



የኢትዮጵያ ባንክ ሰፊ ሪፖርት  
NATIONAL BANK OF ETHIOPIA  
ADDIS ABABA

**Licensing and Supervision of Microinsurance Business**  
**Licensing, License Renewal and Product Approval**  
**For Microinsurance Providers**  
**Directives No. SMIB/1/2015**

**Whereas**, microinsurance is increasingly seen as an important strategy to provide risk protection for vulnerable and low income people;

**Whereas**, the microinsurance market has grown considerably over the recent period and thus in order to further promote its development in sound and prudent manner, specific regulations are required to creating enabling conditions for licensing, license renewal and product approval;

**Whereas**, microinsurance operation should be adequately capitalized and run by fit and proper persons;

**Now, therefore**, the National Bank of Ethiopia has issued these directives pursuant to the authority vested in it by Article 4(1), 4(4), 58(2), of Insurance Business Proclamation No. 746/2012, and Article 3(2)(d) of Microfinance Institutions Proclamation No. 626/2009.

**1. Short Title**

These directives may be cited as “**Licensing, License Renewal and Product Approval for Microinsurance Providers Directives No. SMIB /1/2015**”.

**2. Definitions**

In these directives, unless the context requires otherwise:

- 2.1. “**chief executive officer**” means a person, by whatever title that person may be referred to, who is primarily responsible for the day-to-day management of the affairs of the microinsurance providers;
- 2.2. “**company**” means a share company as defined under the Commercial Code of Ethiopia, the capital of which is wholly owned by Ethiopian nationals or organizations wholly owned by Ethiopian nationals and registered under the laws of, and having its head office in, Ethiopia;
- 2.3. “**director**” refers to any member of the board of directors of the microinsurance provider, by whatever title he/she may be referred to;
- 2.4. “**influential shareholder**” means a person who holds directly or indirectly two percent or more of the total subscribed capital of an insurer;
- 2.5. “**insurer**” means a person that issues or agrees to issue an insurance policy or undertakes, or agrees to undertake the obligations of an insurance policy;



የኢትዮጵያ ብሔራዊ ባንክ  
**NATIONAL BANK OF ETHIOPIA**  
**Directives No. SIB/1/2015**

- 2.6. **“microinsurance”** means an insurance that fulfills requirements set under Sub-Articles 6.2 and 6.3 of these directives which is designed to address the particular risks and insurance needs of low income population,;
- 2.7. **“microinsurance business”** means an insurance business whereby the products and services meet the definition of “microinsurance” as well as specific restrictions and limitations as outlined in these directives;
- 2.8. **“microfinance institution”** means a company licensed under Proclamation No. 626/2009 to engage in microfinancing business;
- 2.9. **“microinsurance products”**
- 2.9.1. under life insurance include:
    - 2.9.1.1. term insurance for insured policyholder or member of the family,
    - 2.9.1.2. accidental death and/or disability of insured policyholder or family member,
    - 2.9.1.3. credit life,
    - 2.9.1.4. medical expense,
    - 2.9.1.5. investment linked,
    - 2.9.1.6. other categories of microinsurance as may be authorized by the National Bank; and
  - 2.9.2. under general insurance include:
    - 2.9.2.1. loss of or damage to property, including crops and livestock, on an indemnity basis only,
    - 2.9.2.2. credit linked coverage,
    - 2.9.2.3. saving linked coverage,
    - 2.9.2.4. weather index insurance,
    - 2.9.2.5. other categories of microinsurance as may be authorized by the National Bank.
- 2.10. **“microinsurance provider”** means insurers, including those exclusively dedicated to deal in microinsurance business and institutions;
- 2.11. **“National Bank”** means the National Bank of Ethiopia;
- 2.12. **“organizers”** means persons who have initiated plans or facilitated the formation of an insurer that exclusively deals in microinsurance products and who shall jointly and severally be liable to third parties in respect of commitments entered into during the formation process;
- 2.13. **“other credit-linked coverage”** means insurance coverage for assets that are linked directly to an outstanding loan, for example, property or agricultural inputs purchased as a result of obtaining a loan, where the benefit payable as a result of an insured loss is related to the amount of the outstanding loan. This category may include agricultural assets such as livestock if they are linked directly to the loan;



- 2.14. “**Person**” means any natural or juridical person;
- 2.15. “**persons with significant influence**” means influential shareholders, directors, chief executive officer and senior executive officers;
- 2.16. “**product approval**” means an authorization by the National Bank to allow the proposed product may be sold and marketed as microinsurance;
- 2.17. “**project manager**” means a person who shall be in charge of the whole process of obtaining business license of an insurer that is dedicated to deal in microinsurance products only;
- 2.18. “**senior executive officer**” means any officer of an insurer, by whatever title he may be referred to, who is deputy to the chief executive officer or who is directly accountable to the board of directors;

### 3. Scope of Application

These directives shall apply to all persons engaged in microinsurance business.

### 4. General Requirement

Not to confuse the public and to distinguish the microinsurance products from that of the main stream insurance products,

- 4.1. a company specialized in microinsurance services shall put the word “**MICROINSURER**” under its name in brackets; and
- 4.2. all microinsurance providers shall put the word “**MICROINSURANCE**” at the top and all pages of the microinsurance policy they offer.

