



National Insurance Corporation
Of Eritrea Share Company



2024 ANNUAL REPORT & Financial Statements





**STOP ACCIDENTS
BEFORE THEY STOP YOU**



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Road safety is essential for protecting lives and preventing accidents on our streets and highways. Every year, thousands of people suffer injuries or fatalities due to reckless driving, poor infrastructure, and lack of awareness. By following traffic rules, wearing protective gear, and promoting responsible driving, we can significantly reduce the risk of accidents. Road safety is not just the responsibility of drivers but also of pedestrians, cyclists, and policymakers.



COMPANY INFORMATION



REGISTERED AND PRINCIPAL PLACE OF BUSINESS

National Insurance Corporation of Eritrea Share Co.
NICE Building
Bdho Avenue, 171
P. O. Box 881
Asmara, Eritrea



BANKERS

Commercial Bank of Eritrea
Martyrs Branch
Martyrs Avenue
Asmara, Eritrea



AUDITORS

Audit Services Corporation
P. O. Box 912
Asmara, Eritrea



SOLICITORS

Redae Haji Idris
Legal Consultant & Attorney at Law
Geza Banda,
Str. Bahribara, H. No. 2
Asmara, Eritrea



Board meeting in progress



THE BOARD OF DIRECTORS



Mr. Ghebreberhan Mehretab
(Chairman)



Ms. Lia Tesfai



Mr. Sielu Abraha



Mr. Kidane Tsegai



Mr. Asefaw Gherezgihier



Mr. Ghebregus Zere



Mr. Woldeyesus Elisa



SENIOR MANAGEMENT TEAM



Paulos Tecleab

*Acting General Manager & Finance
and Investment Manager*



Tuquabo Mobae

Administration Manager



Mesghina Nemariam

Technical Advisor



Alexander Zemicael

*Acting Marketing Manager
and Legal Advisor*



Samuel Teklemariam

Technical Manager





**FRIENDS DON'T
LET FRIENDS
DRIVE DRUNK**





CHAIRMAN'S STATEMENT



Dear Shareholders,

It is my pleasure to present to you the Annual Report and Audited Financial Statements of the National Insurance Corporation of Eritrea Share Company (NICE) as at 31st December 2024. As in previous years, these financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Commercial Code of the State of Eritrea, and in full compliance with the regulations of the Bank of Eritrea as well as the Company's Memorandum and Articles of Association.

The following report provides an overview of the Company's performance, corporate governance, and outlook for the year ahead.

PERFORMANCE

In 2024, the National Insurance Corporation of Eritrea Share Company (NICE) achieved a gross premium income of Nakfa 323.6 million, marking a robust 20% increase from the previous year's figure of Nakfa 270.7 million. This growth reflects both strong market demand and effective sales strategies. Net claims incurred rose by 36% to Nakfa 50.3 million, primarily due to a higher frequency of road accidents and a significant fire claim during the year. Despite these increased claims, both net profit and dividend distributions registered a modest rise, supported by operational improvements and dividend income from investments with business partners.

The Group Life Term Assurance segment continued its upward trajectory, recording Nakfa 34.3 million in premium income which is a 25% increase over 2023 (Nakfa 27.5 million). Life business now accounts for around 10% of the company's total gross premium income, underscoring its growing contribution to the overall portfolio.

Our affiliated company, New Sudan Insurance Company, reported encouraging results in its draft 2024 accounts, with gross premiums rising by approximately 14%. However, net profit declined by 45% from the previous year, largely due to exchange rate effects and increased claims incurred during the year. A significant milestone was reached with the leasing of the modern office complex with its adjacent parking area; the tenant began occupancy in March 2025.

Investments in Africa Reinsurance Corporation (Africa Re) and Zep Re (PTA Reinsurance Company) continue to provide stable dividend yields. Conversely, the commercial farm investment in Gash Barka has underperformed, showing negative results since 2013, and the animal feed plant in Asmara has experienced a declining trend over the past three years.

Overall, NICE's performance in 2024 demonstrates resilience in the face of increased claims and market volatility, with growth in key business lines and continued strength in core operations and strategic investments.

CORPORATE GOVERNANCE

NICE is committed to adhering to the highest standards of good corporate governance at all levels of its operations. This commitment is rooted in our core values and beliefs. We have put in place elaborate governance processes that comply with best practices as set out in various codes on Corporate Governance.

Key aspects of our approach to corporate governance are as follows:

Board of Directors

The Board currently consists of seven non-executive directors. The Board is composed of directors with a good mix of skills, experience, and competencies in the relevant fields of expertise and possess sufficient qualification, experience, and knowledge with high integrity and dedication in accordance with Article 11 (c) of the Memorandum of Association of the Company.



CHAIRMAN'S STATEMENT *(Continued)*

The Directors are:

- | | |
|-------------------------------|------------|
| 1. Mr. Ghebreberhan Mehretab | - Chairman |
| 2. Mr. Woldeyesus Elisa | - Member |
| 3. Mr. Ghebrengus Zere | - Member |
| 4. Mr. Seulu Abraha | - Member |
| 5. Mr. Kidane Tsegay | - Member |
| 6. Ms. Liya Tesfay | - Member |
| 7. Mr. Asefaw Ghebreegziabher | - Member |

Board Charter and Work Plan

The Board Charter sets out comprehensive provisions to ensure adherence to best practices in corporate governance, covering areas such as Board size, roles and functions, director induction, performance assessment, compliance, anti-money laundering, succession planning, internal controls, and conflict of interest management. The Board closely monitors the annual work plan presented by management, which is aligned with the company's budget, and evaluates performance at quarterly meetings. A key priority during the year was succession management, focusing on recruiting and developing qualified employees to succeed the current senior management team.

Board Meetings

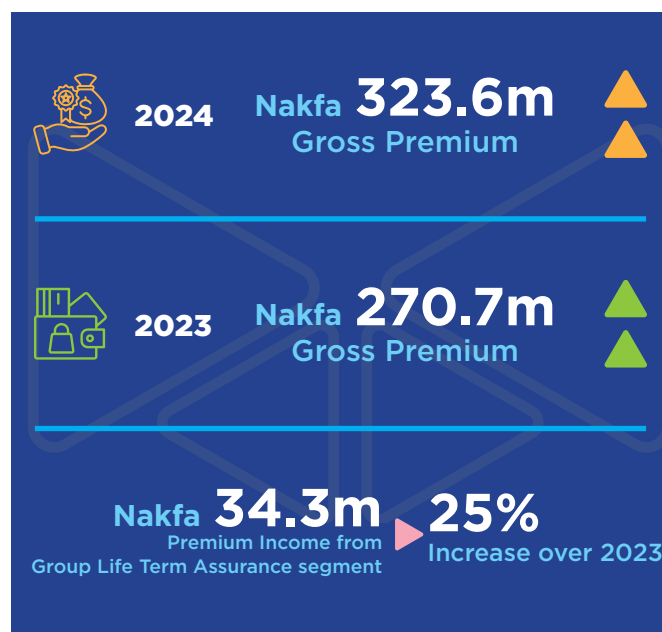
The full Board convenes at least four times annually, addressing all significant matters including strategic direction, business management, internal controls, compliance, and performance reporting. Quarterly, the Board reviews operational performance against forecasts, and in the fourth quarter, it approves reinsurance treaty arrangements and reviews business forecasts for the coming year. Directors receive comprehensive meeting materials about five days in advance to ensure informed decision-making.

Conflict of Interest

Directors have a fiduciary duty to act in the best interests of the Company. A formal policy requires directors to declare any actual, potential, or perceived conflicts of interest at each meeting and to abstain from discussions or voting where such conflicts exist. This ensures integrity and transparency in Board deliberations.

Committees of the Board

To enhance governance and oversight, the Board delegates certain responsibilities to standing committees, each operating



under defined terms of reference outlined in the Board Charter. The Board currently has two standing committees and may establish ad-hoc committees as needed:

- Risk, Audit and Compliance Committee**

Meets at least four times a year to review financial information, assess compliance, and evaluate the effectiveness of internal controls in collaboration with internal and external auditors. The Committee also oversees risk tolerance and appetite. Members include three Board directors, with attendance from key executives and advisors as necessary.

- Strategy and Investment Committee**

Meets at least twice a year to address strategic and investment matters, set investment benchmarks, monitor performance, and recommend strategic equity investments. Membership comprises three Board directors, with relevant executives attending as required.

This governance structure ensures robust oversight, effective risk management, and alignment with the company's strategic objectives, supporting long-term sustainability and stakeholder confidence.



