3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial instruments (Continued)

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:

- 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial instruments (Continued)

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 are not held within a business model whose objective is either to collect contractual cash flows, or both to collect contractual cash flows and sell.

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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial instruments (Continued)

Subsequent measurement (Continued)

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

Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the 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.

3. **SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

k) **Financial instruments (Continued)**

Derecognition (Continued)

Derecognition other than for substantial modification (Continued)

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.

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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial instruments (Continued)

Impairment of financial assets (Continued)

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.

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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial instruments (Continued)

Impairment of financial assets (Continued)

The calculation of ECLs (Continued)

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 Company 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) 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.

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.

m) 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.

n) 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.

o) 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

o) Finance cost (Continued)

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.

p) Investment in associate

Associates are all entities over which the Company 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.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company'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.

q) 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).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

r) 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.

s) 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. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7.

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Company is currently assessing the impact of these amendments on its financial statements.

New standards, amendments and interpretations adopted by the Company

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The new and amended standards and interpretations effective as of 1 January 2025 that did not have a material impact on the Company are listed below:

New standards or amendments	Effective for accounting period beginning on or after
Lack of exchangeability – Amendments to IAS 21	1 January 2025

4. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

New standards, amendments and interpretations issued but not effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective for the year presented. The amendments are not expected to have a material impact on the Company, except for IFRS 18 – Presentation and Disclosure in Financial Statements and Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7. The directors are currently evaluating the potential effects of this standard on the Company's financial statements.

New standards or amendments	Effective for annual period beginning on or after
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards Volume11	1 January 2026
Contracts Referencing Nature-dependent Electricity– Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	1 January 2027
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	To be determined
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	To be determined

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 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.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also 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.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

4. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

IFRS 18 Presentation and Disclosure in Financial Statements (Continued)

The Company is currently assessing the impact the amendments will have on the primary financial statements and notes to the financial statements.

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Company is currently working to identify all impacts the amendments will have on the financial statements.

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 2025, to assess the value as at 31 December 2025. 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 retrocession contracts

The Company applies the Premium Allocation Approach (PAA) to simplify the measurement of reinsurance contracts issued and held. Under this approach, the liability for remaining coverage is measured using the simplified methodology permitted by the standard. For liabilities related to incurred claims, the Company discounts cash flows 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 aligned other measurement assumptions with the requirements of IFRS 17.

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

c) Reinsurance and retrocession 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 a 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 75^{th} 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 75^{th} 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 and 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 2025		Maximum sum reinsured		
		TZS 0 to TZS 500 billion	TZS 500 billion to TZS 1 trillion	More than 1 trillion
ACCIDENT	Gross	10,084,795,875,918	1,036,195,147,368	18,058,244,665,718
	Retro	7,390,370,238,891	1,036,195,147,368	18,058,244,665,718
	Net	**2,694,425,637,027**	-	-
AGRICULTURE	Gross	28,155,394,719	-	-
	Retro	6,721,638,830	-	-
	Net	**21,433,755,888**	-	-
MOTOR	Gross	-	-	-
	Retro	-	-	-
	Net	-	-	-
AVIATION	Gross	11,207,719,523,847	-	46,656,923,290,428
	Retro	11,207,719,523,847	-	46,656,923,290,428
	Net	-	-	-
ENERGY	Gross	-	-	-
	Retro	-	-	-
	Net	-	-	-
ENGINEERING	Gross	2,448,347,990,535	958,312,350,014	20,885,069,507,710
	Retro	1,972,625,911,509	958,312,350,014	20,885,069,507,710
	Net	**475,722,079,026**	-	-
FIRE	Gross	3,969,470,506,515	885,132,906,000	66,222,599,039,987
	Retro	3,123,355,840,099	885,132,906,000	59,300,495,686,532
	Net	**846,114,666,415**	-	**6,922,103,353,455**
LIFE	Gross	1,378,709,872,946	-	-
	Retro	551,483,949,179	-	-
	Net	**827,225,923,768**	-	-
MARINE	Gross	2,635,838,241,066	2,064,864,864,865	1,219,512,195,122
	Retro	2,509,333,362,645	2,064,864,864,865	1,219,512,195,122
	Net	**126,504,878,422**	-	-
MEDICAL	Gross	-	-	-
	Retro	-	-	-
	Net	-	-	-
PVT	Gross	2,318,104,362,772	-	1,052,631,578,947
	Retro	2,171,439,014,619	-	1,052,631,578,947
	Net	**146,665,348,153**	-	-
Total	**Gross**	**34,071,141,768,317**	**4,944,505,268,247**	**154,094,980,277,912**
	Retro	**28,933,049,479,619**	**4,944,505,268,247**	**147,172,876,924,457**
	Net	**5,138,092,288,698**	-	**6,922,103,353,455**

