevant Directives issued by the National Bank of Ethiopia.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Directors by:

Tewodros Meheret **Board Chairman**	**Alemayehu Tefera** **Chief Executive Officer**

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91-112 16 57
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Degefa and Tewodros
Audit Services
Partnership
P.O.Box 8118
Email: deg.lem@ethionet.et
chalatewodros@gmail.com

Partners
Degefa Lemessa, B.A, FCCA & Tewodros Hailu, M.A, FCCA

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF Berhan Insurance S.C

Opinion

We have audited the accompanying financial statements of ***Berhan Insurance S.C*** which comprise the statement of profit and loss and other comprehensive income for the year ended 30 June 2022, statement of financial position as at 30 June 2022, statement of changing equity and statement of cash flows for the year then ended and summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of ***Berhan Insurance S.C*** as at 30 June 2022 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standardsas issued by IASB.

As required by the commercial code of Ethiopia, based on our audit we report as follows:

i) Pursuant to Article 349 (1) of the commercial Code of Ethiopia, 2013 and based on our reviews of the board of directors' report, we have not noted any matter that we may wish to bring to our attention.

ii) Pursuant to article 349 (2) of the commercial code of Ethiopia we recommend the financial statements be approved.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for the Professional Accountants (IESBA CODE) together with the ethical requirements that are relevants to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon; we do not provide a separate opinion on these matters. We have determined there are no the key audit matters to be communicated in our report.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statemenst in accordance with the accounting policies of the company and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

In preparing the financial statements management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless management either intends to liquidate the company or to close operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditors Responsibility for the Audit of the financial Statements

Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Degefa & Tewodros Audit Services
Partnership Chartered Certified
Accountants

Addis Ababa
September 28,2022

Berhan Insurance S. C
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Notes	30 June 2022 Birr'000	30 June 2021 Birr'000
Gross premium income	5.1	214,950	156,763
Reinsurance expenses	5.3	(61,311)	(38,727)
Net premium income		153,639	118,036
Fee and commission income	6	14,053	8,738
Net underwriting income		167,692	126,774
Claims expenses	7.1	88,364	59,147
Claims expenses recoverable from reinsurance	7.2	(10,642)	(2,820)
Net claims and loss adjustment expense		77,722	56,327
Underwriting expenses	8	7,256	5,420
Total underwriting expenses		84,978	61,747
Underwriting profit		82,715	65,027
Investment income	9	42,106	34,996
Other operating income	10	2,209	2,336
		44,314	37,332
Net income		127,029	102,359
Other operating and administrative expenses	11	(73,515)	(56,695)
Impairment on loans and receivables including insurance receivables	15.1	-	-
Profit before income tax		53,514	45,664
Income tax expense	12.1	(3,109)	(3,403)
Profit for the year		**50,406**	**42,261**
Other comprehensive income			
Items that will not be subsequently reclassified into profit or loss:			
Deferred tax (liability)/asset on remeasurement gain or loss		(378)	(5)
Deferred tax (liability)/asset	12.3	113	1
		(265)	(3)
Total comprehensive income for the year		**50,141**	**42,258**
Basic & diluted earnings per share (Birr)	29	26%	28%

The notes on pages 30 to75 are an integral part of these financial statements.

Berhan Insurance S. C
Statement of financial position
As at 30 June 2022

	Notes	30 June 2022 Birr'000	30 June 2021 Birr'000
ASSETS			
Cash and cash equivalents	13	431,364	312,032
Investment securities			
- Available for sale	14.1	54,753	47,203
- Loans and receivables	14.2	17,500	17,500
Statutory Deposit in cash	21	11,300	5,186
Trade and other receivables	15	11,425	8,758
Reinsurance assets	16	123,657	103,852
Deferred acquisition cost	17	4,977	3,181
Other assets	18	35,708	29,408
Intangible assets	19	-	-
Property, plant and equipment	20	43,885	35,856
Total assets		**734,570**	**562,975**
LIABILITIES			
Insurance contract liabilities	22	350,732	275,000
Deferred tax liabilities	12.3	1,042	835
Current income tax liabilities	12.2	2,788	3,443
Insurance payables	23	61,080	27,165
Other liabilities	24	53,638	43,216
Total liabilities		**469,280**	**349,660**
EQUITY			
Share capital	27	199,875	160,311
Share premium	28	1,246	1,246
Retained earnings	30	45,365	37,729
Other comp. income		(48)	217
Legal reserve	31	18,853	13,812
Total equity		**265,291**	**213,316**
Total equity and liabilities		**734,570**	**562,975**

The notes on pages 30 to 52 are an integral part of these financial statements.

The financial statements on pages 30 to 52 were approved and authorised for issue by the board of directors on September 28, 2022 and were signed on its behalf by:

Tewodros Meheret
Board Chairman

Alemayehu Tefera
Chief Executive Officer

Berhan Insurance S. C
Statement of changes in equity
For the year ended 30 June 2022

	Notes	Share capital Birr'000	Share premium Birr'000	Retained earnings Birr'000	Legal reserve Birr'000	Other comprehensive income	Total Birr'000
As at 1 July 2021		**117,676**	**1,246**	**30,039**	**9,586**	**220**	**158,767**
Profit for the year	30	-	-	42,261	-	-	42,261
Dividend paid		-	-	(30,344)	-	-	(30,344)
Proceeds from issue of shares		42,635	-	-	-	-	42,635
Transfer to legal reserve	31	-	-	(4,226)	4,226		(0)
Other comprehensive income:						(3)	(3)
							-
Total comprehensive income for the year		42,635	-	7,690	4,226	(3)	54,548
As at 30 June 2021		**160,311**	**1,246**	**37,729**	**13,812**	**217**	**213,316**
As at 1 July 2021		160,311	1,246	37,729	13,812	217	213,316
Profit for the year	30	-	-	50,406	-	-	50,406
Dividend paid		-	-	(37,730)	-	-	(37,730)
Proceeds from issue of shares		39,564	-	-	-	-	39,564
Transfer to legal reserve	31	-	-	(5,041)	5,041		-
Other comprehensive income:						(265)	(265)
							-
Total comprehensive income for the year		**39,564**	-	**7,635**	**5,041**	**(265)**	**51,975**
As at 30 June 2022		**199,875**	**1,246**	**45,365**	**18,853**	**(48)**	**265,291**

The notes on pages 30 to75 are an integral part of these financial statements.

Berhan Insurance S. C
Statement of cash flows
For the year ended 30 June 2022

	Notes	30 June 2022 Birr'000	30 June 2021 Birr'000
Cash flows from operating activities			
Cash generated from operations	32	39,343	(8,187)
Interest received		39,927	28,263
Interest paid		-	-
Income tax paid	12	(3,443)	(2,171)
Net cash inflow from operating activities		**75,827**	**17,905**
Cash flows from investing activities			
Purchase of investment securities	14	(7,550)	(11,783)
Purchase of property, plant and equipment	20	(12,525)	(9,537)
Purchase of intangible assets	19	-	-
Proceeds from sale of property, plant and equipment	32	886	1,964
Dividend received			
Net cash outflow from investing activities		(19,189)	(19,357)
Cash flows from financing activities			
Increase in statutory deposits	21	(6,114)	(1,687)
Proceeds from issues of shares	27	39,564	42,635
Increase in share premium	28	-	-
Dividends paid	30	(37,730)	(30,344)
Net cash outflow from financing activities		(4,280)	10,604
Net increase in cash and cash equivalents		**52,358**	**9,152**
Cash and cash equivalents at the beginning of the year	13.1	49,037	39,885
Cash and cash equivalents at the end of the year	13.1	**101,395**	**49,037**

The notes on pages 30 to75 are an integral part of these financial statements.

Berhan Insurance S. C
Notes to the financial statements
For the year ended 30 June 2022

1 General information

Berhan Insurance ("the Company) SC is a private commercial Insurance Company domiciled in Ethiopia. The Company was established on October 2010, in accordance with proclamation No. 86/1994 and the Commercial code of Ethiopia of 2013. The Company has been licensed by the National bank of Ethiopia, the licensing body of Banks, Insurance and other Financial Institutions as per the power vested to it through Proclamation No 591/2008, the National Bank of Ethiopia Establishment (as amended) Proclamation. The registered office is at:

Garad City Mall
Bole, Wollo Sefer
P.O.Box 9266
Addis Ababa,
Ethiopia

The principal activities of the Company is to engage in general insurance business, annuity business, personal accident insurance business, and in the business of reinsurance; to invest in real estate business, including mortgage, bonds, shares and in any other business condusive for investment; and to engage in any other activity that may directly or indirectly enhance its business purposes as specified above.

2 Summary of significant accounting policies

2.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation

The financial statements for the year ended 30 June 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information required by National regulations is included where appropriate.

The financial statements comprise the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept except for available for sale financial assets which is measured at fair value. All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in thousands of Ethiopian Birr (Birr' 000).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2.1 Going concern

The financial statements have been prepared on a going concern basis. The management have no doubt that the Company would remain in existence after 12 months.

2.2.2 Changes in accounting policies and disclosures

New Standards, amendments, interpretations issued but not yet effective.

A number of new standards and amendments to standards and interpretations are effective for annual periods after 30 June 2022, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IAS 1 - Amendments

On 23 January 2020, the IASB issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022, however, their effective date has been delayed to 1 January 2023.

Besides, IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. Effective January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

IAS 12 amendments on deferred tax

On 7 May 2021, the IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after 1 January 2023.

Amendments to IFRS 17 Insurance contracts

On 25 June 2020, the IASB issued 'Amendments to IFRS 17' to address concerns and implementation challenges that were identified after IFRS 17 'Insurance Contracts' was published in 2017.

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. IFRS 17 'Insurance Contracts' was issued by the IASB on 18 May 2017 and is effective for periods beginning on or after 1 January 2023.

Amendments on disclosure of accounting policies

On 12 February 2021, the IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023.

IAS 8 amendments on accounting

On 12 February 2021, the IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023.

IAS 16 "Property, Plant and Equipment" amendments

On 14 May 2020, the IASB issued 'Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)' regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

Moreover, IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life. The amendments are effective for annual periods beginning on or after January 1, 2023. Early application is permitted.

2018-2020 annual improvements cycle

On 14 May 2020, the IASB issued 'Annual Improvements to IFRS Standards 2018–2020'. The pronouncement contains amendments to four International Financial Reporting Standards (IFRSs) as result of the IASB's annual improvements

IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"amendments regarding onerous contracts

On 14 May 2020, the IASB issued 'Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

IFRS 3 amendments updating a reference to the Conceptual Framework

On 14 May 2020, the IASB issued 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

2.3 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The functional currency and presentation currency of the Company is the Ethiopian Birr (Birr).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognised in profit or loss within other (loss)/income. Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

b) Transactions and balances

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

2.4 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in income statement as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Asset class	Useful life	Depreciation Rate	Estimated Residual value
Motor vehicles	10	10%	5%
Computer and accessories	7	14%	1%
Office equipment	10	10%	1%
Furniture and fittings	10	10%	1%
Buildings	50	2%	1%

The Company commences depreciation when the asset is available for use.

Degefa and Tewodros Audit Service Partnership Certified Auditors in Ethiopia

Accounting and Auditing Board of Ethiopia 0118861296 0111541233 Original Copy Submited to the board

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in income statement in the period in which the expenditure is incurred .

The useful lives of intangible assets are assessed to be either definite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives is presented as a separate line item in the income statement.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives, as follow:

Assets class	Useful lives (years)
Computer software	8

2.5 Intangible assets (Contd)

Deferred policy acquisition costs (DAC)

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset (DAC). Deferred acquisition costs represents a portion of commission which are incurred during a financial year and are defered to the extent that they are recoverable out of future revenue margins. All other costs are recognised as expenses when incurred.

Subsequent to initial recognition, this DAC asset is amortised over the expected life of the contracts as a constant percentage of expected premiums. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method and are treated as a change in an accounting estimate.

The pattern of expected profit margins is based on historical and anticipated future experience and is updated at the end of each accounting period. DACs are derecognised when the related contracts are either settled or disposed.

2.6 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

2.7 Financial instruments - initial recognition and subsequent measurement

2.7.1 Financial assets

The company shall initially recognise Financial assets and liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) shall be recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability shall be measured initially at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset shall be classified either as measured at either amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

The company shall measure a financial asset at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

— the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
— the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI). `

A debt instrument shall be measured at FVOCI only if it meets both of the following conditions and is not designated at FVTPL:
— the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
— the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition, an equity investment that is held for trading shall be classified at FVTPL. However, for equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All other financial assets that do not meet the classification criteria at amortised cost or FVOCI, above, shall be classified as measured at FVTPL.

In addition, on initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

– *Business model assessment*

The company shall make an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

— the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

— how the performance of the portfolio is evaluated and reported to the company's management;

— the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

— how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
— the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis shall be
Financial assets shall not be reclassified subsequent to their initial recognition, except in the period after the company

– *Assessment of whether contractual cash flows are solely payments of principal and interest*
For the purposes of this assessment, 'principal' shall be defined as the fair value of the financial asset on initial
In assessing whether the contractual cash flows are SPPI, the company considers the contractual terms of the
— contingent events that would change the amount and timing of cash flows;
— leverage features;
— prepayment and extension terms;
— terms that limit the company's claim to cash flows from specified assets (e.g. non-recourse loans); and

— features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or
(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the Company of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganisation, default or delinquency in interest or principal payments and where observable data indicates that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (such as loans and receivables), the Company first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.The interest income is recorded as part of 'Interest and similar income'. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write–off is later recovered, the recovery is credited to the 'loan impairment charge'.

The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Company's internal credit grading system, that considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past–due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Company.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the Company and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

2.7.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition, as financial liabilities at fair value through profit or loss and other financial liabilities.

All financial liabilities are recognised initially at fair value and, in the case of other financial liabilities, net of directly attributable transaction costs. The Company's financial liabilities include insurance contract liabilities, insurance payables, and other liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

***a)* Financial liabilities at amortised cost**

These are financial liabilities issued by the Company, that are not designated at fair value through profit or loss but are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

After initial measurement, financial liabilities at amortised cost are subsequently measured at amortised cost using the EIR. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

All financial liabilities of the Company are carried at amortised cost.

Derecognition of financial liabilities

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

2.7.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Company has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legal enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Company or the counterparty.

2.8 Other assets

Other assets are generally defined as claims held against other entities for the future receipt of money or other benefits. The other assets in the Company's financial statements include the following:

(a) Prepayments

Prepayments are payments made in advance for services to be enjoyed in future. The amount is initially capitalized in the reporting period in which the payment is made and subsequently amortised over the period in which the service is to be enjoyed.

(b) Other receivables

Other receivables are recognised upon the occurrence of event or transaction as they arise and cancelled when payment is received. The Company's other receivables are staff debtors and sundry debtors.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with Banks and other short-term highly liquid investments with original maturities of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, cash at bank, short term deposit with banks.

2.10 *Leases*

The company recognizes:
_ a lease liability at the present value of the lease payments that are not paid at that date. Present value of lease payments will be determined by discounting future lease payments at the interest rate implicit in the lease arrangement, if it is readily determined or at company's incremental borrowing rate.

After the commencement date, the company masures:
_ right-of-use assets using cost model, i.e. cost at initial recognition less accumulated depreciation (in line with IAS 16: Property, plant and Equipment) and accumulated impairment losses (in line with IAS 36: Impairment of Assets).
_ lease liability by increasing its carrying amount to reflect interest on the lease liability and by reducing its carrying amount to reflect lease payments made.

