ፀሐይ ኢንሹራንስ አ.ማ.

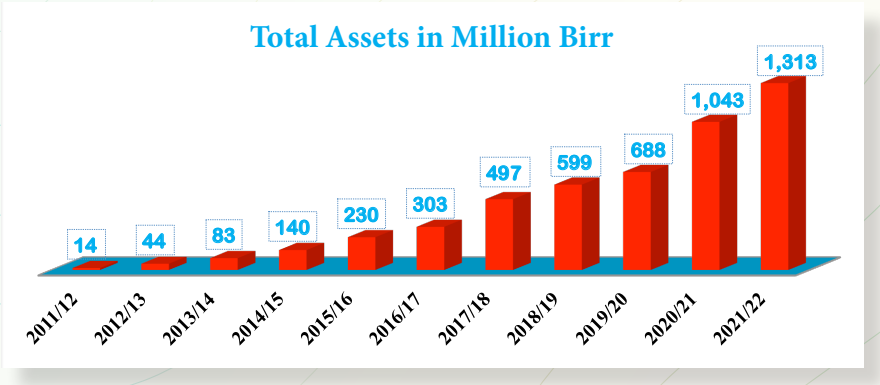
TSEHAY INSURANCE S. C.

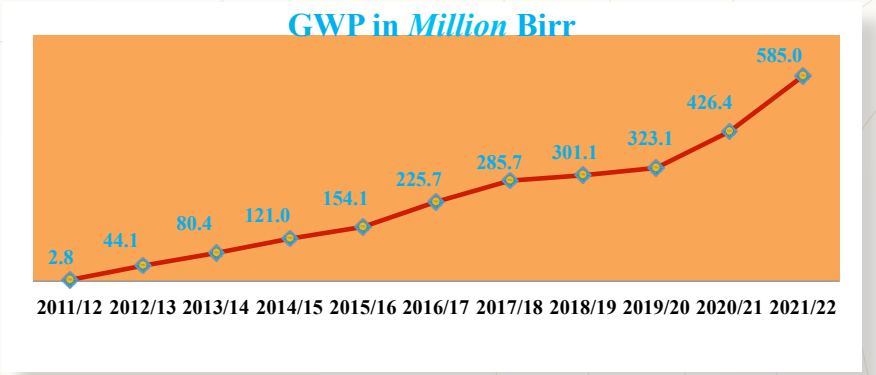
ANNUAL REPORT

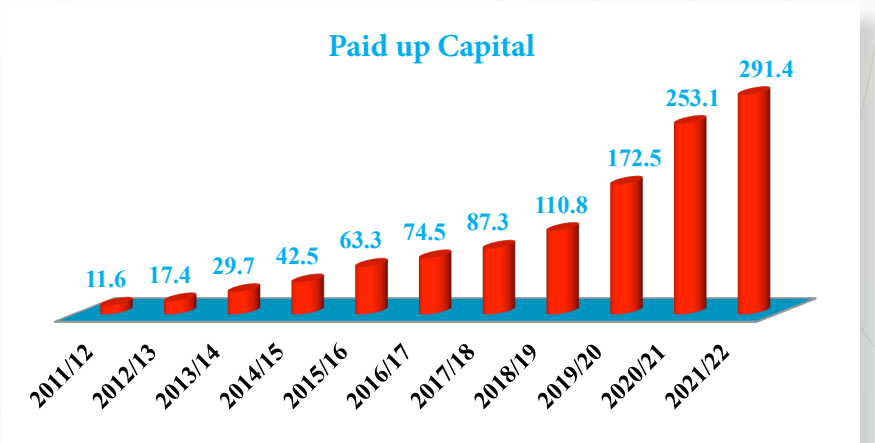
2021/22

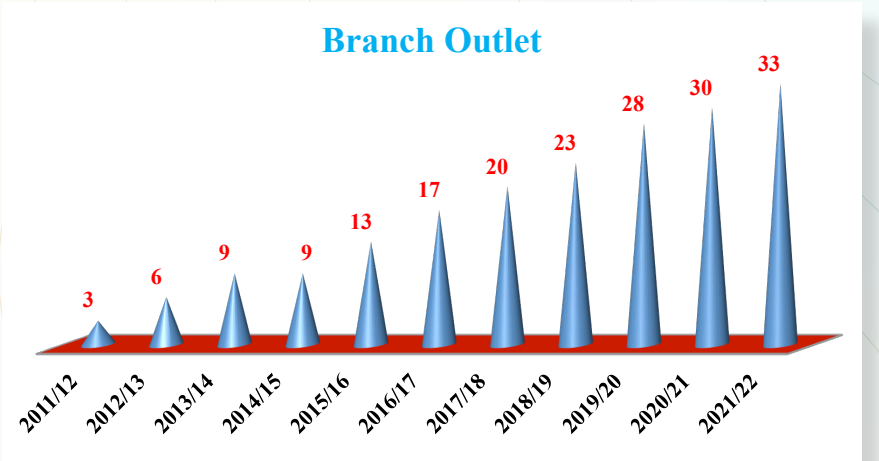
ፀሐይ ለሁሉም ተበራለች

The Sun Shines For All


Total Assets in Million Birr
14
44
83
140
230
303
497
599
688
1,043
1,313
2011/12
2012/13
2013/14
2014/15
2015/16
2016/17
2017/18
2018/19
2019/20
2020/21
2021/22


GWP in *Million* Birr
2.8
44.1
80.4
121.0
154.1
225.7
285.7
301.1
323.1
426.4
585.0
2011/12 2012/13 2013/14 2014/15 2015/16 2016/17 2017/18 2018/19 2019/20 2020/21 2021/22


Paid up Capital
11.6
17.4
29.7
42.5
63.3
74.5
87.3
110.8
172.5
253.1
291.4
2011/12
2012/13
2013/14
2014/15
2015/16
2016/17
2017/18
2018/19
2019/20
2020/21
2021/22


Branch Outlet
3
6
9
9
13
17
20
23
28
30
33
2011/12
2012/13
2013/14
2014/15
2015/16
2016/17
2017/18
2018/19
2019/20
2020/21
2021/22

ፀሐይ ኢንሹራንስ አ.ማ.
TSEHAY INSURANCE S. C.

ተልዕኮ

ጥራት ያላቸው አዳዲስ የኢንሹራንስ ዓይነቶችን እያቀረብን በተለያዩ ኢንቨስትመንት ዘርፎች ላይ ተሰማርተን የሥነ ምግባር መርሆችን የጠበቁ ሁለንተናዊ የንግድ ተግባራትን በማከናወን ለኢንሹራንስ ደንበኞች፣ ለባለ አክሲዮኖች፣ ለሠራተኞች እንዲሁም ለመላው የህብረተሰብ ክፍል ተጠቃሚነት በቁርጠኝነት መሥራት።

ራዕይ

እ.ኤ.አ. በ 2032 በኢትዮጲያ ካሉ አምስት ከፍተኛ የኢንሹራንስ ኩባንያዎች አንዱ መሆን::

እሴቶች

1. ፈጣን እና አስተማማኝ አገልግሎት መስጠት
2. በአክብሮት ማገልገል
3. በቡድን መስራት
4. ሐቀኝነት እና ፍትሃዊነት
5. ቃል -ጠባቂነት
6. ሚስጥራዊነት
7. አዳጊ ፈጠራ ችሎታ ማዳበር
8. ተቋማዊ ማህበራዊ ሃላፊነት መወጣት

MISSION

We are committed to provide quality and innovative insurance products and engage in diversified investment through maintaining ethical standards in all aspects of our business operation so as to ensure benefit to the policyholders, shareholders, employees and the society at large.

VISION

To be one of the top five insurance companies in Ethiopia in 2032

CORE VALUES

1. Committed to prompt and reliable service
2. Serving with utmost respect
3. Teamwork
4. Integrity and Fairness
5. Promise-keeping
6. Confidentiality
7. Creativity and Dynamism
8. Corporate Social Responsibility

Board of Directors

W/ro Mahider Kiber
Chairperson

Ato Mengist Zebenaye
V/Chairperson

Ato Habtamu Alebachew
Board Member

Ato Biruh Tesfaye
Board Member

Dr. Yaregal Assabie
Board Member

Ato Tilahun Awoke
Board Member

Ato Yihun Meseret
Board Member

Ato Tefera Desta
Board Member

Ato Ermias Biruk
Board Member

Management Members

Ato Kassa Lisanework
Chief Executive Officer

Ato Yilma Gebrie
Deputy Chief Executive Officer- Operations

Ato Berhanu Kiber
EO, Marketing & Business Dev`t Dep`t

W/ro Hewan Moges
EO , Finance Dep`t

Ato Dagim Abebe
EO , Claim Dep`t

Ato Solomon Assefa
EO, Underwriting Dep`t

Ato Abebe Sisay
EO, HR & Property Admin Dep't

Ato Nebere Degsew
Chief Auditor

Ato Desalegn Beyene
Manager, Legal Service

Ato Gedlu Dejene
Manager, Engeenering Service

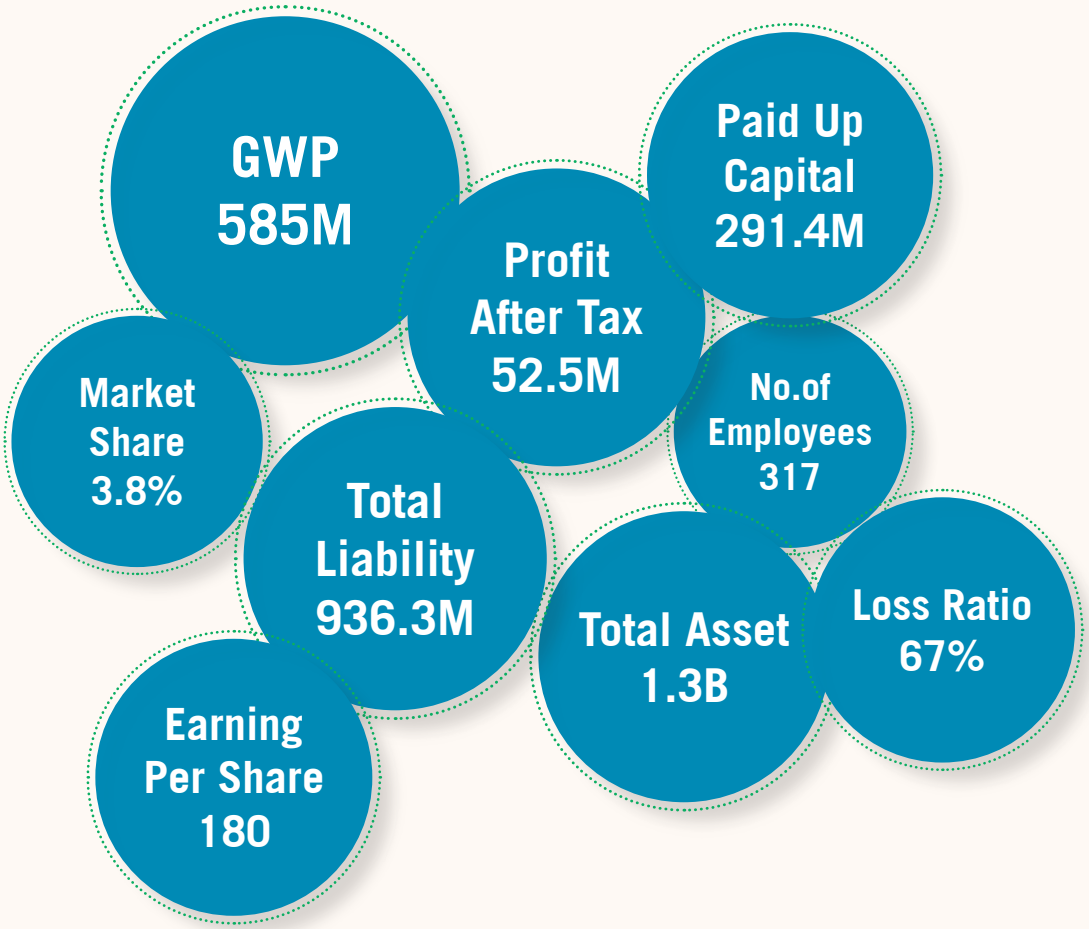
Ato Ashenafi Korssa
Manager, IT service

Ato Daniel Girma
Manager, Re-Insurance Service

W/ro Selamawit Yonas
Chief Risk and Compliance Officer

Company's Highlight (2021/22)

ፀሐይ ኢንሹራንስ አ.ማ.
TSEHAY INSURANCE S. C.



Head Office Address: Bole Bridge, In Front of Brass Hospital
Tel: +251 111 11 97 70/71 +251 116 50 66 32/37/38
Fax: +251 111 11 98 86 **P.O.Box:** 56144

web site: www.tsehayinsurance.com
Email: officemail@tsehayinsurance.com

ፀሐይ ለሁሉም ታበራለች
The Sun Shines For All

Contents

የቦርድ ሊቀ-መንበሯ መልዕክት
THE BOARD CHAIRPERSON'S MESSAGE ---- 8
የዳይሬክተሮች ቦርድ ሪፖርት
BOARD OF DIRECTORS REPORT ---- 8
1. መግቢያ
1. INTRODUCTION ---- 11
1.1 የዓለም አቀፍ ምጣኔ ሃብት
1.1. THE GLOBAL ECONOMY ---- 11
1.2 የብሔራዊ ምጣኔ ሃብት
1.2. THE NATIONAL ECONOMY ---- 12
1.3 የመድህን ኢንዱስትሪ
1.3. THE INSURANCE INDUSTRY ---- 13

2. የኩባንያው የኦፕሬሽን ስራ አፈፃፀም
2. THE COMPANY'S OPERATIONAL PERFORMANCE ---- 14
2.1. አጠቃላይ የአረቦን ገቢ
2.1. GROSS WRITTEN PREMIUM ---- 14
2.2. የተከፈለ ካሳ እና በእንጥልጥል ላይ ያሉ የካሳ ጥያቄዎች
2.2. PAID AND OUTSTANDING CLAIMS ---- 15
2.3. ከመድን ውል ሽያጭ የተገኘ ውጤት
2.3. UNDERWRITING RESULT ---- 16

3. የፋይናንስ ክንውኖች
3. FINANCIAL PERFORMANCE ---- 17
3.1. ሃብት
3.1. ASSETS ---- 17
3.2. የካፒታል ዕድገት
3.2. CAPITAL GROWTH ---- 17
3.3. ትርፍ
3.3. PROFIT ---- 17
3.4. ወጭዎች
3.4. EXPENSES ---- 18
3.5. የዳይሬክተሮች ቦርድ እና የዋና ሥራ አስፈፃሚው ጥቅማጥቅሞች
3.5. BENEFITS OF BOARD OF DIRECTORS AND CEO ---- 18
3.6. ዕዳ
3.6. LIABILITY ---- 18
3.7. ኢንቨስትመንት/ የመዋዕለ ነዋይ ፍሰት/
3.7. INVESTMENT ---- 19

4. ማርኬቲንግና የገበያ ልማት
4. MARKETING AND BUSINESS DEVELOPMENT ---- 19
4.1. የገበያ ልማትና የቅርንጫፍ ማስፋፋት ስራዎች
4.1. MARKET EXPANSION AND BRANCH NETWORKING ---- 19
4.2. የኩባንያው የገፅታ ግንባታ
4.2. COMPANY'S IMAGE BUILDING ---- 20
4.3. ከሽያጭ ወኪሎችና ብሮከሮች ጋር ያለው የስራ ግንኙነት
4.4. BUSINESS RELATIONSHIP WITH INTERMEDIARIES ---- 20

5. የሰው ኃብት
5. HUMAN RESOURCE DEVELOPMENT ---- 20
6. ያጋጠሙ ችግሮች እና የወደፊት ተስፋዎች
6. CHALLENGES AND PROSPECTS ---- 20
7. የወደፊት የትኩረት አቅጣጫ
7. THE WAY FORWARD-- ---- 21
8. ምስጋና
8. VOTE OF THANKS ---- 21
9. የፋይናንስ ክንውኖች
9. ANNUAL IFRS FINANCIAL STATEMENTS ---- 23

The Board Chairperson's Message

On behalf of the Board of Directors of Tsehay insurance S.C and on my own behalf, it is my pleasure and privilege to welcome you all to the 11th Annual General meeting of shareholders. I am also honored to present the company's annual report and financial statement for the year ended June 30, 2022.

I am indeed pleased to start by announcing that the year has proved to be another truly fruitful year for our company in which it has registered remarkable results despite many external and internal challenges faced the country during the budget year. This remarkable result is obtained due to the fact that the Board of Directors has managed to integrate where by the company's team work as a group to develop a solution and agreed to support what ever decision in the best interest of the company.

Dear Shareholders

I would like this grand meeting to note that our Company, once again, has successfully celebrating the 10th year of its anniversary. Though the full details are contained in the main body of this annual report, I would like to highlight only the major developments in our performance for the year ended on June 30, 2022.

Despite the high economic growth that was realized over the past decade, Ethiopia's economy has encountered several challenges that make it difficult for growth to sustain. The economy is facing significant macro-economic imbalances that are seen in the high external debt, extremely high inflation, low foreign currency reserve, rising unemployment, low quality social services and basic infrastructure that fail to meet demands mainly due to erratic social and political unrest and the war in northern part of the country.

Furthermore, the Ethiopian insurance industry suffered from internal problems like declining premium rate, increased claims loss ratio, escalating costs and expenses and other related issues.