CHAIRMAN'S STATEMENT *(Continued)*

APPROVAL OF THE AUDITED FINANCIAL STATEMENTS AND APPROPRIATION OF RESULTS

The Board of Directors, in its meeting held on 2nd May 2025, approved the audited financial statements for the year ended 31st December 2024. The Board now proposes that the Annual General Meeting of Shareholders, scheduled for 7th June 2025, approve the appropriation of profits as follows:

- Nakfa 4,621,409 to Special Reserve
- Nakfa 9,242,817 to Technical Reserve
- Nakfa 84,244,766 to be paid as dividend, at a rate of Nakfa 8.048103 per fully paid-up share capital (inclusive of bonus shares), compared to Nakfa 8.252486 in 2023

This proposed distribution aligns with the company's established practice of allocating profits to reserves and providing consistent dividends to shareholders, reflecting continued profitability and prudent financial management. Approval by the Annual General Meeting will formalize these appropriations for the 2024 financial year.

OUTLOOK FOR 2025

The insurance industry faces a complex landscape marked by continued market hardening, geopolitical instability, and climate-related risks, driving premium growth but increasing claims pressures. Rising interest rates may improve investment yields, while inflation moderation offers some relief, though currency volatility remains a concern. Reinsurance capacity constraints, particularly for catastrophe coverage, will sustain elevated pricing, especially in property and specialty lines. Emerging markets present growth opportunities, but political and regulatory uncertainties require careful navigation. Technological advancements in underwriting and claims processing are becoming critical for efficiency, as climate change and supply chain disruptions reshape risk profiles. Our Corporation will balance disciplined underwriting with innovation to maintain profitability in this evolving environment.

APPRECIATION

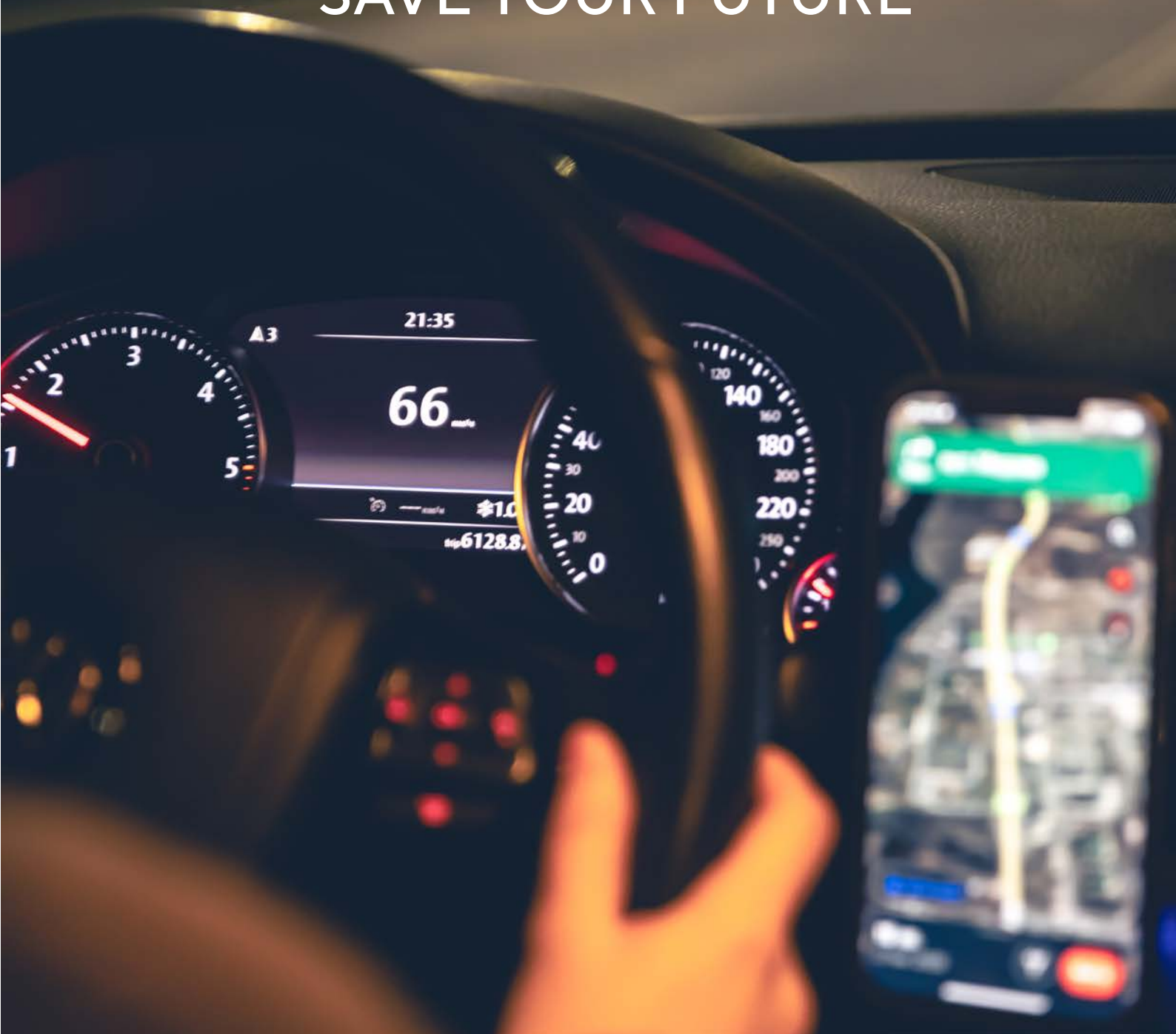
On behalf of the Board, I extend my sincere gratitude to our clients, reinsurers, brokers, business partners, and underwriting agents for their unwavering support, trust, and collaboration during a period marked by uncertainty and rapid change. The achievements of this year reflect the dedication and resilience of our management and staff, whose loyalty, hard work, and adaptability have been instrumental to our success.

I also wish to acknowledge my colleagues on the Board for their constructive guidance and steadfast commitment across a broad range of strategic matters. Finally, I express our appreciation to our regulators (The Bank of Eritrea) for their continued guidance and cooperation, which have been vital to our progress. As we look ahead, we remain committed to upholding the highest standards of service, governance, and innovation for all our stakeholders.

Ghebreberhan Mehretab
Chairman

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FOLLOW TRAFFIC RULES,
SAVE YOUR FUTURE





BRIEF MANAGEMENT REPORT

This report provides the core operational activities performed in relation to gross premium income, claims, underwriting results, reinsurance cost, management expense and profits during the financial year under review.

The table below provides a summary of the key performance movements in the last ten years.

FINANCIAL & TECHNICAL HIGHLIGHTS (NON-LIFE) 2015 – 2024 (IN '000 NAKFA)

DESCRIPTION	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gross Premium	271,918	265,389	253,417	247,277	235,512	221,782	248,953	258,836	270,700	323,614
Net Written Premium	190,587	196,986	182,935	177,059	165,837	146,591	160,965	163,965	168,032	173,735
Net Premium Earned	183,864	193,034	186,545	180,786	172,328	148,574	159,554	164,037	168,162	173,368
Net Claims Incurred	53,175	57,685	43,445	27,824	33,735	7,577	18,942	31,521	37,072	50,303
Operating Expenses	27,081	25,834	25,392	26,768	23,892	24,218	24,085	23,614	21,965	22,629
Management expenses	16,968	15,751	14,219	15,532	14,349	14,724	14,312	15,106	14,287	14,849
Mgt expenses to Gross premium ratio	6.2%	5.9%	5.6%	6.3%	6.1%	6.6%	5.7%	5.8%	5.3%	4.6%
Profit before tax	124,467	129,914	141,622	149,654	145,835	143,347	142,219	136,940	141,914	143,285
Net Profit	78,519	82,783	91,849	96,672	95,488	93,352	91,807	88,305	91,533	92,428
Property & Equipment	253,710	247,806	241,872	233,661	226,868	218,174	209,872	203,283	196,575	190,476
Investments	174,352	288,227	314,090	343,288	336,639	359,635	366,438	360,977	361,659	363,682
Proposed Dividend	70,721	76,046	83,753	87,852	86,846	85,029	83,717	80,740	83,484	84,245
Shareholders Fund	483,295	612,476	628,519	667,416	665,792	694,180	707,295	712,157	724,071	733,316



BRIEF MANAGEMENT REPORT *(Continued)*

GROSS WRITTEN PREMIUM

In the year 2024, the gross premium income produced from non-life business was Nakfa 323.6 million which is 20% more than the 2023 figure of Nakfa 270.7 million. The figure is the biggest increase ever recorded in the last ten years. As can be noted from the table below premiums from our Fire & Accident and Motor class of business look to be the dominant business with a share of 42% and 37% respectively.