Interest incurred on lease liability will be recognized in the statement of profit and loss as a finance cost.

Determination of whether an arrangement is a lease, or contains a lease
The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as a lessor
Leases where the company does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income is recorded as earned based on the contractual terms of the lease in Other operating income. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.11 Insurance contracts

2.11.1 Classification

The Company issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. As a general guideline, the Company defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk.

2.11.2 Recognition and measurement

The Company's insurance contracts are short term insurance contracts. This classification is based on the duration of risk and whether or not the terms and conditions are fixed.

Short-term insurance contracts

These contracts are casualty, property and short-duration life insurance contracts.

Casualty insurance contracts protect the Company's customers against the risk of causing harm to third parties as a result of their legitimate activities. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Short-duration life insurance contracts protect the Company's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents to maintain their current level of income.

Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder. There are no maturity or surrender benefits.

For all these contracts, premiums are recognised as revenue (earned premiums) over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability. Premiums are shown before deduction of commission and are gross of any taxes or duties levied on premiums.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Company. the Company does not discount its liabilities for unpaid claims other than for disability claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Company and statistical analyses for the claims incurred but not reported, and to estimate the expected

2.11.3 Liability adequacy test

At each end of the reporting period, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related deferred acquisition costs (DAC) assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision).

2.11.4 Reinsurance contracts held

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

In certain cases, a reinsurance contract is entered into retrospectively to reinsure a notified claim under the Company's property or casualty insurance contracts. Where the premium due to the reinsurer differs from the liability established by the Company for the related claim, the difference is amortised over the estimated remaining settlement period.

The Company assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Company gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated following the same method used for these financial assets.

2.11.5 Receivables and payables related to insurance contracts and investment contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Company gathers the objective evidence that an insurance receivable is impaired using the same process adopted for loans and receivables.

The impairment loss is calculated under the same method used for these financial assets.

2.11.6 Salvage and subrogation reimbursements

Some insurance contracts permit the Company to sell (usually damaged) property acquired in settling a claim (for example, salvage). the Company may also have the right to pursue third parties for payment of some or all costs (for example, subrogation).

Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognised in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.

2.12 Revenue recognition

a) *Gross premiums*

Gross general insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the reporting period. They are recognised on the date on which the policy is effective. Premiums include any adjustments arising in the reporting period for premiums receivable in respect of business written in prior accounting periods. Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated using the 1/24th method as prescribed by Licensing and Supervision of Insurance Business Directive No SIB/17/98. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

b) *Reinsurance premiums*

Gross general reinsurance premiums ceded comprise the total premiums payable for the whole cover provided by contracts entered into in the period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums ceded in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net benefits and claims, respectively, because this is consistent with how the business is managed.

c) *Fees and commission income*

Insurance contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

d) *Investment income*

Interest income is recognised in the statement of profit or loss as it accrues and is calculated by using the EIR method. Fees and commissions that are an integral part of the effective yield of the financial asset are recognised as an adjustment to the EIR of the instrument.

Investment income also includes dividends when the right to receive payment is established, which is generally when the shareholders approve and declare the dividend.

2.13 Gross benefits and claims

General insurance and health claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

2.14 Reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

2.15 Employee benefits

(a) *Wages, salaries and annual leave*

Wages, salaries, bonuses, other contributions, paid annual leave and sick leave are accrued in the year in which the associated services are rendered by employees of the Company.

(b) *Defined contribution plan*

The company operates two defined contribution retirement benefit schemes for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. In a defined contribution plan, the actuarial risk falls 'in substance' on the employee. They include;

i) pension scheme in line with the provisions of Ethiopian pension of private organisation employees proclamation 715/2011. Funding under the scheme is 7% and 11% by employees and the Company respectively;

ii) provident fund contribution, funding under this scheme is also 7% and 11% by employees and the Company respectively based on the employees' salary.

The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The assets of this scheme are held in separate trustee administered funds, which are funded by contributions from both the employee and the company. The contributions are recognised as employee benefit expense in the profit or loss in the year they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the

2.16 Fair value measurement

The Company measures financial instruments classified as available-for-sale at fair value at each year end. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are, summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Note 4.8.1 and Notes 3
- Quantitative disclosures of fair value measurement hierarchy Note 4.8.2

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.16 Fair value measurement (Contd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as available-for-sale financial assets.

The IASB has issued an exposure which gave companies whose business model is predominantly to issue insurance contracts an option to deffer the effective date of IFRS 9 until 2021, and **Berhan Insurance s.c** is opted to deffer it. In this regard, for eligibility, management has assessed the following:

. **Berhan insurance s.c.** has not previously applied any version of IFRS 9.

. The total carrying amount of liabilities connected with insurance, which includes liabilities under IFRS 4 and investment contract liabilities measured at fair value under IAS 39, for the year ended 30 June 2022 is equivallent to 94% of total liabilities which is significant.

Fair value of financial instruments

Equity Investment	**30-Jun-22**	**30-Jun-21**
Investment in shares - Berhan Bank	50,631	54,261
Investment in shares - Ethio Re	12,550	5,000
Total	**63,181**	**59,261**

	30-Jun-22	**30-Jun-21**
Beginning Balance	59,261	55,069
Additions	-	-
Increase/(decrease) in fair value	3,920	4,192
Disposals	-	-
Closing fair value	**63,181**	**59,261**

This investment is unquoted equity instrument subsequently measured at fair vlue. The estimated fair value of the equity investment in Berhan bank share company is Birr 50,631,000 and Birr 54,261,000 for the year ended 30 june 2022 and 2021 respectively.This fair value has been determined by applying an appropriate valuation technique, *the dividend discount method*. This valuation has not been performed by an independent valuer.In applying this method management has assumed an estimated annual dividend income of birr 3,920,328 for the financial year ended June 30,2022 by reference to past trend and a minimum rate of return of 13%. The dividend earned from the bank is assumed to follow the same trend. So the average dividend earned for the past five years was used to determine the fair value.

The investment in equity instrument of Ethio-Re was reported at cost, due to the lack of relevant information.

2.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as other operating expenses.

2.18 Share capital

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds. The excess of the issue price over the par value is recorded in the share premium reserve.

2.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding for the effect of all diluted potential ordinary shares.

2.20 Dividends

Dividends are recorded in equity in the period in which they are declared. Any dividends declared after the end of the reporting period and before the financial statements are authorised for issue, are disclosed in the subsequent events note. The statutory accounting reports of the Company are the basis for profit distribution and other appropriations. Ethiopian legislation identifies the basis of distribution as the current year net profit.

2.21 Income taxation

(a) *Current income tax*

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Ethiopia. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) *Deferred tax*

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management Note 4.7
- Financial risk management and policies Note 4.3
- Sensitivity analyses disclosures Note 4.2

3.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Certified Auditors in Ethiopia
Degefa and Tewodros Audit Service Partnership

Accounting and auditing Board of Ethiopia
0118861296
0111541235
Originally Submited to the board

lease commitments -Company as lessee

The Company has initially adopted IFRS 16 from 1 July 2019. The standard eliminates the classification of leases as either operating leases or finance leases under IAS 17 and introduces a single lease accounting model that requires lessees to recognize assets and corresponding liabilities. Due to the transition method chosen by the company in applying IFRS 16

The adoption of IFRS 16 requires the Company to make a number of assumptions, estimations and judgments that includes:

_ lease liabilities were determined based on the value of the remaining lease payments, discounted by an appropriate incremental borrowing rate.

_ term of each arrengment was based on the original lease term.

_ The discount rate used to determine lease liabilities was the Company's incremental borrowing rate. It was calculated based on observable inputs

At the commencement date, the Company recognized:

_ all leases as right right-of-use-asset at cost. Cost of right-of-use asset includes the amount of lease liability, lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

_ a lease liability at the present value of the lease payments that are not paid at that date. Present value of lease payments will be determined by discounting future lease payments at the interest rate implicit in the lease arrangement, if it is readily determined or use incremental borrowing rate.

After the commencement date, the Company masures:

_ right-of-use assets using cost model, i.e. cost at initial recognition less accumulated depreciation (in line with IAS 16: Property, plant and Equipment) and accumulated impairment losses (in line with IAS 36: Impairment of Assets).

_ lease liability by increasing its carrying amount to reflect interest on the lease liability and by reducing its carrying amount to reflect lease payments made.

Interest incurred on lease liability will be recognized in the statement of profit and loss as a finance cost.

Determination of whether an arrangement is a lease, or contains a lease
The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

The Company has entered into commercial property leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Non-life insurance (which comprises general insurance and healthcare) contract liabilities

The liability for non-life insurance contracts is either based on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time together with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

Certain acquisition costs related to the sale of new policies are recorded as deferred acquisition costs (DAC) and are amortised to the consolidated statement of profit or loss over time. If the assumptions relating to future profitability of these policies are not realised, the amortisation of these costs could be accelerated and this may also require additional impairment write-offs to the consolidated statement of profit or loss. The main assumptions used relate to investment returns, expenses, lapse and surrender rates and discount rates.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

3.2 Estimates and assumptions (Contd)

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgements, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgement is also required in determining whether the pattern of insurance service provide by a contract requires amortisation of unearned premium on a basis other than time apportionment.

Impairment losses on insurance receivables

The Company assesses at the end of every reporting period whether there is any objective evidence that its premium receivable is impaired. The Company determines whether impairment losses are incurred if and only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the receivable (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the receivable that can be reliably estimated, or a trigger event is identified.

The following impairment triggers have been set by the Company:
(a) significant financial difficulty of the premium debtor;
(b) significant financial difficulty of the broker;
(c) a breach of agreements, such as payment defaults or delinquency in premium payments;
(d) Economic, regulatory or legal reasons relating to the premium debtor's financial difficulty, granting to the premium debtor a concession that the Company would not otherwise consider;
(e) High probability that the premium debtor will enter bankruptcy or other financial reorganisation.

If any of the impairment triggers are identified, the Company specifically assess the premium debt for impairment. Where no impairment trigger is identified, or no objective evidence of impairment exists, the Company assesses its premium debts collectively for impairment using the historical loss rate model.

The historical loss rate model considers the historical recoveries (cash flows) on premium debts for policies written in prior years, in order to determine the loss given default ratio on outstanding premium as at the reporting date. The model also considers premium receipts subsequent to the reporting date. The loss ratio derived is used to determine the allowance for impairment on premium debts.

This model assumes that all premium debts will be paid until evidence to the contrary (a loss or trigger event) is identified. On the identification of an objective evidence of impairment, the premium debts are subject to specific impairment. Where there is no objective evidence of impairment, the premium debts are subjected to collective impairment.

Collective impairment incorporates the following:
• current and reliable data, management's experienced credit judgements, and all known relevant internal and external factors that may affect collectability;
• historical loss experience or where institutions have no loss experience of their own or insufficient experience, peer company experience for a comparable company's of financial instruments at amortized cost;

Liabilities arising from insurance contracts

Liabilities for unpaid claims are estimated on case by case basis. The reserves made for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Company deem the reserves as adequate.

Impairment losses on available-for-sale equity financial assets

The Company determines that available-for-sale equity financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Company evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and financing and operational cash flows.

The Company's available-for-sale equity financial assets were assessed for impairment during the year and there was no identified objective evidence of impairment.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 4.8.2 for further disclosures.

Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4 Insurance and financial risk management

4.1 Introduction

The Company's activities expose it to a variety of financial risks, including insurance risk, financial risk, credit risk, and interest rates risk. The Company's overall risk management programme focuses on the identification and management of risks and seeks to minimise potential adverse effects on its financial performance, by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the approval of intermediaries and reinsurers. Investment policies are in place, which help manage liquidity, and seek to maximise return within an acceptable level of interest rate risk.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Company's policy is to monitor those business risks through the Company's strategic planning process.

4.1.1 Risk management structure

The Board of Directors have the ultimate responsibility for establishing and ensuring the effective functioning of the risk management program of the Company.

The Risk committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and risk tolerance limits for the Board's approval. It is also responsible for reviewing and assessing the adequacy of risk management policies and framework in identifying , measuring, monitoring and controlling risk and the extent to which these are operating effectively including providing periodic reports on risk management activities.

The Chief Executive Officer (CEO) is responsible for establishing and maintaining a climate of risk awareness and intelligence, as well as, developing governance mechanisms that effectively monitor risks.

The Company's policy is that risk management processes throughout the Company are assessed periodically by the management. This will help to adequately capture risk exposure, aggregate exposure of risk types and incorporate short run as well as long run impact on the Company.

4.1.2 Risk measurement and reporting systems

The Company's risks are measured using methods that reflect both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical model. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks is primarily performed based on limits established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept, with additional emphasis on selected regions. In addition, the Company measures and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

4.1.3 Risk mitigation

The Company uses various risk mitigating techniques to reduce it's risk to the level acceptable. Risk controls and mitigants, identified and approved for the Company, are documented for existing and new processes and systems.

Risk control processes are identified and discussed in the quarterly risk report of the Risk Committee meetings. Control processes are also regularly reviewed and changes agreed with the Board.

4.2 Insurance risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities. The Company is involved in only non-life insurance activities.

Non- life insurance contracts

The Company principally issues the following types of general insurance contracts: fire, accident and health, motor, Workmen compensation, marine cargo and goods in transit, pecuniary, general liability, engineering, political violence and terrorism, others and all risks.

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The table below sets out the concentration of non–life insurance contract liabilities by type of contract:

30 June 2022	Gross liabilities Birr'000	Reinsurance liabilities Birr'000	Net liabilities Birr'000
Motor	171,456	15,201	156,255
Marine	8,442	2,369	6,073
Fire	21,549	11,532	10,017
Accident and Health	4,680	585	4,095
Engineering	24,273	7,228	17,045
General Liability	6,050	2,438	3,612
Workmens'	1,730	82	1,648
Pecuniary	101,698	73,938	27,759
PVT	10,854	10,286	568
Total non-life insurance contract liabilities	350,732	123,659	227,074

30 June 2021	Gross liabilities Birr'000	Reinsurance liabilities Birr'000	Net liabilities Birr'000
Motor	130,244	14,187	116,057
Marine	5,831	1,052	4,779
Fire	8,773	2,806	5,967
Accident and Health	4,207	400	3,807
Engineering	11,476	4,261	7,215
General Liability	4,875	1,255	3,620
Workmens'	2,476	104	2,372
Pecuniary	101,065	73,965	27,100
PVT	6,053	5,821	233
Total non-life insurance contract liabilities	275,000	103,851	171,149

Key assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example: once–off occurrence; changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Sensitivities

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non–linear.

		Change in liability		
	Change in assumptions	**30 June 2022 Birr'000**	**30 June 2021 Birr'000**	**30 June 2020 Birr'000**
Average claim cost	+10%	1,981	1,515	8,117
Average number of claims	+10%	1,981	1,515	8,117
Average claim settlement period	Reduce from 30 months to 24 months			

		Change in liability	
	Change in assumptions	**30 June 2022 Birr'000**	**30 June 2021 Birr'000**
Average claim cost	-10%	(1,981)	(1,515)
Average number of claims	-10%	(1,981)	(1,515)
Average claim settlement period	Reduce from 30 months to 24 months		

	30 June 2022 Birr'000	30 June 2021 Birr'000
IBNR	19,814	15,154
Outstanding Claims	189,409	158,780
Total Actuarial Liability	209,223	173,934

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The cumulative claims estimates and cumulative payments are translated to euros at the rate of exchange that applied at the end of the accident year.