### 5. Requirements to Conduct Microinsurance Business

#### 5.1. Insurers

- 5.1.1. Mainstream insurers shall not be required to have a separate license to deal in microinsurance products;
- 5.1.2. Without prejudice to Article 5.1.1 of these directives, in order to deal in microinsurance products, licensed insurers shall
- 5.1.2.1. have renewed insurance business license;
- 5.1.2.2. achieve composite risk assessment rating of at least 3 (CRA-3) in the recent on-site examination;
- 5.1.2.3. seek microinsurance products approval from the National Bank in accordance with Sub-Article 6.4 of these directives prior to the commencement of operation;
- 5.1.2.4. establish a separate unit that exclusively runs and manages the microinsurance operations.



**5.2. Dealing with Microinsurance Exclusively**

An insurer may be established to exclusively deal in microinsurance products. Under such circumstance, an insurer shall fulfill the following conditions:

**5.2.1. General**

- 5.2.1.1. Persons with significant influence shall meet all requirements and considerations set in these directives;
- 5.2.1.2. Appointment of directors, chief executive officer shall be subject to approval by the National Bank;
- 5.2.1.3. In appointing a chief executive officer, the board of directors shall ensure that such person fulfills the requirements stipulated in these directives;
- 5.2.1.4. Any shareholding that makes a person influential shareholder shall be approved by the National Bank.

**5.2.2. Capital**

An applicant for a new insurance company license that exclusively plans to deal in microinsurance products shall have paid up capital of Birr 7million and Birr 3million for general microinsurance products and life microinsurance products respectively and Birr 10million to run both products.

**5.2.3. Organizers and Project Manager**

- 5.2.3.1. Organizers shall appoint a project manager.
- 5.2.3.2. The microinsurance project manager shall have:
  - a) first degree from recognized higher learning institution, and
  - b) business experience preferably in designing insurance and/or reinsurance project.
- 5.2.3.3. The project manager and the organizers shall be honest, reputable and diligent. In determining integrity of the organizers and project manager, all relevant factors shall be considered, including but not limited to:
  - a) whether the person has a record or evidence of previous conduct and activities where he/she has been convicted for a criminal offence under any law designed to protect members of the public from dishonesty or fraud whether in Ethiopia or elsewhere;
  - b) whether the person has a record of withholding information from public authorities, submission of incorrect financial or other statements, prior refusal



of regulatory/supervisory approval and failure to comply with requirements of regulatory/supervisory body, other corrective actions or interventions by public authorities; and

- c) whether the person has a record of disciplinary measures or any dispute with previous employers, or compliance with a code of conduct which has led to the imposition of a penalty under employment law or any other disciplinary measures imposed by trade or professional associations.

**5.2.4. Pre-application Phase**

- 5.2.4.1.** Evidence of registration of trade name from Ministry of Trade and/or Regional Trade Bureau;
- 5.2.4.2.** Signed minutes of first meeting of organizers along with attendance sheet;
- 5.2.4.3.** Submission of prospectus, which is a printed statement that describes and forecasts the course or nature of the company along with expected risks, to be distributed to prospective investors;
- 5.2.4.4.** Written application requesting to open blocked subscription account indicating the name of the bank(s)/branch(es);
- 5.2.4.5.** Duly completed application form and propriety test questionnaire, as specified under Attachments I, II and III of these directives, for organizers and project manager;
- 5.2.4.6.** Evidence of payment of investigation fee.

**5.2.5. Application Phase**

- 5.2.5.1.** Duly completed application form, as specified under **Attachment IV** of these directives, shall be submitted, together with all enclosures as stated herein, to the Insurance Supervision Directorate of the National Bank;
- 5.2.5.2.** Evidence of paid-up capital which includes certificate of deposits in a blocked account and evidence for valuation of contribution in kind (if any);
- 5.2.5.3.** Signed minutes of subscribers meeting with attendance sheet;



**የኢትዮጵያ ብሔራዊ ባንክ**  
**NATIONAL BANK OF ETHIOPIA**  
**Directives No. SIB/1/2015**

- 5.2.5.4.** List of names, nationality, address, number and value of subscribed and paid up shares of founders to be published in newspaper;
- 5.2.5.5.** Articles and memorandum of associations written in Amharic;
- 5.2.5.6.** Authenticated ownership certificate and/or lease agreement for building, land, equipment, fixtures and professional services;
- 5.2.5.7.** Evidence for insurance coverage for premises acquired or leased;
- 5.2.5.8.** Description of actual purchases made or proposed purchase of goods and services or lease of real estate by the microinsurance provider from related parties, organizers and project manager;
- 5.2.5.9.** Duly completed general information and propriety test questionnaires for influential shareholders, directors and chief executive officer as per ANNEXES I and II of these directives;
- 5.2.5.10.** Disclosure of names, nationality, address, numbers and values of subscribed capital of influential shareholders who have acquired 2% or more;
- 5.2.5.11.** Business plan stating at least the following:
- a) executive summary,
  - b) introduction,
  - c) macroeconomic analysis,
  - d) financial sector analysis,
  - e) insurance sector analysis,
  - f) business environments,
  - g) organization charts of the institution with brief description of the functions of the main organizational units,
  - h) strategic and operational plans,
  - i) source of capital and finances,
  - j) products and services, which shall at least fulfill the specification stipulated under Article 6 of these directives,
  - k) technological competency,
  - l) accounting policies,
  - m) assumptions for financial projections,



የኢትዮጵያ ብሔራዊ ባንክ  
**NATIONAL BANK OF ETHIOPIA**  
**Directives No. SIB/1/2015**

- n) financial projections for the first three years including revenue account, balance sheet, income statement, cash flow projections and sensitivity analysis, and
- o) conclusion /recommendation;

- 5.2.5.12. Specimen insurance policy together with endorsement and proposal forms for each class of insurance business to be undertaken by the microinsurance providers;
- 5.2.5.13. Schedule of premium and commission rates for each class of insurance business that the applicant proposes to undertake;
- 5.2.5.14. Reinsurance policy and program;
- 5.2.5.15. Confirmation for reinsurance arrangement;
- 5.2.5.16. Evidence for payment of licensing fee.

