ኢትዮ ላይፍ ኤንድ
ጀነራል ኢንሹራንስ አ.ማ.

ETHIO LIFE AND
GENERAL INSURANCE S.C.

ANNUAL

ETHIO LIFE AND GENERAL INSURANCE S.C.

REPORT

2024/25

፳፻፲፯


E·LiG
ኢትዮ ላይፍ ኤንድ ጀነራል ኢንሹራንስ አ.ማ.
ETHIO LIFE AND GENERAL INSURANCE S.C.
Libam
PROTECT YOUR
Glass With Us
መስታወቶን
በእኛ ያስጠብቁ!

E·LiG

ኢትዮ ላይፍ ኤንድ
ጀነራል ኢንሹራንስ አ.ማ.

ETHIO LIFE AND
GENERAL INSURANCE S.C.

17 Years

ኢትዮ ላይፍ ኤንድ ጀነራል ኢንሹራንስ አ.ማ.

ETHIO LIFE AND GENERAL INSURANCE S.C.

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2025

Table of CONTENTS

ELIG AT A GLANCE	10
17TH ORDINARY GENERAL MEETING	13
INSURANCE POLICIES ON OFFER	14
BOARD OF DIRECTORS	16
MANAGEMENT EXECUTIVES	17
BOARD CHAIRPERSON STATEMENT	18
CHIEF EXECUTIVE OFFICER'S STATEMENT	20
PERFORMANCE HIGHLIGHTS	24
REPORT OF THE BOARD OF DIRECTORS	25
THE WAY FORWARD	32
VOTE OF THANKS	33
AUDITOR'S REPORT	36
ACTUARIAL CERTIFICATE	113
REINSURANCE COMPANIES	114
VISUAL HIGHLIGHTS	115
ELIG'S BRANCHES	116

ተሳትፎ

Satisfaction

Integrity

Honesty

ዋስትና

Diversity

Respect

Service

Commitment

አካታችነት

Loyalty

ፈጣን

Fairness

Honesty

Reliability

Customer Centricity

Impact

Caring

Proactive

Resilience

Outreach

ግልጽነት

Agility

Accountability

Inclusion

Fairness

ቅንነት

Service

Community Engagement

Authenticity

Trusted

Experience

Diversity

Honesty

Giving Back

ታማኝነት

ቅልጥፍና

Honesty

Proactive

Teamwork

Commitment

Transparent

ኃላፊነት

Partnership

ETHIO LIFE AND GENERAL INSURANCE HEAD QUARTER

Home of Millions Building


Tolip Olompia Hotel |
ቶሊፕ ኦሎምፒያ ሆቴል
Central Printing Press |
Meskel Flower
ሴንትራል ማተሚያ ቤት
| መስቀል ፍላወር
Gabon St
Ethio Life and General Insurance S. C. |
ኢትዮ ላይፍ ኤንድ ጀነራል ኢንሹራንስ
Flower Hotel |
ፍላወር ሆቴል
Meskel Flower Square |
መስቀል ፍላወር አደባባይ

ELIG At a Glance

Establishment

The Company was established in October 2008 by 117 shareholders, initially focusing on long-term insurance under the name" Ethio Life Insurance S.C. (E.Life)."

In consideration of the immense potentials and viability of the non-life business, emanating from the rapid economic growth of the country, shareholders were determined to expand the service of the Company by including non-life (general) insurance products. Accordingly, the Company was registered as composite insurer and started providing innovative Life and General Insurance products and service since August 2012. Hence, the name "Ethio Life and General Insurance S.C" emerged.

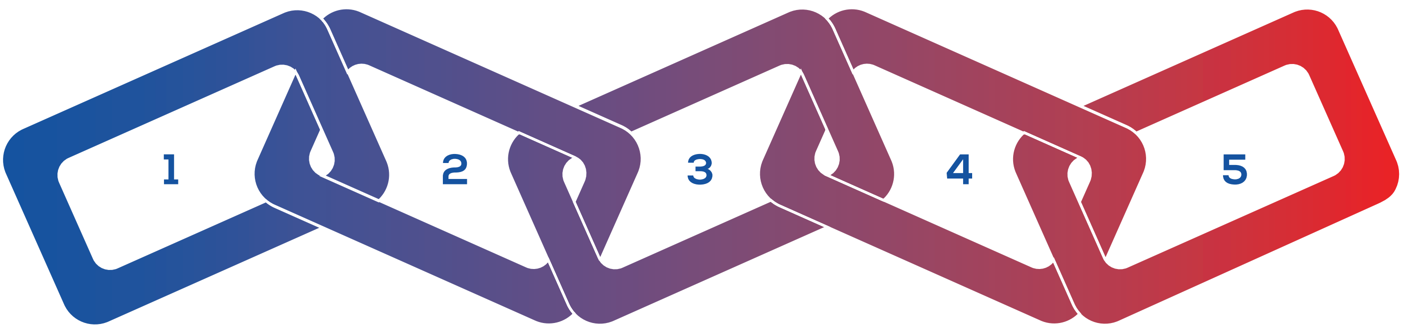
Mission

We provide innovative, comprehensive insurance solutions leveraging technology and motivated team through delivering value to stakeholders.

Vision

"By 2034, ELiG aspires for outstanding customer satisfaction by integrating its human flywheel with cutting-edge technology.

Values



CUSTOMER CENTRICITY | INTEGRITY | AGILITY | TEAMWORK | COMMUNITY ENGAGEMENT

የነገን ደህንነት ዛሬ እናረጋግጥ!

SECURING THE FUTURE TODAY!

Libam App, developed by Lumina Technologies
Is a mobile solution designed to provide customers with easy access to a range of insurance services. The app allows users to manage their policies, file claims, make premium payments, and receive real-time updates—all from the convenience of their smartphones. With features like seamless policy management, instant claim tracking, secure payment options, and 24/7 customer support, the Libam App offers a streamlined, efficient way to stay connected with insurance coverage, ensuring that users can handle their needs anytime, anywhere. It reflects Ethio Life and General Insurance's commitment to innovation and customer convenience in the digital age.

NOTICE FOR THE 17th ANNUAL ORDINARY GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given to the Shareholders to attend the 17th Annual Ordinary General Meeting of Ethio Life and General Insurance S.C which will be held in accordance with Article 366(1), 367(1), 370, 393(2) and Article 394 of Proclamation Number 1243/2021. The General Meeting will be held on Saturday, December, 27,2025 at Addis Ababa Inter Luxury Hotel starting from 8:30 a.m.

BASIC INFORMATION ABOUT THE COMPANY

1. Company Name: *Ethio Life and General Insurance Share Company*
2. Address: *Home of Millions Building, Addis Ababa, Kirkos Subcity, Woreda 02, House Number 659*
3. Company's Website: *www.eliginsurance.com*
4. Company's subscribed capital as at June 30, 2025: *Birr 479,960,000.00*
5. Company's paid-up capital as at June 30, 2025: *Birr 405,296,000.00*
6. Business License Number: *013/08*
7. Trade Registration Number: *KK/AA/0001326/2004*

AGENDA FOR THE 17TH ORDINARY GENERAL MEETING

1. Approval of the Agenda
2. Approval of assignment of replaced member of the Board of Directors
3. Consideration of share transfers and admission of new shareholders conducted up to November 24, 2025
4. Consideration and approval of the 2024/25 Annual Report of Board of Directors;
5. Consideration and approval of the 2024/25 Annual Report of External Auditors;
6. Deliberation on and approval of the proposed appropriation of 2024/25 profits;
7. Appointment of external auditors for FY 2025/26 to 2027/28 and approval of their fee
8. Approval of annual compensation of Board of Directors for 2024/25;
9. Approval of Board of Directors' monthly allowance for 2025/26
10. Consideration and approval of the Report of Board Directors' Nomination and Election Committee; and
11. Election of Board Directors.

By the order of the Board of Directors
ETHIO LIFE AND GENERAL INSURANCE S.C

INSURANCE POLICIES ON OFFER

Life and Health Insurance

Individual Term Insurance

Group Life and Funeral Expenses Insurance

Mortgage Redemption Insurance

Whole Life Assurance

Endowment; Individual and Group Assurance

Medical Insurance

School Fee Guarantee Insurance

Women's Specific Group Micro Credit Life Insurance

General (Non-Life) Insurance

Marine Hull, Marine Cargo & Goods in Transit Insurance

Motor: Private Cars & Commercial Vehicles

Burglary (Theft) Insurance

Industrial All Risks

Machinery Breakdown & Boiler

Engineering Insurance

Fire & Lightning Insurance

Travel Insurance

Money Insurance

Fidelity Guarantee Insurance

Political Violence & Terrorism Insurance

Green House Insurance

Personal Accident Insurance

Workmen's Compensation Insurance

Plate Glass Insurance

Public Liability Insurance

Doctors' and Practitioners' Professional Liability

Various bonds (advance, performance, custom & warehousing)

BOARD OF DIRECTORS

Eng. Abate Gidafe
BOARD CHAIRPERSON

Dr. Eyasu Mekonnen
VICE CHAIRPERSON

Engineer Rahel Kore
DIRECTOR

Ato Beshada Gemechu
DIRECTOR

Ato Moges Abaynehe
DIRECTOR

Ato Wondimu Gizaw
DIRECTOR

Dr. Mariamawit Yonathan
DIRECTOR

Engineer Welday Berhe
DIRECTOR

Ato Tsegabu Teka
DIRECTOR

Ato Zerihun Haile
COMPANY SECRETARY

MANAGEMENT EXECUTIVES

Ato Shimelis G/Giorgis
CHIEF EXEUCTIVE OFFICER

Ato. Mehari Minas
CHIEF OPERATION OFFICER

Ato. Wondwossen Gelaw
CHIEF CORPORATE SERVICE OFFICER

Ato. Daniel Terefe
DIRECTOR UNDERWRITING & BRANCH SUPPORT

Ato. Sileshi Birhane
DIRECTOR LIFE & HEALTH DEPARTMENT

Ato. Misrak Wondaferash
DIRECTOR, CLAIMS DEPARTMENT

W/ro. Meaza Kiros
DIRECTOR, FINANCE & INVESTMENT DEPT.

Ato. Demissew G/Michael
DIRECTOR, HR & FACILITY MANAGEMENT

Ato. Nebiyu Ephrem
DIRECTOR IT DEPARTMENT

W/ro. Amelework Mekonnen
DIRECTOR, MARKETING & STRATEGY

Ato Sisay Denekew
DIRECTOR, RISK & COMPLIANCE SERVICE

Ato. Tilahun Melese
ENGINEERING SERVICE DIRECTOR

Ato. Messay Gebremedhin
DIRECTOR LEGAL SERVICE

Ato. Tsegaye Asrat
DIRECTOR, INTERNAL AUDIT SERVICE

BOARD CHAIRPERSON'S STATEMENT

Eng. Abate Gidafe
BOARD CHAIRMAN

Dear Esteemed Shareholders,

On behalf of the Board of Directors, it is my distinct privilege to welcome you all to the 17th Annual General Meeting (AGM) and to present our report for the financial year. I extend my heartfelt appreciation to each of you for your presence today as we convene to discuss pivotal agenda items that shape our future.

As it is our tradition, I will provide an overview of the most significant developments during the 2024/2025 FY, with more comprehensive insights available in the Directors' Report and the forthcoming Financial Statements.

The insurance sector faced a multitude of macroeconomic and microeconomic challenges throughout the 2024/2025 financial year. Yet, despite the complexities of the business environment, this past year has been one of disciplined execution, strategic resilience, and continued commitment to the values that underpin our company's strength. Our Company has consistently upheld its commitment to excellence, achieving remarkable results across key performance indicators.

Dear Shareholders,

Despite operating in an increasingly complex economic and regulatory environment, our company delivered solid performance across its core businesses. We strengthened our underwriting discipline, expanded our market presence, enhanced customer service capabilities, and advanced our digital transformation agenda. These achievements reflect the collective effort of our management team, employees, business partners, and—most importantly—your unwavering confidence and support.

During this reporting period, we achieved a significant milestone by surpassing ETB 1 billion in Gross Premium production, solidifying our competitive standing in the industry. Our Gross Written Premium Income (GWPI) increased by over ETB 393.4 million, or 54 percent, reaching ETB 1.12 billion. Our market share has expanded to 2.96 percent, reflecting a 5.12 percent increase from last year's 2.82 percent, underscoring our commitment to broadening our market presence and addressing the diverse needs of our clients. Ethio Life & General Insurance remains steadfast in its commitment to our policyholders, as evidenced by gross claims payments totaling ETB 395.1 Million.

Our Company has made significant strides in various strategic areas, establishing a robust foundation for sustainable growth. The total value of our assets has risen by 41.3 percent, reaching ETB 1.9 billion, while total liabilities increased by 46.1 percent to ETB 1.3 billion. Notably, total equity has surpassed last year's figures by 30.7 percent, now standing at ETB 554.3 million.

Our financial results demonstrate steady growth, improved operational efficiency, and a strong capital position. Claims settlement processes were further streamlined, and risk management frameworks were continuously strengthened to ensure sustainability and protect shareholder value. The Board remains confident that the company is well-positioned to navigate emerging risks, from climate-related exposures to evolving customer expectations in a digital age.

The accomplishments highlight our resilience, adaptability, and the strength of our vision. They demonstrate that Ethio Life & General Insurance is not merely enduring but thriving and progressing along a promising path.

In alignment with our Strategic Plan, now in its second year, we have undertaken a comprehensive review of our organizational structure and updated our policies and procedures to better meet the evolving demands of our operations.

In our pursuit of innovation within the industry, we proudly introduced the country's first Digital Term Life Insurance through our mobile application, 'LIBAM,' in collaboration with Lumina Financial Technologies. This technological advancement not only enhances our operational efficiency but also significantly enriches the customer experience, allowing us to respond swiftly to our clients' needs. The LIBAM platform also offers a Digital School Fee Guarantee Insurance, further diversifying our product offerings.

Dear Esteemed Shareholders,

I would like to take this opportunity to acknowledge the vital contributions of our stakeholders in the successes we have achieved during the past fiscal year. On behalf of the Board of Directors and myself, I extend my deepest gratitude to our valued clients, shareholders, management, staff, sales agents, brokers, reinsurers, the National Bank of Ethiopia, and all our supportive partners.

Looking ahead, we will continue to pursue a balanced strategy that prioritizes profitable growth, innovation, and prudent risk-taking. Our focus areas include enhancing product diversification, leveraging technology to improve service delivery, and strengthening our investment portfolio in alignment with market conditions. We also reaffirm our commitment to robust corporate governance, regulatory compliance, and transparency in all our dealings.

As we embark on a new fiscal year, we extend our sincere appreciation to our shareholders for their trust, to our customers for choosing us as their insurer of choice, and to our dedicated employees for their continued hard work and professionalism. Together, we will continue to build a stronger, more innovative, and more resilient company.

Thank you for your continued partnership and support.

Warm regards,

Engineer Abate Gidafe
Chairperson, Board of Directors
December 27, 2025

CHIEF EXECUTIVE OFFICER'S STATEMENT

Shimeles G/Giorgis
CHIEF EXECUTIVE OFFICER

I extend a warm welcome to each of you at the 17th Annual General Meeting of Ethio Life and General Insurance Company (ELiG). It is truly an honor to see such a distinguished gathering of shareholders today.

As we reflect on our accomplishments during the 2024/25 fiscal year, I am filled with pride and gratitude. Despite the challenges posed by inflation and other macro-economic factors, ELiG has achieved significant advancements in key areas, including gross premium production, market share, and profitability. These successes are a testament to the effectiveness of our strategic initiatives and the unwavering dedication of our exceptional team.

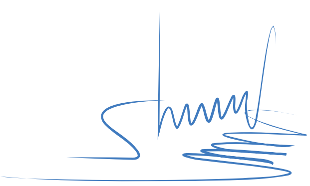
Our capital growth during this period further underscores the trust and confidence our shareholders and stakeholders have in our vision. We have successfully attracted a diverse range of corporate clients. The core insurance system for general insurance was fully implemented since the previous fiscal year by significantly enhancing our operational efficiency. Additionally, our strategic diversification of equity investments and acquisition of investment in property has positioned us for sustained long term growth.

We have also prioritized the expansion of our branch network and invested in our human resources, which has enabled us to strengthen our connection with the community and ensure the delivery of professional, customer-centric services. Noteworthy development during the year under review is the launch of our flagship product 'LIBAM' which is a mobile platform through which customers can seamlessly buy term life insurance and school fee guarantee insurance.

We will invest in a user-friendly digital platform that enables seamless access to our services, including online policy management, claims processing, and strong customer support. We will also strengthen our life operations with a core insurance system to support the smooth and efficient delivery of our services, where we hold a solid share of the market. In addition, we will expand our digital marketing efforts through social media, search optimization, and targeted advertising to reach a wider audience.

I would like to express my sincere gratitude to our dedicated staff, valued customers, intermediaries, reinsurers, and all stakeholders for your steadfast support. Your contributions are essential to bring a remarkable success we aim to attain.

Yours faithfully



Shimeles G/Giorgis
Chief Executive Officer
Ethio Life and General Insurance S.C.
December 27, 2025

Libam
ልባም
መተግበሪያን
በማውረድ
የህይወት መድን
አገልግሎትዎን
በቀላሉ
በእጅ ስልክዎ
ያግኙ።
የነገን ድህንነት ዛሬ እናረጋግጥ!
E·LiG
Securing the Future Today!
Libam
Download on the
App Store
Libam
GET IT ON
Google Play

PERFORMANCE HIGHLIGHTS

ETB 1.12 B
GWPI

ETB 939.8 M
INSURANCE REVENUE

ETB 712.1 M
INSURANCE SERVICE EXPENSE

ETB 101.4 M
TOTAL INVESTMENT INCOME

ETB 226.6 M
TOTAL EXPENSE

ETB 129.6 M
PROFIT BEFORE TAX

ETB 98.1 M
PROFIT AFTER TAX

ETB 1.9 B
TOTAL ASSETS

ETB 1.3 B
TOTAL LIABILITIES

ETB 544.2 M
TOTAL EQUITY

313
TOTAL NUMBER OF EMPLOYEES

36
BRANCHES

1
CONTACT OFFICE

LIBAM
FLAGSHIP PRODUCT

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Ethio Life and General Insurance S.C. (ELiG) is pleased to present the Annual Report for the 2024/25 fiscal year, ending June 30, 2025.

The report covers key economic landscapes affecting the insurance industry and assesses our opportunities and achievements. It includes audited financial statements detailing revenue, expenses, and profitability for transparency, along with highlights of our strategic initiatives and future direction.

1. THE OPERATING ENVIRONMENT

The Global Economy

The International Monetary Fund's (IMF) World Economic Outlook (WEO) update from July 2025 indicates that the global economy saw a growth of 3.3 percent in 2024. Looking ahead, growth is anticipated at 3 percent for 2025, followed by 3.1 percent in 2026.

In the United States, the economy experienced a growth rate of 2.8 percent in 2024, with projections of 1.9 percent for 2025 and slightly rising to 2 percent in 2026.

Meanwhile, China recorded an impressive growth rate of 5 percent in 2024. However, the IMF forecasts a decline in growth to 4.8 percent in 2025 and further down to 4.2 percent in 2026.

Downside risks include potential rebounds in tariff rates, heightened uncertainty affecting economic activity, larger fiscal deficits, and geopolitical tensions disrupting supply chains and raising commodity prices. ***[Source: International Monetary Fund. (2025). World economic outlook update: Global economy: Tenuous resilience amid persistent uncertainty.]***

African Economy

The African Development Bank Group's January 2025 Macroeconomic Performance and Outlook (MEO) report estimates the average real GDP growth for Africa at 3.2 percent in 2024. Forecasts project growth to rise to 4.1 percent in 2025 and 4.4 percent in 2026, making Africa the second-fastest growing region in the world, after Asia.

The IMF's April 2025 Regional Economic Outlook (REO) report indicates that Sub-Saharan Africa's economy grew by 4 percent in 2024, with a slight decline to 3.8 percent predicted for 2025. However, a rebound is expected in 2026, with growth projected at 4.2 percent.