Gross non–life insurance contract outstanding claims provision for 2022:

Accident year	2019 Birr'000	2020 Birr'000	2021 Birr'000	2022 Birr'000	Total Birr'000
2019	45,115	46,019	63,435	109,095	263,665
2020	832	2,792	1,249	-	4,873
2021	-	158	-	-	158
2022	26	-	-	-	26
Cumulative Incurred	45,973	48,970	64,684	109,095	268,722
IBNR	2,928	2,453	2,948	6,234	14,562
Ultimate Claims Projected	48,901	51,422	67,632	115,329	283,284

Claims development table (Contd)

Gross non–life insurance contract outstanding claims provision for 2021:

Accident year	2018 Birr'000	2019 Birr'000	2020 Birr'000	2021 Birr'000	Total Birr'000
2018	46,268	45,115	46,019	63,435	200,837
2019	16,210	832	2,792	1,249	21,084
2020	614	-	158	-	772
20.21	2,141	26	-	-	2,167
Cumulative Incurred	65,234	45,973	48,970	64,684	224,860
IBNR	3,013	2,928	2,453	2,948	11,342
Ultimate Claims Projected	68,247	48,901	51,422	67,632	236,202

Gross non–life insurance contract outstanding claims provision for 2020:

Accident year	2017 Birr'000	2018 Birr'000	2019 Birr'000	2020 Birr'000	Total Birr'000
2017	47,727	46,268	45,115	46,019	185,130
2018	888	16,210	832	2,792	20,722
2019	363	614	-	158	1,135
20.2	-	2,141	26	-	2,167
Cumulative Incurred	48,977	65,234	45,973	48,970	209,154
IBNR	2,239	3,013	2,928	2,453	10,633
Ultimate Claims Projected	51,216	68,247	48,901	51,422	219,787

4.3 Financial risk

Financial instruments by category

The Company's financial assets are classified into the following measurement categories: available-for-sale and loans and receivables and the financial liabilities are classified into other liabilities at amortised cost.

The Company's classification of its financial assets is summarised in the table below:

30 June 2022	Notes	Available-For-Sale Birr'000	Loans and receivables Birr'000	Total Birr'000
Cash and cash equivalents	13	-	431,364	431,364
Investment securities				-
- Available for sale	14.1	54,753	-	54,753
- Loans and receivables	14.2	-	17,500	17,500
Trade and other receivables	15	-	11,425	11,425
Reinsurance assets	16	-	123,657	123,657
Total financial assets		54,753	583,946	638,699

30 June 2021	Notes	Available-For-Sale Birr'000	Loans and receivables Birr'000	Total Birr'000
Cash and cash equivalents	13	-	312,032	312,032
Investment securities				-
- Available for sale	14.1	47,203	-	47,203
- Loans and receivables	14.2	-	11,500	11,500
Trade and other receivables	15	-	8,758	8,758
Reinsurance assets	16	-	103,852	103,852
Total financial assets		47,203	436,142	483,345

4.4 Credit risk

Credit risk is the risk of financial loss, despite realization of collateral security or property, resulting from the failure of a debtor to honor its obligations to the company. It Includes investment activities (where the Company invests in bonds, debentures, or other credit instruments) and reinsurance arrangement of the Company.

4.4.1 Management of credit risk

Credit risk management is the process of controlling the impact of credit risk- related events on the company. Thus management involves identification, understanding and quantification of the degree of risks of loss and the consequent taking of appropriate measures. Obligors often appear both in the loan portfolio and as counterparties (and even if they don't, the factors driving the respective defaults appear in both), a proper analysis of credit risk often leads to having to consider the loan portfolio and the counterparty within the same analysis rather than being able to analyze those two separately and aggregating the results. This makes credit risk one of the most difficult and expensive to analyze, and it is important that key staff involved is aware of the difficulties and how to address them. The major risk that arises from a weakening of the credit portfolio is the impairment of the capital or liquidity. Therefore, the quality of an institution`s credit portfolio contributes to the risks borne policy holders (liquidity) and shareholders (capital impairment).

4.4.2 Concentration of credit risk

The credit risk of the Company have been concentrated in the following key areas of activities.

(a) Investing/lending activities

The Company faces these risks when it extends bond policies without collateral Of course when making investments in any bonds, debentures or other evidences of indebtedness, the insurer is taking on a credit risk. Clearly, such investment area is a major source of credit risk.

(b) Trade debtors/Financing of premiums

There is a potential credit risk arising from the fact that policyholders may not remit premiums on a timely basis, whether or not there is a premium-financing program in place and whether or not the business is written through an intermediary.

(c) Reinsurance

Insurers, especially general insurers, often rely heavily on their reinsurers for claim reimbursement. The credit risk arising in the reinsurance area can be very significant, making it critically important for insurers to establish formal policies with regard to the selection of reinsurers.

The table below show the maximum exposure to credit risk for the Company's financial assets. The maximum exposure is show gross before the effect of mitigation:

	30 June 2022 Birr'000	30 June 2021 Birr'000
Cash and cash equivalents	431,364	312,032
Investment securities		
- Available for sale	54,753	47,203
- Loans and receivables	17,500	17,500
Trade and other receivables	11,425	8,758
Reinsurance assets	123,657	103,852
Total maximum exposure	638,699	489,345

4.4.3 Credit quality analysis

(a) Credit quality of cash and cash equivalents

The credit quality of cash and bank balances and short-term investments that were neither past due nor impaired as at 30 June 2022 and 30 June 2021 and are held in Ethiopian banks have been classified as non-rated as there are no credit rating agencies in Ethiopia.

(b) Credit quality of trade and other receivables

30 June 2022	Neither past due nor impaired Birr'000	Past due but not impaired Birr'000	Individually impaired Birr'000	Total Birr'000
Insurance receivables				
Due from policy contract holders	256	-	(348)	(92)
Due from Co-insurers	-	-	-	-
Due from re-insurers	6,414	5,103	-	11,517
	6,670	5,103	(348)	11,425
Other loans and receivables				
Other receivables	31,405	-	-	31,405
Staff debtors	4,303	-	-	4,303
Gross amount	35,708	-	-	35,708
Less: Specific impairment allowance (note 15.1)	-			-
	35,708	-	-	35,708
	42,378	5,103	(348)	47,133

30 June 2021	Neither past due nor impaired Birr'000	Past due but not impaired Birr'000	Individually impaired Birr'000	Total Birr'000
Insurance receivables				
Due from policy contract holders	362	-	(348)	14
Due from Co-insurers	-	-	-	-
Due from re-insurers	2,281	6,463	-	8,744
	2,643	6,463	(348)	8,758
Other loans and receivables				
Other receivables	27,923	-	-	27,923
Staff debtors	1,484	-	-	1,484
Gross amount	29,407	-	-	29,407
Less: Specific impairment allowance (note 15.1)	-	-	-	-
	29,407	-	-	29,407
	32,050	6,463	(348)	38,165

(b) Credit quality of trade and other receivables (Contd)

(i) Trade and other receivables - neither past due nor impaired

The credit quality of the portfolio of loans and advances to customers that were neither past due nor impaired can be assessed by reference to the customer's ability to pay based on loss experience. Receivables in this category are past due for less than 30 (thirty) days.

	30 June 2022 Birr'000	30 June 2021 Birr'000
Neither past due nor impaired	42,378	32,050
	42,378	32,050

(ii) Trade and other receivables - past due but not impaired

	30 June 2022 Birr'000	30 June 2021 Birr'000
Past due up to 30 days	-	48
Past due up to 30 - 60 days	-	-
Past due by 60 - 90 days	-	-
Past due by 90 - 180 days	5,103	6,415
	5,103	6,463
Collective impairment		
	5,103	6,463

(iii) Allowance for impairment

The Company establishes an allowance for impairment losses that represents its estimate of incurred losses in its receivables from policy holders. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance, established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on receivables subject to individual assessment for impairment.

	30 June 2022 Birr'000	30 June 2021 Birr'000
Insurance receivables	(348)	(348)
Total allowance for impairment	(348)	(348)

4.4.4 Credit concentrations

The Company monitors concentrations of credit risk by sector, location and purpose. An analysis of concentrations of credit risk at 30 June 2022 and 30 June 2021. The Company concentrates all its financial assets in Ethiopia.

30 June 2022	Public enterprise Birr'000	Private Birr'000	Others Birr'000	Total Birr'000
Cash and cash equivalents	-	431,364	-	431,364
Investment securities				-
- Available for sale	-	54,753	-	54,753
- Loans and receivables	17,500	-	-	17,500
Trade and other receivables	-	11,517	256	11,773
Reinsurance assets	-	123,657	-	123,657
	17,500	621,291	256	639,047

30 June 2021	Public enterprise Birr'000	Private Birr'000	Others Birr'000	Total Birr'000
Cash and cash equivalents	-	312,032	-	312,032
Investment securities:				-
- Available for sale	-	47,203	-	47,203
- Loans and receivables	17,500	-	-	17,500
Trade and other receivables	-	8,744	362	9,106
Reinsurance assets	-	103,852	-	103,852
	17,500	471,831	362	489,693

4.5 Liquidity risk

Liquidity refers to the company's ability to meet its current obligations. Liquidity is a measure of the ability of a debtor to pay his debts as and when they fall due. It is usually expressed as a ratio or a percentage of current liabilities to current assets. Liquidity risk is the measure of probability that a company's cash resources will be insufficient to meet current or future cash needs.

4.5.1 Management of liquidity risk

The Finance and Investment Department is responsible to prepare and produce financial reports together with performance evaluation ratios and comparative statements on the basis of finance manual, standard reporting formats and regulatory body requirements, which include:

a) Notifying regularly the cash position and the expected commitments of the company
b) Proposing appropriate investment opportunities in line with insurance supervision directives.
c) Liability settlements shall be undertaken on the basis of cash flow of the company
d) Finance Department will be responsible to report, monitor, evaluate and implement decisions affecting liquidity in line with the finance manual performance standards and reporting formats.

4.5.2 Measurement of liquidity risk

Liquidity risk is primarily measured as the ratio of current liability to liquid assets. It is expected that the ratio should at all times be less than or equal to 1.05 (105%) i.e. the maximum tolerance liquidity rate the company should keep on hand is one birr for one birr and five cents obligation or liability.

In addition, the Company should maintain not less than 60% of its total asset at bank deposits and treasury bills. Based on forecasted cash flow statement of the year, the Company may arrange appropriate form of bank loan facility such as bank overdraft to make funds available for those times where cash flow short falls are predicted.

4.5.3 Maturity analysis of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The cash flows presented are the undiscounted amounts to be settled in future.

30 June 2022	0-1 year Birr'000	1-3 years Birr'000	3-5 years Birr'000	Over 5 years Birr'000	Total Birr'000
Insurance contract liabilities	350,732	-	-	-	350,732
Insurance payables	-	-	-	-	-
Other liabilities	53,638	-	-	-	53,638
Total financial liabilities	**404,370**	**-**	**-**	**-**	**404,370**

30 June 2021	0-1 year Birr'000	1-3 years Birr'000	3-5 years Birr'000	Over 5 years Birr'000	Total Birr'000
Insurance contract liabilities	275,000	-	-	-	275,000
Insurance payables	27,165	-	-	-	27,165
Other liabilities	43,216	-	-	-	43,216
Total financial liabilities	**345,382**	**-**	**-**	**-**	**345,382**

4.6 Market risk

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as premium rates, interest rates, foreign exchange rates, equity prices, commodity prices and credit spreads. The main market risk arises from trading activities and equity investments. The Company is also exposed to interest rate risk in the banking books.

Investment risk is the risk that earnings for the Company arising from its insurance entities may be adversely impacted by changes in the value of investments and that the profile of investments may be inappropriate to match the profile of liabilities.

The Company does not ordinarily engage in trading activities as there are no active market in Ethiopia.

4.6.1 Management of market risk

Market risk is managed by the Business Development Department and Finance & Investment Department subject to inputs from the Board of directors, to identify any adverse movement in the underlying variables.

4.6.2 Measurement of market risk

The principle adopted in the management of investments is to closely match assets to the nature and term of insurance liabilities where possible. Total capital held in each entity reflects the results of internal models of economic capital, and takes into account business growth plans, as well as the likelihood of not being able to demonstrate an appropriate level of solvency.

Market risk is measured on the basis of investment capital or need of the Company. Investment is made on evaluating the investee companies and the type of investment. Investment risk is measured on the basis of security of the investees, liquidity consideration, and interest rate offer, and investment period, rate of return and proposal documents.

Investment is not be made if the investee company does not fulfill the above noted measurement factors. Investments is also made with special guidelines of the Board of Directors of the Company

4.6.3 Monitoring of market risk

Market risk is monitored by performing regular asset liability matching exercises, monitoring market volatility, comparing actual performance with benchmark performance, and tracking errors and durations of fixed interest assets. Market risk is further monitored by measuring and comparing the actual risk exposure in terms of economic capital to an approved limit, based on a value-at-risk calculation. Hence, the Company has taken the following measures to ensure that market risk is adequately monitored.

a) Equity investments are made often by conducting a thorough study and assessment.
b) Equity investments are acquired from companies where the return is not less 10%.
c) Investment will not exceed in concentration more than 20% in one Company.
d) To adjust for price fluctuations, a revaluation of on-balance sheet assets will be carried every two years.
e) The risk profile of every investment is made after the closing of accounts every year and action is taken based on appropriate recommendations.
f) Technological related risks will be evaluated to see if the area of investment is prone to risks.
g) Every investment proposal need to be approved by Board of Directors.

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates.

The Company’s exposure to the risk of changes in market interest rates relates primarily to it's financial obligations and financial assets with fixed interest rates. The Company’s investment portfolio is comprised of Ethiopian government bonds and cash deposits.

The table below sets out information on the exposures to fixed and variable interest instruments.

30 June 2022	**Fixed Birr'000**	**Non-interest bearing Birr'000**	**Total Birr'000**
Assets			
Cash and bank balances	422,724	8,640	431,364
Investment securities			-
- Loans and receivables	17,500	-	17,500
Trade and other receivables	-	11,425	11,425
Reinsurance assets	-	123,657	123,657
Total	440,224	143,722	583,946
Liabilities			
Insurance contract liabilities	-	-	-
Insurance payables	-	61,080	61,080
Other liabilities	-	53,638	53,638
Total	-	114,718	114,718

30 June 2021	Fixed Birr'000	Non-interest bearing Birr'000	Total Birr'000
Assets			
Cash and bank balances	305,091	6,941	312,032
Investment securities			
- Loans and receivables	17,500	-	17,500
Trade and other receivables	-	8,758	8,758
Reinsurance assets	-	103,852	103,852
Total	322,591	119,551	442,142
Liabilities			
Insurance contract liabilities	-	-	-
Insurance payables	-	27,165	27,165
Other liabilities	-	43,216	43,216
Total	-	70,381	70,381

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Company primarily transacts in Ethiopian Birr and its assets and liabilities are denominated in the same currency. The Company is therefore not exposed to currency risk.