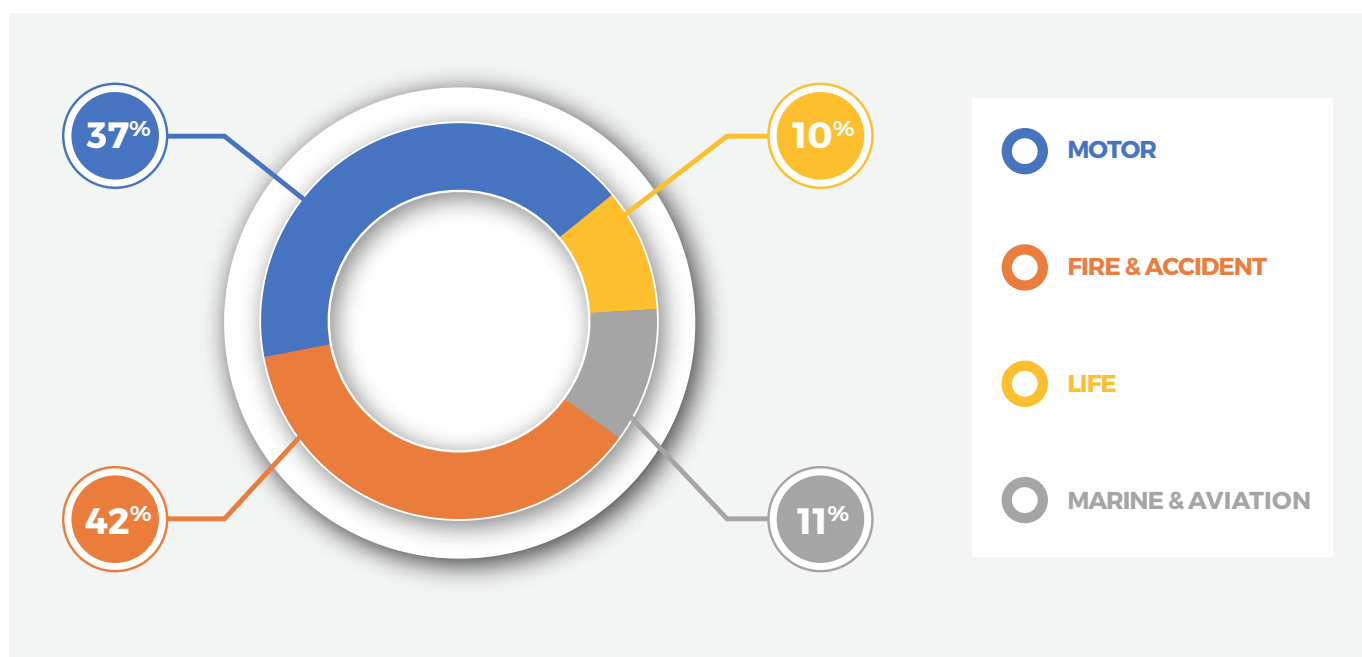
As a result of the introduction of group life term assurance gross premium from life business has reached to Nakfa 34.3 million showing an increase of 25% when compared with that of 2023 (Nakfa 27.5 million). Accordingly, the life business has accounted for 10% of the premium distribution from the total gross premium income of the Company.

The table below shows comparative figures over the last ten years in respect of the gross premium income of the Company.

GROSS PREMIUM INCOME (IN 000' NAKFA)

BUSINESS	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
MOTOR	154,624	161,834	147,909	141,052	132,586	112,198	123,439	123,703	127,705	134,129
FIRE & ACCIDENT	88,327	86,410	81,585	81,998	87,107	91,531	103,762	112,857	124,084	149,776
MARINE & AVIATION	28,966	17,145	23,923	24,226	15,819	18,053	21,752	22,276	18,911	39,709
TOTAL NON-LIFE	271,917	265,389	253,417	247,276	235,512	221,782	248,953	258,836	270,700	323,614
LIFE	2,857	4,261	3,429	3,404	8,274	7,580	14,939	23,427	27,499	34,270
GRAND TOTAL	274,774	269,650	256,846	250,680	243,786	229,362	263,892	282,263	298,199	357,884

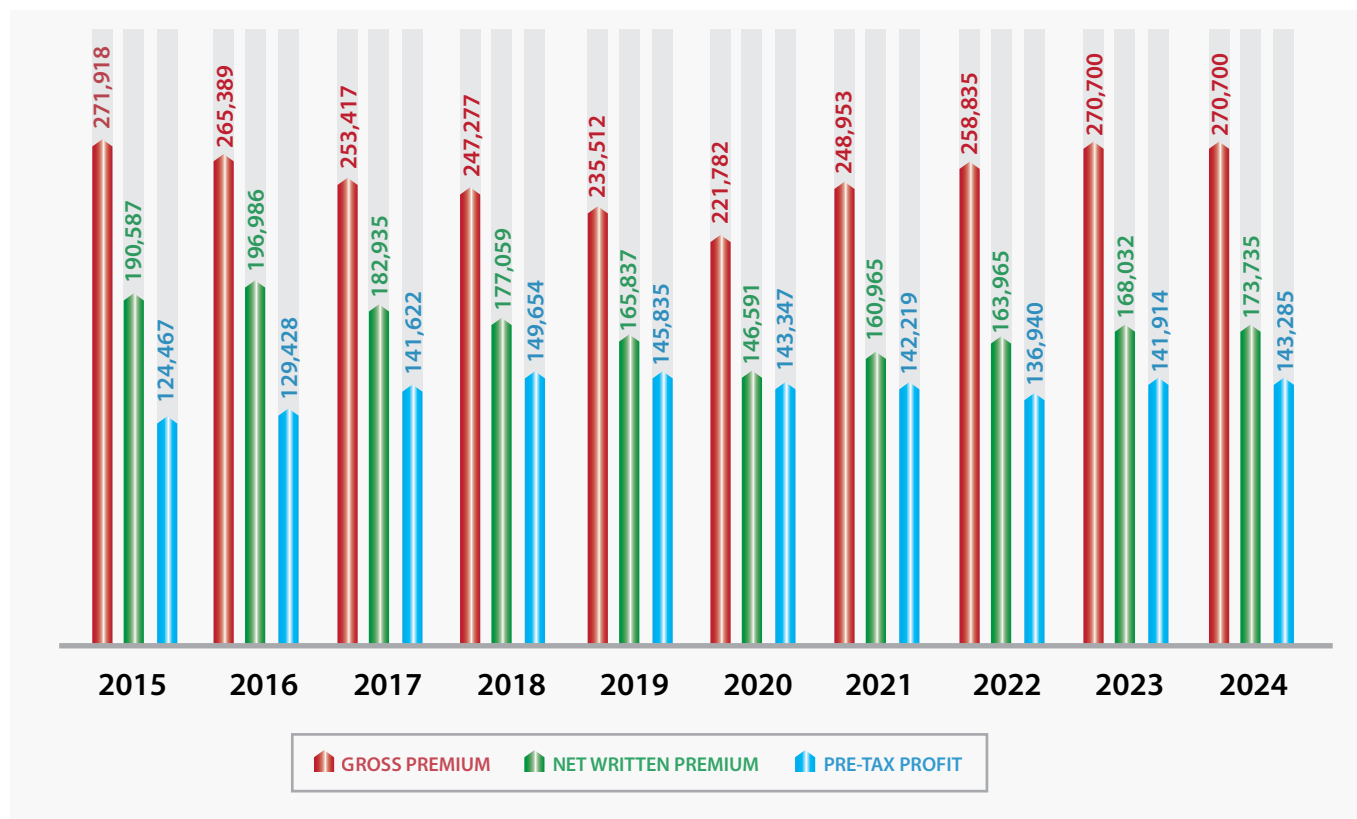
PREMIUM DISTRIBUTION 2024





BRIEF MANAGEMENT REPORT *(Continued)*

DEVELOPMENT OF PREMIUMS AND PROFITS (IN '000' NAKFA)



CLAIMS

The total net claims incurred in 2024 was Nakfa 50.3 million showing an increase of 36% when compared with the corresponding period of 2023 which was Nakfa 37.1 million. Consequently, the overall claims ratio has increased from 22% in 2023 to 29% in 2024. The significant change in the total claims incurred was mainly a result of one major fire claim and the ever-increasing cost of spare parts to repair the damaged vehicles arising from the frequent increase of motor road accidents that occurred during the year.

A comparison of the loss ratios of the company for the years 2023 and 2024 is stated below.

LOSS RATIO 2023 AND 2024 (NET FOR THE COMPANY) (IN '000' NAKFA)

BUSINESS	PREMIUM EARNED	2023		LOSS RATIO	2024		LOSS RATIO
		CLAIMS INCURRED			PREMIUM EARNED	CLAIMS INCURRED	
MOTOR	125,772	33,439	27%		132,503	37,849	29%
MARINE	4,806	(358)	-		4,133	(33)	-
FIRE	6,033	(201)	-		5,620	4,819	86%
WORKMEN	7,129	1,449	20%		7,289	3,226	44%
ACCIDENT	24,422	2,743	11%		23,823	4,742	20%
TOTAL	168,162	37,072	22%		173,368	50,303	29%



BRIEF MANAGEMENT REPORT *(Continued)*

UNDERWRITING RESULTS

The net underwriting result for 2024 was Nakfa 138.1 million showing a slight increase of 1% when compared to Nakfa 137.4 million in 2023. As can be shown from the table below, the increase in underwriting results mainly came from the motor and accident class of businesses compared to the previous year's results.