TANZANIA REINSURANCE COMPANY LIMITED (TAN-RE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. RISK MANAGEMENT FRAMEWORK *(CONTINUED)*

(e) Reinsurance risk (Continued)

Year ended 31 December 2024		Maximum sum reinsured		
		TZS 0 to TZS 500 billion	TZS 0 to TZS 500 billion	TZS 500 billion to TZS 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**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

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.

2025	Change in assumptions TZS	Impact on gross liabilities TZS	Impact on profit before tax TZS	Impact on equity TZS
Claims reserves	5%	2,369,521,732	710,856,520	1,658,665,212

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

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	**2019 TZS**	**2020 TZS**	**2021 TZS**	**2022 TZS**	**2023 TZS**	**2024 TZS**	**2025 TZS**	**Total TZS**
Estimate of incurred claims:								
At end of underwriting year	1,196,444,859	1,651,958,997	1,562,432,904	2,072,120,894	6,003,524,744	21,209,095,866	34,132,516,009	67,828,094,273
One Year Later	235,910,585	544,544,994	594,581,373	892,439,025	2,467,542,721	8,806,186,683	-	13,541,205,381
Two Years Later	175,523,303	539,292,124	542,382,319	603,296,231	4,893,142,938	-	-	6,753,636,915
Three Years Later	172,260,594	963,447,779	653,816,353	1,362,682,010	-	-	-	3,152,206,736
Four Years Later	174,799,250	94,284,372	742,002,500	-	-	-	-	1,011,086,122
Five Years Later	209,719,462	230,984,285	-	-	-	-	-	440,703,747
Six Years Later	1,426,644,982	-	-					1,426,644,982
Estimate of incurred claims	**3,591,303,035**	**4,024,512,551**	**4,095,215,449**	**4,930,538,160**	**13,364,210,403**	**30,015,282,549**	**34,132,516,009**	**94,153,578,156**
At end of underwriting year	(174,116,713)	(989,818,834)	195,300,196	(934,211,513)	(337,601,354)	(16,197,237,575)	(32,813,777,324)	(51,251,463,117)
One Year Later	(224,135,696)	(370,863,314)	(521,194,430)	(387,756,052)	(1,678,337,416)	(8,789,653,486)	-	(11,971,940,394)
Two Years Later	(173,611,738)	(533,947,736)	(531,439,938)	(563,296,231)	(4,800,524,174)	-	-	(6,602,819,817)
Three Years Later	(172,210,425)	(752,702,311)	(653,604,314)	(1,362,682,010)	-	-	-	(2,941,199,060)
Four Years Later	(174,751,661)	(94,284,372)	(742,002,500)		-	-	-	(1,011,038,533)
Five Years Later	(208,738,462)	(230,984,285)		-		-	-	(439,722,747)
Six Years Later	(1,341,171,411)							(1,341,171,411)
Cumulative payments to date	**(2,468,736,106)**	**(2,972,600,852)**	**(2,252,940,986)**	**(3,247,945,806)**	**(6,816,462,944)**	**(24,986,891,061)**	**(32,813,777,324)**	**(75,559,355,079)**
Total Outstanding Claim	**1,122,566,929**	**1,051,911,699**	**1,842,274,463**	**1,682,592,354**	**6,547,747,459**	**5,028,391,488**	**1,318,738,685**	**18,594,223,077**
IBNR								7,564,247,587
Risk Adjustment								3,005,334,952
Effect of discounting								(3,288,724,923)
Total Gross Liability for Incurred Claims								**25,875,080,693**

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 183.3 billion as at 31 December 2025 as depicted below:

	2025 TZS	2024 TZS
Government securities	8,792,376,705	7,178,408,232
Retrocession contract assets	108,613,662,839	73,869,522,436
Deposits with Financial institutions	52,348,522,364	55,306,003,503
Other receivables (excluding withholding taxes and prepayments)	9,298,375,565	7,447,800,045
Bank balances	4,294,722,872	2,761,554,675
	183,347,660,345	**146,563,288,891**

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
2025	**91,368,272,530**	34,197,446,665	16,406,595,047	12,366,829,962	28,397,400,856
2024	**86,432,441,373**	40,932,654,348	16,004,120,685	18,155,290,729	11,340,375,611

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.

