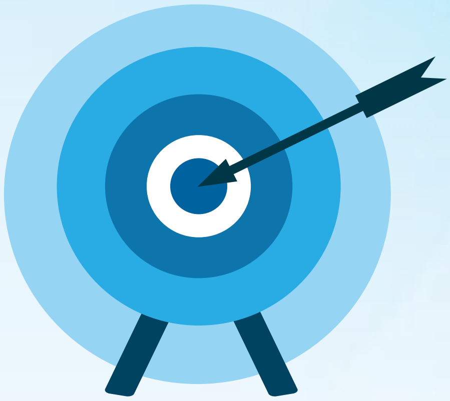
TANZANIA
REINSURANCE
COMPANY LTD

2024
ANNUAL REPORT

TAN-RE

REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024



COMPANY VISION

To be among the most profitable Reinsurance Companies in Africa.

MISSION

To provide sustainable reinsurance capacity and security in our markets through the use of dedicated staff and modern technology in the best interest of our customers, shareholders and other stakeholders.

CORE VALUES

01 PROFESSIONALISM

TAN-RE will strive to attain the highest standards in all that we do.

02 INTEGRITY

TAN-RE will strive to attain the highest standards in everything, deliver on promises and adhere to moral and ethical principles.

03 CUSTOMER FOCUS

TAN-RE will orient itself toward serving its clients' needs. TAN-RE will ensure that all aspects of the company put the customer's satisfaction first.

CONTENTS

BOARD OF DIRECTORS

Mr. Wilson Ndesanjo
Chairman of the Board of Director

Mr. Ndesanjo is the Chairman of TAN-RE Board, he is also the Chairman of Corporate Insurance Brokers Limited, and an Executive Director of Roldo Limited Insurance Group of Tanzania Limited.

Mr. Ndesanjo brings to TAN-RE a wealth of expertise, providing high-level leadership to the company's Board, Executives and Employees, leading the Company's strategic direction, overseeing the business and setting high governance standards. He plays a pivotal role in fostering the effectiveness of the Board.

He has over 40 years of experience in the insurance sector in Tanzania. He is the current Chairman of Corporate Insurance Brokers, a company he established in 1978; Cor- porate Insurance Brokers deals with the gen- eral insurance business, while Roldo is an investment and real estate company.

Mr. Ndesanjo has served in various capacities in numerous committees and task forces.

He is former President of the Insurance Institute of Tanzania (2001-2005). His long list of previous roles includes the member to the Local Investor's Round Table (LIRT, 2007-2009), was an affiliate of the Tanzania National Business Council; was in the Technical Committee on Financial Sector Assessment Program for the Bank of Tanzania and The World Bank (2005-2009), was a Vice Chairman of the National Insurance Board (2004-2008) and of the Insurance and Social Security Examination Board (2005 – 2009).

Mr. Ndesanjo is a Graduate in Risk and Insurance from St. John's University - New York (USA) and holds Certificate of Insurance Practice (CIP) issued by the Chartered Insurance Institute of London. He also holds a Certificate of Commerce and Economics Diploma in Business Management from Transworld College in England.

BOARD OF DIRECTORS

Mr. Manasseh Kawoloka

Mr. Manasseh Kawoloka is a member of TAN-RE Audit and Risk Committee and a member of the Governance and Human Resources committee. He is Chief Executive Officer of The Heritage Insurance Company Tanzania Limited (Heritage).

Mr. Eliad Mndeme

Mr. Eliad Mndeme is a member of TAN-RE Board Finance and Investment Committee. He is a Legal Services Manager – Corporate Affairs of Public Service Social Security Fund (PSSSF).

Mr. Jephita Gwatipedza

Mr. Jephita Gwatipedza is the Chairman of TAN-RE Board Governance and Human Resources Committee and a member of the Finance and Investment Committee. He is the Chief Operating Officer of ZEP-RE.

BOARD OF DIRECTORS

Mr. Nassor Ameir

Mr. Nassor Ameir is a Chairman of TAN-RE Board Finance and Investment Committee and a member of the Governance and Human Resources committee. He is the Director General of Zanzibar Social Security Fund (ZSSF).

Mr. Ibrahim Maftah

Mr. Ibrahim Maftah is a member of TAN-RE Audit and Risk Committee. He is the Director of Actuarial and Risk Management of the National Social Security Fund (NSSF).

Mr. Justine Mwandu

Mr. Justine Mwandu is a Chairman of TAN-RE Board Audit & Risk Committee and a member of the Governance and Human Resources Committee. He is the Chairman of the National Insurance Corporation (NIC) and a Board member of Tanzania Insurance Regulatory Authori- ty (TIRA).

BOARD OF DIRECTORS

Dr. Flora Minja

Dr. Flora Minja is a member of TAN-RE Board Audit and Risk Committee and a member of the Governance and Human Resources committee. She is the Chief Executive Officer of Strategis Insurance Tanzania Limited.

Mr. Jamal Ibrahim

Mr. Jamal Ibrahim is a member of TAN-RE Board Finance and Investment Committee and a member of the Audit and Risk Committee. He is the Director of Crown Holdings Ltd.

Mr. Hosea Kashimba

Mr. Hosea Kashimba is a member of TAN-RE Board Finance and Investment Committee. He is representing the Treasury Registrar.

MANAGEMENT TEAM

Seated at Centre: Mr. Rajab Kakusa, Chief Executive Officer
Left to Right: Mr. Seth Wilson, Head of Internal Audit, Risk and Compliance Mr. Alex Ndossy, Chief Operating Officer and Mr. Ernest Koroso, Chief Finance and Administration Officer.

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

8th Floor, TAN-RE House Longido Street
Plot No. 406 - Upanga
P.O. Box 1505
Dar es Salaam, Tanzania
Telephone: 255-22-2922341-3
Facsimile: 255-22-2922344
Email: mail@tan-re.co.tz
Website: www.tan-re.co.tz

DIRECTORS

Name	Nationality	Position	Age	Remarks
Mr. Wilson Ndesanjo	Tanzanian	Chairman	68	
Mr. Khamis Suleiman	Tanzanian	Director	62	Resigned 16/07/2024
Mr. Justine Mwandu	Tanzanian	Director	70	
Mr. Hosea Kashimba	Tanzanian	Director	55	Resigned 22/04/2024
Mr. Ibrahim Maftah	Tanzanian	Director	54	
Mr. Nassor Ameir	Tanzanian	Director	46	
Mr. Gabriel Silayo	Tanzanian	Director	57	
Mr. Jephita Gwatipedza	Zimbabwean	Director	57	
Mr. Jamal Ibrahim	Tanzanian	Director	50	
Dr. Flora Minja	Tanzanian	Director	47	
Mr. Abdulrazak Badru	Tanzanian	Director	57	Appointed 10/06/2024
Mr. Manasseh Kawoloka	Malawian	Director	52	Appointed 16/07/2024

MEMBERS OF THE BOARD AUDIT AND RISK COMMITTEE (BARC)

Name	Nationality	Position
Mr. Justine Mwandu	Tanzanian	Chairman
Dr. Flora Minja	Tanzanian	Member
Mr. Jamal Ibrahim	Tanzanian	Member
Mr. Manasseh Kawoloka	Malawian	Member
Mr. Ibrahim Maftah	Tanzanian	Member

MEMBERS OF THE BOARD FINANCE AND INVESTMENT COMMITTEE (BFIC)

Name	Nationality	Position
Mr. Nassor Ameir	Tanzanian	Chairman
Mr. Jamal Ibrahim	Tanzanian	Member
Mr. Jephita Gwatipedza	Zimbabwean	Member
Mr. Gabriel Silayo	Tanzanian	Member
Mr. Abdulrazak Badru	Tanzanian	Member

MEMBERS OF THE BOARD GOVERNANCE AND HUMAN RESOURCES COMMITTEE (BGHRC)

Name	Nationality	Position
Mr. Jephita Gwatipedza	Zimbabwean	Chairman
Dr. Flora Minja	Tanzanian	Member
Mr. Manasseh Kawoloka	Malawian	Member
Mr. Nassor Ameir	Tanzanian	Member
Mr. Justine Mwandu	Tanzanian	Member

KEY MANAGEMENT

Name	Nationality	Position
Mr. Rajab Kakusa	Tanzanian	Chief Executive Officer
Mr. Ernest Koroso	Tanzanian	Chief Finance and Administration Officer
Mr. Alex Ndossy	Tanzanian	Chief Operating Officer
Mr. Seth Wilson	Tanzanian	Head of Internal Audit, Risk and Compliance

MAIN BANKERS

CRDB Bank Plc
PPF Tower Branch
P.O. Box 268
Dar es Salaam

Absa Bank Tanzania Limited
Absa House, Ohio Street
P.O. Box 5137,
Dar es Salaam

COMPANY SECRETARY

Brickhouse Law Associates
5th Floor, TAN-RE House
Longido Street, Upanga
P.O. Box 70230
Dar es Salaam

INDEPENDENT AUDITORS

Ernst & Young
EY House
Plot No.162/1, Mzinga Way
14111 Oysterbay
P.O. Box 2475

CHAIRMAN'S STATEMENT

TAN-RE Strategy at a Glance

Dear Shareholders

As we close the year 2024, I am honoured to present this statement on behalf of the Board of Directors of Tanzania Reinsurance Company Limited (TAN-RE). This year marks a pivotal milestone in our corporate journey: ***the successful conclusion of our five years (2020–2024) Strategic Plan*** and ***the beginning of a new era under the 2025–2029 roadmap***. Our focus during the year 2024 remained anchored on enhancing profitability, building capital strength, digital transformation, and preparing for long-term competitiveness in Tanzania and beyond.

While TAN-RE's primary mandate was to serve as a reinsurance provider for Tanzanian insurance companies, it has expanded its services regionally and internationally, offering reinsurance solutions across Africa, Middle East and Southern Asia. This has helped to diversify its portfolio and mitigate risks, while contributing to its growth and development as a significant player in the regional market.

Strategic Outlook: 2025–2029

TAN-RE's Strategic Plan for the period 2025–2029 is anchored on four foundational pillars: **Sustainable Financial Growth**, **Customer Value Driven Proposition**, **Operational Excellence**, and **Human Capital Development**. These pillars are underpinned by a strong commitment to ESG integration and digital transformation, which serve as cross- cutting enablers in achieving the Company's long-term strategic objectives and regional leadership aspirations.

The plan outlines ambitious yet achievable targets, including achieving gross written premiums of TZS 337 billion (USD 132 million) in 2025 and TZS 639 billion (USD 251 million) by 2029. It also aims to increase the profit-to-gross written premiums ratio from 4% in 2024 to 5% in 2025, reaching 7% by 2029. These objectives will be pursued through organic market growth, product innovation (including microinsurance and Retakaful), deeper digital integration, and client-focused excellence.

To support this growth, the Board has endorsed a **USD 20 million capital mobilisation initiative**, in partnership with the **International Finance Corporation (IFC) and other potential foreign subscribers.**

CHAIRMAN'S STATEMENT

The additional capital will support increased retention, enable underwriting of more complex risks, and position TAN-RE as a regional reinsurance provider.

Economic and Industry Overview

The global economic environment remained uncertain in 2024, influenced by geopolitical tensions, inflationary pressures, and regulatory shifts. However, Tanzania's economic growth was commendable, with GDP expanding at an estimated 5.6%, supported by robust performances in agriculture, infrastructure development, and industrialization. The insurance sector continued to evolve, driven by increased awareness, regulatory reforms, and the growing adoption of digital solutions.

TAN-RE has successfully navigated this dynamic environment by leveraging its strong capital base, risk management frameworks, and strategic partnerships. Our commitment to operational efficiency, innovation, and customer-centric solutions has positioned us well for continued growth. We continued to outperform local peers across profitability, retention, and expense efficiency metrics, while maintaining commitment to underwriting discipline and operational prudence.

As we progress in the year 2025, key reinsurance risks remain to be **elevated natural catastrophe losses, economic inflation, social inflation, geopolitical tensions, cyber risks**, and the **need to adapt to climate change** and **new regulations**. The Company's Quality Management system is certified under ISO 9001:2015 *Quality Management Systems* which places greater emphasis on Risk Management.

Reinsurance Sector Trends

Four reinsurance companies continue to be licensed in Tanzania, which are TAN-RE, Grand Re, Pan Afrique Re and East Africa Reinsurance Company (EARe) Tanzania. This has bolstered the local reinsurance capacity, reduced reliance on foreign reinsurers, and retain insurance premiums within the country.**TAN-RE remains to be the predominant player in the market.**

The sector remained central to the insurance value chain in 2024. While TAN-RE retained its dominant market share, the industry has also observed heightened retrocession activity.

According to the most recently published industry data, total retrocession premiums ceded abroad rose sharply by 45%, from TZS 101.5 billion in 2022 to TZS 147.2 billion in 2023, with 83.7% of all retrocession premiums placed with foreign reinsurers. This trend underscores the continued need to strengthen local underwriting capacity and capitalization within the reinsurance market - the goal that TAN-RE is addressing through its proposed USD 20 million capital mobilisation initiative.

The Company embarked on new reinsurance solutions relating to directors' and officers' liability, agriculture, and energy, while expanding its cedant base through strategic partnerships in both domestic and international markets. Notable collaborations included technical partnerships with MUA Group (Mauritius, Kenya, Rwanda, and Uganda), Zanzibar Insurance Corporation (ZIC) Takaful, and the inclusion of local insurers such as CRDB Insurance.

Financial and Strategic Performance

TAN-RE posted gross written premiums of TZS 284.43 billion in 2024, representing a 33% increase from 2023. Profit for the year 2024 rose to TZS 16.48 billion from TZS 12.84 billion reported in year 2023, while the Company's total assets grew to TZS 195.58 billion, up by 15% from the prior year. The solvency margin remained well above regulatory thresholds, with admissible assets exceeding liabilities by TZS 57.16 billion, surpassing the required minimum by TZS 15.46 billion. The Directors consider the Company to be solvent within the meaning ascribed by the Insurance Act, 2009 with its subsequent regulations. Nothing has come to the attention of the Directors to indicate that the Company will not remain as a going concern for at least twelve months from the date of this statement.

The Company's combined ratio of 89% and claims ratio of 49% reflect the continued focus on underwriting profitability and prudent cost management, despite notable large loss events, including aviation and industrial claims. Investment performance remained stable, and continued compliance with IFRS 17 *Insurance Contracts* reinforced transparency and comparability of the financial statements.

These results represent the culmination of our 2020–2024 Strategic Plan, a journey that has seen TAN-RE double its premium income, diversify its product offering, expand its regional reach, and secure an international credit rating from AM Best.

It is important to note that AM Best affirmed TAN-RE's Financial Strength Rating at B (Fair) and Long- Term Issuer Credit Rating at "bb+" (Fair) with a stable outlook in October 2024. This confirms TAN-RE's balance sheet resilience, earnings consistency, and the effectiveness of the Company's long-term strategy. The Board considers the rating a vital step in strengthening stakeholder confidence and enhancing TAN-RE's positioning across regional and global markets. Additionally, the Company maintained its ISO 9001:2015 certification, implemented key improvements to its ICT systems, and invested significantly in staff training to strengthen skills and overall capacity.

Governance and Oversight

Throughout 2024, the Board of Directors maintained active and effective oversight across all areas of the Company's operations, with particular emphasis on ensuring financial stability, enhancing risk management, mobilizing capital, and supporting the Company's strategic transition.

During the year, we were pleased to welcome two new Directors, Mr. Abdulrazak Badru and Mr. Manasseh Kawoloka, who joined the Board following the resignation of Mr. Khamis Suleiman and the brief departure of Mr. Hosea Kashimba. Mr. Badru is currently being represented by Mr. Eliad Mndeme. We sincerely thank the outgoing Directors for their dedicated service and warmly welcome the incoming members, looking forward to their valuable contributions in the future.

Industry Developments and Regulatory Engagement

TAN-RE continued to work closely with Tanzania Insurance Regulatory Authority (TIRA) and other industry stakeholders in promoting sound regulatory practices, strengthening local retention, and expanding insurance awareness. No adverse regulatory changes were introduced in 2024, and the operating environment remained stable and conducive for long-term planning.

Our engagement in national insurance forums and sectoral working groups has allowed us to contribute meaningfully to discussions on capacity building, disaster risk financing, and climate-resilient insurance solutions – themes that will remain central to our strategy.

Environment, Social and Governance (ESG) Commitments

During the year 2024, TAN-RE reaffirmed its strong commitment to Environmental, Social, and Governance (ESG) principles. Our sustainability initiatives focused on insurance literacy programs to promote awareness and financial inclusion, environmental conservation projects to mitigate climate change impacts, and community development investments, with TAN-RE donating TZS 81 million to various schools, charitable organizations, and social causes.

TAN-RE has initiated the integration of ESG factors into its underwriting and investment processes and remains dedicated to enhancing sustainability-related disclosures in alignment with global best practices. As Africa faces increasing challenges from climate change, the Company will continue to prioritise resilience-building and inclusive protection solutions.

To support transparent and comprehensive sustainability reporting, TAN-RE is implementing global sustainability reporting standards starting in the year 2025.

Appreciation

On behalf of the Board of Directors, I extend our heartfelt gratitude to our esteemed Shareholders, clients, cedants, brokers, business partners, and all other stakeholders for their continued trust and support. I also commend the Management and staff of TAN- RE for their diligence, innovation, and unwavering commitment throughout the year.

To the Government of the United Republic of Tanzania and TIRA, we express our gratitude for fostering a regulatory environment that supports stability and innovation in the insurance sector.

Closing Remarks

As we conclude one strategic era and embark upon the next, TAN-RE stands well- positioned, financially, operationally, and reputationally, to lead in a rapidly evolving reinsurance landscape. The progress we have made over the past five years reflects not only good governance and sound management, but also a deep commitment to purpose, partnerships, and resilience.

As we move into 2025, we do so with confidence, readiness, ambition, and a clear dedication to delivering sustainable, long-term value to all our stakeholders.

Yours sincerely

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Wilson Ndesanjo
Board Chairman

OUR FOOTPRINT

CEO'S STATEMENT

Dear Stakeholders

As we conclude our five years (2020-2024) Strategic Plan, I am pleased to report that Tanzania Reinsurance Company Limited (TAN-RE) has demonstrated remarkable resilience and adaptability in a dynamic and challenging economic environment. The concluded strategic plan guided the company through a period of significant transformation, from internal process reengineering to regional market expansion. TAN-RE entered 2024 with confidence and exited it with strong results and strategic clarity which laid a strong foundation for the next five-year cycle, the 2025-2029 Strategic Plan. Our commitment to providing sustainable reinsurance solutions delivered substantial growth and operational achievements. In a period marked by both opportunity and complexity, TAN-RE remained resilient, agile, and resolute in delivering value to all stakeholders.

Transition to the 2025–2029 Strategic Plan

The four pillars of this strategic plan, that is, **sustainable financial growth, customer value excellence, operational efficiency** and **human capital development,** have been translated into seven key strategic goals which are enhancing business growth and corporate profitability, ensuring long term financial sustainability, elevating customer satisfaction and loyalty, increasing market competitiveness, streamlining operational efficiency, driving continuous improvement and innovation, and fostering employee development and wellbeing.

The strategy introduces a more performance-driven culture, with measurable key performance indicators across product, client, and operational areas. Full automation, improved credit control, and enhanced cyber preparedness are among our operational priorities. Implementation is phased across three strategic horizons: foundation (2025–2026), expansion (2027–2028), and consolidation (2029).

Market Potential

Tanzania's economy is forecast to grow at an average of 5% annually, with the insurance sector expanding at a projected rate of 8% and maintaining a penetration rate of around 1%. Broader regional projections in Africa and South Asia reflect annual GDP growth of approximately 4%, alongside reinsurance market growth estimated at 8%. TAN-RE targets an average annual Gross Written Premium (GWP) growth rate of 17% during the 2025–2029 strategic cycle. As of 2024,

CEO'S STATEMENT

TAN-RE commands a 38% share of the domestic reinsurance market, with a strategic objective to raise it to 58% by 2029. The Company's GWP is projected to reach TZS 639 billion (USD 251 million) by 2029, with international business contributing approximately USD 50 million and comprising 21% of the total portfolio.

Financial Performance

TAN-RE delivered another year of robust financial results. Gross written premiums increased by 33% to TZS 284.43 billion (USD 111.4 million), reflecting continued organic growth, new treaty participations, and stronger facultative relationships across both local and foreign markets. Profit for the year reached TZS 16.48 billion (USD 6.6 million), a 33% increase from 2023, supported by disciplined underwriting, prudent risk selection, and a well-structured retrocession programme.

The implementation of IFRS 17, which began in 2023 enhanced the transparency of the company's financial reporting and reinforced our actuarial processes. It also allowed us to evaluate our portfolio more precisely, contributing to the 51% improvement in reinsurance service results.

Description	2024 (TZS 'Mil)	2023 (TZS 'Mil)	2022 (TZS 'Mil)
Gross Written Premium	284,430	214,555	179,704
Claims Incurred	72,849	53,312	39,651
Reinsurance Contract Revenue	267,665	208,694	169,922
Reinsurance Service Expense	(174,395)	(129,333)	(110,109)
Reinsurance Results Held Before Reinsurance Contracts Held	93,271	79,361	59,813
Net Expenses from Reinsurance Contracts Held	(76,512)	(67,911)	(52,834)
Reinsurance Service Results	16,758	11,450	6,979
Net Investment Income	5,491	4,888	3,884
Net Reinsurance and Investment Results	19,821	16,220	12,861
Income Tax Expense	(3,345)	(3,379)	(1,836)
Profit for the Year	**16,476**	**12,841**	**11,149**
Total Assets	195,579	170,695	153,799
Total Liabilities	62,455	51,932	45,548
Total Equity	**133,124**	**118,763**	**108,251**

These results reflect not only growth, but consistency. Despite higher claims, including a USD 15 million aviation loss and several large medical and industrial exposures, our underwriting frameworks remained sound. The retrocession programme absorbed shocks effectively and protected the Company's risk capital. Total equity strengthened by 9%, and assets grew to TZS 195.58 billion. The return on shareholders' funds improved to 12%. These trends affirm our long-standing approach to growth through technical strength, not volume alone.
On the international scale, TAN-RE has investments in other reinsurance companies, such as Africa-Re, Uganda-Re and Ezulwini-Re.

Operational Efficiency and Portfolio Insights

TAN-RE's underwriting performance remained strong. The Company posted a combined ratio of 89%, indicating continued profitability of the portfolio. The claims ratio stood at 49% and the expense ratio improved from 21% in 2023 to 16% in 2024 despite pressures in aviation, fire, and medical classes. Improved results in the fire and general accident classes offset pressures from aviation and medical classes which experienced large losses.

Increased commission expenses were managed within overall underwriting margins. Higher facultative activity, reinsurance brokerage, and performance-linked commissions contributed to the increase, but were aligned with premium growth and retrocession strategies.

CEO'S STATEMENT

The Company retained its position as the leading reinsurer in Tanzania with a market share of over 80%, while expanding its reach into new markets across Africa. Treaty renewals and voluntary cessions increased in both frequency and quality, contributing to a more stable earnings profile.

Technological Advancements

TAN-RE has committed to a long-term digital transformation agenda focused on strengthening operational efficiency, data-driven decision-making, and client experience. Key priorities include the automation and digitization of workflows, particularly in claims processing and underwriting; the development of a centralized risk database to support actuarial and portfolio insights; and the continued upgrade of the Company's core systems, including the Reinsurance Management System (RMS) and SUN accounting platform.

In parallel, TAN-RE has integrated DocuSign for electronic approvals and document management, introduced an electronic document management system (EDMS), and advanced its Information Security Management System (ISMS) to protect sensitive data. These investments are complemented by a deliberate effort to foster a culture of innovation and build digital capabilities across the organisation.

Human Capital and Talent Development

People remain at the heart of our success. In 2024, TAN-RE expanded workforce training programs in energy, aviation, and cyber insurance, implemented leadership development initiatives to nurture the next generation of reinsurance professionals, and maintained a strong commitment to gender diversity and inclusion, with 30 employees (12 females and 18 males) actively contributing to our success.

TAN-RE has established a training academy to address training needs of both its people and the entire market.

Strategic Gaps in Business and Service Provision

Despite the positive achievements, TAN-RE identified strategic gaps between customer needs and its service offerings. These include limited participation in emerging risks, such as cybercrime and financial crime insurance (Bankers Blanket Bond - BBB, Commercial Crime Insurance), and First Demand Bonds/Financial Guarantees, the Company was unable to participate in these due to treaty limitations and moderate capital, leaving potential business opportunities unexploited.
As a company, we have embarked on the process of evaluating the best strategy to take advantage of these opportunities going forward. To address the issue of moderate capital, the company resolved to change shareholding structure from the previous 90:10 (local/foreign) to 75:25 (local/foreign) to pave way for potential foreign subscribers to inject capital and help the company achieve various goals outlined on the new five years (2025- 2029) strategic plan. While enticing potential foreign subscribers, we continue engaging with existing shareholders to increase their stake in the capital to achieve the desired level of capitalization.

Outlook

As we transition into our 2025-2029 Strategic Plan, our focus is on accelerated growth, market leadership, and sustainability. We will continue to expand regional and international market share, with the targeted growth in premium revenue, enhance underwriting efficiency and claims management to sustain profitability, deepen digital integration for seamless customer experiences, and strengthen risk resilience and sustainability initiatives.

The implementation of sustainability reporting standards - specifically, International Financial Reporting Standards (IFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, effective from 2025 - marks a significant step in reinforcing our commitment to responsible and transparent corporate practices. These standards will not only enhance the quality, consistency, and comparability of sustainability-related disclosures but also ensure that environmental, social, and governance (ESG) considerations are fully integrated into our strategic decision-making and risk management frameworks. Ultimately, this implementation will help us build long-term resilience, strengthen stakeholder trust, and create shared value for both the Company and society at large.

We remain optimistic about the future and are confident that our strategic focus will drive long-term value creation for our shareholders and stakeholders.

Closing Reflections

As I reflect on the journey we have walked so far, I am filled with appreciation. TAN-RE has evolved from a promising national reinsurer into a regional player with international credibility, thanks to the unwavering support of our stakeholders.

CEO'S STATEMENT

I extend heartfelt gratitude to our Board of Directors for their guidance, to our staff for their commitment, and to our clients, brokers, partners and other stakeholders for their loyalty and collaboration. The Regulator and our Shareholders have also played an instrumental role in our journey, **Thank You**. Your trust and commitment inspire us to continually innovate and excel.

As we look ahead, TAN-RE is stronger, leaner, and more focused. We remain committed to excellence, innovation, and long-term value creation – for Tanzania, Africa, and beyond.

Thank you for your continued partnership and confidence in TAN-RE.

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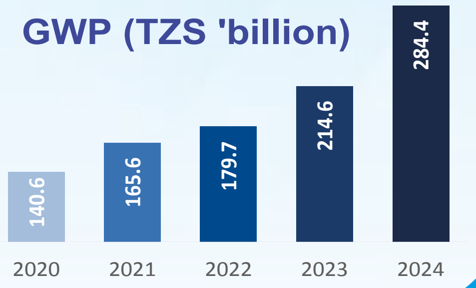
Rajab Kakusa
Chief Executive Officer

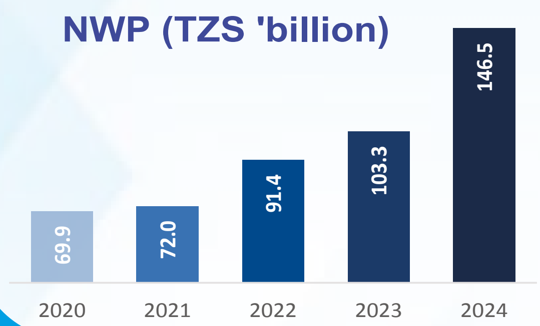
OUR PERFORMANCE AT GLANCE

GWP TZS 284.4b

For the past five years, the company has been able to maintain an upward trend in growth of Gross Written Premium.

Growth of Gross Written Premium for the year ended 31 December 2024 was 33%, Being driven by increase in underwriting capacity and strong marketing strategies.



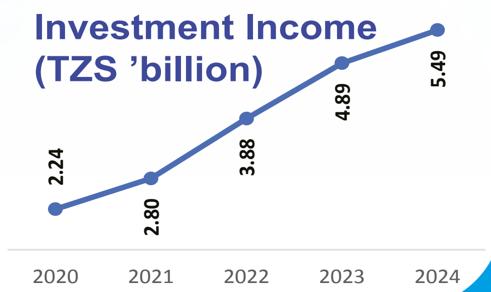


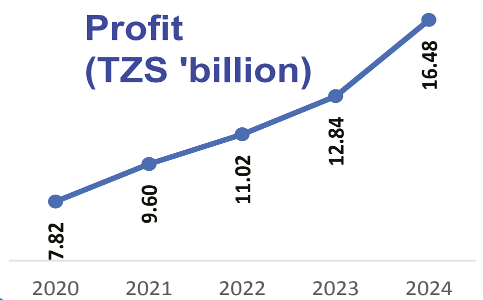
Net premium TZS 146.5b

As a results of increase in underwriting capacity, Net premium Increased by 42%, that is from TZS 103.3 billion in 2023 to TZS 146.5 billion in 2024. The Company is looking forward to further increasing it underwriting capacity for continual improvements in Net Premium.

Investment income TZS 5.49b

For the year ended 31 December 2024, growth in Investment income was 12%. The company has adopted a strong investment policy and strategy as result has been able to demonstrate an upward trend in growth of investment income.





Profit TZS 16.48b

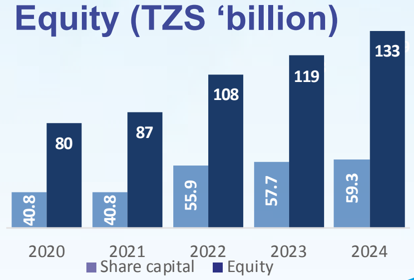
The Company realized profit after tax of TZS 16.48 billion. There is a consistent growth in profit after tax for the past five years. The achievement being attributed by a well thought strategic plan and strong commitment to achieve objectives set in a strategic plan.

OUR PERFORMANCE AT GLANCE

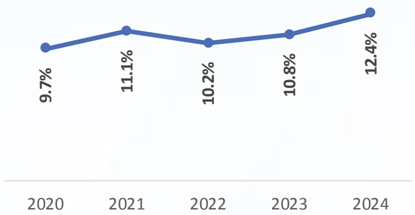
Equity
TZS 133b

In order to be able to provide sustainable reinsurance capacity and security to themarket and maintain its status of beingdependable security in local market, thecompany has mainteined sustainable growthin equity. The company is aspiring to become amoung the most profitable reinsurers in Afica.