**5.2.6. Fit and Proper Criteria**

**5.2.6.1. Knowledge, Experience and Age**

With respect to knowledge, experience and age, directors and a chief executive officer shall fulfill at a minimum, the following:

**a) Board of Directors**

- i. At least fifty percent of microinsurance provider board members shall hold a minimum of first degree or equivalent from recognized higher learning institutions; and the remaining board members, at a minimum, shall complete general secondary or preparatory school or its equivalent.
- ii. Members of the board of directors shall have adequate experience in business management, preferably in insurance or reinsurance business, and/or should at a minimum take adequate training in insurance, reinsurance and insurance risk management after holding a seat on the board;
- iii. A director shall be at least 30 years old.



**b) Chief Executive Officer**

A chief executive officer shall:

- i. at a minimum hold first degree from recognized higher learning institution and preferably have diploma or advanced diploma in insurance from the Chartered Insurance Institute(CII) and/or life Office Management Association(LOMA);
- ii. have a minimum of 5years' experience in insurance of which 2 years shall be as a Senior Executive Officer at least in one of the areas of underwriting, claims, reinsurance, finance, or insurance risk management;

**5.2.6.2. Integrity**

Persons with significant influence shall be honest, reputable and diligent. In determining integrity of persons with significant influence, all relevant factors shall be considered, including but not limited to:

- a) whether the person has a record or evidence of previous conduct and activities where he/she/it has been convicted for a criminal offense under any law promulgated to protect members of the public from dishonesty or fraud whether in Ethiopia or elsewhere;
- b) whether the person has a record of withholding information from public authorities, submission of incorrect financial or other statements, prior refusal of regulatory/supervisory approval and failure to comply with requirements of regulatory/supervisory body, other corrective actions or interventions by public authority; and
- c) in case of chief executive officer, whether the person has a record of disciplinary measures or any dispute with previous employers or compliance with a code of conduct which has led to the imposition of a penalty under employment law or any other disciplinary measures imposed by trade or professional associations.

**5.2.6.3. Financial Soundness**

Persons with significant influence shall be financially sound. In determining financial soundness of persons with significant influence, all relevant factors shall be considered, including but not limited to:



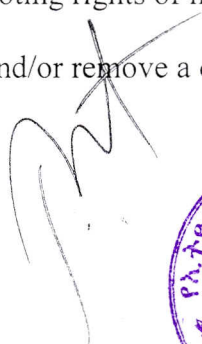
- a) whether he/she or the legal person in which he/she is a director or chief executive officer or senior executive officer or owner has instituted bankruptcy proceedings or declared bankrupt, whether in Ethiopia or elsewhere, or his/her or the company's assets have been sequestered because of bankruptcy or been foreclosed by a bank because of failure to repay a loan;
- b) whether he/she or the legal person in which he/she is a director or chief executive officer or senior executive officer or owner has been convicted of default on repayments of bank or other credits or tax payment;
- c) whether he/she or the legal person in which he/she is a director or chief executive officer or senior executive officer or owner carries non-performing loans, as defined by directives of the National Bank, from any financial institution;
- d) whether the person's purchase of shares in a financial institution has been funded or to be funded by another person who is actually bankrupted or technically insolvent because of irresponsible or reckless management, fraud or illegal business practice;
- e) whether the person's minimum net worth at the time of acquisition of shares is at least greater than shares acquired or to be acquired from a financial institution; and
- f) whether a person's account has been closed and not reinstated by any bank, in line with relevant directives of the National Bank, because of drawing checks without sufficient funds.

**5.2.7. Ongoing Fitness and Propriety Test, and Action by the National Bank**

The National Bank may conduct fitness and propriety test on persons with significant influence on a microinsurance provider on ongoing basis. Where such a test indicates that a person with significant influence has failed to fulfill the fitness and propriety test as set out in these directives, the National Bank may:

5.2.7.1. suspend voting rights of influential shareholder;

5.2.7.2. suspend and/or remove a director and chief executive officer.



**5.2.8. Subsequent Notification Requirements**

**5.2.8.1.** Persons with significant influence are required to immediately notify the National Bank any events that might change their assessment as fit and proper.

**5.2.8.2.** If board of directors, chief executive officer or external auditors of a microinsurance provider, during the course of performing their duties, have reasonable doubt that a person with significant influence has failed to fulfill the criteria in these directives, they shall immediately report the matter to the National Bank.

**5.2.9. Documents to be Submitted on Application**

Written request shall be submitted to the National Bank along with the following documents in order to conduct fitness and propriety test.