4.7 Capital management

The Company's objectives when managing capital are to comply with the capital requirements set by the National Bank of Ethiopia, safeguard its ability to continue as a going concern, and to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

4.7.1 Margin of Solvency ratio

According to the Licensing and Supervision of Insurance Business Margin of Solvency (MOS) Directives No. SIB/45/2016 of the National Bank of Ethiopia, an insurer carrying on general insurance business shall keep admitted capital amounting to the highest of 25% of its technical provisions, or 20% of the net written premiums in the last preceding financial year, or the minimum paid capital. An insurer carrying on long term insurance business shall keep admitted capital amounting to the higher of 10% of technical provisions or the minimum paid up capital.

MOS ratio is the excess of assets over liabilities maintained for general and long term insurance business. Admissible assets and liabilities stated below is in accordance with the MOS Directives No. SIB/ 45/ 2016.

		30 June 2022 Birr'000	30 June 2021 Birr'000
Admissible assets			
	A		
Cash and bank balances		431,364	312,032
Investment securities			
- Available for sale		54,753	47,203
- Loans and receivables		17,500	17,500
Trade and other receivables		11,425	8,758
Other assets		35,708	29,408
Property, plant and equipment		43,885	35,856
Statutory Deposit		11,300	5,186
		605,935	455,943
Admissible liabilities	B		
Insurance contract liabilities		350,732	275,000
Current income tax liabilities		2,788	3,443
Insurance payables		61,080	27,165
Other liabilities		53,638	43,216
		468,238	348,825
Excess (admitted capital) (A-B)	C	137,696	107,118
Net premium		153,639	118,036
Technical provision		350,732	275,000

Solvency margin			
Limit of net premium i.e. 20% of net premium	**D**	30,728	23,607
Limit of technical provision i.e. 25% of technical provision	**E**	87,683	68,750
Since C<E - Negative Solvency	**(C-E)**	50,013	38,368
Solvency ratio		**157%**	**156%**

4.8 Fair value of financial assets and liabilities

IFRS 13 requires an entity to classify measured or disclosed fair values according to a hierarchy that reflects the significance of observable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which comprises of three levels as described below, based on the lowest level input that is significant to the fair value measurement as a whole.

4.8.1 Valuation models

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) .This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation technique in which all significant inputs are directly or indirectly observable from market data.

In conclusion, this category is for valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all assets and liabilities for which the valuation technique includes inputs not based on observable date and the unobservable inputs have a significant effect on the asset or liability's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

4.8.2 Financial instruments not measured at fair value

The following table summarises the carrying amounts of financial assets and liabilities at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

	30 June 2022		30 June 2021	
	Carrying amount Birr'000	Fair value Birr'000	Carrying amount Birr'000	Fair value Birr'000
Financial assets				
Cash and bank balances	431,364	431,364	312,032	312,032
Investment securities				
- Available for sale	54,753	54,753	47,203	47,203
- Loans and receivables	17,500	17,500	17,500	17,500
Trade and other receivables	11,425	11,425	8,758	8,758
Reinsurance assets	123,657	123,657	103,852	103,852
Total	638,699	638,699	489,345	489,345
Financial liabilities				
Insurance contract liabilities	350,732	350,732	275,000	275,000
Insurance payables	61,080	61,080	27,165	27,165
Other liabilities	53,638	53,638	43,216	43,216
Total	465,450	465,450	345,382	345,382

4.8.3 Fair value methods and assumptions

Trade receivables and other receivables are carried at cost net of provision for impairment. The estimated fair value represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

4.8.4 Valuation technique using significant unobservable inputs – Level 3

The Company has no financial asset measured at fair value on subsequent recognition.

4.8.5 Transfers between the fair value hierarchy categories

During the three reporting periods covered by these annual financial statements, there were no movements between levels as a result of significant inputs to the fair valuation process becoming observable or unobservable.

4.9 Offsetting financial assets and financial liabilities

There are no offsetting arrangements. Financial assets and liabilities are settled and disclosed on a gross basis.

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		30 June 2022 Birr'000	30 June 2021 Birr'000
5	**Net premium income**		
5.1	**Short term insurance contracts:**		
	Gross premium written	242,585	176,350
	Movement in unearned premium	(27,635)	(19,587)
		214,950	156,763
5.2	**Long-term insurance contracts:**		
	Gross premium written	-	-
	Movement in unearned premium	-	-
		-	-
	Premium revenue arising from insurance contracts issued	214,950	156,763
5.3	**Short term insurance contracts:**		
	Reinsurance expense	(61,311)	(38,727)
5.4	**Long-term insurance contracts:**		
	Reinsurance expense	-	-
		(61,311)	(38,727)
	Total net premium	153,639	118,036

There were no events in the reporting periods that prompted losses of sufficient size to trigger a recovery from contracts.

		30 June 2022 Birr'000	30 June 2021 Birr'000
6	**Fee and commission income**		
	Reinsurance commission income	13,244	8,074
	Profit commision	3,957	1,806
	Changes in deferred Commission Income	(3,148)	(1,142)
	Total fees and commission income	14,053	8,738

Fee and commission income represents commission received on direct business and transactions ceded to re-insurance during the year under review.

		30 June 2022 Birr'000	30 June 2021 Birr'000
7	**Claims expenses**		
7.1	**Insurance claims and loss adjustment expenses:**		
	Gross benefits and claims paid	52,619	44,569
	Change in insurance contract outstanding claims provision	30,629	12,616
	Change in other technical provision (IBNR)	4,660	1,278
	Change in other technical provision (ULAE)	455	684
		88,364	59,147
7.2	**Recoverable from reinsurance:**		
	Claims paid recoverable	(3,188)	(3,899)
	Change in provision for outstanding claims recoverable	(4,657)	679
	Change in other technical provision (IBNR) recoverable	(2,798)	400
		(10,642)	(2,820)
	Net claims and loss adjustment expense	77,722	56,328

		30 June 2022 Birr'000	30 June 2021 Birr'000
8	**Underwriting expenses**		
	Commision paid	7,367	5,822
	Other acquisition cost	1,686	471
	Changes in deferred acquisition cost (DAC)	(1,797)	(873)
	Total Underwriting expenses	7,256	5,420

		30 June 2022 Birr'000	30 June 2021 Birr'000
9	**Investment income**		
	Dividend income on equity investments	2,179	6,733
	Interest income on cash and short-term deposits	39,927	28,263
	Total investment income	42,106	34,996

		30 June 2022 Birr'000	30 June 2021 Birr'000
10	**Other operating income**		
	Gain on disposal	599	1,322
	Interest income on staff loans	291	13
	Sundry income	1,318	1,001
	Total other operating income	2,209	2,336

		30 June 2022 Birr'000	30 June 2021 Birr'000
11	**Other operating and administrative expenses**		
	Employee benefits expense (note 11.1)	42,869	32,490
	Rental expenses	969	-
	Repair and maintenance	1,390	1,297
	Advertising and publication	4,628	4,388
	Communication	1,073	876
	Printing and stationaries	1,269	1,243
	Entertainment	437	109
	Penality	18	2
	Travelling and transportation expenses	510	148
	Insurance	1,158	282
	Office cleaning and supplies	857	1,424
	Legal and professional fees	660	1,078
	Board fees	1,070	1,080
	Nomination Committee Fee	25	-
	Audit fees	173	115
	Lease Expense	52	52
	Interest Expense	1,558	160
	Subscription and membership fees	715	258
	Amortisation of intangible assets (note 19)	7,277	7,004
	Depreciation on property and equipment (note 20)	4,209	3,268
	Bank charges	39	36
	Sundry expenses	2,559	1,385
		-	
	Total Other Expenses	73,515	56,695

	30 June 2022 Birr'000	30 June 2021 Birr'000
11.1 Employee benefits expense		
Salaries and wages	29,958	22,603
Staff allowances	2,352	1,641
Pension costs – Defined contribution plan	3,030	2,268
Defined benefit plan expense (Note 26)	591	77
Other staff expenses	6,940	5,903
	42,869	32,490

	30 June 2022 Birr'000	30 June 2021 Birr'000
12 Company income tax and deferred tax		
12.1 Current income tax		
IFRS Accounting profit	53,514	45,664
Add : Disallowed expenses		
Entertainment & Refreshment	437	311
Gain on disposal of fixed assets for tax	217	1,619
Penalty	18	2
Donation non puplic use	-	10
Provision for Severance expense	591	77
Depreciation for IFRSaccounting purpose	4,209	3,269
Amortization for IFRS accounting purpose	-	2
Interest expense on lease liability for IFRS accounting purpose	1,558	88
Amortization of Right of use Asset for IFRS accounting purpose	7,277	6,981
	67,821	**58,022**
Less :		
Depreciation for tax purpose	5,140	3,510
Dividend income taxed at source	2,179	6,733
Interest income taxed at source-Local	39,927	28,263
Gain on disposal taxed on depreciation	599	1,322
Severance Payment	325	-
Actual rent expense paid for tax purpose	10,358	6,716
	(58,528)	**(46,544)**
Taxable profit	**9,293.33**	**11,477.93**
Current tax at 30%	**2,788**	**3,443**
Deferred tax expense /income	321	(40)
	3,109	**3,403**

	30 June 2022 Birr'000	30 June 2021 Birr'000
12.2 Current income tax liability		
Balance at the beginning of the year	2,232	1,291
Charge for the year:	2,788	3,443
Capital gains tax	-	-
Income tax expense	-	-
Prior year (over)/ under provision	-	-
WHT Not utilised	(1,709)	(1,211)
Payment during the year	(2,232)	(1,291)
Profit tax payable/(receivable)	1,079	2,232

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12 Company income tax and deferred tax (Contd)

12.3 Deferred income tax

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

	30 June 2022	30 June 2021
	Birr'000	Birr'000
The analysis of deferred tax assets/(liabilities) is as follows:		
To be recovered after more than 12 months	(1,042)	(835)
To be recovered within 12 months	-	-
	(1,042)	(835)

Deferred income tax assets and liabilities, deferred income tax charge/(credit) in profit or loss ("p or l), in equity and other comprehensive income are attributable to the following items:

Deferred income tax assets/(liabilities):	At 1 July 2021	Credit/ (charge) to profit or loss	Credit/ (charge) to equity	30 June 2022
	Birr'000	Birr'000	Birr'000	Birr'000
Property, plant and equipment	(1,150)	(384)	-	(1,534)
Provisions	315	64	113	492
Tax losses charged to profit or loss	-	-	-	-
Total deferred tax assets/(liabilities)	**(835)**	**(321)**	**113**	**(1,042)**

Deferred income tax assets/(liabilities):	At 1 July 2020	Credit/ (charge) to profit or loss	Credit/ (charge) to equity	30 June 2021
	Birr'000	Birr'000	Birr'000	Birr'000
Property, plant and equipment	(1,167)	17	-	(1,150)
Provisions	290	23	1	315
Tax losses charged to profit or loss	-	-	-	-
Total deferred tax assets/(liabilities)	**(876)**	**40**	**1**	**(835)**

DEFERRED TAX LIABILITY	30 June 2022	30 June 2021
	Birr'000	Birr'000
Deferred tax (liability) asset as per GAAP	-	-
Deferred tax (liability) asset brought forward	-	-
Add: Temporary difference	(1,042)	(835)
Deferred tax Liability as at June 30,2016	**(1,042)**	**(835)**
Fixed assets - tax base	38,772	32,023
Fixed asset - carrying amount	43,885	35,856
Fixed assets - tempoarary differnce	(5,113)	(3,832)
Severance pay - tax base	-	-
Severance pay - carrying amount	(1,640)	(1,049)
Severance pay temporary difference	**(1,640)**	**(1,049)**
Deferred tax (liability) asset - @ 30%	**(1,042)**	**(835)**

13 Cash and Bank balances

	30 June 2022 Birr'000	30 June 2021 Birr'000
Cash in hand	2,620	1,588
Current account with local banks	6,020	5,353
Savings deposits with local banks	92,755	42,096
Fixed time deposits	329,969	262,995
	431,364	312,032

Maturity analysis	30 June 2022 Birr'000	30 June 2021 Birr'000
Current	431,364	312,032
Non- current	-	-
	431,364	312,032

Restricted deposits with National Bank of Ethiopia represents deposits made with National Bank of Ethiopia (NBE) in accordance with Article 20 of Proclamation No 746/2012. The Company has a policy of maintaining the deposits at 15% of the paid up capital. The current balance represents the amount deposited up to June 30, 2022.

13.1 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand, cash at bank, short term deposit with banks.

	30 June 2022 Birr'000	30 June 2021 Birr'000
Cash in hand	2,620	1,588
Current account with local banks	6,020	5,353
Savings deposits with local banks	92,755	42,096
	101,394	49,037

14 Investment securities

	30 June 2022 Birr'000	30 June 2021 Birr'000
14.1 Available for sale:		
Equity Investments in		
- Berhan Bank S.C.	42,203	42,203
- Ethiopian Reinsurance S.C.	12,550	5,000
	54,753	47,203
14.2 Loans and receivables:		
Ethiopian Government bonds	17,500	17,500
	17,500	17,500
	72,253	64,703

Maturity analysis	30 June 2022 Birr'000	30 June 2021 Birr'000
Current	-	-
Non-Current	72,253	64,703
	72,253	64,703

14.3 Investment securities (Contd)

The Company holds equity investments in the following entities;

	30 June 2022		30 June 2021	
	Number of shares	Percentage of ownership	Number of shares	Percentage of ownership
Berhan Bank S.C	42,203	1.34%	42,203	1.45%
Ethiopian Reinsurance S.C	1,255	0.90%	500	0.56%

These investments are unquoted equity securities measured at cost.

The fair value of the unquoted equity securities carried at cost cannot be reliably estimated as there are no active market for these financial instruments; they have therefore been disclosed at cost less impairment.

Ethiopian government bonds are classified as loans and receivables because management's intention is to hold these investments to maturity and they are not held for trading, managed on a fair value basis or quoted in an active market.

	30 June 2022	30 June 2021
	Birr'000	Birr'000
15 Trade and other receivables		
Due from co-insurers	-	-
Due from re-insurers	11,517	8,744
Trade Debtors	256	362
Gross amount	11,773	9,106
Less: impairment allowance	(348)	(348)
	11,425	8,758
Gross amount	11,425	8,758

Maturity analysis	30 June 2022	30 June 2021
	Birr'000	Birr'000
Current	11,425	8,758
Non- current	-	-
	11,425	8,758

15.1 Impairment allowance on loans and receivables including insurance receivables

A reconciliation of the allowance for impairment losses for loans and receivables by class, is as follows:

	30 June 2022	30 June 2021
	Birr'000	Birr'000
At 1 July	(348)	(348)
Charge for the year (note 15)	-	-
Recoveries	-	-
During the year	-	-
At 30 June 2022	(348)	(348)

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16 Reinsurance assets

	30 June 2022 Birr'000	30 June 2021 Birr'000
Recoverable on claims - Incurred but not yet reported	3,827	1,030
Reinsurance recoverable on outstanding claims (note 16.1)	119,830	102,822
Prepaid re-insurance	-	-
Gross amount	123,657	103,852
Less: Specific impairment allowance (note 16.3)	-	-
Total reinsurance assets	123,657	103,852

The Company conducted an impairment review of the reinsurance assets and no impairment is required in respect of these assets as the Company has the right to set-off reinsurance assets against reinsurance liabilities on settlement. The carrying amounts disclosed above in respect to the reinsurance of insurance contracts approximate fair value at the reporting date.