			Undiscounted contractual cashflows	
2025	**Carrying amount**	**Total**	**Within 1 year**	**Over 1 year**
	TZS	**TZS**	**TZS**	**TZS**
Reinsurance contract liabilities	71,681,408,351	71,681,408,351	71,681,408,351	-
Other payables (*)	918,154,156	918,154,156	918,154,156	-
	72,599,562,507	**72,599,562,507**	**72,599,562,507**	**-**

			Undiscounted contractual cashflows	
2024	**Carrying amount**	**Total**	**Within 1 year**	**Over 1 year**
	TZS	**TZS**	**TZS**	**TZS**
Reinsurance contract liabilities	49,615,606,225	49,615,606,225	49,615,606,225	-
Other payables (*)	1,512,163,788	1,512,163,788	1,512,163,788	-
	51,127,770,013	**51,127,770,013**	**51,127,770,013**	**-**

(*) 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.

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 2025 the Company reported a net foreign exchange gain of TZS 463.3 billion (2024: a net foreign exchange loss of TZS 1,116.96 million). A change of +/ (-) 5% in the exchange rate at the end of year 2025, could have resulted to a change of +/ (-) TZS 1,402.7 million (2024: 1,566.2 million) on profit before tax for the year. The effect for the year on equity would be +/ (-) TZS 981.9 million (2024: TZS 1,096.4 million). The assumed movement in basis points for the currency risk sensitivity analysis is based on the currently observable market environment.

6. RISK MANAGEMENT FRAMEWORK (CONTINUED)

h) Market risk (Continued)

ii. 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 2025 the Company reported investment income of TZS 4.74 billion (2024: TZS 3.96 billion) from its interest-bearing investments. A change of +/ (-) 5% in the interest rate at the end of year 2025, could have resulted to a change of +/ (-) TZS 237.0 million (2024: TZS 197.9 million) on profit before tax and equity for the year. The effect for the year on profit before tax /equity would be +/ (-) TZS 165.9 million (2024: TZS 138.5 million). The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

iii. 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 54.72 million (2024: TZS 61.89 million). The effect for the year on equity would be +/ (-) TZS 38.12 million (2024: TZS 43.32 million). The Company has no significant concentration of price risk.

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.

6. RISK MANAGEMENT FRAMEWORK (CONTINUED)

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.

	2025 TZS	2024 TZS
Share capital		
Subscribed and paid-up capital	61,187,189,000	59,271,784,658
	61,187,189,000	**59,271,784,658**
Minimum required paid up capital (regulation 18 (3) (a) (*)	10,480,000,000	10,175,000,000
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 2025	
Total admitted assets	142,512,093,365
Less: Total liabilities	(78,748,182,872)
	63,763,910,493
Minimum requirement (refer to the note below)	44,356,181,951
Solvency margin surplus	**19,407,728,542**
At 31 December 2024	
Total admitted assets	134,467,329,785
Less: Total liabilities	(77,303,472,384)
	57,163,857,401
Minimum requirement (refer to the note below)	41,707,352,099
Solvency margin surplus	**15,456,505,302**

Note
The minimum requirement has been determined from:

	2025 TZS	2024 TZS
The greater of:		
Sum of		
a) thirty three percent of general reinsurance net premiums written	43,841,980,861	38,815,974,089
b) ten percent of long-term business liabilities	514,201,090	2,891,378,010
Total	**44,356,181,951**	**41,707,352,099**
or		
Minimum required paid up capital	10,480,000,000	10,175,000,000

7. CONTINGENCIES AND COMMITMENTS

Pending tax cases

As of 31 December 2025, 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 2025, the lease had a remaining term of 7 months expiring on 31 July 2026 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:

	2025	2024
Within one year	2,100,000	2,682,442
	2,100,000	**2,682,442**

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 2025 are as follows:

	2025	2024
Within one year	23,866,887	36,718,287
	23,866,887	**36,718,287**

Capital commitments

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

		2025 TZS	2024 TZS
8.	**REINSURANCE CONTRACT REVENUE**		
	Contracts measured under the PAA	**300,255,957,213**	**267,665,680,179**
	Reinsurance contract revenue under PAA per portfolio		
	Fire	87,980,366,593	72,978,974,931
	Engineering	19,557,919,077	23,190,797,410
	Energy	508,960,869	804,291,113
	Accident	47,939,969,611	29,320,502,619
	Agriculture	814,416,279	395,671,346
	PVT	1,943,152,318	1,766,064,387
	Motor	41,273,738,399	35,778,599,985
	Marine	11,602,153,684	10,174,984,759
	Aviation	49,173,181,761	58,690,153,503
	Medical	3,819,055,304	3,697,694,490
	Life	35,643,043,318	30,867,945,636
		300,255,957,213	**267,665,680,179**
	Reconciliation of reinsurance contract revenue		
	Gross written premium	332,502,164,015	284,432,960,717
	Movement in Liability for remaining coverage (LRC)	(32,246,206,802)	(16,767,280,538)
	Reinsurance contract revenue	**300,255,957,213**	**267,665,680,179**
9.	**REINSURANCE SERVICE EXPENSES**		
	Gross claims paid	98,054,270,496	77,122,675,875
	Attributable operating and administration expenses	25,142,319,202	23,362,148,796
	Change in Liability for incurred claims	1,316,633,187	12,287,179,722
	Release of deferred acquisition cost	66,080,677,670	61,521,523,074
	Increase of losses on onerous contracts	526,258,650	101,580,351
		191,120,159,205	**174,395,107,818**

Reconciliation of reinsurance service expenses per portfolio

2025						
Portfolio	**Gross claims paid**	**Attributable operating and administration expenses**	**Change in Liability for incurred claims**	**Release of deferred acquisition cost**	**Increase in losses on onerous contracts**	**Total**
Fire	37,699,837,374	6,818,987,236	(3,615,733,762)	24,450,751,717		65,353,842,565
Engineering	4,358,527,804	1,769,811,922	(12,358,371)	3,057,878,576		9,173,859,931
Energy	-	42,402,075	(153,155,161)	81,301,828		(29,451,258)
Accident	9,065,374,781	4,264,518,962	905,612,586	10,663,742,251		24,899,248,580
Agriculture	781,911,340	87,169,360	48,754,866	206,479,004	216,074,060	1,340,388,630
PVT	3,907,922	17,715,126	106,932,626	228,850,138		357,405,812
Motor	21,846,286,013	3,335,419,324	(660,774,448)	6,153,018,275		30,673,949,164
Marine	4,111,589,712	944,496,726	(283,809,940)	3,082,673,580		7,854,950,078
Aviation	852,077,818	4,535,200,031	4,943,299,668	8,084,445,486		18,415,023,003
Medical	3,086,002,662	383,298,784	(34,992,115)	897,314,363	310,184,590	4,641,808,284
Life	16,248,755,070	2,943,299,656	72,857,238	9,174,222,452		28,439,134,416
Total	**98,054,270,496**	**25,142,319,202**	**1,316,633,187**	**66,080,677,670**	**526,258,650**	**191,120,159,205**

9. REINSURANCE SERVICE EXPENSES (CONTINUED)

2024						
Portfolio	Gross claims paid	Attributable operating and administration expenses	Change in Liability for incurred claims	Release of deferred acquisition cost	Increase in losses on onerous contracts	Total
Fire	20,325,506,565	6,130,421,887	6,676,267,413	23,990,382,904	-	57,122,578,769
Engineering	5,786,635,549	2,351,580,645	2,764,832,795	3,872,359,072	-	14,775,408,061
Energy	6,993,673.55	82,009,636	(354,393,738)	117,218,182	-	(148,172,246)
Accident	2,967,868,560	1,988,076,138	1,337,464,037	6,670,304,352	-	12,963,713,087
Agriculture	170,391,249	55,246,287	7,228,458	76,259,404	-	309,125,398
PVT	293,183	60,797,970	42,601,498	170,540,262	-	274,232,913
Motor	20,081,848,128	5,598,009,939	910,903,340	6,315,534,278	-	32,906,295,685
Marine	2,441,836,897	943,097,629	691,105,535	3,282,634,790	-	7,358,674,851
Aviation	13,136,108,018	2,226,877,378	(282,502,926)	7,231,457,009	-	22,311,939,479
Medical	2,239,978,812	526,742,174	14,570,192	810,522,951	101,580,351	3,693,394,480
Life	9,965,215,240	3,399,289,113	479,103,118	8,984,309,870	-	22,827,917,341
Total	**77,122,675,875**	**23,362,148,796**	**12,287,179,722**	**61,521,523,074**	**101,580,351**	**174,395,107,818**