The table below shows comparative underwriting results in the last ten years.

UNDERWRITING RESULTS 2015 - 2024 (IN '000' NAKFA)

BUSINESS	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
MOTOR	86,997	95,428	105,366	117,985	98,314	100,052	98,875	92,940	84,441	87,018
MARINE & AVIATION	5,626	6,878	6,534	4,384	4,049	3,431	6,963	8,142	9,260	10,681
FIRE	10,733	7,430	11,463	9,610	7,957	10,087	10,437	8,822	9,576	5,696
WORKMEN	7,662	6,908	7,002	7,022	8,708	8,803	5,154	4,409	5,238	3,665
ACCIDENT	13,610	14,498	13,077	12,676	21,621	19,404	21,955	23,898	28,903	31,060
TOTAL	124,628	131,142	143,442	151,677	140,649	141,777	143,384	138,211	137,418	138,120

REINSURANCE COST

As can be noted from the table below, the Company retained 53.7% of its gross premium income in the year under review. The reduction when compared to last year was mainly due to the risks associated with mining projects, aviation and bulk marine shipments which require the involvement of reinsurers at a higher share. However, the management will remain vigilant about the effect of the reinsurance cost and will ensure that the shareholders' assets and interests are duly protected.

The following table shows the development of the rate of retention and the premium ceded in the last 10 years.

NON-LIFE PREMIUM RETENTION RATES 2015- 2024 (IN '000' NAKFA)

YEAR	GROSS PREMIUM	PREMIUM CEDED	PREMIUM RETAINED	RATE OF RETENTION
2015	271,918	81,331	190,587	70.1%
2016	265,389	68,404	196,986	73.9%
2017	253,417	70,482	182,935	72.2%
2018	247,277	70,218	177,059	71.6%
2019	235,512	69,675	165,837	70.4%
2020	221,782	75,191	146,591	66.1%
2021	248,953	87,987	160,965	64.7%
2022	258,836	94,870	163,965	63.3%
2023	270,700	102,668	168,032	62.1%
2024	323,614	149,879	173,735	53.7%



BRIEF MANAGEMENT REPORT *(Continued)*

MANAGEMENT EXPENSES

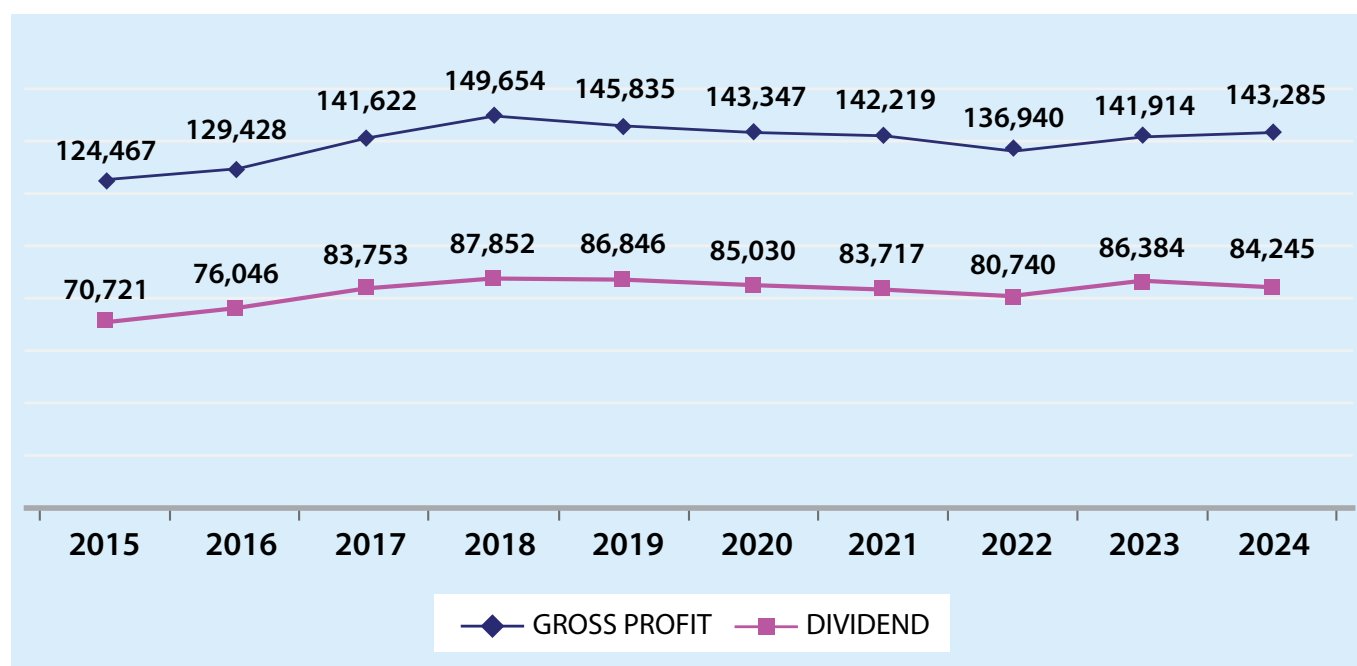
The total operating and management expenses incurred during the financial year ending 31st December 2024 was Nakfa 22.6 million (in 2023 was Nakfa 22 million). The management expenses charged to the revenue account was Nakfa 14.8 million (in 2023 was Nakfa 14.3 million). The remaining Nakfa 7.8 million was charged to the statement of profit or loss.

The ratio of management expenses to gross premium was 4.6% (in 2023 was 5.3%) which is favorably accepted within similar direct insurance companies in the African Insurance industry. Management will closely monitor the management expenses that are kept within a reasonably low to effectively optimize resource allocation.

PROFIT

The profit before tax in the year under review was Nakfa 143.3 million (in 2023 was 141.9 million) resulting in a net profit of Nakfa 92.4 million (in 2023 was 91.5 million). As in the previous year this year's profit is also the result of the gain secured from operational activities and dividends. Accordingly, the Board of Directors has recommended a dividend of Nakfa 84.2 million for distribution to shareholders.

DEVELOPMENT OF PROFITS AND DIVIDENDS (IN '000 NAKFA)





STATEMENT OF DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2024

The Commercial Code of the State of Eritrea and the Company's Memorandum and Articles of Associations require the Directors to prepare financial statements for each financial year, which present fairly the state of affairs of the Company as of the end of the financial year and of its results of operations for that year. They also require the Directors to ensure that the Company keeps proper accounting records, which disclose, with reasonable accuracy, the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company.

The Directors accept responsibility for the annual financial statements, which have been prepared using sound accounting principles supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the Commercial Code of the State of Eritrea. The Directors are of the opinion that the financial statements present fairly the state of financial affairs of the Company and of its results of operations in accordance with International Financial Reporting Standards.

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

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

Chairman

Director

5th May 2025



INDEPENDENT AUDITOR'S REPORT TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2024

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Audit Services Corporation (Asmara - Eritrea)

P.O. Box 912

Tel: 120814
202030
Fax: 125756

05 May 2025

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL INSURANCE CORPORATION OF ERITREA SHARE COMPANY

Opinion

We have audited the accompanying financial statements of the National Insurance Corporation of Eritrea Share Company (the Company) which comprise the statement of financial position at 31 December 2024, statement of profit or loss, statements of changes in equity and statement of cash flows for the year then ended and significant accounting policies and other explanatory notes.

In our opinion, the financial statements, set out on pages 19 to 38 present fairly, in all material respects, the financial position of the National Insurance Corporation of Eritrea Share Company at 31 December 2024 and the results of its financial performance and its cash flows for the year then ended in conformity with International Financial Reporting Standards (IFRSs) and comply with the Commercial Code of the State of Eritrea.

We have no comments on the report of the Board of Directors in so far as it relates to these financial statements and pursuant to Article 375 of the Transitional Commercial Code of the State of Eritrea, we recommend approval of the financial statements.

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 ethical requirement that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Those charged with governance 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 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



INDEPENDENT AUDITOR'S REPORT TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2024 (continued)

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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

Audit Services Corporation





**DON'T TEXT AND DRIVE:
KEEP YOUR EYES ON THE ROAD.**



STATEMENT OF FINANCIAL POSITION


At 31 December 2024

Currency: Eritrean Nakfa

ASSETS	Notes	2024	2023
Current assets			
Cash and bank balances		415,427,086	376,366,985
Trade and other receivables	4	76,672,814	57,122,089
Related party receivables	5	16,513,445	12,879,921
Due from reinsurers		9,076,126	11,483,501
		517,689,471	457,852,496
Non-current assets			
Investments	6	365,502,659	363,483,306
Property and equipment	7	190,475,655	196,077,728
Intangible assets	8	1	497,662
		555,978,315	560,058,696
Total assets		1,073,667,786	1,017,911,192
LIABILITIES, CAPITAL AND RESERVES			
Current liabilities			
Trade and other payables	9	21,337,093	20,372,580
Provision for taxation	10	50,505,930	50,029,107
Dividend payable	11	26,376,725	21,283,155
Due to reinsurers	12	48,458,375	30,742,502
Insurance fund	13	128,870,780	112,398,922
		275,548,903	234,826,266
Non - current liabilities			
Employee benefits and obligations	14	14,321,718	13,665,538
Capital and reserves			
Share capital	15	104,676,540	104,676,540
Legal reserve	16	20,935,308	20,935,308
Revaluation reserve		185,851,059	191,531,876
Technical reserve	17	88,692,549	79,449,732
Investment reserve		187,650,694	187,650,694
Special reserve	18	55,443,086	50,821,677
Retained earnings		5,821,786	5,520,975
Unappropriated profit		84,244,766	83,484,178
		733,315,788	724,070,980
Life insurance fund	19	50,481,377	45,348,408
Total liabilities, capital and reserves		1,073,667,786	1,017,911,192

The statement of financial position is to be read in conjunction with the notes, set out on pages 28 to 38, forming part of the financial statements.