16.1 Reinsurance recoverable on claims

	30 June 2022 Birr'000	30 June 2021 Birr'000
Recoverable on claims - Incurred but not yet reported	3,826	1,030
Recoverable on outstanding claims	89,602	84,945
Reinsurer's share of unearned premium	30,230	17,877
Recoverable on claims paid	11,518	8,744
Total reinsurance recoverable on claims	135,176	112,596

	30 June 2022 Birr'000	30 June 2021 Birr'000
The movement in claims recoverable is analysed as:		
Balance at beginning of the year	103,852	101,610
Recoveries during the year	19,805	2,242
Increase in recoverable during the year	11,518	8,744
Balance at end of year	135,175	112,596
	0	-

17 Deferred acquisition cost

	30 June 2022 Birr'000	30 June 2021 Birr'000
Motor	2,319	1,619
Marine Cargo and Goods in Transit	586	238
Fire	519	398
Accident and Health	203	139
Engineering	423	173
General Liability	130	88
W/C Ordinary	71	93
Pecuniary	646	389
P.Violence	81	44
Total Deferred acquisition cost	4,977	3,181

This represents insurance commission expense relating to the unexpired tenure of risk.

		30 June 2022 Birr'000	30 June 2021 Birr'000
18	**Other assets**		
	Financial assets		
	Staff Debtor	4,303	1,484
	Sundry Debtor	3,199	651
		7,502	2,135
	Non-Financial assets		
	Inventories:-		
	Office Supplies	1,168	551
	Wreck of paid claims	3,389	4,853
	Prepayments	1,677	642
	Right of Use Asset	20,262	19,996
	Advance Withholding Receivable	1,709	1,230
		28,206	27,272
	Net amount	**35,708**	**29,407**

Maturity analysis	30 June 2022 Birr'000	30 June 2021 Birr'000
Current	9,975	7,376
Non- current	25,733	22,031
	35,708	29,407

		Cost Birr'000	Amortisation Birr'000	Net book value Birr'000
19	**Intangible Assets**			
	As at 1 July 2020	40	(38)	2
	Additions/(amortisation)	-	(2)	(2)
	As at 30 June 2021	40	(40)	0
	Additions/(amortisation)	-		
	As at 30 June 2022	40	(40)	0

	Buildings	Motor vehicles	Computer and accessories	Office furniture and equipment	Total
	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
20 Property, plant and equipment					
Cost					
As at 1 July 2020	9,860	21,064	2,674	5,604	39,202
Additions	189	7,509	620	1,220	9,537
Disposals	-	(1,543)	(139)	(41)	(1,723)
Reclassification	-	-	-	-	-
As at 30 June 2021	10,048	27,030	3,154	6,782	47,015
As at 1 July 2021	10,048	27,030	3,154	6,782	47,015
Additions	-	9,560	599	2,365	12,525
Disposals	-	(587)	(3)		(590)
Reclassification					
As at 30 June 2022	10,048	36,003	3,750	9,148	58,950
Accumulated depreciation					
As at 1 July 2020	187	4,756	1,311	2,717	8,972
Charge for the year	188	2,168	333	579	3,269
Disposals	-	(931)	(115)	(35)	(1,081)
As at 30 June 2021	376	5,993	1,530	3,261	11,159
As at 1 July 2021	376	5,993	1,530	3,261	11,159
Charge for the year	190	2,931	400	687	4,209
Disposals		(302)	(2)		(304)
As at 30 June 2022	566	8,622	1,928	3,948	15,065
Net book value					
As at 1 July 2020	9,672	16,309	1,362	2,887	30,230
As at 30 June 2021	9,673	21,037	1,625	3,521	35,856
As at 30 June 2022	9,482	27,381	1,822	5,200	43,885

The company has acquired a leasehold land together with a building for the purpose of wreck yard of the company. The total area of the land acquired is 5,000 Sq.meter.

21 Statutory deposit

This relates to the amount deposited with National Bank of Ethiopia in line with Article 20 of the Insurance Business Proclamation No. 746/2012. The law requires that in respect of each main class of insurance, the insurer carries an amount equal to 15% of the Company's paid up capital in cash or government securities.

The statutory deposit below includes (2022: Birr 17.5 million, 2021: Birr 17.5 million) that is transferred to Ethiopian Government Development Bank for the acqusition of Great Renaissance dam bond. The Bond bears interest income of 8% per annum.

	30 June 2022 Birr'000	30 June 2021 Birr'000
In Cash	11,300	5,186
In Government Bond	17,500	17,500
Statutory deposit balance	**28,800**	**22,686**

	30 June 2021 Birr'000	30 June 2020 Birr'000
Balance beginning of the year	22,686	15,000
Additions	6,114	7,686
Balance end of year	**28,800**	**22,686**

		30 June 2022 Birr'000	30 June 2021 Birr'000
22	**Insurance contract liabilities**		
	Short-term insurance contracts		
	Gross		
	- Claims reported and loss adjustment expenses (note 22.1)	189,409	158,780
	- Claims incurred but not reported IBNR (note 22.2)	19,814	15,154
	- Un allocated loss adjustment expense ULAE (note 22.3)	5,673	5,218
	- Unearned premiums (note 22.4)	135,836	95,848
	Total insurance liabilities, gross	350,732	275,001
	Recoverable from reinsurers		
	- Claims reported and loss adjustment expenses	119,830	102,822
	- Claims incurred but not reported IBNR	3,827	1,030
	Total reinsurers' share of insurance liabilities	123,657	103,852
	Net		
	Outstanding claims provision:		
	- Claims reported and loss adjustment expenses	69,579	55,958
	- Claims incurred but not reported IBNR	15,987	14,124
	Total insurance contract liabilities, net	85,566	70,082

Maturity analysis	30 June 2022 Birr'000	30 June 2021 Birr'000
Current	85,566	70,082
Non- current	-	-
	85,566	70,082

The gross claims reported, the loss adjustment expenses liabilities and the liability for claims incurred but not reported are net of expected recoveries from salvage and subrogation. The amounts for salvage and subrogation at the end of years are not material.

		30 June 2022 Birr'000	30 June 2021 Birr'000
22.1	**Gross Claims reported**		
	Motor	75,856	63,310
	Marine	1,792	1,581
	Fire	9,653	250
	Accident	407	785
	Engineering	18,029	7,456
	General Liability	2,901	1,698
	Workmens'	427	1,206
	Pecuniary	79,372	82,077
	PVT	970	417
	Total Gross Claims reported	189,409	158,780

22 Insurance contract liabilities (Contd)

22.2 Gross Claims incurred but not reported - IBNR

	30 June 2022 Birr'000	30 June 2021 Birr'000
Motor	10,352	7,580
Marine	932	763
Fire	1,823	1,470
Accident and Health	936	870
Engineering	746	528
General Liability	389	525
Workmens'	235	212
Pecuniary	2,894	2,665
PVT	1,507	541
Total Gross Claims incurred but not reported - IBNR	19,814	15,154

22.3 Un allocated loss adjustment expense - ULAE

	30 June 2022 Birr'000	30 June 2021 Birr'000
Motor	2,338	2,127
Marine	73	70
Fire	310	52
Accident and Health	36	50
Engineering	509	240
General Liability	89	67
Workmens'	18	43
Pecuniary	2,176	2,542
PVT	123	29
Total Un allocated loss adjustment expense - ULAE	5,673	5,218

22.4 Gross Unearned premiums

	30 June 2022 Birr'000	30 June 2021 Birr'000
Motor	82,910	57,228
Marine	5,644	3,417
Fire	9,762	7,001
Accident and Health	3,301	2,502
Engineering	4,989	3,252
General Liability	2,671	2,586
Workmens'	1,050	1,015
Pecuniary	17,255	13,780
PVT	8,254	5,066
Total Gross Unearned premiums	135,836	95,848

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22 Insurance contract liabilities (Contd)

22.5 Deferred Commission Income

	30 June 2022 Birr'000	30 June 2021 Birr'000
Motor	723	389
Marine	449	115
Fire	1,429	1,051
Accident and Health	181	130
Engineering	401	94
General Liability	243	184
Workmens'	22	19
Pecuniary	2,418	1,240
PVT	1,363	859
Total Deferred Commission Income	7,229	4,081

These provisions represent the liability for commission income on premium ceded for which the Company's obligations are not expired at year-end.

23 Insurance payables

	30 June 2022 Birr'000	30 June 2021 Birr'000
Amounts payable on direct insurance business		
At 1 July	26,304	3,963
Arising during the year	63,535	43,535
Utilised during the year	(29,953)	(21,194)
At 30 June	59,886	26,304
Amounts payable on assumed reinsurance business		
At 1 July	861	711
Arising during the year	403	208
Utilised during the year	(70)	(58)
At 30 June	1,195	861
	61,080	27,165

The carrying amounts disclosed above approximate fair value at the reporting date.

	30 June 2022	30 June 2021
	Birr'000	Birr'000
24 Other liabilities		
Financial liabilities		
Trade Creditors	-	46
Sales Agents Payable	2,021	1,345
Brokers Payable	1,094	898
Claim payable to client	933	1,373
Provident fund Payable	386	282
Payroll Tax Payable	808	474
Withholding tax payable	282	156
VAT Payable	-	476
Petty Cash Payable	-	-
Payroll Fund Payable	-	-
Staff Pension payable	449	294
Severance pay (note 26a)	1,640	1,049
	7,613	6,393
Other non financial liabilities		
Other payables	6,448	4,322
Accruals	8,343	8,926
Leasehold Payable	11,695	9,626
Deferred commission income	7,229	4,081
Dividend Payable	12,309	9,868
	46,025	36,823
Gross amount	**53,638**	**43,216**

Maturity analysis	30 June 2022	30 June 2021
	Birr'000	Birr'000
Current	33,855	28,219
Non- current	19,782	14,997
	53,638	43,216

	30 June 2022	30 June 2021
	Birr'000	Birr'000
25 Deferred revenue		
Motor	723	389
Marine Cargo and Goods in Transit	449	115
Fire	1,429	1,051
Accident and Health	181	130
Engineering	401	94
General Liability	243	184
W/C Ordinary	22	19
Pecuniary	2,418	1,240
Others	1,363	859
All Risk	-	-
	7,229	4,081

This represents commission income on unearned premium ceded relating to the unexpired tenure of risk.

	30 June 2022 Birr'000	30 June 2021 Birr'000
26 Retirement benefit obligations		
Defined benefits liabilities:		
– Severance pay (note 26a)	1,640	1,049
Liability in the statement of financial position	**1,640**	**1,049**
Income statement charge included in personnel expenses:		
– Severance pay (note 26a)	378	86
– Long service awards (note 26b)	-	-
Total defined benefit expenses	**378**	**86**
Remeasurements for:		
– Severance pay (note 26a)	(122)	(444)
`	**(122)**	**(444)**

The income statement charge included within personnel expenses includes current service cost, interest cost, past service costs on the defined benefit schemes.

Severance pay

The Company operates an unfunded severance pay plan for its employees who have served the Company for 5 years and above and are below the retirement age (i.e. has not met the requirement to access the pension fund). The final pay-out is determined by reference to current benefit's level (monthly salary) and number of years in service and is calculated as 1 month salary for the first year in employment plus 1/3 of monthly salary for each subsequent in employment to a maximum of 12 months final monthly salary. The Severance Benefit Entitlement is provided under the Labour Proclamation No. 377/2003 and 494/2006.

Below are the details of movements and amounts recognised in the financial statements:

	30 June 2022 Birr'000	30 June 2021 Birr'000
A Liability recognised in the financial position	1,640	1,049

B Amount recognised in the profit or loss	30 June 2022 Birr'000	30 June 2021 Birr'000
Current service cost	559	391
Interest cost	154	134
	713	525

C Amount recognised in other comprehensive income:		
Remeasurement (gains)/loss arising from participant's movement	378	5
Benefits and expenses paid	(500)	(448)
	(122)	(444)

26 Retirement benefit obligations (continued)

The movement in the defined benefit obligation over the years is as follows:

	30 June 2022 Birr'000	30 June 2021 Birr'000
At the beginning of the year	1,049	968
Current service cost	559	391
Interest cost	154	134
Remeasurement (gains)/ losses	378	5
Benefits paid	(500)	(448)
At the end of the year	1,640	1,049

The significant actuarial assumptions were as follows:

i) Financial Assumption Long term Average

	30 June 2022 Birr'000	30 June 2021 Birr'000
Discount Rate (p.a)	14.25%	14.25%
Rate of Pension Increase(p.a)	10.00%	10.00%

27 Share capital

	30 June 2022 Birr'000	30 June 2021 Birr'000
Authorised:		
Ordinary shares of Birr 1000 each	300,000	300,000
Issued and fully paid:		
Ordinary shares of Birr 1000 each	199,875	160,311

The subscribed capital of the Company is Birr 219,665,000 million divided into 219,665 shares of Birr 1,000 par value each. The current paid up capital is 199,875,000 (2021: Birr 160,311,000)

28 Share premium

	30 June 2022 Birr'000	30 June 2021 Birr'000
At the beginning of the year	1,246	1,246
Additions through issuance of shares	-	-
	1,246	**1,246**

The share premium represents excess of share prices over the par value. This amount awaits the resolution of the General Assembly whether it can be distributed to the shareholders.

29 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit after taxation by the weighted average number of ordinary shares in issue during the year.

	30 June 2022 Birr'000	30 June 2021 Birr'000
Profit attributable to shareholders	50,406	42,261
Less: Board of directors annual remuneration (Note 33b)	(1,350)	(1,350)
Prior Years' Adjustment (Note 30)	-	-
	49,056	**40,911**
Weighted average number of ordinary shares in issue	189,329	147,643
Basic & diluted earnings per share (Birr)	**26%**	**28%**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive shares at the reporting date (30 June 2022: nil, 30 June 2021: nil), hence the basic and diluted earning per share have the same value.

	30 June 2022 Birr'000	30 June 2021 Birr'000
30 Retained earnings		
At the beginning of the year	37,730	30,039
Profit/ (loss) for the year	50,406	42,261
Dividends paid	(37,730)	(30,344)
Transfered to legal reserve	(5,041)	(4,226)
At the end of the year	**45,365**	**37,730**

	30 June 2022 Birr'000	30 June 2021 Birr'000
31 Legal reserve		
At the beginning of the year	13,812	9,586
Transfer from profit or loss	5,041	4,226
At the end of the year	**18,853**	**13,812**

An amount equal to 10% of net profit for each year is set aside as a legal reserve in accordance with Article 12 of proclamation No. 86/1994, until the balance reaches the paid up capital.