የቦርድ ሊቀመንበሯ መልዕክት

የተከበራችሁ ባለአክሲዮኖች፣ በፀሐይ ኢንሹራንስ አ.ማ. በዳይሬክተሮች ቦርድ እና በራሴ ስም እንኳን ወደ አስራ-አንደኛው ዓመታዊ የባለአክሲዮኖች ጠቅላላ ጉባኤ በደህና መጣችሁ እያልኩ እ.ኤ.አ ሰኔ 30 ቀን 2022 የተጠናቀቀውን የበጀት ዓመት ዓመታዊ ሪፖርት እና የሂሳብ መግለጫ ሳቀርብ ልዩ ክብር ይሰማኛል።

በአሁኑ ወቅት ሀገሪቷን ብዙ ውጫዊና ውስጣዊ ፈተናዎች ቢገጥሟትም፣ የበጀት ዓመቱ ለኩባንያችን ሌላ ፍሬያማ ዘመን እንደነበረ በተገኙት አመርቂ ውጤቶች ያረጋገጥን መሆኑን ስገልጽላችሁ በታላቅ ደስታ ነው።

ውድ የኩባንያችን ባለአክሲዮኖች

ይህ ታላቅ ጉባኤ ልብ እንዲል የምፈልገው፤ ኩባንያችን የተመሰረተበትን 10ኛ ዓመት በተሳካ ውጤት ማክበሩን ነው። ምንም እንኳን ሙሉ ዝርዝር ጉዳዮቹ በሪፖርቱ ውስጥ የተካተቱ ቢሆንም እ.ኤ.አ ሰኔ 30 ቀን 2022 ዓ.ም. በተጠናቀቀው የበጀት ዓመት አፈፃፀማችን የተከናወኑ ዋና ዋና ዕድገቶችን በአጭሩ ለማንሳት እወዳለሁ።

ባለፉት አስርት ዓመታት በኢትዮጵያ ከፍተኛ የኢኮኖሚ እድገት ቢመዘገብም ባጋጠሙት በርካታ ፈተናዎች ምክንያት ይህ ዕድገት ዘላቂነት እንዳይኖረው ሆኗል። ኢኮኖሚው ጉልህ የሆነ የማክሮ ኢኮኖሚ ሚዛን መዛባት የታየበት ሲሆን ይህም

ከፍተኛ የውጭ የዕዳ ጫና፣ ከፍተኛ የዋጋ ግሽበት፣ ዝቅተኛ የውጭ ምንዛሪ ክምችት፣ እየጨመረ የመጣ የስራ አጥነት ቁጥር፣ የማህበራዊ ግልጋሎትና መሰረታዊ ልማቶች ጥራት መውረድ፣ ፖለቲካዊ ያለመረጋጋት እና በሃገሪቱ ሰሜናዊ ክፍል በነበረው ጦርነት ምክንያት የመሰረተ-ልማት ፍላጎትን ማሟላት እንዳይቻል ሳንካዎች ገጥሞታል።

በተጨማሪም የአረቦን ተመን መቀነስ፣ የካሳ ጥያቄ ምጣኔ እያደገ መምጣት (increased claims loss ratio) የወጪዎች መናር እና ሌሎች ተዛማጅ ጉዳዮች የኢትዮጵያ መድን ኢንደስትሪን የገጠሙት ውስጣዊ ችግሮች ነበሩ።

እነዚህ ሁሉ ፈተናዎች ቢኖሩም፣ ፀሐይ ኢንሹራንስ አ.ማ. ባለፈው የበጀት ዓመት የፋይናንስ አፈፃፀሙ አበረታች ውጤት ያስመዘገበበት ነበር። ይህ ሊሆን የቻለው የጠቅላላ ጉባኤው አስተዋይ አመራርና ያልተቋረጠ ድጋፍ ነው።

የተከበራችሁ ባለአክሲዮኖች

በተጠቀሰው የሪፖርት ዘመን ኩባንያው ጠቅላላ የአረቦን ገቢውን ባለፈው የበጀት ዓመት ከነበረው ብር 426 ሚሊዮን በ37 በመቶ ከፍ በማድረግ ወደ ብር 585 ሚሊዮን ያሳደገ ሲሆን ለዓመቱ ካቀደው ደግሞ 17 በመቶ ከፍ ያለ ገቢ መሰብሰብ ችሏል። ይህ የኩባንያው ዓመታዊ ዕድገትም ጠቅላላ የመድህን ኢንዱስትሪው ካሳየው 16 በመቶ እድገት በእጅጉ ከፍ ያለ እንደነበረና በዚህም ዕድገታችን ካሉት 17 የግል የኢንሹራንስ ኩባንያዎች መካከል በ7ኛ የገበያ ደረጃ ላይ እንድንገኝ አስችሎናል።

የኩባንያው ጠቅላላ ሀብት ካለፈው አመት በ25 በመቶ ዕድገት በማሳየት ብር 1.3 ቢሊዮን ደርሷል። የኩባንያው የተከፈለ ካፒታልም ወደ ብር 291.4 ሚሊዮን በማደግ ከባለፈው አመት የ15 በመቶ ጭማሪን አሳይቷል። የተጣራው የካሳ ጥያቄ ብር 249.5 ሚሊዮን ሲሆን ከባለፈው የበጀት ዓመት ጋር ሲነጻጸር በብር 52.3 ሚሊዮን ወይም በ26.5 በመቶ ዕድገት አሳይቷል።

ከዚህም በላይ፤ ኩባንያው ከውል ስራ ውጤት ብር 62.5 ሚሊዮን ያገኘ ሲሆን ይህም ከባለፈው የበጀት ዓመት በብር 22 ሚሊዮን ወይም 54 በመቶ ጭማሪ አስመዝግቧል። ይህ ውጤት ኩባንያው ከገቢ ግብር በፊት ብር 56.6 ሚሊዮን ትርፍ እንዲያገኝ በማስቻል ለዓመቱ ከታቀደው ብር 48.2 ሚሊዮን በላይ እና ከባለፈው ዓመት ያልተጣራ ትርፍ ብር 42.7 ሚሊዮን ብልጫን አሳይቷል።

በተጨማሪም የዋና መስሪያ ቤት የሕንፃ ግንባታ ለማጠናቀቅ የተደረገው ሂደት በጣም የሚያበረታታ ነው።

የተከበራችሁ ባለአክሲዮኖች

በተጨማሪ ጤናማና ሙያዊ የሪ-ኢንሹራንስ ድርድር፣ፕሮፊሽናል የሆነ የውል ስራ፣ ሀብቶችን በአግባቡና

However, despite all these challenges, Tsehay insurance S.C managed to achieve encouraging financial performance in the fiscal year under review. This was possible due to the General assembly's intelligent guidance and unconditional encouragement.

Dear Shareholders

During the period being reported, the company has been able to grow its Gross Written Premium (GWP) by 37% or grow to Birr 585 million from previous year's figure of Birr 426 million and 17% in excess of its plan despite the fact that the entire insurance industry in the country is believed to have grown by only 16% which enabled the company to stand in the 7th market rank among the 17 private insurance companies.

The total assets of the company has grown by 25% from last year and reached Birr 1.3 billion. The paid up capital base of the company has risen to Birr 291.4 million showing 15% increment over last year's records. While the net claims incurred was Birr 249.5 million showing an increase by Birr 52.3 million or 26.5% as compared to last fiscal year.

Moreover, the company registered underwriting result of Birr 62.5 million which showed an increase of Birr 22 million or 54% from the level of last budget year. This result enables the company to gain a profit before income tax of Birr 56.6 million which is higher than Birr 48.2 million target set for the year and gross profit of Birr 42.7 million registered last fiscal year.

Furthermore, the progress made towards finalizing the construction of Head Quarter building was highly encouraging.

Dear Shareholders

Additionally, sound and professional reinsurance arrangement, professional underwriting, efficient use of resources as one of the pillars of good corporate governance were the focus of the Board of Directors and management of the company and this helped to generate a profit amount higher than the target set for the year. Furthermore,

በብቃት ስራ ላይ ማዋል መቻል እንደ አንድ የመልካም አስተዳደር ምሶሶዎች መሆናቸውን በመገንዘብ የኩባንያው የዳይሬክተሮች ቦርድ እና ስራ አመራሩ ልዩ ትኩረት የሰጠበት ሲሆን ይህም ለበጀት ዓመቱ ከታቀደው መጠን በላይ ትርፍ እንዲያስመዘግብ አግዟል። ከዚህም በተጨማሪ የኩባንያውን የአደጋ ስጋት መቆጣጠር ስርዓት በተቆጣጣሪው ባለስልጣን ማለትም በኢትዮጵያ ብሔራዊ ባንክ ከተቀመጠው የአደጋ ስጋት ስራ አመራር መርሃ ግብር ጋር በተጣጣመ መልኩ እንዲሄድ ተደርጓል።

ይህ ውጤት ያለ ዳይሬክተሮች ቦርድ፣ ስራ አመራሩ፣ ሰራተኞችና ያለ ኩባንያው ባለ አክሲዮኖች እንዲሁም እምነታችሁን የጣላችሁብን ውድ ደንበኞቻችን ያላሰለሰ ድጋፍ እውን ሊሆን ባልቻለም ነበር።

በተጨማሪ በእነዚህ ሁሉ ዓመታት ውስጥ ላደረገልን ያልተቆጠበ የቅርብ አመራሩና ድጋፉ የኢትዮጵያን ብሔራዊ ባንክ ማመስገን እወዳለሁ። እንዲሁም ለጠለፋ ዋስትና ሰጪዎች፣ ለብሮከሮችና ለኩባንያችን የሽያጭ ወኪሎች ከእኛ ጋር ለነበራቸው ጠንካራ ህብረት፣ የማያቋርጥ ድጋፍና በዘዎትር ጽናታቸው ቀጣይነት ያለው ስኬት እንድናስመዘግብ አርገውናልና ምስጋና ይገባቸዋል።

የተከበራችሁ ባለአክሲዮኖች

እ.ኤ.አ. በሰኔ 30 ቀን 2022 የተጠናቀቀውን የበጀት ዓመት የዳይሬክተሮች ቦርድ እና የውጭ የኦዲተሮች ሪፖርት እያቀረብኩ በአዲሱ የኢትዮጵያ የንግድ ህግ አዋጅ ቁጥር 1243/2021 አንቀፅ 393 እና 394 እንዲሁም በኩባንያው የመተዳደሪያ ደንብ አንቀፅ 8 እና 9 መሰረት ይፀድቅ ዘንድ ለተከበራችሁ ባለአክሲዮኖች ሳቀርብ በታላቅ ደስታ ነው።

በመጨረሻም፤ ድጋፋችሁ ላልተለየኝ የዳይሬክተሮች ቦርድ አባላት እንዲሁም የኩባንያው ሥራ አመራር እና ለሁሉም ሠራተኞች ለዚህ ስኬት አስተዋፅኦ ላደረጋችሁ ሁሉ ምስጋናዬን በድጋሚ ለመግለፅ እወዳለሁ።

አመሰግናለሁ !

ማህደር ክበር

የዳይሪክተሮች ቦርድ ሊቀመንበር

managing the company's risk was carried out in line with the risk management program set by the regulatory authority National Bank of Ethiopia.

This result could not have been achieved without the relentless efforts exerted by Board of Directors, Management, employee of the company and the support of our respected shareholders and of course our esteemed customers who put their trust and good will in us.

I further extend my thanks to the National Bank of Ethiopia, for its support and unreserved guidance during all these years and also to reinsurers, brokers, and our company's sales agents who have been strong alliance and persistent backings for achieving continues success in our endure during all the time.

Dear Shareholders

I take great pleasure, to all shareholders of the company, to present the board of Directors and the external Auditors reports for the year ended June 30, 2022, for your kind consideration, deliberation and approval in accordance with Article 393 and 394 of the new commercial code 1243/2021 of Ethiopia and Article 8 and 9 of the company's Article of association.

Finally, please allow me to take this opportunity once again, to thank the Board of Directors for extending their undivided support to me and exemplary leadership given to our company as well as management and all staff members of Tsehay insurance who made this success to unfold.

Thank You All

Mahider Kiber

Chairperson, Board of Directors

የዳይሬክተሮች ቦርድ ሪፖርት

1. መግቢያ

ይህ ሪፖርት የዓለም-አቀፍ እና ብሄራዊ ምጣኔ ሃብት እንቅስቃሴን በመዳሰስ የፀሐይ ኢንሹራንስ አ.ማ. ኦፕሬሽናልና የፋይናንስ አፈፃፀም በተጠናቀቀው የበጀት ዓመት ሰኔ 30 ቀን 2022 ምን እንደሚመስል ያሳያል። በተጨማሪም የኩባንያውን ኦዲት የተደረጉ ዓመታዊ ሂሳብ መግለጫዎች ያካትታል።

1.1. የአለም አቀፍ ምጣኔ ሀብት

ከሁለት ዓመት በላይ የዘለቀውን ወረርሺኝ ተከትሎ፤ በሩስያ እና ዩክሬን ግጭት ሳቢያ ዓለም አቀፉ የኢኮኖሚ እንቅስቃሴ በአሁኑ ጊዜ በ2022 ዕድገቱ ወደ 2.9 በመቶ ዝቅ እንደሚል ይጠበቃል። (ግሎባል ኢኮኖሚክ ፕሮስፔክትስ ሰኔ 2022 እንደጠቆመው)

ይህ አዝጋሚ ሁኔታ በከፊል በዩክሬን በተካሄደው ጦርነት ምክንያት የሸቀጦች ዋጋ አለመረጋጋት፣ ከፍተኛ የግብዓት ወጪ፣ የንግድ እንቅስቃሴ መስተጓጎልና በራስ የመተማመን ስሜት መዳከም ምክንያት ሆኗል። እነዚህ ምክንያቶች እያደገ የሚሄደውን የዋጋ ግሽበትን በማባባስ በማደግ ላይ ባሉ ሀገራት የሚኖሩ ቤተሰቦች በርካታ ወጪ የሚውለው ለመሰረታዊ ፍጆታዎች ወጪ በመሆኑ በዩክሬን የተቀሰቀሰው ጦርነት በምግብ እና በነዳጅ ዋጋ ላይ የሚኖረው ጭማሬ በፍጆታ ዕቃዎች ድርሻ ላይ የጎላ ተፅዕኖ ያሳድራል። ይህ በተለይ በሸቀጣሸቀጥ አስመጪ ሃገራት በኩል የታየ እውነታ ሲሆን የኢነርጂ ላኪ ሃገራትን ግን በነዳጅ ምርት ቅናሽ ሳቢያ በተከሰተው አለማቀፍ የዋጋ ጭማሬ ተጠቃሚዎች ናቸው። (ግሎባል ኢኮኖሚክ ፕሮስፔክትስ ሰኔ፣ 2022)

በ2021 የአፍሪካ ጠቅላላ የሀገር ውስጥ ምርት (GDP) 6.9 በመቶ በማደግ በጠንካራ ሁኔታ አንሰራርቷል። ይህ የኢኮኖሚ ማገገም ክስተት በፍላጎት መጨመር፣ በአለምአቀፍ ደረጃ በታየው ከፍተኛ የነዳጅ ኤክስፖርት ዋጋ፣ በብዙ ሃገራት ከታየው የኮቪድ-19 ገደቦች መላላትና ከሃገራቱ የውስጥ ፍጆታ እና ኢንቨስትመንት ዕድገት ጋር የተያያዘ ነው።

ይሁን እንጂ፣ የ2022ቱ የአፍሪካ የGDP እድገት ከኮቪድ-19 ወረርሽኝ ጋር በተያያዘ እና በሩስያ-ዩክሬን ግጭት እንዲሁም ባልተጠበቁ ሌሎች ተፅዕኖዎች ሳቢያ ወደ 4.1 በመቶ እንደሚቀንስ ይጠበቃል። (አፍሪካን ኢኮኖሚክ አውትሉክ 2022 እንደዘገበው)

ከሰሃራ በታች ባሉት የአፍሪካ ሃገራት የኢኮኖሚ ማንሰራራት ሁኔታ በሁለተኛው የ2021 አጋማሽ ላይ ከቀዳሚው ዓመት ከተገመተው ዕድገት በላይ ከ3.7 ወደ 4.5 በመቶ በጉልህ በማሻቀብ አስገራሚ ለውጥን አሳይቷል። ይሁን እንጂ፤ የታየው መሻሻል ደግሞ በያዝነው የበጀት ዓመት አደጋ ላይ ወድቋል። የሩስያ ዩክሬን ግጭትን ተከትሎ የሸቀጦች ዋጋ

Board of Directors Report

1. INTRODUCTION

This report highlighted the performance of Global & National economy and operational and financial performance of Tsehay insurance S.C in the financial year ended 30 June, 2022. It also includes Audited annual financial statements of the company.

1.1. THE GLOBAL ECONOMY

Following more than two years of pandemic, spillovers from the Russia–Ukraine conflict are set to sharply hasten the deceleration of global economic activity, which is now expected to slow to 2.9 percent in 2022. (Global Economic Prospects, June 2022)

The slowdown in part reflects the spillovers from the war in Ukraine, which have led to commodity price volatility, higher input costs, trade disruptions, and weaker confidence. These spillovers are also magnifying the effects of preexisting headwinds to growth, including rising inflationary pressures, tightening financial conditions, continued withdrawal of macroeconomic policy support, and softening external demand. And since emerging market and developing economies (EMDE) households devote a relatively large proportion of their spending to basic necessities, the war's impact on food and energy prices is also weighing markedly on consumption. This is especially true among commodity importers, whereas energy exporters are benefitting from higher global energy prices and easing oil production cuts. (Global Economic Prospects, June 2022.)