Notably, East Africa's growth rate surpasses that of Sub-Saharan Africa. The region's GDP is anticipated to increase from 4.4 percent in 2024 to 5.3 percent in 2025, reaching 6.1 percent in 2026. The Microeconomic Outlook report confirms East Africa as the continent's fastest-growing region. ***[Source: African Development Bank. (2025). Africa's performance and outlook: Macroeconomic. January 2025. International Monetary Fund. (2025). Sub-Saharan Africa regional economic outlook: Recovery interrupted. April 2025]***

Ethiopian Economy

The African Development Bank's 2025 African Economic Outlook reports that Ethiopia's economy grew by 7.3 percent in the 2023/24 fiscal year. The IMF projects a 6.6 percent growth for 2024/2025, while the Ministry of Finance has announced an 8.4 percent growth for 2017 E.C. (2024/25). Despite these positive figures, Ethiopia faces challenges such as debt risks, poverty, high unemployment rates, inflation, and security concerns.

The Insurance Industry

The Ethiopian insurance sector includes 18 companies, out of which 14 are composite insurers, and there is one locally incorporated reinsurance company. According to the data from the Association of Ethiopian Insurers, the number of insurance branches and agents reached 833 and 2,019, respectively.

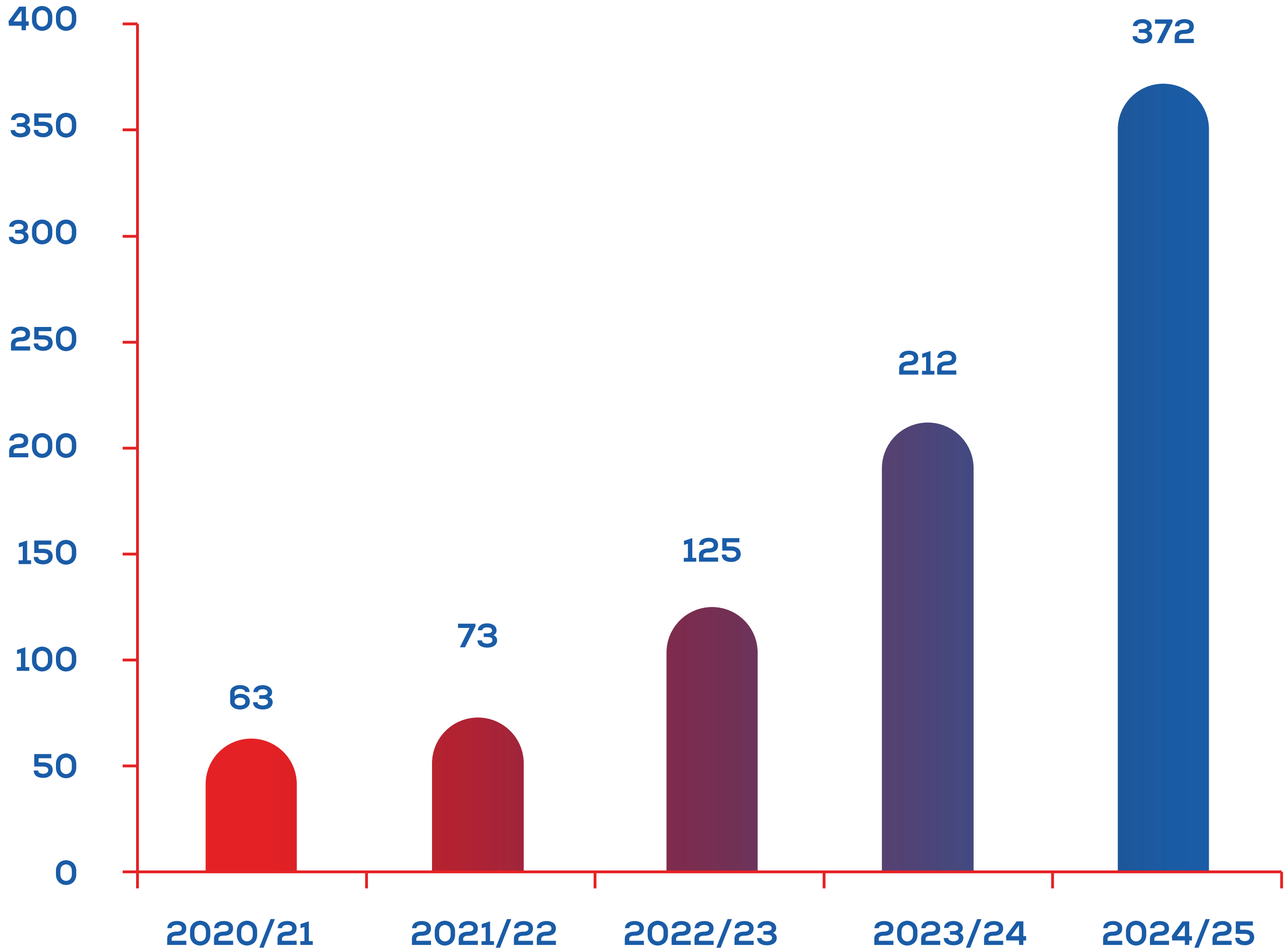
Gross Written Premium Income (GWPI) for the 2024/2025 fiscal year reached ETB 38 billion, up by ETB 12 billion or 46 percent from the previous year. General insurance accounted for ETB 35 billion (93 percent), while life assurance contributed ETB 2.7 billion (7 percent). ***[Source: Association of Ethiopian Insurers Quarterly Reports.]***

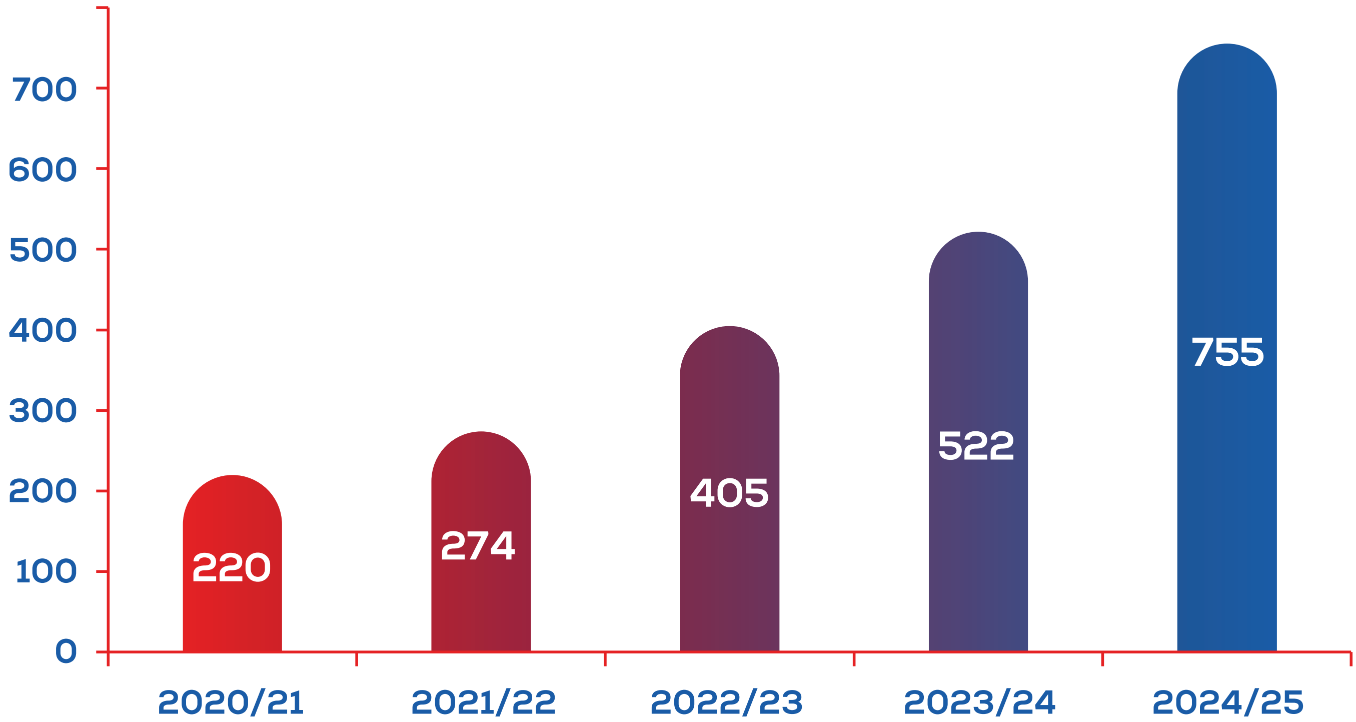
2. COMPANY LEVEL PERFORMANCE

Financial Performance

Insurance Revenue

For the first time in its 17-years history, the Company has registered over one billion birr in Gross Written Premium Income, totaling ETB 1.127 billion. This includes ETB 372.3 million from the life insurance business and ETB 755.2 million from general insurance. The performance for the life business surpassed last year's ETB 212 million by ETB 160.1 million or 75.5 percent while general showed an increase of ETB 233.2 million or 44.7 percent.

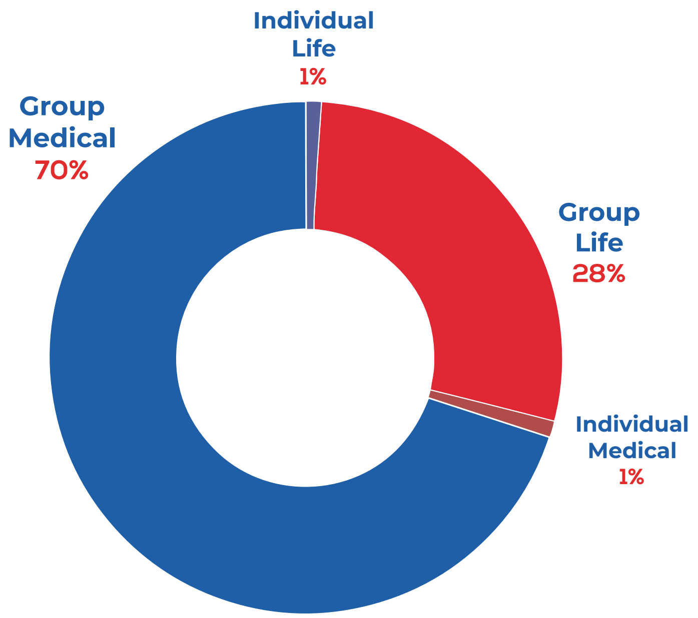


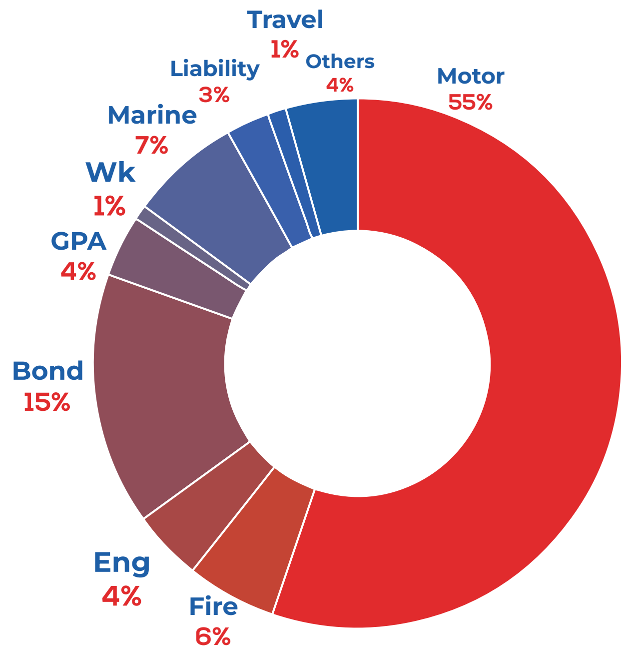


The growth of our business is driven by our success in retaining existing customers and attracting new individual and corporate clients, reflecting the reliable service we provide. Our commitment to service excellence and effective customer retention has strengthened our competitive position, and we remain dedicated to enhancing our offerings to meet our clients' evolving needs, further boosting our reputation and presence nationwide.

Coming to portfolio mix, from the total life insurance GWPI, Group Medical Policies accounted for 70 percent of total, followed by Group Life at 28 percent, while Individual Medical and Individual Life each contributed 1 percent.

As far as the general insurance is concerned, motor insurance continues to be our largest premium contributor, representing 55 percent of total premium volume as of June 30, 2025. Bond, Marine and Fire & Lightning classes follow with shares of 15 percent, 7 percent and 6 percent, respectively. GPA, Engineering and Others have a share of 4 percent each while all other classes collectively contribute 4 percent of general insurance income.





For the 2024/25 fiscal year, out of the total life insurance GWPI of ETB 372.3 million, ETB 102 million was ceded to reinsurers, resulting in a cession ratio of 27.4 percent. Similarly, ETB 237.6 million was ceded from the total general insurance GWPI of ETB 755.2 million, yielding a cession ratio of 31.4 percent

Coming to insurance revenue, out of the total underwritten amount reported above, ETB 939.8 million has been earned, showing a year on year increase of ETB 248 million or 35.8 percent from last year's ETB 691 million. Out of the total insurance revenue, ETB 319.8 million belongs to the life business while ETB 620 million is from the General Insurance Business. The year-on-year increase for the life business is ETB 105.6 million or 49.3 percent while general's is ETB 142.4 million or 29.8 percent.

Insurance Service Expense

The insurance service expenses for the financial year ending 30 June 2025 is ETB 712.1 million which compared to last year same period's ETB 572.2 million shows an increase of ETB 140 million or 24.4 percent. The increase is mainly attributable to increase in gross claims payout of ETB 67 million or 48 percent driven by inflation. Out of the total insurance service expense, ETB 274 million is for the Life Insurance Business while ETB 438.1 million is for the General Insurance Business. The overall increase was observed in both business segments, with the Life Insurance Business increasing from ETB 182.3 million to ETB 274 million (an increase of ETB 91.6 million or 50.2 percent) and General insurance expenses grew from ETB 389.8 million to 438.2 million (an increase of ETB 48.3 million or 12.3 percent).

For the year ending June 30, 2025, loss ratio for the Life Insurance Business reached 67 percent, a significant improvement from last year's 79 percent. The loss ratio for the General Insurance Business reached 50 percent which though above last year same period's 43 percent is way below National Banks's maximum threshold of 70 percent.

Profit

The Company's insurance service result for the review period is ETB 132.4 million out of which ETB 22.3 million is for the Life Insurance Business while ETB 110 million is for general insurance. The total amount shows an increase of ETB 10.3 million or 8.4 percent from last year same period's ETB 122.1 million. The respective changes for the Life Insurance Business shows an increase of ETB 14.3 million or 179 percent while the General Insurance Business shows a slight decrease of ETB 4 million or 3.5 percent.

During the year under review we made additional equity investments totaling ETB 20.2 million in four companies. We also strengthened our investment portfolio by placing an additional ETB 197 million in fixed-time deposits and purchasing government bonds worth ETB 14.9 million. We also acquired a branch office near Megenagna with an ETB 17.5 million. From the investments made during the year and prior periods, we have earned total investment income of ETB 101.4 million out of which ETB 21.4 million is from the Life Insurance Business while ETB 80 million is from the General Insurance Business. The consolidated investment income is higher than the previous fiscal year's by ETB 26.6 million or 35.7 percent. The respective increases for the life insurance and General Insurance Businesses are ETB 4.6 million or 27.7 percent and ETB 22 million or 38 percent.

The Company, during the 2024/2025 fiscal year, has incurred total expense of ETB 229.6 million out of which ETB 33.1 million is for the life business while ETB 196.5 million is for the general insurance business. The total expense compared to last year same period showed an increase of ETB 59.8 million or 35.7 percent. Total expense for the life insurance business, ETB 33.1 million is up by ETB 10.4 million or 45.9 percent from last year same period while general's showed an increase of ETB 49.4 million or 34 percent.

For the year ending 30 June 2025, the Company earned total before tax profit of ETB 129.6 million, out of which ETB 25.1 million is from the Life Insurance Business while ETB 104.6 million is from the General Insurance Business.

The Company's after tax profit decreased from the previous year by ETB 1.6 million or 1.6 percent and reached ETB 98.1 million. The tax burden following the enactment of the new income tax Proclamation, Proclamation No 1395/2025, has highly impacted our after tax profit. The Proclamation stipulates a minimum tax floor of 2.5 percent of the gross premium collected which in the case of insurance refers to premium income from policy holders. The enactment of the new tax law has led to an additional tax burden of ETB 18.3 million.

Financial Position

As of 30 June 2025, the company's total assets reached ETB 1.93 billion, of which ETB 372.7 million belongs to the Life Insurance Business, while the emaining ETB 1.56 billion is for General Insurance Business. The total asset howed an expansion of ETB 568.1 million or 41.6 percent from last year same period. The total asset for the life insurance business exceeds last year same period's by ETB 193.5 million or 108 percent while the increase for the general insurance business is ETB 374 million or 31.6 percent.

Total liabilities rose to ETB 1.38 billion from ETB 941.8 million the previous year, an increase of ETB 437.9 million or 46.5 percent, with Life Insurance Business liabilities representing ETB 281.1 million while general accounted the remaining ETB 1 billion. The increase for the life insurance business is ETB 148.5 million or 112 percent while General Insurance Business's showed an increase of ETB 289.2 million or 35.7 percent. The increase in both lines is prompted by an increase in insurance contract liabilities.

The company's total equity grew to ETB 554.2 million from ETB 424.1 million, marking an increase of ETB 130.1 million or 31 percent mainly driven by increase in share capital.

The total equity for the life insurance business exceeds last year same period's by ETB 45 million or 96.6percent while the increase for the general insurance business is ETB 85 million or 22.5 percent.

Overall, the company shows strong growth in both assets and equity, underpinned by steady expansion in both General and Life Insurance Business segments.

Non-Financial Performance Highlights

Branch Expansion

In the 2024/25 fiscal year, we expanded our footprint by opening three new General Insurance branch offices in Addis Ababa at Haya Hullet, Lemi Kura and Bole Bulbula. The locations were chosen based on a feasibility study that identified the strong potential for sustainable insurance business. With these additions, our branch network has grown from 33 to 36 offices. Additionally, we opened a contact office in Assela town, further enhancing our reach and accessibility for our clients.

Human Resource

Our workforce has been instrumental in enabling us to provide customer service. The company will continue to invest in its most valuable asset while fostering a winning culture and team spirit. As of June 30, 2025, our human resources totaled 313, with 135 male and 178 female employees, demonstrating a strong gender balance and our commitment to gender sensitivity and affirmative action, even in higher management positions.

ELIG gives due regard to the acquisition and retention of highly trained, experienced and motivated employees. Equipping employees with the necessary knowledge and skills for discharging their duties and responsibilities properly is pivotal. Considering this, the Company has been investing in various training and development programs based on gaps identified in periodic training need assessment.

Information Technology

As part of the Company's commitment to support its services with technology, the Company's General Insurance Business is supported by a core insurance system, Azentio Suite. The Company's commitment to excel in the space of Information Technology goes beyond this. As a testament to this, the Company has launched first of its kind digital term life insurance through a mobile App called 'LIBAM'. LIBAM's Digital Life Insurance Solution transforms traditional insurance into a fast, seamless digital experience. The platform offers instant digital onboarding, smart coverage management, AI powered underwriting and self-service for customers, among others. The solution offers 100 percent paperless experience with an affordable premium. The Solution which has recently extended into coverage for school fee provides a modern, efficient, and customer-centric life insurance journey that boosts satisfaction, grows revenue, and brings our company into the digital future. The company has initiated the process of enhancing its life insurance operations with a core insurance system and is currently in the contract negotiation phase

3. CORPORATE GOVERNANCE

The Board of Directors is committed to strong governance and protecting the interests of shareholders, policyholders, and other stakeholders. It oversees the company's strategic direction, ensures effective risk management, and promotes sound corporate culture. To support its work, the Board operates three committees: Risk, Audit & Compliance, Human Resource & Material Management and Finance & Investment.

During the reporting year, the Board conducted 11 regular and 8 special meetings in which the Board

- Approved key policies, annual business plan, and budget, and regularly reviewed company performance.
- Received and reviewed reports from its sub-committees to guide Executive Management.
- Monitored the implementation of board resolutions.
- Examined strategic investment proposals
- Reviewed NBE inspection and surveillance reports and followed up on corrective actions.
- Oversaw internal audit, risk management, and compliance functions and provided guidance on emerging risks.
- Approved revised salary and benefits to address staff turnover and improve retention
- Supervised the preparation and execution of the 16th ordinary meeting of shareholders and implementation of their resolutions.

The Way FORWARD

The Board highlights major ongoing priorities, including the acquisition of a life insurance core system, oversight of the implementation of the company's strategic plan, and efforts toward the diversification of the company's investments including acquisition of another land. The Board will closely monitor the construction of the vehicle wreck yard, which was previously halted due to a court order but has now resumed. These initiatives, among others, remain under the Board's direct supervision and are essential to strengthening the company's future performance and long term sustainability.