	Notes	30 June 2022 Birr'000	30 June 2021 Birr'000
32 Cash generated from operating activities			
Profit before tax		53,514	45,664
Adjustments for non- cash items:			
Depreciation of property, plant and equipment	20	4,209	3,269
Amortisation of intangible assets	19	-	2
Gain/(Loss) on disposal of property, plant and equipment	20	(599)	(1,322)
Interest Income	12	(39,927)	(28,263)
Deffered tax liability/asset		(378)	(5)
Prior years' Adjustment		-	-
Changes in working capital:			
-Decrease/ (increase) in loans and receivables including insurance receivables	15	(2,667)	4,708
-Decrease/ (Increase) in reinsurance assets	16	(19,805)	(2,242)
-Decrease/ (increase) in deferred acquisition cost	17	(1,797)	(873)
-Decrease/ (increase) in other assets	18	(6,300)	(16,223)
-Decrease/ (Increase) in fixed time deposits	13	(66,974)	(79,648)
-Increase/ (decrease) in Insurance contract liabilities	22	75,732	37,485
-Increase/ (decrease) in insurance payables	23	33,915	22,491
-Increase/ (decrease) in other liabilities	24	10,420	6,768
		39,343	(8,187)

In the statement of cash flows, profit on sale of property, plant and equipment comprise:

	30 June 2022 Birr'000	30 June 2021 Birr'000
Proceeds on disposal	886	1,964
Net book value of property, plant and equipment disposed	(287)	(643)
Gain/(loss) on sale of property, plant and equipment	599	1,322

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33 Related party transactions

The Licensing & Supervision of Insurance Business Directive No SIB/53/2012 of the National Bank of Ethiopia defined a related party as a shareholder, a director, a chief executive officer, or a senior officer of an Insurance Company and/or their spouse or relation in the first degree of consanguinity or affinity; and a partnership, a common enterprise, a private limited company, a share company, a joint venture, a corporation, or any other business in which officers of the Company and/or their spouse or relation in the first degree of consanguinity or affinity of the officers of the Company has business interest as shareholder, director, chief executive officer, senior officer, owner or partner . The directive stipulates that the identification of related parties shall be the responsibility of the Company.

From the above, only directors were identified to be related parties to the Company.

	30 June 2022 Birr'000	30 June 2021 Birr'000
33a *Transactions with related parties*		
Loans and advances to key management personnel	831	172
	831	172

33 Related party transactions (Contd)

33b *Key management compensation*

Key management has been determined to be the members of the Board of Directors and the Senior Management team of the Company.

Directors are remunerated as per Directive No. SIB/46/2018 of National Bank of Ethiopia which limited payments to Directors to be Birr 150,000 per annum and Birr 10,000 allowance to be paid every month. The current balance is composed of monthly allowances paid during the year.

The compensation paid or payable to key management is shown below. There were no sales or purchase of goods and services between the Company and key management personnel as at 30 June 2022.

	30 June 2022	30 June 2021
	Birr'000	Birr'000
Directors allowance (non executive directors)	**1,070**	**1,080**
Directors remuneration (non executive directors)		
Salaries and other short-term employee benefits	4,915	4,825
Post-employment benefits	616	492
Representation allowance	761	306
	6,293	**5,623**
	7,363	**6,703**

34 Directors and employees

i) The average number of persons (excluding directors) employed by the Company during the year was as follows:

	30 June 2022	30 June 2021
	Number	Number
Professionals and High Level Supervisors	73	79
Semi-professional, Administrative and Clerical	93	70
Technician and Skilled	-	-
Manual and Custodian	60	46
	226	**195**

35 Contingent liabilities

35a *Claims and litigation*

The Company, like all other insurers, is subject to litigation in the normal course of its business. The Company does not believe that such litigation will have a material effect on its profit or loss and financial condition.

The Company, together with other industry members, will continue to litigate the broadening judicial interpretation of the insurance coverage contained in the casualty insurance contracts it issued. If the courts continue in the future to expand the intent and scope of coverage contained in the insurance contracts issued by the Company, as they have in the past, additional liabilities would emerge for amounts in excess of the carrying amount held. These additional liabilities cannot be reasonably estimated but could have a material impact on the Company's future results. The liabilities carried for these claims as at this year end are reported in Note 22 and are believed to be adequate based on known facts and current law.

36 Commitments

The Company has no additional commitments which are not provided in these financial statements for purchase of any other capital items.

37 Finance lease commitments - Company as lessee

As per IFRS 16 the lessee recognises right of use asset and lease liability for leases in the exception of short term leases and low value assets. While the company has acquired a leasehold land with the total area of 5,000 Sq.meter and other leases like office rent are depending up on each contract also recognized.

38 Events after reporting period

In the opinion of the Directors, there were no significant post balance sheet events which could have a material effect on the state of affairs of the Company as at 30 June 2022 and on the profit for the period ended on that date, which have not been adequately provided for or disclosed.

Staff Day Celebration

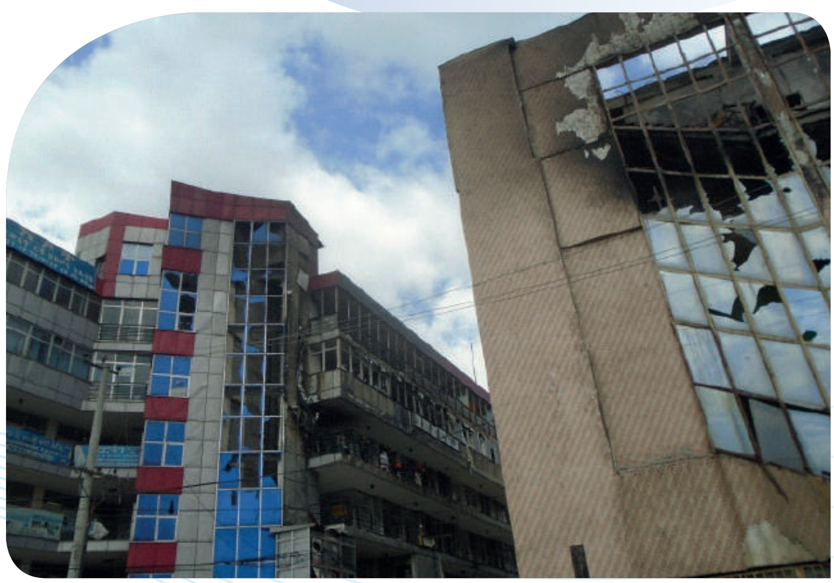
10th Year Annual General Shareholders Meeting

Fire & Lighting Insurance Issued to Commercial Building

Fire & Lighting Insurance Issued to Various Manufacturing Building

Contractors' Plant & Machinery Claims Entertained during the budget year

Claims Entertained during the budget year

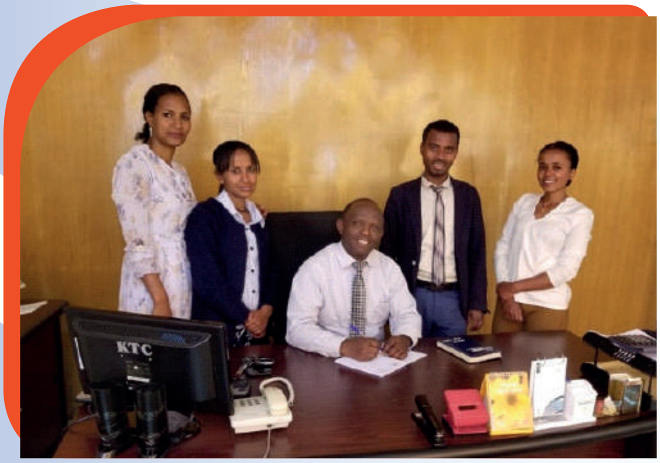


BRANCHES

Bole Branch

Main Branch

Beklobet Branch



Kera Branch

Merkato Branch

Megenagna Branch

BRANCHES

Ras Branch

Goffa Branch

Hayahulet Mazoria Branch

Olympia Branch

Lideta Branch

Teklehaimanot Branch

BRANCHES

Saris Branch

Lebu Branch

Bisrate Gebriel Branch

Piazza Branch

Jakros Branch

BRANCHES

Bahir Dar Branch

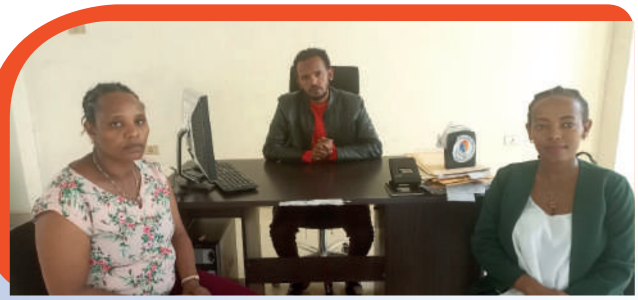
Hawassa Branch

Wolaita Sodo Branch

Adama Branch

BRANCHES

Hossaena Branch



Arba Minch Contact Office

Shashemene Branch

Dessie Branch

ማውጫ

የኩባንያው አጭር መግለጫ

ብርሃን ኢንሹራንስ አ.ማ በኢትዮጵያ የመድን ገበያ ውስጥ እየሰሩ ከሚገኙ የግል መድን ሰጪ ኩባንያዎች አንዱ ሲሆን በአዋጅ ቁጥር 86/1994 መሰረት በብርሃን ባንክ አ.ማ አነሳሽነት በ455 ባለራዕይ መስራቾች እ.አ.አ በኦክቶበር ወር 2010 ዓ.ም ተመሰረቶ ህይወት ነክ ያልሆነውን የመድን አገልግሎት ለህብረተሰቡ በመስጠት ላይ የሚገኝ ሲሆን ባሁኑ ወቅት ሕይወት ነክ የመድን አገልግሎት ለመስጠት ብሔራዊ ባንክ የሚጠይቀውን ቅድመ ሁኔታ በማሟላትፍቃድ ለማግኘት በመጠባበቅ ላይ ይገኛል፡፡

አሁን ላይ የባለአክሲዮኖቹ ቁጥር 1621 የደረሰ ሲሆን የተከፈለ ካፒታሉም እ.አ.አ በጁን 30 ቀን 2022 ዓ.ም በተጠናቀቀው በጀት አመት ብር 199.9 ሚሊዮን ደርሷል፡፡ የዋናው መስሪያ ቤት አድራሻንም ቀድሞ ከነበረበት ወደ ወሎ ሰፈር በማዛወር ጋራድ ህንፃ 7ኛ ፎቅ ላይ አገልግሎቱን ተደራሽ እያደረገ ይገኛል፡፡

ኩባንያው የመድን አገልግሎት መስጠት ከጀመረበት እ.አ.አ ከጁን 1፣ 2011 ዓ.ም ጀምሮ ለህብረተሰቡ ቀልጣፋ አገልግሎት የታከለበት የመድን ዋስትና በመላው ሃገሪቱ በከፈታቸው 25 አገልግሎት መስጫ ቢሮዎች እየሰጠ የሚገኝ ሲሆን ከነዚህም ውስጥ አስራ ስድስቱ በመዲናችን አዲስ አበባ ቀሪዎቹ ዘጠኙ በክልል ከተሞች ይገኛሉ፡፡

ኩባንያው የቆመባቸው መሰረቶች

ራዕይ ከሁሉም የላቀ ተመራጭ የኢንሹራንስ ኩባንያ መሆን ነው፡፡

ተልዕኮ የኢንሹራንስ አገልግሎትን ለህብረተሰቡ ሞያዊ በሆነ መልኩ በመስጠት የሁሉም ባለድርሻ አካላትን (የደንበኞችን ፣ የባለአክሲዮኖችን ፣ የሰራተኞችንና የህብረተሰቡን) ፍላጎት ማርካት ነው፡፡

እሴቶች ታማኝነት ፣ ቅንነት ፣ ግልጽነት ፣ ቅልጥፍና ፣ መልካም አስተዳደር ፣ ውጤት ተኮር አገልግሎት እና ከአድልዎ ነጻ የሆነ አሰራር የኩባንያው እሴቶች ናቸው፡፡

ለብርሃን ኢንሹራንስ አ.ማ ባለአክሲዮኖች 11ኛ ዓመታዊ መደበኛ ጠቅላላ ጉባኤ እና 4ኛ ድንገተኛ ጠቅላላ ጉባኤ የተላለፈ ጥሪ

የብርሃን ኢንሹራንስ አ.ማ የባለአክሲዮኖች 11ኛ መደበኛ ጠቅላላ ጉባኤ እና 4ኛ ድንገተኛ ጠቅላላ ጉባኤ ቅዳሜ ታህሳስ 08 ቀን 2015 ዓ.ም ከጠዋቱ 2:00 ሰዓት ጀምሮ በአዲስ አበባ ከተማ ካዛንቺስ አካባቢ በሚገኘው ኢሊሊ ኢንተርናሽናል ሆቴል የስብሰባ አዳራሽ ይካሄዳል:: ስለሆነም የኩባንያው ባለአክሲዮኖች በሙሉ ማንነታችሁን የሚገልጽ የታደሰ መታወቂያ ወይም መንጃ ፈቃድ ወይም ፓስፖርት በመያዝ በተጠቀሰው ቀን እና ቦታ በጉባኤው ላይ እንድትገኙ የብርሃን ኢንሹራንስ አ.ማ የዳይሬክተሮች ቦርድ ጥሪ ያቀርባል።

ሀ. የመደበኛ ጠቅላላ ጉባኤ አጀንዳ

1. የጉባኤውን አጀንዳ ማጽደቅ
2. አዳዲስ ባለአክሲዮኖችን መቀበልና የተደረጉ የአክሲዮን ዝውውሮችን ማጽደቅ
3. የዳይሬክተሮች ቦርድን እ.ኤ.አ 2021/22 ዓመታዊ ሪፖርት ማድመጥ
4. የውጭ ኦዲተሮችን እ.ኤ.አ 2021/22 የሂሳብ ሪፖርት ማድመጥ
5. ከዚህ በላይ በቀረቡት ሪፖርቶች ላይ ተወያይቶ መወሰን
6. የዳይሬክተሮች ቦርድ አስመራጭ ኮሚቴን ሪፖርት መስማትና የዳይሬክተሮች ቦርድ አባላትን መምረጥ፤
7. በዘመኑ የተጣራ ትርፍ አደላደል እና አከፋፈል ላይ በቀረበው የውሳኔ ሀሳብ ላይ ተወያይቶ መወሰን
8. የዳይሬክተሮች ቦርድ አባላትን ወርሃዊ አበልና ዓመታዊ ክፍያ መወሰን
9. የውጭ ኦዲተሮች መሰየምና ክፍያቸውን መወሰን
10. የጉባኤውን ቃለ-ጉባኤ ማጽደቅ

ለ. የአስቸኳይ ጠቅላላ ጉባኤ አጀንዳ

1. አጀንዳውን ማጽደቅ፤
2. የማህበሩን ካፒታል ማሳደግ፤
3. የጉባኤውን ቃለ-ጉባኤ ማጽደቅ፤

ማሳሰቢያ :-

በጉባኤው ላይ ለመገኘት የማይችሉ ባለአክሲዮኖች :-

- ጉባኤው ከሚካሄድበት ቀን አስቀድሞ ወሎ ሰፈር ጋራድ ሲቲ ሴንተር ሕንጻ 7ኛ ፎቅ ላይ በሚገኘው የኩባንያው ዋና መስሪያ ቤት በመገኘት የውክልና ፎርም/ቅጽ በመሙላት ተወካይ በመወከል ወይም
- በስብሰባው ለመገኘትና ድምጽ ለመስጠት የሚያስችል የውክልና ማስረጃ ያለው ተወካይ ዋናውን እና አንድ ፎቶ ኮፒ በጉባኤው እለት ይዞ በመቅረብ በወኪሉቻቸው አማካይነት መሳተፍ ይችላሉ::

የዳይሬክተሮች ቦርድ ሰብሳቢ መልዕክት

የኩባንያችንን 11ኛ የባለአክሲዮኖች አመታዊ መደበኛ ጠቅላላ ጉባኤ እና 4ኛ ድንገተኛ ጠቅላላ ጉባኤን በማስመልከት የዳይሬክተሮች ቦርድ አባላትን ወክዬ እንኳን ደህና መጣችሁ ለማለት እወዳለሁ፡፡

የተከበራችሁ ባለአክሲዮኖች !