The financial statements, set out on pages 19 to 38, were approved by the Board of Directors on 5th May 2025 and were signed on its behalf by:


Chairman




A/Chief Executive Officer



STATEMENT OF PROFIT OR LOSS

For The Year Ended 31 December 2024

		Currency: Eritrean Nakfa	
Revenue	Notes	2024	2023
Surplus from underwriting		138,119,905	137,418,159
Other income	20	3,087,186	3,407,418
		141,207,091	140,825,577
Expenses			
Depreciation and Amortization	7(b) & 8	7,194,714	7,121,000
General assembly and Board of Directors meetings		409,083	389,091
Audit fee		176,400	168,020
		7,780,197	7,678,111
Profit from operations		133,426,894	133,147,466
Office rent income		578,703	542,474
Investment income		9,581,752	8,233,889
Management fee		60,000	60,000
Exchange rate differences	3(b)	(168,978)	115,495
Cost of finance		(192,993)	(185,592)
		9,858,484	8,766,266
Profit before taxation		143,285,378	141,913,732
Provision for taxation	10	50,857,203	50,380,368
Net profit after taxation		92,428,175	91,533,364

The statement of profit or loss is to be read in conjunction with the notes, set out on pages 28 to 38, forming part of the financial statements.



UNDERWRITING REVENUE ACCOUNT

For The Year Ended 31 December 2024

		Currency: Eritrean Nakfa	
INCOME	Notes	2024	2023
Gross premiums		323,614,274	270,700,416
Premiums ceded		149,879,254	102,668,084
Net premiums		173,735,020	168,032,332
Changes in unearned premiums		366,738	(129,699)
Premiums earned		173,368,282	168,162,031
Reinsurance commissions			
Ceding commission		28,881,106	18,996,162
Profit commission		2,276,882	2,742,250
		31,157,988	21,738,412
Total income		204,526,270	189,900,443
OUTGO			
Gross claims paid		44,557,493	42,721,616
Claims ceded		7,806,197	4,299,280
Net claims paid		36,751,296	38,422,336
Changes in outstanding claims		13,552,132	(1,350,479)
Net claims incurred		50,303,428	37,071,857
Changes in technical provision		570,269	406,704
Commission		683,752	716,382
Total outgo		51,557,449	38,194,943
Management expenses	21	14,848,916	14,287,341
		66,406,365	52,482,284
Underwriting surplus		138,119,905	137,418,159

The underwriting revenue account is to be read in conjunction with the notes, set out on pages 28 to 38, forming part of the financial statements.



STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December 2024

Currency: Eritrean Nakfa

	Share Capital	Legal Reserve	Technical Reserve	Revaluation Reserve	Retained Earnings	Investment Reserve	Special Reserve	Unappropriated Profit	Total
At 01 January 2023	104,676,540	20,935,308	70,296,396	197,212,694	4,400,503	187,650,694	46,245,009	80,739,686	712,156,830
Net profit after tax	-	-	-	-	-	-	-	91,533,364	91,533,364
Transfer to technical reserve	-	-	9,153,336	-	-	-	-	(9,153,336)	-
Transfer to special reserve	-	-	-	-	-	-	4,576,668	(4,576,668)	-
Excess depreciation realised	-	-	-	(5,680,818)	-	-	-	(5,680,818)	-
Dividend paid from retained earnings	-	-	-	-	(98,798)	-	-	-	(98,798)
Transfer from dividend payable	-	-	-	-	1,219,270	-	-	-	1,219,270
Transfer to dividend payable	-	-	-	-	-	-	-	(80,739,686)	(80,739,686)
At 01 January 2024	104,676,540	20,935,308	79,449,732	191,531,876	5,520,975	187,650,694	50,821,677	83,484,178	724,070,980
Net profit after tax	-	-	-	-	-	-	-	92,428,175	92,428,175
Transfer to technical reserve	-	-	9,242,817	-	-	-	-	(9,242,817)	-
Transfer to special reserve	-	-	-	-	-	-	4,621,409	(4,621,409)	-
Excess depreciation realised	-	-	-	(5,680,817)	-	-	-	5,680,817	-
Dividend paid from retained earnings	-	-	-	-	(332,577)	-	-	-	(332,577)
Transfer from dividend payable	-	-	-	-	633,388	-	-	-	633,388
Transfer to dividend payable	-	-	-	-	-	-	-	(83,484,178)	(83,484,178)
At 31 December 2024	104,676,540	20,935,308	88,692,549	185,851,059	5,821,786	187,650,694	55,443,086	84,244,766	733,315,788

The statement of changes in equity is to be read in conjunction with the notes, set out on pages 28 to 38, forming part of the financial statements.



STATEMENT OF CASH FLOWS

For The Year Ended 31 December 2024

		Currency: Eritrean Nakfa	
	Notes	2024	2023
Cash flows from operating activities			
Net profit before taxation		143,285,378	141,913,732
Adjustments for:			
Depreciation	7(b)	6,697,053	6,623,318
Amortization	8	497,661	497,682
Investment income		(9,581,752)	(8,233,889)
Operating profit before changes on working capital		140,898,340	140,800,843
(Increase)/Decrease in trade and other receivables		(19,550,725)	7,147,309
(Increase) in related party receivables		(3,633,524)	(1,729,633)
Decrease in amounts due from reinsurers		2,407,375	5,283,321
Increase/(Decrease) in trade and other payables		964,513	(1,727,776)
Increase/(Decrease) in amounts due to reinsurers		17,715,873	(2,097,716)
Increase/(Decrease) in insurance funds		16,471,858	(637,995)
Cash generated from operations		155,273,710	147,038,353
Profit tax paid	10	(50,380,380)	(48,635,595)
Dividend paid	11	(78,089,797)	(77,792,037)
Net cash flow from operating activities		26,803,533	20,610,721
Cash flows from investing / financing activities			
Purchase of property and equipment	7(b)	(1,094,980)	(412,454)
Increase in life insurance fund	19	5,132,969	3,001,041
Investment income		9,581,752	8,233,889
(Increase) in investments	5	(2,019,353)	(682,585)
Increase in employee benefits and obligations		656,180	326,214
Net cash flow from investing / financing activities		12,256,568	10,466,105
Net Increase in cash and bank balances		39,060,101	31,076,826
Cash and bank balances at the beginning of the year		376,366,985	345,290,159
Cash and bank balances at the end of the year		415,427,086	376,366,985

The statement of cash flows is to be read in conjunction with the notes, set out on pages 28 to 38, forming part of the financial statements.



STATEMENT OF FINANCIAL POSITION-NON-LIFE

At 31 December 2024

		Currency: Eritrean Nakfa	
	Notes	2024	2023
ASSETS			
Current assets			
Cash and bank balances		356,603,892	322,093,090
Trade and other receivables	4	72,106,209	55,790,999
Related party receivables	5	16,513,445	12,879,921
Due from reinsurers		6,957,174	7,391,925
		452,180,720	398,155,935
Non – current assets			
Investment	6	363,682,146	361,659,293
Property and equipment	7	190,475,654	196,077,727
Intangible assets	8	1	497,662
		554,157,801	558,234,682
Total assets		1,006,338,521	956,390,617
LIABILITIES, CAPITAL AND RESERVES			
Current liabilities			
Trade and other payables	9	16,604,712	13,557,867
Provision for taxation	10	50,505,930	50,029,107
Dividend payable	11	26,376,725	21,283,155
Due to reinsurers	12	41,300,321	24,243,348
Insurance funds	13	124,759,850	110,270,711
		259,547,538	219,384,188
Non – current liabilities			
Employee benefits and obligations	14	13,475,195	12,935,449
Capital and reserves			
Share capital	15	104,676,540	104,676,540
Legal reserve	16	20,935,308	20,935,308
Revaluation reserve		185,851,059	191,531,876
Technical reserve	17	88,692,549	79,449,732
Investment reserve		187,650,694	187,650,694
Special reserve	18	55,443,086	50,821,677
Retained earnings		5,821,786	5,520,975
Unappropriated profit		84,244,766	83,484,178
		733,315,788	724,070,980
Total liabilities, capital and reserves		1,006,338,521	956,390,617

The statement of financial position-non-life is to be read in conjunction with the notes, set out on pages 28 to 38, forming part of the financial statements.