**5.2.9.1.** For directors and chief executive officer:

- a) an updated and signed curriculum vitae (including name, nationality, birth date, education, recent photograph, employment history, experience in business and financial affairs, involvement in civic, social and charitable activities including any leadership position held) accompanied with original and copies of documents signifying educational qualification and work experience; and
- b) copies of identification card and /or passport.

**5.2.9.2.** For all persons with significant influence:

- a) completed and signed fitness and propriety test questionnaire which is part hereof;
- b) copy of tax identification number card; and any other document that the National Bank deems necessary.

**5.2.9.3.** In case a director is representing a corporate body who is an influential shareholder, the following documents shall be submitted:

- a) copy of the Company's memorandum and articles of association;
- b) copies of audited statements of the legal entity concerned, for three consecutive years (immediately preceding its application) or for each year it has been in operation, if less than three years; and



**የኢትዮጵያ ብሔራዊ ባንክ**  
**NATIONAL BANK OF ETHIOPIA**  
**Directives No. SIB/1/2015**

- c) any other documents the National Bank deems necessary.

**5.2.10. Conditions for Commencement of Operation**

To commence operation, a licensed microinsurance provider shall:

**5.2.10.1.** put in place at a minimum comprehensive policies, procedure manuals, programs and guidelines for:

- a) human resource management,
- b) investment,
- c) liquidity management,
- d) internal audit/control,
- e) management information system/MIS,
- f) planning and budgeting,
- g) finance,
- h) risk management,
- i) fixed assets,
- j) corporate governance,
- k) detection and prevention of criminal activities,
- l) outsourcing,
- m) marketing,
- n) underwriting,
- o) claims,
- p) fraud monitoring,
- q) reinsurance, and
- r) procurement;

**5.2.10.2.** hire, train and place adequate and appropriate staff;

**5.2.10.3.** ensure that operating areas include:

- a) proper ventilation and circulation of fresh air,
- b) suitable and clean sanitary service,
- c) sufficient and suitable lighting,
- d) displays of working hours,
- e) fire extinguishers at appropriate places,

**5.2.10.4.** have insurance policy for the following at a minimum:

- a) fire and other perils,
- b) burglary and theft,
- c) fidelity, and
- d) cash and valuables in premise and in transit.

**5.2.11. Display of License**

A licensed microinsurance provider shall at all times display in a conspicuous place its valid original business license in its head office and copy of the business license in its branches.



**5.2.12. Period of Limitation for Acting Officers**

A person shall not assume a chief executive officer position on acting basis for more than six months.

**5.3. Microfinance Institutions**

**5.3.1.** A microfinance institution may carry on credit life insurance without obtaining authorization from the National Bank;

**5.3.2.** In order to engage in microinsurance business other than credit life, a microfinance institution shall

**5.3.2.1.** establish a separate unit, that runs and manages the microinsurance operations. The unit manager shall:

- a) at a minimum hold first degree from recognized higher learning institution and preferably have diploma or advanced diploma in insurance from the Chartered Insurance Institute(CII) and/or life Office Management Association(LOMA);
- b) have a minimum of 5years' experience in insurance at a minimum in one of the areas of underwriting, claims, reinsurance, finance, or insurance risk management;

**5.3.2.2.** seek product approval from the National Bank in accordance with Article 6.4 of these directives;

**5.3.2.3.** have a renewed microfinance business license;

**5.3.2.4.** achieve capital adequacy, asset quality, management, earning and liquidity(CAMEL) rating of at least 3 in the recent on-site examination; and

**5.3.2.5.** submit the microinsurance product(s) currently provided to clients, if any.

**5.3.3. Capital**

If a microfinance institution plans to provide:

**5.3.3.1.** credit life microinsurance products to its own loan clients, it shall not be required to inject additional capital;

**5.3.3.2.** life microinsurance products, it shall set aside or inject additional paid up capital of Birr 3million over and above the minimum paid up capital required for a microfinance institution;



**የኢትዮጵያ ብሔራዊ ባንክ**  
**NATIONAL BANK OF ETHIOPIA**  
**Directives No. SIB/1/2015**

- 5.3.3.3.** general microinsurance products, it shall set aside or inject additional paid up capital of Birr 7million over and above the minimum paid up capital required for a microfinance institution;
- 5.3.3.4.** both life microinsurance products and general microinsurance products, it shall set aside or inject additional paid up capital of Birr 10million over and above the minimum paid up capital required for a microfinance institution.

**6. Microinsurance Product Features**

**6.1. Permitted Microinsurance Products**

Microinsurance providers may offer all microinsurance products including weather index insurance. However, the latter shall always be subject to prior reinsurance treaty arrangement.

**6.2. Sum Insured**

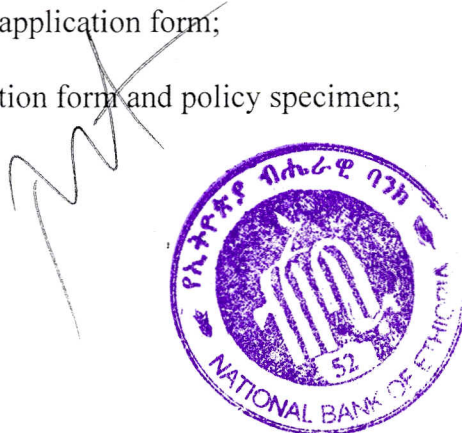
- 6.2.1.** The maximum sum insured per risk for microinsurance products shall not exceed 1% of the paid up capital of the insurer;
- 6.2.2.** The maximum sum insured, for a group under a single policy for a risk shall not exceed 1% of the paid up capital of the insurer per person multiplied by the number of insureds in the group.
- 6.2.3.** Without prejudice to Sub-Article 6.2.1 of this Article, the sum insured for credit life microinsurance products shall run up to the outstanding loan amount;

**6.3. Policy Duration**

- 6.3.1.** Policy duration for all microinsurance products shall not exceed 12 months;
- 6.3.2.** Without prejudice to Sub-Article 6.3.1 of these directives, policy duration for life and credit life microinsurance products may extend up to the terms of life policy and loan repayment.