Equity (TZS ‘billion)



ROE



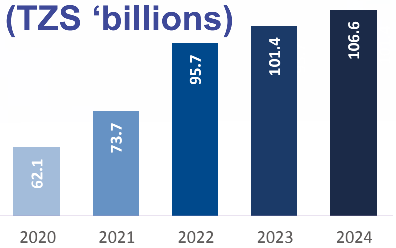
ROE
12.4%

To serve the best interest of shareholders, The company has a team which clearly understand what is expected from them. Using a team of dedicated staff and morden technology the company has been abele to achieve a Return on Equity of above 9% for the past five years.

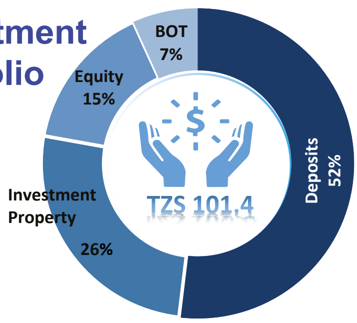
Investment Assets
TZS 106.6b

For the past five years, the Company's growth in investment assets was 72%. The Company generates long-term wealth through disciplined and consistent investment practices.

Investment Assets (TZS ‘billions)



Investment portfolio



Investment portfolio
TZS 106.6b

TANRE has a good investment strategy which typically involves setting clear financial goals, creating a diversified portfolio, minimizing riskthrough asset allocation, and maintaining a long-term perspective. The company investsstra-
tegically to match its assets with future obligations.

1. INTRODUCTION

Those Charged with Governance (TCWG) submit their report together with the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of Tanzania Reinsurance Company Limited (TAN-RE), herein referred to as the "Company".

The financial statements for the year ended 31 December 2024 were approved by the Board of Directors and authorised for issue as indicated in the Statement of Financial Position.

2. PRINCIPAL ACTIVITIES

Tanzania Reinsurance Company Ltd (TAN-RE) was established in line with Section 70 of the Insurance Act. No. 18 of 1996 to transact reinsurance business in respect of all Life Assurance and all Non-Life reinsurance business.

The Company's core functions defined during its establishment are:

i. To accept legal cessions as required by the Insurance Act and ensuing Regulations.

ii. To accept and conduct foreign reinsurance business in the form of treaty and facultative business.

iii. To improve claims management in the market and settle legitimate claims.

iv. To train the Insurance industry on both insurance and reinsurance matters through identification of market training needs, arrange for the training on identified needs and to nurture local skills.

v. To provide reinsurance assistance and related services such as underwriting and selecting risks in a professional manner; managing claims efficiently and in accordance to best practice; advising insurance companies on underwriting new products; building efficient processes to deliver the best services to clients; utilising risk capital effectively and engaging skills that can underwrite special risks.

vi. Providing an avenue for the investment of excess funds; and to match assets with liabilities to minimize risk in addition to selecting assets that meet liquidity and safety requirements.

vii. Promoting business relations with other reinsurers; compiling and maintaining market insurance and insurance statistics and to become a repository for insurance market data and to conduct research and development on insurance matters.

3. VISION, MISSION, AND CORE VALUES

Vision Statement:
"To be among the most profitable Reinsurance Companies in Africa."

Mission Statement:
"To provide sustainable reinsurance capacity and security in our markets through the use of dedicated staff and modern technology in the best interest of our customers, shareholders and other stakeholders."

Core Values:
Professionalism, Integrity, Customer Focus.

4. FINANCIAL PERFORMANCE

During the year ended on 31 December 2024, Reinsurance contract revenue recognised by the Company amounted to TZS 267.6 billion compared with TZS 208.6 billion recognised during year 2023, representing an increase of TZS 59.0 billion, equals to 28%. The Company's primary markets, particularly the Tanzanian insurance sector, demonstrated strong performance during the year, leading to a substantial increase in premiums.

During the year under review, Reinsurance service expense amounted to TZS 174.4 billion compared to TZS 129.3 billion incurred during the corresponding period in the year 2023, representing an increase of TZS 45.1 billion, equals to 35%.

4. FINANCIAL PERFORMANCE (CONTINUED)

During the year 2024, a total of TZS 118.8 billion was retroceded as compared with TZS 104.9 billion retroceded in year 2023.

Retrocession-related costs for the year amounted to TZS 42.3 billion, as compared to TZS 37.0 billion incurred during the year 2023. This led to a TZS 5.3 billion increase equivalent to 14%.

Description	2024 Percentage (%)	2023 Percentage (%)
Claims Ratio	49	51
Expenses Ratio	16	21
Commission Ratio	24	16
Combined Ratio	89	88
Reinsurance contract revenue Growth	28	23
Increase in investment income	25	3
Return on shareholders' funds	15	14

The recognised reinsurance contract revenue accounted for per class of business was as follows:

	2024 TZS	2023 TZS
Fire	72,978,974,931	57,157,542,260
Engineering	23,190,797,410	13,221,511,386
Energy	804,291,113	3,897,254,337
Accident	29,320,502,619	27,115,529,163
Agriculture	395,671,346	377,885,298
PVT	1,766,064,387	1,241,566,766
Motor	35,778,599,985	31,064,671,929
Marine	10,174,984,759	10,970,885,928
Aviation	58,690,153,503	36,559,860,267
Medical	3,697,694,490	3,149,734,011
Life	30,867,945,636	23,937,778,981
Total reinsurance contract revenue	**267,665,680,179**	**208,694,220,326**

The operations for the year achieved reinsurance service results of TZS 16.8 billion (2023: TZS 11.5 billion)

5. STRATEGIC BUSINESS FOCUS AND FUTURE OUTLOOK

The year 2024 marked the end of TAN-RE's 2020-2024 Strategic Plan. Over the past five years, the Company has pursued strategic goals aimed at strengthening its position as a leading reinsurance provider in Tanzania while expanding its footprint across regional and international markets. Operationally, the Company focused on enhancing efficiency, strengthening effectiveness, and maximizing profitability. These initiatives were designed to streamline processes, lower costs, and capitalize on growth opportunities, ensuring the Company's sustained competitive advantage.

Despite the unprecedented challenges brought by the COVID-19 pandemic, which had significant economic and social repercussions during the early years of the Strategic period, TAN-RE responded with pragmatic measures that enabled a swift recovery and improved performance.

5. STRATEGIC BUSINESS FOCUS AND FUTURE OUTLOOK (CONTINUED)

Such measures included broadening market participation, securing an additional USD 5 million in capital injection with additional capital growth of TZS 39.85 billion (USD 17.42 million) through reinvestment of annual profits, enhancing technical capabilities, earning an AM Best rating in 2023 while maintaining the GCR rating, and fostering strategic partnerships. Additionally, the Company expanded its product portfolio to include Directors and Officers (D&O) insurance, as well as coverage for energy and agriculture sectors.

During the strategic plan period, TAN-RE achieved remarkable growth in Gross Written Premiums, increasing from TZS 141.39 billion as of 31 December 2019, to TZS 284.43 billion by 31 December 2024. This represents an increase of TZS 143.04 billion, or 101%, significantly exceeding the initial target of 51% set for the period.

The evaluation of TAN-RE's performance over the 2020-2024 strategic period highlights the Company's success in attaining its strategic goals, while highlighting the strategic gaps, key lessons and opportunities for improvement.

Towards the end of year 2024, the Board approved TAN-RE's 2025-2029 Strategic Plan, which is designed to create long-term value for stakeholders while solidifying the Company's position as a reliable and innovative partner in the reinsurance industry. Under this new plan, TAN-RE is committed to seizing opportunities, strengthening its capabilities, and navigating challenges as it moves toward its vision of becoming one of the most profitable reinsurance companies in Africa. The Company will continue to provide sustainable reinsurance capacity and security in its markets through the use of dedicated staff and modern technology. Additionally, TAN-RE will remain committed to collaborate with Tanzanian insurance companies and supporting local market initiatives to develop new products and enhance insurance penetration

6. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period which require adjustment or disclosure in the financial statements.

7. ACCOUNTING POLICIES

The annual financial statements are prepared on the underlying assumption of a going concern. The Company's accounting policies, which are laid out on note 3 are subject to an annual review to ensure continuing compliance with International Financial Reporting Standards and Tanzania Insurance Act, 2009 with its related regulations.

8. ACQUISITIONS AND DISPOSALS

There was no material disposal or acquisition of business during year 2024 (2023: Nil).

9. EXTERNAL ENVIRONMENT AND KEY RISK ANALYSIS

The reinsurance industry in Tanzania continued to operate in a dynamic environment, requiring companies to navigate both challenges and opportunities. The country's economic growth supported expansion in key sectors such as construction, agriculture, and energy, driving increased demand for insurance and reinsurance services.

Amid intense competition from both local and international players, TAN-RE retained its leadership position in the domestic market, benefiting from conducive regulatory environment, strategic alliances, and a diversified product portfolio. Meanwhile, global reinsurers remained key providers of specialized risk solutions. Growth opportunities exist in emerging areas such as agriculture, renewable energy, and microinsurance, and the Company remains focused on leveraging these prospects.

In 2024, no regulatory changes were introduced that negatively impacted market growth.

10. OPERATING ENVIRONMENT

The operating environment remained stable throughout the review period. The Government of the United Republic of Tanzania implemented measures to further stabilize and enhance the economy. Despite various challenges, the industry sector demonstrated resilience, delivering a solid performance in 2024.

Macro and micro economic overview

During the year 2024, the global economic outlook continued to face downside risks of economic shocks, heightened by geopolitical tensions stemming from the conflict in the Middle East. Energy prices are lowering, inflation has recently demonstrated a reducing tendency, even though it is still above the target in most countries. Ongoing geopolitical conflicts, however, are probably going to cause energy market disruptions and put pressure on the price of food and oil, which will drive inflation even higher.

During the period under review, Tanzanian economic growth remained satisfactory, considering the global circumstances. The economy grew by 5.6 percent compared with 5.1 percent in the year 2023. As reported by the Bank of Tanzania (BOT), the main growth drivers were agriculture, manufacturing and tourism supported by public investments and business environment reforms.

The large infrastructure spending and improved and stable power supply continue to boost performance of other sectors including manufacturing and trade. Additionally, the growth in the economy is nurtured by the Third National Five-Year Development Plan (FYDP III; 2021/22 - 2025/26) in which the Government of Tanzania focuses on stimulating an inclusive and competitive economy, strengthening industrial production capabilities and service delivery, promoting investment and trade, bringing development to the citizens and building human resource capacity, among others. To support the insurance sub-sector, the Third National Five-Year Development Plan continues to focus on the three identified priority areas which include creating awareness programmes and public sensitization on insurance matters; developing local demand driven products; and developing a system to easy claims, complain handling and settlement.

The World Bank forecasts that the Tanzania’s economy will expand to 6.0 percent in 2025, which is above the Sub-Saharan Africa’s average growth of 4.2 per cent.

Regulatory environment

Throughout the year, the insurance sector provided a stable, resilient, and supportive environment for economic activities. The Tanzania Insurance Regulatory Authority (TIRA) strengthened risk management, regulatory oversight, and supervision by implementing various policies and reforms to uphold the industry’s stability.

Speed and effect of technological change

Innovation through new technologies is a key driver of change in the financial sector, leading to significant efficiency gains. The insurance sector continues to take advantage of these developments, embracing possibilities of new methods of service provision as well as greater opportunities for data collection and fraud detection which lead to better risk identification and mitigation measures. To accelerate this change towards more digitally enabled and agile organizations, insurers continue to partner with InsurTech firms. The Company is strategically focused to deploy technological advancements to meet the growing demands of our customers and remain competitive. TAN-RE is committed to adopting new technologies and business models that support growth and improved efficiency.

10. OPERATING ENVIRONMENT (CONTINUED)

Environmental challenges

In a bid to enhance the economy and maximize wealth, humans continue to engage in activities that are detrimental to the environment. As a result, the world is faced with the challenges of climate change, such as floods and heat waves. Concern for environment related issues is increasing globally and, recently, among enterprises and institutions, leading to the development of various means of evaluating it. Climate change presents a conspicuous threat to societies as well as natural environments. As a reinsurance services provider, TAN-RE will continue to promote environmental sustainability to mitigate climate change risk in Tanzania and outside Tanzania while using constructive and advanced initiatives to contribute towards a more sustainable future for the societies in which we operate.

Political environment

The Company is operating under a stable political environment to safeguard the interests of shareholders and meet stakeholders' needs, and overall stabilization and growth of the reinsurance market and economy at large. The stable political environment has also promoted the increase in foreign and domestic investments and operations through fair and stable tax regime, and policies induced by the Government leading to the increase of production capacity. The country's political stability provides assurance to both local and international stakeholders leading to increased investments.

11. COMPANY BUSINESS OPERATING MODEL

At TAN-RE, value is best illustrated in attaining expectations of clients, shareholders, employees, and other stakeholders. In driving value for the stakeholders, the Company anchor its actions on a firm foundation of defined strong values.

Inputs employed to provide service to clients.

Below are the key inputs relating to the key resources on which TAN-RE depends to provide services to the clients and key stakeholders.

Resources	Inputs
Financial resources Shareholders give the Company strong financial capital base that supports its operations.	- Strong balance sheet with Total assets TZS 195.6 billion (2023: TZS 170.7 billion) and equity TZS 133.1 billion (2023: TZS 118.8 billion).
Human resources The Company is privileged to have an engaged and motivated workforce guided by a clear vision and anchored in strong values. The Company is focused on embedding a culture of continuous development, which increases competitiveness and investment in the development of skills required by employees to serve the digital customer of the future.	- Experienced and competent leadership team - Gender and diversity inclusiveness - Equal opportunities in training and development - Free of discrimination and harassment
Social and relationship resources In engagements with key stakeholders, the Company continuously strive to deliver a meaningful value exchange. The Company values the views of its stakeholders because they play a significant role in shaping response to business and societal issues	- The Company ensure employees are committed and connected which address the needs of our stakeholders. - Employee engagement has appeared as a critical instrument of our business success in today's competitive environment. - The Company has a strong Corporate Governance structure - Continuous engagement with Regulators

12. DIRECTORS' INTEREST

Mr. Justine Mwandu held 24,051 shares valued at TZS 24,051,000. This represents 0.04% of the ordinary share capital reported as at 31 December 2024.

13. SHARE CAPITAL AND SHAREHOLDING

The authorised share capital of the Company is TZS 100,000,000,000 for 100,000,000 ordinary shares with a nominal value TZS 1,000 per share.

The paid-up capital is made up as follows:

	2024 TZS	2023 TZS
Capital allotted and subscribed	60,000,000,000	60,000,000,000
Capital unsubscribed	(728,215,342)	(2,302,450,611)
Subscribed and paid-up capital	**59,271,784,658**	**57,697,549,389**
Share capital at 1 January 2024	57,697,549,389	55,887,229,389
Subscribed and paid up during the year (Note 29)	1,574,235,269	1,810,320,000
	59,271,784,658	**57,697,549,389**

The paid-up capital of the Company as at 31 December 2024 is as stated below:

	2024				2023		
Cluster	**Stake %**	**Called-up Shares**	**Paid-up Shares**	**Amount TZS**	**Stake %**	**Paid-up Shares**	**Amount TZS**
Individual Tanzanians	2	1,200,000	492,042	492,042,000	5	478,915	478,915,000
Foreign Investor	15	9,000,000	9,000,000	9,000,000,000	10	6,000,000	6,000,000,000
Corporate bodies	10	6,000,000	903,162	903,162,000	10	879,067	879,067,000
Insurance Companies	25	15,000,000	14,270,069	14,270,068,658	25	13,897,227	13,897,227,000
Insurance Brokers & Loss assessors	3	1,800,000	797,219	797,219,000	5	775,951	775,951,000
Pension Funds	45	27,000,000	26,521,916	26,521,915,684	45	25,798,294	25,798,294,000
Total	**100**	**60,000,000**	**51,984,408**	**51,984,407,342**	**100**	**47,829,454**	**47,829,454,000**

The shares of the Company are not publicly traded. There is only one class of shares.

14. DIRECTORS

The Directors who held office during the year under review were:

Name	Nationality	Position	Age	Remarks
Mr. Wilson Ndesanjo	Tanzanian	Chairman	68	
Mr. Khamis Suleiman	Tanzanian	Director	62	Resigned 16/07/2024
Mr. Justine Mwandu	Tanzanian	Director	70	
Mr. Hosea Kashimba	Tanzanian	Director	55	Resigned 22/04/2024
Mr. Ibrahim Maftah	Tanzanian	Director	54	
Mr. Nassor Ameir	Tanzanian	Director	46	
Mr. Gabriel Silayo	Tanzanian	Director	57	
Mr. Jephita Gwatipedza	Zimbabwean	Director	57	
Mr. Jamal Ibrahim	Tanzanian	Director	50	
Dr. Flora Minja	Tanzanian	Director	47	
Mr. Abdulrazak Badru	Tanzanian	Director	57	Appointed 10/06/2024
Mr. Manasseh Kawoloka	Malawian	Director	52	Appointed 16/07/2024

All Directors are Non-Executive Directors. The Board's committees have been disclosed on pages 2 and 3.

15. DIRECTORS' FEES AND SITTING ALLOWANCES

The fees and allowances for services rendered by the Non-Executive Directors of the Company were as follows:

	2024	2023
	Amount	Amount
FEES	TZS	TZS
Chairman of the Board of Directors	12.35 million	10.0 million
Other Directors	111.17 million	110.0 million
SITTING ALLOWANCES		
Chairman of the Board of Directors	27.8 million	25.7 million
Other Directors	168.8 million	224.3 million

16. SOLVENCY AND GOING CONCERN

The Insurance Act, 2009 pursuant to section 20(1) and regulation 21(3) (c) of the Insurance Regulations issued under the Act requires that, the admissible assets of a reinsurer should exceed the liabilities of the reinsurer by TZS 10,175 million or the sum of thirty three percent of general reinsurance net premiums written and ten percent of long-term business liabilities, whichever is the greater. At 31 December 2024 the Company had admissible assets of TZS 134,467 million and liabilities of TZS 77,303 million. The sum of thirty three percent of general reinsurance net premiums written and ten percent of long-term business liabilities amounted to TZS 41,707 million. The Company's admissible assets exceeded the liabilities by TZS 57,164 million which is above the minimum solvency margin required of TZS 41,707 million by TZS 15,457 million.

The Directors consider the Company to be solvent. Nothing has come to the attention of the Directors to indicate that the Company will not remain as a going concern for at least twelve months from the date of this statement. The Directors consider the Company to be solvent within the meaning ascribed by the Insurance Act, 2009 with its subsequent regulations.

17. ADMINISTRATIVE EFFICIENCY

Set out below are details of matters deemed to demonstrate the administrative efficiency of the Company:

a) Labour Turnover

The Company maintains a low labour turnover rate, which has no adverse effect on its operational efficiency. Throughout the reporting period, only one employee exited the Company.

b) Compliance with the Insurance Act

The Company where applicable, consulted with the Commissioner of Insurance on matters of compliance. In ensuring that the Company operates in line with the requirements of the Insurance Act, 2009 the Company has been doing the following:

- Providing reserves as per the requirement of the Insurance regulation no. 22 (2) (a) and (b) of the Insurance Act, 2009;
- Timely submission of annual returns as per Insurance regulation no.28,29 and 30 of Insurance Act, 2009;
- Maintaining the percentage of assets to be held in approved Tanzanian securities as per regulation no.20 (1) up to (3) of the Insurance Act, 2009;
- Maintaining a capital adequacy as per regulation no.18 (1) (a) of Insurance Act, 2009;
- Appointment of Chief Finance Officer as per regulation 9 (1) (a) and (b) of Insurance Act, 2009.

18. EMPLOYEES WELFARE

a) Management and Employee Relationship

The relationship between the Management and employees of the Company during the year was good. Various meetings between Management and employees were convened during the year under review to ensure effective communication between Management and employees as depicted below:

- Weekly informal staff meetings to enhance effective communication and dialogue between Management and employees.
- Quarterly meetings between Management and employees to review the Company's performance of the preceding quarter and the strategies to be taken during the next quarter to ensure that the Company operates efficiently to achieve its desired objectives; and,
- Monthly departmental meetings where Heads of Departments obtain feedback from their respective staff on issues emanating from quarterly meetings held between Management and employees.

b) Medical Facilities

The Company meets the entire medical expenses for each employee and his/her immediate family members as per the Company's medical scheme.

c) Training

Throughout the year, the Company organized and sponsored various technical trainings on specialized and emerging risks, including Energy and Aviation. Additionally, various employees attended seminars and workshops both locally and internationally, as well as attachment programs with relevant institutions and business partners globally to enhance their knowledge and practical expertise. Professionally certified staff also attended seminars organized by professional bodies, such as the National Board of Accountants and Auditors (NBAA), in line with continuing professional education requirements.

d) Disabled persons

It remains the Company's policy to accept disabled persons for employment in those positions that they can fill. Opportunities for advancement are provided to each disabled person when a suitable vacancy arises within the Company and all necessary assistance is given with initial training. Where an employee becomes disabled during his or her employment, the Company will seek suitable alternate employment and necessary training thereof.

18. EMPLOYEES WELFARE (CONTINUED)

e) Equal opportunities employer

The Company's policy is not discriminatory against people with regards to race, gender, religion or disability.

f) Gender parity

The Company had a total of 30 employees, of whom 12 were female and 18 were male (2023: 30 employees, of whom 12 were female and 18 were male).

19. DIVIDEND

The Directors recommend payment of dividend amounting to TZS 4.1 billion equals 25% of profit after tax of TZS 16.5 billion achieved during the period ended 31 December 2024 (2023: TZS 3.8 billion).

20. RESERVES

The Company had retained earnings of TZS 18.8 billion, (2023: TZS 15.5 billion) and contingency reserve of TZS 51.7 billion, (2023: TZS 43.8 billion).

21. TRANSACTIONS WITH RELATED PARTIES

Parties are considered related when one can control or significantly influence the financial and operational decisions of the other. In the ordinary course of business, the Company engages in various transactions with related parties, including key management personnel, Directors, their associates, and companies linked to Directors. Details of related party transactions during the year, along with outstanding balances at year-end, are disclosed in Note 31 of the financial statements.

22. CORPORATE GOVERNANCE

The Company believes in good Corporate Governance and has put in an internal system encompassing policies, processes and people, which serves the needs of Shareholders and other stakeholders, by directing and controlling management activities with good business plans, objectivity and integrity. TAN-RE believes that sound Corporate Governance is reliant on external marketplace commitment and legislation, plus a healthy Board culture which safeguards policies and processes.

The Company strives to promote the highest standard of governance by establishing a series of Management and social responsibility principles that all companies should strive to achieve.

The Directors recognize the need to conduct the business and operation of the Company with integrity and in accordance with generally accepted corporate governance principles. The Directors will continue to focus attention on maintaining the highest standards of corporate governance and business ethics in the Company's operations.

BOARD OF DIRECTORS

Members of the Board are mentioned on pages 2 and 3. The Board is chaired by an independent non-executive director, Mr Wilson Ndesanjo, and includes nine other non-executive directors. Most of the members of the Board have vast experience in their areas of profession including insurance business that is applied in the overall Management of the Company. Directors' fees and other emoluments and related party transactions are disclosed in Note 30 to these financial statements. Ordinary Board meetings are held quarterly to review the Company's performance against budget and business plans, as well as to formulate and implement the Company strategy.

22. CORPORATE GOVERNANCE (CONTINUED)

Board committees

The Board has three committees (Audit and Risk Committee, Finance and Investment Committee and Governance and Human Resources Committee), whose chairpersons report to the Board of Directors. During the year 2024, the Board had convened 8 meetings (2023: 7 meetings).

Audit and Risk Committee

The Audit and Risk Committee meets on a quarterly basis. The responsibilities of this committee are the review of financial information and monitoring of the effectiveness of Management information, Risk Management and Internal Control Systems.

Also, the committee has a responsibility to deliberate on the significant findings arising from Internal and External audit reviews and from inspections by the regulators, including the Tanzania Insurance Regulatory Authority (TIRA). In addition, the committee has the responsibility of ensuring that the Company actively identifies and assesses the risks arising from the internal and external environments, takes proactive actions in identifying and managing the emerging risks and remains compliant with the applicable legal and statutory requirements. During the year 2024, the Audit and Risk Committee met 6 times (2023: 6 meetings).

Finance and Investment Committee

The Finance and Investment Committee meets on a quarterly basis. The responsibilities of this committee are the review of the Company's investment policies to ensure that all investments are being performed in conformity with approved investment policies and in line with the requirement of insurance regulation as issued under the Insurance Act, 2009. The committee is also responsible to oversee the Company's IT related matters. During the year 2024, the Finance and Investment Committee met 4 times (2023: 4 meetings).

Governance and Human Resources Committee

The Governance and Human Resources Committee was set up by the Board to periodically address matters related to Governance, staffing and remunerations of the Company's employees and Directors. The Committee meets semi-annually. However, the Committee can meet more than two times in a year whenever there is a need to. In the year 2024, the Governance and Human Resources Committee met 3 times (2023: 2 meetings).

23. POLITICAL CONTRIBUTIONS AND DONATIONS

The Company did not make any political donations during the year.

24. CORPORATE SOCIAL RESPONSIBILITY

TAN-RE has an obligation to consider the interests of its stakeholders (clients, shareholders, employees, communities, and environmental considerations) in all aspects of its operations. Amongst the initiatives and endeavours in which TAN-RE participates include financial support of various Non-Governmental Organizations, Hospitals and Institutions of learning. A sound environment for all is the key to overall social and economic success of any country. TAN-RE recognizes the importance of a clean and healthy environment and supports various activities geared towards achievement and its improvement. During the year ended 31 December 2024, TAN-RE donated TZS 81 million to various schools, charitable organisations, and social organisations (2023: TZS 95 million).

25. STAKEHOLDERS' NEEDS AND INTERESTS

The Company's stakeholders include the Insurance Companies, Brokers, Agents, Reinsurers, the Tanzania Insurance Regulatory Authority (TIRA), other Government authorities and agencies, financial institutions, shareholders, suppliers and finally the Company's employees. Each category of these stakeholders has different interests and needs from the Company.

Stakeholders	Stakeholders needs and expectations
Employees	• Employees' interest is on the success of the Company for job security, better salaries and other benefits, training and development. • An empowering and enabling environment that embraces diversity inclusivity and growth. • Fair remuneration, effective performance management, and recognition • A safe and healthy work environment • Job Security
Insurance Companies (Cedants) and Reinsurers	• The Insurance Companies' interests include the assurance that the Company will provide adequate reinsurance capacity and settle the claims timely. • Timely delivery on insurer's promises • Exceptional Customer Service • Reinsurers' interest is to get fair share of business from the Company and provide support to ensure prudent underwriting.
Reinsurance Brokers	• Reinsurance Brokers and Agents' interest is on provision of insurance solutions to their clients and to be rewarded in form of commissions
Suppliers	• Fair opportunities for service provision to the Company and timely payments
Shareholders/ investors	• Shareholder value creation through share price appreciation and attractive and sustainable dividends • Continuous engagement to enable informed investment decisions
Regulators	• The Tanzania Insurance Regulatory Authority's interest is on the growth of the sector and protection of the policyholders' interests
Government	• The Government collects taxes from the business and sees the business as one of the sources of employment in the Country. • Regular interactions through regulatory bodies and sometimes through the Association on Tanzania Insurers (ATI) the Company engages with the Government Ministries or officials
Regulators and policy makers	• Compliance with all legal and regulatory requirements • Being a responsible taxpayer in all jurisdictions where the Company conducts business. • Active participation and contribution to the industry and regulatory working groups
Society	Without people, businesses cannot exist. Customers buy the products that maintain or increase their welfare and with their spending and loyalty, they deserve to see that Companies drive social and environmental changes. The Company acts responsibly to support the society.
Media	Interactions via press releases, face to face, local Television, radio, magazines, and blogs to enhance brand visibility and promote the Company's products

26. FACTORS IMPACTING COMPANY'S ABILITY TO CREATE VALUE

Company's operating environment is characterised by increased competition, disruptive technologies, changing consumer behaviour and regulatory and policy changes. Within the context of its current strategic, cultural, and digital journey. TAN-RE manages the following material matters.

ISSUE	RISK/IMPACT ON VALUE CREATION	OUR RESPONSE
Rising stakeholder expectations	Stakeholders' sentiments can impact Company's reputation and, affect the cost and availability of funding that is required to drive long-term performance.	Increased engagements with stakeholders to best understand their expectations to incorporate into Company's strategic planning. Adopting integrated reporting to increase transparency on value creation process.
Ongoing regulatory and policy changes	Growing compliance costs which may have to be passed on to customers and ultimately impact shareholder returns.	Allocating a material proportion of investments to regulatory compliance and risk prevention initiatives. Engagement with policy makers and communities to advocate for appropriate regulatory reform. Maintaining constructive and proactive relationships with key regulators.
Business disruption	Events such as global pandemic can cause unexpected business disruption and impact every part of the Company, from operational efficiency to Return on Investment. Disruption means the Company's ability to continue as expected or planned is compromised.	Increased focus on credit risk, liquidity management and capital preservation.

27. RISK MANAGEMENT

The Company has a Risk Management unit which reports to the Board on a quarterly basis. The Board is updated timely on major risk exposures for timely mitigative initiatives to be implemented. The Company continues to train and sensitise all employees on both their individual and collective responsibilities pertaining to risk Management within the operations of the Company. Moreso, the Company's Quality Management system is certified under ISO 9001:2015 which places greater emphasis on Risk Management.

TAN-RE's detailed risk categorisation is set out in the Company's Risk Register. An update on the developments of the top 10 risks are presented to the Board through its Audit and Risk Committee meetings every quarter. The Company has a Board approved Risk Management Framework which categorises Enterprise Risk into seven categories set out below.

(i). Strategic Risk

The Board is vigilant on monitoring the Risks that shape the strategic direction of the Company such as alignment of the business and organisation goals to strategic objectives, geographic expansion and new products.

(ii). Market Risk

The Company is watchful on the consequences of changes in the asset values, investment market value changes on liabilities, and consequences of not matching asset and liability cashflows.