STATEMENT OF FINANCIAL POSITION-LIFE

At 31 December 2024

Currency: Eritrean Nakfa

	Notes	2024	2023
ASSETS			
Current assets			
Cash and bank balances		58,823,194	54,273,895
Trade and other receivables	4	4,566,605	1,331,090
Due from reinsurers		2,118,952	4,091,576
		65,508,751	59,696,561
Non-current assets			
Investment	6	1,820,513	1,824,013
Furniture and equipment	7	1	1
		1,820,514	1,824,014
Total assets		67,329,265	61,520,575
Current liabilities			
Trade and other payables	9	4,732,381	6,814,713
Outstanding claims (Net)	13	4,110,930	2,128,211
Due to reinsurers	12	7,158,054	6,499,154
		16,001,365	15,442,078
Non-current liabilities			
Employee benefits and obligations	14	846,523	730,089
Life Insurance Fund	19	50,481,377	45,348,408
		51,327,900	46,078,497
Total liabilities and funds		67,329,265	61,520,575

The statement of financial position-life is to be read in conjunction with the notes, set out on pages 28 to 38, forming part of the financial statements.



UNDERWRITING REVENUE ACCOUNT-LIFE

For The Year Ended 31 December 2024

		Currency: Eritrean Nakfa	
	Notes	2024	2023
INCOME			
Gross premiums		34,270,084	27,498,663
Premiums ceded		26,595,055	20,127,354
Net premiums collected		7,675,029	7,371,309
Commission		7,296,091	5,520,884
Total income		14,971,120	12,892,193
OUTGO			
Gross claims paid		22,216,553	17,534,747
Claims ceded		15,740,800	12,494,500
Net claims paid		6,475,753	5,040,247
Commission		7,832	4,252
Change in outstanding claims		1,982,719	435,479
Others		242	297
Total outgo		8,466,546	5,480,275
Management expenses	21	1,349,274	1,166,708
		9,815,820	6,646,983
Underwriting surplus		5,155,300	6,245,210
Other income		157	960
		5,155,457	6,246,170
Expenses			
Cost of finance		14,088	13,569
Audit fee		8,400	8,400
		22,488	21,969
Net operating surplus		5,132,969	6,224,201
Insurance fund at 01 January 2024		45,348,408	42,347,367
Less: Transfer to bonus payable		-	(323,160)
Transfer to accounts payable		-	(2,900,000)
Insurance fund at 31 December 2024	19	50,481,377	45,348,408

The underwriting revenue account-life is to be read in conjunction with the notes, set out on pages 28 to 38, forming part of the financial statements.

A photograph taken from the driver's perspective inside a car. The steering wheel, with a Toyota logo, is on the left. A person wearing a grey suit jacket and a white shirt is buckling their seatbelt. The seatbelt strap is grey and crosses over their chest. The car's interior is dark grey, and the seat is red. The side mirror shows a white car parked outside. The text "SEATBELTS: YOUR BEST PROTECTION." is overlaid in white, bold, sans-serif font in the center of the image.

**SEATBELTS: YOUR
BEST PROTECTION.**



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

1. GENERAL INFORMATION

National Insurance Corporation of Eritrea Share Company was formed as Share Company to take over the activities of the former National Insurance Corporation of Eritrea. The main activities of the Company are: - To carry on all kinds of life, non-life insurance, reinsurance, all kinds of guarantee and indemnity business.

2. ACCOUNTING POLICIES

Adaption of new and revised International Financial Reporting Standards (IFRS).

New standards and amendments to published standards effective for the year ended 31 December 2024.

New and revised standards in the current year are not expected to have a material impact on amounts reported in the Company's financial statements. Therefore, the Company does not plan to adopt these standards early.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards. The financial statements are prepared under the historical cost convention as modified by revaluation of the buildings disclosed on Note 7(c) below.

(b) Translation of foreign currencies

- i) Functional currency
The Company's reporting currency is the Eritrean Nakfa (Nfa).
- ii) Transactions and balances
Transactions in foreign currencies are translated into Eritrean Nakfa at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Eritrean Nakfa at the rate ruling at the reporting date. Resulting exchange differences are recognised in the statement of profit or loss.

(c) Investments

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs. Subsequently, these are recognised and classified as follows:

Recognition

All purchases and sales of investments are recorded on the trade date, which is the date that the Company commits to purchase or sell the investment.

- i) Measurement
Investments at fair value through profit or loss

Investments acquired for the purpose of trading in the near future or are part of a portfolio of financial assets subject to trading are classified under this heading. Investments, which are designated as such, are re-measured at a fair value at each reporting date. Gains or losses on investments on re-measurement are recognised in the statement of profit or loss. The Company currently has no such investments.
- ii) Held to maturity
Investments with fixed maturity and fixed income investments, where management has both the intent and the ability to hold to maturity, are classified as held-to maturity.
- iii) Available-for-sale investments
Investments which are intended to be held for undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available- for-sale investments. The fair value changes of available-for-sale investments are recognised in investment reserves as part of shareholders' equity, with the exception of interest calculated using effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in statement of profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

(d) Trade receivables

Trade receivables are carried at original invoice less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad receivables are written off when identified and approved by Higher Authority.

(e) Property and equipment

These are stated at cost/valuation less accumulated depreciation. Depreciation is charged on the straight-line basis at the following rates per annum:

	%
Buildings	2-5
Furniture and equipment	10
Computers	20
Motor vehicles and cycles	20
Text books	20

(f) Impairment

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. An impairment loss is deemed to have occurred where the asset is carried at more than its recoverable amount. Such losses are immediately expensed through the statement of profit or loss.

(g) Intangible assets

Acquired computer software licenses are capitalised on the basis of costs incurred and bring to use the specific software. These costs are amortized on a straight line method over their useful lives, not exceeding a period of five years.

(h) Outstanding claims (Net)

This is a provision for the net estimated cost of incidents notified on or before the end of the financial year. Any difference between the estimated claim and the actual settlement is charged/ credited to the revenue account of the year in which the settlement is made.

Provision for unexpired risks

- The provision for unexpired risks for marine and aviation insurance business is provided for at 100% of the total premium underwritten during the year.
- The provision for unexpired risks for other classes of insurance business is calculated on the assumption that all contracts made with the policyholders are signed at the middle of the various months. Hence, to spread the risk over and evenly throughout the year the risk exposure is computed applying the formula $\frac{(2M-1)P}{24}$; where 'P' is the annual premium and 'M' represents month.

(i) Technical provisions

These are provisions made for all types of insurance, except aviation, at 10% of the net premium underwritten during the year. These are meant to cover unreported and unforeseen risks.

(j) Employee benefits and obligations

The Company contributes towards the following employee benefits and obligations:

- Provident fund representing 13% of the employees' salaries;
- Compensation for service (severance pay) in accordance with the Labor Law Proclamation No. 118/2001;
- Pension scheme, which is a defined benefit scheme in line with the National Pension Establishment Proclamation No. 135/2003.

(k) Dividend on shares

Dividend on shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders in their annual general meetings.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

4. TRADE AND OTHER RECEIVABLES

Currency: Eritrean Nakfa

	31 December 2024			31 December 2023		
	Non-life	Life	Total	Non-life	Life	Total
Trade receivables	73,896,171	4,543,226	78,439,397	57,264,612	1,303,514	58,568,126
Other receivables	4,132,236	23,379	4,155,615	4,448,585	27,576	4,476,161
	78,028,407	4,566,605	82,595,012	61,713,197	1,331,090	63,044,287
Less: Provision for doubtful receivables	(5,922,198)	-	(5,922,198)	(5,922,198)	-	(5,922,198)
	72,106,209	4,566,605	76,672,814	55,790,999	1,331,090	57,122,089

5. RELATED PARTY RECEIVABLES

The Company has various related parties, most of whom are by virtue of being shareholders and partly common ownership. Transactions with related parties are at arm's length and in the ordinary course of business at terms and conditions those offered to other clients.