Real gross domestic product (GDP) in Africa rebounded strongly in 2021, growing by 6.9 percent. This rebound was supported by recovery in global demand, higher oil prices benefiting oil-exporting economies, easing of COVID-19 restrictions in most countries, and associated growth in domestic consumption and investment. Africa's real GDP growth is, however, projected to decelerate to 4.1 percent in 2022, reflecting ebbing of base effects and uncertainties related to the persistence of the COVID-19 pandemic and the impact of the Russia–Ukraine conflict. Growth

የአካባቢውን ኢኮኖሚ የማገገም አዎንታዊ ግስጋሴ ገቶታል። ይህም የ2022ቱን ጠቅላላ ዕድገት ወደ 3.8 በመቶ ዝቅ እንዲል ያደርገዋል ተብሎ ይጠበቃል።

1.2 ብሔራዊ ምጣኔ ሀብት

በባለፉት አስር ዓመታት በኢትዮጵያ ከፍተኛ የኢኮኖሚ ዕድገት የተመዘገበ ቢሆንም፤ የተገኘውን ኢኮኖሚ ዕድገት ለማስቀጠል የሚያስችሉ ብዙ ፈተናዎች ገጥመውታል። ኢኮኖሚው ላይ ጉልህ የሆነ የማክሮ ኢኮኖሚ ሚዛን መዛነፍ የታየበት ሲሆን ይህም ከፍተኛ የውጭ ዕዳ ጫናን፤ ከፍተኛ የዋጋ ንረት፣ በዝቅተኛ የውጭ ምንዛሬ ክምችት፣ የስራ-አጥ ቁጥር ማደግ፣ የማህበራዊ አገልግሎቶች ጥራት ዝቅተኛነት እና ፍላጎቶችን ያላሟላ የመሰረተ-ልማት ችግሮች ተጋርጠውበታል።

የኮቪድ-19 ተፅዕኖ በአብዛኛው በመጨረሻው ሩብ ዓመት እንደነበረ ቢሆንም፤ የሃገሪቱ ጠቅላላ ምርት (GDP) እ.ኤ.አ. በ2020/21 የበጀት ዓመት በ6.1 በመቶ አድጓል። በዚሁ ወቅትም የአገልግሎት እና የማምረቻ እድገት ወደ ነጠላ አሃዝ ሲቀንስ፤ የሰብል ምርት ግን መሻሻል ያሳየበት ወቅት ነበር።

የአፍሪካ ልማት ባንክ ባስቀመጠው ትንበያ መሰረት እ.ኤ.አ. በ2022 የኢትዮጵያ ዕድገት ወደ 4.8 በመቶ ዝቅ እንደሚል ያመለክታል። ነገር ግን በ2023 በኢንደስትሪው እና በግል ፍጆታ እና ኢንቨስትመንት መሻሻል ታግዞ ወደ 5.7 በመቶ ያድጋል ተብሎ በትንበያው ተቀምጦ ነበር። የቱሪዝም ዘርፉ ማንሰራራትና የቴሌኮሙኒኬሽን ዘርፉ ለግል ሴክተሩ ክፍት መሆን የዕድገቱን መጠን ይጨምራል ተብሎ ይጠበቃል። ይሁን እንጂ ለዕድገቱ አለመቀጠል ቁልፍ የስጋት ምንጮች ተብለው ከሚጠበቁት መካከል በሰሜን ኢትዮጵያ ያለው ግጭት፣ ኮቪድ-19 ተፅዕኖ፣ የአለም-አቀፉ የኢኮኖሚ ዕድገት መዳከም፣ የአየር ጠባይ ለውጥና የዕዳ ጫና ይገኙበታል።

በሩሲያ-ዩክሬን ጦርነት ሳቢያ የዓለም አቀፍ የምግብና የዘይት ዋጋ መናርን ተከትሎ የዋጋ ግሽበቱ ወደ 32.6 በመቶ እንደሚያሻቅብ ሲጠበቅ በ2023 ግን ወደ 24.9 በመቶ ሊወርድ ይችላል ተብሎ ይገመታል። በሚወሰደው የፊስካል ማጠናከሪያ ስትራቴጂና በገቢ ግብር አሰባሰብ ማሻሻያ አማካኝነት የገንዘብ እጥረት (fiscal deficit) በ2022 እና በ2023፣ 2.6 በመቶ ላይ ተረጋግቶ እንደሚቆም ተጠቁሟል። አሁን ላይ የተከሰተው የገንዘብ እጥረት (fiscal deficit) በ2022 የአጠቃላይ የሀገር ውስጥ ምርትን (GDP) 4.8 በመቶ ድርሻ እንዲይዝና በ2023 ወደ 4.1 በመቶ ዝቅ ሊል እንደሚችል ይገመታል።

ይህ ሁሉ የምጣኔ ሀብት መቀዛቀዝ አደጋ የተከሰተው ሀገሪቱ በ2021/22 ባጋጠማት ብዙ የውጭና የውስጥ ችግሮች ምክንያት ነው። የተከሰቱት ዋና ዋና የውጭ ችግሮች መካከልም

varies widely across countries and regions. (African Economic Outlook 2022)

The economic recovery in sub-Saharan Africa surprised on the upside in the second half of 2021, prompting a significant upward revision in last year's estimated growth, from 3.7 to 4.5 percent. This year, however, that progress has been jeopardized. The commodity price shock following the Russia–Ukraine conflict has stalled the positive momentum in the region's economic recovery, with aggregate growth for 2022 expected to soften to 3.8 percent.

1.2. THE NATIONAL ECONOMIY

Despite the high economic growth that was realized over the past decade, Ethiopia's economy has encountered several challenges that make it difficult for growth to sustain.

The economy is facing significant macro-economic imbalances that are seen in the high external debt, high inflation, low foreign currency reserve, rising unemployment, low-quality social services, and basic infrastructure that fail to meet demands.

The real GDP of the country grew at 6.1 percent in 2020/21 F.Y, as the impact of the COVID-19 pandemic took place largely in the final quarter of the fiscal year. Crop production improved, while growth in services and manufacturing eased to single digits.

In the recent projection of African Development Bank, Ethiopia's GDP growth is projected to fall to 4.8% in 2022 but pickup to 5.7% in 2023, driven by industry and private consumption and investment. A tourism rebound and liberalization of the telecoms sector are expected to boost the growth outlook. Key downside risks to the growth outlook include the conflict in northern Ethiopia, COVID-19, weakness in global growth, climate change and debt vulnerabilities.

Higher global food and oil prices due to the Russia–Ukraine conflict are expected to increase inflation to 32.6% in 2022 before it eases to 24.9% in 2023. The fiscal deficit is projected to remain stable at 2.6% in 2022 and 2023 due to implementation of the fiscal consolidation strategy and improvement

ከዓለም አቀፉ የምጣኔ ሃብት መቀዛቀዝ ባሻገር በአሜሪካን የተሰጠው የቀረጥ ነፃ ዕድል ማጣት፣ በተለያዩ የሁለትዮሽ እርዳታዎች ላይ ከተጣለው ዕቀባ (በአሜሪካና በምዕራብ መንግስታት) ጋር ይያያዛል። ከዚህም በተጨማሪ እ.ኤ.አ. በ2021/22 የተከሰቱት ውስጣዊ ችግሮች፣ ለመጥቀስም ያህል በሃገሪቱ ሰሜናዊ ክፍል በተቀሰቀሰው ጦርነት ሳቢያ የደረሰው የሰብዓዊና የንብረት ውድመት፣ በቦረና እና በሶማሌ ክልሎች የተከሰተው ድርቅና በሃገር - አቀፍ ደረጃ ያንጎበበው የደህንነት ስጋት፣ ለተጠቀሰው የምጣኔ - ሃብት መቀዛቀዝ በምክንያትነት ይጠቀሳሉ። ይሁን እንጂ በነዚህ ሁሉ አስቸጋሪ ክስተቶች መካከል ሀገሪቱ በበጀት ዓመቱ በ2021/22 በመንግስት ይፋዊ መረጃ መሰረት የ6.6 በመቶ የአጠቃላይ የሀገር ውስጥ ምርት (GDP) ዕድገት አስመዝግባለች።

1.3. የኢንሹራንስ ኢንደስትሪ

የኢትዮጵያ የኢንሹራንስ ገበያ በጨቅላነት የዕድገት ደረጃ ላይ ያለ ሲሆን ይህም በባህሪው ዝቅተኛ መስፋፋትና ተደራሽነት ደረጃ ላይ ነው። ዘርፉ ለሃገሪቱ ጠቅላላ ምርት (GDP) ያለው አስተዋጽኦ ከአንድ በመቶ በታች ሲሆን ይህም ከአንዳንድ የአፍሪካ ሀገሮች ጋር ሲነጻጸር በጣም ዝቅተኛ ነው።

የዘርፉ ገበያ ህይወት - ነክ ባልሆኑ የመድህን ዋስትናዎች በአብላጫ የተያዘ ነው። የህይወት ዋስትናው ከ 5 በመቶ በታች የጠቅላላ አረቦን ገቢ የተገደበ ነው። የህይወትና ህይወት - ነክ ያልሆኑ የመድህን ዋስትናዎች ከዝቅተኛ መሰረት ተነስተው የሚያድጉ ሆነው በአመዛኙ የሽፋን መጠኑ ወደ መካከለኛ ገቢ ያላቸው ጥገኛ የሆነ ነው። ህይወት - ነክ ያልሆኑ የመድህን ዋስትናዎች ዕድገት የተመሰረተው በጠንካራ የጠቅላላ ምርት ዕድገት (GDP)፣ እያደገበሚሄደው የውጭ ኢንቨስትመንት፣ በመሠረተ ልማት መስፋፋት እና በመንግሥታዊ ወጪዎች መጨመር ይደገፋል። ዘርፉ ያልተነካ እምቅ የረጅም ጊዜ የገበያ ዕድገት ተስፋ ቢኖረውም፤ የመሰረታዊ መዋቅራዊ ለውጥ ተግዳሮትና የማህበረሰቡ ገቢ ዝቅተኛ መሆን የህይወት ዋስትናን እድገትና የወደፊቱንም ተቀባይነት ይገታዋል።

የህይወት ኢንሹራንስ በዝቅተኛ ደረጃ ላይ መገኘት፣ ጤናማ ያልሆነ የዋጋ ውድድር፣ ለኢንሹራንስ ያለው ዝቅተኛ የህብረተሰቡ ግንዛቤ፣ የባለሙያዎች እጥረት እና ዝቅተኛ የገበያ መስፋፋት ዕድል (GWP to GDP) የኢትዮጵያ ኢንሹራንስ ኢንደስትሪ ማሳያ ገጽታዎች ናቸው። በተጨማሪም የውስጥ የፖለቲካ ያለመረጋጋት፣ ብሄራዊና የዓለም ምጣኔ ሀብት መውረድ እና የውጭ ምንዛሬ እጦትና ሌሎቹ በዚህ በተጠናቀቀው የበጀት ዓመት በመድህን ኢንደስትሪው ላይ የተከሰቱ ዋና ዋናዎቹ ተግዳሮቶች ነበሩ።

ይህንን ከግንዛቤ በማስገባት የኢትዮጵያ የመድን ኢንደስትሪ ብር 15.3 ቢሊዮን አጠቃላይ የአረቦን ገቢ ከህይወትና ህይወት ነክ ካልሆነ መድን ሽያጭ አግኝቷል። ከዚህም ውስጥ

in tax revenue mobilization. The current account deficit is expected to widen to 4.8% of GDP in 2022 but to narrow to 4.1% in 2023.

All this economic slowdown risks are due to many external and internal challenges faced the country by the year 2021/22. The major external challenges encountered are loss of AGOA benefit and restriction laid on multilateral aids (by US and western governments) in addition to effects of global economic slowdowns.

Besides, the internal challenges faced the country by the year 2021/22 were the humanitarian and property damage due to the war in the northern part of the country, nationwide insecurity and the drought occurred in Borena and Somali regions. However, in all this staggering effects the country registered a GDP growth of 6.6% based on the government's official data by the budget year 2021/22.

1.3. THE INSURANCE INDUSTRY

Ethiopia's insurance market is set to remain at an embryonic stage of development, characterized with low levels of insurance penetration and density. The contribution of the sector to the country's GDP is below one percent which is very low both in absolute and relative terms when compared with some African countries.

The market is dominated by non-life insurance, with life insurance only accounted below 5% of total insurance premiums written. Both life and non-life insurance are growing from a 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 headline 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 and low incomes will limit the growth of life insurance and wider uptake over the foreseeable future.

Low level of Life insurance performance, stiff price-based competition, low level of public awareness, deterioration of professional practices and very low penetration rate (GWP/ GDP ratio) are among

ከህይወት መድን የተገኘው ብር 1.4 ቢሊዮን ብቻ ነበር። በ2021/22 በኢንደስትሪው የተመዘገበው የጠቅላላው የህይወት-ነክ ያልሆነ አረቦን በመንግስት ይዞታ ስር ባለው የኢትዮጵያ የመድን ድርጅት የተገኘ ብር 6.3 ቢሊዮን (41.5 በመቶ) ሲሆን፣ ቀሪው ብር 9 ቢሊዮን (58.5 በመቶ) ምርት ደግሞ በሁሉም የግል ኩባንያዎች የተገኘ ገቢ ነው። ይህ የኢንደስትሪው አረቦን ከባለፈው ዓመት ከተመዘገበው ብር 13.2 ቢሊዮን አረቦን በብር 2.1 ቢሊዮን (16 በመቶ) ብልጫ አለው። በሌላም በኩል ከባለፈው ዓመት መጠን ብር 7.1 ቢሊዮን ጋር ሲነጻጸር የግል የመድን ኩባንያዎች ባንድነት የብር 1.88 ቢሊዮን (26.7 በመቶ) ዕድገት አስመዝግበዋል።

2. የኩባንያው የኦፕሬሽን ስራ አፈፃፀም

እ.ኤ.አ ሰኔ 30 ቀን 2022 በተጠናቀቀው የበጀት ዓመት በሀገሪቱ በርካታ አካባቢዎች የፀጥታ ተግዳሮቶችና ከዚህ በፊት ታይቶ የማይታወቅ ዓለም አቀፋዊና ሀገራዊ ቀውስ ቢኖርም እንዳለፉት አመታት ሁሉ ኩባንያው በአረቦን መጠን፣ በካፒታል ዕድገት፣ በጠቅላላ ሀብት መሰረት እና ትርፋማነት አንፃር አስደናቂ ውጤቶችን ያስመዘገበበት ፍሬያማ ዓመት ነበር።

2.1. አጠቃላይ የአረቦን ገቢ

የፀሐይ ኢንሹራስ አ.ማ በበጀት ዓመቱ ያስመዘገበው ጠቅላላ አረቦን መጠን ብር 584.9 ሚሊዮን ሲሆን ይህም በዕቅድ ተይዞ ከነበረው የአረቦን መጠን ብር 501.4 ሚሊዮን ጋር ሲነፃፀር የ17 በመቶ ብልጫ እንዲሁም ከባለፈው ተመሳሳይ ወቅት ተመዝግቦ ከነበረው ብር 426.4 ሚሊዮን አረቦን መጠን አንፃር የ37 በመቶ ዕድገት አሳይቷል።

የተመዘገበው የአረቦን መጠን በእያንዳንዱ የዋስትና ዓይነቶች ስንመለከት የተሸከርካሪ መድን ሽፋን 62.5 በመቶ (ብር 365.5 ሚሊዮን) ሲያስመዘግብ በመቀጠልም በፖለቲካ አመጽና በሽብር ለሚደርስ ጉዳት ለህጋዊ ኃላፊነት እና የገንዘብ ነክ የዋስትና ዓይነቶች እንደየ ቅደም ተከተላቸው የ10 በመቶ (የብር 58.1 ሚሊዮን)፣ የ9.9 በመቶ (የብር 56 ሚሊዮን) እና የ6 በመቶ (የብር 36.7 ሚሊዮን) ድርሻ ነበራቸው። የእሳትና ተያያዥ አደጋዎች እና ምህንድስና የዋስትና ዓይነቶች እንደየ ቅደም ተከተላቸው የብር 23.4 ሚሊዮን (4 በመቶ) እና የብር 21.4 ሚሊዮን (3.7 በመቶ) አስተዋጽኦ አድርገዋል። ቀሪዎቹ ሁሉም የዋስትና ዓይነቶች በድምሩ የ3.9 በመቶ (የብር 23.8 ሚሊዮን) ድርሻ ይይዛሉ።

the features that the Ethiopian Insurance industry characterizes. Internal political instability, national & world economic slowdown and lack of foreign currency are also the other notable challenges on the insurance industry in the ended budget year.

Bearing this in mind, Ethiopian insurance industry has produced a gross written premium (GWP) of Birr 15.3 billion from general insurance business. While the GWP produced from life insurance was only Birr 1.4 billion. Of the aggregated industry level non-life premium production registered in 2021/22, Birr 6.3 billion (41.5%) of industry's production is produced by the state owned insurance company (EIC) while the remaining Birr 9.0 billion (58.5%) of the industry's production is produced by all private companies.

This industry premium is higher than by Birr 2.1 billion (16%) from a premium of Birr 13.2 billion which was registered last year same period. On the other hand, private insurance companies together registered growth of Birr 1.88 billion (26.7%) compared with last year's amount of Birr 7.1 billion.

2. The Company's Operational Performance

The budget year ended 30 June, 2022 is another truly fruitful year for our company in which it has registered remarkable results in terms of premium production, capital growth, asset base and profitability despite the security challenges in many parts of the country and the unprecedented Global and National crisis.

2.1. Gross Written Premium

Tsehay insurance S.C has produced a total Gross Written Premium of Birr 584.9 million which is 17% growth compared with the budgeted premium of Birr 501.4 million and a growth of 37% compared with the premium volume of Birr 426.4 million which was produced in last year same period.This brought the company's market share to be 3.8% from the industry's general business produced during the budget year.

የተመዘገበው አረቦን በዋስትና ዓይነቶች ስንመለከት የህጋዊ ኃላፊነት፣ የጉዞ ጤና መድን፣ የምህንድስና፣ የተሽከርካሪ መድን፣ የእሳትና ተያያዥ አደጋዎች መድን፣ የገንዘብ ነክ ዋስትና እና የፖለቲካ አመጽና ሽብር ለሚደርስ ጉዳት የዋስትና ዓይነቶች ከዕቅዳቸው ከ102 በመቶ እስከ 317 በመቶ ያለውን ከፍተኛ አፈጻጸም አስመዝግበዋል።

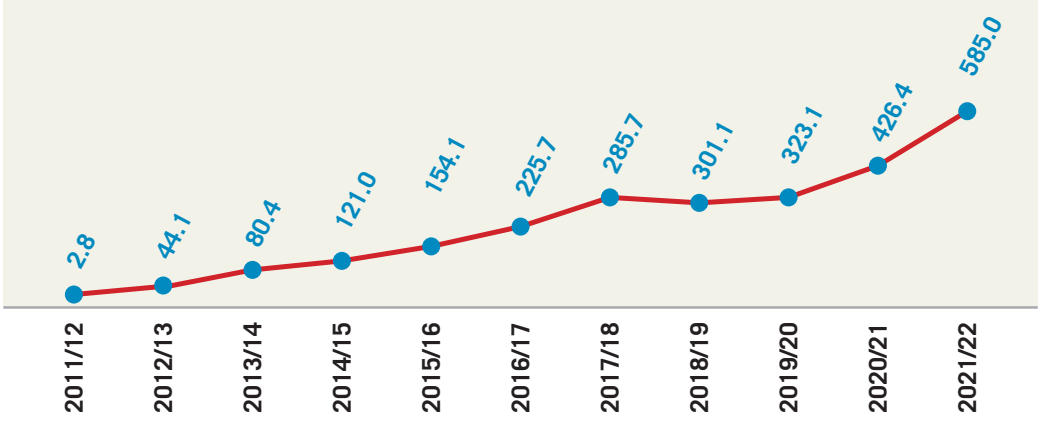
ሰራተኞች በስራ ላይ ለሚደርስባቸው አደጋና በባህር በየብስና በአየር ለሚጓዙ ዕቃዎች የሚሰጥ ዋስትና ዓይነቶች የተሰበሰበው የአረቦን መጠን ግን ከታቀደው በታች ክንውን አስመዝግበዋል። በተለይም በባህር በየብስና በአየር ለሚጓዙ ዕቃዎች የሚሰጥ ዋስትና ከዕቅድ በታች የሆነ አፈፃፀም ሊመዘገብ የቻለበት ምክንያትም በተከሰተው የውጭ ምንዛሬ ዕጥረት እና ጤናማ ያልሆነ የዋጋ ፉክክር (በዝቅተኛ ዋጋ ሽፋን መስጠት) ባደረሱት ተጽእኖ ነው።

ይሁን እንጂ በሁሉም የዋስትና አይነቶች ከባለፈው ተመሳሳይ ወቅት ጋር ሲነፃፀር ከፍ ያለ የአረቦን ምርት አፈፃፀም የተመዘገበበት ዓመት ነበር። በዚሁም መሰረት ሞተር ነክ ያልሆኑ የመድን ሽፋኖች በአንድነት ከጠቅላላው የአረቦን ምርት የ37.5 በመቶ አስተዋጽኦ የነበራቸው ሲሆን ይህም በዓመቱ ከታቀደው የ35 በመቶ ድርሻ ከፍ ያለ እንዲሁም ባለፈው የበጀት ዓመት ከነበረው የ34.5 በመቶ አስተዋጽኦ መሻሻልን ያሳየ እንደነበር ተመልክቷል።

Considering class of businesses contribution, Motor class of business (CoB) accounts 62.5% (Birr 365.5 million) followed by PVT, Liability and Pecuniary with 10% (Birr 58.1 million), 9.9% (Birr 56.0 million) and 6% (Birr 36.7 million) respectively. Fire and Engineering CoBs also contributed Birr 23.4 million (4%) and Birr 21.4 million (3.7%) respectively. While the rest CoBs covered the remaining portion 3.9% (Birr 23.8 million).