27. RISK MANAGEMENT (CONTINUED)

(iii). Credit Risk

The Board is constantly watchful on the risk of failure of the third parties to repay amounts owing to the Company such as

- Counterparty Risk - Failure of a counterparty / downgrade of a counterparty
- Default on reinsurance premiums and
- Asset default (default by an issuer of a financial asset on the interest or capital payments)

(iv). Reinsurance Risk

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

The above risk exposure is mitigated by diversification across a large portfolio of retrocession contracts and geographical areas. The variability of risk is also improved by careful selection and implementation of underwriting strategy guideline, as well as the use of retrocession arrangements.

The Company purchases retrocession cover as part of its risk mitigation programme. Retrocession ceded is placed on both a proportional and non-proportional basis. The majority of proportional retrocession programme is quota-share which is taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional retrocession is primarily excess-of-loss programme designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss retrocession vary by class of business and territory.

Amounts recoverable from retrocessionaires are estimated in a manner consistent with the outstanding claims provisions and are in accordance with the retrocession contracts. Although the Company has retrocession arrangement, it is not relieved of its direct obligations to its ceding companies and thus a credit exposure exists with respect to retro ceded reinsurance, to the extent that any retrocessionaires are unable to meet its obligations assumed under such retrocession agreements.

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

(v). Liquidity Risk

The Board understands the importance of liquidity management to the operations of the Company since the Company has a commitment to settle obligations within the shortest time possible. The Board is vigilant on the risk of not having sufficient funds available to enable the Company to meet its obligations as they fall due, or making the Company to secure resources at an excessive cost.

(vi). Operational Risk

TAN-RE is cautious on the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. In addition, the failure to mitigate against external risks including the risk of offering uncompetitive products or not being innovative.

(vii). Legal and Regulatory Risk

TAN-RE operates in a highly regulated environment and has a responsibility to comply to various legal and regulatory requirements. The Company has compliance unit which reports to the Board on a quarterly basis. The Company is observant on changes in legislation and regulation leading to higher capital requirements including litigation risk from third parties.

28. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Company operates in politically stable environments and cooperates with several Government Agencies including Tanzania Police Force, Municipal Councils, Tanzania Revenue Authority, Tanzania Insurance Regulatory Authority, and many others in implementing social, economic, environmental, and safety projects and activities.

The Company continues to focus on enhancing the positive safety culture already in place. In 2024, the Company through Tanzania Insurance Regulatory Authority participated in several campaigns in road safety and insurance awareness to different regions of Tanzania.

29. TECHNOLOGY AND INNOVATION

One of the key drivers of change in the financial sector is technological innovation. The insurance sector is no exception to such developments, with possibilities of new methods of service provision as well as greater opportunities for data collection and fraud detection that can lead to better risk identification and mitigation measures. The Tanzania Insurance market has witnessed deliberate moves to seize use of innovative technological solutions which has influenced their business models and methods of sourcing for additional income.

The market has embarked on use of mobile apps and has partnered with mobile service providers to increase penetration of insurance through products in motor and life and personal accident business including bancassurance. The Company has been very supportive in building capacity to the local insurance companies to accept such emerging risks which positively impacts the top line of TAN-RE.

Internally, the Company has earmarked introduction of a customer portal for information and statistical sharing for the benefit of its clients as it pursues fulfilment of some of its key functions as a reinsurer. TAN-RE's preparedness in use of technology assured the Company of smooth and uninterrupted operations.

The Company is prepared to manage risks emanating from embracing technology such as cyber risks and frauds in which the Company has a policy in place to protect itself and its people.

30. SUSTAINABILITY INFORMATION

Environmental Impact:

At TAN-RE, we are dedicated to promoting sustainable financial growth and minimizing our environmental footprint. Our commitment to environmental sustainability is reflected in our efforts to reduce carbon emissions, manage paper usage, manage water usage, handle waste responsibly, and explore opportunities in renewable energy and clean technology.

a) Climate change:

- Carbon emissions: TAN-RE is actively working to reduce its carbon footprint through various initiatives through energy efficiencies techniques, reducing paper usage.
- Financing environmental impact: As a reinsurance company, TAN-RE plays a role in financing projects that have a positive environmental impact through sustainable investments and various risk management solutions.

30. SUSTAINABILITY INFORMATION (CONTINUED)

b) Natural resources

- Water usage: Efficient water management is a key aspect of our environmental strategy through reducing consumption and promoting efficient water usage within our operations .
- Pollution & waste:
- Waste management: Effective waste management practices are essential to reducing our environmental impact through recycling programs and waste reduction.
- Environment opportunity:
- Opportunities in renewable energy: TAN-RE is committed to exploring and investing in renewable energy opportunities such as solar energy and future investments in renewable energy projects.
- Opportunities in clean technology: We recognize the potential of clean technology to drive sustainable development:
- Strategic Partnerships: Collaborating with technology providers and other stakeholders to implement clean technology solutions within our operations and the broader insurance sector.

c) *Social Impact*

(i) Social opportunity

- Access to Sustainable Healthcare: TAN-RE is committed to improving access to sustainable healthcare for communities across Tanzania. We support initiatives that provide essential medical services, promote health education, and enhance healthcare infrastructure. Our partnerships with local health insurance companies and other health related organizations aim to ensure that quality healthcare is accessible to all, particularly in underserved areas
- Awareness and Education: Education is a cornerstone of sustainable development. TAN-RE invests in educational programs that raise awareness about insurance and financial literacy. We collaborate with schools and community organizations to provide resources and training, empowering individuals with the knowledge they need to make informed decisions about their financial futures.
- Community Outreach: Our community outreach programs are designed to support and uplift the communities we serve. TAN-RE engages in various initiatives, including disaster relief, environmental conservation, and social welfare projects. By working closely with local leaders and organizations, we strive to address the unique needs of each community and foster a spirit of collaboration and resilience.

(ii) The employee experiences

Diversity, Equity and Inclusion: At TAN-RE, we believe that diversity, equity, and inclusion (DEI) are essential to our success. We are committed to creating a workplace that values and respects individuals from all backgrounds. Our DEI initiatives focus on promoting equal opportunities, reducing biases, and fostering an inclusive culture where everyone can thrive.

30. SUSTAINABILITY INFORMATION (CONTINUED)

(iii) Talent Acquisition & Development:

- Our talent acquisition and development strategies are designed to attract, retain, and nurture top talent. We offer comprehensive training programs, mentorship opportunities, and career development plans to help our employees grow professionally. By investing in our people, we ensure that TAN-RE remains a leader in the reinsurance industry.

- Employee Benefits: TAN-RE provides a competitive benefits package to support the well-being of our employees. This includes health insurance, retirement plans, and wellness programs. We believe that taking care of our employees is crucial to maintaining a motivated and productive workforce.

- Training & Development: Continuous learning is vital to our success. TAN-RE offers a range of training and development opportunities to help employees enhance their skills and advance their careers. Our programs cover technical training, leadership development, and soft skills, ensuring that our team is well-equipped to meet the challenges of the industry.

- Employee health & Safety: The health and safety of our employees are paramount. TAN-RE implements rigorous health and safety protocols to ensure a safe working environment. We conduct regular safety training, provide necessary protective equipment, and promote a culture of safety awareness throughout the organization.

(iv) The customer experiences

- Customer engagement, satisfaction & retention: Customer satisfaction is at the heart of our business. TAN-RE is dedicated to engaging with our clients, understanding their needs, and providing exceptional service. We regularly seek feedback and use it to improve our offerings, ensuring that we build long-lasting relationships based on trust and reliability.

- Product and Service Awareness Creation: Raising awareness about our products and services is crucial to our growth. TAN-RE employs various marketing and communication strategies to educate potential clients about the benefits of reinsurance. We participate in industry events, conduct workshops, and leverage digital platforms to reach a wider audience.

- Service quality and assurance: Quality assurance is integral to our operations. TAN-RE adheres to stringent quality standards and continuously monitors our processes to ensure excellence. We are committed to delivering reliable and high-quality reinsurance solutions that meet the evolving needs of our clients.

d) Governance

(i) Regulatory Compliance:

- Adherence to Laws and Regulations: TAN-RE is committed to full compliance with all applicable laws and regulations. Established under the Insurance Act No. 18 of 1996 and later governed by the Insurance Act of 2009, TAN-RE ensures that its operations align with national and international legal standards. Regular updates and training sessions are conducted to keep our team informed about regulatory changes and compliance requirements.

- Regular Audits: To maintain transparency and accountability, TAN-RE undergoes regular internal and external audits. These audits are designed to assess our financial health, operational efficiency, and adherence to governance policies. The findings from these audits are reviewed by the Board of Directors and necessary actions are taken to address any identified issues.

30. SUSTAINABILITY INFORMATION (CONTINUED)

(ii) Code of Conduct: Our Code of Conduct outlines the ethical standards and professional behavior expected from all employees and stakeholders. It emphasizes integrity, fairness, and respect in all business dealings. Regular training sessions are held to ensure that everyone at TAN-RE understands and adheres to these principles.

(iii) Anti-Corruption Policies: TAN-RE has a zero-tolerance policy towards corruption and bribery. We have implemented robust anti-corruption policies and procedures to prevent, detect, and address any corrupt practices. Employees are encouraged to report any suspicious activities through our confidential whistleblowing system.

e) Risk Management:

- Enterprise Risk Management (ERM): Our ERM framework is designed to identify, assess, and manage risks that could impact our business operations. This proactive approach helps us mitigate potential threats and capitalize on opportunities, ensuring the long-term sustainability of our company.
- Climate Risk Assessment: Recognizing the impact of climate change on the insurance industry, TAN-RE conducts regular climate risk assessments. These assessments help us understand the potential risks and develop strategies to manage them effectively. We are committed to supporting initiatives that promote environmental sustainability.

f) Board Oversight and Governance

- Board Composition: Our Board of Directors comprises experienced professionals with diverse backgrounds in insurance, finance, and governance. This diversity ensures a balanced and comprehensive approach to decision-making. The Board is responsible for setting strategic direction and overseeing the implementation of governance policies.
- Governance Policies: TAN-RE has established comprehensive governance policies that guide our operations. These policies cover areas such as risk management, compliance, and ethical conduct. Regular reviews are conducted to ensure that these policies remain relevant and effective.

g) Stakeholder Engagement

- Communication and Transparency: We believe in maintaining open and transparent communication with our stakeholders. Regular updates on our performance, governance practices, and sustainability initiatives are shared through various channels, including our annual reports and corporate website.
- Stakeholder Feedback: TAN-RE values the feedback of its stakeholders. We have established mechanisms to gather input from customers, employees, regulators, and other stakeholders. This feedback is used to improve our services and governance practices.

h) Sustainability Integration

- ESG Reporting: We have prioritized Economic, Social, and Governance (ESG) goals on our 2025-2029 strategic plan, demonstrating our commitment to achieving a balance between profit and purpose, paving the way for responsible growth and industry leadership. We are committed to providing comprehensive and transparent ESG reports that highlight our efforts in promoting sustainable development and responsible business practices.

30. SUSTAINABILITY INFORMATION (CONTINUED)

- Sustainability Goals: TAN-RE has set ambitious sustainability goals aimed at enhancing our environmental and social impact. These goals include reducing our carbon footprint, promoting diversity and inclusion, and supporting community development initiatives. We have set mechanisms that will regularly monitor our progress and report on our achievements.

Linkage to SDG

The following table highlights how each SDG is relevant to TAN-RE and how its material topics align with these global sustainability goals. TAN-RE can contribute to these SDGs through its operations, governance, and social impact initiatives.

SDG	Description	Link to Material Topics
SDG 3: Good Health and Well-being	Ensure healthy lives and promote well-being for all at all ages.	• Access to Sustainable Healthcare • Employee Health & Safety • Employee Benefits
SDG 4: Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	• Awareness and Education • Talent Acquisition & Development • Training & Development
SDG 5: Gender Equality	Achieve gender equality and empower all women and girls.	• Diversity, Equity, and Inclusion • Board Composition
SDG 8: Decent Work and Economic Growth	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.	Talent Acquisition & Development Employee Benefits Training & Development Employee Health & Safety Consumer Engagement, Satisfaction & Retention
SDG 10: Reduced Inequalities	Reduce inequality within and among countries.	Diversity, Equity, and Inclusion Board Composition
SDG 11: Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient, and sustainable.	Community Outreach
SDG 16: Peace, Justice, and Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable institutions at all levels.	• Adherence to Laws and Regulations • Regular Audits • Code of Conduct • Anti-Corruption Policies • Governance Policies • Communication and Transparency • ESG Reporting • Accountability, Transparency and Compliance
SDG 17: Partnerships for the Goals	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	• Stakeholder Feedback • Strategic Partnerships • Community Outreach • Financing Environmental Impact

31. STATEMENT OF COMPLIANCE

The Report by Those Charged with Governance is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA). The financial statements of the Company have been prepared in accordance with International IFRS Accounting Standardsas issued by the International Accounting Standards Board (IASB), and comply with the Tanzanian Companies Act, 2002 and the Tanzanian Insurance Act, 2009.

32. INDEPENDENT AUDITORS

The Auditors, Ernst & Young, have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing their re-appointment as the Company's auditors for the subsequent year will be put to the next Annual General Meeting for approval.

Company's External Auditor:

Ernst & Young
EY House
Plot No.162/1, Mzinga Way
14111 Oysterbay
P.O. Box 2475
Dar es Salaam, Tanzania

Telephone: +255 22 2924040/41/42, Fax: +255 22 2924043, Email: info.tanzania@tz.ey.com,
Website: www.ey.com; TIN Number: 100-149-222; VAT Number: 10-007372-Z

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WILSON NDESANJO

Chairman of the Board of Directors

Date: 14/04/2025

It is the responsibility of the those charged with Governance to prepare financial statements of the entity which show a true and fair view in accordance with applicable standards, rules, regulations, and legal provisions.

This responsibility covers the period from the beginning of the financial year to the date those charged with Governance approve the Audited Financial Statements and it covers all those charged with Governance who acted in this capacity during any part of the period covered by financial statements.

The Tanzanian Companies Act, 2002, requires the Directors of the Company to prepare the Financial Statements for each financial year that give true and fair view of the situation of the Company as at the end of the financial year and of its operating results for that year. It also requires the Directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud, error, and other irregularities.

The Directors accept responsibility for the Annual Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirement of the Tanzanian Companies Act, 2002. The Directors are of the opinion that the Financial Statements give a true and fair view of the state of the financial affairs of the Company and of its operating results and in compliance with International Financial Reporting Standards. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Furthermore, the Directors accept their responsibilities laid out under various sections of the Insurance Act, 2009 with its subsequent regulations and assert that the same has been complied with in all material respects.

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

Approved and authorised for issue by the Board of Directors and signed on its behalf by:

....

WILSON NDESANJO

Chairman of the Board of Directors

Date: 14/04/2025

The National Board of Accountants and Auditors (NBAA) according to the power conferred to it under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires Financial Statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with International IFRS Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Statement of Directors' Responsibilities on an earlier page.

I **Ernest Koroso,** being the Head of Finance of **Tanzania Reinsurance Company Limited (TAN-RE)** hereby acknowledge my responsibility of ensuring that Financial Statements for the year ended 31 December 2024 have been prepared in compliance with International IFRS Accounting standards and statutory requirements.

I thus confirm that the Financial Statements give a true and fair view position of **Tanzania Reinsurance Company Limited (TAN-RE)** as on that date and that they have been prepared based on properly maintained financial records.

....

Ernest Koroso

Chief Finance and Administration Officer

NBAA Membership No: ACPA 3764

Date: 14/04/2025

I **Darshan Ruparelia FIA, FeASK, FAST** being a Fellow of the Institute and Faculty of Actuaries, Fellow of the Actuarial Society of Kenya, and Fellow of the Actuarial Society of Tanzania and approved by the Commissioner of Insurance, having conducted actuarial valuation in accordance with Section 154(2) of the Insurance Act of 2009 and Section 22(2) of the Insurance Regulations of 2009 as of 31 December 2024 do here by certify as under:

a) that in my opinion the actuarial liabilities of general insurance have been investigated and assessed by me in accordance with the provisions of the Insurance Act and Regulations of 2009; and

b) that the actuarial estimates of the reserves of Tanzania Reinsurance Company Limited as of 31 December 2024 are adequate and may be provided accordingly.

Ruparelia

……………………………………………..

Darshan Ruparelia FIA, FeASK, FAST
Fellow of the Institute of Actuaries, U.K
Fellow of the Actuarial Society of Kenya
Fellow of the Actuarial Society of Tanzania
Consulting and Principal Actuary
Actuarial and Risk Consulting (T) Limited
P.O Box 38568, Dar es Salaam, Tanzania.

Date: 14/04/2025

Independent auditor's report

Report on the Audited of the Financial Statements

Opinion

We have audited the financial statements of Tanzania Reinsurance Company Limited (the 'Company') set out on pages 50 to 182 which comprise of the statements of financial position as at 31 December 2024, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies Act, 2002 and the and Insurance Act, 2009 of Tanzania

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 Bank accordance with the National Board of Accountant and Auditors' Code of Professional Conduct for Registered Auditors (NBAA Code) and other independence requirements applicable to performing audits of financial statements of the Bank in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the NBAA Code and in accordance with other ethical requirements applicable to performing audits of the Insurance in Tanzania. The Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statement.

No.	Key audit matter	How our audit addressed the key audit matter
1.	**Valuation of reinsurance contract liabilities**	
	As disclosed in note 28 to the financial statements, the Company had reinsurance contract liabilities of TZS 49,616 million as at 31 December 2024 (2023: TZS 40,240 million), which represent a significant portion of its total liabilities. The Company has assessed all reinsurance contracts held and established that majority of these contracts are eligible for the Premium Allocation Approach ("PAA") as the policy durations are generally of one year or less. The Company also has contracts with a policy duration of over 12 months such as Engineering, Energy and Life in which a PAA eligibility tests were conducted to allow these lines of business to be modelled under PAA. Significant assumptions are made in the valuation of the liability for incurred claims as it relates to the Company's reinsurance contracts. Critical inputs into the valuation of the liability for incurred claims include the future cash flow projections and a risk adjustment for non-financial risk. Auditing the valuation of reinsurance contract liabilities is complex and requires the application of significant auditor judgement due to the complexity of the cashflow models, the selection and use of assumptions and the interrelationship of these variables in measuring reinsurance contract liabilities. • Note 5 for critical accounting estimates and judgements. • Note 6 on insurance risk management. • Note 28 for details on the balances	Our audit procedures included, but were not limited to: - • Obtained an understanding of the reinsurance contract liabilities valuation process. For this process, we focused on understanding the Company's process including the approach for classification of insurance contracts for the purpose of measuring reinsurance contract liabilities. We also focused on understanding management's selection of accounting policies, the development of fair value and actuarial models, as well as management's process to ensure integrity of data used. • Involved our actuarial specialists in assessing the methodology and assumptions used in valuation of the reinsurance contract liabilities in respect to compliance with the Company's policies and IFRS Accounting Standards. • On a sample basis, we tested underlying support documentation for the inputs into the valuation of reinsurance contract liabilities. • Evaluated the Company's policies on accounting for reinsurance contracts in accordance with IFRS 17. • Evaluated the adequacy of the Company's disclosures on insurance contract liabilities in terms of IFRS 17.

Other matter

The financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 19th April 2024.

Other Information

The directors are responsible for the other information. The other information comprises the Company information, the report by those charged with governance, statement of responsibility by those charged with governance, Declaration of Head of Finance and Report of the Consulting Actuary. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of Tanzania, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 directors.
- Conclude on the appropriateness of the directors' 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.

Report on Other Legal and Regulatory Requirements

This report, including the opinion, has been prepared for, and only for, the Company members as a body in accordance with the Companies Act, 2002 of Tanzania and for no other purposes.

As required by the Companies Act, 2002 of Tanzania, we report to you, based on our audit, that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books;
- The Directors' Report is consistent with the financial statements.
- Information specified by law regarding directors' remuneration and transactions with the company is disclosed; and
- The statements of financial position and statements of profit or loss and other comprehensive income are in agreement with the books of account.
- The engagement partner on the audit resulting in this independent auditor's report is Neema Kiure (FCPA 1227)The statements of financial position and statements of profit or loss and other comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is Neema Kiure (FCPA 1227)

Signed by: Dr. Neema Kiure (FCPA 1227) __________
For and on behalf of Ernst & Young
Certified Public Accountants
Dar es Salaam

Date: 15/04/2025

	Notes	2024 TZS	2023 TZS
Reinsurance contract revenue	8	267,665,680,179	208,694,220,326
Reinsurance service expense	9	(174,395,107,818)	(129,333,176,646)
Reinsurance results held before retrocession contracts held		**93,270,572,361**	**79,361,043,680**
Allocation of retrocession premium	10 (a)	(118,784,215,906)	(104,885,412,624)
Retrocession service expenses	10 (b)	42,272,120,507	36,974,301,094
Net expenses from reinsurance contracts held		**(76,512,095,399)**	**(67,911,111,529)**
Reinsurance service results		**16,758,476,962**	**11,449,932,151**
Interest revenue calculated using the effective interest method	11 (a)	3,957,432,805	3,164,722,000
Investment income	11 (b)	1,050,528,804	838,072,988
Fair value gain	12	1,094,788,733	931,950,063
Expected Credit Loss on financial assets	16 (b)	(611,460,284)	(46,980,484)
Investment return		**5,491,290,058**	**4,887,764,567**
Finance expenses from reinsurance contracts issued	14	(2,834,656,515)	(1,865,715,804)
Finance income from retrocession contracts held	15	1,211,910,695	899,428,251
Net reinsurance finance expenses		**(1,622,745,820)**	**(966,287,553)**
Net financial results		**20,627,021,200**	**15,371,409,165**
Other operating revenue/(loss)	13	(286,865,261)	1,287,873,885
Operating and administration expenses	16	(991,143,497)	(1,019,596,997)
Share of net profit of associates accounted for using the equity method	33(ii)	472,338,706	580,030,489
Other (expenses)/income		**(805,670,052)**	**848,307,377**
Profit before tax		**19,821,351,148**	**16,219,716,542**
Income tax expense	17	(3,345,127,184)	(3,378,510,025)
Profit for the year		**16,476,223,964**	**12,841,206,517**
Other comprehensive income, net of taxes:			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of investment in foreign associate	33(i)	59,495,816	(157,127,435)
		59,495,816	**(157,127,435)**
Total comprehensive income for the year		**16,535,719,780**	**12,684,079,082**

	Notes	Dec, 2024	Dec, 2023
Assets		TZS	TZS
Property and equipment	18	4,091,960,382	744,057,395
Intangible assets	20	47,585,082	55,015,828
Investment Property	19	24,169,450,000	27,645,000,000
Deferred tax asset	17	4,461,930,044	3,121,310,367
Other receivables	23	7,265,728,580	6,596,511,663
Investment in Government securities at amortised costs	22	7,178,408,232	7,277,626,263
Financial assets at fair value through profit or loss	21	11,176,366,445	10,081,577,714
Investments accounted for using the equity method	33	5,250,888,422	4,719,053,900
Retrocession Contract assets	24	73,869,522,436	57,720,652,420
Deposits with Financial institutions	27	55,306,003,503	51,636,991,320
Cash and cash equivalent	25	2,761,554,675	1,097,490,512
Total Assets		**195,579,397,801**	**170,695,287,382**
Equity and Liabilities			
Equity			
Issued share capital	29	51,967,902,658	48,319,321,389
Share premium		348,613,700	348,613,700
Advance towards share capital	29	7,303,882,000	9,378,228,000
Retained earnings		18,757,251,734	15,510,980,580
Share buyback reserve		3,911,119,923	2,263,497,527
Foreign currency translation reserve		(830,526,885)	(890,022,701)
Contingency reserve	32	51,665,663,288	43,832,483,173
Total equity		**133,123,906,418**	**118,763,101,668**
Liabilities			
Reinsurance Contract Liabilities	28	49,615,606,225	40,239,963,754
Other payables	30	4,011,217,365	3,764,002,283
Current tax payable	17	8,828,667,793	7,928,219,677
Total liabilities		**62,455,491,383**	**51,932,185,714**
Total equity and liabilities		**195,579,397,801**	**170,695,287,382**

These financial statements were approved by the Board of Directors and authorised for issue on 14/04/2025 and were signed on their behalf by:

Name: Wilson Ndesanjo **Title:** Chairman of the Board **Signature:** ....

Name: Justine Mwandu **Title:** Chairman Audit & Risk committee **Signature:** ....

Name: Rajab Kakusa **Title:** Chief Executive Officer **Signature:** ....

	Notes	Share capital	Retained earnings	Contingency reserve	Share buyback reserve [1]	Foreign currency translation reserve [2]	Advance towards share capital	Share premium	Total
		TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
At 1 January 2024	29	48,319,321,389	15,510,980,580	43,832,483,173	2,263,497,527	(890,022,701)	9,378,228,000	348,613,700	118,763,101,668
Transactions with owners									
Transfer of advance share capital to share capital	29	2,090,850,684	-	-	-	-	(2,090,850,684)	-	-
Dividend paid		-	(2,000,000,000)	-	-	-	-	-	(2,000,000,000)
Shares in lieu of cash dividend	29	1,574,235,269	(1,749,150,299)	-	-	-	-	-	(174,915,030)
Transfer to Share buyback reserve	29	-	(1,653,571,978)	-	1,653,571,978	-	-	-	-
Comprehensive income									
Profit for the year		-	16,476,223,964	-	-	-	-	-	16,476,223,964
Other comprehensive income									
Currency translation - associate		-	-	-	-	59,495,816	-	-	59,495,816
Total Comprehensive income		**-**	**16,476,223,964**	**-**	**-**	**59,495,816**	**-**	**-**	**16,535,719,780**
Transfer to Contingency reserve	32	-	(7,833,180,115)	7,833,180,115	-	-	-	-	-
At 31 December 2024		**51,984,407,342**	**18,751,302,152**	**51,665,663,288**	**3,917,069,505**	**(830,526,885)**	**7,287,377,316**	**348,613,700**	**133,123,906,418**
At 1 January 2023	29	46,509,001,389	13,862,844,887	37,890,395,257	995,089,619	(732,895,266)	9,378,228,000	348,613,700	108,251,277,586
Transactions with owners									
Paid up share capital	29	26,000,000	-	-	-	-	-	-	26,000,000
Dividend paid		-	(2,000,000,000)	-	-	-	-	-	(2,000,000,000)
Advance towards share capital		-	-	-	-	-	-	-	-
Shares in lieu of cash dividend	29	1,784,320,000	(1,982,575,000)	-	-	-	-	-	(198,255,000)
Transfer to Share buyback reserve	29	-	(1,268,407,908)	-	1,268,407,908	-	-	-	-
Comprehensive income									
Profit for the year		-	12,841,206,517	-	-	-	-	-	12,841,206,517
Other comprehensive income									
Currency translation - associate		-	-	-	-	(157,127,435)	-	-	(157,127,435)
Total Comprehensive income		-	**12,841,206,517**	-	-	(157,127,435)	-	-	**12,684,079,082**
Transfer to Contingency reserve		-	(5,942,087,916)	5,942,087,916	-	-	-	-	-
		48,319,321,389	**15,510,980,580**	**43,832,483,173**	**2,263,497,527**	**(890,022,701)**	**9,378,228,000**	**348,613,700**	**118,763,101,668**

	Notes	2024 TZS	2023 TZS
Operating activities			
Cash generated from operations	26	**8,638,717,260**	**4,355,709,106**
Tax paid	17	(3,462,350,353)	(2,963,975,100)
Withholding tax deducted at source	17	(322,948,392)	(225,714,107)
Withholding tax - shares in lieu of dividend		(174,915,030)	(198,255,000)
Cash generated from operating activities		**4,678,503,485**	**967,764,899**
Investing activities			
Proceeds from Government securities		99,218,031	196,747,791
Proceed from (purchase of) deposits with financial institutions (maturing over three months) *		10,415,704,837	(9,018,995,034)
Purchase of shares	21	-	(1,756,023)
Purchase of property and equipment	18	(242,386,700)	(122,505,830)
Proceeds from sale of property and equipment		-	53,035,005
Purchase of intangible assets	20	(26,568,451	(24,253,377)
Investment income		3,941,274,500	4,002,794,988
Net cash flows from/(used) in investing activities		**14,187,242,218**	**(4,914,932,480)**
Financing activities			
Proceeds from issue of shares	29	-	26,000,000
Dividend paid		(2,000,000,000)	(2,000,000,000)
Net cash flows used in financing activities		**(2,000,000,000)**	**(1,974,000,000)**
Net increase/(decrease) in cash and cash equivalents		**16,865,745,703**	**(5,921,167,581)**
Cash and cash equivalents at the beginning of the year		1,385,002,751	7,302,906,372
Effect of exchange rate change on cash and cash equivalents		(1,116,964,524)	3,263,960
Cash and cash equivalents at the end of the year	25	**17,133,783,930**	**1,385,002,751**

1. CORPORATE INFORMATION

Tanzania Reinsurance Company Limited is a limited liability Company incorporated and domiciled in United Republic of Tanzania. The Company's shares are not publicly traded.

The Company is incorporated under the Tanzanian Companies Ordinance CAP 212, which was replaced by Tanzanian Companies Act, 2002 in year 2002. The address of its registered office and principal place of business is:

8th Floor, TANRE House
Plot No. 406 - Longido Street, Upanga
P.O. Box 1505
Dar es Salaam, Tanzania
Telephone: 255-22-2922341-3
Facsimile: 255-22-2922344
Email: mail@tan-re.co.tz
Website: www.tan-re.co.tz

The principal activities of the Company are to transact all classes of Reinsurance business (both short term and long term) in conformity with the Insurance Act, 2009.

The financial statements of Tanzania Reinsurance Company Limited for the year ended 31 December 2023 were approved and authorised for issue in accordance with a board resolution as indicated on the statement of financial position.

2. BASIS OF PREPARATION

The financial statements have been prepared on an historical cost basis except for the investment properties and those financial assets and financial liabilities that have been measured at fair value, in accordance with International Financial Reporting Standards (IFRS). The financial statements are presented in Tanzanian Shillings (TZS) except when otherwise indicated.

The Company presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the notes.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Statement of compliance

The financial statements of the Company have been prepared in accordance with International IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and in the manner required by Tanzanian Companies Act, No. 12 of 2002. Additional information required by the regulatory bodies is included where appropriate.