**6.4. Documents Required for Product Approval**

- 6.4.1.** Endorsement from the Company's Board to issue the proposed product;
- 6.4.2.** Background note on the product;
- 6.4.3.** Duly completed application form;
- 6.4.4.** Proposal/application form and policy specimen;



- 6.4.5. Documentation describing the calculation of the premium rate (premium rate chart) and an explanation as to how the expected claims ratio used for premium calculation provides appropriate client value for a microinsurance product;
- 6.4.6. An outline of the planned distribution approach, including the use of microinsurance agents, as well as insurance agents and brokers and/or other channels;
- 6.4.7. A summary of the commissions and fees to be paid to each category of intermediaries for each microinsurance product;

**6.5. Registration of Microinsurance Pilots**

Any pilot program on microinsurance product(s) shall be

- 6.5.1. carried out by an authorized microinsurance provider; and
- 6.5.2. registered and approved by the National Bank.

**7. Transition Requirements**

- 7.1. A microfinance institution providing microinsurance services other than credit life on the effective date of these directives shall apply for and receive the appropriate product approval within 12 months of the effective date of these directives;
- 7.2. If a microfinance institutions fails to comply with the provision of Sub-Article 7.1 of these directives,
  - 7.2.1. it shall stop selling the microinsurance product automatically, and
  - 7.2.2. it shall formally transfer its insurance portfolio to an authorized microinsurance provider within 3 months after the failure is reported. The deed of transfer shall be approved by the National Bank and disclosed to the public, by the transferor, in a widely circulating newspaper once in a week and at least three times.

**8. License Renewal**

- 8.1. A company established in line with Sub-Article 5.2 of these directives shall renew its license before 30 calendar days of the expiry date of the license.
- 8.2. Application requesting renewal shall be delivered to the National Bank together with renewal fees before 30 calendar days of the expiry date of the license.

**9. Fees**

An insurer fully dedicated to deal in microinsurance products shall pay:

- 9.1. investigation fee of Birr 750,



የኢትዮጵያ ብሔራዊ ባንክ  
**NATIONAL BANK OF ETHIOPIA**  
**Directives No. SIB/1/2015**

9.2. licensing fee of Birr 750, and

9.3. renewal fee of Birr 750.

**10. Penalty**

Failure to comply with the provisions of these directives and other directives on microinsurance shall render penalty fee of Birr 5,000.

**11. Effective Date**

These directives shall enter into force as of 15<sup>th</sup> day of February 2015.

  
**TEKLEWOLD ATNAFU**  
GOVERNOR



**Attachment I**

የኢትዮጵያ ብሔራዊ ባንክ  
**NATIONAL BANK OF ETHIOPIA**  
**Directives No. SIB/1/2015**

**Application Form for Organizers**  
**General Information**

*Photo of  
organizing  
committee's  
chairperson*

No.	Full <sup>1</sup> name	Nationality	Address				
			City	Sub-city	Wereda	House No.	Tel.
1							
2							
3							



1. Proposed name of the insurer (under formation) \_\_\_\_\_
2. Name of organizing committee's chairperson \_\_\_\_\_
  - 2.1 Address \_\_\_\_\_
3. I hereby confirm that the above particulars and the information provided in the attached enclosure are true and correct.

Date \_\_\_\_\_ Signature of organizing committee's chairperson \_\_\_\_\_

<sup>1</sup> Including grand father

**Attachment II**

የኢትዮጵያ ብሔራዊ ባንክ  
**NATIONAL BANK OF ETHIOPIA**  
**Directives No. SIB/1/2015**

**Application Form for Project Manager**  
**General Information**

*Photo*



Full <sup>1</sup> name	Nationality	Address				
		City	Sub-city	Wereda	House No.	Tel.

1. Proposed name of the insurer (under formation) \_\_\_\_\_
2. Present position of the project manager \_\_\_\_\_
3. I hereby confirm that the above particulars and the information provided in the attached enclosure are true and correct.

Date \_\_\_\_\_

Signature \_\_\_\_\_

<sup>1</sup> Including grand father

የኢትዮጵያ ብሔራዊ ባንክ  
NATIONAL BANK OF ETHIOPIA  
Directives No. SIB/1/2015

Attachment III: PROPRIETY TEST QUESTIONNAIRE (Organizer, project manager-underline)

Please give yes or no answers for the following questions and if your answer is "yes" please give particulars.