Regarding to CoBs performance, Liability, Travel Health Insurance, Engineering, Motor, Fire, Pecuniary and PVT CoBs registered higher performance of their target set ranging from 102% to 317%. While GPA, Workmen's Compensation and Marine CoBs registered performances below their target set. The shortfall in Marine CoB is principally attributed to shortage of foreign currency and stiffer competition (lower rate). Nevertheless, the performance in all class of businesses showed growth compared with last year's the same period actual premium production. As a result, non-motor class of businesses contributed 37.5% to the total premium production which is over the target set (35%) for the period and showed improvement from last year's contribution of 34.5% same period performance.

Figure :1 ጠቅላላ የአረቦን ገቢ በሚሊዮን ብር **/GWP in Million Birr/**



2.2. የተከፈለ ካሳ እና በእንጥልጥል ላይ ያሉ የካሳ ጥያቄዎች

በተጠናቀቀው የበጀት ዓመት የተከፈለው ጠቅላላ የጉዳት ካሳ ክፍያ መጠን ብር 279.1 ሚሊዮን ሲሆን ይህም ካለፈው ዓመት አፈፃፀም ብር 205.6 ሚሊዮን ጋር ሲነፃፀር በ36 በመቶ ዕድገት አሳይቷል። በሌላ በኩል ደግሞ ለኩባንያው የካሳ ክፍያ ጥያቄ ቀርቦባቸው ነገር ግን በእንጥልጥል ላይ ያሉ የካሳ

2.2. Paid and Outstanding Claims

The total claims paid for the budget year under review amounted to Birr 279.1 million which is higher by 36% from last year's amount of Birr 205.6 million. On the other hand, outstanding claims of the period reached Birr 361.04 million which is higher by 11% from last year's of Birr 325.7 million.

ጥያቄዎች ብር 361.04 ሚሊዮን የደረሰ ሲሆን ይህም ከባለፈው ተመሳሳይ የበጀት ዓመት ከነበረው የካሳ ጥያቄ ብር 325.7 ሚሊዮን ጋር ሲነፃፀር የ11 በመቶ ብልጫ አሳይቷል። ለዚህ የካሳ ክፍያ መጨመር ዋና ምክንያቶችም የተሽከርካሪ አደጋ መጨመር፣ የዋስትና (ቦንድ) ካሳ ጥያቄ ማደግ፣ የህጋዊ ኃላፊነት ሽፋን እና የፖለቲካ አመጽና በሽብር ለሚደርስ ጉዳት የቀረበ የካሳ ጥያቄ መጨመር በከፍተኛ ሁኔታ ከተጋነነው የመለዋወጫና የጥገና የእጅ ዋጋ ጋር ተደምሮ ያስከተለው ጭማሪ ነው። ይህም ሆኖ የኩባንያው ጠቅላላ የአደጋ ምጣኔ (Loss ratio) ከባለፈው ዓመት ተመሳሳይ ወቅት ከነበረው የ69 በመቶ ምጣኔ ወደ 67 በመቶ ምጣኔ ዝቅ ያለ ሆኖ ተመዝግቧል። ይህም የሆነው የተከፈለና በእንጥልጥል ያሉ የካሳ ጥያቄዎች በዚህ በጀት ዓመት የተመዘገበ ብቻ ሳይሆን ከቀደሙት የበጀት ዓመታት ሲንከባለል የመጣ የካሳ ጥያቄን ይጨምራል።

በበጀት ዓመቱ ለተሽከርካሪ ዋስትና ዓይነት የተከፈለው የካሳ መጠን በአጠቃላይ ከተከፈለው ካሳ ውስጥ ብር 225.3 ሚሊዮን (81 በመቶ) ድርሻ ያለው ሲሆን በመቀጠልም የህጋዊ ኃላፊነት እና የገንዘብ ነክ ዋስትና ዓይነቶች እንደቅደም ተከተላቸው የብር 27.5 (10 በመቶ) እና የብር 8 ሚሊዮን (3 በመቶ) ድርሻ ነበራቸው። ቀሪዎቹ የዋስትና ዓይነቶች በድምሩ 18.3 ሚሊዮን (6 በመቶ) ድርሻ ነበራቸው።

2.3. ከመድን ውል ሽያጭ የተገኝ ውጤት

በበጀት ዓመቱ ኩባንያው ከውል ሽያጭ የተገኘ ውጤት ብር 62.5 ሚሊዮን ሲሆን ይህም ባለፈው ተመሳሳይ ወቅት ከነበረው ብር 40.5 ሚሊዮን ጋር ሲነጻጸር 54 በመቶ ከፊ ያለ ሆኖ ተመዝግቧል። የእያንዳንዱን የውል ሽያጭ አስተዋጽኦ ስናይም ለህጋዊ ኃላፊነት ከሚሰጥ ዋስትና ውጭ ሁሉም የዋስትና ዓይነቶች ትርፋማ ነበሩ። ከተሽከርካሪ ሽፋንና ገንዘብ ነክ ከሆኑ የሽፋን ዓይነቶች የተገኘው የውል ሽያጭ ውጤት ትልቁን ድርሻ የያዙ ሲሆን ይህም እንደየቅደም ተከተላቸው የብር 24.5 ሚሊዮንና 14.8 ሚሊዮን ድርሻ ነበራቸው።

የእሳትና ተዛማጅ አደጋዎች፣ የባሕር የብስና አየር በሚጓዙ ዕቃዎች ለሚሰጥ ዋስትና፣ በፖለቲካ አመፅና በሽብር ዋስትና እና በሰራተኞች በስራ ላይ ለሚደርስ የአደጋ ዋስትና እንደየ-ቅደም ተከተላቸው የብር 7.4 ሚሊዮን፣ የብር 6.9 ሚሊዮን፣ የብር 4.6 ሚሊዮን እና የብር 3.2 ሚሊዮን ድርሻ ሲያገኙ እንዲሁም የተቀሩት የዋስትና ዓይነቶች በድምሩ የብር 1.1 ሚሊዮን የትርፍ ድርሻ ነበራቸው።

The major contributing factors for the escalation were mainly due to claim increment on motor, bond, liability and PVT class of businesses, with the associated inflated part and labor costs. However, the company's loss ratio declined to 67% from the corresponding last year's figure 69%. The claims registered as paid and outstanding in this period includes not only claims arisen from current period operation but also rolled from periods of previous fiscal years.

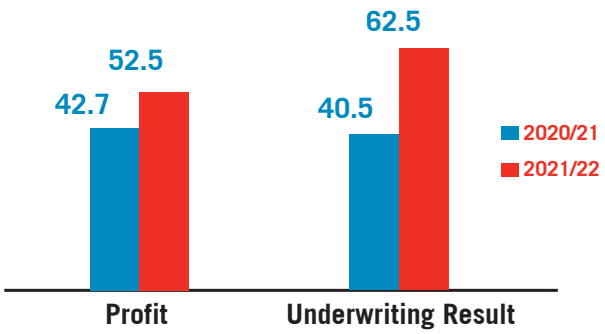
Motor class of business contributed about Birr 225.3 million (81%) to the sum of paid claims followed by Liability and Pecuniary with contribution of Birr 27.5 million (10%) and Birr 8.0 million (3%) respectively. The rest CoBs covered the remaining portion of Birr 18.3 million (6%).

2.3. Underwriting Result

During the budget year 2021/22, the company has registered underwriting result of Birr 62.5 million which is higher by 54% from the last year's same period amount of Birr 40.5 million. Considering contribution of CoBs to the total underwriting result of the period, all class of businesses with the exception of Liability found to be profitable. Motor and Pecuniary CoBs have contributed the highest amount to the total underwriting result with Birr 24.5 million and Birr 14.8 million respectively.

Fire, Marine, PVT, and Workmen's Compensation classes of businesses were also found profitable with Birr 7.4 million, Birr 6.9 million, Birr 4.6 million, and Birr 3.2 million contributions respectively, and the remaing classes of businesses had a total underwriting result of Birr 1.1 million.

Figure :2 ትርፍ እና ከውል ሽያጭ የተገኘ ውጤት/ Profit & Underwriting Result



3. የፋይናንስ ክንውኖች

3.1. ሃብት

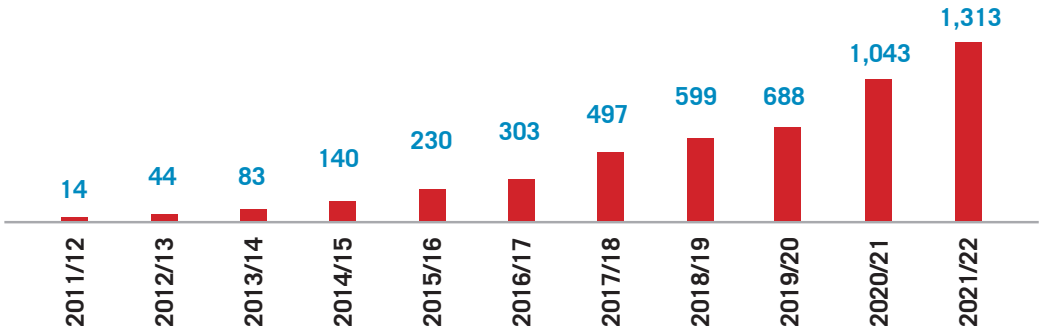
እ.ኤ.አ ሰኔ 30 ቀን 2022 ዓ.ም. የኩባንያው ጠቅላላ ሃብት ብር 1.3 ቢሊዮን የደረሰ ሲሆን ይህም ባለፈው ተመሳሳይ ወቅት ከነበረው ብር 1.04 ቢሊዮን የብር 269.6 ሚሊዮን ወይም 26 በመቶ ዕድገት አሳይቷል። ከዚህም ውስጥ ብር 421.3 ሚሊዮን ወይም 32 በመቶ ቋሚ ንብረት ሲሆን ቀሪው ብር 891.8 ሚሊዮን ወይም 68 በመቶ ተንቀሳቃሽ ሃብት ነው።

3. Financial Performance

3.1. Assets

As at 30 June, 2022 the total asset of the company reached Birr 1.3 billion showing an increment of Birr 269.6 million (26%) compared with last year's same period of Birr 1.04 billion. Of this mount, Birr 421.3 million (32%) is non-current while the remaining Birr 891.8 million (68%) is current asset.

Figure :3 አጠቃላይ ሀብት በሚሊዮን ብር/ Total Assets in Million Birr



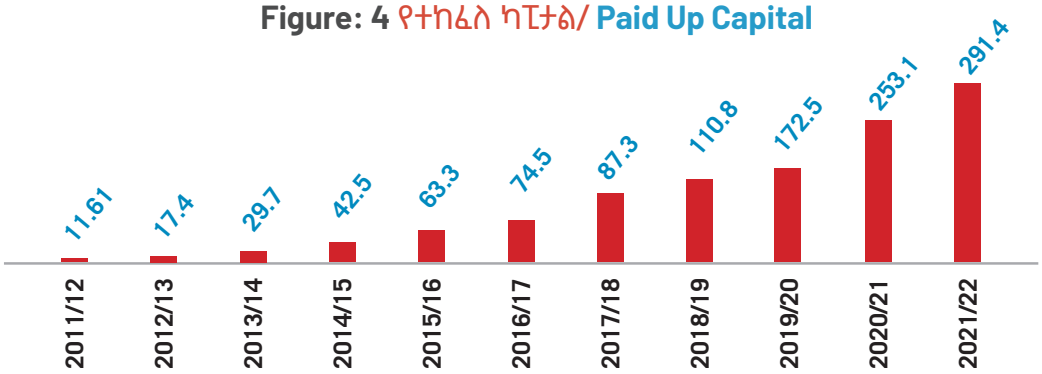
3.2. የካፒታል ዕድገት

የኩባንያው የተከፈለ ካፒታል እስከ እ.ኤ.አ ሰኔ 30 ቀን 2022 ዓ.ም. ወደ ብር 291.4 ሚሊዮን ከፍ ያለ ሲሆን ይህም በአለፈው ዓመት ተመሳሳይ ወቅት ከነበረው ብር 253.1 ሚሊዮን ጋር ሲነፃፀር በ15 በመቶ ወይም በብር 38.3 ሚሊዮን ዕድገት አስመዝግቧል።

3.2. Capital Growth

During the fiscal year 2021/22, the company's paid up capital has grown to Birr 291.4 million from Birr 253.1 million of last year's same period figure. It has shown 15% (Birr 38.3 million) growth compared with last year.

Figure: 4 የተከፈለ ካፒታል/ Paid Up Capital



3.3. ትርፍ

ኩባንያችን በበጀት ዓመቱ ከገቢ ግብር ቅናሽ በኋላ ብር 52.5 ሚሊዮን ትርፍ አስመዝግቧል ። ኩባንያው ያስመዘገበው ትርፍ የብር 9.8 ሚሊዮን ወይም 23 በመቶ ባለፈው ዓመት ከነበረው ብር 42.7 ሚሊዮን ጭማሪ ያሳየ ሲሆን ይህም እንደ አለፈው ዓመት ለ1,000 ብር ዋጋ

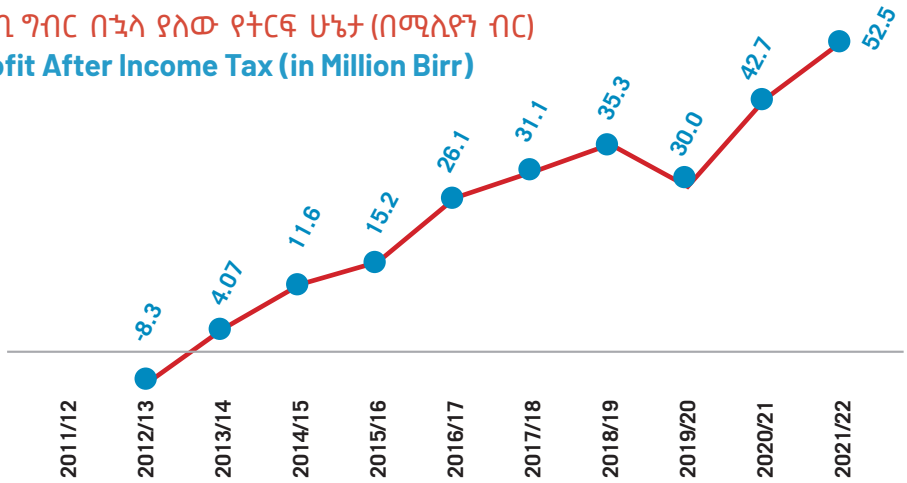
3.3 Profit

The company has registered a profit after tax of Birr 52.5 million during the reporting period. The profit that the company earned has shown increment of Birr 9.8 million (23%) over last year's amount of Birr 42.7 million, which is earning per

ለሚያወጣ አክሲዮን የብር 180 ትርፍ አሳይቷል ማለት ነው። በዚህም መሰረት የኩባንያው ባለ አክሲዮኖች ቀደም ባሉት ዓመታት እንዳደረጉት ትርፋቸውን ቃል በገቡት መሰረት ለቀሪ ላልተከፈሉ አክሲዮኖች ክፍያ እንደሚያውሉ ይጠበቃል።

share of Birr 180 for Birr per 1,000 par value. This amount is almost equal with last year's same period earning per share. However, shareholders are expected to plough back their dividend to cover the third installment for the capital increase as they did in the previous years.

Figure:5 ከገቢ ግብር በኋላ ያለው የትርፍ ሁኔታ (በሚሊዮን ብር)
Trend of Profit After Income Tax (in Million Birr)



3.4. ወጭዎች

በበጀት ዓመቱ የኩባንያው አስተዳደራዊና ጠቅላላ ወጭ ብር 118.5 ሚሊዮን የደረሰ ሲሆን ይህም ባለፈው ዓመት ተመሳሳይ ወቅት ከነበረው ብር 84.1 ሚሊዮን ጋር ሲነፃፀር የብር 34.4 ሚሊዮን ወይም የ41 በመቶ ብልጫ አሳይቷል። ለዚህ የወጭ መጨመር ዋና የሚባሉ ምክንያቶችም የሰራተኛ ደመወዝና ጥቅማጥቅም፣ የቢሮ ኪራይ ወጭ መጨመር እና በገበያው ላይ የሚታይው ከፍተኛ የሆነ የዋጋ መናር ያስከተለው ተፅእኖ ነው።

3.4 Expenses

The company's total general and administrative expense amounted to Birr 118.5 million for the budget year 2021/22. The total general and administrative expense spent in 2021/22 F.Y is higher by Birr 34.4 million (41%) compared with Birr 84.1 million of last year's corresponding period. This is primarily attributed to salary and benefits to employees, raising office rent and high inflationary pressure that raise the price of goods in doing business.

3.5. የዳይሬክተሮች ቦርድ እና የዋና ሥራ አስፈፃሚው ጥቅማጥቅሞች

በተጠናቀቀው በጀት ዓመት የዳይሬክተሮች ቦርድ አበልና የድካም ዋጋ እና የዋና ስራ አስፈፃሚው ደመወዝ፤ ጥቅማጥቅምና ብድር በድምሩ ብር 4.74 ሚሊዮን ሲሆን ከዚህ ውስጥም ብር 2.42 ሚሊዮን ወይም 51.1 በመቶ የዳይሬክተሮች ቦርድ አበልና የድካም ዋጋ እንዲሁም ብር 1.32 ሚሊዮን ወይም 27.8 በመቶ የዋና ስራ አስፈፃሚ ደመወዝና ጥቅማጥቅም ሲሆን በተጨማሪ ብር 1 ሚሊዮን ወይም 21.1 በመቶ ብድር ነበር።

3.5. Benefits of Board of Directors and CEO

During the budget year, the allowance and remuneration fee of Board of Directors and the allowance, benefits and loan of CEO amounted to Birr 4.74 million. Of this, Birr 2.42 million (51.1%) was the allowance & remuneration fee of BoDs while the rest Birr 1.32 million (27.8%) was allowance & benefit of CEO in addition, Birr 1 million (21.1%) was loan.