For the Tanzanian Companies Act, No. 12 of 2002 reporting purposes, in these financial statements the balance sheet is presented as the statement of financial position and the profit and loss account is presented in the statement of profit or loss and other comprehensive income.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Function and presentation currency

These financial statements are presented in Tanzanian Shillings (TZS), which is the Company's functional and presentation currency.

(b) Insurance and reinsurance contracts accounting

The Company's Reinsurance contracts issued, and Reinsurance contracts held are all eligible to be measured by applying the PAA.

The measurement principles of the PAA comprise the following aspects:

- The liability for remaining coverage reflects premiums received less deferred Insurance acquisition cash flows and less amounts recognised in revenue for Insurance services provided.
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision).
- Measurement of the liability for incurred claims is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred Insurance expenses.
- Measurement of the asset for remaining coverage (reflecting Insurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

  The Company capitalizes insurance acquisition cash flows for all its product lines. The Company allocates the acquisition cash flows to groups of reinsurance contracts issued using a systematic and rational basis.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Insurance and reinsurance contracts accounting (Continued)

Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognized applying another IFRS standard) before the related group of reinsurance contracts is recognized, an asset for insurance acquisition cash flows is recognized.

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

- Portfolios of reinsurance contracts issued that are assets.
- Portfolios of reinsurance contracts issued that are liabilities.
- Portfolios of reinsurance contracts held that are assets.
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements. Portfolios of Insurance contracts issued include any assets for Insurance acquisition cash flows.

The Company determines reinsurance risk as significant if, and only if, an insured event could cause the Company to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance. The possibility of a loss is measured on a present-value basis.

The Company assesses whether it accepts significant reinsurance risk under the individual contract that it issues, i.e., not by groups of contracts, the outcome of which determines if the contract is within the scope of IFRS 17 or another IFRS standard. In some cases, management applies judgement as to whether there are significant reinsurance risks under the contracts it issues. The Company considers its substantive rights and obligations, whether they arise from a contract, law or regulation, when applying IFRS 17.

Retrocession contracts held

The Company enters into retrocession contracts whereby it cedes reinsurance risk, to the retrocessionaire. As the benefit payable under the retrocession contract is contingent on an uncertain future event that adversely affects the policyholder, the Company is ceding reinsurance risk to the retrocessionaire.

An assessment of significant reinsurance risk is made only once, being at contract inception. If a contract is deemed to be within the scope of IFRS 17, it remains an reinsurance contract until all rights and obligations are extinguished (i.e. discharged, cancelled or expired) or until the contract is derecognised because of a contract modification. Groups of insurance contracts are initially recognised from the earliest of the following:

a. the beginning of the coverage period of the group of contracts (the period during which the Company provides services in respect of any premiums within the boundary of the contract);

b. the date when the first payment from the policyholder in the Company becomes due (or when it is actually received, if there is no due date); and when the Company determines that a group of contracts becomes onerous

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Insurance and reinsurance contracts accounting (Continued)

Separating components from Reinsurance and Retrocession contracts

The Company assesses its non-life Reinsurance and Retrocession products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) Reinsurance contract. Currently, the Company's products do not include any distinct components that require separation.

Some Retrocession contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the Reinsurance component of the Retrocession contract and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

Level of aggregation

The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics.

The Company applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes.

Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any)
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)
- A group of the remaining contracts in the portfolio (if any)

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Insurance and reinsurance contracts accounting (Continued)

The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised.
- Environmental factors, e.g., a change in market experience or regulations The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

Recognition

The Company recognises groups of Insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts.
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:
- The beginning of the coverage period of the group of reinsurance contracts held. (However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying Insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

  And
- The date the Company recognises an onerous group of underlying Insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Contract boundary

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

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks

  Or

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Insurance and reinsurance contracts accounting (Continued)

- Both of the following criteria are satisfied:
  The Company has the practical ability to reassess the risks of the portfolio of Insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio

- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date A liability or asset relating to expected premiums or claims outside the boundary of the Insurance contract is not recognised. Such amounts relate to future Insurance contracts.

Reinsurance contracts – initial measurement

The Company applies the premium allocation approach (PAA) to all the Reinsurance contracts that it issues and retrocession contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including Reinsurance contract services arising from all premiums within the contract boundary.
  Or
- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

- The extent of future cash flows related to any derivatives embedded in the contracts.
- The length of the coverage period of the group of contracts

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

- The premiums, if any, received at initial recognition
- Minus any Insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for Insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of Insurance contracts is recognised.

Where premiums is received within one year of the coverage period, no allowance for time value of money is made.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Insurance and reinsurance contracts accounting (Continued)

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

Retrocession contracts held – initial measurement

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

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

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying Insurance contracts and the percentage of claims on the underlying Insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to Insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Reinsurance contracts – subsequent measurement

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

- Plus premiums received in the period
- Minus Insurance acquisition cash flows, with the exception of property Insurance product line for which the Company chooses to expense Insurance acquisition cash flows as they occur.
- Plus any amounts relating to the amortisation of the Insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as Insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable.
information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Insurance and reinsurance contracts accounting (Continued)

Where, during the coverage period, facts and circumstances indicate that a group of Insurance contracts is onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the

Company for the liability for remaining coverage for such onerous group depicting the losses recognised. For additional disclosures on the loss component. Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium to profit or loss (through Insurance revenue).

Reinsurance contracts held – subsequent measurement The subsequent measurement of reinsurance contracts held follows the same principles as those for Insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Reinsurance contracts held accounting treatment

Where the Company has established a loss-recovery component, the Company subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying Insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying Insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Insurance acquisition cash flows

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

With the exception of the property Insurance product line, for which the Company chooses to expense Insurance acquisition cash flows as they occur, the Company uses a systematic and rational method to allocate:

(a) Insurance acquisition cash flows that are directly attributable to a group of Insurance contracts:

- (i) to that group; and
- (ii) to groups that include Insurance contracts that are expected to arise from the renewals of the Insurance contracts in that group.

(b) Insurance acquisition cash flows directly attributable to a portfolio of Insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where Insurance acquisition cash flows have been paid or incurred before the related group of Insurance contracts is recognised in the statement of financial position, a separate asset for Insurance acquisition cash flows is recognised for each related group.

The asset for Insurance acquisition cash flow is derecognised from the statement of financial position when the Insurance acquisition cash flows are included in the initial measurement of the related group of Insurance contracts.

At the end of each reporting period, the Company revises amounts of Insurance acquisition cash flows allocated to groups of Insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Insurance and reinsurance contracts accounting (Continued)

After any re-allocation, the Company assesses the recoverability of the asset for Insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of Insurance contracts; and
- An additional impairment test specifically covering the Insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss. The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

Insurance contracts – modification and derecognition

The Company derecognises Insurance contracts when:

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

  Or

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

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of portfolios of Insurance contracts issued that are assets, portfolios of Insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for Insurance acquisition cash flows recognised before the corresponding Insurance contracts are included in the carrying amount of the related groups of Insurance contracts are allocated to the carrying amount of the portfolios of Insurance contracts that they relate to.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an Insurance service result, comprising Insurance revenue and Insurance service expense, and Insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the Insurance service result. The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from Insurance contracts issued.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Insurance and reinsurance contracts accounting (Continued)

Reinsurance revenue

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

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

Loss components

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of Insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

Loss-recovery components

Where the Company recognises a loss on initial recognition of an onerous group of underlying Insurance contracts, or when further onerous underlying Insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses. A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying Insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying Insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Insurance finance income and expense

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

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Company does not disaggregate Insurance finance income or expenses on Insurance contracts.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates. The bottom-up approach has been used by the Company to choose which discount rates to apply.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Insurance and reinsurance contracts accounting (Continued)

Net income or expense from reinsurance contracts held

The Company presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

(c) Investment income

Investment income is made up of interest on fixed deposits, interest from government securities and dividend income. Interest income is recognised in the statement of profit or loss as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

Dividends are received from financial assets measured at fair value through profit or loss (FVPL). Dividends are recognised as investment income in profit or loss when the right to receive payment is established. For listed securities, this is the date the security is listed as ex dividend.

(d) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Replacement or major inspection costs are capitalised when incurred and it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Depreciation is calculated to write off the cost of equipment over the estimated useful life of each category using the straight-line method at the following current estimated annual rates:

Motor vehicles	25.0%
Office furniture and fittings	12.5%
Office equipment	12.5%
Computers	33.3%

The assets' residual values, useful lives and method of depreciation are reviewed and adjusted if appropriate at each financial year-end. Impairment reviews take place when events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment losses are recognised in the statement of comprehensive income as an expense. An item of equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the assets, (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is de-recognised.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

Intangible assets are amortised on a straight-line basis over their useful economic life and assessed for impairment whenever there is an indication that they may be impaired.. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit or loss. The annual rates of amortisation which have been consistently applied are:

Description	Rate (%)
Computer software	25 – 33.33

(f) Investment properties

Investment properties are measured initially at cost, including transaction costs. After initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the period in which they arise, including the corresponding tax effect. Annual fair values are determined based on revaluation performed by an accredited external independent valuer. The independent valuer performs the valuation after every three years, while the Company reviews the values annually.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the statement of financial position. For the purpose of the cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdraft.

(h) Taxes

Current income tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

Current tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Taxes (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, effects neither the accounting profit nor taxable profit or losses.
- Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and tax losses can be utilized except:
- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to the set off current tax assets against current income tax liabilities and the deferred tax taxes relate to the same taxable entity and the same taxation authority.

Uncertain tax positions

The Company recognises liabilities for uncertain tax positions in accordance with the criteria defined within IAS 12 and IFRIC 23, based on objective estimates of the amount of tax that may be due, which is calculated, where relevant, with reference to expert advice received. Where payment is determined to be possible but not probable, the tax exposure is disclosed as a contingent liability. The Company recognises probable liabilities based on objective estimates of the amount of tax that may be due. Where the final tax determination is different from the amounts that were initially recorded, the difference will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Levies and similar charges

The Company recognises the liability arising from levies and similar charges such as City service levy paid quarterly to the local government authority, excise and stamp duty paid monthly to the Tanzania Revenue Authority (TRA). These charges are to be legally enforceable in the reporting period. A revision for levies is recognised when the condition that triggers the payment of the levy is met.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Foreign currency translation

Transactions and balances

The Company's financial statements are presented in TZS which is the Company's functional currency. Items included in the financial statements are measured using that functional currency. The resulting differences from translation and conversion as well as on settlement or realizing monetary items are dealt with in the profit or loss in the year in which they arise.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined

(j) Claims incurred and reinsurance contract liabilities

Claims incurred comprise actual claims paid as at the end of the year and accrued estimated pipeline claims (being claims paid by cedants but not reported to the Company at the end of each reporting period) and changes in the provision for reinsurance contract liabilities. Claims paid represent all payments made during the year, whether arising from events during that year or previous years.

Reinsurance contract liabilities represent the ultimate cost of settling all claims arising from incidents occurring prior to the end of each reporting period but not settled at that date. They are determined annually by the Company's actuaries on the basis of the best information available at the time the records for the year are closed and include any provisions for claims incurred but not reported (IBNR).

The main assumption underlying the techniques used is that the Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years but can also be further analysed by significant business lines and claim types.

Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims' development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments

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

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI), and Fair Value through Profit or Loss (FVPL).

The classification of financial instruments at initial recognition depends on their contractual terms, the business model for managing the assets and the instruments' contractual cash flow characteristics. Financial instruments are initially recognised on the trade date measured at their fair value. Except for financial assets and financial liabilities recorded at Fair Value Through Profit or Loss (FVPL), transaction costs are added to this amount.

Measurement categories

The Company classifies its financial assets based on the business model for managing the assets and the asset's contractual terms. The categories include the following:

- Financial assets at amortised cost
- Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)
- Financial assets at Fair Value Through Profit or Loss (FVPL)

Financial assets measured at amortised cost.

Non-equity financial assets are held at amortised cost if both of the following conditions are met:

- The instruments are held within a business model with the objective of holding the instrument to collect the contractual cash flows.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Company considers the timing, amount and volatility of cash flow requirements to support reinsurance liability portfolios in determining the business model for the assets as well as the potential to maximise return for shareholders and future business development.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as:

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (Continued)

Business model assessment (continued)

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of asset sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process, the Company assesses the contractual terms to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a financial instrument arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Financial assets measured at fair value through other comprehensive income

The Company measures financial assets at FVOCI when both of the following conditions are met:

- The financial assets are held within a business model, the objective of which is both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial assets meet the SPPI test.

The instruments under this category largely comprise the instruments that had previously been classified as available-for-sale under IAS 39. Further, the instruments in this category are those that are intended to be held to collect contractual cash flows and which may be sold in response to needs for liquidity or in response to changes in market conditions.

Financial assets measured at fair value through profit or loss

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. This category includes financial assets whose cash flow characteristics fail the SPPI criterion or

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (Continued)

Classification of the Company's financial assets

Below is the classification of the Company's financial assets:

Financial assets	Category
Investment in Government securities at amortised cost	At amortised cost
Financial assets at fair value through profit or loss	At fair value through profit and loss
Other receivables except prepayments and deposits	At amortised cost
Deposits with financial institutions	At amortised cost
Cash and cash equivalent	At amortised cost

Subsequent measurement

Financial assets measured at amortised cost

After initial measurement, the financial assets are measured at amortised cost, using the effective interest rate (EIR) method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. ECLs are recognised in the statement of profit or loss when the investments are impaired.

Financial assets measured at fair value through other comprehensive income

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in Other Comprehensive Income. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. Where the Company holds more than one investment in the same security, they are deemed to be disposed of on a first–in first–out basis. On derecognition, cumulative gains or losses previously recognised in Other Comprehensive Income are reclassified from Other Comprehensive Income to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss. Interest earned on assets mandatorily required to be measured at FVPL is recorded using contractual interest rate. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

Classification of the Company's financial liabilities

Below is the classification of the Company's financial liabilities:

Financial liabilities	Category
Other payables	At amortised cost

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (Continued)

Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart fromthe exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

Derecognition

Derecognition other than for substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all of the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Derecognition due to substantial modification of terms and conditions

The Company derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new instrument, with the difference recognised as a derecognition gain or loss. In the case of debt instruments at amortised cost, the newly recognised instruments are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognise an instrument, amongst others, the Company considers the following factors:

- Change in currency of the debt instrument.
- Introduction of an equity feature
- Change in counterparty.
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (Continued)

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Impairment losses on financial instruments
- Disclosures for significant judgements and estimates

The Company recognises an allowance for ECLs for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the appropriate effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).
The Company considers a financial asset to be in default (credit impaired) when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The calculation of ECLs

The Company calculates ECLs based on scenarios to measure the expected cash shortfalls, discounted at an appropriate EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the entity expects to receive.
When estimating the ECLs, the Company considers four scenarios (a base case, an upside, a mild downside and a more extreme downside). When relevant, the assessment of multiple scenarios also incorporates the probability that the defaulted loans will cure.

The key elements of the ECL calculations are as follows:

- Probability of Default (PD)
- The Probability of Default is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.
- Exposure at Default (EAD)
- The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- Loss Given Default (LGD)
- The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (Continued)

ECL for financial assets measured at fair value through other comprehensive income

The ECLs for financial assets measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to profit or loss. The accumulated gain recognised in OCI is recycled to the profit or loss upon derecognition of the assets.

Forward looking information: In its ECL models, the Company relies on forward-looking information as economic inputs, such as the GDP growth and inflation rates.

Write-offs: Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. There were no write offs over the periods reported in these financial statements.

ECL for short term receivables:

The Company assesses on a forward-looking basis the expected credit loss on receivables (including premiums receivables). In this case, the Group applies a simplified approach in calculating ECLs. Therefore, it does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(l) Provisions

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

If the effect of the time value of money is material, provisions are discounting using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision is recognised for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the expected economic benefits expected to be received under it. The unavoidable costs reflect the least net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

(m) Equity

The Company has issued ordinary shares that are classified as equity. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax. The amount of money that the Company received for the issued shares over and above the nominal value has been reported as share premium. The Company also issues bonus shares to shareholders that are classified as equity. The cost of issue is recognised in equity.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Equity (Continued)

When a shareholder injects additional capital in excess of their allotted stake in the Company, the excess amount is recognized as an advance towards share capital.

A share buyback reserve has been created to cater for the occasions when a shareholder might need to dispose of the shares held in the Company. The reserve is maintained by providing for 10% of the profits available for distribution annually, starting with the year ended 31 December 2022.

(n) Dividends on ordinary share capital

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are approved and paid. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

(o) Realised gains and losses

Realised gains and losses recorded in the statement of comprehensive income on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

(p) Finance cost

Interest paid is recognised in the statement of comprehensive income as it accrues and is calculated by using the effective interest rate method. Under IFRS 9, interest income is recorded using the EIR method for all financial assets measured at amortised cost. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9 is also recorded using the EIR method. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. Accrued interest is included within the carrying value of the interest-bearing financial liabilities.

(q) Investment in associate

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Investment in associate (Continued)

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

The assets and liabilities of the foreign associate are translated into Tanzanian Shilling (TZS) at the rate of exchange prevailing at the reporting date and the statement of profit or loss is translated at the exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation are recognised in Other Comprehensive Income (OCI). On disposal of a foreign associate, the component of OCI relating to that particular foreign associate is reclassified to profit or loss.

(r) Contingency reserves

According to the Tanzania Insurance Act, a contingency reserve is required to be maintained. This is based on 3% and 1% for general and long-term business respectively in conformity with the Insurance regulation 27 (2)(b), 3(b).

(s) Retirement benefit obligations

Retirement benefit obligations
The Company operates a defined contribution plan for its employees. A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. All employees of the Company are members of the National Social Security Fund (NSSF).

The Company's contributions to the defined contribution schemes are charged to profit or loss in the period to which they relate. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relative to employee service in the current and prior periods. The Company does not have post-employment benefit plan.

(t) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide price information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

4. HANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations.

The accounting policies adopted are consistent with those of the previous financial year. Changes from the following new or revised standards and interpretations, amendments to existing standards and interpretations and improvements to the International IFRS Accounting Standards that were effective for the current reporting period did not have material impact on the accounting policies, financial position or performance of the Company. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The nature and the effect of these changes are disclosed below

Pronouncement	Executive summary
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. *The amendment did not have significant impact on the Company's financial statements.*
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. *The amendments did not have significant impact on the Company's financial statements.*
Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. *The amendments did not have significant impact on the Company's financial statements.*

4. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

New and amended standards and interpretations (Continued)

International Financial Reporting Standards, interpretations and amendments issued but not effective		
Pronouncement	**Effective date**	**Executive summary**
Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025 (Published August 2023)	*Based on management assessment, the amendment is not expected to have significant impact on the Company's financial statements.*
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	Annual periods beginning on or after 1 January 2026 (Published May 2024)	*Based on management assessment, the amendments are not expected to have significant impact on the financial statements.*
Annual Improvements to IFRS Accounting Standards—Volume 11	Annual periods beginning on or after 1 January 2026 (Published July 2024)	*Based on management assessment, the amendments are not expected to have significant impact on the financial statements.*
Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7	Annual periods beginning on or after 1 January 2026 (Published December 2024)	*Based on management assessment, the amendments are not expected to have significant impact on the financial statements.*
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	Annual periods beginning on or after 1 January 2027 (Published May 2024)	*The standard is not applicable to the Company.*

4. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

New and amended standards and interpretations (Continued)

International Financial Reporting Standards, interpretations and amendments issued but not effective (Continued)		
Pronouncement	**Effective date**	**Executive summary**
IFRS 18 – Presentation and Disclosure in Financial Statements	Annual periods beginning on or after 1 January 2027 (Published April 2024)	IFRS 18 replaces IAS 1 Presentation of Financial Statements and introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. *The Company is currently working to identify all impacts the amendments will have on its financial statements and notes to the financial statements.*
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	The IASB has postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.	*Based on management assessment, the amendments are not expected to have significant impact on the financial statements.*

There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

For all new standards and interpretations not yet adopted and the Company, will be adopted on the respective effective dates.

5. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements. There is no judgement that needs to be disclosed during the year.

Estimates and assumptions

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

(a) Valuation of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. An independent valuation specialist is engaged to assess fair value of the investment properties after every three years, while the Company reviews the values annually. The last valuation by an independent valuer was performed in the year 2022, to assess the value as at 31 December 2022. The valuation methodology based on market value based on the aggregate values of site/land component and the unexhausted improvements on the land and included the market value based on the property's rental income.

(b) Current and deferred tax assets/liabilities

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the Tanzania Revenue Authority. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the Company and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues, depending on the conditions prevailing in Tanzania.

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

(c) Reinsurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of reinsurance contracts issued and held. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk. The company has also realigned other measurement assumptions in line with IFRS 17 requirements.

5. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Reinsurance and reinsurance contracts (continued)

For contracts longer than one year, the Company has carried out PAA eligibility assessment by modelling possible future scenarios. For these contracts, the Company reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

(d) Onerous groups

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

(e) Liability for incurred claims – key judgments

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types.

Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims' development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Some of the reinsurance contracts that have been written in the property line of business permit the Company to sell property acquired in settling a claim. The Company also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

Reinsurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to ta high quality government bond in the currency of the reinsurance contract liabilities. The illiquidity premium is determined by reference to observable market rates..

5. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(f) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of reinsurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

(g) Impairment of financial assets

Measurement of expected credit losses

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g., the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk.
- Choosing the appropriate models and assumptions for the measurement of ECL.
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and the associated ECL.
- Establishing groups of similar financial assets for the purposes of measuring ECL.
- Determining the relevant period of exposure to credit risk when measuring ECL for credit cards and revolving credit facilities; and
- Determining the appropriate business models and assessing the “solely payments of principal and interest (SPPI)” requirements for financial assets.

Short term receivables (including receivables arising from reinsurance contracts issued an reinsurance contract held) are assessed for impairment using simplified approaches. Under the simplified approaches, the company recognises a loss allowance based on lifetime ECLs at each reporting date.

6. RISK MANAGEMENT FRAMEWORK

(a) Governance framework

The primary objective of the Company's risk and financial Management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of the financial performance objectives, including failing to exploit opportunities. Key Management recognises the critical importance of having efficient and effective risk Management systems in place.

The Company has established a risk Management function with clear terms of reference from the Board of Directors, its committees and the associated executive Management committees. This is supplemented with clear organizational structure with documented delegated authorities and responsibilities from the Board of Directors to executive Management committees and senior managers. Lastly, a Company policy framework which sets out the risk profiles for the Company, risk Management, control and business conduct standards for the Company's operations has been put in place.

Each policy has a member of senior Management charged with overseeing compliance with the policy throughout the Company.

The Board of Directors approves the Company risk Management policies and meets regularly to approve any commercial, regulatory and organisational requirements of such policies. These policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and retrocession strategy to the corporate goals, and specify reporting requirements.

(b) Capital Management objectives, policies and approach.

The Company has established the following capital Management objectives, policies, and approach to managing the risk that affect its capital position.

To maintain the required level of stability of the Company thereby providing a degree of security to ceding companies.

- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet requirements of its shareholders.
- To retain financial flexibility by maintaining strong liquidity.
- To align the profile of assets and liabilities taking account of risks inherent in the business.
- To maintain financial strength to support new business growth and satisfy the requirements of ceding companies, regulators, and stakeholders.
- To maintain strong credit ratings and healthy capital ratios to support its business objectives and maximise shareholders value.

The operations of the Company are also subject to regulatory requirements of Tanzania Insurance Regulatory Authority (TIRA). Throughout the financial year, the Company met the requirements from TIRA.

In reporting financial strength, capital and solvency is measured using the rules prescribed by TIRA. These regulatory capital tests are based upon required levels of solvency capital and a series of prudent underwriting expertise.

6. RISK MANAGEMENT FRAMEWORK (CONTINUED)

(b) Capital Management objectives, policies and approach (continued)

The Company's capital Management policy for its insurance and non-reinsurance business is to hold sufficient capital to cover the statutory requirements based on the TIRA directives, including any additional amounts required by the regulator.

Approach to capital Management:

The Company seeks to optimise the structure and source of capital to ensure that consistently maximise returns to the shareholders.

The Company's approach to managing capital involves managing assets, liabilities, and risks in a co-ordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in light of changes in economic conditions and risk characteristics. The Company has just completed its five years strategic plan document in which a specific target risk adjusted rates of return are aligned to performance objectives and ensure that the Company is focused on the creation of value for shareholders.

The capital requirements are routinely forecast on a periodic basis and assessed against both forecast available capital and the expected internal rate of return including risk and sensitivity analyses. The process is ultimately subject to an approval by the Board.

(c) Regulatory framework

Regulators are primarily interested in protecting the rights of the policyholders and monitor them closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

(d) Asset liability Management framework

Financial risks arise from open positions in the interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that the Company faces due to the nature of its investments is interest rate risk. The Company manages these positions within an asset liability Management framework that has been developed to achieve long-term investment returns in excess of its obligations under reinsurance and investment contracts. The principal technique of the Company's asset liability Management framework is to match assets to the liabilities arising from the reinsurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained. The Company's asset liability Management framework is also integrated with the Management of the financial risks associated with the Company's other financial assets and liabilities not directly associated with reinsurance and investment liabilities.

The Company's asset liability Management framework also forms an integral part of the reinsurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from reinsurance and investment contracts.

6. RISK MANAGEMENT FRAMEWORK (CONTINUED)

(e) Reinsurance risk

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

The above risk exposure is mitigated by diversification across a large portfolio of retrocession contract and geographical areas. The variability of risk is also improved by careful selection and implementation of underwriting strategy guideline, as well as the use of retrocession arrangements.

The Company purchase retrocession cover as part of its risk mitigation programme. Retrocession ceded is placed on both a proportional and non-proportional basis. The majority of proportional retrocession programme is quota share which is taken out to reduce the overall exposure of the Company to certain classes of business. Nonproportional retrocession is primarily excess-of-loss programme designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss retrocession vary by class of business and territory.

Amounts recoverable from retrocessionaires are estimated in a manner consistent with the outstanding claims provisions and are in accordance with the retrocession contracts. Although the Company has retrocession arrangement, it is not relieved of its direct obligations to its ceding companies and thus a credit exposure exists with respect to retro ceded reinsurance, to the extent that any retrocessionaire are unable to meet its obligations assumed under such retrocession agreements.

The Company's placement of retrocession is diversified such that it is neither dependant on single retrocessionaires nor the operations of the Company are substantially dependent upon any single retrocession contract. There is no single counterparty exposure that exceeds 5% of the total retrocession assets at the reporting date.

6. RISK MANAGEMENT FRAMEWORK (CONTINUED)

(e) Reinsurance risk (Continued)

The following tables disclose the concentration of reinsurance liabilities by the class of business in which the contract operates and by the maximum reinsured loss limit. The amounts are the carrying amounts of the reinsurance liabilities (gross, retro and net of reinsurance) arising from reinsurance contracts:

Year ended 31 December 2024		Maximum sum reinsured		
		TZS 0 to TZS 500 billion	TZS 500 billion to TZS 1 trillion	More than 1 trillion
ACCIDENT	Gross	7,985,905,637,198	-	6,300,000,000,000
	Retro	7,060,590,729,322	-	5,544,000,000,000
	Net	**925,314,907,876**	**-**	**756,000,000,000**
AGRICULTURE	Gross	173,679,801,592	-	-
	Retro	27,788,768,255	-	-
	Net	**145,891,033,337**	**-**	**-**
MOTOR	Gross	469,002,666,060	-	-
	Retro	56,280,319,927	-	-
	Net	**412,722,346,133**	**-**	**-**
AVIATION	Gross	121,870,997,000	-	-
	Retro	118,214,867,090	-	-
	Net	**3,656,129,910**	**-**	**-**
ENERGY	Gross	120,000,000	-	-
	Retro	105,600,000	-	-
	Net	**14,400,000**	**-**	**-**
ENGINEERING	Gross	25,383,178,997,721	-	2,667,907,433,223
	Retro	4,315,140,429,613	-	453,544,263,648
	Net	**21,068,038,568,108**	**-**	**2,214,363,169,575**
FIRE	Gross	47,460,471,132,723	4,760,700,131,146	-
	Retro	24,204,840,277,689	2,427,957,066,884	-
	Net	**23,255,630,855,034**	**2,332,743,064,262**	**-**
LIFE	Gross	365,957,839,763	-	-
	Retro	139,063,979,110	-	-
	Net	**226,893,860,653**	**-**	**-**
MARINE	Gross	5,110,348,211,016	500,000,000,000	-
	Retro	2,606,277,587,618	255,000,000,000	-
	Net	**2,504,070,623,398**	**245,000,000,000**	**-**
MEDICAL	Gross	14,342,600,000	-	-
	Retro	-	-	-
	Net	**14,342,600,000**	**-**	**-**
PVT	Gross	1,743,089,944,537	673,651,000,000	-
	Retro	1,533,919,151,193	592,812,880,000	-
	Net	**209,170,793,344**	**80,838,120,000**	**-**
Total	**Gross**	**88,827,967,827,610**	**5,934,351,131,146**	**8,967,907,433,223**
	Retro	**40,062,221,709,816**	**3,275,769,946,884**	**5,997,544,263,648**
	Net	**48,765,746,117,794**	**2,658,581,184,262**	**2,970,363,169,575**

6. RISK MANAGEMENT FRAMEWORK *(CONTINUED)*

(e) Reinsurance risk (Continued)

Year ended 31 December 2023		Maximum sum reinsured		
		TZS 0 to TZS 500 billion	TZS 0 to TZS 500 billion	TZS 500 billion to TZS 1 trillion
ACCIDENT	Gross	5,206,464,949,354	-	23,741,860,465,116
	Retro	4,603,199,665,010	-	13,515,931,738,005
	Net	**603,265,284,344**	**-**	**10,225,928,727,111**
AGRICULTURE	Gross	75,183,507,168	-	-
	Retro	12,382,867,084	-	-
	Net	**62,800,640,084**	**-**	**-**
MOTOR	Gross	85,183,507,168	-	-
	Retro	10,508,043,008	-	-
	Net	**74,675,464,160**	**-**	**-**
AVIATION	Gross	151,301,739,362	-	13,461,068,119,817
	Retro	147,583,800,417	-	13,130,289,176,916
	Net	**3,717,938,945**	**-**	**330,778,942,901**
ENERGY	Gross	2,752,623,389,996	-	-
	Retro	2,433,681,046,542	-	-
	Net	**318,942,343,454**	**-**	**-**
ENGINEERING	Gross	48,836,270,619	-	-
	Retro	8,103,349,043	-	-
	Net	**40,732,921,576**	**-**	**-**
FIRE	Gross	8,082,940,611,438	5,131,551,832,316	5,172,048,287,500
	Retro	4,146,398,563,451	2,617,091,434,481	2,637,744,626,625
	Net	**3,936,542,047,987**	**2,514,460,397,835**	**2,534,303,660,875**
LIFE	Gross	21,384,815,356,088	-	-
	Retro	8,236,161,391,037	-	-
	Net	**13,148,653,965,051**	**-**	**-**
MARINE	Gross	86,527,576,596	-	1,250,000,000,000
	Retro	44,578,573,106	-	643,993,725,177
	Net	**41,949,003,490**	**-**	**606,006,274,823**
MEDICAL	Gross	2,941,177,167,982	-	-
	Retro	-	-	-
	Net	**2,941,177,167,982**	**-**	**-**
PVT	Gross	1,778,424,459,681	-	-
	Retro	1,575,158,977,612	-	-
	Net	**203,265,482,069**	**-**	**-**
Total	Gross	42,593,478,535,452	5,131,551,832,316	43,624,976,872,433
	Retro	21,217,756,276,310	2,617,091,434,481	29,927,959,266,723
	Net	**21,375,722,259,142**	**2,514,460,397,835**	**13,697,017,605,710**

6. RISK MANAGEMENT FRAMEWORK (CONTINUED)

(e) Reinsurance risk (Continued)

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the Impact on net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities.