VOTE OF THANKS

The Board extends its heartfelt appreciation to our esteemed customers whose continued trust has been the foundation of our success. Ethio-Life and General Insurance has grown into a strong and reputable brand because of your loyalty and the opportunity you have given us to serve you throughout the years.

We also convey our sincere gratitude to our shareholders for their steadfast support, especially during challenging times such as the year under review.

The Board of Directors extends its sincere appreciation to the National Bank of Ethiopia for its supervision, cooperation, guidance, and continued support. The Board also expresses its gratitude to the Documents Registration and Authentication Authority for the administrative assistance provided throughout the year.

Our thanks further go to the Ethiopian insurance community, our Reinsurers, and international insurance and reinsurance brokers for the strong and mutually beneficial partnerships we have built over time.

We extend our gratitude to our intermediaries for their valuable contributions, and we offer special recognition to our Management team and all employees whose commitment and hard work continue to drive the company's growth and success.

The achievements of this year would not have been possible without you all.

Best regards,

Board of Directors
Ethio Life and General Insurance S.C.
December 27, 2025
Addis Ababa, Ethiopia


ኢትዮ ላይፍ ኤንድ
ጀነራል ኢንሹራንስ አ.ማ.
ETHIO LIFE AND
GENERAL INSURANCE S.C.
School Fee
GUARANTEE

E·LiG

ኢትዮ ላይፍ ኤንድ ጀነራል ኢንሹራንስ አ.ማ.

ETHIO LIFE AND GENERAL INSURANCE S.C.

Libam

PROFESSIONAL INDEMNITY FOR DOCTORS & MEDICAL PRACTITIONERS

AUDITORS REPORT

TMS Plus

Tafesse, Shisema and Ayalew (TMS Plus)
Chartered Certified Accountants (UK)
and Authorized Auditors (Ethiopia)

AUDIT OPINION

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ETHIO LIFE AND GENERAL INSURANCE SHARE COMPANY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ethio Life and General Insurance Share Company, which comprise the statement of financial position as at 30 June 2025, 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 present fairly, in all material respects, the financial position of the Company as at 30 June 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Management for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as Directors determine 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, Directors are 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 Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements

We have no comment to make on the report of the board of directors and the proposal for distribution of profit submitted by the directors insofar as it relates to these financial statements and pursuant to Article 349 of the Commercial Code of Ethiopia 1243/2021 and hence, we recommend approval of the financial statements.

Taf, Sh; & A

Tafesse, Shisema and Ayalew Certified Audit Partnership (TMS *PLUS)*
Chartered Certified Accountants (UK) Addis Ababa
Authorized Auditors (ETH) 13 December 2025

ETHIO LIFE AND GENERAL INSURANCE S.C.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

		30-Jun-25			30 June 2024		
	Notes	General Business	Long Term Business	Total Birr'000	General Business	Long Term Business	Total Birr'000
Insurance Revenue	5	620,040	319,823	**939,863**	477,586	214,187	**691,774**
Insurance Service Expense	6	(438,163)	(274,004)	**(712,167)**	(389,841)	(182,339)	**(572,181)**
Net Income / (Expenses) from Reinsurance Contracts Held	7	(85,554)	(24,689)	**(110,242)**	22,642	(24,339)	**(1,697)**
Insurance Service Result		**96,324**	**21,130**	**117,454**	**110,387**	**7,509**	**117,896**
Finance Income /(Expense) from Insurance Contracts	7.6	14,825	748	**15,573**	15,899	309	**16,209**
Finance Income /(Expense)) from Reinsurance Contracts	7.7	(1,075)	496	**(579)**	(12,159)	192	**(11,967)**
Net Financial Result		**13,749**	**1,244**	**14,994**	**3,740**	**501**	**4,242**
Net Insurance Service Result		**110,073**	**22,374**	**132,448**	**114,127**	**8,010**	**122,137**
Net Investment Income	9	78,057	20,562	**98,619**	55,055	16,131	**71,186**
Other Non- operating income	10	2,002	912	**2,914**	2,912	683	**3,595**
Non – Attributable Expenses	11.1	(88,152)	(17,915)	**(106,067)**	(61,613)	(11,476)	**(73,088)**
Equity Revluation throuhg PL					(2,173)		**(2,173)**
Impairment - IFRS 9	8.3	2,632	(865)	**1,767**	(4,892)	(28)	**(4,921)**
Profit Before Tax		**104,612**	**25,068**	**129,681**	**103,417**	**13,320**	**116,737**
Income Tax Expense	12.4	(22,023)	(9,556)	**(31,579)**	(16,796)	(203)	**(16,999)**
Profit for the Year		**82,590**	**15,512**	**98,102**	**86,621**	**13,117**	**99,738**
Other Comprehensive Income				**-**			**-**
Revaluation gain/loss on equity	8.4	4,783	11,035	**15,819**	3,494	1,072	**4,566**
Items that will not be subsequently				**-**			**-**
Measurement gain/loss on retirement benefits obligation	22c	(157)	-	**(157)**	(531)	-	**4**
Total comprehensive income for the year		**87,215**	**26,547**	**113,763**	**89,584**	**14,189**	**103,773**
Basic and diluted Earning Per Share(ETB)				**25.08%**			**35.8%**
Basic and diluted Earning Per Share(%)				**250.8**			**357.8**

ETHIO LIFE AND GENERAL INSURANCE S.C.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2025

		30-Jun-25			30-Jun-24		
ASSETS	Notes	General Business	Long Term Business	'000 Total Birr'000	General Business	Long Term Business	'000 Total Birr'000
Cash and bank balances	14	677,138	218,134	**895,272**	475,184	100,969	**576,153**
Investment securities :							
Available for sale	15.1	110,694	43,941	**154,634**	95,206	21,181	**116,387**
Loans and receivables	15.2	21,609	5,552	**27,160**	8,625	4,441	**13,065**
Reinsurance Contract Assets	16	273,170	36,284	**309,454**	245,247	10,495	**255,741**
Reinsurance Receivable	16.1	52,726	22,938	**75,663**	51,459	12,832	**64,291**
Other assets	17	131,126	14,401	**145,528**	73,236	6,710	**79,946**
Intangible assets	19.3	19,102	-	**19,102**	4,806	-	**4,806**
Property, plant and equipment	19 & 19.1	222,552	11,393	**233,945**	191,193	5,901	**197,094**
Investment property	19.2	-	12,518	**12,518**	-	12,792	**12,792**
Statutory deposit	18	53,294	7,500	**60,794**	41,920	3,750	**45,670**
TOTAL ASSETS		**1,561,409**	**372,661**	**1,934,070**	**1,186,875**	**179,072**	**1,365,947**
EQUITY AND LIABILITIES							
LIABILITIES							
Insurance Contract Liabilities	20	748,739	150,309	**899,048**	560,912	102,189	**663,100**
Reinsurance Payables	20.1	99,105	58,708	**157,813**	113,085	20,489	**133,574**
Other payables	21	209,238	61,405	**270,644**	104,086	8,594	**112,680**
Current tax payable	12.5	21,109	9,308	**30,417**	14,622	-	**14,622**
Deferred income tax	12.6	11,307	1,401	**12,708**	8,528	1,152	**9,680**
Retirement benefit obligations	22	4,496	-	**4,496**	3,386	-	**3,386**
Financial liability		4,718	-	**4,718**	4,806	-	**4,806**
TOTAL LIABILITIES		**1,098,713**	**281,131**	**1,379,844**	**809,425**	**132,423**	**941,848**
EQUITY							
Share Capital	23	355,296	50,000	**405,296**	279,467	25,000	**304,467**
Share Premium	24	1,188	-	**1,188**	1,091	-	**1,091**
Retained Earnings	25& 25.1	64,179	17,802	**81,981**	67,901	10,507	**78,409**
Legal Reserve	26	28,001	12,426	**40,428**	19,742	10,875	**30,617**
Revaluation Reserve	27	14,032	11,304	**25,335**	9,248	268	**9,516**
TOTAL EQUITY		**462,696**	**91,532**	**554,227**	**377,450**	**46,650**	**424,101**
TOTAL EQUITY AND LIABILITIES		**1,561,409**	**372,661**	**1,934,070**	**1,186,875**	**179,072**	**1,365,947**

Eng. Abate Gidafe
Chairperson, Board of Directors

Ato Shimelese G/Giorgis
Chief Executive Officer

ETHIO LIFE AND GENERAL INSURANCE S.C.

GENERAL BUSINESS STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

	Share Capital	Share Premium	Retained Earnings	Legal Reserve	Revaluation Reserve	ETB '000 Total Equity
As at 30 July 2022	**173,743**	**1,248**	**17,905**	**8,504**	**4,719**	**206,119**
Profit for the year a/tax			25,759			**25,759**
Transfer to legal reserve			-2,576	2,576		-
Additional share issued	29,365	-57				**29,308**
Dividends declared and paid			-13,713			**(13,713)**
Transfer to directors fees payable			-1,350			**(1,350)**
Prior year adjustments			-329			**(329)**
Impact of IFRS 9 and 17						-
Tax Adjustment						-
Transfer to legal reserve			0	0		-
Other comprehensive income;						-
Re-measurement gains on defined benefit plans (net of tax)			300			**300**
Re-measurement gains on Equity Investments					1,035	**1,035**
As at 30 June 2023	**203,108**	**1,191**	**25,996**	**11,080**	**5,754**	**247,130**
As at 30 July 2023	**203,108**	**1,191**	**25,996**	**11,080**	**5,754**	**247,130**
Profit for the year a/tax			86,621			**86,621**
Transfer to legal reserve			-8,662	8,662		-
Additional share issued	76,359	-100	0			**76,259**
Dividends declared and paid			-34,319			**(34,319)**
Transfer to directors fees payable			-1,350			**(1,350)**
Transfer to legal reserve			0	0		-
Impairment recognized before						-
Other comprehensive income;						-
Re-measurement gains on defined benefit plans (net of tax)			-385			**(385)**
Prior year adjustments						-
Re-measurement gains on Equity Investments					3,494	**3,494**
Balance at 30 June 2024	**279,467**	**1,091**	**67,901**	**19,742**	**9,248**	**377,450**
As at 30 July 2024	**279,467**	**1,091**	**67,901**	**19,742**	**9,248**	**377,450**
Profit for the year a/tax			82,590			**82,590**
Transfer to legal reserve			-8,259	8,259		-
Additional share issued	75,829	97				**75,926**
Dividends declared and paid			(76,544)			**(76,544)**
Transfer to directors fees payable			(1,350)			**(1,350)**
Dividend over declared -IFRS impact						-
Prior year adjustments			-			-
Other comprehensive income;						-
Re-measurement gains on defined benefit plans (net of tax)			-157			**(157)**
Re-measurement gains on Equity Investments					4,783	**4,783**
Balance at 30 June 2025	**355,296**	**1,188**	**64,179**	**28,000**	**14,032**	**462,695**

ETHIO LIFE AND GENERAL INSURANCE S.C.

LONG TERM BUSINESS STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

ETB '000

	Share Capital	Share Premium	Retained Earnings	Legal Reserve	Revaluation Reserve	Total Equity
As at 30 June 2022	**15,074**	**-**	**18,698**	**8,824**	**(2,764)**	**39,833**
Profit for the year a/tax			7,391			**7,391**
Transfer to legal reserve			(739)	739		**-**
Additional share issued	-	-				**-**
Dividends declared and paid			(18,450)			**(18,450)**
Transfer to directors fees payable						**-**
Prior year adjustments						**-**
Impact of IFRS 17 & 9						**-**
Tax Adjustment						**-**
Legal reserve- adjustment			-	-		**-**
Other comprehensive income;						**-**
Re-measurement gains on defined benefit plans (net of tax)						**-**
Re-measurement gains on Equity Investments					1,960	**1,960**
As at 30 June 2023	**15,074**	**-**	**6,900**	**9,564**	**(804)**	**30,734**
As at 30 July 2023	**15,074**	**-**	**6,900**	**9,564**	**(804)**	**30,734**
Profit for the year a/tax			13,117			**13,117**
Transfer to legal reserve			(1,312)	1,312		**-**
Additional share issued	9,926		-			**9,926**
Dividends declared and paid			(8,198)			**(8,198)**
Transfer to directors fees payable			-			**-**
Prior year adjustments						**-**
Other comprehensive income;						**-**
Re-measurement gains on defined benefit plans (net of tax)						**-**
Re-measurement gains on Equity Investments					1,072	**1,072**
Balance at 30 June 2024	**25,000**	**-**	**10,507**	**10,875**	**268**	**46,651**
As at 30 July 2024	**25,000**	**-**	**10,507**	**10,875**	**268**	**46,651**
Profit for the year a/tax			15,512			**15,512**
Transfer to legal reserve			(1,551)	1,551		**-**
Additional share issued	25,000					**25,000**
Dividends declared and paid			(6,667)			**(6,667)**
Transfer to directors fees payable			-			**-**
Prior year adjustments						**-**
						-
Other comprehensive income;						**-**
Re-measurement gains on defined benefit plans (net of tax)						**-**
Re-measurement gains on Equity Investments					11,035	**11,035**
Balance at 30 June 2025	**50,000**	**-**	**17,802**	**12,426**	**11,304**	**91,531**

ETHIO LIFE AND GENERAL INSURANCE S.C.
STATEMNT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

		30 June 2025			30 June 2024		
		General Business	Long Term Business	Total Birr'000	General Business	Long Term Business	Total Birr'000
Cash flows from operating activities							
Cash generated from operations	**28**	**236,612**	**101,180**	**337,792**	**123,106**	**2,177**	**125,283**
Income tax paid		(14,622)	-	**(14,622)**	(822)	(2)	**(824)**
Net cash (outflow)/inflow from operating activities		**221,989**	**101,180**	**323,170**	**122,284**	**2,175**	**124,459**
Cash flows from investing activities							
Purchase of investment securities	15.1	(8,532)	(11,724)	**(20,257)**	(17,003)	(975)	**(17,978)**
Purchase of Bond	15.2	(12,984)	(1,111)	**(14,095)**	(6,029)	(1,367)	**(7,396)**
Purchase of lease				-			-
Purchase of property, plant and equipment	19	(50,784)	(3,754)	**(54,538)**	(44,455)		**(44,455)**
Purchase of Intangible asset	19.2.b	(16,438)		**(16,438)**			
Increase in statutory deposit	18	(11,374)	(3,750)	**(15,124)**	(11,454)	(1,489)	**(12,943)**
Proceeds from sale of PPE/ transfer to Life Business	19 &19.1	2,573	(2,574)	**(1)**	872		**872**
Dividend received	9	7,793	1,724	**9,517**	8,171	975	**9,146**
Interest Income	9	70,264	18,838	**89,101**	46,885	15,156	**62,041**
Net cash (outflow)/inflow from investing activities		**(19,483)**	**(2,350)**	**(21,833)**	**(23,013)**	**12,300**	**(10,713)**
Cash flows from financing activities				-			-
Proceeds from issues of shares	23	75,829	25,000	**100,829**	76,359	9,926	**86,285**
Increase in share premium	24	139	-	**139**	(100)		**(100)**
Dividend paid	25	(76,544)	(6,667)	**(83,210)**	(34,319)	(8,198)	**(42,517)**
Over looked Income / (Expenses)/ Prior year adj.		23		**23**	21	-	**21**
Net cash (outflow)/inflow from financing activities		**(553)**	**18,333**	**17,781**	**41,961**	**1,728**	**43,689**
Net increase/(decrease) in cash and cash equivalents		**201,954**	**117,164**	**319,117**	**141,232**	**16,203**	**157,435**
Cash & cash equivalents at the beginning of the year		**475,184**	**100,969**	**576,153**	**333,951**	**84,768**	**418,720**
Cash and cash equivalents at the end of the year		**677,137**	**218,135**	**895,272**	**475,184**	**100,969**	**576,153**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

1 Reporting entity

The company is principally engaged in the business of general insurance activities. Such services include provision of non life insurance services for both corporate and individual customers.

Ethio Life and General Insurance Company ("the Company") Share Company (S.C), is a private insurance company domiciled in Ethiopia. The Company was established in October 2008 in accordance with the provisions of the Commercial Code of Ethiopia 1960 and the National Bank of Ethiopia Directive 746/2012.

The Company's registered office is located :
Ethio Life and General Insurance Share Company
Home of Millions's Building
Kirkos Sub City, Woreda 10, and House No. New. 659
Addis Ababa,
Ethiopia

2 Summary of significant accounting policies

2.1 Introduction to summary of significant accounting policies

The principal accounting policies that the Company applies in the preparation of its Financial Statements are set out below. These policies have been consistently applied to all the years that will be presented, unless otherwise stated.

2.2 Basis of preparation

The Financial Statements year-ended 30 June 2024, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB). Additional information required by National regulations are included where appropriate.

The financial statements comprise (1) the Statement of Profit or Loss and Other Comprehensive income, (2) the Statement of Financial Position, (3) the Statement of Changes in Equity, (4) the Statement of Cash Flows and (5) the Notes to the Financial Statements.

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 3.

2.2.1 Going concern

These 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.

2.3 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.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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 recognized 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 analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

b) Transaction and balances

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized 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 recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in income statement as incurred.

Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized.

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	Depreciation Rate (years)	Residual Value (%)
Buildings	50	5%
Lift	15	5%
Motor vehicles	10	5%
Furniture & fittings	10	1%
Office equipment	10	1%
Computer equipment	7	1%

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

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition 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 derecognized.

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.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

2.5 Investment property

Property that is held by the Company to earn rental income or for capital appreciation, or both, and is not occupied by the Company, are classified as investment properties.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the Company and the cost can be reliably measured. This is usually when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The Company has opted to subsequently carry investment property at cost and disclose fair value. Fair value of investment property is the price that would be received from sale of the asset in an orderly transaction, without deduction of any transaction costs. Fair value of the Company's investment property is determined by independent qualified Value.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Earned rental income is recorded in profit or loss for the year within (other operating income).

Investment properties are derecognized when they have been disposed.

2.6 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 amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development costs, are not capitalized 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 amortized over the useful economic life. The amortization period and the amortization 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 amortization period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortization expenses on intangible assets with finite lives is presented in income statement.

Amortization 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:

Assert Class	Useful life's (years)
Computer software	8

2.7 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 fulfillment 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.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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 recognized as an expense in the income statement on a straight-line basis over the lease term.

Company as a lessor

Leases where the company does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating lease. Rental income is recorded as earned based on the contractual terms of the lease in other operating income.

The Company has entered into lease of office building for its branches. 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.

2.8 Statutory Deposits

Statutory deposits are cash balances held with the National Bank of Ethiopia in line with Article 20 of Insurance Business Proclamation No. 746/2012 and may not be withdrawn except with the written permission of the National Bank of Ethiopia, or be used as a pledge or security for any loan. They have been separately disclosed due to their nature and liquidity. Statutory deposits are measured at cost.

Statutory deposit represents 15% of the paid up capital of the Company deposited with the National bank of Ethiopia

2.9 Deferred acquisition costs (DAC)

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalized. All other costs are recognized as expenses when incurred. The DAC is subsequently amortized over the life of the contracts.

Deferred acquisition costs represent a portion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins by applying to the acquisition expenses the ratio of unearned premium to written premium.

DACs are derecognized when the related contracts are either settled or disposed of.

2.10 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 units (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.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the income statement.

2.11 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.

2.11.1 Financial assets

a) Initial recognition and measurement

All financial assets are recognized 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 recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

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

• Loans and receivables
• Available-for-sale financial investments

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 amortized cost using the effective interest rate (EIR) method, less impairment. Amortized 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 amortization is included in interest and similar income in income statement. The losses arising from impairment are recognized in income statement in loan impairment charge.

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

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 unrealized gains or losses recognized in other comprehensive income and credited in the AFS reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized 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 instruments. Interest earned whilst holding AFS financial investments 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.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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 held to maturity if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

'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 recognizes 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 recognized in the profit or loss when the inputs become observable, or when the instrument is derecognized.

c) 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 AFS category, any previous gain or loss on that asset that has been recognized in equity is amortized to income statement over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the expected cash flows is also amortized 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.

The Company may reclassify a non–derivative trading asset out of the 'held–for–trading' category and into the 'loans and receivables' category if it meets the definition of loans and receivables and the Company has the intention and ability to hold the financial asset for the foreseeable future or until maturity.