3.6.ዕዳ

እ.ኤ.አ ሰኔ 30 ቀን 2022 ዓ.ም. የኩባንያው ዕዳ ብር 936.3 ሚሊዮን የደረሰ ሲሆን ይህም ከባለፈው ዓመት ብር 722.4 ሚሊዮን የ30 በመቶ ዕድገት አሳይቷል። ለዚህ

3.6. Liability

At the end of 30, June 2022 the total liability of the company reached to Birr 936.3 million indicating

ዕዳ ጭማሪ በዋናነት የሚጠቀሰው በእንጥልጥል ላይ ላሉ የካሳ ጥያቄዎች የተያዙ መጠባበቂያዎች ከፍ ማለቱ ነው።

3.7 ኢንቨስትመንት/ የመዋዕለ ነዋይ ፍሰት/

በበጀት አመቱ የኩባንያው ኢንቨስትመንት ብር 512.1 ሚሊዮን ደርሷል።ከዚህ ውስጥም ከፍተኛውን ድርሻ የሚይዘው በጊዜ ገደብ ተቀማጭ ሲሆን ይህም ብር 390.9 ሚሊዮን ወይም 76 በመቶውን ሲይዝ ቀሪው ብር 121.2 ሚሊዮን ወይም 24 በመቶው ደግሞ የአክሲዮን ግዢ ኢንቨስትመንት ነው።

ኩባንያችን በዚሁ በጀት አመት ከኢንቨስትመንት እና ከሌሎች ገቢዎች ብር 56.7 ሚሊዮን ገቢ አግኝቷል። ይህም ባለፈው አመት ከነበረው የብር 42.1 ሚሊዮን መጠን ጋር ሲነፃፀር የብር 14.6 ሚሊዮን ወይም የ35 በመቶ ዕድገት አሳይቷል።

4. ማርኬቲንግና የገበያ ልማት

4.1. የገበያ ልማትና የቅርንጫፍ ማስፋፋት ስራዎች

የቅርንጫፍ ማስፋፊያ ስራ ለተደራሽነት፤ ለሃብት ማሰባሰብና አገልግሎትን በስፋት ለደንበኞች ለማድረስ እጅግ ወሳኝ መሆኑን በመገንዘብ ኩባንያችን የቅርንጫፍ ማስፋፋትን ስራ በዘላቂነት እያከናወነ ይገኛል።

በዚህም መሰረት ኩባንያችን በበጀት አመቱ በድምሩ ሶስት አዲስ ቅርንጫፎችን የከፈተ ሲሆን ሁለቱ በአዲስ አበባ እና አንዱ ደግሞ በአርባ ምንጭ ከተማ ስራ ጀምረዋል።በአሁኑ ወቅትም በአጠቃላይ የቅርንጫፎቹን ብዛት ሰላሳ ሶስት አድረሷል።ዝርዝር የኩባንያው የቅርንጫፎች ቁጥር ዕድገት ሂደት ከታች በምስሉ ተቀምጧል።

30% increment compared with last year's amount of Birr 722.4 million. This is mainly due to the rise in outstanding claims.

3.7. Investment

The company's total investment has reached Birr 512.1 million during the period under review. Out of this, the lion share goes to fixed time deposit with Birr 390.9 million (76%) and the rest Birr 121.2 million (24%) is equity investment.

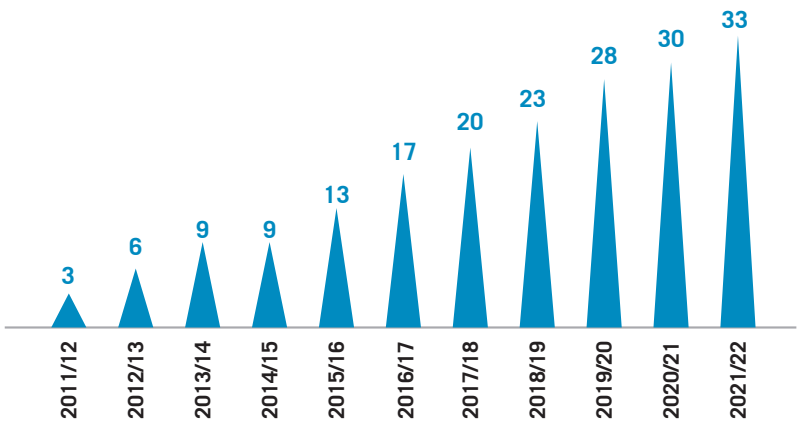
During the budget year 2021/22, the company earned Birr 56.7 million income from investment and other income. This showed increment of Birr 14.6 million (35%) compared with the corresponding last year's amount of Birr 42.1 million.

4. Marketing and Business Development

4.1. Market Expansion and Branch Networking

As branch expansion plays a major role in increasing accessibility, resource mobilization and expands service outreaches, the company regularly expands its branch outlets throughout the country. In the budget year 2021/22 the company opened three new branches (two in Addis Ababa and one in ArbaMinch town) which make the total number of branches thirty three. The trend of branches networking is shown on the figure.6 below.

Figure:6 የቅርንጫፍ ዕድገት/ Branch Expansions



4.2. የኩባንያው የገፅታ ግንባታ

በበጀት ዓመቱ የኩባንያውን ገፅታ ለመገንባት በርካታ ተግባራት የተከናወኑ ሲሆን ይህም ማህበራዊ ኃላፊነትን ለመወጣት እና በተለያዩ ኩነቶች የሚደረጉ ተሳትፎዎችን ያካተቱ ነበሩ። በዚህም መሰረት በበጀት ዓመቱ ኩባንያው ብር 1.5 ሚሊዮን ለተጠቀሱት ተግባራት አበርክቷል። በሌላ በኩል የኩባንያውን አስረኛ ዓመት የስራ ዘመን ክብረ በዓል ለማስታወስ እና ገፅታውን ለመገንባት የተለያዩ የማስታወቂያ ሥራዎችን መሰራትና ስጦታዎችን በማሳተምም ለተመረጡ ደንበኞችና አጋር አካላት የማሰራጨት ተግባር ተከናውኗል።

4.3. ከሽያጭ ወኪሎችና ብሮከሮች ጋር ያለው የስራ ግንኙነት

በበጀት ዓመቱ ለ30 አዲስ የሽያጭ ወኪሎች ስልጠና ተሰጥቷቸው ወደ ገበያ የገቡ ሲሆን 25 ለሚሆኑ ስልጠና ከወሰዱ አራት እና አምስት አመታት ለሆናቸው ነባር የሽያጭ ወኪሎች ደግሞ የማነቃቂያ ስልጠና ተሰጥቷል።በተጨማሪም በኩባንያው አመራሮች በተለያየ ጊዜ የተመረጡ ብሮከሮችን ጉብኝት በማድረግ የገበያ ማስፋፋት ስራ ተሰርቷል።

5. የሰው ኀብት

ኩባንያው የሰራተኞችን ክህሎት የማዳበር ተግባሩን በዘላቂነት በትኩረት ለማስቀጠል ባለው ፍላጎት በትምህርትና ስልጠና ተግባራት ላይ ከፍተኛ ወጪ መድቦ እየሰራ ይገኛል። በዚህም መሰረት ለሀገር ውስጥ ትምህርትና ስልጠና እንዲሁም በውጭ ለሚደረጉ አጫጭር ሙያዊ ስልጠናዎች ወጪዎችን በመሸፈን ላይ ይገኛል።

በቅርንጫፎች መጨመርም ሆነ የተለያዩ የስራ ክፍሎች ስራ መስፋት ምክንያት የኩባንያው ሰራተኞች ቁጥር ባለፈው ተመሳሳይ ወቅት ከነበረው 269 በ48 ሰራተኞች ወይም በ18 በመቶ ጭማሬ በማሳየት በአሁኑ ወቅት የሰራተኞች ብዛት 317 የደረሰ ሲሆን ይህም 160 ወንድ እና 157 ሴቶች ናቸው። ከአጠቃላይ ሰራተኞች ውስጥም 191 ሰራተኞች ወይም 60 በመቶ የሚሆኑት በቅርንጫፎች የሚሰሩ ሲሆን 145 ሰራተኞች በአዲስ አበባ፣ 46 ሰራተኞች ደግሞ በክልል ቅርንጫፎች እንዲሁም የቀሩት 126 ወይም 40 በመቶ የሚሆኑት በዋናው መስሪያ ቤት የሚሰሩ ናቸው።

6. ያጋጠሙ ችግሮች እና የወደፊት ተስፋዎች

በተለያዩ የሃገራችን ክፍሎች የተፈጠረው የፖለቲካ አለመረጋጋት በበጀት ዓመቱ የስራ ክንውን ላይ እክል ፈጥሮ እንደነበር ይታወቃል። ከዚህ በተጨማሪም የንግድ እንቅስቃሴው መቀዛቀዝ፤ ጤናማ ያልሆነ የዋጋ ውድድር መኖርና የተሸከርካሪ የመለዋወጫ ዋጋና የእጅ ዋጋ መናር በበጀት ዓመቱ እንደ ዋና ተግዳሮት የሚጠቀሱ ነበሩ።

ለቀጣይ ከሚኖሩ ተስፋዎች መካከልም ኩባንያችን እነዚህን ተግዳሮቶች ለመቀነስ እና ለመቋቋም በማሰብ የሁለተኛ ዙር

4.2. Company's Image Building

The company to build its image various activities were planned and implemented by the fiscal year under review. Accordingly, the company contributed a lot for social responsibility and participated in various events. In line with this, the company donated over Birr 1.5 million to support and discharge its social responsibility. Moreover, in celebrating the company's 10th year's anniversary, different promotional activities including give away materials were prepared and distributed to targeted customers and stakeholders.

4.3. Business Relationship with Intermediaries

The company trained thirty new sales agents and provided refreshment training for twenty five existing agents those who served about four & five years in the company. Executive managements periodically conducted business visit of selected brokers.

5. Human Resource Development

The company continuous to focus on the strength of its manpower and thus invests substantially in training and development. Employees are sponsored to attend both local and international trainings and education particularly focusing on the core insurance courses.

Due to branch and other work units expansion, staff of the company increased by 18% (by 48 employees) compared to last year's of 269 employees. Hence, at the end of budget year 2021/22, the total number of employees reached 317 (160 male & 157 female). Of the total employees, 191 (60%) are working for branches (145 for AA branches & 46 for up-country) while the remaining 126 (40%) belongs to head office.

6. Challenges and Prospects

The political instability in different parts of the country challenged the operational performance of the company. Besides to this, slowdown of business activities, unreasonable price based competition and the increase in spare parts and labor costs can be listed as major challenges that the company faced during the budget year under review.

As the prospect side, the company has developed the second strategic plan to overcome the challenges and lead to its strategic objectives. The smoothly

የረጅም ጊዜ ስትራቴጂክ ዕቅዱን በመንደፍና ወሳኝ ግቦችን በማስቀመጥ በትግበራ ላይ ይገኛል። የኩባንያው ዋና መስሪያ ቤት የግንባታ ሂደት በመልካም ሁኔታ መቀጠልም እንደ አንድ ተስፋ የሚገለፅ ነው። የኩባንያውን ዋናተግባር በኢንፎርሜሽን ቴክኖሎጂ በማገዝ ለደንበኞች የተሳለጠ አገልግሎት ለመስጠት በማሰብ የሚሰራው ስራም ተጀምሯል።

7. የወደፊት የትኩረት አቅጣጫ

የኩባንያችን የአረቦን ገቢ ከአመት ወደ አመት ዕድገትን እያስመዘገበ ይገኛል። ይሁንና ይህን ዕድገት እያጠናከረና እያጎለበተ በኢንዱስትሪው ዘንድ ሚናውን በትርፋማነት፤በገበያ ድርሻውም ሆነ በሁሉም ሌሎች መለኪያዎች በአስተማማኝነት ለማስቀጠል በተለይም ከዳይሬክተሮች ቦርድ፣ ከኩባንያው ሥራ አመራሮች እና ሰራተኞች እንዲሁም ከተከበራችሁ የኩባንያው ባለቤቶች ያላሰለሰና የተቀናጀ ድጋፍ አሁንም ይጠበቃል።

በቀጣይም የሚሰጣቸውን የኢንሹራንስ ፖሊሲዎች ስብጥር በማስፋት በተለይም ከተሸከርካሪ ሽፋን ውጭ የሆኑ የፖሊሲ ዓይነቶችን ድርሻ ትኩረት በማድረግና አዳዲስ የገበያ መዳረሻዎችን ማስፋት ላይ ትኩረት ይሰጣል።

በዚህም ረገድ የህይወት መድን አገልግሎት ስራ ለመጀመር አስፈላጊ የሆኑ ቅድመ ሁኔታዎችን በማሟላት ፈቃድ በማውጣት ሂደት ላይ እንገኛለን። በተጨማሪም የቅርንጫፎችን ስራ አፈፃፀም ግምገማ በየጊዜው በማድረግ ያለኮሚሽን ክፍያ በቀጥታ የሚገኘውን የኢንሹራንስ ገቢ ለማሳደግ በትኩረት ይሰራል።

8. ምስጋና

በተጠናቀቀው የስራ ዘመን ኩባንያው ላስመዘገባቸው ሁለንተናዊ ውጤቶች እና ስኬቶች ያልተቆጠበ ድጋፋችሁን ስታደርጉልን ለነበራችሁ ደንበኞቻችን፣ ብሮከሮች፣ ሽያጭ ወኪሎች እና የጠለፋ ዋስትና ሰጭዎች በመላው የኩባንያው ባለአክሲዮኖችና በዳይሬክተሮች ቦርድ ስም ከፍ ያለ ምስጋና አቀርባለሁ። በኩባንያው ላይ ሙሉ እምነታችሁን ሰጥታችሁ መዋዕለንዋያችሁን ላፈሰሳችሁ ባለአክሲዮኖችም ከፍ ያለ ምስጋናዬን በዳይሬክተሮች ቦርድ ስም ላቀርብ እወዳለሁ።

እንዲሁም ሁልጊዜ ከጎናችን ላልተለየን ለኢትዮጵያ ብሔራዊ ባንክ ኢንሹራንስ ሱፐርቪዥን ዳይሬክቶሬት ምስጋናዬን አቀርባለሁ።

በመጨረሻም የኩባንያው ስራ አመራርና ሰራተኞች የበጀት ዓመቱ በስኬት እንዲጠናቀቅ ላበረከቱት ቁርጠኝነት፣ ታማኝነትና ታታሪነት በዳይሬክተሮች ቦርድ እና በእራሴ ስም ከፍ ያለ ምስጋናዬን ላቀርብ እወዳለሁ።

አመሰግናለሁ፣

ማህደር ክበር
የዳይሬክተሮች ቦርድ ሊቀመንበር

undergoing construction of the company's head office is another prospect. The company has also started to develop core insurance IT project to easily address its products for customers.

7. The Way Forward

The company's performance in terms of premium production is showing improvement from year to year. However, in order to strengthen the momentum of the growth and to further enhance the role of the company from the industry in terms of profit, market share & other aspects, it is expected from shareholders, BoDs, managements and all staffs of the company to play prominent role.

The company should also diversify its portfolio and give more emphasis to non- motor class of business and make an entry to new businesses and enlarge its accessibility in different parts of the country.

As part of this, all the necessary requirements to start life insurance business are undertaken and the process to get license is underway. More focus will also be given to direct business and periodic performance evaluation and support for branches should be strengthened.

8. Vote of Thanks

On behalf of our shareholders, the Board of Directors expressed its deepest gratitude to our esteemed clients, insurance intermediaries and reinsurers for the business partnership and support rendered to our company throughout the operational period. The Boards of Directors also would like to thank the shareholders, for the continued trust and willingness to invest in the company.

Our thanks go to the National Bank of Ethiopia Insurance Supervision Directorate for the continual guidance and cooperation throughout the budget year.

Finally, the Board of Directors would like to thank and appreciate the management and staff of the company for their commitment, loyalty and dedication that have made the achievement.

Thank you all

Mahider Kiber
Chairperson, Board of Directors

TSEHAY INSURANCE S. C.

Annual IFRS Financial Statements

30 June 2022

Tsehay Insurance SC
Annual financial statements
For the year ended 30 June 2022
Directors, professional advisers and registered office

Company registration number
No. 017/12

Directors ***(as of 30 June, 2022)***

Wro Mahider Kiber	**Chairwomen**
Ato Mengist Zebenaye	**Vice Chairman**
Ato Biruh Tesfaye	**Member**
Ato Yihun Meseret	**Member**
Ato Ermias Biruk	**Member**
Dr. Yaregal Assabie	**Member**
Ato Habtamu Alebachew	**Member**
Ato Tefera Desta	**Member**
Ato Tilahun Awoke	**Member**

Executive management ***(as of 30 June 2022)***

Ato Kassa Lisanework	**Chief Executive Officer**
Ato Yilma Gebrie	**Deputy Chief Executive Officer ,Operation**
W/ro Hewan Moges	**Executive officer , Finance Department**
Ato Berhanu Kiber	**Executive officer , Marketing and Business Development**
Ato Abebe Sisay	**Executive officer, HR & Property Administration Department**
Ato Solomon Assefa	**Executive officer, Underwriting & Branch Operation Department**
Ato Dagim Abebe	**Executive officer, Claims' Department**
Ato Nebere Degsew	**Chief Auditor**

Independent auditor
TAY Authorised Accountants & Auditors
Addis Ababa
Ethiopia

Corporate office
Tsehay Insurance Share Company
Bole Bridge in front of brass hospital
Addis Ababa,
Ethiopia

Principal bankers
United Bank S.Co
Catedral Branch
Country Tower 1st floor
Addis Ababa,
Ethiopia

Reinsurers
Africa Re-insurers
PTA Reinsurance
Ethio Reinsurance Share company

Tsehay Insurance SC
Annual financial statements
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 shareholders of Tsehay Insurance S.C. This report discloses the financial performance and state of affairs of the Company .

Incorporation and address

Tsehay Insurance Share Company (S.C) was incorporated in Ethiopia on 28 March, 2012 as a share company, and is domiciled in Ethiopia. The company was established by a diversified group of shareholders and individual citizens

Principal activities

The principal activities of the Company is the underwriting of non-life insurance risk

Results and dividends

The Company's results for the year ended 30 June 2022 are set out on page 9. The profit for the year has been transferred to retained earnings. The summarised results are presented below.