Full Name: -----  
(Organizer, project manager - Underline)

Name of insurer: -----

	Yes	No
1. Have you been charged or convicted of any criminal offence, particularly an offence relating to dishonesty or fraud, under any law whether in Ethiopia or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please give particulars _____		
_____		
2. Have you ever been imposed with corrective actions or interventions by public authority due to withholding information or submission of incorrect financial or other statements?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please give particulars _____		
_____		
3. Have you ever been refused approval by any regulatory/supervisory body or failed to comply with requirements of regulatory/supervisory body?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please give particulars _____		
_____		
4. Have you ever been in dispute with previous employers' concerning fulfillment of position or compliance with a code of conduct which has led to the imposition of a penalty under employment law or ever been dismissed or requested to resign from any office of employment or disciplinary measures imposed by trade or professional associations?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please give particulars _____		
_____		
5. Have you ever been refused, whether in Ethiopia or elsewhere, the right to carry on any trade, business or profession for which a special license, registration or other authority is required?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please give particulars _____		
_____		
6. Have you ever been declared bankrupt whether in Ethiopia or elsewhere or have your assets been sequestrated because of bankruptcy or foreclosed by a bank due to failure to repay a loan?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please give particulars _____		
_____		



የኢትዮጵያ ብሔራዊ ባንክ  
**NATIONAL BANK OF ETHIOPIA**  
**Directives No. SIB/1/2015**

7. Have you ever been convicted of default on repayment of bank or other credits or tax payment?

☐☐

If yes, please give particulars \_\_\_\_\_

\_\_\_\_\_

8. Have you ever been carrying non-performing loans or your account been closed and not reinstated by any bank in line with relevant directives of the National Bank?

☐☐

If yes, please give particulars \_\_\_\_\_

\_\_\_\_\_

**Declaration**

I am aware that under sub-article 6(b) of Article 57 of Insurance Business Proclamation No. 746/2012, it is an offense to provide false or misleading statement.

I certify that the information and/ or statements given above are complete and accurate to the best of my knowledge, and that there are no other facts relevant to this application of which the National Bank would be aware. I also undertake to inform the National Bank of any changes material to the application.

Name \_\_\_\_\_

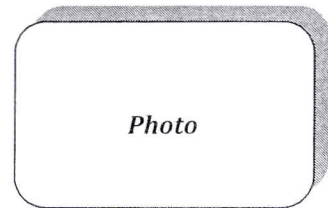
Signature \_\_\_\_\_

Date \_\_\_\_\_



የኢትዮጵያ ብሔራዊ ባንክ  
NATIONAL BANK OF ETHIOPIA  
Directives No. SIB/1/2015

Attachment IV



APPLICATION FORM TO UNDERTAKE INSURANCE BUSINESS

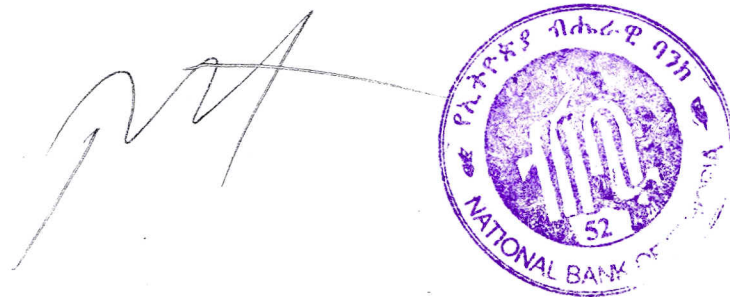
1. Name of applicant and designation \_\_\_\_\_
2. Name of the insurer (under formation) \_\_\_\_\_
3. Name of the contact person \_\_\_\_\_  
Address: \_\_\_\_\_
4. Address of the insurer (under formation)
  - Street (location): \_\_\_\_\_
  - Building: \_\_\_\_\_
  - Postal address: \_\_\_\_\_
  - Telephone no.: \_\_\_\_\_
  - Fax: \_\_\_\_\_
  - E-mail \_\_\_\_\_



የኢትዮጵያ ባንክ ሰነድ ባንክ  
**NATIONAL BANK OF ETHIOPIA**  
Directives No. SIB/1/2015

**5. List of shareholders who own 2% or more**

No.	Full name <sup>1</sup>	Nationality	City	Sub-city	Wereda	House No.	Tel.	Subscribed capital			Paid up capital	
								Number of shares	Amount in birr	% of Subscribed Shares	Number of shares	Amount in birr
1												
2												
Grand Total												



**Note:** List of subscribers to be annexed to the Memorandum and Articles of Association should follow the same format

<sup>1</sup> Including grandfather

የኢትዮጵያ ብሔራዊ ባንክ  
NATIONAL BANK OF ETHIOPIA  
Directives No. SIB/1/2015

**6. Names, Address and Shareholdings of Board Members**

No.	Full name <sup>2</sup>	Nationality	City	Sub-city	Wereda	House No.	Tel.	Subscribed capital		Paid up Capital	
								Number of shares	Amount in birr	Number of shares	Amount in birr
1											
2											
.											
.											
.											
Grand Total											



The image shows a handwritten signature in black ink to the left of a circular official stamp. The stamp is purple and contains the text 'የኢትዮጵያ ብሔራዊ ባንክ' (National Bank of Ethiopia) in Amharic and 'NATIONAL BANK OF ETHIOPIA' in English. In the center of the stamp is a stylized '100' and the year '52' at the bottom.