	31 December 2024			31 December 2023		
	Non-life	Life	Total	Non-life	Life	Total
Roof Garden Restaurant	14,907	-	14,907	160,353	-	160,353
Shishay Feed Plant	442,426	-	442,426	365,902	-	365,902
New Sudan Insurance	222,000	-	222,000	222,000	-	222,000
Shemshemiya Commercial Farm	15,834,112	-	15,834,112	12,131,666	-	12,131,666
	16,513,445	-	16,513,445	12,879,921	-	12,879,921

6. INVESTMENTS

(a) These are made up of:

	31 December 2024			31 December 2023		
	Non-life	Life	Total	Non-life	Life	Total
Available for sale						
African Reinsurance Corporation	85,800,465	-	85,800,465	85,800,465	-	85,800,465
COMESA Reinsurance Contribution	351,000	-	351,000	351,000	-	351,000
Shishay Feed Plant	6,000,000	-	6,000,000	6,000,000	-	6,000,000
P.T.A Reinsurance Co.	164,215,309	-	164,215,309	162,192,456	-	162,192,456
Shemshemiya Commercial Farm	84,870,377	-	84,870,377	84,870,377	-	84,870,377
New Sudan Insurance Co.	22,444,995	-	22,444,995	22,444,995	-	22,444,995
	363,682,146	-	363,682,146	361,659,293	-	361,659,293
Held to maturity						
Loan to New Sudan Insurance Co.	-	-	-	-	-	-
Loans to life policyholders	-	1,820,513	1,820,513	-	1,824,013	1,824,013
Loans to financial institutions	-	-	-	-	-	-
	-	1,820,513	1,820,513	-	1,824,013	1,824,013
	363,682,146	1,820,513	365,502,659	361,659,293	1,824,013	363,483,306

(b) The share certificate in respect of 6,800 shares in the African Reinsurance Corporation is in the name of the State of Eritrea.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

7. PROPERTY AND EQUIPMENT

(a) The details of the property and equipment are:

Currency: Eritrean Nakfa						
	31 December 2024			31 December 2023		
	Non-life	Life	Total	Non-life	Life	Total
COST/VALUATION						
Buildings	377,148,491	-	377,148,491	376,787,216	-	376,787,216
Furniture and equipment	12,069,226	55,963	12,125,189	11,915,521	55,963	11,971,484
Computers	7,574,957	31,906	7,606,863	7,574,957	31,906	7,606,863
Motor vehicles and cycles	11,211,978	-	11,211,978	10,631,978	-	10,631,978
Text books	83,360	-	83,360	83,360	-	83,360
	408,088,012	87,869	408,175,881	406,993,032	87,869	407,080,901
DEPRECIATION						
Buildings	189,375,549	-	189,375,549	183,654,791	-	183,654,791
Furniture and equipment	10,759,230	55,963	10,815,193	10,476,995	55,963	10,532,958
Computers	7,209,907	31,905	7,241,812	6,950,723	31,905	6,982,628
Motor vehicles and cycles	10,184,344	-	10,184,344	9,749,468	-	9,749,468
Text books	83,328	-	83,328	83,328	-	83,328
	217,612,358	87,868	217,700,226	210,915,305	87,868	211,003,173
CARRYING AMOUNT						
Buildings	187,772,942	-	187,772,942	193,132,425	-	193,132,425
Furniture and equipment	1,309,996	-	1,309,996	1,438,526	-	1,438,526
Computers	365,050	1	365,051	624,234	1	624,235
Motor vehicles and cycles	1,027,634	-	1,027,634	882,510	-	882,510
Text books	32	-	32	32	-	32
	190,475,654	1	190,475,655	196,077,727	1	196,077,728

(b) The movements on property and equipment during the year are:

	Cost/Revaluation			Depreciation		
	Additions	Transfers	Disposal	Additions	Transfers	Disposal
Non-Life	1,094,980	-	-	6,697,053	-	-
Life	-	-	-	-	-	-
	1,094,980	-	-	6,697,053	-	-

(c) The Company's buildings were revalued at 31 December 2011 by General, Development Engineering and Consulting Company (GEDECC), independent valuers, on open market basis and issued a certificate in February 2012.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

8. INTANGIBLE ASSETS

Currency: Eritrean Nakfa

	31 December 2024	31 December 2023
	Computer software	Computer software
COST/VALUATION		
At 01 January 2024	17,247,085	17,247,085
At 31 December 2024	17,247,085	17,247,085
AMORTIZATION		
At 01 January 2024	16,749,423	16,251,741
Additions	497,661	497,682
At 31 December 2024	17,247,084	16,749,423
CARRYING AMOUNT	1	497,662

9. TRADE AND OTHER PAYABLES

Currency: Eritrean Nakfa

	31 December 2024			31 December 2023		
	Non-life	Life	Total	Non-life	Life	Total
Trade payables	11,267,247	4,276,827	15,544,074	10,968,545	6,438,316	17,406,861
Other payables	4,716,619	338,671	5,055,290	2,025,190	338,242	2,363,432
Accruals	620,846	116,883	737,729	564,132	38,155	602,287
	16,604,712	4,732,381	21,337,093	13,557,867	6,814,713	20,372,580

10. PROVISION FOR TAXATION

a) This is made up of:

	Profit Tax	Municipal Tax	Rent income Tax	Total
Balance at 01 January 2024	43,626,075	5,675,657	727,375	50,029,107
Less: Payments made during the year	44,324,338	5,909,912	146,130	50,380,380
	(698,263)	(234,255)	581,245	(351,273)
Add: Current year's provision	44,736,156	5,964,821	156,226	50,857,203
Balance at 31 December 2024	44,037,893	5,730,566	737,471	50,505,930

b) The current year's provision for taxation has yet to be assessed by and agreed with the Inland Revenue Department.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

11. DIVIDEND PAYABLE

- a) The balance comprises:

	Currency: Eritrean Nakfa	
	31 December 2024	31 December 2023
Balance at 01 January 2024	21,283,155	19,455,978
Dividend declared	83,484,178	80,739,686
	104,767,333	100,195,664
Less: Payment made during the year	(78,089,797)	(77,792,037)
	26,677,536	22,403,627
Less: Transferred to retained earnings	(633,388)	(1,219,270)
Add: Dividend paid from retained earnings	332,577	98,798
Balance at 31 December 2024	26,376,725	21,283,155

- b) The shareholders in their 11th annual general meeting, Resolution No 6, has agreed to transfer dividends owing to those shareholders that never claimed their dividends for the last ten years to Retained Earnings Account and any subsequent claim by such shareholders to be paid out of this fund.

12. DUE TO REINSURERS

The substantial amount due to reinsurers is in respect of Aviation and Mining risks, the premium of which is payable on installment basis and is collectable in US dollars.

13. INSURANCE FUNDS

	Currency: Eritrean Nakfa					
	31 December 2024			31 December 2023		
	Non-life	Life	Total	Non-life	Life	Total
Outstanding claims (Net)	73,256,078	4,110,930	77,367,008	59,703,946	2,128,211	61,832,157
Provision for unexpired risks	34,130,270	-	34,130,270	33,763,532	-	33,763,532
Technical provisions	17,373,502	-	17,373,502	16,803,233	-	16,803,233
	124,759,850	4,110,930	128,870,780	110,270,711	2,128,211	112,398,922

14. EMPLOYEE BENEFITS AND OBLIGATIONS

	Currency: Eritrean Nakfa					
	31 December 2024			31 December 2023		
	Non-life	Life	Total	Non-life	Life	Total
Provident fund	9,596,254	448,435	10,044,689	9,177,840	410,347	9,588,187
Provision for compensation for service	3,878,941	398,088	4,277,029	3,757,609	319,742	4,077,351
	13,475,195	846,523	14,321,718	12,935,449	730,089	13,665,538

- The average number of employees engaged during the year was 88 (2023: 86).



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

15. SHARE CAPITAL

The share capital of the Company is Nfa104,676,540 sub-divided into 10,467,654 ordinary registered shares, the par value of each share being 10 Eritrean Nakfa.

16. LEGAL RESERVE

In accordance with Article 8 (1) (a) of the Memorandum of Association and the Transitional Commercial Code of the State of Eritrea, Article 454 (1); 5% of the net profit after tax is transferred to legal reserve until it amounts to 20% of the share capital.

17. TECHNICAL RESERVE

Transfer of 10% of net profit after tax is made to technical reserve each year in accordance with Article 8 (1) (b) of the Memorandum of Association.

18. SPECIAL RESERVE

Transfer of 5% of the net profit after tax is made to special reserve in accordance with Article 8 (1) (c) of the Memorandum of Association and General Assembly Resolution No.5/2010 to cater for any investment risk factor.

19. LIFE INSURANCE FUND

(a) The balance comprises:

Currency: Eritrean Nakfa

	31 December 2024	31 December 2023
Balance at 01 January 2024	45,348,408	42,347,367
Add: Current year's transfer	5,132,969	6,224,201
Less: Transfer to bonus payable	-	(323,160)
Transfer to accounts payable	-	(2,900,000)
Balance at 31 December 2024	50,481,377	45,348,408

(b) Actuarial valuation:

The latest actuarial valuation of the long-term life assurance business was carried out by Zamara Actuaries, Administrators and consultants Limited as at 31 December 2022.