የተጠናቀቀው በጀት አመት በሰሜኑ የአገሪቱ ክፍል ጦርነት ፤ ከፍተኛ የዋጋ ንረት ፤ በአንዳንድ የአገሪቱ ክፍሎች የፖለቲካ አለመረጋጋት እንዲሁም ኢኮኖሚያዊና ማህበራዊ ቀውሶች የተስተዋሉበት ነበር፡፡ ሁኔታው ተደጋጋሚነት በነበረው ጦርነት ተባብሶ በአገሪቱ ኢኮኖሚ ላይ ከፈጠረው ከፍተኛ ጫና ባሻገር ሰብአዊና ቁሳዊ ጉዳቶችንም አስከትሏል፡፡ በተመሳሳይ መልኩ የአረቦን ተመን በየጊዜው እየቀነሰ በሚሰራበት ገበያ ውስጥ የተሽከርካሪ እቃዎች መለዋወጫ ዋጋ መናርና የጥገና ወጪዎች መጨመር ለመድን ኢንዱስትሪው ከፍተኛ ተግዳሮቶች ሆነው የመድን ስራ አዋጭነትን አደጋ ላይ ጥለውታል፡፡ እነዚህ ሁሉ ፈተናዎች እና ተግዳሮቶች ባሉበት ሁኔታ ኩባንያችን እ.ኤ.አ ጁን 30 ቀን 2022 ዓ.ም በተጠናቀቀው በጀት አመት አጥጋቢ ውጤት ለማስመዝገብ ችሏል፡፡

እ.ኤ.አ ጁን 30፣ 2022 ዓ.ም በተጠናቀቀው በጀት አመት ኩባንያችን የተጣራ ትርፍ ከታክስ በፊት ብር 53.5 ሚሊዮን አስመዝግቧል፡፡ የእድገት መጠኑን በተመለከተ ከባለፈው አመት ተመሳሳይ ወቅት ጋር ሲነጻጸር ከታክስ በኋላ የ19.3 በመቶ ብልጫ ያሳየ ሲሆን ይህም ብር 50.4 ሚሊዮን ሆኖ ተመዝግቧል፡፡ የበጀት አመቱ ኢኮኖሚያዊ እንቅስቃሴዎች የተቀዛቀዙበት ቢሆንም ኩባንያችን ችግሮችን ተቋቁሞ መስራት መቻሉ ውጤታማ እንዲሆን አስችሎታል፡፡ እ.ኤ.አ. ጁን 30፣ 2022 ዓ.ም የኩባንያው የተከፈለ ካፒታል ብር 199.9 ሚሊዮን የደረሰ ሲሆን ከባለፈው አመት ተመሳሳይ ወቅት ማለትም ብር 160.31 ሚሊዮን ጋር ሲነጻጸር የ24.7 በመቶ ብልጫ አሳይቷል፡፡ የኩባንያው የትርፍ ክፍፍል (Earning Per Share) 26 በመቶ ደርሷል፡፡

ይህን መልካም አጋጣሚ በመጠቀም ከኩባንያችን ጋር በታማኝነት አብራችሁን ለዘለቃችሁ ደንበኞቻችን ልባዊ ምስጋናዬን ለመግለጽ እወዳለሁ፡፡ በተጨማሪም ለኢትዮጵያ ብሔራዊ ባንክ ኢንሹራንስ ሱፐርቪዥን ዳይሬክቶሬት ፤ ለጠለፋ ዋስትና ሰጪዎቻችን እንዲሁም ለሽያጭ ወኪሎችና ብሮከሮች ለኩባንያው እድገትና ትርፋማነት ላበረከታችሁት አስተዋጽዎ ምስጋናና አድናቆቴን እገልጻለሁ፡፡ ለኩባንያው የዳይሬክተሮች ቦርድ አባላት ፤ የስራ አመራር አባላትና ሰራተኞች ላደረጉት ያልተገደበ ጥረት ምስጋናዬን አቀርባለሁ፡፡ በበጀት አመቱ ለተመዘገበው አመርቂ ውጤትም እንኳን ደስ አላችሁ ለማለት እወዳለሁ፡፡

የተከበራችሁ ባለአክሲዮኖች !

በኢትዮጵያ ንግድ ህግ (2013 ዓ.ም) አንቀጽ 394 እና 426 እንዲሁም በኩባንያው መተዳደሪያ ደንብ አንቀጽ 3 መሰረት እ.አ.አ. ጁን 30፣ 2022 ዓ.ም የተጠናቀቀውን በጀት አመት የዳይሬክተሮች ቦርድ አመታዊ ሪፖርት እና የውጭ ኦዲተሮች ሪፖርት መርምራችሁ እንድታጸድቁት አቀርባለው።

በመጨረሻም በያዝነው በጀት አመት ግቦቻችንን ለማሳካት በምናደርገው ጥረት ስኬታማ እንድንሆን እመኛለሁ።

አመሰግናለሁ !!

ቴዎድሮስ ምህረት
የዳይሬክተሮች ቦርድ እና የአመታዊ ጠቅላላ ጉባኤ ሰብሳቢ

የዋና ስራ አስፈጻሚው መልዕክት

እ.አ.አ ጁን 30፣ 2022 ዓ.ም በተጠናቀቀው በጀት ዓመት ኩባንያው በአስቸጋሪ ውጣ ውረድ ውስጥ በማለፍ ውጤታማ ለመሆን ችሏል፡፡ ሁላችንም እንደምናውቀው በሃገራችን የመድን ሰጪ ተቋማት መካከል ያለው ጤናማ ያልሆነ ዋጋ ተኮር ውድድር፣ የመለዋወጫ እቃዎች ከጊዜ ወደ ጊዜ መጨመር፣ የቢሮ ኪራይ ዋጋ መጨመር እና መሰል ተያያዥ ነገሮች መከሰት የተጠናቀቀውን በጀት ዓመት እጅግ ፈታኝ አድርጎት አልፏል፡፡

ኩባንያችን በነዚህ ሁሉ ችግሮች ውስጥ በማለፍ አመታዊ የአረቦን ገቢው ብር 242.6 ሚሊዮን ደርሷል ፤ ይህም ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር የ37.6 በመቶ እድገት አሳይቷል፡፡ ከተገኘው ጠቅላላ የአረቦን ገቢ ውስጥ ከፍተኛውን ድርሻ የያዘው የተሽከርካሪ ኢንሹራንስ ሲሆን ይኃውም 61 በመቶ ነው ቀሪው ከሌሎች የኢንሹራንስ የውል ስራዎች የተገኘ ነው፡፡ የካሳ ክፍያው ከአረቦን ገቢ ጋር ያለው ምጣኔ (Loss Ratio) 51 በመቶ ሲሆን ይህም ብሔራዊ ባንክ ካስቀመጠው ከፍተኛ የምጣኔ መጠን 70 በመቶ በታች መሆኑ ሌላው ውጤታማ እንደሆነ ማሳያ ነው፡፡

በተጠናቀቀው በጀት አመት ኩባንያው ሁለት ቅርንጫፎችን በመዲናዋ አዲስ አበባ የከፈተ ሲሆን ይህም የቅርንጫፍ ብዛቱን 25 አድርጎታል፡፡ ከሰው ሀብት ልማት ጋር በተገናኘ ኩባንያው ለሰራተኞቹ የተለያዩ ስልጠናዎችን በመስጠት እንዲበቁ እያደረገ የሚገኝ ሲሆን በበጀት አመቱ ለ74 ሰራተኞች የኢንሹራንስ እውቀታቸውን እንዲያሳድጉ ስልጠናዎች ተሰተዋል፡፡ በበጀት አመቱ የኩባንያው የሰው ኃይል ብዛት 201 የደረሰ ሲሆን ከነዚህም ውስጥ 110 ወይንም 54.7 በመቶ የሚሆኑት ሴቶች ናቸው፡፡

ኩባንያው በያዝነው በጀት አመት የተለያዩ ተግባራቶችን እያከናወነ የሚገኝ ሲሆን ከነዚህም መካከል ደንበኞችን በተቀላጠፈ መልኩ ለማስተናገድ በማሰብ ዘመናዊ የኢንፎርሜሽን ቴክኖሎጂን ተግባራዊ ማድረግ፣ የኩባንያውን ሰራተኞች እና የሽያጭ ወኪሎች ክህሎት ለማሳደግ የተለያዩ ስልጠናዎችን መስጠት፣ የካሳ ክፍያው ከአረቦን ገቢ ጋር ያለውን ምጣኔ (Loss Ratio) ለመቀነስ ከተሽከርካሪ ውጪ ባሉ የመድን ውሎች ላይ ትኩረት አድርጎ መስራት እንዲሁም በቂ እውቀትና ክህሎት ያላቸውን ሰራተኞች በመቅጠር ተግባራዊ ለማድረግ በእቅዱ አካቶ እየተንቀሳቀሰ ይገኛል፡፡

በመጨረሻም ኩባንያው አሁን ላለበት የእደገት ደረጃ እንዲደርስ የዳሬክተሮች ቦርድ አባላት ላደረጉት ሞያዊ እገዛና ክትትል፣ እምነታቸውን ለጣሉብን ባለአክሲዮኖች፤ የኩባንያው የማኔጅመንት አባላት ላበረከቱት ከፍተኛ የአመራር ብቃት፣ እንዲሁም የኩባንያው ሰራተኞች እያበረከቱት ላለው ይህ ነው ተብሎ ሊገለፅ የማይችል አዎንታዊ አስተዋፅዎ ከልብ የመነጨ ምስጋናዬን አቀርባለው፡፡

አለማየሁ ተፈራ

የኩባንያው ዋና ስራ አስፈጻሚ

የዳይሬክተሮች ቦርድ ሪፖርት

የዳይሬክተሮች ቦርድ አባላት እ.አ.አ ጁን 30፣ 2022 ዓ.ም የተጠናቀቀውን በጀት አመት የስራ ክንውን ለባለአክሲዮኖች መደበኛ ጠቅላላ ጉባኤ ሲያቀርብ ታላቅ ደስታ ይሰማዋል፡፡

በሪፖርቱ ዋና ዋና በበጀት ዓመቱ የተከናወኑ ተግባራቶች ተካተው እንዲቀርቡ ተደርጓል፡፡ እንዲሁም የአለም እና የሃገራችን ኢኮኖሚያዊ ዳሰሳዎች እንዲካተቱ ተደርጓል፡፡

1. ኢኮኖሚያዊ ዳሰሳዎች

1.1 የዓለም ኢኮኖሚ

አለም አቀፉ ኢኮኖሚ ከመቼውም ጊዜ በላይ ከፍተኛ ንረት የታየበት እና ካለፉት አስርተ አመታት ጋር በንፅፅር ሲታይ ከፍተኛ ደረጃ ላይ የደረሰበት ሆኖ አልፏል፡፡ ከዚሁ ጋር በተያያዘ የኢኮኖሚው ጫና የኑሮ ውድነትን በማሻቀብ፣ በተለያዩ የአለማችን ክፍሎች የፋይናንስ አቅም ውስንነት መከሰት፣ የራሽያ ዩክሬንን መውረር እንዲሁም የኮሮና ቫይረስ ወረርሽኝ በአለማችን ኢኮኖሚ ላይ የበኩሉን አሉታዊ አስተዋፅኦ እንዲኖረው አድርጓል፡፡ የምግብና የነዳጅ ዋጋ በፍጥነት ማሻቀብ በዝቅተኛ የኑሮ ደረጃ ላይ የሚገኙትን አካላት በእጅጉ ጎድቷቸዋል፡፡ የአለም ኢኮኖሚ እድገት በ2021 ከነበረበት ወደ 3.2 በመቶ በ2022 እና 2.7 በመቶ በ2023 ዝቅ እንደሚል ተተንብዩአል፡፡ ይህም እድገት ከ2001 ወዲህ ዝቅተኛው የእድገት ተመን ነው፡፡

አለም አቀፍ የዋጋ ንረት በ2021 ከነበረው 4.7 በመቶ በ 2022 ወደ 8.8 በመቶ ሊያድግ እንደሚችል የተተነበየ ሲሆን ፤ በ2023 6.5 በመቶ እንዲሁም በ2024 ወደ 4.1 በመቶ ሊቀንስ እንደሚችል አስቀምጧል፡፡ የገንዘብ ፖሊሲ በዋናነት የዋጋ መረጋጋትን ወደነበረበት ለመመለስ ተጠናክሮ ሊሰራበት እንደሚችል እና የፊስካል ፖሊሲ በሌላ በኩል የኑሮ ዋጋ መናርን ሊቀርፍ በሚችል መልኩ ከገንዘብ ፖሊሲ ጋር በማቀናጀት በጥምረት መስራት እንደሚያስፈልግ ያስቀምጣል፡፡ የመዋቅር ማሻሻያ በማድረግ ስራዎችን መተግበር ምርታማነትን ከማሻሻል በተጨማሪ የአቅርቦት ሰንሰለትን ከምንጊዜውም በላይ ሊያቀል እንደሚችል ተቀምጧል፡፡ (የአለም አቀፉ የገንዘብ ተቋም፣ የዓለም ኢኮኖሚ ምልከታ እ.አ.አ ኦክቶበር 2022)

1.2 የኢትዮጵያ ኢኮኖሚ

ኢትዮጵያ በአፍሪካ ከሚገኙ ሃገሮች መካከል በህዝብ ብዛቷ ከናይጄሪያ ቀጥላ በሁለተኛ ደረጃ ላይ የምትገኝ ሲሆን፤ የኢኮኖሚ እድገቷን በማስቀጠል በ2020/21 ላይ 6.3 በመቶ ለማስመዝገብ ችላለች፡፡ ይሁን እንጂ አሁንም ድረስ ደሃ ከሚባሉት የአለም ሃገራት ተርታ

የምትመደብ እና የዜጎቿ የነፍስ ወከፍ ገቢ 960 ዶላር የሆነች አገር ናት፡፡ ሀገሪቷ አሁን ላይ የራሷን እቅድ በማስቀመጥ በ2025 መካከለኛ ገቢ ካላቸው ሃገራት ተርታ ለመሆን እየሰራች ትገኛለች፡፡

ላለፉት 15 አመታት ኢትዮጵያ በፍጥነት በማደግ ላይ ካሉት የአለም ሃገሮች ተርታ የምትመደብ እና በአማካይ 9.5 በመቶ እድገት የነበራት ሃገር ናት፡፡ ሌሎች የኢንቨስትመንት ዘርፎች እንደተጠበቁ ሆነው እድገቷ በዋናነት መሰረቱ የካፒታል ክምችት ሲሆን ይህም ለመንግስት መሰረተ ልማቶች እንዲውል በማድረግ ከፍተኛውን ድርሻ ይዟል፡፡ የኢትዮጵያ ጠቅላላ የሃገር ውስጥ ምርት እድገት በ2019/20 እና በ2020/21 እየቀነሰ የሄደበት ሁኔታ የተስተዋለ ሲሆን ይኸውም የኮሮና ቫይረስ ወረርሽኝ አሉታዎ አስተዋጽኦ እንዲኖረው በማድረግ የኢንዱስትሪ እና የአገልግሎት ዘርፉን በነጠላ አሃዝ ብቻ እንዲያድግ አድርጎታል፡፡ ይሁን እንጂ በግብርና ዘርፉ ከ70 በመቶ በላይ የሚሆነው ህብረተሰብ ተሰማርቶ ይገኛል፡፡ ይህ ዘርፍ በኮሮና ጉዳት ከደረሰባቸው ዘርፎች ተርታ የማይቀመጥ ሲሆን በ2020/21 ለእድገት የበኩሉን አስተዋፅኦ ተወጥቷል፡፡