<sup>2</sup> Including grandfather

የኢትዮጵያ ብሔራዊ ባንክ  
NATIONAL BANK OF ETHIOPIA  
Directives No. SIB/1/2015

7. Products and services of the insurer

7.1 Identify the main class or classes of Insurance to be undertaken.

Long term

☐

General

☐

7.2 If general insurance business is to be undertaken, identify the class or classes:

7.2.1

\_\_\_\_\_

7.2.2

\_\_\_\_\_

7.2.3

\_\_\_\_\_

7.2.4

\_\_\_\_\_

7.2.5

\_\_\_\_\_

7.2.6

\_\_\_\_\_

7.2.7

\_\_\_\_\_

7.2.8

\_\_\_\_\_

7.2.9

\_\_\_\_\_

7.2.10

\_\_\_\_\_

8. Paid-up capital contribution

8.1 In cash \_\_\_\_\_

8.2 In kind (specify the type of property and value in birr and the manner of valuation, if any) \_\_\_\_\_

9. Initial capital of the insurer (under formation) in birr \_\_\_\_\_

9.1 Subscribed capital birr \_\_\_\_\_. ( \_\_\_\_\_ birr)

9.2 Paid-up capital birr \_\_\_\_\_. ( \_\_\_\_\_ birr)

10. Shares

10.1 Number of shares subscribed \_\_\_\_\_

10.2 Par value of the share in birr \_\_\_\_\_



የኢትዮጵያ ብሔራዊ ባንክ  
NATIONAL BANK OF ETHIOPIA  
Directives No. SIB/1/2015

11. Provide the following with respect to:

11.1 In cash \_\_\_\_\_

Item	Manner of acquisition <sup>3</sup>	Cost
a. Building		
b. Land		
c. Vault		
d. Equipment		
e. Fixture		
f. Professional services		
Total		

11.2 Indicate if any of items herein above is acquired from related parties.

\_\_\_\_\_  
\_\_\_\_\_

12. Types and extent of proposed insurance coverage \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

13. Name and address of reinsurer (if applicable) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

14. Name and address of actuary \_\_\_\_\_

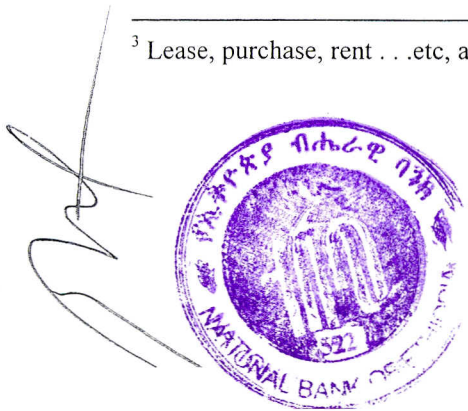
\_\_\_\_\_  
\_\_\_\_\_

15. Please give statement that members of board of directors, chief executive officer, senior executive officers and influential shareholders are vetted to fulfill the requirements stated in Article 4 (1h), Article 15(1) and Article 16 of Insurance Business Proclamation No. 746/2012, and Requirements for Persons with Significant Influence in an insurer Directives SIB/32/2012.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

16. Any additional comments:

<sup>3</sup> Lease, purchase, rent . . . etc, and attach agreements as per the manner of acquisition



የኢትዮጵያ ብሔራዊ ባንክ  
NATIONAL BANK OF ETHIOPIA  
Directives No. SIB/1/2015

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

17. I hereby confirm that the foregoing statements, particulars, enclosures, and information are true and correct to the best of my knowledge.

Date \_\_\_\_\_ Signature \_\_\_\_\_

\_\_\_\_\_  
Name and official designation of the applicant



**የኢትዮጵያ ብሔራዊ ባንክ**  
**NATIONAL BANK OF ETHIOPIA**  
**Directives No. SIB/1/2015**

**CONFIDENTIAL**

**ANNEX I: GENERAL INFORMATION** (Influential shareholder, director, chief executive officer or senior executive officer - Underline)

NB: In case the space provided is inadequate, use additional paper.

1. Name of insurer:-----
2. Personal information
  - a. Full Name:-----
  - b. Date of birth: -----
  - c. Place of Birth: -----
  - d. Nationality: -----
  - e. Identification Card Number and Date of Issue:-----
  - f. Passport Number and Date of Issue:-----
  - g. Tax Payer Identification Number:-----
  - h. Address: City:----- Sub-City:-----Kebele:-----House No.:-----Postal Address: -----Telephone No.:-----
  - i. Educational Qualification:-----
  - j. Summary of Work Experience:

No.	Organization	Position	Duration	Number of years

- k. Name(s) of Your Bankers for the Last 5 Years:-----
3. Please list financial institutions in which you currently (as of completing this form) own shares in the following table.

Name of financial institution	Subscribed shares owned		Remarks
	In number	Share in the financial institution's from the total subscribed capital (%)	

4. Description of your past and current business activities in Ethiopia and abroad (if applicable)
  - a) Current shareholding or ownership in non-financial companies

Company name	Date of incorporation	Amount of shareholding	% of shareholding (in total shares of the company)	Remark



**የኢትዮጵያ ብሔራዊ ባንክ**  
**NATIONAL BANK OF ETHIOPIA**  
**Directives No. SIB/1/2015**

- b) Past shareholding or ownership in a company (shares you owned in the past but had been relinquished) including financial institutions

Company name	Date of incorporation	Amount of shareholding	% of shareholding (in total shares of the company)	Reason for termination of shareholding	Remark

- c) Borrowings (directly or indirectly)

Name of borrower*	Name of lending institution	Type of facility /loan	Amount borrowed	Date of approval	Security offered (type)	Value of security	Current outstanding Balance	Status of the loan (pass, s. mention, doubtful ...)	Remark

\*Including all companies 10% or more owned by the applicant, the applicant's spouse and children less than 18 years.