20. OTHER INCOME

Currency: Eritrean Nakfa

	31 December 2024		31 December 2023	
	Non-life	Life	Non-life	Life
Survey fees	9,290	-	21,217	-
Cost recovery	3,069,570	-	3,378,989	-
Others	8,326	-	7,212	-
	3,087,186	-	3,407,418	-



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

21. MANAGEMENT EXPENSES

	31 December 2024		31 December 2023	
	Non-life	Life	Non-life	Life
Salaries and related benefits	5,217,947	450,393	5,526,811	344,329
Car running and maintenance	772,516	-	1,107,770	-
Advertisement and promotion	2,433,310	871,280	2,355,684	716,440
Printing and stationery	1,537,690	-	1,092,920	-
Light and water	194,987	-	59,274	-
Insurance	1,356,764	-	1,187,221	-
Travel and per-diem	493,257	19,342	565,055	180
Maintenance and supplies	356,323	-	231,573	-
Postage, telephone and fax	425,608	759	415,712	759
Representation	110,016	-	52,970	-
Entertainment	350,672	-	298,081	-
Legal, membership and consultation fees	570,335	7,500	588,376	105,000
Cleaning and sanitation	896,258	-	695,480	-
Medical	39,227	-	23,357	-
Tuition and training	13,730	-	14,035	-
Land and building taxes	56,316	-	56,316	-
Others	23,960	-	16,706	-
	14,848,916	1,349,274	14,287,341	1,166,708



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

22. COMMITMENTS

The Company has no capital expenditure commitments at 31 December 2024.

23. FINANCIAL RISK MANAGEMENT

(a) Reinsurance risk

The above risk is mitigated by reinsurance agreements to cover the high risk nature of insurance class of business such as mining and aviation industry. The management constantly strives to minimize its dependence in the reinsurance market without disproportionately exposing its assets. The motor class of business, whose risk is significantly retained within the Company, plays a major role in local loss minimization activities by sponsoring annual safety events to increase road safety awareness.

(b) Interest rate risk

- i) The Company's exposure to market risk due to changes in interest rates would primarily relate to long term borrowings where potential increases in interest rates would translate into higher interest expense exposure.
- ii) The Company has no long-term interest bearing obligations that would expose it to interest rate risk. However, on the loan extended to local financial institutions, the Company is exposed to interest rate risk in case of a change in interest rate by the Government. Nevertheless, there is no risk exposure to the loan due from its subsidiary as the loan attracts interest at fixed rates.

(c) Foreign currency risk

Foreign currency risk arises from translation of balances and transactions into local currency (Eritrean Nakfa), where such translation may affect the Company's profitability. The Company is exposed to the risk of foreign exchange losses arising from transactions or translation as it has revenues, expenses and balances denominated in foreign currencies.

(d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fully discharge its obligations under the terms of its agreement. To mitigate this risk, the Company's credit risk policy requires testing rigorously the financial worthiness of its credit customers and proper follow up of receivables is made to ensure their recoverability.





NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

24. SEGMENT INFORMATION

The Company is organized into two main business segments of short term and long term business operations. The performance of these two segments is reported separately under Non-Life and Life underwriting revenue accounts respectively, which are part of the financial statements.

- a) The Company's Non-Life Insurance business is organised into three broad business segments aligned to the revenue generation process. The results are summarised below:-

Non-Life Underwriting Revenue Account				Currency: Eritrean Nakfa
	Fire and Accident	Motor	Marine and Aviation	Total
INCOME				
Gross written premiums	149,776,385	134,128,808	39,709,081	323,614,274
Premiums ceded	112,609,355	852,414	36,417,485	149,879,254
Net written premiums	37,167,030	133,276,394	3,291,596	173,735,020
Changes in unearned premiums	434,930	772,937	(841,129)	366,738
Net earned premiums	36,732,100	132,503,457	4,132,725	173,368,282
Ceding commission	22,220,369	-	6,660,737	28,881,106
Profit commission	794,731	-	1,482,151	2,276,882
Technical income	59,747,200	132,503,457	12,275,613	204,526,270
OUTGO				
Gross claims paid	14,940,321	29,593,563	23,609	44,557,493
Claims ceded	7,806,197	-	-	7,806,197
Net claims paid	7,134,124	29,593,563	23,609	36,751,296
Changes in o/s claims	5,353,353	8,255,803	(57,024)	13,552,132
Net claims incurred	12,487,477	37,849,366	(33,415)	50,303,428
Changes in technical provision	15,190	639,192	(84,113)	570,269
Sales commission	174,111	509,641	-	683,752
Total technical outgo	12,676,778	38,998,199	(117,528)	51,557,449
Result before management expenses	47,070,422	93,505,258	12,392,141	152,968,821
Management expenses	6,872,432	6,154,448	1,822,036	14,848,916
Underwriting surplus	40,197,990	87,350,810	10,571,105	138,119,905
Percentage	29.10%	63.24%	7.66%	100%

- b) The majority of the Company's revenue is generated locally as stipulated here above from Motor and Fire and Accident.
- c) The management expenses indicated in Note 21 to the financial statements are prorated among the Fire and Accident, Motor and Marine and Aviation insurances in proportion to their respective gross written premium of each segment and their related branches.



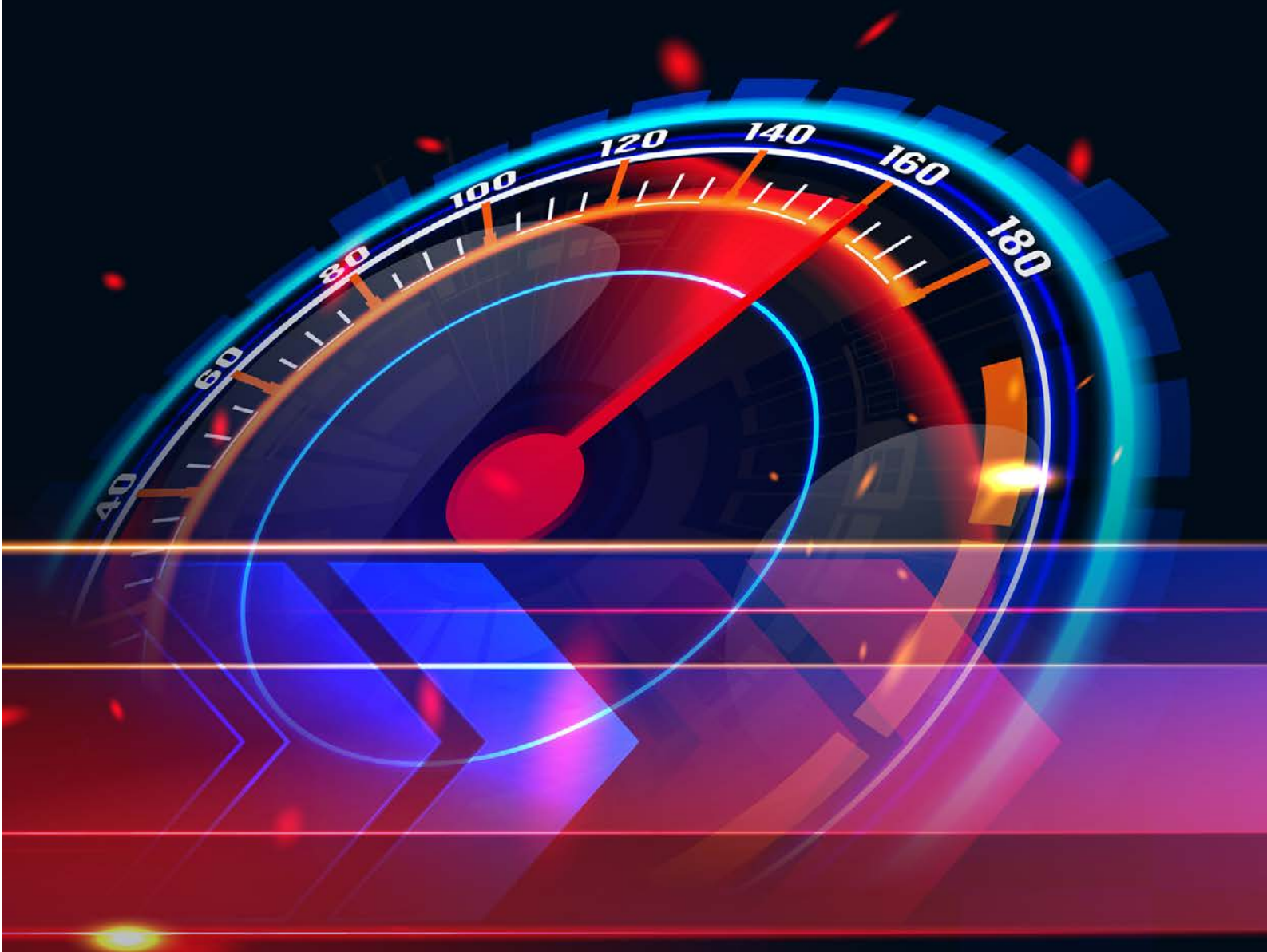
NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

25. SHAREHOLDINGS

The following is a list of shareholders at the year-end.

	2024
	Holdings
	%
Ministry of Finance	58.77
Martyrs' Trust Fund	30.02
Mahber Wenenti Mekayin White	4.33
Others	6.88
	100.00



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