	2022 Birr'000	2021 Birr'000
Net earned premiums	373,132	293,189
Profit before income tax	56,583	42,694
Income tax expense	(4,049)	31
Profit for the year	52,534	42,724
Other comprehensive income net of taxes	186	1,395
Total comprehensive income for the year	52,721	44,119

Directors

The directors who held office during the year and to the date of this report are set out on page 2.

Company CEO
Addis Ababa, Ethiopia

TAY Authorized Accountants & Auditors
011 442 1336
091 151 5639
093 001 4106
1335
Addis Ababa, Ethiopia
1

Tsehay Insurance SC
Annual financial statements
Statement of directors' responsibilities
For the year ended 30 June 2022

In accordance with the Insurance Business Proclamation No. 746/2012, the National Bank of Ethiopia (NBE) has directed the Company to prepare financial statements in accordance with International Financial Reporting Standards (IFRS).

The Company's board of 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 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 board 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 board is 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 board further accepts responsibility for the maintenance of accounting records that may be relied upon in the prepation of financial statements , as well as adequate systems of internal financial control.

Nothing has come to the attention of the board 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:

W/Ro Mahider Kiber
Director/ Chairwomen
September 30, 2022

Ato Kassa Lisanework
CEO
September 30, 2022

Tsehay Insurance SC
Annual financial statements
Report of the consulting actuary
For the year ended 30 June 2022

I have conducted an actuarial valuation of the general business of Tsehay Insurance Share Company .

The valuation was conducted in accordance with generally accepted actuarial principles . These principles require that prudent provision for future outgo under contracts, generally based upon the assumptions that current conditions will continue. Provision is therefore not made for all possible contingencies. In completing the actuarial valuation,

I have relied upon the financial statements of the Company

In my opinion, the general business of the Company was financially sound and the actuarial value of the liabilities in respect of all the classes of general business did not exceed the amount of outstanding claims liabilities of the general business at 30 June 2022.

Actuary

TAY
Authorized Accountants and Auditors
ቲ.ኤ.ዋይ. የተፈቀደላቸው የሂሳብ አዋቂዎች እና አዲተሮች

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TSEHAY INSURANCE SHARE COMPANY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tsehay Insurance Company S.C, which comprise the statement of the financial position as at 30 June, 2022, and the statement of profit or loss and other comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 30 June 2022 and of its statements of profit or loss and other comprehensive income and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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 Professional Accounts (IESBA Code) together with the ethical requirements that are relevant 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 Matters

Key audit matters are those matters that, in our professional judgment, 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, and we do not provide a separate opinion on these matters.

Responsibilities of the Management and those Charged with Governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies of the Company 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. 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 of accounting unless Management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Company report as a whole is 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 form 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statement of the current period and are therefore the key audit matters. We describe these, matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Based on our duties and methodologies we used as stated under the basis of for opinion paragraph above, we recommend for the approval of the financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Ato Yeheyis Bekele BA, FCCA.

TAY Authorized
Accountant and Auditors

011 442 1338
091 151 5639
093 001 4106
1335
Addis Ababa, Ethiopia
TAY Authorized Accountants & Auditors

Addis Ababa
September 22, 2022

Tsehay Insurance SC
Annual financial statements
Statement of financial position
For the year ended 30 June 2022

	Notes	30 June 2022 Birr'000	2021 Birr'000
ASSETS			
Property plant and equipment	14	101,156	51,949
Land lease	14	56,061	57,058
Unquoted equity investment – available for sale		121,175	106,247
Government securities held to maturity	15	44,070	35,880
Reinsurers' share of technical provisions and reserves	16	280,822	243,527
Deferred acquisition costs	17	31,125	22,459
Receivables arising out of reinsurance arrangements	18	142,867	106,805
Current income tax asset		-	-
Other receivables	19	51,134	49,586
Other Asset	19.1	4,303	3,127
Deposits with financial institutions	20	390,916	266,731
Cash and cash equivalents	20	89,484	100,117
Total assets		**1,313,112**	**1,043,487**
LIABILITIES			
Insurance contract liabilities	21	400,194	354,683
Unearned premium reserve	22	312,773	225,446
Deferred commission income	23	20,093	11,623
Creditors arising from reinsurance arrangements	24	122,409	60,792
Current income tax liabilities	13	(3,025)	(2,197)
Other liabilities	25	35,688	26,253
Land Lease Payable	25	40,599	41,999
Defined benefit liability	26	4,067	2,964
Deferred income tax		3,533	800
Total liabilities		**936,331**	**722,363**
EQUITY			
Share capital	27	291,366	253,097
Share premium	27	5,967	3,222
Retained earnings	28	55,890	46,407
Legal reserve	29	23,445	18,192
Other reserve		113	206
Total equity		376,781	321,124
Total equity and liabilities		**1,313,112**	**1,043,487**

The notes on pages 13 to 70 are an integral part of these financial statements.

The financial statements on pages 8 to 70 were approved and authorised for issue by the board of directors on June 30, 2022 and were signed on its behalf by:

W/Ro Mahider Kiber
Director

Ato Kassa Lisanework
CEO

Tsehay Insurance SC
Annual financial statements
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 written premiums	5	584,929	426,463
Change in unearned premium reserve	5	(55,066)	(37,235)
Gross earned premiums		529,864	389,228
Less: Premiums ceded to reinsurers	5	(156,732)	(96,039)
Net earned premiums		373,132	293,189
Commission income	6	31,145	14,885
Net underwriting income		**404,277**	**308,075**
Claims and policy holder benefits payable	7	324,608	342,509
Less : claims recoverable from reinsurers	7	(75,129)	(145,309)
Net claims and benefits incurred		249,478	197,200
Commission expense	8	37,046	27,674
Management expense		55,287	42,750
Total Underwriting expense		341,811	267,623
Underwriting Profit		**62,466**	**40,451**
Investment income	9	56,701	42,121
Other income	10	714	1,491
Total Income		**119,881**	**84,064**
Other operating and administrative expenses	11	58,661	41,179
Impairment on receivables arising out of reinsurance arrangements	18	-	
Finance income and (costs)	12	(4,637)	(191)
Total expense		**63,298**	**41,370**
Profit before income tax		56,583	42,694
Income tax expense	13a	(4,049)	31
Profit for the year		**52,534**	**42,724**
Other comprehensive income			
Items that will not be subsequently reclassified into profit or loss:			
obligations	26	185	1,934
Deferred tax (liability)/asset on remeasurement gain or loss		2	(540)
		186	1,395
Total comprehensive income for the year		**52,721**	**44,119**
Earning Per Share(ETB)	28.1	**18%**	**18%**

The notes on pages 13 to 70 are an integral part of these financial statements.

Tsehay Insurance SC
Annual financial statements
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 reserves Birr'000	Total Birr'000
As at 1 July 2021							-
		172,520	764	35,143	13,919	(1,993)	220,353
Profit for the year							
Transfer to legal reserve	29			42,724			42,724
Transfer to capital				(4,272)	4,272		-
Transaction with owners in their capacity as owners :		18,040	2,458	(18,040)			2,458
Contribution of equity net of transaction costs							-
Dividends declared and paid		62,538					62,539
Other comprehensive income				(9,148)			(9,148)
Re-measurement gains on defined benefit plans (net of tax)	26						-
						2,199	2,199
Total comprehensive income for the year		**253,098**	**3,222**	**46,407**	**18,191**	**206**	**321,125**
As at 30 June 2021		**253,098**	**3,222**	**46,407**	**18,191**	**206**	**321,125**
As at 1 July 2021		253,098	3,222	46,407	18,191	206	321,125
Profit for the year				52,534			52,534
Transfer to legal reserve	29			(5,253)	5,253		-
Transfer to capital		27,217	2,745	(27,217)			2,745
Transaction with owners in their capacity as owners :							-
Contribution of equity net of transaction costs		11,051					11,051
Dividends declared and paid				(10,581)			(10,581)
Other comprehensive income							-
Re-measurement gains on defined benefit plans (net of tax)	26					(93)	(93)
Total comprehensive income for the year		**38,268**	**2,745**	**9,483**	**5,253**	**(93)**	**55,657**
As at 30 June 2022		**291,366**	**5,967**	**55,890**	**23,445**	**114**	**376,782**

The notes on pages 13 to 70 are an integral part of these financial statements.

Tsehay Insurance SC
Annual financial statements
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	30	201,159	110,182
Interest income		(45,661)	(32,913)
Dividend income		(11,041)	(9,208)
Income tax paid		(2,146)	(1,262)
Net cash (outflow)/inflow from operating activities		**142,312**	**66,799**
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(55,858)	(26,603)
Purchase of unquoted equity investment	15	(14,928)	(38,226)
Purchase of government securities	15	(8,190)	(16,695)
Proceeds from sale of property, plant and equipment	14	-	(835)
Interest received		45,661	32,913
Dividends received		11,041	9,208
Net cash (outflow)/inflow from investing activities		(22,275)	(40,238)
Cash flows from financing activities			
Proceeds from issues of shares	27	27,218	80,578
Increase in share premium		2,745	2,458
Time deposit		(124,185)	(39,976)
Transfer to capital		(27,217)	(18,040)
Dividends paid		(9,231)	(7,798)
Net cash (outflow)/inflow from financing activities		(130,670)	17,222
Net increase/(decrease) in cash and cash equivalents		**(10,633)**	**43,783**
Cash and cash equivalents at the beginning of the year	20	100,117	56,334
Foreign exchange (losses)/ gains on cash and cash equivalents			
Cash and cash equivalents at the end of the year	20	**89,484**	**100,117**

The notes on pages 13 to 70 are an integral part of these financial statements.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

1 General information

Tsehay Insurance Share Company ("the Company) is a private commercial Insurance Company domiciled in Ethiopia. The Company was established on 28 March 2012, in accordance with proclamation No. 746/2012 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:

Tsehay Insurance Share Company
Bole Bridge in front of brass hospital
Addis Ababa,
Ethiopia

The principal activities of the Company are the underwriting of non-life insurance risk and provision of related financial
services to its corporate and individual customers

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 profit or loss and other comprehensive income, the statement of financial position, 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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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 beginning 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:

IFRS 16 - Leases

This standard was issued in January 2016 (effective 1 January 2019) . It sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. It also substantially carries forward the lessor accounting requirements in IAS 17. The Company is yet to assess the expected impact of this standard.

IFRS 17 - Insurance contracts

IFRS 17 was issued in May 2017 and 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.

This standard requires a company that issues insurance contracts to report insurance obligations and risks on the balance sheet as the total of:

(a) the fulfilment cash flows—the current estimates of amounts that the insurer expects to collect from premiums and pay out for claims, benefits and expenses, including an adjustment for the timing and risk of those cash flows; and
(b) the contractual service margin—the expected profit for providing future insurance coverage (i.e. unearned profit).

The measurement of the fulfilment cash flows reflects the current value of any interest-rate guarantees and financial options included in the insurance contracts.

The standard replaces IFRS 4 ‘Insurance contracts’. The standard is effective for annual periods beginning on or after 1 January 2021 and earlier application is permitted. The Company is yet to assess the expected impact on this standard.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 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 (years)	Residual value
Motor vehicles	10	5%
Computer and accessories	7	1%
Furniture and fitting	10	1%
Office and other equipment	7	1%
Recovery improvements	10	1%

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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

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 finite 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 lifes (years)**
Computer software	8

011 442 1338
091 151 3639
093 001 4106
1335
Addis Ababa, Ethiopia
TAY Authorized Accountants & Auditors

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 off.

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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

011 442 1336
091 151 5639
093 001 4106
1335
Addis Ababa, Ethiopia
1
TAY Authorized Accountants & Auditors

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

.7.1 Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, the Company's financial assets are classified into two categories:

- Loans and receivables
- Available for sale

a) ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest and similar income in income statement. The losses arising from impairment are recognised in income statement in loan impairment charge.

The Company's loans and receivables comprise of Loans and receivables including insurance receivables, investment securities and other financial assets. Receivables arising from insurance contracts are also classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables.

b) Available-for-sale (AFS) financial assets

AFS investments include equity investments. Equity investments classified as AFS are those which are neither classified as held–for–trading nor designated at fair value through profit or loss.
After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to income statement in impairment loss on financial instrument. Interest earned whilst holding AFS financial instruments is reported as interest and similar income using the EIR method. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost.

The Company evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, the Company is unable to trade these financial assets due to inactive markets, the Company may elect to reclassify these financial assets to held to maturity if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

'Day 1' profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Company immediately recognises the difference between the transaction price and fair value (a 'Day 1' profit or loss) in 'Other operating income'.

In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the profit or loss when the inputs become observable, or when the instrument is derecognised.

Reclassification of financial assets
Reclassification is at the election of management, and is determined on an instrument by instrument basis. The Company does not reclassify any financial instrument into the fair value through profit or loss category after initial recognition.

For a financial asset reclassified out of the 'Available–for–sale' category, any previous gain or loss on that asset that has been recognised in equity is amortised to income statement over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired then the amount recorded in equity is reclassified to income statement.

Derecognition of financial

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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

Impairment of financial

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.

(i) Financial assets carried at amortised cost

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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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.

(ii) Available-for-sale (AFS) financial assets

Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In addition, an available-for-sale equity instrument is generally considered impaired if a significant or prolonged decline in the fair value of the instrument below its cost has occurred. Where an available-for-sale asset, which has been remeasured to fair value directly through equity, is impaired, the impairment loss is recognised in profit or loss. If any loss on the financial asset was previously recognised directly in equity as a reduction in fair value, the cumulative net loss that had been recognised in equity is transferred to profit or loss and is recognised as part of the impairment loss. The amount of the loss recognised in profit or loss is the difference between the acquisition cost and the current fair value, less any previously recognised impairment loss.

If, in a subsequent period, the amount relating to an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, where the instrument is a debt instrument, the impairment loss is reversed through profit or loss. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through profit or loss but accounted for directly in equity.

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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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: sundry debtors, staff debtors and deposits.

(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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

2.10 Insurance contracts

2.10.1 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.

2.10.2 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

011 442 1336
091 151 5639
093 001 4106
1335
Addis Ababa, Ethiopia
TAY Authorized Accountants & Auditors

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

2.10.3 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).

2.10.4 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.

2.10.5 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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

2.10.6 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

2.11 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

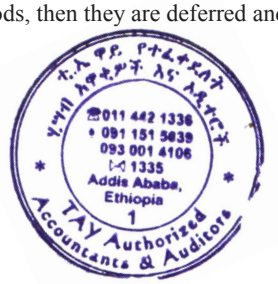
Gross general reinsurance premiums ceded comprise the total premiums payable for the whole cover provided by contracts entered into in the period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts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

c) Fees and commission income

Insurance contract policyholders are charged for policy administration 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.



Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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.

e) Dividend income

This is recognised when the company's right to receive the payment is established, which is generally when the shareholder approve and declare the dividend.

2.12 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.

2.13 Reinsurance claims

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

2.14 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 7% and 13% 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 future payments is available.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

(c) Defined benefit plan

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past-service costs are recognised immediately in income.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

(d) Termination benefits

Termination benefits are payable to employees when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(e) Profit-sharing and bonus plans

the Company's recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company’s shareholders after certain adjustments. the Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

2.15 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.
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.

2.16 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.

011 442 1336
093 001 4106
Addis Ababa, Ethiopia
TAY Authorized Accountants & Auditors

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

2.17 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.

2.18 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.

2.19 Leases

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 lessee

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

2.20 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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

(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:

Operating lease commitments -Company as lessee

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.

011 442 1336
091 151 5639
093 001 4106
1335
Addis Ababa, Ethiopia
TAY Authorized Accountants & Auditors

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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

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.

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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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;
• adjustments to historical loss experiences on the basis of current observable data to reflect the effects of current conditions.

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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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: motor , marine and cargo, engineering , workmen compansation and group personal accident.

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**
Fire	7,691	7,094	597
Motor	225,589	70,205	155,384
Marine	2,202	1,523	678
Workmens compensation	2,420	334	2,085
Liability	28,667	7,520	21,147
Pecuniary	86,133	75,719	10,415
Engineering	8,095	4,201	3,894
Accident	179	47	132
PVT	39,218	32,175	7,043
Total non-life insurance contract liabilities	400,194	198,819	201,375

30 June 2021	**Gross liabilities Birr'000**	**Reinsurance liabilities Birr'000**	**Net liabilities Birr'000**
Fire	1,220	711	508
Motor	154,549	34,150	120,399
Marine	4,129	3,216	912
Workmens compensation	1,949	404	1,544
Liability	20,415	4,491	15,925
Pecuniary	131,431	116,702	14,729
Engineering	6,670	2,332	4,337
Accident	1,093	341	752
Pvt	33,228	31,440	1,788
Total non-life insurance contract liabilities	354,683	193,787	160,896

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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	
		30 June 2021	30 June 2020
	Change in assumptions	**Birr'000**	**Birr'000**
Average claim cost	+10%	2,940	28,665
Average number of claims	+10%	2,940	28,665
Average claim settlement period	Reduce from 30 months to 24 months		

		Change in liability	
		30 June 2022	30 June 2021
	Change in assumptions	**Birr'000**	**Birr'000**
Average claim cost	-10%	(2,524)	(29,072)
Average number of claims	-10%	(2,524)	(29,072)
Average claim settlement period	Reduce from 30 months to 24 months		

4.3 Financial risk

Financial instruments by category

The Company's financial assets are classified into the following measurement categories: available-for-sale, held to maturity and loans and receivables. 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:

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

30 June 2022	Notes	Available-Birr'000	Held to maturity Birr'000	Loans and receivables Birr'000	Total Birr'000
Cash and bank balances	17	-	-	89,484	89,484
Unquoted equity investment – available for sale		121,175			121,175
Government securities held to maturity	15	-	44,070		44,070
Trade and other receivables	16	-	-	13,005	13,005
Reinsurance assets	18	-	-	142,867	142,867
Total financial assets		121,175	44,070	245,356	410,601

30 June 2021	Notes	Available-Birr'000	Held to maturity Birr'000	Loans and receivables Birr'000	Total Birr'000
Cash and bank balances	17	-	-	100,117	100,117
Unquoted equity investment – available for sale		106,247			106,247
Government securities held to maturity	15	-	35,880	-	35,880
Trade and other receivables	16	-	-	8,830	8,830
Reinsurance assets	18	-	-	106,805	106,805
Total financial assets		106,247	35,880	215,752	357,879

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.

For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure .
The following policies and procedures are in place to mitigate the Company's exposure to credit risk

a) The company's risk management policy sets out the assessment and determination of what consitututes credit risk for the Company Compliance with the policy is monitored , exposures and breaches are reported to the company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

b) Net exposures limits are set for each counterparty or company of counterparties and industry segment (i.e limits are set for investments and cash deposits.

c) The Company further restricts its credit risk exposure by entereing into master netting agreements with counterparties with which it enters into significant volumes of transactions. However , such arrangements do not generally result in an offset of balance sheet assets and liabilities as transactions are usually netted on a gross basis. However , the credit risk associated with such balances is reduced in the event of a default,

when such balances are settled on a net basis . The company's reinsurance treaty contracts involve netting arangements.

d) Reinsurance is placed with counterpartties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties. Limits set by management are subject to regular reviews.