10 (a). ALLOCATION OF RETROCESSION PREMIUM

PAA premium reserve release (Earned Premium)	152,868,575,095	118,784,215,906
	152,868,575,095	**118,784,215,906**
Reconciliation of allocation of retrocession premium per portfolio		
Fire	44,254,297,408	33,940,057,258
Engineering	14,439,620,431	8,165,132,707
Energy	12,718,952	284,792,254
Accident	26,687,698,759	16,670,656,854
Agriculture	240,548,705	43,522,608
PVT	1,525,242,220	1,381,897,831
Motor	336,858,749	60,739,583
Marine	5,196,870,877	4,167,884,443
Aviation	51,491,940,187	44,863,229,804
Medical	16,217,684	-
Life	8,666,561,123	9,206,302,564
Total	**152,868,575,095**	**118,784,215,906**

10 (b). RETROCESSION SERVICE EXPENSES

Retro Claims Recoveries	22,494,915,415	18,272,757,279
Change in Asset for incurred claims	8,641,736,579	(1,712,359,958)
Release of deferred commission income	29,872,865,122	25,711,723,186
	61,009,517,116	**42,272,120,507**

10 (b). RETROCESSION SERVICE EXPENSES (CONTINUED)

Reconciliation of retrocession service expenses per portfolio

2025				
Portfolio	**Retro Claims Recoveries**	**Change in Asset for incurred claims**	**Release of deferred commission income**	**Total**
Fire	13,542,942,807	(664,180,195)	10,587,936,954	**23,466,699,566**
Engineering	-	52,357,369	1,592,262,543	**1,644,619,912**
Energy	-	(133,351,478)	4,732,667	**(128,618,811)**
Accident	2,245,629,339	1,021,620,682	4,389,442,575	**7,656,692,596**
Agriculture	243,390,555	77,731,424	95,331,751	**416,453,730**
PVT	2,751,398	76,825,770	222,549,650	**302,126,818**
Motor	-	7,706,195	-	**7,706,195**
Marine	940,826,059	(80,271,783)	1,261,218,621	**2,121,772,897**
Aviation	414,672,075	7,855,554,551	9,846,202,968	**18,116,429,594**
Life	5,104,703,182	427,744,044	1,873,187,393	**7,405,634,619**
Total	**22,494,915,415**	**8,641,736,579**	**29,872,865,122**	**61,009,517,116**

2024				
Portfolio	**Retro Claims Recoveries**	**Change in Asset for incurred claims**	**Release of deferred commission income**	**Total**
Fire	2,493,983,467	1,112,152,031	7,625,046,339	**11,231,181,837**
Engineering	409,113,050	1,234,690,433	761,474,020	**2,405,277,503**
Energy	-	(265,033,968)	60,945,895	**(204,088,073)**
Accident	1,122,943,178	(753,179,657)	3,368,525,238	**3,738,288,759**
Agriculture	215,122	(2,279,389)	7,715,173	**5,650,906**
PVT	-	(62,315,793)	201,474,995	**139,159,202**
Motor	-	(11,198,526)	-	**(11,198,526)**
Marine	311,164,431	357,198,662	1,133,588,951	**1,801,952,044**
Aviation	12,224,028,168	(2,775,199,004)	9,495,544,511	**18,944,373,675**
Life	1,711,309,863	(547,194,747)	3,057,408,064	**4,221,523,180**
Total	**18,272,757,279**	**(1,712,359,958)**	**25,711,723,186**	**42,272,120,507**