If a financial asset is reclassified, and if the Company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the EIR from date of change in estimate.

d) De-recognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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.

e) Impairment of financial assets

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

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganization, 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 amortized cost

For financial assets carried at amortized 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, recognized 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 recognized 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 realized 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 recognized, the previously recognized 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 collateralized 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.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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

AFS 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 re-measured to fair value directly through equity, is impaired, the impairment loss is recognized in profit or loss. If any loss on the financial asset was previously recognized directly in equity as a reduction in fair value, the cumulative net loss that had been recognized in equity is transferred to profit or loss and is recognized as part of the impairment loss. The amount of the loss recognized in profit or loss is the difference between the acquisition cost and the current fair value, less any previously recognized 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 recognized, 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.

2.11.2 Financial liabilities

a) **Initial recognition and measurement**

All financial liabilities of the Company are classified as other financial liabilities at amortized cost.

All financial liabilities recognized initially at fair value, net of directly attributable transaction costs and include insurance payables, dividend payables and other account payables.

b) Subsequent measurement

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

c) Financial liabilities at amortized 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 amortized 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 amortized cost are subsequently measured at amortized cost using the EIR. Amortized 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 amortized cost.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

d) Derecognition of financial liabilities

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

2.11.3 Offsetting financial liabilities

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 recognized amounts, and there is an intention to settle on a net basis or realize 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.

2.12 Reinsurance assets

The Company cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss potential through the transfer of risks as described in note 2.15. Premium ceded comprise gross written premiums. Reinsurance arrangements do not relieve the Company from its direct obligations to its policy holders.

Reinsurance assets are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract. The Company has the right to set off reinsurance payables against amounts due from reinsurers in line with the agreed arrangements between both parties.

2.13 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.

The Company's other receivables are rent receivables, staff debtors and other account receivables.

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 amortized over the period in which the service is to be enjoyed.

b) Other receivables

Other receivables are recognized 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.

2.14 Cash and cash equivalents

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

2.15 Insurance contracts

Classification

The Company enters into insurance contracts as its primary business activity. Insurance contracts are those that the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policyholder or the other beneficiary. The Company as a guide defines significant insurance risk as the possibility of having to pay benefit on the occurrence of an insured event that is at least 10% more than the benefit payable if the insured event did not occur.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

The Company's insurance contracts are classified into two main categories, depending on the duration of risk.

i. Non-life insurance contracts

These contracts are accidents and casualty and property insurance contracts.

Accidents and casualty insurance contracts protect the Company's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. 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.

ii Life insurance contracts

These contracts insure events associated with human life (for example, death or survival) over a long duration.

In addition, the Company has short-term life insurance contracts which protect the Company's policyholders from the consequences of events (such as death or disability) that would affect the ability of the insured 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 insured or the beneficiary. There are no maturity or surrender benefits.

2.16 Liability adequacy test

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 DAC. 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).

As set out note 4.2, life insurance contracts are measured based on assumptions set out at the inception of the contract. When the liability adequacy test requires the adoption of new best estimate assumptions, such assumptions (without margins for adverse deviation) are used for the subsequent measurement of these liabilities. Any DAC written off as a result of this test cannot subsequently be reinstated.

2.17 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 recognized 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 recognized as an expense when due.

ETHIO LIFE & GENERAL INSURANCE E·LiG

TMS Plus Tafesse, Shisema & Ayalew Certified Audit Partnership

Accounting and Auditing Board of Ethiopia 0118881296 0111541235 Original Copy Submitted to the Board

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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 amortized 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 recognizes 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 amortized cost. The impairment loss is calculated following the same method used for these financial assets.

2.18 Deferred income

Deferred income represents a portion of commission received on reinsurance contracts which are booked during the financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying the reinsurance commission income to the ratio of prepaid reinsurance to reinsurance cost. Receivables and payables related to insurance contracts

2.19 Receivables and payables related to insurance contracts and investment contracts

Receivables and payables are recognized 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 recognizes that impairment loss in the income statement. The Company gathers the objective evidence that an insurance receivable is impaired using the same process adopted for loans and receivables.

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

2.19.1 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 recognized 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 recognized in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.

2.20 Revenue recognition

A) Gross premiums

Gross recurring premiums on life and investment contracts with DPF are recognized as revenue when received from the policyholder. For single premium business, revenue is recognized on the date on which the policy is effective. 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 recognized on the date on which the policy commences. Premiums include any adjustments arising in the reporting period for premiums receivable in respect of business written in prior accounting periods. Rebates that form part of the premium rate, such as no claim rebates, are deducted from the gross premium; others are recognized as an expense. Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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 outward reinsurance premiums on life and investment contracts are recognized as an expense on the earlier of the date when premiums are payable or when the policy becomes effective.

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

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

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

C) Fee and commission income

Insurance contract policyholders are charged for policy administration services, surrenders and other contract fees. These fees are recognized 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 recognized over those future periods.

D) Deferred income

Deferred income represents a portion of commission received on reinsurance contracts which are booked during the financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying the reinsurance commission income to the ratio of prepaid reinsurance to reinsurance cost. Receivables and payables related to insurance contracts.

E) Investment income

Interest income is recognized 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 recognized 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.

F) Dividend income

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

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

2.21 Gross benefits and claims

Gross benefits and claims for life insurance contracts and for investment contracts with DPF include the cost of all claims arising during the year, including internal and external claims handling costs that are directly related to the processing and settlement of claims and policyholder bonuses declared on DPF contracts. Changes in the gross valuation of insurance and investment contract liabilities with DPF are also included. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due.

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.

2.22 Reinsurance claims

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

2.23 Finance costs

Interest paid is recognized in the statement of profit or loss as it accrues and is calculated by using the EIR method. Accrued interest is included within the carrying value of the interest bearing financial liability.

2.24 Underwriting expenses

Underwriting expenses are made up of acquisition and maintenance expenses comprising commission and policy expenses and other direct costs.

Underwriting expenses for insurance contracts are recognized as expense when incurred, with the exception of acquisition costs which are recognized on a time apportionment basis in respect of risk.

2.25 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 plan :

i) Pension scheme in line with the provisions of Ethiopian pension of private organization 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 8% and 10% by employees and the Company respectively based on the employees' salary.

Once the contributions have been paid, the Company retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Company's obligations are recognized in the profit and loss account.

C) Defined benefit obligation

The Company operates a defined benefit severance scheme in Ethiopia, where members of staff who have spent 5 years or more in employment are entitled to benefit payments upon resignation. The benefit payments are based on final emolument of staff and length of service. A defined benefit plan is not a defined contribution plan. Typically defined benefit plans define an amount of gratuity benefit that an employee will receive on resignation.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

The liability recognized in respect of defined benefit gratuity 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 the market rates on government bonds that have terms to maturity approximating to the terms of the related pension obligation.

Employer's contributions to this scheme are charged to profit or loss in the year in which they relate.

Re-measurement gain and loss 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.

Current service and interest cost are included as part of employee benefit expense in the profit or loss. Past-service costs are recognized immediately in profit or loss.

Gains or losses on curtailment or settlement are recognized in profit or loss when the curtailment or settlement occurs.

Fair value measurement

The Company measures financial instruments classified as available-for-sale at fair value at each statement of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are, summarized 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
- Financial instruments (including those carried at amortized cost) Note 4.8.3
- 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (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.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.26 Provisions

Provisions are recognized 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 recognized 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 recognized as other operating expenses.

2.27 Share capital

The Company classifies ordinary shares as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are recognized as deductions from equity, net of tax, from the proceeds. The excess of the issue price over the par value is recorded in the share premium reserve.

2.29 Legal reserves

In accordance with Article 22 sub article 1 - 2 of Insurance Business Proclamation No 746/12, the Company, at the end of each financial year, transfers to its legal reserve to account a sum of not less than 10% of profit. When the legal reserve becomes equal to 15% the paid-up capital of the Company, the amount of the legal reserve to be retained by the Company each year from its net profit shall be determined by NBE's directive.

2.30 Earnings per share

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

2.31 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.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

B) Deferred tax

Deferred tax is recognized 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 recognized 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 realized or the deferred tax liability is settled.

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

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.

2.32 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognized as an expense. Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. IAS 23 provides guidance on how to measure borrowing costs, particularly when the costs of acquisition, construction or production are funded by an entity's general borrowings.

Period of capitalization

Capitalization of borrowing costs as part of the cost of a qualifying asset begins when the entity first meets all of the following conditions (commencement of capitalization) (IAS23.17 and 23.19):

Borrowing costs are incurred.

Activities have started that are necessary to prepare the asset for its intended use or sale.

Capitalization of borrowing costs is suspended during extended periods in which the entity suspends active development of a qualifying asset (suspension of capitalization) (IAS 23.20–23.21). During this period of time the borrowing costs are recognized as an expense. Capitalization of borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete (cessation of capitalization) (IAS 23.22–23.23). It may be the case that an entity completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts (e.g. the construction of a business park consisting of several buildings). In this case, the capitalization of borrowing costs ceases when the entity completes substantially all the activities necessary to prepare that part for its intended use or sale (IAS 23.24)

3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, 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

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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 Judgments

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

3.2 Estimates and assumptions

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

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

a) Valuation of insurance contract liabilities

Life insurance contract liabilities

The liability for 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.

These liabilities are estimated using appropriate and acceptable base tables of standard mortality according to the type of contract being written. Management make various assumptions such as expenses inflation, valuation interest rate and mortality in estimating the required liabilities for life contracts.

Non-life insurance contract liabilities

For non-life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position.

The ultimate cost of outstanding claims is estimated by using a standard actuarial claims projection techniques, Chain Ladder.

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 analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claim types. 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.

Similar judgments, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium.

b) Impairment losses on Loans and receivables

The Company assesses at the end of every reporting period whether there is any objective evidence that its loans and receivables are 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.

c) 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 judgment is required in establishing fair values. Judgments 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.

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

3.3 IFRS 17

a) Introduction

IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

The company being engaged in insurance business classifies its contracts into insurance contracts and reinsurance contracts.

Under IFRS 17, the Company's insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the Premium Allocation Approach (PAA).

The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognized as revenue for insurance services provided.

Measurement of the liability for remaining coverage involves an explicit inclusion of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component.

Measurement of the liability for incurred claims is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability for incurred claims includes the Group's obligation to pay other incurred insurance expenses.

The liability for remaining coverage and liability for incurred claims are presented separately for insurance contracts issued and reinsurance contracts held.

b) Changes to Presentation and Disclosure

For presentation of statement of financial position for the year, the Company aggregates insurance contracts issued, and reinsurance contracts held, respectively and presents separately:

- Portfolio of insurance issued that are assets.
- Portfolio of insurance issued that are liabilities.
- Portfolio of reinsurance contracts held that are assets.
- Portfolio of reinsurance contracts held that are liabilities.

The portfolio referred to above are those established at initial recognition in accordance with IFRS 17 requirements.

The line-item description in the statement of profit or loss and other comprehensive income that have been changed significantly compared with the last year are as follows:

Previously Reported Under IFRS 4:

- Gross premiums written.
- Net earned premiums.
- Gross claims incurred and policyholder benefits expenses.
- Net claims and benefits

Instead, IFRS 17 requires a separate presentation of:

Insurance revenue
Insurance service expenses
Net Expenses From reinsurance
Finance Expenses From
Finance Expenses From

Insurance and Reinsurance Contracts

Definition and Classification

Insurance contracts are contracts under which the Company accepts significant insurance risk from an insurer by agreeing to compensate the insurer if a specified uncertain future event adversely affects the insurer.

In making this assessment, all substantive rights, and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgment to assess whether a contract transfers insurance risk (i.e. if there is scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

The Company uses reinsurance agreements, to reduce its exposure to risks assumed, to increase its aggregate underwriting capacity. The ceding of risk to reinsurer does not relieve the Company from its direct obligations to its insured.

The Company does not write any investment contract with discretionary participation features or reinsurance contracts with direct participation features.

Recognition

The Company recognizes groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstance indicate that the group is onerous.

The Company recognizes a group of reinsurance contracts held, it has entered into, from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held.
- The date the company recognizes an onerous group of underlying reinsurance contracts held at or before that date.

Contract Boundary

The Company includes in the measurement of a group of insurance contract all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel policy holders to pay the premiums, or in which the Company has a substantive obligation to provide insurance contract services ends when:

The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of the benefits that fully reflects those risks;

Both of the following criteria are satisfied:

- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as result, can set a price or level of benefits that fully reflects the risks of that portfolio,
- The pricing of the premiums up to the date when risks are assessed does not take into account the risks that relate to periods after reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognized. Such amounts relate to future insurance contracts.

Insurance Contracts Initial Measurement

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issue and reinsurance contracts it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary; or
- For contracts longer than one year, the Company has done Simple PAA Eligibility test to check the proportion of the premium of these contracts compared to the entire premium.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for the remaining coverage as follows:

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

▪ The premiums. If any, received at initial recognition,

▪ Minus any insurance acquisition cash flows at the date

▪ Plus or minus any amount arising from the derecognition at the date of the asset recognized for insurance acquisition cash flow and

▪ Any other assets or liability previously recognized for cash flows related to the group of contracts that Company pays or receives before the group of insurance contracts recognized.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if net outflows is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognizes a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfillment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognized.

Subsequent Measurement

The Company measures the carrying amount of the liability for the remaining coverage at the end of each reporting period as the liability for the remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows
- Plus or minus any amount arising from the derecognition at that date of the asset recognized for insurance acquisition cash
- Plus any amounts relating to the amortization of the insurance acquisition cash flows recognized as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognized as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims.

The Company estimates the liability for incurred claims as the fulfillment cash flows related to incurred claims. The fulfillment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and include an explicit adjustment for non-financial risk (risk adjustment).

Reinsurance Contracts Initial Measurement

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Company recognizes a loss on initial recognition of an onerous contract group of underlying reinsurance contracts or when further underlying onerous reinsurance contracts are added to a group, the Company establishes a loss -recovery component of the asset for the remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Company calculates the loss-recovery component by multiplying the loss recognized on the underlying insurance contracts and the percentage of Reinsurance UPR on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Subsequent Measurement

The subsequent measurement of reinsurance contracts held follows the same principle as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Modification & Derecognition

The Company derecognizes insurance contract when:

- The rights and obligations relating to the contract are extinguished (i.e. discharged, cancelled or expired), or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognizes the initial contract and recognizes the modified contract as a new contract.

Insurance Acquisition Cash flow

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognized for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under (iii)) are included in the carrying amount of the related

The Company disaggregates amounts recognized in the statement of profit or loss and OCI into:

A insurance service result, comprising insurance revenue and insurance service expenses; and insurance finance income or expenses.

Income and expenses from insurance contracts are presented separately from income and expenses from insurance contracts

Income and expenses from reinsurance contracts, other than reinsurance finance income or expenses, are presented on a net basis as ‘net expenses from reinsurance contracts’ in the reinsurance service result.

The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses.

All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investments component) allocated to the period. The Company allocated the expected premium receipts to each period of the insurance contract services on the basis of the passage of time. But if the expected patter of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognized on the basis of passage of time.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognized in profit or loss generally as they are incurred. They comprise the following items.

- Incurred claims and other insurance service expenses:

- Amortization of insurance acquisition cash flows: For contracts measured under the PAA, the Company amortizes insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.

- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

Net Income Or Expenses From reinsurance Contracts Held

The Company presents separately on the face of statement of profit and loss, the amounts expected to be recovered from insurers, net of allocation of the insurance premiums paid.

Insurance Finance Income And Expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

• Future Cash flows Flow (FCF) and comprising the Present Value of
Future Cash Flow (PVFC) with an appropriate

• The effect of the time value of money and changes in the time value of money; and

• The effect of financial risk and changes in financial risk.

The Company allocates reinsurance finance income or expenses on insurance contracts issued to profit or loss.

Discount Rates

The Company adopts a bottom-up approach in deriving the appropriate discount rates.

Under this approach, this discount rate determined is the risk-free yield adjusted for differences in liquidity characteristics between the financial assets used to derive the risk- free yield and the relevant liability cash flows (known as illiquidity premiums).

Risk Adjustment

IFRS 17 requires entities to measure reinsurance contracts at initial recognition as the sum of the following items:

• Future Cash Flow (FCF) and comprising the Present Value of Future Cash Flows (PVFCF) with an appropriate

• Risk Adjustment (RA) for non-financial risk.

The risk adjustment for non-financial risk is the compensation that the entity requires for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk.

Derivation Of The Risk Adjustment

The Company has determined that the derivation of the risk adjustment shall be performed at the operating level using an appropriate methodology that is in line with IFRS17 guidelines

ETHIO LIFE AND GENERAL INSURANCE S.C

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

The Risk Adjustment for the Liability for Incurred Claims (LIC) has been estimated Value at Risk Method.

The Company applies judgment to determine the appropriate Risk Adjustment based on the non-financial risks associated with their portfolios of insurance and reinsurance contracts to determine the desired Risk Adjustments.

The Company will set confidence level in the range of the 60th to 90th percentile,

3.4 IFRS 9

IFRS 9: Financial Instruments

This section outlines the accounting policies applied in accordance with IFRS 9 - Financial Instruments. The company applie IFRS 9 for all financial assets and liabilities.

The accounting policies for financial instruments are set out below:

a) The Company's Financial Instruments

The Company's financial instruments include cash and cash equivalents, deposits with financial institutions, government securities, trade and insurance receivables, staff loans and other payables.

b) Classification and Measurement

On initial recognition, financial assets are classified into one of the following categories:

Amortized cost

Financial assets held to collect contractual cash flows, where such cash flows represent solely payments of principal and interest (SPPI).

Examples: deposits, government securities held to maturity, trade and insurance receivables.

Fair value through other comprehensive income (FVOCI)

Debt instruments held to collect contractual cash flows and for sale, meeting the SPPI criteria.

Equity instruments not held for trading may also be designated as FVOCI at initial recognition.

Fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for amortized cost or FVOCI.

Financial liabilities are measured at amortized cost, unless designated at FVTPL to eliminate accounting mismatches.

c) Recognition, Reclassification and Derecognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual terms of the instrument.

A financial asset is derecognized when contractual rights to cash flows expire or are transferred and the Company has transferred substantially all risks and rewards.

A financial liability is derecognized when the obligation is discharged, cancelled or expires.

d) Subsequent Measurement

Amortized cost: Measured using the effective interest method, less any impairment losses.

FVTPL: Measured at fair value, with gains and losses recognized in profit or loss.

FVOCI: Measured at fair value, with changes recognized in OCI (except for impairment and interest on debt instruments, which are recognized in profit or loss).

THIO LIFE AND GENERAL INSURANCE S.C

OTES TO THE FINANCIAL STATEMENTS

OR THE YEAR ENDED 30 JUNE 2025

e) Fair Value Measurement

Fair values are determined in accordance with IFRS 13 using the following hierarchy:

Level 1: Quoted prices in active markets.

Level 2: Observable inputs other than Level 1 prices.

Level 3: Unobservable inputs.

Carrying amounts of financial assets and liabilities measured at amortized cost approximate their fair values due to their short-term nature.

f) Impairment of Financial Assets (Expected credit loss (ECL) model)

The Company applies the expected credit loss (ECL) model to financial assets measured at amortized cost and debt instruments at FVOCI.

General approach:

Stage 1: 12-month ECL for assets without significant increase in credit risk.
Stage 2: Lifetime ECL where credit risk has increased significantly.
Stage 3: Credit-impaired assets (objective evidence of default).

ECL Calculation: ECLs are calculated based on three probability-weighted scenarios to measure expected cash shortfalls.

Key Elements Include:

Probability of Default (PD): Estimate of likelihood of default over a given time horizon.

Exposure at Default (EAD): Estimate of exposure at a future default date.

Loss Given Default (LGD): Estimate of the loss incurred if default occurs.

Simplified approach for trade and insurance receivables:

Loss allowances are measured at lifetime ECL using a provision matrix based on historical default rates and forward-looking information.

The National Bank of Ethiopia issued the following directive:

Table1: Regulator’s directive on trade receivables (SIB-52-2020)

Days past due

91 - 180 days – Loss Allowance 25%

181 - 360 days – Loss Allowance 50%

More than 360 days – Loss Allowance 100%

Write-off:

Financial assets are written off when there is no reasonable expectation of recovery.

g) Offsetting

Financial assets and liabilities are offset only when the Company has a legally enforceable right and intends to settle on a net basis or simultaneously.

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 programmed focuses on the identification and management of risks and seeks to minimize 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 maximize 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 (The Board) is responsible for the overall risk encountered by the Company. The Board is responsible to develop comprehensives risk management program and policies of the Company. The Board has an oversight role on the proper implementation of the Company's risk management program or policies. The Board monitors proper implementation policies through various reports.