TAY Authorized Accountants & Auditors
Addis Ababa, Ethiopia
1

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

Reinsurance is placed with counterpartties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties. Limits set by management are subject to regular reviews.

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:

	Notes	30 June 2022 Birr'000	30 June 2021 Birr'000
Cash and bank balances		89,484	100,117
Unquoted equity investment – available for sale		121,175	106,247
Government securities held to maturity		44,070	35,880
Other receivables		51,134	49,586
Other Asset		4,303	3,127
Reinsurers' share of technical provisions and reserves		280,822	243,527
Deferred acquisition costs		31,125	22,459
Receivables arising out of reinsurance arrangements		142,867	106,805
		764,980	667,748

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 at as 30 June 2020, 30 June 2019 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 Reinsurers	142,867			142,867
Due from Co-insurers				-
Due from agents, brokers and intermediaries				-
	142,867	-	-	142,867

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

Other loans and receivables				
Other receivables	51,134			51,134
Staff debtors	12,139			12,139
Gross amount	63,273	-	-	63,273
Less: Specific impairment allowance (note 15a)				-
	63,273		-	63,273
	206,140		-	206,140

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 Reinsurers	94,748	12,057		106,805
Due from Co-insurers				-
Due from agents, brokers and intermediaries				-
	94,748	12,057	-	106,805
Other loans and receivables				
Other receivables	49,586			49,586
Staff debtors	10,209			10,209
Gross amount	59,795	-	-	59,795
Less: Specific impairment allowance (note 15a)				-
	59,795	-	-	59,795
	154,543	12,057	-	166,600

(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	206,140	154,543
	206,140	154,543

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

(ii) Trade and other receivables - past due nor impaired

	30 June 2022 Birr'000	30 June 2021 Birr'000
Past due up to 30 days	15,585	3,206
Past due up to 30 - 60 days	8,338	3,383
Past due by 60 - 90 days	8,356	99,994
Past due by 90 - 180 days	173,861	47,960
	206,140	154,543
Collective impairment		
	206,140	154,543

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

(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 2021 Birr'000	30 June 2020 Birr'000
Insurance receivables		
Total allowance for impairment	-	-

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. Liquidity risk is the measure of probability that a company's cash resources will be insufficient to meet current or future cash needs.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

4.5.1 Management of liquidity risk

The Finance 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 than 60% of admitted asset should be maintained 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	400,194				400,194
Creditors arising from reinsurance arrangements	86,479	35,930			122,409
Other liabilities	40,599				40,599
Land Lease				40,599	40,599
Total financial liabilities	527,272	35,930	-	40,599	603,801

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	354,683				354,683
Creditors arising from reinsurance arrangements	43,462	17,330			60,792
Other liabilities	26,253				26,253
Land Lease				41,999	41,999
Total financial liabilities	424,398	17,330		41,999	483,727

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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 markets 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

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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 and the total amount will not exceed 10 million Birr,
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	Non-interest bearing	Total
	Birr'000	Birr'000	Birr'000
Assets			
Cash and bank balances	89,484		89,484
Unquoted equity investment – available for sale		121,175	121,175
Government securities held to maturity	44,070		44,070
Trade and other receivables		13,005	13,005
Reinsurance assets	142,867		142,867
Total	276,421	134,180	410,601
Liabilities			
Insurance contract liabilities		400,194	400,194
Creditors arising from reinsurance arrangements		122,409	122,409
Other liabilities		35,688	35,688
Total	-	558,291	558,291

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

30 June 2021	Fixed	Non-interest bearing	Total
	Birr'000	Birr'000	Birr'000
Assets			
Cash and bank balances	100,117	-	100,117
Unquoted equity investment – available for sale		106,247	106,247
Government securities held to maturity	35,880	-	35,880
Trade and other receivables	-	8,830	8,830
Reinsurance assets	106,805	-	106,805
Total	242,802	115,077	357,879
Liabilities			
Insurance contract liabilities	-	354,683	354,683
Creditors arising from reinsurance arrangements	-	60,792	60,792
Other liabilities	-	26,253	26,253
Total	-	441,728	441,728

(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 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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

		30 June 2022 Birr'000	30 June 2021 Birr'000
Admissible assets			
	A		
Property and equipment		94,862	47,699
Unquoted equity investment – available for sale		121,175	106,247
Government securities held to maturity		44,070	35,880
Reinsurance share of technical provisions & Reserve		280,822	243,527
Deferred acquisition costs		31,125	22,459
Receivables arising out of reinsurance arrangements		142,867	106,805
Other receivables		51,134	49,586
Deposits with financial institutions		390,916	266,731
Cash and cash equivalents		89,484	100,117
		1,246,455	979,051
Admissible liabilities	**B**		
Insurance contract liabilities		400,194	354,683
Unearned premium reserve		312,773	225,446
Deferred Commission Income		20,093	11,623
Creditors arising from reinsurance arrangements		122,409	60,792
Current income tax liabilities		(3,025)	(2,197)
Other liabilities		76,287	68,252
Defined Benefit Liablity		4,067	2,964
Deferred income tax		3,533	800
		936,331	722,363
Excess (admitted capital)- (A-B)	**C**	310,124	256,687
Net premium	**D**	330,424	245,300
Technical provision	**E**	712,967	580,129
Solvency margin			
Limit of net premium i.e. 20% of net premium	**F**	66,085	49,060
Limit of technical provision i.e. 25% of technical provision	**G**	178,242	145,032
Miniumum Paidup Capital	**H**	60,000	60,000
Since C>G - Positive Solvency Margin	**(C-G)**	131,882	111,655

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

	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	89,484	89,484	100,117	100,117
Unquoted equity investment	121,175	121,175	106,247	106,247
Government securities held	44,070	44,070	35,880	35,880
Other receivables	51,134	51,134	49,586	49,586
Receivables arising out of re	142,867	142,867	106,805	106,805
Total	448,730	448,730	398,635	398,635
Financial liabilities				
Insurance contract liabilities	400,194	400,194	354,683	354,683
Unearned premium reserve	312,773	312,773	225,446	225,446
Creditors arising from reinsu	122,409	122,409	60,792	60,792
Other liabilities	35,688	35,688	26,253	26,253
Total	871,064	871,064	667,174	667,174

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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

		30 June 2022 Birr'000	2021 Birr'000
5	**Premium income**		
a	**Gross written premium**		
	Engineering	21,390	14,635
	Fire	23,561	19,171
	Liability	55,756	39,020
	Pvt	57,510	30,904
	Marine	14,783	9,259
	Motor	365,879	279,503
	Accident	2,122	1,288
	Pecuniary	36,431	25,893
	Workmen Compensation	7,497	6,790
	Total gross premiums	**584,929**	**426,463**
b	**Change in unearned premium reserve**		
	Engineering	56	(1,409)
	Fire	2,293	(4,405)
	Liability	(11,118)	(763)
	Marine	(1,872)	(1,809)
	Motor	(42,688)	(25,820)
	Accident	(361)	(16)
	Pecuniary	728	(2,619)
	Workmen Compensation	(345)	(309)
	PVT	(1,760)	(85)
	Total change in unearned premium reserve	**(55,066)**	**(37,235)**
c	**Premiums ceded to reinsurers**		
	Engineering	(14,121)	(4,398)
	Fire	(17,160)	(10,343)
	Liability	(5,847)	(3,647)
	Marine	(3,382)	(2,253)
	Motor	(40,865)	(30,536)
	Accident	(758)	(570)
	Pecuniary	(26,805)	(18,797)
	Workmen Compensation	(398)	(340)
	PVT	(47,396)	(25,153)
		-	
	Total premiums ceded to reinsurers	**(156,732)**	**(96,039)**
	Net earned premiums	**373,132**	**293,189**

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

		30 June 2022 Birr'000	2021 Birr'000
6	**Commission income**		
	Reinsurance commission income	31,145	14,885
	Total commission income	**31,145**	**14,885**

		30 June 2022 Birr'000	2021 Birr'000
7	**Claims expenses**		
	Claims and policy holder benefits payable		
	Gross benefits and claims paid	279,097	205,673
	Change in insurance contract outstanding claims provision	35,367	134,258
	Change in other technical provision (IBNR)	9,868	2,836
	Change in technical provision (Unallocated loss adjustment expense)	276	-257
		324,608	342,509
	Recoverable from reinsurance:		
	Claims paid recoverable	(70,098)	(40,733)
	Change in provision for outstanding claims recoverable	(259)	(102,987)
	Change in other technical provision (IBNR) recoverable	(4,773)	(1,589)
		(75,129)	**(145,309)**
	Net claims and loss adjustment expense	**249,478**	**197,200**

		30 June 2022 Birr'000	2021 Birr'000
8	**Commission expense**		
	Commission expense	37,046	27,674
	Other acquisition cost		-
		37,046	**27,674**

This relates to commissions earned by intermediaries for insurance business placed by them and to other insurance companies for facultative inward insurance business.

		30 June 2022 Birr'000	2021 Birr'000
9	**Investment income**		
	Dividend income on equity investments	11,041	9,208
	Interest income on investment securities	2,622	2,120
	Interest income on cash and short-term deposits	43,039	30,793
	Total investment income	**56,701**	**42,121**

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

		30 June 2022 Birr'000	2021 Birr'000
10	**Other income**		
	Profit from sale of property, plant & equipment	-	1,080
	Interest income on staff loans	-	-
	Sundry income	714	411
		714	**1,491**

			30 June 2022 Birr'000	2021 Birr'000
11	**Other operating and administrative expenses**			
	Employee benefits expense	Note 11.1	33,737	23,120
	Rental expenses		1,531	965
	Repair and maintenance		2,831	2,614
	Consultation expense		463	99
	Advertising and publication		1,781	1,456
	Communication		1,643	878
	Printing and stationaries		610	481
	Entertainment		994	521
	Travelling and transportation expenses		3,675	2,653
	Insurance		1,562	1,093
	Office cleaning and supplies		1,072	477
	Legal and professional fees		297	5
	Director fees		1,085	1,297
	Audit fees		144	90
	Subscription and membership fees		738	238
	Amortisation of intangible assets		997	1,052
	Depreciation on property and equipment		1,552	1,068
	Bank charges		425	1
	Sundry expenses		3,523	3,073
			58,661	**41,179**

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

		30 June 2022 Birr'000	2021 Birr'000
11.1	**Employee benefits expense**		
	Salaries and wages	12,976	7,888
	Staff allowances	-	-
	Pension costs – Defined contribution plan	5,063	3,850
	Pension costs - Defined benefit plans	1,243	1,163
	Other staff expenses	8,253	5,097
	Bonus expenses	6,201	5,121
		33,737	23,120

		30 June 2022 Birr'000	2021 Birr'000
12	**Finance income and (costs)**		
	Finance income	-	-
	Finance costs	(4,577)	(181)
	Gain or (Loss) on foreign exchange	(60)	(10)
		(4,637)	**(191)**

		30 June 2022 Birr'000	2021 Birr'000
13	**Company income and deferred tax**		
13a	**Current income tax**		
	Company income tax	1,318	623
	Prior year (over)/ under provision	-	-
	Deferred income tax/(credit) to profit or loss	2,731	(653)
	Total charge to profit or loss	4,049	(31)
	Tax (credit) on other comprehensive income		-
	Total tax in statement of comprehensive income	**4,049**	**(31)**

13b Reconciliation of effective tax to statutory tax

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	30 June 2022 Birr'000	2021 Birr'000
Profit before tax	56,583	42,694
Add : Disallowed expenses		
Entertainment expense	994	521
Fines & penalities	8	30
Donation & Contribution	1,528	1,145
Severance Expense	1,097	1,037
Adjustment of depreciation expense	6,651	5,308

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

Total disallowable expenses	10,278	8,041
Less : Allowable expense		
Declining depreciation per FIRA	8,388	6,537
Dividend income taxed at source	11,041	9,208
Interest income taxed at source-Local Deposit	43,039	32,913
Total allowable expenses	62,468	48,658
Taxable profit	4,393	2,076
Current tax at 30%	1,318	623

		30 June 2022 Birr'000	2021 Birr'000
13c	**Current income tax assets / (liability)**		
	Balance at the beginning of the year	2,197	1,558
	Current year provision	(1,318)	(623)
	WHT Notes utilised	4,343	2,820
	Payment during the year	(2,197)	(1,558)
	Balance at the end of the year	3,025	2,197

13d 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.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

	30 June 2022 Birr'000	2021 Birr'000
The analysis of deferred tax assets/(liabilities) is as follows:		
To be recovered after more than 12 months	3,533	800
To be recovered within 12 months		
	3,533	800

Deferred income tax assets and liabilities, deferred income tax charge/(credit) in profit or loss ("P/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 P/L**	**Credit/ (charge) to equity june/2021**	**Credit/ (charge) to equity up to june/2020**	**30 June 2022**
	Birr'000	**Birr'000**	**Birr'000**	**Birr'000**	**Birr'000**
Property, plant and equipment	1,709	3,062			4,771
Provisions	-	-			-
Unrealised exchange gain	-	-			-
Tax losses charged to profit or loss	-	-			-
Post employment benefit obligation	889	(2,109)	2		(287)
Total deferred tax assets/(liabilities)	2,598	953	2	-	3,533

		Motor vehicles	**Furniture and fittings**	**Computer and accessories**	**Office equipment**	**Recovery Improvements**	**Building Under Construction**	**Total**
		Birr'000	**Birr'000**	**Birr'000**		**Birr'000**	**Birr'000**	**Birr'000**
14	**Property, plant and equipment**							
	Cost							
	As at 1 July 2020	31,717	5,520	4,402	1,987	1,774	-	45,400
	Additions	11,065	1,287	1,861	594		11,796	26,603
	Disposals	(1,452)						(1,452)
	Reclassification					(904)	904	-
	As at 30 June 2021	41,330	6,806	6,263	2,581	870	12,700	70,551
	As at 1 July 2021	41,330	6,806	6,263	2,581	870	12,700	70,551
	Additions	8,969	2,871	3,897	1,204		38,917	55,858
	Disposals							-
	Reclassification							-
	As at 30 June 2022	50,299	9,677	10,160	3,785	870	51,617	126,409

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

Accumulated depreciation							
As at 1 July 2020	9,723	1,952	1,818	565	298	-	14,356
Charge for the year	3,835	604	647	280	87		5,453
Disposals	(1,207)						(1,207)
As at 30 June 2021	12,351	2,556	2,465	845	385	-	18,602
As at 1 July 2021	12,351	2,556	2,465	845	385	-	18,602
Charge for the year	4,303	827	1,025	409	87		6,651
Disposals							-
As at 30 June 2022	16,654	3,383	3,490	1,254	472	-	25,253
Net book value							
As at 30 June 2021	**28,979**	**4,250**	**3,798**	**1,736**	**485**	**12,700**	**51,949**
As at 30 June 2022	**33,645**	**6,294**	**6,670**	**2,531**	**398**	**51,617**	**101,156**

14.1	**Land Lease**	**As at 1 July 2021**	**Additio**	**Impairment**	**As at 30 June 2022**
	Cost	60,000			60,000
	Accumulate Amortization	(2,942)	(997)		(3,939)
	Net Book Value	57,058	(997)	-	56,061

		30 June 2022 Birr'000	**30 June 2021 Birr'000**
15	**Investment**		
	Available for sale:		
	Unquoted equity investment – available for sale	121,175	106,247

The Company holds equity investments in the following entities;

	30 June 2022 Equity investements	**30 June 2021 Equity investements**
Bank of Abyssinia	7,150	7,150
United Bank S.C.	12,433	10,559
Tsehay Industry	16,519	15,745
Dynamic micro finance	20,810	14,477
Birhan international bank s.c.	9,898	9,611
Ethiopian Reinsurance S.C.	20,760	15,100
Abay Industry development	6,075	6,075
Addis Africa Inter	530	530
Tsehay Bank	27,000	27,000
	121,175	**106,247**

These investments are unquoted equity securities measured at cost.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

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.

	30 June 2022 Birr'000	2021 Birr'000
Loans and receivables:		
Government securities held to maturity	44,070	35,880
Gross amount	44,070	35,880
Less individual allowance for impairment		
	44,070	**35,880**

The company acquires government bond bearing interest income of 6% per annum.