		2025 TZS	2024 TZS
11 (a)	**INTEREST REVENUE CALCULATED USING THE EFFECTIVE INTEREST METHOD**		
	Interest on fixed deposits	3,991,339,590	3,390,925,659
	Interest on Government securities	748,724,658	566,507,146
		4,740,064,248	**3,957,432,805**
11 (b)	**INVESTMENT INCOME**	511,338,547	462,023,755
	Dividend received	587,057,343	588,505,049
	Rent income	**1,098,395,890**	**1,050,528,804**
12.	**FAIR VALUE GAIN**		
	Fair value gain through profit or loss	1,046,289,973	1,094,788,733
	Gain of investment property	1,235,000,000	-
		2,281,289,973	**1,094,788,733**
13.	**OTHER OPERATING REVENUE/(LOSS)**		
	Foreign exchange transaction gain/(loss)	463,310,529	(1,116,964,524)
	Miscellaneous income	61,432,195	33,549,947
	Management fees	973,318,425	796,549,316
		1,498,061,149	**(286,865,261)**
14.	**FINANCE EXPENSES FROM REINSURANCE CONTRACTS ISSUED**		
	Interest accreted using current financial assumptions	2,878,405,591	2,135,491,787
	Effect of changes in interest rates and other financial assumptions	631,845,130	699,164,728
		3,510,250,721	**2,834,656,515**
15.	**FINANCE INCOME FROM RETROCESSION CONTRACTS HELD**		
	Interest accreted using current financial assumptions	833,488,416	982,282,023
	Effect of changes in interest rates and other financial assumptions	182,960,871	229,628,672
		1,016,449,287	**1,211,910,695**

		2025	2024
16 (a)	**OPERATING AND ADMINISTRATION EXPENSES**	**TZS**	**TZS**
	Audit fees	136,925,111	127,855,264
	Advertising and publicity	3,263,037,156	3,137,393,963
	Board expenses	656,766,126	602,560,476
	Board seminars	279,679,603	377,483,078
	City service levy	911,471,620	852,603,191
	Communication expenses	194,524,871	182,691,282
	Computer training and implementation	15,672,000	78,324,918
	Conferences and seminars	533,306,054	401,517,050
	Donations	44,000,000	80,750,000
	Household services	235,512,967	186,244,300
	Library, books, and subscription	165,377,148	76,995,608
	Office rent	9,989,880	2,350,560
	Other specified expenses	740,888,909	783,626,505
	Reinsurance levy	4,990,057,448	4,275,491,746
	Staff costs (*)	9,951,219,838	9,664,144,265
	Depreciation & amortisation (Note 18 & 20)	286,044,579	404,032,910
	Expected Credit Loss on financial assets (Note 16 (b))	462,537,314	611,460,284
	Other specified expenses	3,473,043,644	2,919,227,177
		26,350,054,268	**24,964,752,577**
	(*) Staff costs include:		
	Salaries	4,645,696,544	4,859,891,074
	Education and furniture allowance	219,791,930	304,535,249
	Gratuity	425,303,105	291,144,000
	Skills and Development Levy	175,208,202	167,802,185
	Workers Compensation Fund	25,029,743	27,859,189
	Social security costs	555,902,655	633,246,036
	Medical expenses	85,879,476	234,848,565
	Staff welfare	390,316,316	385,729,985
	Training	545,256,254	217,295,472
	Travel and subsistence allowance	2,522,583,529	1,846,545,739
	Leave passage	360,252,084	695,246,771
		9,951,219,838	**9,664,144,265**

		Note	2025 TZS	2024 TZS
16 (b)	**EXPECTED CREDIT LOSS ON FINANCIAL ASSETS**			
	Treasury bills	22	(12,506,377)	2,140,183
	Treasury bonds	22	(9,767,113)	9,200,408
	Deposits with financial institutions	27	(54,262,979)	3,196,806
	Cash at bank	25	6,753,694	(135,000)
	Other receivables	23	532,320,089	597,057,887
			462,537,314	**611,460,284**
16 (c)	**NON- ATTRIBUTABLE OPERATING AND ADMINISTRATION EXPENSES**			
	Depreciation and Amortization		85,813,374	114,135,298
	Other specified expenses		659,384,378	877,008,199
			745,197,752	**991,143,497**

	2025 TZS	2024 TZS
Attributable to:		
Reinsurance service results	25,142,319,202	23,362,148,796
Operating and administration expenses**	745,197,752	991,143,497
Expected Credit Loss on financial assets	462,537,314	611,460,284
	26,350,054,268	**24,964,752,577**