The Senior Management has the overall responsibility for the proper execution and interpretation of the risk strategy and implementing principles, frameworks, policies and limits. It is also responsible for managing risk decisions and monitoring risk levels and deliberate on reports to the Board regarding risk management issues and give timely directions.

The Risk Management Unit is responsible for implementing and maintaining risk related procedures, independently assesses and monitor the level of risk assumed by the Company. Besides, the Risk Management Unit is responsible for monitoring compliance with risk principles, policies and limits across the Company. It carries out an assessment of risk on periodic basis to monitor the Company's overall risk, including monitoring the risk of exposures against limits and the assessment of risks of new products and structured transactions.

Exceptions are reported, where necessary, to the Board's Risk Committee and the relevant actions are taken to address exceptions and any areas of weakness. The unit works closely with the Management Risk Committees to ensure that procedures are compliant with the overall framework.
The unit is functionally responsible to the Board. The risk management has also reporting relationship with internal audit function. Internal audit function among others ensures the effectiveness of the risk management function periodically. Internal Audit Function discusses the results of its assessments with management, and reports its findings and recommendations to the Board Audit Committee.

The Company's Finance department manager is responsible for managing the financial assets, financial liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of 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 mitigates, identified and approved for the Company, are documented for existing and new processes and systems.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

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

4.2 Insurance risk

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

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. the Company purchases reinsurance as part of its risks mitigation programmed.

Reinsurance ceded is placed on both a proportional and non–proportional basis. The majority of proportional reinsurance is quota–share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non–proportional reinsurance is primarily excess–of–loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess–of–loss reinsurance vary by product line.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

4.2.1 Life insurance contracts

Life insurance contracts offered by the Company include: Individual riders, group term, group medical, group riders, endowment assurance, education endowments and individual mortgage protection.
The main risks that the Company is exposed to are as follows:

- Mortality risk – risk of loss arising due to policyholder death experience being different than expected
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
- Longevity risk – risk of loss arising due to the annuitant living longer than expected
- Investment return risk – risk of loss arising from actual returns being different than expected
- Expense risk – risk of loss arising from expense experience being different than expected
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

These risks do not vary significantly in relation to the location of the risk insured by the Company and type of risk insured.

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs.

Key assumptions

Material judgment is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

The key assumptions to which the estimation of liabilities is particularly sensitive are, as follows:

Mortality and morbidity rates

Assumptions are based on standard industry, according to the type of contract written. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences. An appropriate, but not excessive, prudent allowance is made for expected future improvements. An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

Longevity

Assumptions are based on standard industry, adjusted when appropriate to reflect the Company's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.

An increase in longevity rates will lead to an increase in the number of annuity payments made, which will increase the expenditure and reduce profits for the shareholders.

Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the share holders.

Policyholder decision (lapses and surrender)

Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type.
An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders to the un-recouped initial expenses.

Discount rate

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the Company's own risk exposure.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

Sensitivity

Increase	**Change in Assumptions**	**Change in Liability**	
		2025	**2024**
Mortality/ Longevity	10%	47,370	5,382
Lapse and surrenders rate	20%	108,015	(10,081)
Investment Return	10%	46,425	(4,416)
Discount Rate	10%	46,425	4,416
Expenses	10%	52,327	30,526
Decrease			
Mortality/ Longevity	10%	(47,811)	(5,208)
Lapse and surrenders	20%	(106,563)	11,840
Investment Return	10%	(45,591)	5,147
Discount Rate	10%	(45,591)	5,147
Expenses	10%	(49,424)	(24,222)

4.2.2 Non- life insurance contracts

The Company principally issues the following types of general insurance contracts: Property insurance, Engineering insurance, Pecuniary insurance and Liability insurance. Risks under non–life insurance policies usually cover twelve months duration.

For general insurance contracts, the most significant risks arise from accidents. These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured and by industry. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts.

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

30 June 2025	**Gross Liabilities**	**Reinsurance Asset**	**Net Liabilities**
			Birr'000
Motor	357,699	19,056	338,643
Fire	24,957	14,679	10,279
Enginering	36,358	14,693	21,665
Bond	214,720	186,949	27,770
GPA	16,938	2,371	14,567
Work mens	6,098	44	6,054
Marine	42,194	9,675	32,519
Liability	14,858	1,697	13,161
Travel	6,042	2,185	3,856
Others	28,876	22,247	6,630
	-	-	-
Total non life insurance	**748,740**	**273,597**	**475,144**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

30 June 2024				
Motor	265,838	25,679		240,159
Fire	21,393	14,235		7,159
Enginering	25,974	10,982		14,991
Bond	208,426	186,736		21,690
GPA	10,223	1,404		8,819
Work mens	4,646	288		4,359
Marine	15,048	3,383		11,665
Liability	13,132	1,613		11,518
Travel	3,592	2,003		1,590
Others	21,945	16,491		5,455
	-	-		-
Total non life insurance	**590,218**	**262,814**	**-**	**327,404**

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 judgments are used to assess the extent to which past trends may not apply in the future, for example: one–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. Judgment 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		
Increase in gross liabilities:	**Change in assumptions**		**30-Jun-25**	**30 June 2024**	**30 June 2023**
Average claim cost	1,072	10%	14,292	5,731	4,013
Average number of claims	13.02				
Decrease in gross liabilities:		-10%			
Average claim cost	1,072		(3,776)	(5,715)	(4,013)
Average number of claims	13.02				

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

Gross non–life insurance contract outstanding claims provision for 2025:

Accident year	2022	2023	2024 Birr'000	2025 Birr'000
Outstanding claims notified	104,515	154,400	241,363	267,630
Claims incurred but not reported	31,535	40,130	57,223	85,083
Ultimate Claims Projected	**136,050**	**194,530**	**298,587**	**352,712**

Gross non–life insurance contract outstanding claims provision for 2024:

Accident year	2021	2022	2023	2024 Birr'000
Outstanding claims notified	162,104	104,515	154,400	241,363
Claims incurred but not reported	22,448	31,535	40,130	57,223
	143,827	**184,552**	**136,050**	**194,530**
Ultimate Claims Projected				

Gross non–life insurance contract outstanding claims provision for 2023:

Accident year	2020	2021	2022	2,023.00 Birr'000
Outstanding claims notified	124,755	162,104	104,515	154,400
Claims incurred but not reported	19,072	22,448	31,535	40,130
Ultimate Claims Projected	**132,332**	**143,827**	**184,552**	**136,050**

4.3 Financial risk
Financial instruments by category

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

Financial instruments are classified in the statement of financial position in accordance with their legal form and subst

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

	Available-For-Sale	Loans and Receivables	Total Birr'000
30 June 2025			
Financial assets			
Government securities		27,160	**27,160**
Unquoted investments	123,557	-	**123,557**
Other receivables	-	106,124	**106,124**
Loans and receivables to staff	-	13,785	**13,785**
Reinsurance Contract Assets	-	309,454	**309,454**
Reinsurance Receivable	-	75,663	**75,663**
Deposits with financial institutions and cash and bank balances	-	895,272	**895,272**
Total financial asse	**123,557**	**1,427,460**	**1,551,017**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

30 June 2024			
Financial assets			
Government securities		13,065	**13,065**
Unquoted investments	103,301	-	**103,301**
Other receivables	-	29,141	**29,141**
Reinsurance Contract Assets	-	7,823	**7,823**
Reinsurance Receivable	-	255,741	**255,741**
Reinsurance Payables	-	64,291	**64,291**
Deposits with financial institutions and cash and bank balances	-	576,153	**576,153**
	-		-
Total financial assets	**103,301**	**946,215**	**1,049,516**

The Company's classification of its financial Liabilities are summarized in the table below:

30 June 2025	
Insurance Contract Liabilities	899,048
Reinsurance Payables	157,813
Other Payable	270,644
Total financial Liability	**1,327,505**
30 June 2024	
Insurance Contract Liabilities	663,100
Reinsurance Payables	133,574
Other Payable	112,680
Total financial Liability	**909,354**

4.4 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's investment portfolio, long term staff loans and the reliance on reinsurers to make payment when certain loss conditions are met.

For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure.

The Company's credit risk policy sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk and compliance unit. The policy is regularly reviewed for pertinence and for changes in the risk environment.

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 constitutes 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 exposure 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 entering into master netting arrangements 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 settled 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 involv netting arrangements.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

d. Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties limits that are set each year by the management and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

4.4.1 Credit quality analysis

a) Cash and cash equivalents

The credit quality of cash and bank balances and short term investments are neither past due or impaired as at 30 June 2024 and are non-rated as they are held in Ethiopian Banks. There are no credit rating agencies in Ethiopia. The Company has no cash and cash equivalents that are held in foreign banks.

(b) Credit quality of trade and other receivables

Non Life Business **30 June 2025**	**Neither past due nor impaired**	**Past due but not impaired**	**Past due and impaired**	**Individually impaired**	**Total**
Insurance receivables					
Due from reinsurers	52,726			-	**52,726**
Due from agents, brokers and intermediai					-
	52,726	-		-	**52,726**
Other loans and receivables					
Other receivables	100,780		8,413	-	**109,194**
Staff debtors	12,933			-	**12,933**
Gross amount	**113,713**	-	**8,413**	-	**122,126**
30 June 2024					
Insurance receivables					
Due from reinsurers	40,508	10,951		-	**51,459**
Due from agents, brokers and intermediaries					-
	40,508	**10,951**		-	**51,459**
Other loans and receivables					
Other receivables	29,141		10,929	-	**40,070**
Staff debtors	7,823		144	-	**7,967**
Gross amount	**36,964**	-	**11,073**	-	**48,037**

Long Term Business **30 June 2025**	**Neither past due nor impaired**	**Past due but not impaired**	**Past due and impaired**	**Individually impaired**	**Total**
Insurance receivables					
Due from reinsurers	22,938			-	**22,938**
Due from agents, brokers and intermediai					-
	22,938	-		-	**22,938**
Other loans and receivables					
Other receivables	5,344		1,000	-	**6,344**
Staff debtors	852			-	**852**
Gross amount	**6,196**	-	**1,000**	-	**7,196**
30 June 2024					
Insurance receivables					
Due from reinsurers	12,832			-	**12,832**
Due from agents, brokers and intermediaries					-
	12,832	-	-	-	**12,832**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

Other loans and receivables					
Other receivables	1,485		141	-	**1,626**
Staff debtors	488			-	**488**
Gross amount	**1,973**	**-**	**141**	**-**	**2,114**

c) Credit Risk
Reconciliation of expected credit losses for financial assets :

Non Life Business

30 June 2025 — **Exposure to credit risk (All figures in Birr'000)**

Financial Assets	**Exposure**	**Stage 1**	**Stage 2**	**Stage 3**	**Impairment**	**Impairment Ratio**
Cash at Bank	677,194				(56)	**-0.01%**
Trade receivables	109,194				8,413	**7.71%**
Staff Loan	12,933				(144)	**-1.11%**
	0					**0.00%**
Total	**799,321**	**0**	**0**	**0**	**8,214**	**1.03%**

30 June 2024

	Exposure	**Stage 1**	**Stage 2**	**Stage 3**	**Impairment**	**Impairment Ratio**
Cash at Bank	475,213				(28)	**-0.01%**
Trade receivables	38,729				(10,929)	**-28.22%**
Staff Loan	7,335				(144)	**-1.96%**
	0					**0.00%**
Total	**521,276**	**0**	**0**	**0**	**(11,101)**	-2%

Long Term Business

30 June 2025 — **Exposure to credit risk (All figures in Birr'000)**

Financial Assets	**Exposure**	**Stage 1**	**Stage 2**	**Stage 3**	**Impairment**	**Impairment Ratio**
Cash at Bank	218,148				(14)	**-0.01%**
Trade receivables	2,249				(1,000)	**-44.47%**
Staff Loan	852					**0.00%**
					-	**0.00%**
Total	**221,249**	**0**	**0**	**0**	**(1,014)**	**-0.46%**

30 June 2024	**Exposure**	**Stage 1**	**Stage 2**	**Stage 3**	**Impairment**	**Impairment Ratio**
Cash at Bank	100,977				(9)	**-0.01%**
Trade receivables	1,630				(141)	**-8.65%**
Staff Loan	488					**0.00%**
					0	**0.00%**
Total	**103,096**	**0**	**0**	**0**	**(150)**	0%

4.4.2 Credit Concentrations

The Company monitors concentrations of credit risk by sector, location and purpose. An analysis of concentrations of credit risk at 30 June 2023 and 30 June 2024. The Company concentrates all its financial assets in Ethiopia.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

30 June 2025	Public Enterprise	Private	Others	Total Birr'000
Cash and bank balances		895,272		**895,272**
Investment securities				
- Available for sale	-	123,557	-	**123,557**
- Loans and receivables	27,160		-	**27,160**
Trade and other receivables	-	429,364	-	**429,364**
Reinsurance assets	-	75,663	-	**75,663**
				-
30 June 2024	**27,160**	**1,523,856**	**-**	**1,551,017**
Cash and bank balances		576,153		**576,153**
Investment secur		-	-	**-**
- Available for sale	-	103,301	-	**103,301**
- Loans and receivables	13,065		-	**13,065**
Trade and other receivables	-	292,706	-	**292,706**
Reinsurance assets	-	64,291	-	**64,291**
				-
	13,065	**1,036,450**	**-**	**1,049,516**

4.5 Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its maturing obligations when they become due, at reasonable cost and in a timely manner. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms.

Liquidity risk management in the Company is solely determined by Risk Management and Compliance Unit, which bears the overall responsibility for liquidity risk. The main objective of the Company's liquidity risk framework is to maintain sufficient liquidity in order to ensure that we meet our maturing obligations.

4.5.1 Management of liquidity risk

Cash flow forecasting is performed by the finance department. The finance department monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs.

The Company evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Company devises strategies to manage its liquidity risk.

Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Company's reputation.

4.5.2 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.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

	0-1 year	1-3 years	3-5 years	Over 5 years	Total
30 June 2025					**Birr'000**
Insurance contract liabilities	748,739	-	-	-	**748,739**
RE Insurance payables	99,105	-	-	-	**99,105**
Long term liability					
Other liabilities	270,644	-	-	-	**270,644**
Total financial liabilities	**1,118,488**	**-**	**-**	**-**	**1,118,488**
30 June 2024					
Insurance contract liabilities	560,912	-	-	-	**560,912**
RE Insurance payables	113,085	-	-	-	**113,085**
Long term liability					
Other liabilities	112,680	-	-	-	**112,680**
Total financial liabilities	**786,677**	**-**	**-**	**-**	**786,677**

4.6 Market risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk factors such as interest rates, foreign exchange rates, equity prices, credit spreads and their volatilities. Market risk can arise in conjunction with trading and non-trading activities of a financial institutions.

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

4.6.1 Monitoring of market risk

Market risk is monitored by the risk management department on regularly, to identify any adverse movement in the underlying variables.

Theoretically, this risk is the risk of loses arising from volatility in the prices of stock and variable income investment, functions in real estate values, changes in interest rates and reinvestment risk. In the Ethiopian insurance industry context, this risk can only be assessed from Nye's Directive ISD/25/2004 which requires insurance companies to follow prudent proactive that give due consideration to diversification, liquidity, safety of investment of insurance funds

(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 cash deposits and investment security

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

Life and Non life business

30 June 2025	Fixed	Non-interest bearing	Total 000
Assets			
Cash and bank balances	895,272	-	895,272
Investment securities	-	123,557	123,557
Trade and other receivables	-	145,528	145,528
Reinsurance assets	-	385,118	385,118
Total	**895,272**	**654,203**	**1,549,475**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

Liabilities				
Insurance contract liabilities	-	899,048		899,048
Insurance payables	-	157,813		157,813
Other payables	-	270,644		270,644
Total	**-**	**1,327,505**		**1,327,505**
30 June 2024				
Assets				
Cash and bank balances	576,153	-		576,153
Investment securities	-	103,301		103,301
Trade and other receivables	-	79,946		79,946
Reinsurance assets	-	320,032		320,032
Total	**576,153**	**503,279**	**-**	**1,079,432**
Liabilities				
Insurance contract liabilities	-	663,100		663,100
Insurance payables	-	133,574		133,574
Other payables	-	112,680		112,680
Total	**-**	**909,354**		**909,354**

(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 t foreign exchange rates. The Company primarily transacts in Ethiopian Birr and its assets and liabilities are denominat 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 Ba Ethiopia, safeguard its ability to continue as a going concern, and to maintain a strong capital base so as to maintain ir 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/ National Bank of Ethiopia, an insurer carrying on general business shall keep admitted capital amounting to the highes its technical provisions, or 20% of the net written premiums in the last preceding financial year, or the minimum paid insurer carrying on long term insurance business shall keep admitted capital amounting to the higher of 10% of technic or the minimum paid up capital.

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

		30 June 2025	30 June 2024
(i)	<u>Non life business</u>		
(A)	**Admissible assets**		
	Cash and cash equivalents	677,138	475,184
	Investment securities		
	- Available for sale	110,694	95,206
	'- Loans and receivables	21,609	8,625
	Trade and other receivables	131,126	73,236
	Reinsurance assets	52,726	51,459
	Deferred income tax	-	-
	Statutory	53,294	41,920
	Property plant and equipment	222,552	184,800
		1,269,139	**930,429**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

		30 June 2025	30 June 2024
(B)	**Admissible liabilities**		
	Insurance contract liabilities	748,739	560,912
	Re-insurance payables	99,105	113,085
	Deferred income tax Liabilities	11,307	8,528
	Other payables	209,238	104,086
		1,068,389	**786,611**
(C)	**Excess (admitted capital)- (A-B)**	**200,750**	**143,818**
(D)	Net premium preceding year	378,984	290,004
(E)	Technical provision	748,739	560,912
	Solvency Margin		
(F)	Limit of net premium i.e. 20% of net premium .	75,797	58,001
(G)	Limit of technical provision i.e. 25% of technical provision	187,185	140,228
(H)	Minimum paid up capital	**60,000**	**60,000**

Since C > G, Solvency Margin is Positive.

(ii)	**Life Business**	30 June 2025	30 June 2024
(A)	**Admissible assets**		
	Cash and cash equivalents	218,134	100,969
	Investment securities		
	- Available for sale	43,941	21,181
	- Loans and receivables	5,552	4,441
	Trade Receivables	14,401	6,710
	Deferred income tax		
	Statutory Deposit	7,500	3,750
	Property plant and equipment	23,911	18,693
		313,439	**155,744**
(B)	**Admissible liabilities**		
	Insurance contract liabilities	150,309	102,189
	Re-insurance payables	58,708	20,489
	Deferred income tax Liabilities	1,401	1,152
	Other payables	61,405	8,594
		271,824	**132,424**
(C)	**Excess (admitted capital) - (A-B)**	**41,615**	**23,321**
(D)	**Technical provision**	150,309	102,189
	Solvency Margin		
(E)	Limit of Technical provision i.e. 10%	15,031	10,219
(F)	Minimum paid up capital	15,000	15,000

Since C > F, the Solvency Margin is Positive.

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.

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.

ETHIO LIFE & GENERAL INSURANCE
TMS Plus Tefesse, Shisema & Ayalew Certified Audit Partnership
0118881296 0111541235

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 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.

4.8.3 Financial instruments not measured at fair value but subsequent impairment has been tested

The following table summarizes 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 categorized. The amounts are based on the values recognized in the statement of financial position.