2024	Change in assumptions TZS	Impact on gross liabilities TZS	Impact on profit before tax TZS	Impact on equity TZS
Average claim cost	5%	1,289,628,648	386,888,594	902,740,054

2023	Change in assumptions TZS	Impact on gross liabilities TZS	Impact on profit before tax TZS	Impact on equity TZS
Average claim cost	5%	835,053,375	250,516,013	584,537,363

6. RISK MANAGEMENT FRAMEWORK (CONTINUED)

(e) Reinsurance Risk (Continued)

Claims development

The development of reinsurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of total claims outstanding from its reinsurance business for each year have changed at successive year ends and reconciles the cumulative claims to the amount appearing in the statement of financial position.

Incurred Claim Year	2020	2021	2022	2023	2024	Total
Estimate of incurred claims;						
At end of underwriting year	509,565,514	4,599,823,246	5,633,069,547	11,042,972,161	10,609,486,575	-
One Year Later	1,128,117,976	6,076,937,309	10,791,763,924	16,850,207,760	-	-
Two Years Later	4,813,304,114	6,856,443,349	13,531,933,557	-	-	-
Three Years Later	6,989,496,517	7,367,493,820	-	-	-	-
Four Years Later	8,294,585,992	-	-	-	-	-
Five Years Later		-	-	-	-	-
Estimate of incurred claims		**7,367,493,820**	**13,531,933,557**	**16,850,207,760**	**10,609,486,575**	**58,788,654,739**
At end of underwriting year						
One Year Later	(103,684,389)	(315,956,378)	(1,119,020,399)	(1,997,875,775)	(545,006,373)	
Two Years Later	(229,545,014)	(417,417,582)	(2,143,805,232)	(3,048,510,980)	-	
Three Years Later	(979,392,211)	(470,960,924)	(2,688,145,345)	-	-	
Four Years Later		(506,064,371)	-	-	-	
Five Years Later		-		-	-	
Cumulative payments to date		**(506,064,371)**	**(2,688,145,345)**	**(3,048,510,980)**	**(545,006,373)**	**(8,909,887,474)**
Effect of discounting		(791,744,748)	(1,027,259,543)	(1,279,162,113)	(1,364,699,626)	(4,462,866,031)
Total Gross Liability for Incurred Claims						**45,415,901,235**

6. RISK MANAGEMENT FRAMEWORK (CONTINUED)

(f) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk.

- A Company credit risk policy setting out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Net exposure limits are set for each counterparty or group of counterparties, geographical and industry segment (i.e., limits are set for investments and cash deposits, foreign exchange trade exposures and minimum credit ratings for investments that may be held).
- The Company further restricts its credit risk exposure by entering master netting arrangements with counterparties with which it enters into significant volumes of transactions. However, such arrangements do not generally result in offset of statement of financial position assets and liabilities, as transactions are usually settled on gross basis. However, the credit risk associated with such balances is reduced in the event of a default, when such balances are settled on a net basis.
- Retrocession is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limit that are set each year by the Board of Directors and are subject to regular reviews. At each reporting date, Management performs assessment of creditworthiness of retrocession Aires and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.
- The credit risk in respect of customer balances, incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated. The commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

Maximum exposure to credit risk

Maximum Credit exposure shows the exposure to credit risk for the recognised components of the statement of financial position and unrecognised items. The Company had a gross total credit risk exposure of TZS 146.4 billion as at 31 December 2024 as depicted below:

	2024 TZS	2023 TZS
Government securities	7,178,408,232	7,277,626,263
Retrocession contract assets	73,869,522,436	57,720,652,420
Deposits with Financial institutions	55,306,003,503	51,636,991,320
Other receivables (excluding withholding taxes, prepayments and VAT receivable)	6,850,742,157	6,448,224,627
Cash and bank balances	2,761,554,675	1,097,490,512
	145,966,231,003	**124,180,985,142**

6. RISK MANAGEMENT FRAMEWORK (CONTINUED)

(f) Credit risk (Continued)

As at 31 December, the ageing analysis of premium receivables and retrocession recoveries is as follows:

Year	Total TZS	0 - 3 months TZS	3 - 6 months TZS	6 - 12 months TZS	> 12 months TZS
2024	**86,432,441,373**	40,932,654,348	16,004,120,685	18,155,290,729	11,340,375,611
2023	**68,659,145,287**	30,095,661,082	11,245,453,377	13,002,185,630	14,315,845,198

(g) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out flows and expected retrocession recoveries.

The following policies and procedures are in place to mitigate the Company's exposure to liquidity risk:

- A Company liquidity risk policy setting out the assessment and determination of what constitute liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Setting up contingency funding plans which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- The Company's catastrophic excess of loss retrocession contracts contains clauses permitting the immediate draw (cash calls) down of funds to meet claim payments should claim events exceed a certain size.
- A Company liquidity risk policy setting out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

6. RISK MANAGEMENT FRAMEWORK *(CONTINUED)*

(g) Liquidity risk (Continued)

The table below shows details of the expected maturity profile of the Company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised reinsurance contract liabilities.

2024	Carrying amount	Contractual cash flows	Within 1 year	Over 1 year
	TZS	TZS	TZS	TZS
Reinsurance contract liabilities	42,146,739,887	**42,146,739,887**	**42,146,739,887**	-
Other payables (*)	1,512,163,787	1,512,163,787	1,512,163,787	-
	43,658,903,674	**43,658,903,674**	**43,658,903,674**	**-**

2023	Carrying amount	Contractual cash flows	Within 1 year	Over 1 year
	TZS	TZS	TZS	TZS
Reinsurance contract liabilities	27,724,068,377	27,724,068,377	27,724,068,377	-
				-
Other payables (*)	1,595,178,555	1,595,178,555	1,595,178,555	-
	29,319,246,932	**29,319,246,932**	**29,319,246,932**	**-**

(*) Other payables exclude VAT payable, Premium Levy payable, provision for gratuity and rent received in advance.

(h) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk). A Company market risk policy setting out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

6. RISK MANAGEMENT FRAMEWORK (CONTINUED)

(h) Market risk (Continued)

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's principal transactions are carried out in TZS and its exposure to foreign exchange risk arises primarily with respect to the US dollar. The exposure to foreign exchange risk is mitigated by entering into retrocession contracts which are denominated in US dollar and maintaining some of the fixed deposits in US dollar.

At 31 December 2024 the Company reported a net foreign exchange loss of TZS 1,116.96 billion (2023: a net foreign exchange gain of TZS 438.17 million). A change of +/ (-) 5% in the exchange rate at the end of year 2024, could have resulted to a change of +/ (-) TZS 1,566.2 million (2023: 153.3 million) on profit before tax for the year. The effect for the year on profit after tax and equity would be +/ (-) TZS 1,096.4 million (2023: TZS 107.3 million). The assumed movement in basis points for the currency risk sensitivity analysis is based on the currently observable market environment.

(i) Interest rate risk

Interest risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed rate instruments expose the Company to fair value interest risk. The Company's interest risk policy requires it to invest fixed rate instruments. So far, the Company does not have variable rate instruments. Interest on fixed interest rate instruments is priced at inception of the financial instrument and is fixed until maturity.

At 31 December 2024 the Company reported investment income of TZS 3.96 billion (2023: TZS 3.16 billion) from its interest bearing investments. A change of +/ (-) 5% in the interest rate at the end of year 2024, could have resulted to a change of +/ (-) TZS 197.9 million (2023: TZS 102.7 million) on profit before tax for the year. The effect for the year on profit after tax would be +/ (-) TZS 138.5 million (2023: TZS 71.9 million). The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(ii) Price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is exposed to equity securities price risk as a result of its holdings in quoted equity investments, classified as fair value through profit or loss. Exposure to equity price risk in aggregate are monitored in order to ensure compliance with the relevant regulatory limits for solvency purposes. Investments held are listed and traded on the Dar es Salaam Stock Exchange. The Company uses a policy of diversification to manage the price risk arising from its investments in equity securities. Listed equity securities represent 23% (2023: 19%) of total equity investments.

Based on a sensitivity rate of 10 percentage points, all other variables held constant, the Company's profit before tax would increase/decrease by TZS 61.89 million (2023: TZS 31.42 million). The effect for the year on profit after tax and equity would be +/ (-) TZS 43.32 million (2023: TZS 21.99 million). The Company has no significant concentration of price risk.

6. RISK MANAGEMENT FRAMEWORK (CONTINUED)

(i) Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risk such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

(j) Capital management.

Externally imposed capital requirements are set and regulated by Commissioner of Insurance. These requirements are put in place to ensure sufficient solvency margins. Further objectives are set by the Company to:

- Safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- Provide an adequate return to shareholders by pricing reinsurance and investment contracts commensurately with the level of risk; and
- Maintain a strong capital base to support the development of its business.

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in economic conditions and risk characteristics of the Company's activities.

The Company fully complied with the externally imposed requirements during the reported financial periods and no changes were made to its capital base, objectives, policies and processes from the previous year.

	2024 TZS	2023 TZS
Share capital		
Subscribed and paid-up capital	59,271,784,658	48,319,321,389
Advance towards share capital	-	9,378,228,000
	59,271,784,658	**57,697,549,389**
Minimum required paid up capital (regulation 18 (3) (a) (*)	10,175,000,000	9,068,800,000
Share premium		
At 1 January	348,613,700	348,613,700
At 31 December	**348,613,700**	**348,613,700**

The paid-up capital held by the Company exceeds the statutory requirements.

(*) The Company has referred to communication from the Tanzania Insurance Regulatory Authority (TIRA) on the required minimum amount of paid-up share capital for reinsurers by the respective year-ends.

6. RISK MANAGEMENT FRAMEWORK *(CONTINUED)*

(k) Margin of solvency

The following table gives a quantitative analysis of the solvency margin as at 31 December.

	TZS
At 31 December 2024	
Total admitted assets	134,467,329,785
Less: Total liabilities	(77,303,472,383)
	57,163,857,401
Minimum requirement (refer to the note below)	41,707,352,099
Solvency margin surplus	**15,456,505,302**
At 31 December 2023	
Total admitted assets	114,829,195,035
Less: Total liabilities	(71,795,675,000)
	43,033,520,035
Minimum requirement (refer to the note below)	28,723,026,720
Solvency margin surplus	**14,310,493,315**

Note
The minimum requirement has been determined from:

	2024 TZS	2023 TZS
The greater of:		
Sum of		
a) thirty three percent of general reinsurance net premiums written	38,815,974,089	27,286,544,025
b) ten percent of long-term business liabilities	2,891,378,010	1,436,482,695
Total	**41,707,352,099**	**28,723,026,720**
or		
Minimum required paid up capital	10,175,000,000	9,805,000,000

7. CONTINGENCIES AND COMMITMENTS

Pending tax cases

As of 31 December 2024, the Company had an appeal case pending with the Tax Revenue Appeal Board relating to an assessment of TZS 16.2 billion in respect of Value Added Tax (VAT) for the years 2015 – 2019. The Company had placed a deposit of TZS 1.7 billion to file the objection on the matter. The Tanzania Revenue Authority (TRA) agreed to this objection, however, the Company has not received the response regarding this matter as at the date of this report.

Operating lease commitments – Company as lessee

The Company has entered in a commercial lease agreement for office space in Morogoro. As at 31 December 2024, the lease had a remaining term of 7 months expiring on 31 July 2024 with a renewal option. The lease is cancellable by either party after giving one month notice in writing.

Future minimum lease payments under operating leases as at 31 December are as follows:

	2024	2023
Within one year	2,682,442	3,252,840
	2,682,442	**3,252,840**

Operating lease commitments – Company as lessor

The Company has entered commercial property leases on its investment property. The Company has determined based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Future minimum lease outstanding payments under operating leases as at 31 December 2024 are as follows

	2024	2023
Within one year	36,718,287	44,226,463
	36,718,287	**44,226,463**

Capital commitments

The Company has no capital commitment as at the reporting date.

	2024 TZS	2023 TZS
8. REINSURANCE CONTRACT REVENUE		
Contracts measured under the PAA	**267,665,680,179**	**208,694,220,326**
Reinsurance contract revenue under PAA per portfolio		
Fire	72,978,974,931	57,157,542,260
Engineering	23,190,797,410	13,221,511,386
Energy	804,291,113	3,897,254,337
Accident	29,320,502,619	27,115,529,163
Agriculture	395,671,346	377,885,298
PVT	1,766,064,387	1,241,566,766
Motor	35,778,599,985	31,064,671,929
Marine	10,174,984,759	10,970,885,928
Aviation	58,690,153,503	36,559,860,267
Medical	3,697,694,490	3,149,734,011
Life	30,867,945,636	23,937,778,981
	267,665,680,179	**208,694,220,326**
Reconciliation of reinsurance contract revenue		
Gross written premium	284,432,960,717	214,555,135,416
Movement in Liability for remaining coverage (LRC)	(16,767,280,538)	(5,860,915,090)
Reinsurance contract revenue	**267,665,680,179**	**208,694,220,326**
9. REINSURANCE SERVICE EXPENSES		
Gross claims paid	77,122,675,875	60,485,399,215
Attributable operating and administration expenses	23,362,148,794	22,641,368,751
Change in Liability for incurred claims	12,287,179,724	5,492,961,193
Release of deferred acquisition cost	61,521,523,074	40,713,447,487
Increase of losses on onerous contracts	101,580,351	-
	174,395,107,818	**129,333,176,646**
10(a). ALLOCATION OF RETROCESSION PREMIUM		
PAA premium reserve release (Earned Premium)	118,784,215,906	104,885,412,624
	118,784,215,906	**104,885,412,624**
10(b). RETROCESSION SERVICE EXPENSES		
Retro Claims Recoveries	18,272,757,279	11,310,400,819
Change in Asset for incurred claims	(1,712,359,958)	1,355,611,308
Release of deferred commission income	25,711,723,186	24,308,288,968
	42,272,120,507	**36,974,301,095**

		2024 TZS	2023 TZS
11 (a)	**INTEREST REVENUE CALCULATED USING THE EFFECTIVE INTEREST METHOD**		
	Interest on fixed deposits	3,390,925,659	2,865,523,593
	Interest on Government securities	566,507,146	299,198,407
		3,957,432,805	**3,164,722,000**
11 (b)	**INVESTMENT INCOME**	462,023,755	366,181,972
	Dividend received	588,505,049	471,891,016
	Rent income	**1,050,528,804**	**838,072,988**
12.	**FAIR VALUE GAIN**		
	Gain on valuation of shares	1,094,788,733	931,950,063
		1,094,788,733	**931,950,063**
13.	**OTHER OPERATING REVENUE/(LOSS)**		
	Foreign exchange transaction gain/(loss)	(1,116,964,524)	438,174,564
	Miscellaneous income	33,549,947	117,165,244
	Management fees	796,549,316	732,534,077
		(286,865,261)	**1,287,873,885**
14.	**FINANCE EXPENSES FROM REINSURANCE CONTRACTS ISSUED**		
	Interest accreted using current financial assumptions	2,135,491,787	1,409,944,618
	Effect of changes in interest rates and other financial assumptions	699,164,728	455,771,186
		2,834,656,515	**1,865,715,804**
15.	**FINANCE INCOME FROM RETROCESSION CONTRACTS HELD**		
	Interest accreted using current financial assumptions	982,282,023	703,311,765
	Effect of changes in interest rates and other financial assumptions	229,628,672	196,116,486
		1,211,910,695	**899,428,251**

16 (a) OPERATING AND ADMINISTRATION EXPENSES	2024 TZS	2023 TZS
Audit fees	127,855,264	108,214,500
Advertising and publicity	3,137,393,963	3,142,235,561
Board expenses	802,560,476	757,554,695
Board seminars	377,483,078	291,501,375
City service levy	852,603,191	643,769,525
Communication expenses	182,691,282	166,091,482
Computer training and implementation	78,324,918	123,487,639
Conferences and seminars	401,517,050	418,636,048
Donations	80,750,000	94,526,000
Household services	186,244,300	207,602,401
Library, books, and subscription	76,995,608	123,604,153
Office rent	2,350,560	3,525,840
Other specified expenses	783,626,505	751,067,486
Reinsurance levy	4,275,491,746	3,225,634,031
Staff costs (*)	9,664,144,265	8,409,508,622
Depreciation & amortisation (Note 18 & 20)	404,032,910	352,759,546
Expected Credit Loss on financial assets (Note 16 (b))	611,460,284	46,980,484
Other specified expenses	2,919,227,177	4,841,246,844
	24,964,752,577	**23,707,946,232**

(*) Staff costs include:

Salaries	4,859,891,074	3,839,030,035
Education and furniture allowance	304,535,249	319,465,900
Gratuity	291,144,000	238,140,000
Skills and Development Levy	167,802,185	150,569,290
Workers Compensation Fund	27,859,189	20,505,127
Social security costs	633,246,036	390,067,785
Medical expenses	234,848,565	303,638,213
Staff welfare	385,729,985	270,617,715
Training	217,295,472	273,231,973
Travel and subsistence allowance	1,846,545,739	2,341,609,668
Leave passage	695,246,771	262,632,916
	9,664,144,265	**8,409,508,622**

		2024 TZS	2023 TZS
16 (b)	**EXPECTED CREDIT LOSS ON FINANCIAL ASSETS**		
	Treasury bills	2,140,183	1,684,113
	Treasury bonds	9,200,408	1,303,767
	Deposits with financial institutions	3,196,806	44,133,246
	Cash	(135,000)	(140,642)
	Other receivables	597,057,887	-
		611,460,284	**46,980,484**

Attributable to:

	2024 TZS	2023 TZS
Reinsurance service results		22,641,368,751
Operating and administration expenses**	991,143,498	1,019,596,997
Expected Credit Loss on financial assets	611,460,284	46,980,484
	24,964,752,576	**23,707,946,232**

**Operating and administration expenses are non-attributable expenses which are made up of depreciation and amortisation expenses (70%), Skills Development Levy (100%), Computer Training & Implementation (100%), Staff Training (100%), and office expenses (30%).

17. TAXATION

	2024 TZS	2023 TZS
Income tax expense		
Current income tax charge	4,685,746,861	4,364,827,581
Deferred tax credit	(1,340,619,677)	(986,317,556)
	3,345,127,184	**3,378,510,025**
Tax reconciliation:		
Profit before taxation	**19,821,351,148**	**16,219,716,542**
Tax applicable rate of 30% (2023: 30%)	5,946,405,344	4,865,914,963
Non-deductible expenses	4,049,664,548	3,065,262,843
Non-taxable income	(6,559,826,151)	(4,552,667,781)
Under provision of deferred tax in prior year	(91,116,557)	-
Income tax expense	**3,345,127,184**	**3,378,510,025**
Deferred tax asset		
Opening balance	(3,121,310,367)	(2,134,992,811)
Credit for the year	(1,340,619,677)	(986,317,556)
Closing balance	**(4,461,930,044)**	**(3,121,310,367)**

Reconciliation of Deferred tax

Deferred income tax is calculated in full on all temporary timing differences, under the liability method using a principal tax rate of 30%.

	2024 TZS	2023 TZS
Depreciation of property and equipment and amortization of intangible assets	(60,841,965)	(2,473,465)
Incurred but not reported (IBNR)	(1,962,138,264)	(1,531,679,239)
Provisions	(1,851,319,745)	(1,297,861,734)
Other timing differences	(587,630,070)	(289,295,929)
	(4,461,930,044)	**(3,121,310,367)**
Depreciation of property and equipment and amortization of intangible assets	(58,368,500)	(102,389,451)
Incurred but not reported (IBNR)	(430,459,025)	(160,902,339)
Provisions	(553,458,011)	(433,729,837)
Other timing differences	(298,334,141)	(289,295,929)
	(1,340,619,677)	**(986,317,556)**
Corporate tax payable		
Balance as at 1 January	7,928,219,677	6,753,081,303
Charge for year	4,685,746,861	4,364,827,581
Payment during the year	(3,462,350,353)	(2,963,975,100)
Withholding tax deducted at source	(322,948,392)	(225,714,107)
	8,828,667,793	**7,928,219,677**

** Both Non-deductible expenses and Non-taxable income relate to earned premium, claims and operating*

18. PROPERTY AND EQUIPMENT

	Office Building	Motor Vehicles	Office Equipment	Office Furniture & Fittings	Computers	Total
	TZS	TZS	TZS	TZS	TZS	TZS
Cost						
As at 1 January 2023	-	1,161,628,049	933,292,663	691,742,665	451,383,738	3,238,047,115
Additions	-	-	21,430,000	65,120,400	35,955,430	122,505,830
Disposal	-	(228,608,708)	(9,505,399)	(12,334,005)	-	(250,448,112)
As at 31 December 2023	**-**	**933,019,341**	**945,217,264**	**744,529,060**	**487,339,168**	**3,110,104,833**
Additions	-	-	36,487,200	94,865,600	111,033,900	242,386,700
Transfer from Investment Property	3,475,550,000	-	-	-	-	3,475,550,000
At 31 December 2024	**3,475,550,000**	**933,019,341**	**981,704,464**	**839,394,660**	**598,373,068**	**6,828,041,533**
Depreciation						
At 1 January 2023	-	615,791,434	639,074,566	661,024,957	375,959,903	2,291,850,860
Charge for the year	-	131,832,305	66,220,614	45,493,486	62,047,559	305,593,964
Disposal	-	(209,557,982)	(9,505,399)	(12,334,005)	-	(231,397,386)
As at 31 December 2023	**-**	**538,065,757**	**695,789,781**	**694,184,438**	**438,007,462**	**2,366,047,438**
Charge for the year	-	177,375,064	170,354,927	(38,705,091)	61,008,813	370,033,713
At 31 December 2024	**-**	**715,440,821**	**866,144,708**	**655,479,347**	**499,016,275**	**2,736,081,151**
Carrying value						
At 31 December 2024	**3,475,550,000**	**217,578,520**	**115,559,756**	**183,915,313**	**99,356,793**	**4,091,960,382**
At 31 December 2023	**-**	**394,953,584**	**249,427,483**	**50,344,622**	**49,331,706**	**744,057,395**

19. INVESTMENT PROPERTY

The investment property constitutes the value of land and building at plot number 406, Longido Street Upanga Dar es Salaam. Major part of the building will be leased.

	2024 TZS	2023 TZS
Opening balance	27,645,000,000	27,645,000,000
Transfer to Office Building	(3,475,550,000)	-
	24,169,450,000	**27,645,000,000**

Valuation technique used to derive level 3 fair values.

Level 3 fair value of investment property has been derived using the the replacement cost method of valuation jointly with the comparative method of valuation. Cost approach is the conversional method of valuation used to derive values of unexhausted improvements on land while the comparative method (Direct Capital Comparison Approach) has been used to determine the market value of land component. Both are adjusted for differences in key attributes such as property size, location, planning and zonal regulations, level and number of services provided etc. The key inputs under this approach are the price per square metre from current year sales of comparable lots of property in the area (location and size).

The key assumptions used to determine the fair value of the investment property and sensitivity analyses are discussed below:

	Valuation technique	Significant unobservable inputs	Range
Investment property	Comparative method	Price per square metre	TZS 11.3m - TZS 12.3m

20. INTANGIBLE ASSETS

Computer Software

	2024 TZS	2023 TZS
Cost		
At 1 January	1,133,528,638	1,109,275,261
Additions	26,568,451	24,253,377
At 31 December	**1,160,097,089**	**1,133,528,638**
Amortisation		
At 1 January	1,078,512,810	1,031,347,227
Amortisation for the year	33,999,197	47,165,583
At 31 December	**1,112,512,007**	1,078,512,810
Carrying amount 31 December	**47,585,082**	**55,015,828**

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

At fair value through profit or loss:

Shares of CRDB Bank Plc (3,308,805 shares)		
At 1 January	1,522,050,300	1,273,889,925
Fair value gain during the year	694,900,640	248,160,375
At 31 December	**2,216,950,940**	**1,522,050,300**
Shares of Tanzania Portland Cement Public Limited Company (100,000 shares)		
At 1 January	436,000,000	370,000,000
Fair value gain during the year	(76,000,000)	66,000,000
At 31 December	**360,000,000**	**436,000,000**
Shares of African Reinsurance Corporation (8,000 shares)		
At 1 January	6,935,614,677	6,454,903,266
Fair value (loss)/gain during the year	173,685,003	480,711,411
At 31 December	**7,109,299,680**	**6,935,614,677**
Shares of Uganda Reinsurance Company (545 shares)		
At 1 January	1,187,912,737	1,037,753,170
Additions	-	1,756,023
Shares received in lieu of cash dividends	-	11,325,267
Fair value gain during the year	302,203,088	137,078,277
At 31 December	**1,490,115,825**	**1,187,912,737**
Total carrying amount	**11,176,366,445**	**10,081,577,714**

22. INVESTMENT IN GOVERNMENT SECURITIES AT AMORTISED COST

	2024 **TZS**	**2023** **TZS**
Treasury bills (**)	6,202,230,017	5,293,400,864
Treasury Bond	1,000,000,000	1,996,706,593
	7,202,230,017	**7,290,107,457**
Expected credit loss (ECL) -Treasury bills	(12,506,377)	(10,366,194)
Expected credit loss (ECL) -Treasury bonds	(11,315,408)	(2,115,000)
	7,178,408,232	**7,277,626,263**
Government securities for less than three months	-	-
Government securities for more than three months	7,178,408,232	7,277,626,263
	7,178,408,232	**7,277,626,263**

(**) These are Government securities (Treasury bills) maturing within twelve months and earn interest at the rate "between" 6.0% - 9.0% and government bond maturing within three years and earn interest at the rate of 0.3%.