ላለፉት አስርት አመታት ቀጣይነት ያለው የኢኮኖሚ እድገት መመዝገብ በከተማ ብሎም በገጠሩ የሃገሪቱ ክፍሎች ድህነትን በመቀነስ አዎንታዊ አስተዋፅኦ አድርጓል፡፡ ከድህነት ወለል በታች የሚኖረው የሀገሪቱ ህዝብ በ2011 ከነበረው 30 በመቶ በ2016 ወደ 24 በመቶ ሊቀንስ ችሏል፡፡ ይሁን እንጂ በፈጣን የእድገት ደረጃ ላይ ከሚገኙ ሀገራት አንጻር የተገኘው ውጤት መጠነኛ ነው፡፡ ከዚህ በተጨማሪ በተለያዩ የሃገሪቱ ክልሎች የተከሰተው አለመረጋጋት ከኢኮኖሚው በተጨማሪ በማህበራዊ እድገቶች ላይ የበኩሉን አሉታዊ አስተዋፅ አሳድሮ አልፏል፡፡

በ 2019 በተዘጋጀው የሃገር በቀል የኢኮኖሚ ማሻሻያ አጀንዳ መሰረት መንግስት ከ2020/21 እስከ 2029/30 ድረስ የሚዘልቅ የ10 አመት የልማት መሪ እቅድን መተግበር ጀምሯል፡፡ የእቅዱ ዋና አላማ ባለፉት አመታት የታዩትን እድገቶች በማስቀጠል የግሉን የኢኮኖሚ ዘርፍ በመደገፍ ተግባራዊ የሚደረግ ይሆናል፡፡ በተጨማሪም የእቅዱ ሌላኛው አላማ ለእድገት ቁልፍ ሚና ያላቸውን ዘርፎች ማለትም ኢነርጂን፣ ሎጂስቲክስን፤ቴሌኮምን እና የማክሮኢኮኖሚ መዛባቶችን በማሻሻል ውጤታማ እንዲሆኑ ማድረግን ያካትታል፡፡ (አለም ባንክ በኢትዮጵያ፣ ኦክቶበር 2022)

1.3 የኢትዮጵያ መድን ኢንዱስትሪ

የኢትዮጵያ ኢንሹራንስ ገበያ በአነስተኛ የእድገት ደረጃ ላይ ይገኛል ፡፡ የኢንሹራንስ ገበያው በዋናነት ሕይወት ነክ ባልሆነው የኢንሹራንስ ዘርፍ ላይ የተመሰረተ ነው፡፡ ከአጠቃላይ አመታዊ የአረቦን ገቢ ውስጥ 7.2 በመቶ ብቻ የሚሆነውን ድርሻ የያዘው የሕይወት መድን

ዋስትና ነው፡፡ ሕይወት ነክ ያልሆነውም ሆነ የሕይወት መድን ዋስትና በዝቅተኛ ደረጃ የሚገኙ ሲሆን እነዚህም አገልግሎቶች እየተሰጡ የሚገኙት ውስን ለሆኑ በመካከለኛ ገቢ ደረጃ ለሚገኙ የህብረተሰብ ክፍሎች ነው፡፡ ሕይወት ነክ ያልሆነው የመድን አገልግሎት አረቦን በሀገር ውስጥ አጠቃላይ ምርት እድገት፣ በውጭ ኢንቨስትመንቶች መስፋፋት እንዲሁም በመንግስት በሚሰሩ መሰረተ ልማቶች ይታገዛል፡፡ ምንም እንኳን ገበያው ተደራሽ ያልተደረገ ዘላቂነት ያለው የእድገት እምቅ አቅም ቢኖረውም እንደ ድህነት፤ ረሃብ እና ዝቅተኛ ገቢ ያሉ ተግዳሮቶች ለህይወት መድን ዘርፍ እድገት ማነቆ ሆነውበታል፡፡ (ፊች ሶሉሽን፣ 2022)

በኢትዮጵያ ብሔራዊ ባንክ ሪፖርት መሰረት የኢንሹራንስ ኩባንያዎች ብዛት 18 ሲሆን ከእነዚህም ውስጥ 17ቱ የግል መድን ሰጪ ኩባንያዎች ሲሆኑ አንዱ መድን ሰጪ የመንግሥት ነው፡፡ የቅርንጫፍ ቁጥራቸው ከአመት በፊት ከነበረበት 629 ወደ 673 አድጓል፡፡ ከጠቅላላው ቅርንጫፎች ውስጥ 54.7 በመቶው በአዲስ አበባ ይገኛሉ፡፡

የኢንሹራንስ ኩባንያዎቹ አጠቃላይ ካፒታል ብር 12.5 ቢሊዮን የደረሰ ሲሆን፣ ከዚህ ውስጥ 74.6 በመቶው የግል ኢንሹራንስ ኩባንያዎች ድርሻ ነው፡፡ (የብሔራዊ ባንክ 2021/22 3ኛ ሩብ አመት ሪፖርት)

2. የሥራ ክንውን እና የፋይናንስ አፈፃፀም ሪፖርት

2.1 የአረቦን ገቢ

ኩባንያው በጁን 30 ቀን 2022 ዓ.ም በተጠናቀቀው በጀት አመት የ37.6 በመቶ እድገት በማሳየት ብር 242.6 ሚሊዮን የአረቦን ገቢ ሰብስቧል፡፡ የተሽከርካሪ ኢንሹራንስ ከፍተኛውን ድርሻ ይይዛል፡፡ ሁሉም የመድን ሽፋን አይነቶች እድገት ያስመዘገቡ ሲሆን ከ14 በመቶ እስከ 69 በመቶ የሚደርስ እድገት ሊመዘገብ ችሏል፡፡

2.2 የካሳ ክፍያ ምጣኔ ከአረቦን ገቢ አንፃር (Loss Ratio)

በተጠናቀቀው በጀት አመት የተጣራ የካሳ ክፍያ ብር 77.7 ሚሊዮን ነበር፡፡ የካሳ ክፍያው ከአረቦን ገቢ አንፃር ሲታይ ምጣኔው 51 በመቶ ነበር፡፡

2.3 ከኢንሹራንስ የውል ስራ የተገኘ ውጤት (Underwriting Surplus)

እ.አ.አ በጁን 30፣ 2022 ዓ.ም መጨረሻ ከኢንሹራንስ የውል ስራ የተገኘው ውጤት ብር 82.7 ሚሊዮን ሲሆን ይህም ካለፈው አመት ተመሳሳይ ወቅት ብር 65.03 ሚሊዮን ጋር ሲነፃፀር የ 27.2 በመቶ ዕድገት ታይቶበታል፡፡ ለተመዘገበው ውጤት የተሽከርካሪ ኢንሹራንስ የ54 በመቶ ድርሻ አለው ፡፡

2.4 ትርፍ እና ኪሳራ

በተጠናቀቀው በጀት አመት ኩባንያው ከታክስ በፊት ብር 53.5 ሚሊዮን በማስመዝገብ ከአምናው ተመሳሳይ ወቅት የ17.2 በመቶ እድገት የታየ ሲሆን የተጣራ (ከታክስ በኃላ) ብር 50.4 ሚሊዮን ትርፍ ተመዝግቧል።

3. የሀብትና እዳ መግለጫዎች

3.1 ሀብት

የኩባንያው አጠቃላይ ሀብት በተጠናቀቀው በጀት አመት ብር 734.6 ነው። ካለፈው አመት ተመሳሳይ ወቅት ብር 563 ሚሊዮን ጋር ሲነጻጸር የብር 171.6 ሚሊዮን ወይም የ 30.5 በመቶ እድገት አለው።

3.2 እዳ

የኩባንያው አጠቃላይ ዕዳ ብር 469.3 ሚሊዮን ሲሆን ካለፈው ዓመት ብር 349.7 ሚሊዮን ጋር ሲነጻጸር የ ብር 119.6 ሚሊዮን ወይም የ 34.2 በመቶ ጭማሪ አሳይቷል ።

3.3 ካፒታል

የኩባንያው ካፒታል ብር 265.3 ሚሊዮን ሲሆን ካለፈው ዓመት ብር 213.3 ሚሊዮን ጋር ሲነጻጸር የ ብር 52 ሚሊዮን ወይም የ 24.4 በመቶ ጭማሪ አሳይቷል።

4. ቅርንጫፍ ማስፋፍያ

የኩባንያውን አገልግሎት ለህብረተሰቡ ይበልጥ ተደራሽ ማድረግ ከስራቴጂክ ግቦች መካከል አንዱ ሲሆን ይህንን እቅድ ለማሳካት በበጀት አመቱ ሁለት ተጨማሪ ቅርንጫፎችን ለመክፈት ተችሏል። ይሁን እንጂ በእቅድ የተያዘው አራት ቅርንጫፎችን ለመክፈት ቢሆንም ከአቅም በላይ በሆኑ ምክንያቶች ሳይተገበር ቀርቷል። ይህ ሪፖርት በሚቀርብበት ወቅት የኩባንያው ቅርንጫፎች ብዛት 25 የደረሰ ሲሆን ከነዚህም 16 የሚሆኑት በአዲስ አበባ ቀሪዎቹ 9 በክልል ከተሞች ይገኛሉ።

በገበያ አዋጭነት ጥናቶች ላይ ተመስርተን ለስራ አመቺ በሆኑ እና የተሻለ የንግድ እንቅስቃሴ ባለባቸው አካባቢዎች የቅርንጫፍ ማስፋፋት ስራዎችን እንቀጥላለን።

5. የሰው ኃብት ልማት

ኩባንያው ለሰው ሃብቱ ከፍተኛ ትኩረት የሚሰጥ በመሆኑ የሰራተኞቹን አቅምና ክህሎት ለማሳደግ የተለያዩ ስልጠናዎች ተሰተዋል። በዚህም መሰረት የክህሎትና የእውቀት ክፍተቶችን ለመሙላት በተጠናቀቀው በጀት አመት ለ74 ሰራተኞች በተለያዩ ርዕሰ ጉዳዮች ላይ ስልጠናዎች ተሰተዋል። የኩባንያው ሰራተኞች ቁጥር 201 ደርሷል። በሰራተኞች መካከል ያለውን የስራ ግንኙነት እና ትብብር ለማጠናከር በበጀት አመቱ የሰራተኞች ቀን ክብረ በዓል ተካሂዷል።

6. ኢንቨስትመንት

የኢንቨስትመንት አማራጮችን እና የተቆጣጣሪው መ/ቤት መመሪያን ታሳቢ በማድረግ የኩባንያውን ገንዘብ በብርሃን ባንክ አ.ማ እና በኢትዮጵያ ጠለፋ ዋስትና አ.ማ አክሲዮኖች ላይ ኢንቨስት ከተደረገው በተጨማሪ ኩባንያው በአቃቂ ቃሊቲ ክፍለ ከተማ በሚገኘው የተጎዱ ተሽከርካሪዎች ማቆያ ጊቢ ውስጥ በ1500 ካሬ ሜትር ላይ ያረፈ መጋዘን በማስገንባት ላይ የሚገኝ ሲሆን ለዋናው መ/ቤት ግልጋሎት የሚውልና የኪራይ ገቢ ሊያስገኝ የሚችል ህንጻ ለመግዛትም በሂደት ላይ እንገኛለን።

7.ማህበራዊ ኃላፊነትን መወጣት

ኩባንያው ማህበራዊ ኃላፊነቱን ለመወጣት ለማህበራዊና ሀገራዊ ጥሪዎች ምላሽ ሰጥቷል። በዚህም መሰረት ለኩላሊት እጥበት በጎ አድራጎት ድርጅት ፤ በቦረና እና ጉጂ ዞኖች በድርቅ ለተጎዱ ዜጎች እንዲሁም ለፊንፊኔ ዙሪያ ንግድና የዘርፍ ማህበራት ም/ቤት ድጋፍ አድርጓል።

8.ማርኬቲንግና ቢዝነስ ዴቨሎፕመንት

በበጀት አመቱ ኩባንያው እና የሚሰጣቸው አገልግሎቶች በተመረጡ የቴሌቪዥን እና ሬዲዮ ጣቢያዎች፤ በማስታወቂያ ሰሌዳ (Billboard) እንዲሁም በተለያዩ የህትመት ማስታወቂዎች እንዲተዋወቅ ተደርጓል ። የአረቦን ገቢን ለማሳደግ 19 ተጨማሪ የሽያጭ ወኪሎች ሰልጥነው ወደ ስራ ተሰማርተዋል ። ምንም እንኳን በገበያው ውስጥ የህይወት መድን ባለሞያ እጥረት ቢኖርም የህይወት መድን ፍቃድ ለማግኘት በፍቃድ ሰጪው መ/ቤት የተቀመጠውን ዝቅተኛ መስፈርት የሚያሟላ ባለሞያ በመፈለግ ሂደት ላይ እንገኛለን ።

9.ሪስክና ኮምፕሊያንስ

በበጀት አመቱ ኩባንያውን ከሪስክ ለመጠበቅ እና የሪስክ ማኔጅመንት ሰርአቱን ለማጠናከር የሪስክ ማኔጅመንት ስትራቴጂ ተዘጋጅቷል ።

10.ኢንፎርሜሽን ቴክኖሎጂ

የደንበኞችን እርካታ ለመጨመር እና የኩባንያውን አሰራር ለማዘመን የኢንፎርሜሽን ቴክኖሎጂ ስርአት (Integrated Insurance Management Information System) ለመተግበር በሂደት ላይ እንገኛለን ፡፡

11.የጠለፋ ዋስትና

የኩባንያውን የአደጋ ስጋት የመቀበል አቅም ለማሳደግ እንዲሁም የሚያጋጥሙትን የካሳ ክፍያዎች ለመጋራት በአለም አቀፍ ደረጃ ስመጥር ከሆኑ የጠለፋ ዋስትና ሰጪ ድርጅቶች ጋር ስምምነት አድርጓል ፡፡

12.ምስጋና

የዳይሬክተሮች ቦርድ አባላት በበጀት አመቱ ለተመዘገበው አመርቂ ውጤት አስተዋጽዎ ላደረጉት ሁሉ ምስጋናቸውን ማቅረብ ይወዳሉ ፡፡ አብረውን ለነበሩ እና በቀጣይም አብረውን ለሚሰሩ ውድ ደንበኞቻችን ልዩ ምስጋና እናቀርባለን ፡፡ በተጨማሪም ለኢትዮጵያ ብሔራዊ ባንክ ፣ ለኩባንው መስራቾች ፣ ለባለአክሲዮኖች ፣ ለዳይሬክተሮች ቦርድ አባላት ፣ ለስራ አመራር አባላትና ሰራተኞች ፣ ለብርሃን ባንክ አ.ማ ስራ አመራር አባላት፣ ለጠለፋ ዋስትና ሰጪዎቻችን ፣ ለሽያጭ ወኪሎቻችን ፣ ለብሮከሮች እንዲሁም ለሌሎች ባለድርሻ አካላት ላደረጉት ከፍተኛ አስተዋጽዎ ምስጋናና አክብሮቴን ለመግለጽ እወዳለሁ ፡፡

ብርሃን ኢንሹራንስ አ.ማ.

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ብርሃን ኢንሹራንስ አ.ማ.

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