4.8.4 Valuation technique using significant unobservable inputs – Level 3

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

Life and Non life business

	30 June 2025		30 June 2024		30 June 2023	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value Birr'000
Financial assets						
Cash and bank balances	895,342	895,272	576,190	576,153	418,748	418,720
Investment securities		-		-		-
- Available for sale	123,557	154,634	103,301	116,387	83,150	93,843
- Loans and receivables	27,160	27,160	13,065	13,065	5,670	5,670
Trade and other receivables	204,986	195,573	112,469	101,255	86,518	86,518
Reinsurance assets	309,454	309,454	255,741	255,741	174,682	143,724
Total	**1,560,501**	**1,582,094**	**1,049,553**	**1,062,602**	**768,769**	**748,474**
						-
Financial liabilities						-
Insurance contract liabilities	899,048	899,048	663,100	663,100	515,078	515,078
Re-insurance payables	157,813	157,813	133,574	133,574	151,489	151,489
Other liabilities	270,644	270,644	112,680	112,680	78,865	78,865
Total	**1,327,505**	**1,327,505**	**909,354**	**909,354**	**745,432**	**745,432**

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.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED OF 30 JUNE 2025

		30-Jun-25			30 June 2024		
		General Business	Long Term Business	Total Birr'000	General Business	Long Term Business	Total Birr'000
5	**Insurance Revenue**						
	Individual Life	-		-	-		-
	Group Life	-	84,421	**84,421**	-	50,776	**50,776**
	Individual Medical	-	4,550	**4,550**	-	2,057	**2,057**
	Group Medical	-	230,395	**230,395**	-	154,136	**154,136**
	Insurance revenue from contracts measured under the PAA		**319,367**	**319,367**		**206,970**	**206,970**
	Insurance revenue from contracts not measured under the GMM	-	456	**456**	-	7,217	**7,217**
	Motor	348,753		**348,753**	292,203		**292,203**
	Fire	36,366		**36,366**	30,527		**30,527**
	Enginering	20,059		**20,059**	17,902		**17,902**
	Bond	99,577		**99,577**	61,561		**61,561**
	GPA	22,273		**22,273**	11,171		**11,171**
	Work mens	6,132		**6,132**	4,957		**4,957**
	Marine	31,862		**31,862**	14,758		**14,758**
	Liability	19,057		**19,057**	16,535		**16,535**
	Travel	7,462		**7,462**	5,595		**5,595**
	Others	28,499		**28,499**	22,377		**22,377**
	Total Insurance Revenue	**620,040**	**319,823**	**939,863**	**477,586**	**214,187**	**691,774**
5.1	Gross Premuim	755,284	372,304	**1,127,588**	521,986	212,134	**734,120**
	Change in UPR	(135,244)	(52,481)	**(187,725)**	(44,400)	2,053	**(42,347)**
	Insurance Revenue	**620,040**	**319,823**	**939,863**	**477,586**	**214,187**	**691,774**
6	**Insurance Service Expense**						
	Individual Life			-			-
	Group Life		21,711	**21,711**		17,316	**17,316**
	Individual Medical		1,788	**1,788**		1,133	**1,133**
	Group Medical		249,645	**249,645**		161,994	**161,994**
	Insurance Service expense - contracts measured under PAA		**273,144**	**273,144**		**180,443**	**180,443**
	Insurance Service expense - contracts measured under GMM	-	860	**860**	-	1,897	**1,897**
	Motor	285,833		**285,833**	218,412		**218,412**
	Fire	13,877		**13,877**	14,349		**14,349**
	Enginering	27,519		**27,519**	12,339		**12,339**
	Bond	41,212		**41,212**	101,909		**101,909**
	GPA	13,711		**13,711**	8,892		**8,892**
	Work mens	5,129		**5,129**	3,850		**3,850**
	Marine	27,264		**27,264**	5,322		**5,322**
	Liability	8,960		**8,960**	7,044		**7,044**
	Travel	3,183		**3,183**	1,370		**1,370**
	Others	11,474		**11,474**	16,355		**16,355**
	Insurance Service Expense	**438,163**	**274,004**	**712,167**	**389,841**	**182,339**	**572,181**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

6.1 Insurance Movement in Risk Adjustment (RA)

Class of Business	30-Jun-25 General Business	30-Jun-25 Long Term Business	30-Jun-25 Total Birr'000	30 June 2024 General Business	30 June 2024 Long Term Business	30 June 2024 Total Birr'000
Life PAA						
Individual Life						
Group Life		284	**284**		**(1,194)**	**(1,194)**
Individual Medical		(28)	**(28)**		**11**	**11**
Group Medical		(636)	**(636)**		**(395)**	**(395)**
Life GMM			**-**			**-**
Endowment		303	**303**		**212**	**212**
Term		41	**41**		**76**	**76**
Motor	9,490		**9,490**	4,281		**4,281**
Fire	(291)		**(291)**	1,387		**1,387**
Enginering	(1,552)		**(1,552)**	976		**976**
Bond	2,772		**2,772**	12,875		**12,875**
GPA	434		**434**	250		**250**
Work mens	257		**257**	113		**113**
Marine	2,980		**2,980**	(49)		**(49)**
Liability	941		**941**	83		**83**
Travel	315		**315**	-		**-**
Others	1,196		**1,196**	973		**973**
	16,542	**(36)**	**16,506**	**20,891**	**(1,290)**	**19,601**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED OF 30 JUNE 2025

6.2 Insurance Movement in Loss Component

Class of Business						
Life PAA						
Individual Life						
Group Life		434	**434**		(1,194)	**(1,194)**
Individual Medical		(18)	**(18)**		11	**11**
Group Medical		(262)	**(262)**		(395)	**(395)**
Life GMM			**-**			**-**
Endowment		303	**303**		212	**212**
Term		41	**41**		76	**76**
Motor	-		**-**			**-**
Fire	-		**-**			**-**
Enginering	-		**-**			**-**
Bond	(5,530)		**(5,530)**	2,999		**2,999**
GPA	-		**-**			**-**
Work mens	-		**-**			**-**
Marine	-		**-**			**-**
Liability	-		**-**			**-**
Travel	-		**-**			**-**
Others	-		**-**			**-**
	(5,530)	**497**	**(5,033)**	**2,999**	**(1,290)**	**1,709**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

7	Income / Expenses From Reinsurance Contracts Held		30-Jun-25			30 June 2024		
			General Business	Long Term Business	Total Birr'000	General Business	Long Term Business	Total Birr'000
	Reinsurance Revenue	7.1	**198,102**	**78,109**	**276,218**	**132,198**	**30,958**	**163,156**
	Reinsurance Claims Service Expense	7.2	63,599	53,420	**117,026**	99,769	6,619	**106,388**
	Reinsurance Movement in Risk Adjustment (RA)	7.3	2,875		**2,882**	16,551		**16,551**
	Reinsurance Directly Attributable Expenses			-	-		-	-
	Reinsurance Movement in Loss component (LC)		(4,242)	-	**(4,242)**	2,549	-	**2,549**
	Reinsurance Amortization of Acquisition Expenses	7.4	50,317	-	**50,325**	35,971	-	**35,971**
	Total reinsurance service Expense		**112,549**	**53,420**	**165,991**	**154,840**	**6,619**	**161,459**
	Net Income / Expenses From Reinsurance Contracts Held		**85,553**	**24,689**	**110,242**	**(22,642)**	**24,339**	**1,697**

7.1	Reinsurance Revenue	30-Jun-25			30 June 2024		
		General Business	Long Term Business	Total Birr'000	General Business	Long Term Business	Total Birr'000
	Individual Life		-			-	
	Group Life		41,775	**41,775**		23,747	**23,747**
	Individual Medical		112	**112**		4,223	**4,223**
	Group Medical		36,221	**36,221**		2,988	**2,988**
	Motor	44,211		**44,211**	20,698		**20,698**
	Fire	26,372		**26,372**	23,189		**23,189**
	Enginering	8,788		**8,788**	9,134		**9,134**
	Bond	66,121		**66,121**	44,163		**44,163**
	GPA	5,082		**5,082**	1,709		**1,709**
	Work mens	330		**330**	246		**246**
	Marine	19,688		**19,688**	8,317		**8,317**
	Liability	2,248		**2,248**	3,955		**3,955**
	Travel	3,249		**3,249**	2,143		**2,143**
	Others	22,012		**22,012**	18,645		**18,645**
		198,102	**78,109**	**276,211**	**132,198**	**30,958**	**163,156**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED OF 30 JUNE 2025

7.2 Reinsurance Claims Service Expense

	30-Jun-25			30 June 2024		
	General Business	Long Term Business	Total Birr'000	General Business	Long Term Business	Total Birr'000
Individual Life		-	-		-	-
Group Life		24,350	**24,350**		(420)	**(420)**
Individual Medical		(41)	**(41)**		(1,240)	**(1,240)**
Group Medical		29,110	**29,110**		8,279	**8,279**
Motor	37,092		**37,092**	24,738		**24,738**
Fire	315		**315**	3,199		**3,199**
Enginering	11,693		**11,693**	(849)		**(849)**
Bond	5,648		**5,648**	64,037		**64,037**
GPA	1,550		**1,550**	1,064		**1,064**
Work mens	166		**166**	109		**109**
Marine	1,028		**1,028**	669		**669**
Liability	671		**671**	122		**122**
Travel	143		**143**	4		**4**
Others	5,294		**5,294**	6,675		**6,675**
	63,599	**53,420**	**117,019**	**99,769**	**6,619**	**106,388**

7.3 Reinsurance Movement in Risk Adjustment (RA)

	30-Jun-25			30 June 2024		
	General Business	Long Term Business	Total Birr'000	General Business	Long Term Business	Total Birr'000
Life PAA						
Individual Life						
Group Life		544	**544**		(612)	**(612)**
Individual Medical		(5)	**(5)**		6	**6**
Group Medical		(3)	**(3)**		(48)	**(48)**
Life GMM			-			-
Endowment			-		212	**212**
Term			-		76	**76**
Motor	875		**875**	1,078		**1,078**
Fire	(367)		**(367)**	1,161		**1,161**
Enginering	(1,193)		**(1,193)**	(196)		**(196)**
Bond	1,900		**1,900**	13,761		**13,761**
GPA	(3)		**(3)**	89		**89**
Work mens	(17)		**(17)**	34		**34**
Marine	17		**17**	142		**142**
Liability	76		**76**	84		**84**
Travel	25		**25**	-		-
Others	1,562		**1,562**	398		**398**
	2,875	**536**	**3,411**	**16,551**	**(366)**	**16,185**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

7.4 Reinsurance Movement in Loss component (LC)	30-Jun-25			30 June 2024		
	General Business	**Long Term Business**	**Total Birr'000**	**General Business**	**Long Term Business**	**Total Birr'000**
Individual Life		-	-		-	-
Group Life		-	-		-	-
Individual Medical		-	-		-	-
Group Medical		-	-		-	-
Motor	-		-	-		-
Fire	-		-	-		-
Enginering	-		-	-		-
Bond	(4,242)		**(4,242)**	2,549		**2,549**
GPA	-		-	-		-
Work mens	-		-	-		-
Marine	-		-	-		-
Liability	-		-			
Travel	-		-	-		-
Others	-		-	-		-
	(4,242)	**-**	**(4,242)**	**2,549**	**-**	**2,549**

7.5 **Reinsurance Amortization of Acquisition Expenses**	30-Jun-25			30 June 2024		
	General Business	**Long Term Business**	**Total Birr'000**	**General Business**	**Long Term Business**	**Total Birr'000**
Current year Commission Income	62,483		**62,483**	39,119		**39,119**
Differed commission income Beginning	17,567		**17,567**	14,419		**14,419**
Differed commission income Ending	29,733		**29,733**	17,567		**17,567**
Net Reinsurance Acquisition Expense	**50,317**	**-**	**50,317**	**35,971**	**-**	**35,971**

7.6 Finance Income / Expense From Insurance Contracts

Life PAA						
Individual Life						
Group Life		133	**133**		(235)	**(235)**
Individual Medical		(10)	**(10)**		29	**29**
Group Medical		188	**188**		696	**696**
Life GMM			-			-
Endowment		288	**288**		(101)	**(101)**
Term		150	**150**		(80)	**(80)**
Motor	10,469		**10,469**	3,740		**3,740**
Fire	324		**324**	479		**479**
Enginering	951		**951**	326		**326**
Bond	(239)		**(239)**	10,579		**10,579**
GPA	506		**506**	69		**69**
Work mens	391		**391**	50		**50**
Marine	1,449		**1,449**	32		**32**
Liability	597		**597**	67		**67**
Travel	235		**235**	-		-
Others	141		**141**	556		**556**
	14,825	**748**	**15,573**	**15,899**	**309**	**16,209**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED OF 30 JUNE 2025

7.7 Finance Income / Expense From Reinsurance Contracts

	30-Jun-25			30 June 2024		
	General Business	Long Term Business	Total Birr'000	General Business	Long Term Business	Total Birr'000
Life PAA						
Individual Life		-	-		-	-
Group Life		(385)	**(385)**		(281)	**(281)**
Individual Medical		4	**4**		5	**5**
Group Medical		(116)	**(116)**		84	**84**
Life GMM			-			-
Endowment		-	-		-	-
Term		-	-		-	-
Motor	955		**955**	1,077		**1,077**
Fire	179		**179**	404		**404**
Enginering	(175)		**(175)**	(262)		**(262)**
Bond	(558)		**(558)**	10,577		**10,577**
GPA	37		**37**	31		**31**
Work mens	9		**9**	15		**15**
Marine	82		**82**	56		**56**
Liability	39		**39**	70		**70**
Travel	19		**19**	-		-
Others	490		**490**	189		**189**
	1,075	**(496)**	**579**	**12,159**	**(192)**	**11,967**

8 Expected credit losses for financial assets and Investment Revaluation

8.1 Expected Credit losses for financial assets

General Business

2025	Exposure	Stage 1	Stage 2	Stage 3	Total impairment	Impairment Ratio
Treasury Bills	-	-	-	-	-	0%
Treasury Bonds	-	-	-	-	-	0%
Cash at Bank	677,194	56	-	-	56	0%
Unidentified cash balances	-	-	-	-	-	0%
Trade receivables	46,952	-	-	8,159	8,159	60%
Staff Loan	12,933	255	-	-	255	3%
Placements	-	-	-	-	-	0%
Corporate bonds	21,609	-	-	-	-	0%
Total	**758,688**	**311**	-	**8,159**	**8,469**	63%

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

2024	Exposure	Stage 1	Stage 2	Stage 3	Total impairment	Impairment Ratio
Treasury Bills	-	-	-	-	-	0%
Treasury Bonds	-	-	-	-	-	0%
Cash at Bank	475,212	28	-	-	**28**	0%
Unidentified cash balances	-	-	-	-	-	0%
Trade receivables	13,481	-	-	10,929	**10,929**	60%
Staff Loan	7,335	144	-	-	**144**	3%
Placements	-	-	-	-	-	0%
Corporate bonds	8,625	-	-	-	-	0%
Total	**504,653**	**172**	-	**10,929**	**11,101**	63%

Long Term Business

2025	Exposure	Stage 1	Stage 2	Stage 3	Total impairment	Impairment Ratio
Treasury Bonds	-	-	-	-	-	0%
Treasury Bills	-	-	-	-	-	0%
Cash at Bank	218,148	14	-	-	**14**	0%
Unidentified cash balances	-	-	-	-	-	0%
Trade receivables	2,249	-	-	993	**993**	54%
Staff Loan	852	7.22	-	-	**7**	0%
Fixed Deposit	-	-	-	-	-	0%
Corporate bonds	5,552	-	-	-	-	0%
Total	**226,801**	**21**	-	**993**	**1,014**	**1**

2024	Exposure	Stage 1	Stage 2	Stage 3	Total impairment	Impairment Ratio
Treasury Bonds	-	-	-	-	-	-
Treasury Bills	-	-	-	-	-	0%
Cash at Bank	100,977	9	-	-	**9**	0%
Unidentified cash balances	-	-	-	-	-	0%
Trade receivables	1,626	-	-	141	**141**	54%
Staff Loan	488	-	-	-	-	0%
Fixed Deposit	-	-	-	-	-	0%
Corporate bonds	4,441	-	-	-	-	0%
Total	**107,532**	**9**	-	**141**	**150**	54%

8.3 Impairment - Expected Credit Losses (ECL)	30 June 2025			30 June 2024		
	General Business	Life	Total	General Business	Long Term	Total
At the beginning of the year-	11,101	150	11,251	6,209	121	**6,330**
Credit/Charge on revaluation of equity investments	(2,632)	865	**(1,767)**	4,892	28	**4,921**
Ending Balance of the year-	**8,469**	**1,014**	**9,484**	**11,101**	**150**	**11,251**

8.4 Revaluation Security Investment	30 June 2025			30 June 2024		
	General Business	Life	Total	General Business	Long Term	Total
At the beginning of the year-	14,990	268	**15,258**	11,496	(804)	**10,692**
Credit/Charge on revaluation of equity investments	4,783	11,035	**15,819**	3,494	1,072	**4,566**
Ending Balance of the year	**19,774**	**11,304**	**31,077**	**14,990**	**268**	**15,258**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

		30-Jun-25 Birr'000			30 June 2024 Birr'000		
9	**Investment income**	**General Business**	**Long Term Business**	**Total Birr'000**	**General Business**	**Long Term Business**	**Total Birr'000**
	Dividend Income on equity investment	7,793	1,724	**9,517**	8,171	975	**9,146**
	Interest income on cash and short tem deposits	64,954	18,388	**83,342**	43,568	14,817	**58,385**
	Interest on government bond	5,309	450	**5,759**	3,317	338.20	**3,655**
	Total investment income	**78,057**	**20,562**	**98,619**	**55,055**	**16,131**	**71,186**
10	**Other operating income**						
	Gain on Disposal	-	-	**-**	813	-	**813**
	Office Rent Income	1,348	904	**2,252**	1,823	681	**2,504**
	Sundry Income	655	8	**662**	277	2	**279**
	Total other operating income	**2,002**	**912**	**2,914**	**2,912**	**683**	**3,595**
		80,059	**21,474**	**101,533**	**57,968**	**16,814**	**74,781**

		30-Jun-25			30 June 2024 Birr'000		
		General Business	**Long Term Business**	**Total Birr'000**	**General Business**	**Long Term Business**	**Total Birr'000**
11	**Other operating and administrative expenses**						
	Board Allowance (note 11.2)	687	143	**830**	833	181.71	**1,014**
	Employee benefits expense (note 11.2)	124,943	22,210	**147,153**	94,507	15,470	**109,978**
	Rent & Utility	14,936	1,391	**16,327**	10,881	1,025	**11,906**
	Depreciation (note 19 a, b & 19.1)	16,851	1,110	**17,961**	13,766	621	**14,387**
	Amortization(note 19.2 a&b)	2,142	-	**2,142**			
	Advertising & Publicity	5,817	2,771	**8,588**	3,333	626.74	**3,960**
	Donation and Sponsorship	972	202	**1,174**	145	-	**145**
	Financial Exp. & Charges	1,475	393	**1,868**	2,011	569.83	**2,581**
	Penalty	17	-	**17**	111	-	**111**
	Repair & Maintenance	2,563	501	**3,064**	1,245	239.11	**1,485**
	Telephone & Postage	1,462	168	**1,630**	922	130.38	**1,052**
	Stationary, Printing & Supplies	4,703	978	**5,681**	5,098	1,099.20	**6,197**
	Fuel	2,382	256	**2,638**	2,099	222.08	**2,322**
	Other Motor V. Exp.	4,789	711	**5,500**	3,851	617.15	**4,468**
	Premium & Travelling Exp.	922	233	**1,156**	1,410	353.32	**1,764**
	Consultation & Professional Fee	1,774	783	**2,558**	1,024	417.60	**1,442**
	Audit Fee	159	-	**159**	111	-	**111**
	Entertainment & Off. Refreshment	2,904	95	**3,000**	1,723	347.17	**2,070**
	Property Insurance Exp.	2,862	564	**3,426**	1,358	290.19	**1,648**
	Other Admin. Exp.	4,172	638	**4,810**	2,651	498	**3,149**
	Total Expense	**196,533**	**33,149**	**229,682**	**147,081**	**22,708**	**169,789**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

11.1	Attributable Expenses	108,381	15,234	**123,615**	85,469	11,232	**96,701**
	Non-Attributable Expenses	88,151	17,915	**106,066**	61,613	11,476	**73,088**
	Total	**196,532**	**33,149**	**229,681**	**147,081**	**22,708**	**169,789**
11.2	**Employee benefits expense**						
	Short term employee benefits:						
	Salaries and wages	67,473	18,274	**85,746**	49,474	13,594	**63,069**
	Staff allowances	16,326	1,286	**17,612**	11,779	912	**12,692**
	Other staff expenses	32,443	2,097	**34,540**	25,502	506	**26,008**
	Pension costs :						
	Defined contribution plan	8,336	696	**9,032**	6,424	458	**6,882**
	Defined benefit plan expense (Note 22)	1,052	-	**1,052**	**1,328**	**-**	**1,328**
		125,630	**22,353**	**147,983**	**94,507**	**15,470**	**109,978**