23. OTHER RECEIVABLES

Prepayments	203,921,857	120,865,490
Sundry Debtors Ezulwini Reinsurance	3,223,311,842	2,843,405,792
Withholding taxes	211,064,565	27,421,546
Staff loans and advances	2,723,166,052	2,294,037,248
Deposits	531,204,307	531,204,307
Dividend receivable	-	-
Sundry debtors	970,117,844	779,577,280
	7,862,786,467	**6,596,511,663**
Less:		
Provision for bad debts - Other receivables	(597,057,887)	-
	7,265,728,580	**6,596,511,663**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC)

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	38,013,103,421	-	12,949,345,200	686,277,351	6,071,926,448	**57,720,652,420**
Expenses from reinsurance contracts	(118,784,215,906)	-	-	-	-	**(118,784,215,906)**
Claims recovered	-	-	18,272,757,279	-	-	**18,272,757,279**
Changes that relate to past service - adjustments to the AIC	-	-	(1,712,359,958)	-	-	**(1,712,359,958)**
Losses on onerous contracts	-	-	-	-	-	**-**
Amortisation of loss recovery component	-	-	-	-	-	**-**
Release of deferred commission income	-	-	-	-	25,711,723,186	**25,711,723,186**
Reinsurance service result	**(118,784,215,906)**	**-**	**16,560,397,321**	**-**	**25,711,723,186**	**(76,512,095,399)**
Finance income from reinsurance contracts held	-	-	982,282,023	229,628,672	-	**1,211,910,695**
Finance income from reinsurance contracts held	**-**	**-**	**982,282,023**	**229,628,672**	**-**	**1,211,910,695**
Total recognised in the statement of profit or loss and other comprehensive income	**(118,784,215,906)**	**-**	**15,578,115,298**	**(229,628,672)**	**25,711,723,186**	**(75,300,184,704)**
Cash flows						
Premiums received	138,401,937,750	-	-	-	-	**138,401,937,750**
Recoveries from reinsurance	-	-	(18,272,757,279)	-	-	**(18,272,757,279)**
Ceding commissions	-	-	-	-	(28,680,125,751)	**(28,680,125,751)**
Total cash flow	**138,401,937,750**	**-**	**(18,272,757,279)**	**-**	**(28,680,125,751)**	**91,449,054,720**
Balance at the end of the year	**57,630,825,265**	**-**	**10,254,703,220**	**456,648,679**	**3,103,523,883**	**73,869,522,436**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

	2023					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	28,661,757,536	-	10,839,955,124	540,627,871	7,122,890,185	**47,165,230,716**
Expenses from reinsurance contracts	(103,600,659,798)	-	-	-	-	**(103,600,659,798)**
Claims recovered	-	-	11,310,400,819	-	-	**11,310,400,819**
Changes that relate to past service - adjustments to the AIC	-	-	1,355,611,305	-	-	**1,355,611,305**
Losses on onerous contracts	-	-	-	-	-	**-**
Amortisation of loss recovery component	-	-	-	-	-	**-**
Release of deferred commission income	-	-	-	-	24,308,288,969	**24,308,288,969**
Reinsurance service result	**(103,600,659,798)**	**-**	**12,666,012,124**	**-**	**24,308,288,969**	**(66,626,358,705)**
Finance income from reinsurance contracts held	-	-	753,778,771	145,649,480	-	**899,428,251**
Finance income from reinsurance contracts held	**-**	**-**	**753,778,771**	**145,649,480**	**-**	**899,428,251**
Total recognised in the statement of profit or loss and other comprehensive income	**(103,600,659,798)**	**-**	**13,419,790,895**	**145,649,480**	**24,308,288,969**	**(65,726,930,454)**
Cash flows						
Premiums received	112,952,005,683	-	-	-	-	**112,952,005,683**
Recoveries from reinsurance	-	-	(11,310,400,819)	-	-	**(11,310,400,819)**
Ceding commissions	-	-	-	-	(25,359,252,706)	**(25,359,252,706)**
Total cash flow	**112,952,005,683**	**-**	**(11,310,400,819)**	**-**	**(25,359,252,706)**	**76,282,352,158**
Balance at the end of the year	**38,013,103,421**	**-**	**12,949,345,200**	**686,277,351**	**6,071,926,448**	**57,720,652,420**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Fire reinsurance

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	10,628,914,628	-	2,529,613,031	112,224,371	2,148,145,054	**15,418,897,083**
Expenses from reinsurance contracts	(34,203,913,986)	-	-	-	-	**(34,203,913,986)**
Claims recovered	-	-	2,493,983,467	-	-	**2,493,983,467**
Changes that relate to past service - adjustments to the AIC	-	-	1,177,936,487	-	-	**1,177,936,487**
Losses on onerous contracts	-	-	-	-	-	**-**
Amortisation of loss recovery component	-	-	-	-	-	**-**
Release of deferred commission income	-	-	-	-	7,604,781,628	**7,604,781,628**
Reinsurance service result	**(34,203,913,986)**	**-**	**3,671,919,954**	**-**	**7,604,781,628**	**(22,927,212,403)**
Finance income from reinsurance contracts held	-	-	270,973,722	92,185,581	-	**363,159,303**
Finance income from reinsurance contracts held	**-**	**-**	**270,973,722**	**92,185,581**	**-**	**363,159,303**
Total recognised in the statement of profit or loss and other comprehensive income	**(34,203,913,986)**	**-**	**3,942,893,676**	**92,185,581**	**7,604,781,628**	**(22,564,053,100)**
Cash flows						
Premiums received	39,465,960,383	-	-	-	-	**39,465,960,383**
Recoveries from reinsurance	-	-	(2,493,983,467)	-	-	**(2,493,983,467)**
Ceding commissions	-	-	-	-	(9,233,418,007)	**(9,233,418,007)**
Total cash flow	**39,465,960,383**	**-**	**(2,493,983,467)**	**-**	**(9,233,418,007)**	**27,738,558,910**
Balance at the end of the year	**15,890,961,025**	**-**	**3,978,523,240**	**204,409,952**	**519,508,676**	**20,593,402,893**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Fire reinsurance (Continued)

	2023					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	8,014,167,392	-	3,030,980,036	151,165,966	1,991,644,587	**13,187,957,982**
Expenses from reinsurance contracts	(28,967,973,389)	-	-	-	-	**(28,967,973,389)**
Claims recovered	-	-	4,683,578,677	-	-	**4,683,578,677**
Changes that relate to past service - adjustments to the AIC	-	-	(299,832,834)	-	-	**(299,832,834)**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	7,254,472,200	**7,254,472,200**
Reinsurance service result	**(28,967,973,389)**	**-**	**4,383,745,843**	**-**	**7,254,472,200**	**(17,329,755,346)**
Finance income from reinsurance contracts held	-	-	201,534,171	38,941,594	-	**240,475,765**
						-
Finance income from reinsurance contracts held	**-**	**-**	**201,534,171**	**38,941,594**	**-**	**240,475,765**
Total recognised in the statement of profit or loss and other comprehensive income	**(28,967,973,389)**	**-**	**4,182,211,672**	**(38,941,594)**	**7,254,472,200**	**(17,570,231,111)**
Cash flows						
Premiums received	31,582,720,624	-	-	-	-	**31,582,720,624**
Recoveries from reinsurance	-	-	(4,683,578,677)	-	-	**(4,683,578,677)**
Ceding commissions	-	-	-	-	(7,097,971,734)	**(7,097,971,734)**
Total cash flow	**31,582,720,624**	**-**	**(4,683,578,677)**	**-**	**(7,097,971,734)**	**19,801,170,213**
Balance at the end of the year	**10,628,914,628**	**-**	**2,529,613,031**	**112,224,371**	**2,148,145,054**	**15,418,897,083**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Engineering reinsurance

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	2,353,944,852	-	1,316,551,889	24,058,825	1,106,773,258	4,801,328,825
Expenses from reinsurance contracts	(8,165,132,707)	-	-	-	-	(8,165,132,707)
Claims recovered	-	-	409,113,050	-	-	409,113,050
Changes that relate to past service - adjustments to the AIC	-	-	1,234,690,433	-	-	1,234,690,433
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	761,474,020	761,474,020
Reinsurance service result	**(8,165,132,707)**	**-**	**1,643,803,483**	**-**	**761,474,020**	**(5,759,855,205)**
Finance income from reinsurance contracts held	-	-	197,090,043	38,082,874	-	235,172,917
						-
Finance income from reinsurance contracts held	**-**	**-**	**197,090,043**	**38,082,874**	**-**	**235,172,917**
Total recognised in the statement of profit or loss and other comprehensive income	**(8,165,132,707)**	**-**	**1,446,713,440**	**(38,082,874)**	**761,474,020**	**(5,995,028,122)**
Cash flows						
Premiums received	9,674,417,398	-	-	-	-	9,674,417,398
Recoveries from reinsurance	-	-	(409,113,050)	-	-	(409,113,050)
Ceding commissions	-	-	-	-	(1,514,486,559)	(1,514,486,559)
Total cash flow	**9,674,417,398**	**-**	**(409,113,050)**	**-**	**(1,514,486,559)**	**7,750,817,790**
Balance at the end of the year	**3,863,229,543**	**-**	**2,354,152,279**	**(14,024,049)**	**353,760,719**	**6,557,118,492**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Engineering reinsurance (Continued)

	2023					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	1,774,866,836	-	671,259,494	33,478,145	441,081,868	2,920,686,343
Expenses from reinsurance contracts	(6,415,425,678)	-	-	-	-	(6,415,425,678)
Claims recovered	-	-	-	-	-	-
Changes that relate to past service - adjustments to the AIC	-	-	694,040,138	-	-	694,040,138
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	947,506,255	947,506,255
Reinsurance service result	**(6,415,425,678)**	**-**	**694,040,138**	**-**	**947,506,255**	**(4,773,879,285)**
Finance income from reinsurance contracts held	-	-	48,747,743	9,419,320	-	58,167,063
Finance income from reinsurance contracts held	**-**	**-**	**48,747,743**	**9,419,320**	**-**	**58,167,063**
Total recognised in the statement of profit or loss and other comprehensive income	**(6,415,425,678)**	**-**	**645,292,396**	**(9,419,320)**	**947,506,255**	**(4,832,046,347)**
Cash flows						
Premiums received	6,994,503,694	-	-	-	-	6,994,503,694
Recoveries from reinsurance	-	-	-	-	-	-
Ceding commissions	-	-	-	-	(281,814,865)	(281,814,865)
Total cash flow	**6,994,503,694**	**-**	**-**	**-**	**(281,814,865)**	**6,712,688,829**
Balance at the end of the year	**2,353,944,852**	**-**	**1,316,551,889**	**24,058,825**	**1,106,773,258**	**4,801,328,825**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Energy reinsurance

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	1,239,630,817	-	449,395,925	16,917,628	280,346,959	**1,986,291,329**
Expenses from reinsurance contracts	(284,792,254)	-	-	-	-	**(284,792,254)**
Claims recovered	-	-	-	-	-	**-**
Changes that relate to past service - adjustments to the AIC	-	-	(265,033,968)	-	-	**(265,033,968)**
Losses on onerous contracts	-	-	-	-	-	**-**
Amortisation of loss recovery component	-	-	-	-	-	**-**
Release of deferred commission income	-	-	-	-	60,945,895	**60,945,895**
Reinsurance service result	**(284,792,254)**	**-**	**(265,033,968)**	**-**	**60,945,895**	**(488,880,327)**
						-
Finance income from reinsurance contracts held	-	-	16,980,543	3,281,078	-	**20,261,621**
Finance income from reinsurance contracts held	**-**	**-**	**16,980,543**	**3,281,078**	**-**	**20,261,621**
Total recognised in the statement of profit or loss and other comprehensive income	**(284,792,254)**	**-**	**(282,014,511)**	**(3,281,078)**	**60,945,895**	**(509,141,948)**
Cash flows						
Premiums received	337,434,704	-	-	-	-	**337,434,704**
Recoveries from reinsurance	-	-	-	-	-	**-**
Ceding commissions	-	-	-	-	(16,875,325)	**(16,875,325)**
Total cash flow	**337,434,704**	**-**	**-**	**-**	**(16,875,325)**	**320,559,379**
Balance at the end of the year	**1,292,273,267**	**-**	**167,381,415**	**13,636,549**	**324,417,529**	**1,797,708,760**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Energy reinsurance (Continued)

	2023					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	934,677,643	-	353,497,642	17,630,209	232,281,855	1,538,087,350
Expenses from reinsurance contracts	(3,378,481,603)	-	-	-	-	(3,378,481,603)
Claims recovered	-	-	-	-	-	-
Changes that relate to past service - adjustments to the AIC	-	-	99,586,102	-	-	99,586,102
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	541,988,704	541,988,704
Reinsurance service result	**(3,378,481,603)**	**-**	**99,586,102**	**-**	**541,988,704**	**(2,736,906,797)**
Finance income from reinsurance contracts held	-	-	3,687,819	712,582	-	4,400,401
						-
Finance income from reinsurance contracts held	**-**	**-**	**3,687,819**	**712,582**	**-**	**4,400,401**
Total recognised in the statement of profit or loss and other comprehensive income	**(3,378,481,603)**	**-**	**95,898,283**	**(712,582)**	**541,988,704**	**(2,741,307,198)**
Cash flows						
Premiums received	3,683,434,777	-	-	-	-	3,683,434,777
Recoveries from reinsurance	-	-	-	-	-	-
Ceding commissions	-	-	-	-	(493,923,600)	(493,923,600)
Total cash flow	**3,683,434,777**	**-**	**-**	**-**	**(493,923,600)**	**3,189,511,177**
Balance at the end of the year	**1,239,630,817**	**-**	**449,395,925**	**16,917,628**	**280,346,959**	**1,986,291,329**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Accident reinsurance

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	5,532,514,276	-	1,211,744,979	62,081,517	3,003,168,130	9,809,508,903
Expenses from reinsurance contracts	(16,670,656,854)	-	-	-	-	(16,670,656,854)
Claims recovered	-	-	1,122,943,178	-	-	1,122,943,178
Changes that relate to past service - adjustments to the AIC	-	-	(753,179,657)	-	-	(753,179,657)
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	3,368,525,238	3,368,525,238
Reinsurance service result	**(16,670,656,854)**	**-**	**369,763,521**	**-**	**3,368,525,238**	**(12,932,368,095)**
Finance income from reinsurance contracts held	-	-	79,176,286	15,298,898	-	94,475,184
Finance income from reinsurance contracts held	**-**	**-**	**79,176,286**	**15,298,898**	**-**	**94,475,184**
Total recognised in the statement of profit or loss and other comprehensive income	**(16,670,656,854)**	**-**	**290,587,235**	**(15,298,898)**	**3,368,525,238**	**(13,026,843,279)**
Cash flows						
Premiums received	19,752,145,922	-	-	-	-	19,752,145,922
Recoveries from reinsurance	-	-	(1,122,943,178)	-	-	(1,122,943,178)
Ceding commissions	-	-	-	-	(4,107,582,266)	(4,107,582,266)
Total cash flow	**19,752,145,922**	**-**	**(1,122,943,178)**	**-**	**(4,107,582,266)**	**14,521,620,478**
Balance at the end of the year	**8,614,003,344**	**-**	**379,389,037**	**46,782,619**	**2,264,111,102**	**11,304,286,102**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Accident reinsurance (Continued)

	2023					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	4,171,497,943	-	1,577,671,936	78,684,221	1,036,681,778	6,864,535,878
Expenses from reinsurance contracts	(15,078,277,693)	-	-	-	-	(15,078,277,693)
Claims recovered	-	-	2,340,952,891	-	-	2,340,952,891
Changes that relate to past service - adjustments to the AIC	-	-	(280,003,099)	-	-	(280,003,099)
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	4,891,909,852	4,891,909,852
Reinsurance service result	**(15,078,277,693)**	**-**	**2,060,949,792**	**-**	**4,891,909,852**	**(8,125,418,049)**
Finance income from reinsurance contracts held	-	-	85,923,857	16,602,703	-	102,526,560
Finance income from reinsurance contracts held	**-**	**-**	**85,923,857**	**16,602,703**	**-**	**102,526,560**
Total recognised in the statement of profit or loss and other comprehensive income	**(15,078,277,693)**	**-**	**1,975,025,934**	**(16,602,703)**	**4,891,909,852**	**(8,227,944,609)**
Cash flows						
Premiums received	16,439,294,025	-	-	-	-	16,439,294,025
Recoveries from reinsurance	-	-	(2,340,952,891)	-	-	(2,340,952,891)
Ceding commissions	-	-	-	-	(2,925,423,500)	(2,925,423,500)
Total cash flow	**16,439,294,025**	**-**	**(2,340,952,891)**	**-**	**(2,925,423,500)**	**11,172,917,634**
Balance at the end of the year	**5,532,514,276**	**-**	**1,211,744,979**	**62,081,517**	**3,003,168,130**	**9,809,508,903**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Agriculture reinsurance

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	323,004,546	-	2,650,032	(228,652)	5,787,634	331,213,559
Expenses from reinsurance contracts	(43,522,608)	-	-	-	-	(43,522,608)
Claims recovered	-	-	215,122	-	-	215,122
Changes that relate to past service - adjustments to the AIC	-	-	(2,279,389)	-	-	(2,279,389)
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	7,715,173	7,715,173
Reinsurance service result	**(43,522,608)**	**-**	**(2,064,267)**	**-**	**7,715,173**	**(37,871,702)**
Finance income from reinsurance contracts held	-	-	232,889	45,000	-	277,889
Finance income from reinsurance contracts held	**-**	**-**	**232,889**	**45,000**	**-**	**277,889**
Total recognised in the statement of profit or loss and other comprehensive income	**(43,522,608)**	**-**	**(2,297,156)**	**(45,000)**	**7,715,173**	**(38,149,591)**
Cash flows						
Premiums received	483,794,997	-	-	-	-	483,794,997
Recoveries from reinsurance	-	-	(215,122)	-	-	(215,122)
Ceding commissions	-	-	-	-	(11,740,435)	(11,740,435)
Total cash flow	**483,794,997**	**-**	**(215,122)**	**-**	**(11,740,435)**	**471,839,439**
Balance at the end of the year	**763,276,935**	**-**	**137,754**	**(273,652)**	**1,762,371**	**764,903,408**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Agriculture reinsurance (Continued)

	2023					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	13,784,226	-	5,213,232	260,003	3,425,594	22,683,055
Expenses from reinsurance contracts	(49,824,403)	-	-	-	-	(49,824,403)
Claims recovered	-	-	1,916,737	-	-	1,916,737
Changes that relate to past service - adjustments to the AIC	-	-	(34,268)	-	-	(34,268)
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	14,770,577	14,770,577
Reinsurance service result	**(49,824,403)**	**-**	**1,882,469**	**-**	**14,770,577**	**(33,171,356)**
Finance income from reinsurance contracts held	-	-	2,528,933	488,655	-	3,017,588
Finance income from reinsurance contracts held	**-**	**-**	**2,528,933**	**488,655**	**-**	**3,017,588**
Total recognised in the statement of profit or loss and other comprehensive income	**(49,824,403)**	**-**	**(646,463)**	**(488,655)**	**14,770,577**	**(36,188,944)**
Cash flows						
Premiums received	359,044,723	-	-	-	-	359,044,723
Recoveries from reinsurance	-	-	(1,916,737)	-	-	(1,916,737)
Ceding commissions	-	-	-	-	(12,408,537)	(12,408,537)
Total cash flow	**359,044,723**	**-**	**(1,916,737)**	**-**	**(12,408,537)**	**344,719,449**
Balance at the end of the year	**323,004,546**	**-**	**2,650,032**	**(228,652)**	**5,787,634**	**331,213,559**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

PVT reinsurance

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	394,543,284	-	110,932,449	5,764,806	108,830,183	620,070,722
Expenses from reinsurance contracts	(1,381,897,831)	-	-	-	-	(1,381,897,831)
Claims recovered	-	-	-	-	-	-
Changes that relate to past service - adjustments to the AIC	-	-	(62,315,793)	-	-	(62,315,793)
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	201,474,995	201,474,995
Reinsurance service result	**(1,381,897,831)**	**-**	**(62,315,793)**	**-**	**201,474,995**	**(1,242,738,629)**
Finance income from reinsurance contracts held	-	-	3,639,836	703,310	-	4,343,146
Finance income from reinsurance contracts held	**-**	**-**	**3,639,836**	**703,310**	**-**	**4,343,146**
Total recognised in the statement of profit or loss and other comprehensive income	**(1,381,897,831)**	**-**	**(65,955,629)**	**703,310**	**201,474,995**	**(1,247,081,775)**
Cash flows						
Premiums received	1,637,334,860	-	-	-	-	1,637,334,860
Recoveries from reinsurance	-	-	-	-	-	-
Ceding commissions	-	-	-	-	(287,305,614)	(287,305,614)
Total cash flow	**1,637,334,860**	**-**	**-**	**-**	**(287,305,614)**	**1,350,029,246**
Balance at the end of the year	**649,980,313**	**-**	**44,976,820**	**5,061,496**	**22,999,564**	**723,018,193**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

PVT reinsurance (Continued)

	2023					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	313,422,785	-	118,537,355	5,911,888	77,890,411	515,762,440
Expenses from reinsurance contracts	(1,132,896,590)	-	-	-	-	(1,132,896,590)
Claims recovered	-	-	-	-	-	-
Changes that relate to past service - adjustments to the AIC	-	-	(6,843,713)	-	-	(6,843,713)
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	146,719,282	146,719,282
Reinsurance service result	**(1,132,896,590)**	**-**	**(6,843,713)**	**-**	**146,719,282**	**(993,021,021)**
Finance income from reinsurance contracts held	-	-	761,192	147,082	-	908,274
Finance income from reinsurance contracts held	**-**	**-**	**761,192**	**147,082**	**-**	**908,274**
Total recognised in the statement of profit or loss and other comprehensive income	**(1,132,896,590)**	**-**	**(7,604,906)**	**(147,082)**	**146,719,282**	**(993,929,296)**
Cash flows						
Premiums received	1,214,017,088	-	-	-	-	1,214,017,088
Recoveries from reinsurance	-	-	-	-	-	-
Ceding commissions	-	-	-	-	(115,779,510)	(115,779,510)
Total cash flow	**1,214,017,088**	**-**	**-**	**-**	**(115,779,510)**	**1,098,237,578**
Balance at the end of the year	**394,543,284**	**-**	**110,932,449**	**5,764,806**	**108,830,183**	**620,070,722**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Motor reinsurance

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	73,788,584	-	(321,020,898)	(41,674,321)	13,826,495	(275,080,141)
Expenses from reinsurance contracts	(71,966,997)	-	-	-	-	(71,966,997)
Claims recovered	-	-	-	-	-	-
Changes that relate to past service - adjustments to the AIC	-	-	(11,198,526)	-	-	(11,198,526)
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	-	-
Reinsurance service result	**(71,966,997)**	**-**	**(11,198,526)**	**-**	**-**	**(83,165,523)**
Finance income from reinsurance contracts held	-	-	523,010	101,059	-	624,069
Finance income from reinsurance contracts held	**-**	**-**	**523,010**	**101,059**	**-**	**624,069**
Total recognised in the statement of profit or loss and other comprehensive income	**(71,966,997)**	**-**	**(11,721,536)**	**(101,059)**	**-**	**(83,789,592)**
Cash flows						
Premiums received	71,966,997	-	-	-	-	71,966,997
Recoveries from reinsurance	-	-	-	-	-	-
Ceding commissions	-	-	-	-	-	-
Total cash flow	**71,966,997**	**-**	**-**	**-**	**-**	**71,966,997**
Balance at the end of the year	**73,788,584**	**-**	**(332,742,434)**	**(41,775,380)**	**13,826,495**	**(286,902,736)**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Motor reinsurance (Continued)

	2023					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	55,636,355	-	21,041,822	1,049,432	13,826,495	91,554,103
Expenses from reinsurance contracts	(201,102,917)	-	-	-	-	(201,102,917)
Claims recovered	-	-	-	-	-	-
Changes that relate to past service - adjustments to the AIC	-	-	(120,954,767)	-	-	(120,954,767)
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	-	-
Reinsurance service result	**(201,102,917)**	**-**	**(120,954,767)**	**-**	**-**	**(322,057,684)**
Finance income from reinsurance contracts held	-	-	221,107,953	42,723,753	-	263,831,706
Finance income from reinsurance contracts held	**-**	**-**	**221,107,953**	**42,723,753**	**-**	**263,831,706**
Total recognised in the statement of profit or loss and other comprehensive income	**(201,102,917)**	**-**	**(342,062,720)**	**(42,723,753)**	**-**	**(585,889,390)**
Cash flows						
Premiums received	219,255,146	-	-	-	-	219,255,146
Recoveries from reinsurance	-	-	-	-	-	-
Ceding commissions	-	-	-	-	-	-
Total cash flow	**219,255,146**	**-**	**-**	**-**	**-**	**219,255,146**
Balance at the end of the year	**73,788,584**	**-**	**(321,020,898)**	**(41,674,321)**	**13,826,495**	**(275,080,141)**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Marine reinsurance

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	2,061,974,526	-	575,420,040	21,930,110	364,491,137	3,023,815,814
Expenses from reinsurance contracts	(4,167,884,441)	-	-	-	-	(4,167,884,441)
Claims recovered	-	-	311,164,431	-	-	311,164,431
Changes that relate to past service - adjustments to the AIC	-	-	291,414,206	-	-	291,414,206
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	1,133,588,951	1,133,588,951
Reinsurance service result	**(4,167,884,441)**	**-**	**602,578,637**	**-**	**1,133,588,951**	**(2,431,716,853)**
Finance income from reinsurance contracts held	-	-	38,379,977	7,416,001	-	45,795,978
Finance income from reinsurance contracts held	**-**	**-**	**38,379,977**	**7,416,001**	**1,133,588,951**	**45,795,978**
Total recognised in the statement of profit or loss and other comprehensive income	**(4,167,884,441)**	**-**	**564,198,660**	**(7,416,001)**	**-**	**(2,477,512,831)**
Cash flows						
Premiums received	4,938,297,416	-	-	-	-	4,938,297,416
Recoveries from reinsurance	-	-	(311,164,431)	-	-	(311,164,431)
Ceding commissions	-	-	-	-	(1,161,639,907)	(1,161,639,907)
Total cash flow	**4,938,297,416**	**-**	**(311,164,431)**	**-**	**(1,161,639,907)**	**3,465,493,079**
Balance at the end of the year	**2,832,387,501**	**-**	**828,454,269**	**14,514,110**	**336,440,181**	**4,011,796,061**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Marine reinsurance (Continued)

	2023					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	1,554,722,151	-	588,000,171	29,325,701	386,372,508	2,558,420,531
Expenses from reinsurance contracts	(5,619,691,689)	-	-	-	-	(5,619,691,689)
Claims recovered	-	-	605,053,867	-	-	605,053,867
Changes that relate to past service - adjustments to the AIC	-	-	25,694,218	-	-	25,694,218
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	1,372,411,707	1,372,411,707
Reinsurance service result	**(5,619,691,689)**	**-**	**630,748,086**	**-**	**1,372,411,707**	**(3,616,531,897)**
Finance income from reinsurance contracts held	-	-	38,274,349	7,395,590	-	45,669,940
Finance income from reinsurance contracts held	**-**	**-**	**38,274,349**	**7,395,590**	**-**	**45,669,940**
Total recognised in the statement of profit or loss and other comprehensive income	**(5,619,691,689)**	**-**	**592,473,736**	**(7,395,590)**	**1,372,411,707**	**(3,662,201,837)**
Cash flows						
Premiums received	6,126,944,065	-	-	-	-	6,126,944,065
Recoveries from reinsurance	-	-	(605,053,867)	-	-	(605,053,867)
Ceding commissions	-	-	-	-	(1,394,293,078)	(1,394,293,078)
Total cash flow	**6,126,944,065**	**-**	**(605,053,867)**	**-**	**(1,394,293,078)**	**4,127,597,119**
Balance at the end of the year	**2,061,974,526**	**-**	**575,420,040**	**21,930,110**	**364,491,137**	**3,023,815,814**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Aviation reinsurance

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	12,073,406,176	-	4,726,288,595	171,617,125	(1,368,862,190)	15,602,449,705
Expenses from reinsurance contracts	(44,588,145,662)	-	-	-	-	(44,588,145,662)
Claims recovered	-	-	12,224,028,168	-	-	12,224,028,168
Changes that relate to past service - adjustments to the AIC	-	-	(2,775,199,004)	-	-	(2,775,199,004)
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	9,515,809,222	9,515,809,222
Reinsurance service result	**(44,588,145,662)**	**-**	**9,448,829,164**	**-**	**9,515,809,222**	**(25,623,507,277)**
Finance income from reinsurance contracts held	-	-	172,736,544	33,377,151	-	206,113,695
Finance income from reinsurance contracts held	**-**	**-**	**172,736,544**	**33,377,151**	**-**	**206,113,695**
Total recognised in the statement of profit or loss and other comprehensive income	**(44,588,145,662)**	**-**	**9,276,092,620**	**(33,377,151)**	**9,515,809,222**	**(25,829,620,972)**
Cash flows						
Premiums received	52,830,045,464	-	-	-	-	52,830,045,464
Recoveries from reinsurance	-	-	(12,224,028,168)	-	-	(12,224,028,168)
Ceding commissions	-	-	-	-	(10,635,427,474)	(10,635,427,474)
Total cash flow	**52,830,045,464**	**-**	**(12,224,028,168)**	**-**	**(10,635,427,474)**	**29,970,589,822**
Balance at the end of the year	**20,315,305,977**	**-**	**1,778,353,046**	**138,239,974**	**(2,488,480,442)**	**19,743,418,555**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Aviation reinsurance (Continued)

	2023					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	9,317,131,108	-	3,523,764,478	175,742,913	2,315,451,229	**15,332,089,728**
Expenses from reinsurance contracts	(33,677,660,170)	-	-	-	-	**(33,677,660,170)**
Claims recovered	-	-	72,580,879	-	-	**72,580,879**
Changes that relate to past service - adjustments to the AIC	-	-	1,223,876,279	-	-	**1,223,876,279**
Losses on onerous contracts	-	-	-	-	-	**-**
Amortisation of loss recovery component	-	-	-	-	-	**-**
Release of deferred commission income	-	-	-	-	5,766,572,280	**5,766,572,280**
Reinsurance service result	**(33,677,660,170)**	**-**	**1,296,457,158**	**-**	**5,766,572,280**	**(26,614,630,732)**
Finance income from reinsurance contracts held	-	-	21,352,162	4,125,788	-	**25,477,950**
Finance income from reinsurance contracts held	**-**	**-**	**21,352,162**	**4,125,788**	**-**	**25,477,950**
Total recognised in the statement of profit or loss and other comprehensive income	**(33,677,660,170)**	**-**	**1,275,104,996**	**(4,125,788)**	**5,766,572,280**	**(26,640,108,682)**
Cash flows						
Premiums received	36,433,935,238	-	-	-	-	**36,433,935,238**
Recoveries from reinsurance	-	-	(72,580,879)	-	-	**(72,580,879)**
Ceding commissions	-	-	-	-	(9,450,885,700)	**(9,450,885,700)**
Total cash flow	**36,433,935,238**	**-**	**(72,580,879)**	**-**	**(9,450,885,700)**	**26,910,468,659**
Balance at the end of the year	**12,073,406,176**	**-**	**4,726,288,595**	**171,617,125**	**(1,368,862,190)**	**15,602,449,705**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Medical reinsurance

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	-	-	(35,415,829)	(4,353,883)	-	(39,769,712)
Expenses from reinsurance contracts	-	-	-	-	-	-
Claims recovered	-	-	-	-	-	-
Changes that relate to past service - adjustments to the AIC	-	-	-	-	-	-
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	-	-
Reinsurance service result	**-**	**-**	**-**	**-**	**-**	**-**
Finance income from reinsurance contracts held	-	-	172,736,544	33,377,151	-	206,113,695
Finance income from reinsurance contracts held	**-**	**-**	**172,736,544**	**33,377,151**	**-**	**206,113,695**
Total recognised in the statement of profit or loss and other comprehensive income	**-**	**-**	**(172,736,544)**	**(33,377,151)**	**-**	**(206,113,695)**
Cash flows						
Premiums received	-	-	-	-	-	-
Recoveries from reinsurance	-	-	-	-	-	-
Ceding commissions	-	-	-	-	-	-
Total cash flow	**-**	**-**	**-**	**-**	**-**	**-**
Balance at the end of the year	**-**	**-**	**(208,152,374)**	**(37,731,034)**	**-**	**(245,883,407)**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Medical reinsurance (Continued)

	2023					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	-	-	-	-	-	-
Expenses from reinsurance contracts	-	-	-	-	-	-
Claims recovered	-	-	-	-	-	-
Changes that relate to past service - adjustments to the AIC	-	-	(12,883,209)	-	-	(12,883,209)
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	-	-
Reinsurance service result	-	-	(12,883,209)	-	-	(12,883,209)
Finance income from reinsurance contracts held	-	-	22,532,621	4,353,883	-	26,886,504
Finance income from reinsurance contracts held	-	-	22,532,621	4,353,883	-	26,886,504
Total recognised in the statement of profit or loss and other comprehensive income	-	-	(35,415,829)	(4,353,883)	-	(39,769,712)
Cash flows						
Premiums received	-	-	-	-	-	-
Recoveries from reinsurance	-	-	-	-	-	-
Ceding commissions	-	-	-	-	-	-
Total cash flow	-	-	-	-	-	-
Balance at the end of the year	-	-	(35,415,829)	(4,353,883)	-	(39,769,712)

24. ETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Life reinsurance

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	3,331,381,733	-	875,627,445	26,640,865	595,452,024	4,829,102,067
Expenses from reinsurance contracts	(9,206,302,564)	-	-	-	-	(9,206,302,564)
Claims recovered	-	-	1,711,309,863	-	-	1,711,309,863
Changes that relate to past service - adjustments to the AIC	-	-	(547,194,747)	-	-	(547,194,747)
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	3,057,408,064	3,057,408,064
Reinsurance service result	**(9,206,302,564)**	**-**	**1,164,115,116**	**-**	**3,057,408,064**	**(4,984,779,384)**
Finance income from reinsurance contracts held	-	-	29,812,630	5,760,568	-	35,573,198
Finance income from reinsurance contracts held	**-**	**-**	**29,812,630**	**5,760,568**	**-**	**35,573,198**
Total recognised in the statement of profit or loss and other comprehensive income	**(9,206,302,564)**	**-**	**1,134,302,487**	**(5,760,568)**	**3,057,408,064**	**(5,020,352,582)**
Cash flows						
Premiums received	10,908,042,391	-	-	-	-	10,908,042,391
Recoveries from reinsurance	-	-	(1,711,309,863)	-	-	(1,711,309,863)
Ceding commissions	-	-	-	-	(1,711,650,165)	(1,711,650,165)
Total cash flow	**10,908,042,391**	**-**	**(1,711,309,863)**	**-**	**(1,711,650,165)**	**7,485,082,363**
Balance at the end of the year	**5,033,121,559**	**-**	**298,620,069**	**20,880,297**	**1,941,209,923**	**7,293,831,848**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

Reconciliation of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC) (Continued)

Life reinsurance (Continued)

	2023					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)		Liability for Reinsurance Acquisition cashflows	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	2,511,851,096	-	949,988,957	47,379,394	624,233,859	4,133,453,306
Expenses from reinsurance contracts	(9,079,325,666)	-	-	-	-	(9,079,325,666)
Claims recovered	-	-	3,606,317,766	-	-	3,606,317,766
Changes that relate to past service - adjustments to the AIC	-	-	32,966,458	-	-	32,966,458
Release of deferred commission income	-	-	-	-	3,557,970,348	3,557,970,348
Reinsurance service result	**(9,079,325,666)**	**-**	**3,639,284,224**	**-**	**3,557,970,348**	**(1,882,071,094)**
Finance income from reinsurance contracts held	-	-	107,327,970	20,738,529	-	128,066,499
Finance income from reinsurance contracts held	**-**	**-**	**107,327,970**	**20,738,529**	**-**	**128,066,499**
Total recognised in the statement of profit or loss and other comprehensive income	**(9,079,325,666)**	**-**	**3,531,956,254**	**(20,738,529)**	**3,557,970,348**	**(2,010,137,593)**
Cash flows						
Premiums received	9,898,856,303	-	-	-	-	9,898,856,303
Recoveries from reinsurance	-	-	(3,606,317,766)	-	-	(3,606,317,766)
Ceding commissions	-	-	-	-	(3,586,752,183)	(3,586,752,183)
Total cash flow	**9,898,856,303**	**-**	**(3,606,317,766)**	**-**	**(3,586,752,183)**	**2,705,786,354**
Balance at the end of the year	**3,331,381,733**	**-**	**875,627,445**	**26,640,865**	**595,452,024**	**4,829,102,067**

25. CASH AND CASH EQUIVALENTS

	2024 TZS	2023 TZS
Cash at bank	2,762,912,132	1,098,982,969
Expected credit loss (ECL) -Cash	(1,357,457)	(1,492,457)
	2,761,554,675	**1,097,490,512**

Cash at bank earns interest at floating rate based on daily bank deposit rate. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the rate at respective short-term deposit rate.