The interest bearing government bonds forms the mandatory statutory deposit in line with article 20 of insurance business proclamation 746/2012 The statutory deposit is calculated at 15% of the company's paid up capital

		30 June 2022 Birr'000	2021 Birr'000
16	**Reinsurers' share of technical**		
	- Claims incurred but not reported	12,539	7,766
	- Notified claims outstanding	186,280	186,021
	- Unearned premium	82,003	49,740
	At end of year	**280,822**	**243,527**

		30 June 2022 Birr'000	2021 Birr'000
17	**Deferred acquisition costs**		
	At the start of the year	31,125	22,459
	At end of year	**31,125**	**22,459**

		30 June 2022 Birr'000	2021 Birr'000
18	**Receivables arising out of**		
	Gross reinsurance receivables	142,867	106,805
	Impairment provision	-	-
		142,867	**106,805**

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

		30 June 2022 Birr'000	2021 Birr'000
19	**Other receivables**		
	Sundry debtors	13,005	8,830
	Trade debtors	-	-
	Prepayments	38,129	40,756
		51,134	49,586
	Gross amount	**51,134**	**49,586**

	Maturity analysis	30 June 2022 Birr'000	2021 Birr'000
	Current	51,134	49,586
	Non- current		
		51,134	49,586

		30 June 2022 Birr'000	2021 Birr'000
19.1	**Other Asset**		
	Wrecks Of Paid Claim	2,935	2,178
	Supplies(Inventories)	1,368	949
		4,303	**3,127**

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

		30 June 2022 Birr'000	2021 Birr'000
20	**Cash and cash equivalents**		
	Cash in hand	1,295	1,137
	Cash at bank	88,189	98,980
		89,484	**100,117**

Maturity analysis	30 June 2022 Birr'000	2021 Birr'000
Current	89,484	100,117
Non- current		-
	89,484	100,117

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	2021 Birr'000
Cash and cash equivalents	89,484	100,117
Deposits with financial institutions	390,916	266,731
	480,400	366,848

		30 June 2022 Birr'000	2021 Birr'000
21	**Insurance contract liabilities**		
	Gross		
	Gross insurance contracts :		
	Claims reported and loss adjustment expense	361,041	325,674
	Claims incurred but not reported IBNR	36,978	27,110
	Unallocated loss adjustment expense	2,175	1,899
	Total insurance liabilities, gross	**400,194**	**354,683**
	Recoverable from reinsurers		
	- Notified claims outstandi (Note 15)	(186,280)	(186,021)
	- Claims incurred but not r (Note 15)	(12,539)	(7,766)
	- Unallocated loss adjustment expense	-	-
	Total reinsurers' share of insurance liabilities	**(198,819)**	**(193,787)**

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

Net Insurance contracts liabilities:

Claims reported and loss adjustment expense	174,761	139,653
Claims incurred but not reported IBNR	24,439	19,344
Unallocated loss adjustment expense	2,175	1,899
Total insurance contract liabilities, net	**201,375**	**160,896**

Maturity analysis	**30 June 2022 Birr'000**	**2021 Birr'000**
Current	201,375	160,896
Non- current		
	201,375	**160,896**

21.1 Claims reported and loss adjustment expenses

	30 June 2022 Birr'000	**2021 Birr'000**
Fire	6,119	371
Motor	201,024	134,932
Marine	1,289	3,605
Workmens compensation	1,822	1,420
Liability	24,897	17,240
Pecuniary	83,256	129,678
Engineering	6,712	5,694
Accident	60	1,010
PVT	35,861	31,725
	361,041	**325,674**

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

		30 June 2022 Birr'000	2021 Birr'000
21.2	**Claims incurred but not reported IBNR**		
	Fire	1,526	838
	Marine	897	501
	Motor	23,327	18,755
	Engineering	1,336	938
	Pecuniary	2,437	1,095
	Accident	117	78
	Workmens compensation	582	517
	Liability	3,609	3,058
	PVT	3,147	1,331
		36,978	**27,110**

		30 June 2022 Birr'000	2021 Birr'000
21.3	**Uallocated loss adjustment expense**		
	Fire	46	10
	Marine	15	23
	Motor	1,238	862
	Engineering	47	38
	Pecuniary	441	659
	Accident	1	6
	Workmens compensation	15	12
	Liability	161	117
	PVT	211	172
		2,175	**1,899**

		30 June 2022 Birr'000	2021 Birr'000
22	**Unearned premium reserve**		
	Gross - Unearned premium reserve	312,773	225,446
	Recoverable from reinsure (Note 16)	(82,003)	(49,740)
	Unearned premium reserve, net	230,770	175,706

These provisions represent the liability for insurance contracts for which the Company's obligations are not expired at year-

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

		30 June 2022 Birr'000	2021 Birr'000
22.1	**Unearned premium**		
	Fire	14207	11,832
	Motor	188867	139,803
	Marine	7458	5,130
	Workmens compensation	3577	3,219
	Liability	31026	18,997
	Pecuniary	23019	19,350
	Engineering	11285	8,118
	Accident	1246	749
	PVT	32088	18,250
		312,773	**225,446**

		30 June 2022 Birr'000	2021 Birr'000
23	**Deferred commission income**		
	At the start of the year	11,623	5,197
	Net increase / (decrease)	8,470	6,426
	At end of year	**20,093**	**11,623**

		30 June 2022 Birr'000	2021 Birr'000
24	**Creditors arising from reinsurance arrangements**		
	Creditors arising from reinsurance arrangements	122,409	60,792
		122,409	**60,792**

The carrying amounts disclosed above approximate fair value at the reporting date. All amounts payable on direct insurance business and assumed reinsurance business are payable within one year.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

		30 June 2022 Birr'000		2021 Birr'000
25	**Other payables**			
	Other financial liabilities			
	Board remunaration payment	1,350		1,350
	Dividend payable	4,115		4,907
	Third party insurance payables	339		307
	Commission payable	9,053		8,239
	Bank Over Draft-United Bank	2,043		74
		16,900	**-**	**14,877**

The carrying amounts of deposits received from reinsurers and outstanding purchase of investment securities disclosed above approximate fair value at the reporting date. All amounts of deposits received from reinsurers and outstanding purchase of investment securities are payable within one year.

Other non financial liabilities			
Income tax payable	1,184		898
Pension fund payable	777		522
Witholding tax payable	611		309
Value added tax	1,344		1,065
Sundry creditors	6,034		1,354
Accrued expense	8,838		7,228
	18,788		**11,376**
Other liabilities	**35,688**	**-**	**26,253**
Lease hold payable	**40,599**	**-**	**41,999**
Gross amount	**76,287**	**-**	**68,252**

Maturity analysis	**30 June 2022 Birr'000**	**2021 Birr'000**
Current	76,287	68,252
Non- current		
	76,287	68,252

		30 June 2022 Birr'000	**2021 Birr'000**
26	**Defined benefit liability**		
	Defined benefits liabilities:		
	Severance pay Note 26(a)	4,067	2,964
	Liability in the statement of financial position	**4,067**	**2,964**

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

Income statement charge included in personnel expenses:			
Severance costs	Note 26(a)	1097	1,037
Total defined benefit expenses		**1,097**	**1,037**
Remeasurements for:			
(gains)/losses	Note 26(a)	7	(1,799)
Deferred tax (liability)/asset on remeasurement gain or loss		2	(540)
		8	**(2,339)**

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

Maturity analysis	**30 June 2022 Birr'000**	**2021 Birr'000**
Current		
Non-Current	4,067	2,964
	4,067	2,964

26a Severance pay

The Company operates an unfunded severance pay plan for its employees who have served the Companyfor 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.

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

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

	30 June 2022 Birr'000	2021 Birr'000
A Liability recognised in the financial position	4,067	2,964

B Amount recognised in the profit or loss	30 June 2022 Birr'000	2021 Birr'000
Current service cost	630	472
Interest cost	467	565
	1,097	1,037

C Amount recognised in other comprehensive income:		
Remeasurement (gains)/losses arising from changes in demographic assumptions	6	(1,799)
	6	(1,799)

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

	30 June 2022 Birr'000	2021 Birr'000
At the beginning of the year	2,964	3,727
Current service cost	630	472
Interest cost	467	565
Remeasurement (gains)/ losses	6	(1,799)
Benefits paid		
At the end of the year	4,067	2,964

The significant actuarial assumptions were as follows:

i) Financial Assumption Long term Average

	30 June 2022 Birr'000	2021 Birr'000
Discount rate (p.a)	14.25%	14.25%
Long term salary Increase rate (p.a)	10.25%	7.00%

ii) Mortality in Service

The rate of mortality assumed for employees are those according to the British A49/52 ultimate table published by the Institute of Actuaries of England. These rates combined are approximately summarized as follows:

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

Age	Mortality rate	
	Male	Female
20-24	0.11%	0.11%
25-29	0.11%	0.11%
30-34	0.11%	0.11%
35-39	0.13%	0.12%
40-44	0.19%	0.15%
45-49	0.33%	0.23%
50-54	0.60%	0.42%
55-59	1.04%	0.75%
60-64	1.72%	1.27%

iii) Withdrawal from Service

The withdrawal rates are as summarised below :

Age	Resignation rates per annum
Less than 20	15.00%
21-25	12.00%
26-30	6.00%
31-35	2.50%
36-40	1.80%
41-45	1.00%
Above 46	0.18%

The sensitivity of the overall defined benefit liability to changes in the weighted principal

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

	30 June 2021				
	Scenario 1 Base	Scenario 2 Discount rate increased by 1%	Scenario 3 Salary rate increased by 1%	Scenario 4 Discount rate decreased by 1%	Scenario 5 Salary rate decreased by 1%
Discount rate	14.25%	15.25%	14.25%	13.25%	14.25%
Salary rate	7.00%	7.00%	8.00%	7.00%	6.00%
		Birr'000	Birr'000	Birr'000	Birr'000
Net liability at start of period	**2,964**	**2,964**	**2,964**	**2,964**	**2,964**
Total net expense recognised in	1,097	2,229	2,229	2,229	2,229
Net increase recognised in other	6	(1,336)	(989)	(890)	(1,248)
Net liability at end of period	**4,067**	**3,858**	**4,204**	**4,303**	**3,945**

	30 June 2020				
	Scenario 1 Base	Scenario 2 Discount rate increased by 1%	Scenario 3 Salary rate increased by 1%	Scenario 4 Discount rate decreased by 1%	Scenario 5 Salary rate decreased by 1%
Discount rate	13.50%	14.50%	13.50%	12.50%	13.50%
Salary rate	17.00%	17.00%	18.00%	17.00%	16.00%
		Birr'000	Birr'000	Birr'000	Birr'000
Net liability at start of period	**1,734**	**1,734**	**1,734**	**1,734**	**1,734**
Total net expense recognised in	(342)	(342)	(342)	(342)	(342)
Net increase recognised in other	2,334	2,090	2,546	2,617	2,150
Net liability at end of period	**3,727**	**3,482**	**3,938**	**4,009**	**3,542**

The current arrangements are unfunded with no pre-determined contributions. The Company however meets benefit payments on a pay- as-you-go basis.

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

		30 June 2022 Birr'000	30 June 2021 Birr'000
27	**Ordinary share capital**		
	Authorised:		
	500,000: ordinary shares of Birr 1000 each	**500,000**	**500,000**
	Issued and fully paid:		
	Ordinary shares of Birr 1000 each	**291,366**	**253,097**
	Share premium	**5,967**	**3,222**

Share premium represents the excess of contributions received over the nominal value of shares issued.

		30 June 2022 Birr'000	30 June 2021 Birr'000
28	**Retained earnings**		
	At the beginning of the year	46,407	35,143
	Profit/ (loss) for the year	52,534	42,724
	Transfer to legal reserve	(5,253)	(4,272)
	Transefer to board directors	(1,350)	(1,350)
	Dividend provided for	(9,231)	(7,798)
	Transfer to capital	(27,217)	(18,040)
	At the end of the year	**55,890**	**46,407**

		30 June 2022 Birr'000	30 June 2021 Birr'000
28.1	**Earning Per share**		
	Profit after tax	52,534	42,694
	Average number of shares during the year	286,322	233,482
	Earnig per share	18%	18%

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

		30 June 2022 Birr'000	30 June 2021 Birr'000
29	**Legal reserve**		
	At the beginning of the year	18,192	13,920
	Transfer (from) / to retained earnings	5,253	4,272
	At the end of the year	**23,445**	**18,192**

		Notes	30 June 2022 Birr'000	30 June 2021 Birr'000
30	**Cash generated from operating activities**			
	Profit before tax		56,583	42,694
	Adjustments for non- cash items:			
	Depreciation of property, plant and equipment		7,648	1,052
	Post employment benefit expense		6,306	5,013
	Finance costs - net		4,637	191
	Gain/(Loss) on disposal of property, plant and equipment		-	1,080
	Actuarial gain or loss		(6)	1,799
	Change in operational assets:			
	-Decrease/ (Increase) in other receivables		(2,724)	(39,098)
	-Decrease/ (increase) in deferred acquisition cost		(8,666)	(5,953)
	-Decrease/ (increase) in receivables arising out of reinsurance arrangements		(36,062)	(19,640)
	-Decrease/ (Increase) in reinsurers' share of technical provisions and reserv		(37,295)	(132,242)
	Change in operational liabilities:			
	-Increase/ (decrease) in other liabilities		9,435	8,138
	-Increase/(decrease) in creditors arising from reinsurance arrangements		61,617	40,990
	-Increase/(decrease) in insurance contract liabilities		45,511	136,836
	-Increase/(decrease) in unearned premium reserve		87,327	64,902
	-Increase/(decrease) in deferred commission income		8,470	6,426
	-Increase/(decrease) in deferredTax Liablity		(1,905)	2,472
	-Increase/(decrease) in Other Comprensive Income		282	1,806
			201,159	**116,467**

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

011 442 1338
091 151 5639
093 001 4106
1335
Addis Ababa, Ethiopia
TAY Authorized Accountants & Auditors

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

	30 June 2022 Birr'000	30 June 2021 Birr'000
Proceeds on disposal	-	1,080
Net book value of property, plant and equipment disposed (Note 14)	-	-
Gain/(loss) on sale of property, plant and equipment	-	1,080

31 Related party transactions

A number of transactions were entered into with related parties in the normal course of business. These are disclosed as follows:

31 ***Transactions with related parties***

31a ***Key management compensation***

Key management has been determined to be the members of the Board of Directors and the Executive Management of the Company. The compensation paid or payable to key management for is shown. There were no sales or purchase of goods and services between the Company and key management personnel as at 30 June 2020.

	30 June 2022 Birr'000	30 June 2021 Birr'000
Salaries and other short-term employee benefits	900	1,169
Post-employment benefits		
Representation allowance	9	9
Other expenses		
	909	1,178

011 442 1338
091 151 5639
093 001 4106
1335
Addis Ababa, Ethiopia
TAY Authorized Accountants & Auditors

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

32 Directors and employees

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

	30 June 2022 Number	30 June 2021 Number
Professionals and High Level Supervisors	193	140
Semi-professional, Administrative and Clerical	87	76
Technician and Skilled	37	53
	317	269

ii) The table below shows the number of employees (excluding directors), emoluments in the year and were within the bands stated.

	30 June 2022 Birr'000	30 June 2021 Birr'000
Birr		
Less 10,000	162	176
10,000 - 30,000	133	81
30,001 - 50,000	17	11
50,001 - 100,000	4	1
Above 100,000	1	-
	317	269

33 Contingent liabilities

The Company has no contingent liabilities as at the date of this report. (30 June 2021: nil , 1 July 202

34 Commitments

The company has no commitments, not provided for in these financial statement as at the date of this report. (30 June 2021: nil , 1 July 2020: nil).

35 lease commitments - Company as lessee

The Company own a land from government under non-cancellable lease agreements. The lease terms are 60(Sixty) years the total lease amount is ETB birr 60M out of these the company paid 1st inslatllment of 30% which is 17M the remaining 41M will be paid through over 30years , and of these lease agreements are renewable at the end of the lease period at market rate.

Tsehay Insurance SC
Annual financial statements
Notes to the financial statements
For the year ended 30 June 2022

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

starting from july/2021

	30 June 2022 Birr'000	30 June 2021 Birr'000
Lease Payment form july/2021- to- sep/2049	1,340	1,340
Total	1,340	1,340

36 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 2021 and on the profit for the period ended on that date, which have not been adequately provided for or disclosed.

Award for Best Performer Branches

Safety Driving Training for Client

Partial View of the 10th Annual General Meeting

Managment Meeting

Our Branches

S.N	Branches	Location	Telephone number	Fax
1	Theodros	Haron Bldg, Theodros Square	+251-111-55 97 76	+251-111-55 99 63
2	Hayahulet	H & M Bldg, Hayahulet Mazoria	+251-116-18 95 69	+251-116-18 99 02
3	Merkato	Yengat Berhan Commercial Center, Amede Gebeya	+251-118-96 29 85 +251-112-13 03 87	+251-112-13 03 79
4	Kera	Seid Yasin Bldg,Kera around Genet Hotel	+251-115-52 02 04	+251-115-52 01 81
5	Beklobet	Meaza Desalegn Bldg. in front of Global Hotel (Beklobet)	+251-114-67 09 25	+251-114-67 10 69
6	Sumale tera	Hulu Alem Trade Center, Sumale Tera	+251-111-26 21 40	+251-111-26 21 27
7	Legehar	Yiha Business Center, Legehar	+251-115-58 04 74	+251-115-58 04 01
8	Bole	Berhane Adere Africa Mall, Bole Medhani-alem	+251-116-72 53 81	+251-116-83 20 19
9	Kality	ZH Building - Kality, around kality square	+251-114-70 81 47	+251-114-70 81 23
10	Bahir Dar	Dashin Bank Bldg, Bahir Dar	+251-582- 20 13 39	+251-582- 20 13 42
11	Adama	Bedewi Bldg, Adama	+251-221- 11 22 25	+251-221- 12 77 98
12	Dessie	Seid Yasin Comm. Center, Dessie	+251-333-12 00 05/07	+251-333-12 00 00
13	Lideta	Dashen Bank Bldg, in front of Lideta Church	+251-115 57 52 04	+251 -115- 57 52 05
14	Goffa	Sofia Mall, around Goffa square	+251 114 70 59 29	+251 -114- 70 68 17
15	Hawassa	Getahun Mereke Bldg, Hawassa	+251-462-12 45 55	+251-462-12 48 06
16	Debre Markos	Debre Markos Gozamin Hotel	251-581-78 45 15	+251-581-78 34 24
17	Dire Dawa	Dashen Bank Bldg,Kezira	+251-252 11 58 79	+251-252- 11 20 57
18	CMC	Around St. Michael Church, CMC	+251-116 67 64 18	+251-116-67 61 70
19	Arat Killo	Denver Hotel Bldg., Around Berhanena Selam Printing Enterprise	+251-111-26 34 89	+251-111-26 38 14
20	Mekelle	Hawzen Square, beside Post Office Bldg.	+251-342-41 64 55	+251-342-41 64 87
21	Lebu	Abtam Center., around Varniero Square	+251-114-62 55 74	+251-114-62 50 15
22	WolloSefer	A.A Holy Bible College Bldg.in front of Wengelawit Budg.	+251-114-70 16 64	+251-114-70 26 99
23	Gondar	Walya Trade PLC Bldg., around Meskel Square,Gondar	+251-582-11 18 68	+251-582-11 33 52
24	Main	Bole Bridge in front of Brass Hospital	+251-116-50 77 98	+251-111-11 98 86
25	Addis Ketema	Sobelam Bldg.Merkato Merab Hotel	+251-112-31 42 52	+251-112-31 42 20
26	Gerji	In front of yekatit paper,Gerji Mebrat haile.	+251-116-39 55 84	+251-116-39 53 13
27	Addisu Gebeya	Jambo Bldg, Addisu Gebeya	+251-111-54 77 78	+251-111-54 65 09
28	Debre birhan	Near to Mohammed Multiplex, Debre birhan	+251-116-37 54 54	+251-116-37 61 70
29	Sar bet	Sar bet beside to Adams pavilion Bldg.	+251-113 69 21 70	+251- 113 69 27 90
30	Figa	Beshale, Beside to Figa Traffic light	+251- 116 68 32 16	
31	Gulele	Tenaw Bldg. in front of Medhanialem Pre-paratory School	+251-112-73 7316	+251-112-73 73 58
32	Ayer Tena	Zewditu Bldg. Beside to Sami café	+251-113-69 42 40	+251-113-69 4387
33	Arba Minch	Sikela, in front of Tourist Hotel.	0461 81 02 19	0461 81 02 26

Head Office Address:
Bole Bridge, In Front of Brass Hospital
Tel: +251 111 11 97 70/71
+251 116 50 66 32/37/38
Fax: +251 111 11 98 86
P.O.Box: 56144

web site: www.tsehayinsurance.com
Email: officemail@tsehayinsurance.com