12 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-Jun-25			**30 June 2024**	
		General Business	**Long Term Business**	**Total Birr'000**	**General Business**	**Long Term Business**	**Total Birr'000**
12.1	**Profit before tax**	**104,612**	**25,068**	**129,680**	**103,417**	**13,320**	**116,737**
	Add: Disallowed Expense						
	Entertainment	2,904	95	**3,000**	1,723	347	**2,070**
	Penalty	17	-	**17**	111	-	**111**
	Donation	972	202	**1,174**	145		**145**
	Severance Exp.	-		**-**	-		**-**
	Depreciation for accounting	18,993	1,110	**20,103**	13,679	621	**14,299**
	Depreciation on Rent income	1,046	-	**1,046**	1,166	-	**1,166**
	Prior year adjustment (IFRS Impact)			**-**			**-**
	Other - Provisions	6,801	865	**7,665**	4,893	98	**4,991**
	Total Disallowable	**30,733**	**2,272**	**33,005**	**21,717**	**1,066**	**22,783**
	Less: Allowed						
	Profit from Sale of PPE						
	Depreciation and amortization for tax	27,184	1,815	**28,999**	19,525	1,299	**20,824**
	Rent Income	2,252	-	**2,252**	2,504	-	**2,504**
	Dividend income taxed at source	7,793	1,724	**9,517**	8,171	975	**9,146**
	Interest income taxed at source	70,264	18,838	**89,101**	46,885	15,156	**62,040**
	Total Allowed Expense	**107,493**	**22,376**	**129,869**	**77,085**	**17,430**	**94,514**
	Taxable Profit	**27,852**	**4,964**	**32,816**	**48,049**	**(3,044)**	**45,005**
	Income tax at 30%	**8,356**	**1,489**	**9,845**	**14,415**		**14,415**
	Minimum Tax (2.5% of Premium) 5.10	**18,882**	**9,308**	**28,190**			

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

12.2 Rent Income tax

Rent Income	2,252	-	2,252	2,504	-	**2,504**
Depreciation	1,046	-	1,046	1,166	-	**1,166**
Net income	**1,206**	**-**	**1,206**	**1,338**	**-**	**1,338**
Income tax at 30%	**362**	**-**	**362**	**401**	**-**	**401**

12.3 Tax on Share premium

Share Premium Bal. -June 30, 2025	1,091	-	**1,091**	1,558	-	**1,558**
Share Premium Bal. -June 30, 2024	1,230	-	**1,230**	1,191	-	**1,191**
Increment during the year	**139**	**-**	**139**	**367**	**-**	**367**
30 % tax	**42**	-	**42**	**110**	-	**110**

12.4 Income tax expense /(credit) to be recognized in PL

Income tax for Taxable profit	18,882	9,308	**28,190**	14,415	-	**14,415**
Income tax - Rent Income (12.2)	362	-	**362**	401	-	**401**
Deferred tax (asset) / Liab. (12.6ia&b)	2,779	249	**3,028**	1,980	203	**2182.9**
Income tax expense /(credit) to be recognized in PL	**22,023**	**9,556**	**31,579**	**16,796**	**203**	**16,999**

12.5 Current income tax liability

	30-Jun-25			30 June 2024		
12.5 Current income tax liability	**General Business**	**Long Term Business**	**Total Birr'000**	**General Business**	**Long Term Business**	**Total Birr'000**
						-
Income tax expense payable current year (12.4)	19,244	9,308	**28,551**	14,816	-	**14,816**
Tax on Share premium (12.3)	42	-	**42**	110	-	**110**
IFRS 17 adjustment (12.5a)	1,824	-	**1,824**	(304)	-	**(304)**
	21,109	**9,308**	**30,417**	**14,622**	**-**	**14,622**
Withholding tax advance paid (17.2)	6,451	8,205	**14,656**	4,245	4,095	**8,340**
Payment during the year	-	-	-	-	-	-
Net Payable / (Receivable) at the end of the year	**14,658**	**1,103**	**15,761**	**10,376**	**(4,095)**	**6,281**
12.5a Tax payable based on IFRS 4	**-**	**-**	**-**	**12,798**	**-**	**12,798**
Tax payable based on IFRS 17	**-**	**-**	**-**	**14,926**	**-**	**14,926**
Current year difference	**-**	**-**	**-**	**2,128**	**-**	**2,128**
Prior year IFRS 17 adjustment	**-**	**-**	**-**	**(304)**	**-**	**(304)**
Net effect IFRS	**-**	**-**	**-**	**1,824**	**-**	**1,824**

12.6 Deferred income tax

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

The analysis of deferred tax :	30-Jun-25			30 June 2024		
Assets/(liabilities) is as follows:	**General Business**	**Long Term Business**	**Total Birr'000**	**General Business**	**Long Term Business**	**Total Birr'000**
						Birr'000
To be recovered after more than 12 months	11,307	1,401	**12,708**	8,528	1,152	**9,680**
	-	-	-	-	-	-
To be recovered within 12 months	**11,307**	**1,401**	**12,708**	**8,528**	**1,152**	**9,680**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

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

i. **Deferred income tax Liability / (Asset):**

a) **General Business**

	At 1 July 2024	(Credit) / charge to profit or loss	(Credit) / charge to RE	30 June 2025 Birr'000
Property, plant and equipment	7,512	2,446	-	**9,958**
Post employment benefit obligation	1,016	333	-	**1,349**
Total deferred tax Liability / (Asset)	**8,528**	**2,779**	**-**	**11,307**

b) **Long Term Business**

	At 1 July 2024	(Credit) / charge to profit or loss		(Credit) / charge to RE	30 June 2025 Birr'000
Property, plant and equipment	1,152	249		-	**1,401**
Post employment benefit obligation	-	-		-	-
Total deferred tax Liability / (Asset)	**1,152**	**249**	**-**	-	**1,401**

ii **Temporary Difference**

	30-Jun-25 General	30-Jun-25 Long Term	30 June 2024 General	30 June 2024 Long Term
Carrying value for reporting purpose	201,446	23,911	171,456	18,693
Carrying value for tax purpose	168,253	19,240	146,417	14,852
Temporary difference	**33,193**	**4,671**	**25,039**	**3,842**
Severance pay - carrying amount	4,496	-	3,386	
Severance pay - tax base	-	-	-	
Severance pay temporary difference	**4,496**	**-**	**3,386**	**-**
Deferred tax @ 30% Liability / (Asset)	**11,307**	**1,401**	**8,527**	**1,152**

iii **Deprecation for Tax Purpose**

a) General Business :

	Balance at 01/07/2024	Additions	Reclassification	Disposal	Prior Year Adjustment	Balance at 30/06/2025
Cost						
Computer	10,949	3,415	-	-		14,364
Building	107,278	-	-	-		107,278
Other Assets	97,422	31,616	(2,797)	-		126,241
	215,648	**35,031**	**(2,797)**	**-**	**-**	**247,883**
Accumulated Deprecation						
Computer	6,187	2,095	-	-	-	8,282
Building	21,420	5,364	-	-	-	26,783
Other Assets	41,625	16,438	(348)		-	57,715
	69,231	**23,896**	**(348)**	**-**	**-**	**92,780**
Net Book Value	**146,417**					**155,103**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

b) Life Business	Balance at 01/07/2024	Additions	Reclassification	Disposal	Prior Year Adjustment	Balance at 30/06/2025
Cost						
Computer	126	1,577	-			1,703
Building	19,677	-	-			19,677
Other Assets	2,595	2,177	2,797			7,569
	22,398	**3,754**	**2,797**	**-**	**-**	**28,948**
Accumulated Deprecation						
Computer	121	395	-	-		517
Building	5,739	984	-	-		6,722
Other Assets	1,686	435	348	-		2,469
	7,546	**1,815**	**348**	**-**	**-**	**9,708**
Net Book Value	**14,852**					**19,240**

iv **Amortization for tax purpose**

Cost	16,438
Amortization	3,288
Book Value	**13,151**

13 **Earnings Per Share**

Earnings per share is calculated by dividing the profit for the year and the average number of ordinary shares issued during the year.

		30 June 2025	30 June 2024 Birr'000
Profit attributable to ordinary share holders(ETB)		**98,102**	**99,738**
Weighted average number of share out standing during the year	**391,086**		
Basic and diluted earnings per ordinary share (ETB)		**250.84**	**357.79**
Basic and diluted earnings per ordinary share %		**25.08%**	**35.78%**

+

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	30 June 2025			30 June 2024		
14 Cash and cash equivalents			Birr'000			Birr'000
	General Business	Long Term	total '000	General Business	Long Term	total '000
Cash on hand and at bank	224,440	29,477	**253,917**	115,381	16,445	**131,826**
Time deposit	452,755	188,671	**641,425**	359,832	84,532	**444,364**
Impairment IFRS 9 recognized in P&L	(56)	(14)	**(70)**	(28)	(9)	**(37)**
	677,138	**218,134**	**895,272**	**475,184**	**100,969**	**576,153**
Maturity analysis						
Current			**895,272**			**576,153**
Non- current			**-**			**-**
			895,272			**576,153**

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.

15 Investment Security	30 June 2025			30 June 2024		
						Birr'000
15.1 Available for sale:	General Business	Long Term	total '000	General Business	Long Term	total '000
Equity Investments in:						
Liyu Micro Finance	686	-	**686**	686	-	**686**
Bank of Abyssinia S.c	23,411	-	**23,411**	22,479	-	**22,479**
Goh Bank S.C	15,289	10,000	**25,289**	11,250	10,000	**21,250**
Ethiopian Reinsurance S.C	12,550		**12,550**	10,672	-	**10,672**
Addis Bank S.C	18,935	22,637	**41,572**	16,729	10,913	**27,642**
Nib Bank S.C	12,049	-	**12,049**	12,571	-	**12,571**
Goh property Dev't	2,000	-	**2,000**	2,000	-	**2,000**
National Finance Acadamy	1,000	-	**1,000**	1,000	-	**1,000**
Dynamic Micro Finance	5,000	-	**5,000**	5,000	-	**5,000**
	90,920	**32,637**	**123,557**	**82,388**	**20,913**	**103,301**
Charge/(Credit)) through PL –	**-**		**-**	(2,173)		**(2,173)**
Net Equity Investment	**90,920**	**32,637**	**123,557**	**80,215**	**20,913**	**101,128**
Charge/(Credit)) through OCI – Revalued Investments	19,774	11,304	**31,077**	14,990	268	**15,258**
Total	**110,694**	**43,941**	**154,634**	**95,206**	**21,181**	**116,387**
15.2 Loans and receivables:						
Ethiopian Government Bonds	21,609	5,552	**27,160**	8,625	4,441	**13,065**
Impairment IFRS 9 recognized in P&L	-		**-**	-	-	**-**
	21,609	**5,552**	**27,160**	**8,625**	**4,441**	**13,065**
	132,302	**49,492**	**181,795**	**103,830**	**25,622**	**129,452**
Maturity analysis						
Current			**181,795**			**129,452**
Non-Current			**-**			**-**
Total			**181,795**			**129,452**

The Company hold equity investments are unquoted equity securities measured at cost. ELig S.C has not more than 5% holding in all these investments.

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 2025			30 June 2024		
							Birr'000
16	**Insurance & Reinsurance Asset**	General Business	Long Term	Toil '000	General Business	Long Term	total '000
	Asser for Incurred Claims						
	BEL Claims (RI IBNR + RI OS Claims)	170,464	6,326	176,790	167,481	3,239	170,720
	Discounting CSM -RI	(23,788)	(904)	(24,692)	(22,713)	478	(22,235)
	Reinsurance Risk Adjustment (RA)-RI	48,396	1,014	49,410	45,520	(212)	45,308
		195,072	**6,436**	**201,507**	**190,289**	**3,505**	**193,793**
	Asset for Remaining Coverage						
	Reinsurer's share of UPR	101,454	29,849	131,303	61,907	6,990	68,896
	Loss Component - RI portion	6,376	-	6,376	10,619	-	10,619
	Deffered RI Commission	(29,733)	-	(29,733)	(17,567)	-	(17,567)
	Reinsurance Contract Assets	**78,098**	**29,849**	**107,947**	**54,958**	**6,990**	**61,948**
	Total Reinsurance Contract Assets	**273,170**	**36,284**	**309,454**	**245,247**	**10,495**	**255,741**
16.1	**Reinsurance Receivables**	52,726	22,938	**75,663**	51,459	12,832	**64,291**

		30 June 2025			30 June 2024		
17	**Other assets**	General Business	Long Term Business	Total Birr'000	General Business	Long Term Business	Total Birr'000
17.1	**Financial assets**						
	Staff loan	12,933	852	**13,785**	7,335	488	**7,823**
	Receivable from branches	2,602	-	**2,602**	-	-	-
	Dividend receivable	-	-	-	-	-	-
	Tax receivable	30,330	4,095	**34,425**	23,292	-	**23,292**
	Salvage	8,860	-	**8,860**	1,950	-	**1,950**
	VAT Receivable	20,450	-	**20,450**	-	-	-
	Other Receivable	46,952	2,249	**49,201**	13,486	1,626	**15,112**
	Gross amount	**122,126**	**7,196**	**129,323**	**46,064**	**2,114**	**48,178**
	Less: ECL impairment	(8,413)	(1,000)	**(9,414)**	(11,073)	(141)	**(11,214)**
		113,713	**6,196**	**119,909**	**34,991**	**1,973**	**36,964**
17.2	**Non-Financial assets**						
	Prepayments	10,566	-	**10,566**	9,506	642	**10,148**
	Prepaid operating lease	-	-	-	-	-	-
	Advance profit tax paid	6,451	8,205	**14,656**	4,245	4,095	**8,340**
	Prepayment for IT Project	396	-	**396**	24,493	-	**24,493**
		17,413	**8,205**	**25,618**	**38,244**	**4,737**	**42,981**
	Net amount	**131,126**	**14,401**	**145,528**	**73,236**	**6,710**	**79,946**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Maturity analysis	**30 June 2025**	**30 June 2024**
	Birr'000	**Birr'000**
Current	**145,528**	**79,946**
Non- current	**-**	**-**
	145,528	**79,946**

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

		30 June 2025			**30 June 2024**		
		General Business	**Long Term Business**	**Total Birr'000**	**General Business**	**Long Term Business**	**Total Birr'000**
18	**Statutory deposits**	**53,294**	**7,500**	**60,794**	**41,920**	**3,750**	**45,670**

The company acquires government bond bearing interest income of 8% per annum by using statutory deposit held with NBE.

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.

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

19 Property, Plant and Equipment

a General Business	Buildings and Land Improvement	Motor Vehicles	Office Furniture	Office Equipment	Computer and Accessories	Machinery and Generator	Lift	IT -Hard Ware	Total Birr'000
Cost									
As at 1 July 2023	107,278	47,318	9,658	2,647	8,271	2,107	2,819		**180,099**
Additions	-	30,059	1,757	1,151	2,678	79	182		**35,906**
Disposals	-	(356)	-	-	-	-	-		**(356)**
Prior year adjustment	-	-				-	-		**-**
Reclassification	-	-	-	-	-	-	-		**-**
As at June 30, 2024	**107,278**	**77,021**	**11,415**	**3,798**	**10,950**	**2,186**	**3,000**	**-**	**215,648**
As at 1 July 2024	**107,278**	**77,021**	**11,415**	**3,798**	**10,950**	**2,186**	**3,000**		**215,648**
Additions		15,129	2,641	722	3,415	372		12,751	**35,031**
Disposals									**-**
Prior year adjustment									**-**
Reclassification		(2,335)		(461)					**(2,796)**
As at June 30, 2025	**107,278**	**89,816**	**14,056**	**4,060**	**14,365**	**2,558**	**3,000**	**12,751**	**247,884**
Accumulated Depreciation									
As at 1 July 2023	**6,084**	**14,591**	**3,845**	**1,126**	**3,914**	**741**	**508**	-	**30,810**
Charge for the year	2,038	8,145	1,177	369	1,565	204	181	-	**13,679**
Disposals	-	(297)	-	-	-	-	-	-	**(297)**
Prior year adjustment	-	-				-	-	-	**-**
Reclassification	-	-	-	-	-	-	-	-	**-**
As at June 30, 2024	**8,122**	**22,439**	**5,022**	**1,496**	**5,479**	**945**	**689**	**-**	**44,192**
As at 1 July 2024	**8,122**	**22,439**	**5,022**	**1,496**	**5,479**	**945**	**689**	**-**	**44,192**
Charge for the year	2,038	9,010	1,265	365	1,961	228	181	1,803	**16,851**
Disposals	-	-	-	-	-	-	-	-	**-**
Prior year adjustment	-	-	-	-	-	-	-	-	**-**
Reclassification	-	(182)		(40)	-	-	-	-	**(222)**
As at June 30, 2025	**10,161**	**31,267**	**6,286**	**1,820**	**7,440**	**1,173**	**871**	**1,803**	**60,821**
Net Book Value									
As at 30 June 2024	**99,155**	**54,582**	**6,393**	**2,303**	**5,470**	**1,241**	**2,311**	**-**	**171,456**
As at 30 June 2025	**97,117**	**58,549**	**7,770**	**2,240**	**6,925**	**1,385**	**2,130**	**10,947**	**187,063**

		Birr'000
Construction in Progress	**30 June 2025**	**30 June 2024**
As at 1 July,	**19,737**	**11,188**
Additions	535	**8,549**
Branch office Advance payment	15,217	**-**
Reclassification		
As at 30 June,	**35,490**	**19,737**
Total Net Book Value		
PPE	187,063	**171,456**
Construction in Progress	35,490	**19,737**
	222,552	**191,193**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

b Long term business	Buildings and land Improvement	Motor Vehicles	Office Furniture	Office equipment	Computer and Accessories	Machinery and Generator	Lift	IT -Hard Ware	Total Birr'000
Cost									
As at 1 July 2023	-	2,144	302	149	126	-	-		**2,721**
Additions	-		-		-	-	-		-
Disposals	-			-	-	-	-		-
Reclassification to own us	5,238	-			-	-	-		**5,238**
Prior year adjustment					-				-
As at June 30, 2024	**5,238**	**2,144**	**302**	**149**	**126**	**-**			**7,958**
As at 1 July 2024	**5,238**	**2,144**	**302**	**149**	**126**	**-**	**-**		**7,958**
Additions			2,108	69	1,577				**3,754**
Disposals									-
Reclassification		2,336		461					**2,796**
Prior year adjustment	-				-				-
As at June 30, 2025	**5,238**	**4,480**	**2,410**	**679**	**1,702**	**-**	**-**		**14,509**
Accumulated depreciation									
As at 1 July 2023	-	**845**	**214**	**29**	**125**	-	-	-	**1,213**
Charge for the year	100	204	29	14	-	-	-	-	**346**
Disposals	-	-	-	-	-	-	-	-	-
Reclassification	498	-	-	-	-	-	-	-	**498**
Prior year adjustment	-	-	-	-	-	-	-	-	-
As at June 30 2024	**597**	**1,048**	**242**	**44**	**125**	**-**	**-**		**2,057**
As at 1 July 2024	**597**	**1,048**	**242**	**44**	**125**	-	-	-	**2,057**
Charge for the year	100	386	115	58	177	-	-	-	**836**
Disposals	-	-	-	-	-	-	-	-	-
Reclassification		182		40		-	-	-	**222**
Prior year adjustment									-
As at June 30 2025	**697**	**1,616**	**358**	**142**	**301**	**-**	**-**	**-**	**3,115**
Net book value									
As at 30 June 2024	**4,640**	**1,095**	**59**	**106**	**1**	**-**	**-**	**-**	**5,901**
As at 30 June 2025	**4,541**	**2,863**	**2,052**	**537**	**1,401**	**-**	**-**	**-**	**11,393**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

19.1 Investment Property

	General Business	Life Business	Birr'000 Total
Cost			
As at 1 July 2023	-	19,677	**19,677**
Additions	-	-	-
Disposals	-	-	-
Reclassification to Investment		(5,238)	**(5,238)**
Reclassification to Life	-	-	-
As at 30 June 2024	-	**14,439**	**14,439**
As at 1 July 2024	-	**14,439**	**14,439**
Additions	-	-	-
Disposals	-	-	-
Reclassification to own use			-
Reclassification to Life	-	-	-
As at 30 June 2025	-	**14,439**	**14,439**
Accumulated depreciation			
As at 1 July 2023	-	1,870	**1,870**
Charge for the year	-	274	**274**
Disposals	-	-	-
Reclassification to Investment		(498)	**(498)**
As at 30 June 2024	-	**1,646**	**1,646**
As at 1 July 2024	-	**1,646**	**1,646**
Charge for the year	-	274	**274**
Disposals	-		-
As at 30 June 2025	-	**1,921**	**1,921**
Net book value			
As at 30 June 2024	-	**12,792**	**12,792**
As at 30 June 2025	-	**12,518**	**12,518**

19.2 Intangible Asset

	General Business	
a) Land lease hold - Quality	**30 June 2025**	**30 June 2024**
Cost		
Balance July 1	4,981	4,981
Current addition	-	-
Balance June 30	**4,981**	
Amortization		
Amortization - opening	175	87
Current addition	87	87
Total Amortization	**262**	**175**
Sub Total	**4,718**	**4,806**
b) IT Soft Ware		
Cost		
Balance July 1 2024	-	
Current addition	**16,438**	-
Balance June 30, 2025	**16,438**	-
Amortization	-	
Amortization - opening		
Current addition	2,055	-
Total Amortization	-	-
	2,055	
Sub Total	**14,384**	-
Total	**19,102**	- **4,806**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

		30 June 2025			30 June 20024		
20	**Insurance Contract Liabilities**	**General Business**	**Long Term**	**Total '000**	**General Business**	**Long Term**	**Total '000**
	Liability for Claims Incurred						
	BEL Claims EoY	357,089	**25,549**	**382,639**	302,145	24,753	**326,898**
	Discounting (CSM)	(48,801)	**(3,935)**	**(52,736)**	(33,976)	(2,167)	**(36,143)**
	Risk Adjustment (RA) EoY	75,631	4,265	**79,896**	59,089	4,589	**63,678**
		383,920	**25,879**	**409,798**	**327,258**	**27,175**	**354,433**
	Liability for Remaining coverage			-			-
	BEL UPR EoY	384,158	**124,430**	**508,587**	248,914	75,014	**323,928**
	Loss Component	8,516	-	**8,516**	14,046	-	**14,046**
	Insurance Contract Asset (DAC)	(27,854)	-	**(27,854)**	(29,306)	-	**(29,306)**
		364,820	**124,430**	**489,249**	**233,654**	**75,014**	**308,668**
	Total Insurance Contract Liabilities	**748,739**	**150,309**	**899,048**	**560,912**	**102,189**	**663,100**
20.1	**Reinsurance Payables**	**99,105**	**58,708**	**157,813**	**113,085**	**20,489**	**133,574**

This represents the liability of commission income on premium ceded for which the company's obligations are not expired at year end.