For cash flow purposes, cash & cash equivalents are made up of:

Cash at bank	2,761,554,675	1,097,490,512
Fixed deposits maturing in less than three month	14,372,229,255	287,512,23
	17,133,783,930	**1,385,002,751**

26. CASH GENERATED FROM OPERATIONS

Profit before tax	**Notes**	**19,821,351,148**	**16,219,716,542**
Adjustments for:			
Depreciation of property and equipment	18	370,033,713	305,593,964
Amortisation of intangible assets	20	33,999,197	47,165,583
Gain on sale of property and equipment		-	(33,984,274)
Fair value gain through profit or loss	12	(1,094,788,733)	(931,950,063)
Shares received in lieu of cash dividends	21	-	(11,325,267)
Share of profit of an associate	33	(472,338,706)	(580,030,489)
Expected Credit Loss on financial assets	16 (b)	1,148,658,993	331,733,311
Foreign exchange loss/(gain)	13	1,116,964,524	(3,263,960)
Investment income	11	(3,941,274,500)	(4,002,794,988)
Working capital changes:			
in retrocession contract assets		(16,686,068,725)	(10,555,421,704)
in other receivables		(1,280,677,200)	(1,353,933,882)
in reinsurance contract liabilities		9,375,642,468	4,055,252,574
in other payables		247,215,081	(131,048,241)
Cash generated from operations		**8,638,717,260**	**4,355,709,106**

27. DEPOSITS WITH FINANCIAL INSTITUTIONS

	2024	2023
	TZS	TZS
Fixed deposits with Banks	54,633,596,590	48,982,464,094
Accrued interest	1,066,687,109	3,045,610,616
	55,700,283,699	**52,028,074,710**
Expected credit loss (ECL) -Fixed deposits	(394,280,199)	(391,083,390)
	55,306,003,503	**51,636,991,320**
Fixed deposits maturing in less than three months	14,372,229,256	287,512,237
Fixed deposits maturing in more than three months	40,933,774,247	51,349,479,083
	55,306,003,503	**51,636,991,320**

As at year end, fixed deposits were on account with the following banks:

	2024	2023
BOA Bank Limited	4,155,284,000	3,002,000,000
Azania Bank Limited	4,118,502,884	4,558,593,389
United Bank for Africa (T) Limited	5,268,472,000	3,831,250,000
NCBA Bank Tanzania Limited	3,693,450,000	500,000,000
Equity Bank Tanzania Limited	500,000,000	1,752,500,000
Tanzania Commercial Bank (TCB)	1,697,380,000	3,131,250,000
Canara Bank (Tanzania) Limited	2,993,450,000	1,552,500,000
Exim Bank (Tanzania) Limited	-	4,257,500,000
CRDB Bank Plc	1,497,380,000	3,252,500,000
NMB Bank Plc	7,619,210,290	2,000,000,000
DCB Commercial Bank Plc (DCB)	2,000,000,000	2,505,000,000
UTT Liquid Fund	1,197,380,000	287,512,237
I&M Bank Tanzania Limited	3,963,498,966	3,286,358,469
Diamond Trust Bank Tanzania Limited (DTB)	2,663,736,450	2,504,000,000
KCB Bank Tanzania Limited	1,697,380,000	1,500,000,000
National Bank of Commerce Limited (NBC)	2,697,380,000	4,002,000,000
Mwanga Hakika Bank Limited	3,957,904,000	1,051,500,000
BancABC Tanzania Limited	1,018,428,000	1,000,000,000
Stanbic Bank Tanzania Limited	500,000,000	1,000,000,000
Absa Bank Tanzania Limited	3,394,760,000	4,008,000,000
ECL -Fixed deposits	(394,280,196)	(391,083,390)
Accrued interest	1,066,687,109	3,045,610,615
	55,306,003,503	**51,636,991,320**

Fixed deposits are made for a period of one year and are in Tanzanian Shilling and US dollar. Deposits in Tanzanian Shilling earn interest of 10.0% - 12.0% (2023: 9.0% - 12.0%) and deposits in US dollars earn interest at the range between 3.0% – 5.50% (2023: 3.0% - 4.50%). The Company is required by the Insurance Regulations, 2009 to invest at least 40% of its assets in Category I Assets like Bank deposits, prescribed Statutory Bodies and Local

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	11,812,867,412	-	27,724,068,377	2,569,996,619	(1,866,968,655)	**40,239,963,754**
Reinsurance service revenue	(267,665,680,179)	-	-	-	-	**(267,665,680,179)**
Reinsurance service expense						
Gross claims paid	-	-	77,122,675,875	-	-	**77,122,675,875**
Attributable operating and administration expenses	-	-	23,415,272,936	-	-	**23,415,272,936**
Changes that relate to past service - adjustments to the LIC	-	-	12,287,179,724	-	-	**12,287,179,724**
Losses on onerous contracts	-	(101,580,351)	-	-	-	(101,580,351)
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	61,521,523,074	-	-	-	-	**61,521,523,074**
Reinsurance service result	**(-194,331,289,693)**	**(101,580,351)**	**112,825,128,535**	-	**(1,866,968,655)**	**(93,420,608,921)**
Finance costs from reinsurance contracts issued	-	-	(2,135,491,787)	(699,164,728)	-	**(2,834,656,515)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(2,135,491,787)**	**(699,164,728)**	**-**	**(2,834,656,515)**
Total recognised in the statement if profit or loss and other comprehensive income	**(-194,331,289,693)**	**(101,580,351)**	**114,960,620,321**	**699,164,728**	**(1,866,968,655)**	**(90,585,952,406)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	266,467,103,201	-	-	-	-	266,467,103,201
Claims paid	-	-	(77,122,675,875)	-	-	(77,122,675,875)
Expenses paid	-	-	(23,415,272,936)	-	-	(23,415,272,936)
Reinsurance acquisition cash flows	-	-	-	-	-	-
Total cash flow	266,467,103,201	-	(100,537,948,811)	-	-	(65,967,559,513)
Balance at the end of the year	72,135,813,508	(101,580,351)	42,146,739,887	3,269,161,347	(1,866,968,655)	49,615,606,225

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	9,903,538,828	-	20,759,192,36h2	2,176,195,637	2,061,031,527	**34,899,958,353**
Reinsurance service revenue	(208,694,220,326)	-	-	-	-	**(208,694,220,326)**
Reinsurance service expense					-	
Gross claims paid	-	-	60,485,399,216	-	-	60,485,399,216
Attributable operating and administration expenses	-	-	23,926,121,577	-	-	23,926,121,577
Changes that relate to past service - adjustments to the LIC	-	-	5,492,961,193	-	-	5,492,961,193
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	40,713,447,487	40,713,447,487
Reinsurance service result	**(208,694,220,326)**	**-**	**-**	**-**	**40,713,447,487**	**(78,076,290,852)**
Finance costs from reinsurance contracts issued	-	-	(1,471,914,822)	(393,800,982)	-	(1,865,715,804)
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(1,471,914,822)**	**(393,800,982)**	**-**	**(1,865,715,804)**
Total recognised in the statement if profit or loss and other comprehensive income	**(208,694,220,326)**	**-**	**91,376,396,808**	**393,800,982**	**40,713,447,487**	**(76,210,575,048)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	210,603,548,911	-	-	-	-	210,603,548,911
Claims paid	-	-	(60,485,399,216)	-	-	(60,485,399,216)
Expenses paid	-	-	(23,926,121,577)	-	-	(23,926,121,577)
Reinsurance acquisition cash flows	-	-	-	-	(44,641,447,668)	(44,641,447,668)
Total cash flow	**210,603,548,911**	**-**	**(84,411,520,793)**	**-**	**(44,641,447,668)**	**81,550,580,449**
Balance at the end of the year	**11,812,867,412**	**-**	**27,724,068,377**	**2,569,996,619**	**(1,866,968,655)**	**40,239,963,754**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Fire reinsurance

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	3,844,083,589	-	8,542,901,130	720,204,217	(195,871,307)	**12,911,317,629**
Reinsurance service revenue	(72,978,974,931)	-				**(72,978,974,931)**
Reinsurance service expense						
Gross claims paid	-	-	20,325,506,566	-	-	**20,325,506,566**
Attributable operating and administration expenses	-	-	6,130,421,887	-	-	**6,130,421,887**
Changes that relate to past service - adjustments to the LIC	-	-	6,676,267,410	-	-	**6,676,267,410**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	23,945,271,860	**23,945,271,860**
Reinsurance service result	**(72,978,974,931)**	**-**	**33,132,195,863**	**-**	**23,945,271,860**	**(15,901,507,207)**
Finance costs from reinsurance contracts issued	-	-	(1,031,966,583)	(342,445,050)	-	**(1,374,411,633)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(1,031,966,583)**	**(342,445,050)**	**-**	**(1,374,411,633)**
Total recognised in the statement if profit or loss and other comprehensive income	**(72,978,974,931)**	**-**	**34,164,162,446**	**342,445,050**	**23,945,271,860**	**(14,527,095,574)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Fire reinsurance (Continued)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	74,768,110,299	-	-	-	-	74,768,110,299
Claims paid	-	-	(20,325,506,566)	-	-	(20,325,506,566)
Expenses paid	-	-	(6,130,421,887)	-	-	(6,130,421,887)
Reinsurance acquisition cash flows	-	-	-	-	(26,752,985,248)	(26,752,985,248)
Total cash flow	**74,768,110,299**	**-**	**(26,455,928,453)**	**-**	**-**	**21,559,196,598**
Balance at the end of the year	**5,633,218,957**	**-**	**16,251,135,123**	**1,062,649,267**	**23,749,400,553**	**19,943,418,653**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Fire reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	2,722,986,853	-	5,693,588,584	598,346,936	566,682,461	9,581,604,834
Reinsurance service revenue	(57,066,328,494)	-	-	-	-	(57,066,328,494)
Reinsurance service expense						
Gross claims paid	-	-	17,499,135,638	-	-	17,499,135,638
Attributable operating and administration expenses	-	-	6,341,239,375	-	-	6,341,239,375
Changes that relate to past service - adjustments to the LIC	-	-	2,274,436,984	-	-	2,274,436,984
Losses on onerous contracts	-	-		-	-	-
Amortisation of loss component	-	-		-	-	-
Amortisation of reinsurance acquisition cash flows	-	-		-	13,331,937,518	13,331,937,518
Reinsurance service result	**(57,066,328,494)**	**-**	**26,114,811,997**	**-**	**13,331,937,518**	**(17,619,578,979)**
Finance costs from reinsurance contracts issued	-	-	(630,647,165)	(121,857,281)	-	(752,504,446)
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(630,647,165)**	**(121,857,281)**	**-**	**(752,504,446)**
Total recognised in the statement if profit or loss and other comprehensive income	**(57,066,328,494)**	**-**	**26,745,459,162**	**(121,857,281)**	**13,331,937,518**	**(16,867,074,533)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Fire reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	58,187,425,230	-	-	-	-	58,187,425,230
Claims paid	-	-	(17,499,135,638)	-	-	(17,499,135,638)
Expenses paid	-	-	(6,397,010,978)	-	-	(6,397,010,978)
Reinsurance acquisition cash flows	-	-	-	-	(14,094,491,286)	(14,094,491,286)
Total cash flow	**58,187,425,230**	**-**	**(23,896,146,616)**	**-**	**(14,094,491,286)**	**20,196,787,328**
Balance at the end of the year	**3,844,083,589**	**-**	**8,542,901,130**	**720,204,217**	**(195,871,307)**	**12,911,317,629**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Engineering reinsurance

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	(4,208,923,650)	-	2,594,209,840	163,222,540	420,806,216	(1,030,685,054)
Reinsurance service revenue	(23,190,797,410)	-		-		(23,190,797,410)
Reinsurance service expense						
Gross claims paid	-	-	5,786,635,549	-		5,786,635,549
Attributable operating and administration expenses	-	-	2,351,580,645	-		2,351,580,645
Changes that relate to past service - adjustments to the LIC	-	-	2,764,832,795	-		2,764,832,795
Losses on onerous contracts	-	-	-	-		-
Amortisation of loss component	-	-	-	-		-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	3,872,359,072	3,872,359,072
Reinsurance service result	**(23,190,797,410)**	**-**	**10,903,048,989**	**-**	**3,872,359,072**	**(8,415,389,349)**
Finance costs from reinsurance contracts issued	-	-	(319,360,842)	(103,234,884)	-	(422,595,726)
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(319,360,842)**	**(103,234,884)**	**-**	**(422,595,726)**
Total recognised in the statement if profit or loss and other comprehensive income	**(23,190,797,410)**	**-**	**11,222,409,831**	**103,234,884**	**3,872,359,072**	**(7,992,793,623)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Engineering reinsurance (Continued)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	28,705,255,422	-	-	-	-	**28,705,255,422**
Claims paid	-	-	(5,786,635,549)	-	-	**(5,786,635,549)**
Expenses paid	-	-	(2,351,580,645)	-	-	**(2,351,580,645)**
Reinsurance acquisition cash flows	-	-	-	-	(4,899,785,537)	**(4,899,785,537)**
Total cash flow	**28,705,255,422**	**-**	**(8,138,216,194)**	**-**	**(4,899,785,537)**	**15,667,253,691**
Balance at the end of the year	**1,305,534,362**	**-**	**5,678,403,477**	**266,457,424**	**(606,620,249)**	**6,643,775,014**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Engineering reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	608,663,849	-	1,324,212,716	133,747,303	126,669,406	**2,193,293,274**
Reinsurance service revenue	(13,211,947,498)	-	-	-	-	(13,211,947,498)
Reinsurance service expense						
Gross claims paid	-	-	3,094,125,552	-	-	**3,094,125,552**
Attributable operating and administration expenses	-	-	1,547,329,889	-	-	**1,547,329,889**
Changes that relate to past service - adjustments to the LIC	-	-	1,178,814,415	-	-	**1,178,814,415**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	2,373,819,718	**2,373,819,718**
Reinsurance service result	**(13,211,947,498)**	**-**	**5,820,269,856**	**-**	**2,373,819,718**	**(5,017,857,925)**
Finance costs from reinsurance contracts issued	-	-	(91,182,709)	(29,475,237)	-	**(120,657,946)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(91,182,709)**	**(29,475,237)**	**-**	**(120,657,946)**
Total recognised in the statement if profit or loss and other comprehensive income	**(13,211,947,498)**	**-**	**5,911,452,565**	**29,475,237**	**2,373,819,718**	**(4,897,199,979)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Engineering reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	8,394,359,999	-	-	-	-	**8,394,359,999**
Claims paid	-	-	(3,094,125,552)	-	-	**(3,094,125,552)**
Expenses paid	-	-	(1,547,329,889)	-	-	**(1,547,329,889)**
Reinsurance acquisition cash flows	-	-	-	-	(2,079,682,907)	**(2,079,682,907)**
Total cash flow	**8,394,359,999**	**-**	**(4,641,455,441)**	**-**	**(2,079,682,907)**	**1,673,221,651**
Balance at the end of the year	**(4,208,923,650)**	**-**	**2,594,209,840**	**163,222,540**	**420,806,216**	**(1,030,685,054)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Energy reinsurance

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	(210,262,706)	-	228,709,161	11,028,338	45,424,849	**74,899,642**
Reinsurance service revenue	(804,291,113)	-		-		(804,291,113)
Reinsurance service expense						
Gross claims paid	-	-	6,993,674	-		6,993,674
Attributable operating and administration expenses	-	-	82,009,636	-		82,009,636
Changes that relate to past service - adjustments to the LIC	-	-	(354,393,738)	-		(354,393,738)
Losses on onerous contracts	-	-	-	-		-
Amortisation of loss component	-	-	-	-		-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	117,218,182	**117,218,182**
Reinsurance service result	**(804,291,113)**	**-**	**(265,390,428)**	**-**	**117,218,182**	**(952,463,359)**
Finance costs from reinsurance contracts issued	-	-	(21,373,914)	(6,909,218)	-	**(28,283,132)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(21,373,914)**	**(6,909,218)**	**-**	**(28,283,132)**
Total recognised in the statement if profit or loss and other comprehensive income	**(804,291,113)**	**-**	**(244,016,514)**	**(6,909,218)**	**117,218,182**	**(924,180,227)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Energy reinsurance (Continued)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	28,283,132	-	-	-	-	**28,283,132**
Claims paid	-	-	(6,993,674)	-	-	**(6,993,674)**
Expenses paid	-	-	(82,009,636)	-	-	**(82,009,636)**
Reinsurance acquisition cash flows	-	-	-	-	(88,050,856)	**(88,050,856)**
Total cash flow	**28,283,132**	**-**	**(89,003,309)**	**-**	**(88,050,856)**	**(148,771,033)**
Balance at the end of the year	**(986,270,687)**	**-**	**(104,310,662)**	**17,937,555**	**74,592,175**	**(998,051,619)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Energy reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	40,040,668	-	83,722,435	8,798,504	8,332,888	**140,894,495**
Reinsurance service revenue	(3,892,645,815)	-		-		(3,892,645,815)
Reinsurance service expense						
Gross claims paid	-	-	3,559,500	-		**3,559,500**
Attributable operating and administration expenses	-	-	117,057,176	-		**117,057,176**
Changes that relate to past service - adjustments to the LIC	-	-	138,088,656	-		**138,088,656**
Losses on onerous contracts	-	-	-	-		-
Amortisation of loss component	-	-	-	-		-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	295,365,408	**295,365,408**
Reinsurance service result	**(3,892,645,815)**	**-**	**258,705,332**	**-**	**295,365,408**	**(3,338,575,075)**
Finance costs from reinsurance contracts issued	-	-	(6,898,070)	(2,229,833)	-	**(9,127,904)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(6,898,070)**	**(2,229,833)**	**-**	**(9,127,904)**
Total recognised in the statement if profit or loss and other comprehensive income	**(3,892,645,815)**	**-**	**265,603,402**	**(2,229,833)**	**295,365,408**	**(3,329,447,171)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Energy reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	3,642,342,441	-	-	-	-	**3,642,342,441**
Claims paid	-	-	(3,559,500)	-	-	**(3,559,500)**
Expenses paid	-	-	(117,057,176)	-	-	**(117,057,176)**
Reinsurance acquisition cash flows	-	-	-	-	(258,273,447)	**(258,273,447)**
Total cash flow	**3,642,342,441**	**-**	**(120,616,676)**	**-**	**(258,273,447)**	**3,263,452,318**
Balance at the end of the year	**(210,262,706)**	**-**	**228,709,161**	**11,028,338**	**45,424,849**	**74,899,642**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Accident reinsurance

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	(381,938,929)	-	1,812,327,943	284,784,864	585,025,644	**2,300,199,521**
Reinsurance service revenue	(29,320,502,619)	-		-		**(29,320,502,619)**
Reinsurance service expense						
Gross claims paid	-	-	2,967,868,560	-		**2,967,868,560**
Attributable operating and administration expenses	-	-	1,988,076,138	-		**1,988,076,138**
Changes that relate to past service - adjustments to the LIC	-	-	1,337,464,037	-		**1,337,464,037**
Losses on onerous contracts	-	-	-	-		**-**
Amortisation of loss component	-	-	-	-		**-**
Amortisation of reinsurance acquisition cash flows	-	-	-	-	6,670,304,352	**6,670,304,352**
Reinsurance service result	**(29,320,502,619)**	**-**	**6,293,408,735**	**-**	**6,670,304,352**	**(16,356,789,531)**
Finance costs from reinsurance contracts issued	-	-	(160,116,674)	(51,758,463)	-	**(211,875,137)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(160,116,674)**	**(51,758,463)**	**-**	**(211,875,137)**
Total recognised in the statement if profit or loss and other comprehensive income	**(29,320,502,619)**	**-**	**6,453,525,409**	**51,758,463**	**6,670,304,352**	**(16,144,914,394)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Accident reinsurance (Continued)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	30,988,831,752	-	-	-	-	**30,988,831,752**
Claims paid	-	-	(2,967,868,560)	-	-	**(2,967,868,560)**
Expenses paid	-	-	(1,988,076,138)	-	-	**(1,988,076,138)**
Reinsurance acquisition cash flows	-	-	-	-	(7,494,258,722)	**(7,494,258,722)**
Total cash flow	**30,988,831,752**	**-**	**(4,955,944,698)**	**-**	**(7,494,258,722)**	**18,538,628,331**
Balance at the end of the year	**1,286,390,203**	**-**	**3,309,908,654**	**336,543,327**	**(238,928,726)**	**4,693,913,458**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Accident reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	1,059,579,546	-	2,215,511,985	232,831,155	220,509,748	**3,728,432,434**
Reinsurance service revenue	(27,057,978,435)	-		-	-	**(27,057,978,435)**
Reinsurance service expense						
Gross claims paid	-	-	8,962,683,915	-	-	**8,962,683,915**
Attributable operating and administration expenses	-	-	2,727,358,127	-	-	**2,727,358,127**
Changes that relate to past service - adjustments to the LIC	-	-	(563,904,716)	-	-	**(563,904,716)**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	4,891,909,852	**4,891,909,852**
Reinsurance service result	**(27,057,978,435)**	**-**	**11,126,137,326**	**-**	**4,891,909,852**	**(11,039,931,257)**
Finance costs from reinsurance contracts issued	-	-	(160,720,674)	(51,953,709)	-	**(212,674,383)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(160,720,674)**	**(51,953,709)**	**-**	**(212,674,383)**
Total recognised in the statement if profit or loss and other comprehensive income	**(27,057,978,435)**	**-**	**11,286,858,000**	**51,953,709**	**4,891,909,852**	**(10,827,256,874)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Accident reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	25,616,459,959	-	-	-	-	**25,616,459,959**
Claims paid	-	-	(8,962,683,915)	-	-	**(8,962,683,915)**
Expenses paid	-	-	(2,727,358,127)	-	-	**(2,727,358,127)**
Reinsurance acquisition cash flows	-	-	-	-	(4,527,393,956)	**(4,527,393,956)**
Total cash flow	**25,616,459,959**	**-**	**(11,690,042,042)**	**-**	**(4,527,393,956)**	**9,399,023,962**
Balance at the end of the year	**(381,938,929)**	**-**	**1,812,327,943**	**284,784,864**	**585,025,644**	**2,300,199,521**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Agriculture reinsurance

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	(14,020,286)	-	64,723,466	7,978,241	8,773,447	**67,454,867**
Reinsurance service revenue	(395,671,346)	-		-	-	**(395,671,346)**
Reinsurance service expense						
Gross claims paid	-	-	170,391,249	-	-	**170,391,249**
Attributable operating and administration expenses	-	-	55,246,287	-	-	**55,246,287**
Changes that relate to past service - adjustments to the LIC	-	-	7,228,458	-	-	**7,228,458**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	76,259,404	**76,259,404**
Reinsurance service result	**(395,671,346)**	**-**	**232,865,995**	**-**	**76,259,404**	**(86,545,947)**
Finance costs from reinsurance contracts issued	-	-	(1,704,316)	(550,928)	-	**(2,255,244)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(1,704,316)**	**(550,928)**	**-**	**(2,255,244)**
Total recognised in the statement if profit or loss and other comprehensive income	**(395,671,346)**	**-**	**234,570,310**	**550,928**	**76,259,404**	**(84,290,703)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Agriculture reinsurance (Continued)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	439,112,791	-	-	-	-	**439,112,791**
Claims paid	-	-	(170,391,249)	-	-	**(170,391,249)**
Expenses paid	-	-	(55,246,287)	-	-	**(55,246,287)**
Reinsurance acquisition cash flows	-	-	-	-	(94,383,824)	**(94,383,824)**
Total cash flow	**439,112,791**	**-**	**(225,637,536)**	**-**	**(94,383,824)**	**119,091,431**
Balance at the end of the year	**439,112,791**	**-**	**73,656,240**	**8,529,169**	**(9,350,973)**	**102,255,595**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Agriculture reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	29,349,001	-	61,366,855	6,449,126	6,107,839	**103,272,820**
Reinsurance service revenue	(402,414,010)	-		-	-	**(402,414,010)**
Reinsurance service expense						
Gross claims paid	-	-	63,691,354	-	-	**63,691,354**
Attributable operating and administration expenses	-	-	80,272,300	-	-	**80,272,300**
Changes that relate to past service - adjustments to the LIC	-	-	(1,373,761)	-	-	**(1,373,761)**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	78,143,622	**78,143,622**
Reinsurance service result	**(402,414,010)**	**-**	**142,589,893**	**-**	**78,143,622**	**(181,680,494)**
Finance costs from reinsurance contracts issued	-	-	(4,730,372)	(1,529,115)	-	**(6,259,487)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(4,730,372)**	**(1,529,115)**	**-**	**(6,259,487)**
Total recognised in the statement if profit or loss and other comprehensive income	**(402,414,010)**	**-**	**147,320,265**	**1,529,115**	**78,143,622**	**(175,421,008)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Agriculture reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	359,044,723	-	-	-	-	**359,044,723**
Claims paid	-	-	(63,691,354)	-	-	**(63,691,354)**
Expenses paid	-	-	(80,272,300)	-	-	**(80,272,300)**
Reinsurance acquisition cash flows	-	-	-	-	(75,478,014)	**(75,478,014)**
Total cash flow	**359,044,723**	**-**	**(143,963,654)**	**-**	**(75,478,014)**	**139,603,054**
Balance at the end of the year	**(14,020,286)**	**-**	**64,723,466**	**7,978,241**	**8,773,447**	**67,454,867**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

PVT reinsurance

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	(11,868,543)	-	22,522,151	3,347,221	2,230,496	**16,231,324**
Reinsurance service revenue	(1,766,064,387)	-		-	-	**(1,766,064,387)**
Reinsurance service expense						
Gross claims paid	-	-	293,183	-	-	**293,183**
Attributable operating and administration expenses	-	-	60,797,970	-	-	**60,797,970**
Changes that relate to past service - adjustments to the LIC	-	-	42,601,498	-	-	**42,601,498**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	170,540,262	**170,540,262**
Reinsurance service result	**(1,766,064,387)**	**-**	**103,692,650**	**-**	**170,540,262**	**(1,491,831,475)**
Finance costs from reinsurance contracts issued	-	-	(3,890,961)	(1,257,771)	-	**(5,148,732)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(3,890,961)**	**(1,257,771)**	**-**	**(5,148,732)**
Total recognised in the statement if profit or loss and other comprehensive income	**(1,766,064,387)**	**-**	**107,583,611**	**(1,257,771)**	**170,540,262**	**(1,486,682,743)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

PVT reinsurance (Continued)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	2,006,293,019	-	-	-	-	**2,006,293,019**
Claims paid	-	-	(293,183)	-	-	**(293,183)**
Expenses paid	-	-	(60,797,970)	-	-	**(60,797,970)**
Reinsurance acquisition cash flows	-	-	-	-	(221,056,104)	**(221,056,104)**
Total cash flow	**2,006,293,019**	**-**	**(61,091,152)**	**-**	**(221,056,104)**	**1,724,145,762**
Balance at the end of the year	**228,360,088**	**-**	**69,014,609**	**4,604,992**	**(48,285,346)**	**253,694,343**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