5. If legal person (for influential shareholders), please complete the following table for the recent three financial years (Please also attach audited financial statements)

Year	Assets	Liabilities	Net worth	Remarks

6. If you are new shareholder to the insurer or existing shareholder planning to increase your shareholding above what you currently own, please provide details of the actual source(s) of funds that you, as a shareholder, would like to invest or use in the acquisition of the shares in the insurer.

-----  
 -----  
 -----



የኢትዮጵያ ብሔራዊ ባንክ  
NATIONAL BANK OF ETHIOPIA  
Directives No. SIB/1/2015

ANNEX II: PROPRIETY TEST QUESTIONNAIRE (Influential shareholder, director, chief executive officer or senior executive officer – underline)

Please give yes or no answers for the following questions and if your answer is "yes" please give particulars.

Full Name: .....  
(Influential shareholder, director, chief executive officer or senior executive officer - Underline)

Name insurer: .....

		Yes	No
1.	Have you or the legal person in which you were a director, chief executive officer or senior executive officer or owner been charged or convicted of any criminal offence, particularly an offence relating to dishonesty, fraud, under any law whether in Ethiopia or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
	If yes, please give particulars_____		
	_____		
2.	Have you or the legal person in which you were a director, chief executive officer or senior executive officer or owner ever been imposed with corrective actions or interventions by public authority due to withholding information or submission of incorrect financial or other statements?	<input type="checkbox"/>	<input type="checkbox"/>
	If yes, please give particulars_____		
	_____		
3.	Have you or the legal person in which you were a director, chief executive officer or senior executive officer or owner been refused approval by any regulatory/ supervisory body or failed to comply with requirements of regulatory/supervisory body?	<input type="checkbox"/>	<input type="checkbox"/>
	If yes, please give particulars_____		
	_____		
4.	Have you ever been in dispute with previous employers' concerning fulfillment of position or compliance with a code of conduct which has led to the imposition of a penalty under employment law or ever been dismissed or requested to resign from any office of employment or disciplinary measures imposed by trade or professional associations?	<input type="checkbox"/>	<input type="checkbox"/>
	If yes, please give particulars_____		
	_____		
5.	Have you ever been refused, whether in Ethiopia or elsewhere, the right to carry on any trade, business or profession for which a special license, registration or other authority is required?	<input type="checkbox"/>	<input type="checkbox"/>
	If yes, please give particulars_____		
	_____		





**የኢትዮጵያ ብሔራዊ ባንክ**  
**NATIONAL BANK OF ETHIOPIA**  
**Directives No. SIB/1/2015**

- |       |   |                          |                          |
|-------|---|--------------------------|--------------------------|
| 6.    | Have you or the legal person in which you were a director, chief executive officer or senior executive officer or owner been declared bankrupt whether in Ethiopia or elsewhere or have your assets been sequestrated because of bankruptcy or foreclosed by a bank and/or micro financing institutions due to failure to repay a loan? | <input type="checkbox"/> | <input type="checkbox"/> |
|       | If yes, please give particulars _____   |                          |                          |
| <hr/> |   |                          |                          |
| 7.    | Have you or the legal person in which you were a director, chief executive officer or senior executive officer or owner been convicted of default on repayment of bank or other credits or tax payment?   | <input type="checkbox"/> | <input type="checkbox"/> |
|       | If yes, please give particulars _____   |                          |                          |
| <hr/> |   |                          |                          |
| 8.    | Have you or the legal person in which you were a director, chief executive officer or senior executive officer or owner been carrying non-performing loans or account been closed and not reinstated by any bank in line with relevant directives of the National Bank?   | <input type="checkbox"/> | <input type="checkbox"/> |
|       | If yes, please give particulars _____   |                          |                          |
| <hr/> |   |                          |                          |
| 9.    | Has your purchase of shares in a financial institution been funded or to be funded by another person or legal entity who is actually bankrupted or technically insolvent because of irresponsible or reckless management, fraud or illegal business practice?   | <input type="checkbox"/> | <input type="checkbox"/> |
|       | If yes, please give particulars _____   |                          |                          |
| <hr/> |   |                          |                          |
| 10.   | Has your minimum net worth at the time of acquisition of shares at least greater than the shares acquired or to be acquired from a financial institution?   | <input type="checkbox"/> | <input type="checkbox"/> |
|       | If yes, please give particulars _____   |                          |                          |
| <hr/> |   |                          |                          |
| 11.   | Are you currently member of board of directors or chief executive officer in any of the financial institutions?   | <input type="checkbox"/> | <input type="checkbox"/> |
|       | If yes, please give particulars _____   |                          |                          |
| <hr/> |   |                          |                          |

**Declaration**

I am aware that under sub-article 6(b) of Article 57 of Insurance Business Proclamation No. 746/2012, it is an offense to provide false or misleading statement.

I certify that the information and/ or statements given above are complete and accurate to the best of my knowledge, and that there are no other facts relevant to this application of which the National Bank should be aware. I also undertake to inform the National Bank of any changes material to the application.

Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_