		30 June 2025			30 June 20024		
21	**Other Liabilities**	**General Business**	**Long Term**	**Total '000**	**General Business**	**Long Term**	**Total '000**
	Due to Co-insurers	13,483	-	**13,483**	7,801		**7,801**
	Commission Payable	20,247	1,566	**21,813**	12,342	47	**12,389**
	Annual Leave	9,432	-	**9,432**	6,718		**6,718**
	Income Tax payable	2,065	151	**2,216**	1,755		**1,755**
	Withholding Tax Payable	5,915	743	**6,658**	1,514	-	**1,514**
	VAT Payable	11,502	-	**11,502**	38	-	**38**
	Pension Contribution Payable	1,171	94	**1,265**	1,028.59	-	**1,029**
	Share holder payable	536	-	**536**	210.31	-	**210**
	Revenue Stamp Payable	68	4	**71**	114.09	-	**114**
	Audit Fee	183	-	**183**	110.52	-	**111**
	Payable to branches	-	2,602	**2,602**	291.78		**292**
	Deferred office rent income	6,805	-	**6,805**	979.78	-	**980**
	Trade Creditors	6,309	50,370	**56,679**	4,032	1,108	**5,140**
	Dividend Payable	10,309	-	**10,309**	13,100	-	**13,100**
	Bonus accrual	14,934	1,223	**16,157**	14,535	-	**14,535**
	Bank with Credit Balance	90,459	1,216	**91,675**	28,522	7,006	**35,528**
	Other Payables	15,822	3,436	**19,258**	10,994	433	**11,427**
		209,238	**61,405**	**270,644**	**104,086**	**8,594**	**112,680**

Maturity analysis	**30 June 2025**	**30 June 20024**
	Birr'000	**Birr'000**
Current	**270,644**	**112,680**
Non- current	**-**	**-**
	270,644	**112,680**

22 Retirement benefit obligations	**30 June 2025**	**30 June 20024**
	Birr'000	**Birr'000**
Defined benefits liabilities:		
– Severance pay (note 28a)	**4,496**	**3,386**
Liability in the statement of financial position	**4,496**	**3,386**
Income statement charge included in personnel expenses:		
– Severance pay (note 28b)	**422**	**222**
Total defined benefit expenses	**422**	**222**
Measurements for:		
– Severance pay (note 28c)	**(364)**	**(430)**
	(364)	**(430)**

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 2025**	**30 June 20024**
		Birr'000
Current	**1,474**	**1,183**
Non-Current	**3,022**	**2,203**
	4,496	**3,386**

Severance pay

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

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

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

		30 June 2025	30 June 20024
		Birr'000	Birr'000
A	**Liability recognized in the financial position**	4,496	3,386
B	**Amount recognized in the profit or loss**		
	Current service cost	980	816
	Interest cost	494	366
		1,474	1,183
C	**Amount recognized in other comprehensive income:**		
	Measurement (gains)/losses arising from participants movement	688	531
	Benefit and expense paid	(1,052)	(961)
		(364)	(430)
	The movement in the defined benefit obligation over the years is as follows:		
	At the beginning of the year	3,386	2,634
	Current service cost	980	816
	Interest cost	494	366
	Measurement (gains)/ losses	688	531
	Benefits paid	(1,052)	(961)
	At the end of the year	4,496	3,386
	The significant actuarial assumptions were as follows:		
i)	**Financial Assumption Long term Average**		
	Discount Rate (p.a)	14.30%	14.30%
	Future increase in salary(p.a)	12.30%	12.30%
	Average Rate of Inflation (p.a)		

ii) Mortality in Service

The rate of mortality assumed for employees are those according to the British A1949/52 ultimate table published by the Institute of Actuaries of England. These rates combined are approximately summarized as follows:

Mortality rate	Age	Male %	Female %
	20	0.111	0.111
	25	0.112	0.111
	30	0.116	0.113
	35	0.132	0.120
	40	0.188	0.147
	45	0.333	0.231
	50	0.599	0.420
	55	1.035	0.750
	60	1.720	1.272

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

iii) Withdrawal from Service

The withdrawal rates are believed to be reasonably representative of the Ethiopian experience. The valuation assumed a rate of withdrawal of 12% at the youngest ages falling with increasing age to 1.8% at age 44.

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

Impact on defined benefit obligation	30 June 2025		30 June 20024	
	Change in assumption	Impact of an increase	Impact of decrease	Impact of an increase
Discount rate	14.30%	**4,496**	14.30%	**3,386**
Pension Increase rate	7%	-	7%	-
Mortality experience	1year		1year	

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 recognized within the statement of financial position.

	30 June 2025			30 June 20024		
	General Business	Long Term Business	Total	General Business	Long Term Business	Total
23 **Ordinary Share Capital**						
Authorized :						
690,000 ordinary shares ordinary shares of Birr 1000 each	590,000	100,000	**690,000**	590,000	100,000	**690,000**
Issued and fully paid:			-			
Ordinary shares of Birr 1000 each	355,296	50,000	**405,296**	279,467	25,000	**304,467**

24 **Share premium**	30 June 2025			30 June 20024		Birr'000
	General Business	Long Term	Total '000	General Business	Long Term	Total '000
Opening	1,091	-	**1,091**	1,191	-	**1,191**
Additional	139		**139**	367		**367**
Tax - Previous years			-	(357)		**(357)**
Tax - Current year	(42)	-	**-42**	(110)	-	**(110)**
Ending bal. June 30	**1,188**	**-**	**1,188**	**1,091**	**-**	**1,091**

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

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

	30 June 2025			30 June 20024		
						Birr'000
	General Business	Long Term	Total '000	General Business	Long Term	Total '000
25 **Retained earnings**						
At the beginning of the year	**68,430**	**10,508**	**78,938**	**35,669**	**8,199**	**43,867**
Profit/ (loss) after tax for the year	82,590	15,512	**98,102**	86,548	7,407	**93,956**
Transfer to legal reserve	(8,259)	(1,551)	**(9,810)**	(8,655)	(741)	**(9,396)**
Dividend declared and paid	(76,544)	(6,667)	**(83,210)**	(34,319)	(8,198)	**(42,517)**
Transfer to Directors fee	(1,350)	-	**(1,350)**	(1,350)	-	**(1,350)**
At the end of the Year	**64,867**	**17,802**	**82,669**	**77,893**	**6,668**	**84,561**
Current Year IFRS 9&17 impact						
Risk Adjustment (RA) EoY		-	-	(20,891)	-	**(20,891)**
Reinsurance Risk Adjustment (RA)		-	-	2,549	-	**2,549**
Insurance service Income			-	15,899	-	**15,899**
Reinsurance Finance Income			-	(12,159)	-	**(12,159)**
Loss component			-	(2,999)	-	**(2,999)**
Loss component reinsurance			-	16,551	-	**16,551**
Profit net of tax IFRS 4 based					(7,407)	**(7,407)**
Profit net of tax IFRS 17 based					13,117	**13,117**
Net IFRS 17 & 9 Impact				**(1,050)**	**5,709**	**4,660**
IFRS 9 Impact						-
Investment Impairment				(2,173)	-	**(2,173)**
Trade & other receivables impairment				(4,892)		**(4,892)**
Total IFRS 9				**(7,065)**	**-**	**(7,065)**
Net IFRS 9 & 17 impact				**(8,115)**	**5,709**	**(2,406)**
Tax Adjustment				(2,128)		**(2,128)**
Adjustment on Legal Reserve				(7)		**(7)**
Legal Reserve IFRS 4 based					741	**741**
Legal Reserve IFRS 17 & 9 based					(1,312)	**(1,312)**
Net effect on Legal Reserve	-	-	-	**-7**	**-571**	**-578**
Net				**-10,250**	**5,138**	**-5,111**
Prior year adjustment				**-9,530**	**-1,298**	**(10,828)**
Impairment previously recognized				**10,316**		**10,316**
At the end of the Year	**64,867**	**17,802**	**82,669**	**68,430**	**10,508**	**78,938**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

	30 June 2025			30 June 20024		Birr'000
	General Business	Long Term	Total '000	General Business	Long Term	Total '000
25.1 **Other Comprehensive income**						
At the beginning of the year	(531)	-	**(531)**	(145)	-	**(145)**
Additions for the year	(157)	-	**(157)**	(385)	-	**(385)**
Sub total	**(688)**	**-**	**(688)**	**(531)**	**-**	**(531)**
Total Retained Earning and OCI at the end of the Year 2024	**64,179**	**17,802**	**81,981**	**67,901**	**10,508**	**78,409**
26 **Legal reserve**						
At the beginning of the year	19,742	10,875	**30,617**	11,080	9,564	**20,644**
Transfer (from) / to retained earnings	8,259	1,551	**9,810**	8,662	1,312	**9,974**
At the end of the year	**28,001**	**12,426**	**40,428**	**19,742**	**10,875**	**30,617**
27 **Revaluation Reserve /Surplus**						
Revaluation Reserve /Surplus- IFRS 1st time adoption	(5,742)	-	**(5,742)**	(5,742)		**(5,742)**
Revaluation of Security Investment			-			
At the beginning of the year	14,990	268	**15,258**	11,496	(804)	**10,692**
Credit/Charge on revaluation of equity investments	4,783	11,035	**15,819**	3,494	1,072	**4,566**
Net Revaluation of Security Investmen	**19,774**	**11,304**	**31,077**	**14,990**	**268**	**15,258**
Ending Balance of the year	**14,032**	**11,304**	**25,335**	**9,248**	**268**	**9,516**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

		30 June 2025			30 June 20024		
		General Business	Long Term	Total '000	General Business	Long Term	Total '000
28	**Cash generated from operating**						
	Profit before tax	**104,612**	**25,068**	**129,680**	**103,417**	**13,320**	**116,737**
	Interest expense	-	-	-	-	-	-
	Dividend Income	(7,793)	(1,724)	**(9,517)**	(8,171)	(975)	**(9,146)**
	Interest Income	(70,264)	(18,838)	**(89,101)**	(46,885)	(15,156)	**(62,041)**
	Gain on disposal	-	-	-	(813)		**(813)**
	Directors remuneration	(1,350)		**(1,350)**	(1,350)		**(1,350)**
	Adjustments for non- cash items:			-			-
	Depreciation of property, plant and	18,993	1,110	**20,103**	13,766	621	**14,387**
	Provision for employee benefit	494		**494**	367		**367**
	Movements in statement of financial position items:			-			-
	Reinsurance Contract Assets	(27,923)	(25,790)	**(53,713)**	(89,457)	8,398	**(81,059)**
	Reinsurance Receivable	(1,267)	(10,106)	**(11,372)**	18,252	(4,566)	**13,686**
	Decrease / (Increase) in other Assets	(57,891)	(7,691)	**(65,582)**	(28,987)	(421)	**(29,408)**
	Increase / (Decrease) in Insurance	187,827	48,120	**235,947**	149,495	(1,473)	**148,023**
	Increase / (Decrease) Due to	(13,980)	38,219	**24,239**	(19,474)	1,559	**(17,915)**
	Increase / (Decrease) in other payable	105,152	52,811	**157,964**	32,946	869	**33,815**
		236,612	**101,180**	**337,792**	**123,106**	**2,177**	**125,283**

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

		30 June 2025			30 June 2024		
		General Business	Long Term	Total '000	General Business	Long Term	Total '000
28.1	Proceeds on disposal		-	-		872.18	
	Net book value of property, plant and equipment disposed (Note 19)		-	-		59.44	
	Gain/(loss) on sale of property, plant and	-	-	-		**812.74**	

29 Related party transactions

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

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

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

		30 June 2025	30 June 2024
		Birr'000	Birr'000
29.1	**Transaction with related party**		
	Loans and advance to Key management pers	2,278	921

29.2 Key management compensation

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

Directors are remunerated as per Directive No. SIB/46/2018 of National Bank of Ethiopia which limited payments to Directors to be Birr 150,000.00 per annum and Birr 10,000.00 allowance to be paid every month. The current balance is composed of monthly allowance paid during the year.

The compensation paid or payable to key management is shown. There were no sales or purchase of goods and services between the Company and key management personnel as at 30 June 2025.

	30 June 2025	30 June 2024
		Birr'000
Directors allowance (non executive directors')	**830**	**1,014**
Salaries and other short-term employee benefits	12,907	11,440
Representation allowance	1,260	1,242
Other expenses	1,975	1,258
	16,142	**13,940**
	16,972	**14,955**

29.3 Directors and employees

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

	30 June 2025	30 June 2024
	Number	**Number**
Professional and high level supervisory	11	169
Semi professional and clerical	37	55
Technicians and skilled	192	36
Manual and Custodian	73	22
	313	**282**

ETHIO LIFE AND GENERAL INSURANCE S.C
NOTE TO THE FINANCIAL STATEMENTS
FO THE YEAR ENDED OF 30 JUNE 2025

30 Dividends

The directors propose the payment of dividend of ETB **81,317,942.00** for the year ended 30th June 2025. This dividend is subject to the approval by share holders at the Annual General Meeting and has not been included as a liability in these financial statements.

31 Contingent liabilities

The Company's contingent liabilities as at the date of this report 30 June 2025 is NIL

32 Commitments

The company has no commitments, not provided for in these financial statement as at the date of this report.

33 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 2025 and on the profit for the period ended on that date, which have not been adequately provided for or disclosed.

actserv

ACTUARY CERTIFICATE

I have conducted an actuarial valuation of the general insurance, life insurance liabilities and severance benefits of Ethio Life and General Insurance S.C.

The valuation was conducted in accordance with generally accepted actuarial principles and IFRS 17 reporting requirements. 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 data provided and the financial statements by the Company. In my opinion,

i. The actuarial value of the liabilities in respect of all classes of general insurance business of the company reflect a fair value as at 30 June 2025;

ii. The actuarial value of the liabilities in respect of all life assurance business did not exceed the amount of reserves of the life assurance business at 30 June 2025; and

iii. The severance benefit liability as at 30 June 2025 can be incorporated in the financial statements in line with the International Accounting Standards 19.

Signed in my capacity as an employee of Actuarial Services(EA) Ltd.

12th December 2025

Date	**Abed Mureithi FIA, C.Act, FeASK** **Fellow of the Institute & Faculty of Actuaries (UK)**

Actuarial Services (EA) Ltd,
1113 Kayahwe Rd, Off Galana Rd, Kilimani,
P. O. Box 10472 – 00100, Nairobi, GPO Kenya.
Email: info@actserv-africa.com

Phone: +254 11 103 71 00
+254 20 271 74 03 / +254 20 271 00 28
+254 70 871 00 28 / +254 78 571 00 28
Website: www.actserv.co.ke

RE INSURANCE COMPANIES

AfricaRe

APEX
Partner of Choice

FIRST RE

EA Re

RE
Ethiopian Reinsurance
የኢትዮጵያ ጠለፋ መድን

GRC
Ghana Re

KENYA RE
STRENGTH & WISDOM BEYOND BORDERS

J.B.BODA

ZEP-RE
PTA REINSURANCE COMPANY

SIRIUS POINT

aa
AFRO-ASIAN®
INSURANCE SERVICES LTD
Broker at LLOYD'S

Fair Insurance & Reinsurance Brokers
Partner of K.M Dastur

VISUAL HIGHLIGHTS

STAFF DAY 2024/2025

PERFORMANCE REVIEW MEETING

CONSULTATIVE MEETING WITH SALES AGENTS

ELIG'S BRANCHES

LIFE INSURANCE BRANCHES		
Africa Avenue – Life 0115-57-40-48 0932-15-13-70	Birate Gebreal – Life 0113-69-07-17 0922-72-40-92	Teshome Beyene – Life 0115-54-96-52 0932-15-13-69
CITY BRANCHES		
Arat kilo 0111250199 0911 285081	CMC 0116-67-51-58 0922-72-41-02	Megenagna (MA) 0116-63-02-93 0922-72-40-97 0911-11-56-73
Africa Avenue (AU) 0115-57-45-22 0932-15-13-71	Gofa 0114-70-28-37 0922 72-40-98	Mexico (MO) 0115-15-19-31 0922-72-41-06
Bambis 0115-57-07-00 0922-72-40-96	Head Quarter 0114-70-29-23 0930-06-11-75	Merkato 0112-73-23-81 0932-15-13-68
Beklobet 0114-70-43-45 0922-72-41-03	Jemo 0113-69-99-55 0986-01-93-48	Piazza 0115-33-60-01 0902-45-32-02
Betel 0113-69-77-01 0986-01-93-47	Kera 0115-30-6-178 0910-99- 21-77	SengaTera 0115-57-56-95 0938-93-47-25
Bisrate Gebriel 0113-81-10-47 0929-49-98-75	Lebu 0114-70-21-70 0902-44-37-02	Saris 0114-71-53-03 0929-49-98-76
Bole Bulbula 0114 628902 0913 79 80 70	Lideta 0115-15-78-80 0913 56 65 24 0932-15-13-66	Somalia 0111-26-40-63 0922-72-41-01
Bole Medhanialem (BM) 0116-18-04-02 0922-72-41-00	Lemi Kura 0116-391852 0967-8994-29	Yerer 0116-67-52-80 0930-03-15-57
22 Mazoria 0116-66-35-41 0913- 87-78-37	Kality 0904-04-87-64	
UPCOUNTRY BRANCHES		
Adama (AA) 022-211-50-17 0932-15-13-67	Mekelle (MK) 034-241-51-10 0922-72-41-05	Arbaminch 0920 313064
Bahirdar (BR) 058-220-62-41 0932-15-13-65	Shashemene (SH) 046-211-50-39 0940-27-00-22	Dessie (DE) 0963 872173
Debre Birhan (DB) 0116-37 57-53 0957-00-69-48	Wolayta Sodo (WO) 046-180-10-79 0929-49-98-68	Jimma 0946 812662
Dire Dawa (DD) 0254-11-40-99 0710-54-00-11	Bishofitu (BU) 0934-46-40-39	Harar (HR) 0912 386320
Hawassa (HA) 046-212-50-37 0922-72-41-04	Jijiga (JJ) 0911 946013	

ኢትዮ ላይፍ ኤንድ ጀነራል ኢንሹራንስ አ.ማ.

ETHIO LIFE AND GENERAL INSURANCE S.C.

+251-115-54-9650/51
+251-115-54-96-53

www.eliginsurance.com

info@bruhfinance.com

Around Meskel Flower
Home of Millions Building,
Addis Ababa, Ethiopia

170791 Addis Ababa

Download on the App Store

Scan Me

GET IT ON Google Play