PVT reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	13,138,152	-	27,471,022	2,886,967	2,734,189	**46,230,330**
Reinsurance service revenue	(1,239,023,784)	-		-	-	**(1,239,023,784)**
Reinsurance service expense						
Gross claims paid	-	-	40,678	-	-	**40,678**
Attributable operating and administration expenses	-	-	24,161,444	-	-	**24,161,444**
Changes that relate to past service - adjustments to the LIC	-	-	(6,372,682)	-	-	**(6,372,682)**
Losses on onerous contracts	-	-	-	-	-	**-**
Amortisation of loss component	-	-	-	-	-	**-**
Amortisation of reinsurance acquisition cash flows	-	-	-	-	97,417,384	**97,417,384**
Reinsurance service result	**(1,239,023,784)**	**-**	**17,829,440**	**-**	**97,417,384**	**(1,123,776,960)**
Finance costs from reinsurance contracts issued	-	-	(1,423,811)	(460,254)	-	**(1,884,065)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(1,423,811)**	**(460,254)**	**-**	**(1,884,065)**
Total recognised in the statement if profit or loss and other comprehensive income	**(1,239,023,784)**	**-**	**19,253,251**	**460,254**	**97,417,384**	**(1,121,892,895)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

PVT reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	1,214,017,088	-	-	-	-	**1,214,017,088**
Claims paid	-	-	(40,678)	-	-	**(40,678)**
Expenses paid	-	-	(24,161,444)	-	-	**(24,161,444)**
Reinsurance acquisition cash flows	-	-	-	-	(97,921,077)	**(97,921,077)**
Total cash flow	**1,214,017,088**	**-**	**(24,202,122)**	**-**	**(97,921,077)**	**1,091,893,889**
Balance at the end of the year	**(11,868,543)**	**-**	**22,522,151**	**3,347,221**	**2,230,496**	**16,231,324**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Motor reinsurance

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	1,519,386,995	-	6,576,252,930	768,476,692	368,365,244	**9,232,481,861**
Reinsurance service revenue	(35,778,599,985)	-		-	-	**(35,778,599,985)**
Reinsurance service expense						
Gross claims paid	-	-	20,081,848,128	-	-	**20,081,848,128**
Attributable operating and administration expenses	-	-	5,598,009,939	-	-	**5,598,009,939**
Changes that relate to past service - adjustments to the LIC	-	-	910,903,340	-	-	**910,903,340**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	6,315,534,278	**6,315,534,278**
Reinsurance service result	**(35,778,599,985)**	**-**	**26,590,761,408**	**-**	**6,315,534,278**	**(2,872,304,299)**
Finance costs from reinsurance contracts issued	-	-	(217,226,140)	(70,219,365)	-	**(287,445,505)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(217,226,140)**	**(70,219,365)**	**6,315,534,278**	**(287,445,505)**
Total recognised in the statement if profit or loss and other comprehensive income	**(35,778,599,985)**	**-**	**26,807,987,548**	**(70,219,365)**	**97,417,384**	**(2,584,858,794)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Motor reinsurance (Continued)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	34,872,159,125	-	-	-	-	**34,872,159,125**
Claims paid	-	-	(20,081,848,128)	-	-	
Expenses paid	-	-	(5,598,009,939)	-	-	**(5,598,009,939)**
Reinsurance acquisition cash flows	-	-	-	-	(6,966,238,836)	**(6,966,238,836)**
Total cash flow	**34,872,159,125**	**-**	**(25,679,858,068)**	**-**	**(6,966,238,836)**	**2,226,062,221**
Balance at the end of the year	**612,946,136**	**-**	**7,704,382,410**	**838,696,057**	**(282,339,315)**	**8,873,685,288**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Motor reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	2,888,807,168	-	6,040,308,089	634,784,158	601,191,428	**10,165,090,843**
Reinsurance service revenue	(31,028,479,495)	-		-	-	**(31,028,479,495)**
Reinsurance service expense						
Gross claims paid	-	-	16,858,011,837	-	-	**16,858,011,837**
Attributable operating and administration expenses	-	-	7,018,313,551	-	-	**7,018,313,551**
Changes that relate to past service - adjustments to the LIC	-	-	122,362,161	-	-	**122,362,161**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	4,107,812,884	**4,107,812,884**
Reinsurance service result	**(31,028,479,495)**	**-**	**23,998,687,549**	**-**	**4,107,812,884**	**(2,921,979,062)**
Finance costs from reinsurance contracts issued	-	-	(413,582,680)	(133,692,534)	-	**(547,275,214)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(413,582,680)**	**(133,692,534)**	**4,107,812,884**	**(547,275,214)**
Total recognised in the statement if profit or loss and other comprehensive income	**(31,028,479,495)**	**-**	**24,412,270,229**	**133,692,534**	**97,417,384**	**(2,374,703,848)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Motor reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	29,659,059,322	-	-	-	-	**29,659,059,322**
Claims paid	-	-	(16,858,011,837)	-	-	
Expenses paid	-	-	(7,018,313,551)	-	-	**(7,018,313,551)**
Reinsurance acquisition cash flows	-	-	-	-	(4,340,639,068)	**(4,340,639,068)**
Total cash flow	**29,659,059,322**	**-**	**(23,876,325,388)**	**-**	**(4,340,639,068)**	**1,442,094,867**
Balance at the end of the year	**1,519,386,995**	**-**	**6,576,252,930**	**768,476,692**	**368,365,244**	**9,232,481,861**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Marine reinsurance

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	(573,623,431)	-	1,832,642,709	71,737,197	(261,676,228)	**1,069,080,247**
Reinsurance service revenue	(10,174,984,759)	-		-	-	**(10,174,984,759)**
Reinsurance service expense						
Gross claims paid	-	-	2,441,836,897	-	-	**2,441,836,897**
Attributable operating and administration expenses	-	-	943,097,629	-	-	**943,097,629**
Changes that relate to past service - adjustments to the LIC	-	-	691,105,535	-	-	**691,105,535**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	3,282,634,790	**3,282,634,790**
Reinsurance service result	**(10,174,984,759)**	**-**	**4,076,040,061**	**-**	**3,282,634,790**	**(2,816,309,909)**
Finance costs from reinsurance contracts issued	-	-	(120,114,288)	(38,827,505)	-	**(158,941,793)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(120,114,288)**	**(38,827,505)**	**-**	**(158,941,793)**
Total recognised in the statement if profit or loss and other comprehensive income	**(10,174,984,759)**	**-**	**4,196,154,349**	**(38,827,505)**	**3,282,634,790**	**(2,657,368,116)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Marine reinsurance (Continued)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	9,879,202,295	-	-	-	-	**9,879,202,295**
Claims paid	-	-	(2,441,836,897)	-	-	**(2,441,836,897)**
Expenses paid	-	-	(943,097,629)	-	-	**(943,097,629)**
Reinsurance acquisition cash flows	-	-	-	-	(3,009,894,839)	**(3,009,894,839)**
Total cash flow	**9,879,202,295**	**-**	**(3,384,934,526)**	**-**	**(3,009,894,839)**	**3,484,372,930**
Balance at the end of the year	**(869,405,895)**	**-**	**2,643,862,533**	**110,564,702**	**11,063,722**	**1,896,085,061**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Marine reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	503,163,317	-	1,052,081,802	110,564,702	104,713,626	**1,770,523,447**
Reinsurance service revenue	(10,955,989,043)	-		-	-	**(10,955,989,043)**
Reinsurance service expense						
Gross claims paid	-	-	2,784,721,032	-	-	**2,784,721,032**
Attributable operating and administration expenses	-	-	1,214,887,940	-	-	**1,214,887,940**
Changes that relate to past service - adjustments to the LIC	-	-	900,675,195	-	-	**900,675,195**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	2,046,941,226	**2,046,941,226**
Reinsurance service result	**(10,955,989,043)**	**-**	**4,900,284,167**	**-**	**2,046,941,226**	**(4,008,763,650)**
Finance costs from reinsurance contracts issued	-	-	120,114,288	38,827,505	-	**158,941,793**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**120,114,288**	**38,827,505**	**-**	**158,941,793**
Total recognised in the statement if profit or loss and other comprehensive income	**(10,955,989,043)**	**-**	**4,780,169,879**	**(38,827,505)**	**2,046,941,226**	**(4,167,705,443)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Marine reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	9,879,202,295	-	-	-	-	**9,879,202,295**
Claims paid	-	-	(2,784,721,032)	-	-	
Expenses paid	-	-	(1,214,887,940)	-	-	
Reinsurance acquisition cash flows	-	-	-	-	(2,413,331,080)	
Total cash flow	**9,879,202,295**	**-**	**(3,999,608,972)**	**-**	**(2,413,331,080)**	**3,466,262,243**
Balance at the end of the year	**(573,623,431)**	**-**	**1,832,642,709**	**71,737,197**	**(261,676,228)**	**1,069,080,247**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Aviation reinsurance

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	9,473,385,713	-	1,717,285,729	36,419,501	(3,135,316,805)	**8,091,774,138**
Reinsurance service revenue	(58,690,153,503)	-		-	-	**(58,690,153,503)**
Reinsurance service expense						
Gross claims paid	-	-	13,136,108,018	-	-	**13,136,108,018**
Attributable operating and administration expenses	-	-	2,226,877,378	-	-	**2,226,877,378**
Changes that relate to past service - adjustments to the LIC	-	-	(282,502,926)	-	-	**(282,502,926)**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	7,231,457,009	**7,231,457,009**
Reinsurance service result	**(58,690,153,503)**	**-**	**15,080,482,470**	**-**	**7,231,457,009**	**(36,378,214,025)**
Finance costs from reinsurance contracts issued	-	-	(179,634,133)	(58,067,573)	-	**(237,701,706)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(179,634,133)**	**(58,067,573)**	**-**	**(237,701,706)**
Total recognised in the statement if profit or loss and other comprehensive income	**(58,690,153,503)**	**-**	**15,260,116,603**	**(58,067,573)**	**7,231,457,009**	**(36,140,512,319)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Aviation reinsurance (Continued)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	49,537,711,191	-	-	-	-	49,537,711,191
Claims paid	-	-	(13,136,108,018)	-	-	(13,136,108,018)
Expenses paid	-	-	(2,226,877,378)	-	-	(2,226,877,378)
Reinsurance acquisition cash flows	-	-	-	-	(5,608,536,245)	(5,608,536,245)
Total cash flow	49,537,711,191	-	(15,362,985,396)	-	(5,608,536,245)	28,566,189,550
Balance at the end of the year	320,943,401	-	1,614,416,936	94,487,074	(1,512,396,041)	517,451,370

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Aviation reinsurance

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	106,985,711	-	223,700,170	23,508,954	22,264,862	**376,459,697**
Reinsurance service revenue	(36,654,627,479)	-		-	-	**(36,654,627,479)**
Reinsurance service expense						
Gross claims paid	-	-	15,034,439	-	-	**15,034,439**
Attributable operating and administration expenses	-	-	677,751,153	-	-	**677,751,153**
Changes that relate to past service - adjustments to the LIC	-	-	1,453,646,314	-	-	**1,453,646,314**
Losses on onerous contracts	-	-	-	-	-	**-**
Amortisation of loss component	-	-	-	-	-	**-**
Amortisation of reinsurance acquisition cash flows	-	-	-	-	4,963,122,237	**4,963,122,237**
Reinsurance service result	**(36,654,627,479)**	**-**	**2,146,431,906**	**-**	**4,963,122,237**	**(29,545,073,336)**
Finance costs from reinsurance contracts issued	-	-	(39,939,244)	(12,910,547)	-	**(52,849,791)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(39,939,244)**	**(12,910,547)**	**-**	**(52,849,791)**
Total recognised in the statement if profit or loss and other comprehensive income	**(36,654,627,479)**	**-**	**2,186,371,150**	**12,910,547**	**4,963,122,237**	**(29,492,223,545)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Aviation reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	46,021,027,481	-	-	-	-	**46,021,027,481**
Claims paid	-	-	(15,034,439)	-	-	**(15,034,439)**
Expenses paid	-	-	(677,751,153)	-	-	**(677,751,153)**
Reinsurance acquisition cash flows	-	-	-	-	(8,120,703,903)	**(8,120,703,903)**
Total cash flow	**46,021,027,481**	**-**	**(692,785,591)**	**-**	**(8,120,703,903)**	**37,207,537,986**
Balance at the end of the year	**9,473,385,713**	**-**	**1,717,285,729**	**36,419,501**	**(3,135,316,805)**	**8,091,774,138**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Medical reinsurance

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	819,315,600	-	1,094,668,906	122,595,006	(157,811,221)	**1,878,768,291**
Reinsurance service revenue	(3,697,694,490)	-		-	-	**(3,697,694,490)**
Reinsurance service expense						
Gross claims paid	-	-	2,239,978,811	-	-	**2,239,978,811**
Attributable operating and administration expenses	-	-	579,866,314	-	-	**579,866,314**
Changes that relate to past service - adjustments to the LIC	-	-	14,570,196	-	-	**14,570,196**
Losses on onerous contracts	-	(101,580,351)	-	-	-	**(101,580,351)**
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	855,633,995	**855,633,995**
Reinsurance service result	**(3,697,694,490)**	**(101,580,351)**	**2,834,415,321**	**-**	**855,633,995**	**(109,225,524)**
Finance costs from reinsurance contracts issued	-	-	(3,890,961)	(1,257,771)	-	**(5,148,732)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(3,890,961)**	**(1,257,771)**	**-**	**(5,148,732)**
Total recognised in the statement if profit or loss and other comprehensive income	**(3,697,694,490)**	**(101,580,351)**	**2,838,306,282**	**1,257,771**	**855,633,995**	**(104,076,792)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Medical reinsurance (Continued)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	3,506,533,727	-	-	-	-	3,506,533,727
Claims paid	-	-	(2,239,978,811)	-	-	(2,239,978,811)
Expenses paid	-	-	(579,866,314)	-	-	(579,866,314)
Reinsurance acquisition cash flows	-	-	-	-	(832,124,602)	(832,124,602)
Total cash flow	3,506,533,727	-	(2,819,845,125)	-	(832,124,602)	(145,436,000)
Balance at the end of the year	628,154,837	(101,580,351)	1,113,130,062	123,852,778	(134,301,827)	1,629,255,498

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Medical reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	495,909,242	-	1,036,914,003	108,970,697	103,203,976	**1,744,997,918**
Reinsurance service revenue	(3,141,549,519)	-		-	-	**(3,141,549,519)**
Reinsurance service expense						
Gross claims paid	-	-	2,481,501,860	-	-	**2,481,501,860**
Attributable operating and administration expenses	-	-	770,992,358	-	-	**770,992,358**
Changes that relate to past service - adjustments to the LIC	-	-	15,607,610	-	-	**15,607,610**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	807,686,703	**807,686,703**
Reinsurance service result	**(3,141,549,519)**	**-**	**3,268,101,827**	**-**	**807,686,703**	**934,239,011**
Finance costs from reinsurance contracts issued	-	-	(42,147,293)	(13,624,309)	-	**(55,771,602)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(42,147,293)**	**(13,624,309)**	**-**	**(55,771,602)**
Total recognised in the statement if profit or loss and other comprehensive income	**(3,141,549,519)**	**-**	**3,310,249,120**	**13,624,309**	**807,686,703**	**990,010,613**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Medical reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	3,464,955,877	-	-	-	-	3,464,955,877
Claims paid	-	-	(2,481,501,860)	-	-	(2,481,501,860)
Expenses paid	-	-	(770,992,358)	-	-	(770,992,358)
Reinsurance acquisition cash flows	-	-	-	-	(1,068,701,900)	(1,068,701,900)
Total cash flow	**3,464,955,877**	**-**	**(3,252,494,217)**	**-**	**(1,068,701,900)**	**(856,240,240)**
Balance at the end of the year	**819,315,600**	**-**	**1,094,668,906**	**122,595,006**	**(157,811,221)**	**1,878,768,291**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Life reinsurance

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	1,557,333,061	-	3,182,052,809	380,202,803	453,081,011	**5,572,669,684**
Reinsurance service revenue	(30,867,945,636)	-		-	-	**(30,867,945,636)**
Reinsurance service expense						
Gross claims paid	-	-	9,965,215,240	-	-	**9,965,215,240**
Attributable operating and administration expenses	-	-	3,399,289,113	-	-	**3,399,289,113**
Changes that relate to past service - adjustments to the LIC	-	-	479,103,118	-	-	**479,103,118**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	8,984,309,870	**8,984,309,870**
Reinsurance service result	**(30,867,945,636)**	**-**	**13,843,607,471**	**-**	**8,984,309,870**	**(8,040,028,295)**
Finance costs from reinsurance contracts issued	-	-	(76,212,975)	(24,636,200)	-	**(100,849,175)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(76,212,975)**	**(24,636,200)**	**-**	**(100,849,175)**
Total recognised in the statement if profit or loss and other comprehensive income	**(30,867,945,636)**	**-**	**13,919,820,446**	**24,636,200**	**8,984,309,870**	**(7,939,179,120)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Life reinsurance (Continued)

	2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	31,735,610,448	-	-	-	-	31,735,610,448
Claims paid	-	-	(9,965,215,240)	-	-	(9,965,215,240)
Expenses paid	-	-	(3,399,289,113)	-	-	(3,399,289,113)
Reinsurance acquisition cash flows	-	-	-	-	(10,000,244,700)	(10,000,244,700)
Total cash flow	31,735,610,448	-	(13,364,504,353)	-	(10,000,244,700)	8,370,861,396
Balance at the end of the year	2,424,997,873	-	3,737,368,902	404,839,004	(562,853,819)	6,004,351,960

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Life reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	1,434,915,320	-	3,000,314,701	315,307,135	298,621,106	**5,049,158,262**
Reinsurance service revenue	(24,043,236,754)	-		-	-	**(24,043,236,754)**
Reinsurance service expense						
Gross claims paid	-	-	8,722,893,412	-	-	**8,722,893,412**
Attributable operating and administration expenses	-	-	3,406,758,266	-	-	**3,406,758,266**
Changes that relate to past service - adjustments to the LIC	-	-	(19,018,983)	-	-	**(19,018,983)**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	-	-	-	-	7,719,290,935	**7,719,290,935**
Reinsurance service result	**(24,043,236,754)**	**-**	**12,110,632,695**	**-**	**7,719,290,935**	**(4,213,313,125)**
Finance costs from reinsurance contracts issued	-	-	(200,757,091)	(64,895,668)	-	**(265,652,759)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	**-**	**-**	**(200,757,091)**	**(64,895,668)**	**-**	**(265,652,759)**
Total recognised in the statement if profit or loss and other comprehensive income	**(24,043,236,754)**	**-**	**12,311,389,786**	**64,895,668**	**7,719,290,935**	**(3,947,660,366)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) (Continued)

Life reinsurance (Continued)

	2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Assets for Insurance Acquisition cashflows	
	TZS	TZS	TZS	TZS	TZS	TZS
Cash flows						
Premiums received	24,165,654,495	-	-	-	-	**24,165,654,495**
Claims paid	-	-	(8,722,893,412)	-	-	**(8,722,893,412)**
Expenses paid	-	-	(3,406,758,266)	-	-	**(3,406,758,266)**
Reinsurance acquisition cash flows	-	-	-	-	(7,564,831,030)	**(7,564,831,030)**
Total cash flow	**24,165,654,495**	**-**	**(12,129,651,677)**	**-**	**(7,564,831,030)**	**4,471,171,788**
Balance at the end of the year	**1,557,333,061**	**-**	**3,182,052,809**	**380,202,803**	**453,081,011**	**5,572,669,684**

29. SHARE CAPITAL

The authorized share capital is TZS 100,000,000,000 divided into 100,000,000 shares.Par value of Company's shares is TZS 1,000 per shares.

As of 31 December 2024, the number of shares issued was 60,000,000 shares (2023: 60,000,000 shares) and the number of paid-up shares was 48,319,321 shares (2023: 48,319,321 shares).

The paid-up capital is made up as follows:	2024	2023
	TZS	TZS
Share capital at 1 January	48,319,321,389	46,509,001,389
Subscribed and fully paid during the year	-	26,000,000
Shares in lieu of cash dividend	1,574,235,269	1,784,320,000
Transfer of advance share capital	2,090,850,684	
	51,984,407,342	**48,319,321,389**
Advance towards share capital - 1 January	9,378,228,000	9,378,228,000
Transfer to share capital	(2,090,850,684)	-
	7,284,377,316	**9,378,228,000**
	59,271,784,658	**57,697,549,389**

The Company's capital management policy is disclosed in note 6 (b).

The Company has three forms of reserves in addition to share capital, foreign currency translation, share buyback, and contingency reserves. Note 32 provides an explanation of the contingency reserve, and the following explains the other two reserves:

***The share buyback reserve** is a special reserve created to cater for the occasions when shareholder might need to dispose of the shares held in the Company. The reserve is maintained by providing for 10% of the profits available for distribution annually.*

***The foreign currency translation reserve** relates to the exchange differences arising from translation of TAN-RE's share of operating results and assets and liabilities of the associate Company, Ezulwini Reinsurance Company Limited.*
***Share premium** is the amount of money that the Company received for the issued shares over and above the nominal value.*

Also, the Company issued shares in lieu of cash dividend in a bid to increase the paid-up capital for business expansion.

30. OTHER PAYABLES

	2024	2023
	TZS	TZS
Accrued audit fees	123,499,803	95,252,292
Accrued expenses	1,237,270,558	1,365,112,249
VAT Payable	175,053,778	206,386,201
Provision for gratuity*	725,774,579	434,630,579
Premium Levy Payable	1,598,225,220	1,483,580,484
Accrued Directors Fee	151,393,426	134,814,015
Rent Received in Advance	(190,540,563)	44,226,463
	3,820,676,801	**3,764,002,283**

***Provision for gratuity**		
Balance as at 1 January	434,630,579	273,617,280
Additional provision (Note 16)	291,144,000	161,013,299
Paid during the year	-	-
Balance as at 31 December	**725,774,579**	**434,630,579**

31. RELATED PARTY DISCLOSURES

The Company is owned by Tanzanian Pension funds, local Insurance companies, one foreign investor (ZEP-RE), local Insurance brokers and individual Tanzanians.

A large portion of Company's underwriting business is transacted with local ceding companies that are also shareholders of the Company. The transactions carried out with related parties during the year and balances due from or to them at the year-end are:

	2024	2023
	TZS	TZS
a) Transaction with related parties		
Gross earned premiums	210,490,605,652	153,917,301,228
Claims paid	63,199,010,277	41,143,462,925
Management Fee	796,549,316	732,534,077
	274,486,165,244	**195,323,280,076**
b) Outstanding balances with related parties		
Premium receivables from related parties	**35,745,312,934**	**27,908,600,943**
c) Directors' remuneration		
Directors' fees	123,529,412	120,000,000
Directors' gratuity	27,864,014	123,267,123
Other emoluments (sitting allowances)	296,635,714	250,183,997
	448,029,140	**493,451,120**
d) Key Management Remuneration		
Salaries and other short-term employment benefits	1,470,730,000	1,184,040,000
Long-term benefits	294,146,000	236,808,000
	1,764,876,000	**1,420,848,000**

32. CONTINGENCY RESERVES

This is based on 3% and 1% for general and long-term business respectively in conformity with the Insurance regulation 27 (2)(b), 3(b).

	2024 TZS	2023 TZS
Movement		
As at 1 January	43,832,483,173	37,890,395,257
Increase in the year	7,833,180,115	5,942,087,916
As at 31 December	51,665,663,288	43,832,483,173

31 December 2024

Details	Opening TZS	Charge TZS	Closing TZS
Fire	10,930,812,556	2,393,663,011	13,324,475,567
PVT	271,516,246	61,920,508	333,436,754
Engineering	2,694,874,743	808,186,663	3,503,061,406
Energy	374,791,236	15,868,769	390,660,005
Accident	7,647,337,965	986,686,988	8,634,024,953
Agriculture	75,021,291	14,760,774	89,782,065
Motor	10,595,439,049	1,207,171,094	11,802,610,143
Marine	2,403,218,815	323,454,430	2,726,673,245
Aviation	3,672,174,110	1,549,699,320	5,221,873,430
Medical	3,255,771,345	121,864,205	3,377,635,550
Life	1,911,525,817	349,904,353	2,261,430,170
	43,832,483,173	**7,833,180,115**	**51,665,663,288**

31 December 2023

Details	Opening TZS	Charge TZS	Closing TZS
Fire	9,153,494,304	1,777,318,252	10,930,812,556
PVT	234,976,020	36,540,226	271,516,246
Engineering	2,462,900,588	231,974,155	2,694,874,743
Energy	264,940,975	109,850,261	374,791,236
Accident	6,865,330,829	782,007,136	7,647,337,965
Agriculture	63,852,221	11,169,070	75,021,291
Motor	9,670,893,385	924,545,664	10,595,439,049
Marine	2,073,300,044	329,918,771	2,403,218,815
Aviation	2,288,185,208	1,383,988,902	3,672,174,110
Medical	3,148,278,939	107,492,406	3,255,771,345
Life	1,664,242,744	247,283,073	1,911,525,817
	37,890,395,257	**5,942,087,916**	**43,832,483,173**

33. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Set out below is the associate of the Company as at 31 December 2024 which, in the opinion of the directors, is material to the Company. The entity listed below has share capital consisting solely of ordinary shares, which are held directly by the Company. The country of incorporation of registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Country of Incorporation	% of ownership		Nature of relationship	Carrying amount	
		2024	2023		2024 TZS	2023 TZS
Ezulwini Reinsurance Company Limited	Eswatini	49%	49%	Associate	5,250,888,422	4,719,053,900

i. Summarised financial information for associates

a) Summarised balance sheet

	2024 TZS	2023 TZS
Total assets	19,222,732,595	14,772,101,095
Total liabilities	(8,506,633,775)	(5,141,378,851)
Net assets	**10,716,098,820**	**9,630,722,244**
Reconciliation to carrying amounts		
Opening net assets	9,630,722,244	8,767,654,786
Profit for the period	963,956,543	1,183,735,692
Exchange differences on translation of investment in foreign associate*	121,420,033	(320,668,234)
Closing net assets	**10,716,098,820**	**9,630,722,244**
Company's share in %	49%	49%
Carrying amount	**5,250,888,422**	**4,719,053,900**

The reconciliation of the share in the associates

Opening balance	4,719,053,900	4,139,023,411
Share of associates during the year	531,834,522	580,030,489
	5,250,888,422	4,719,053,900

* Exchange differences on translation of investment in foreign associate attributable to:

TAN-RE (49%)	59,495,816	(157,127,435)
Other shareholders (51%)	61,924,217	(163,540,799)
Total	**121,420,033**	**(320,668,234)**

33. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

i. Summarised financial information for associates (Continued)

b) Summarised statement of profit and loss and other comprehensive income

	2024	2023
	TZS	TZS
Net earned Premiums	6,789,292,163	9,145,252,887
Other revenue	1,624,064,094	1,384,045,530
Total revenue	**8,413,356,257**	**10,529,298,417**
Net benefits and claims	1,952,736,479	3,064,947,997
Total other expenses	5,131,024,546	5,831,611,535
Total claims and other expenses	**7,083,761,025**	**8,896,559,532**
Profit before tax	**1,329,595,232**	**1,632,738,885**
Income tax expense (27.5%)	(365,638,689)	(449,003,193)
Profit for the year	**963,956,543**	**1,183,735,691**
Share of profit of an associate - 49% (2023: 49%)	**472,338,706**	**580,030,489**

34. EVENTS AFTER THE REPORTING PERIOD

There are no subsequent events that have occurred which are either to be disclosed or to be adjusted in the financial statements that could materially affect the financial statements.

35. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments not measured at fair value

The fair value of financial assets and liabilities not measured at fair value approximates the carrying amounts as explained below:

i. Cash and bank balances, deposits with financial institutions, reinsurance assets, other receivables and other financial assets and liabilities.

Cash and bank balances, reinsurance assets, and other financial assets and liabilities, these have short term maturities and/or are at market interest rates. The estimated fair value of these instruments is based on discounted cash flows using prevailing market interest rate which is approximately the same as the carrying amount.

ii. Government securities

The fair value for Government securities is based on market prices. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics. The Company invests in treasury bills with maturities of 91 days and 364 days. The carrying amounts of these investment securities are a reasonable approximation of fair value due to the short-term nature of the instruments and the interest rates are close to market rates.
IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sourcehs; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on stock exchanges.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

36. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The table below provides the fair value measurement hierarchy of the Company's assets and liabilities.

Fair value measurement hierarchy as at 31 December 2024:

At 31 December 2024	Amounts in TZS			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment property	-	-	24,169,450,000	24,169,000,000
Financial assets at fair value through profit or loss	2,576,950,940	8,599,415,505	-	11,176,366,445
	2,576,950,940	**8,599,415,505**	**24,169,450,000**	**35,345,366,445**

Fair value measurement hierarchy as at 31 December 2023:

At 31 December 2023	Amounts in TZS			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment property	-	-	27,645,000,000	27,645,000,000
Financial assets at fair value through profit or loss	1,958,050,300	8,123,527,414	-	10,081,577,714
	1,958,050,300	**35,768,527,414**	**27,645,000,000**	**37,726,577,714**

37. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Financial assets	At 31 December 2024		At 31 December 2023	
	At amortised cost	Fair value through profit or loss	At amortised cost	Fair value through profit or loss
	TZS	TZS	TZS	TZS
Investment in Government securities held to maturity	7,178,408,232	-	7,286,086,360	-
Financial assets at fair value through profit or loss	-	11,176,366,445	-	10,081,577,714
Other receivables (excluding withholding taxes and prepayments)	6,850,742,157	-	6,448,224,627	-
Deposits with Financial institutions	55,306,003,503	-	51,859,899,278	-
Cash and cash equivalent	2,761,554,675	-	1,099,977,575	-
	72,096,708,567	**11,176,366,445**	**66,694,187,840**	**10,081,577,714**

Financial liabilities	Financial liabilities at amortised cost	
	At 31 December 2024	At 31 December 2023
Other payables (excluding VAT payable and Premium Levy payable)	1,512,163,787	1,415,278,484
	1,512,163,787	**1,415,278,484**

NOTES

NOTES

TAN-RE Staff

Tanzania Reinsurance Company Limited
8th Floor TAN-RE House, Plot No. 406
Longido Street, Upanga
P.O. Box 1505 Dar es salaam, Tanzania
Tel. +255 22 2922341-3
Fax: +255 22 2922344
Email: mail@tan-re.co.tz