**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

	2025 TZS	2024 TZS
Income tax expense		
Current income tax charge	324,840,839	4,685,746,861
Deferred tax credit	2,982,193,177	(1,340,619,677)
	3,307,034,016	**3,345,127,184**
Tax reconciliation:		
Profit before taxation	**23,596,374,467**	**19,821,351,148**
Tax applicable rate of 30% (2024: 30%)	7,078,912,340	5,946,405,344
Non-deductible expenses	4,332,833,553	4,049,664,548
Non-taxable income	(8,291,753,860)	(6,559,826,151)
Under provision of deferred tax in prior year	187,041,983	(91,116,557)
Income tax expense	**3,307,034,016**	**3,345,127,184**
Deferred tax asset		
Opening balance	(4,461,930,045)	(3,121,310,367)
Credit for the year	2,982,193,177	(1,340,619,677)
Closing balance	**(1,479,736,868)**	**(4,461,930,044)**

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%.

	2025 TZS	2024 TZS
Depreciation of property and equipment and amortization of intangible assets	(92,947,680)	(60,841,965)
Retrocession Contract Assets and Liabilities	(615,749,492)	(3,878,400,509)
Provisions	(771,039,696)	(522,687,570)
	(1,479,736,868)	**(4,461,930,044)**
Corporate tax payable		
Balance as at 1 January	8,828,667,793	7,928,219,677
Charge for year	324,840,839	4,685,746,861
Payment during the year	(6,008,874,424)	(3,462,350,353)
Withholding tax deducted at source	(329,115,307)	(322,948,392)
	2,815,518,901	**8,828,667,793**

** Both Non-deductible expenses and Non-taxable income relate to earned premium, claims and operating expenses relating to Life business portfolio.*

18. PROPERTY AND EQUIPMENT

	Office Building TZS	Motor Vehicles TZS	Office Equipment TZS	Office Furniture & Fittings TZS	Computers TZS	Total TZS
Cost						
As at 1 January 2024	-	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
As at 31 December 2024	**3,475,550,000**	**933,019,341**	**981,704,464**	**839,394,660**	**598,373,068**	**6,828,041,533**
Additions	-	-	11,474,000	67,295,000	35,284,400	114,053,400
At 31 December 2025	**3,475,550,000**	**933,019,341**	**993,178,464**	**906,689,660**	**633,657,468**	**6,942,094,933**
Depreciation						
At 1 January 2024	-	538,065,757	695,789,781	694,184,438	438,007,461	2,366,047,437
Charge for the year	-	177,375,064	170,354,927	(38,705,091)	61,008,813	370,033,713
As at 31 December 2024	**-**	**715,440,821**	**866,144,708**	**655,479,347**	**499,016,274**	**2,736,081,150**
Charge for the year	-	124,330,585	29,064,452	40,391,256	62,321,942	256,108,235
At 31 December 2025	**-**	**839,771,406**	**895,209,160**	**695,870,603**	**561,338,217**	**2,992,189,386**
Carrying value						
At 31 December 2025	**3,475,550,000**	**93,247,935**	**97,969,304**	**210,819,057**	**72,319,252**	**3,949,905,548**
At 31 December 2024	**3,475,550,000**	**217,578,520**	**115,559,756**	**183,915,313**	**99,356,794**	**4,091,960,383**

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.

	2025 TZS	2024 TZS
Opening balance	24,169,450,000	27,645,000,000
Fair value gain	1,235,000,000	-
Transfer to PPE	-	(3,475,550,000)
	25,404,450,000	**24,169,450,000**

The investment property is carried at fair value and the last revaluation was performed on 31 December 2025, by Africa Property Limited, independent valuers, using the replacement cost method of valuation jointly with the comparative method of valuation to determine aggregate Market Value of the property based on the site/land value component and the value of the unexhausted improvements on the land. The resultant change in fair value has been recognized in profit and loss.

Under the replacement cost method, the value of the unexhausted improvements was determined by reference to their cost of replacement or reinstating them (as new) or that of their substitute at the date of valuation. Where the unexhausted improvements were not new or were obsolete, the replacement cost thus established was depreciated to derive a depreciated replacement cost which would be equated to the property's market value. The Replacement Cost Method of Valuation is based on the rationale that the value of a property comprises two components namely: the value of improvements on the land and the value of the land.

Using the comparative method, the value of the land parcel under appraisal was equated to the value of a known comparable land parcel whereby the latter's value was taken to be the best price which could be obtained by the land parcel being valued if it was to be placed in the market, with due allowance made for value affecting differences between the subject land parcel and the comparable land parcel such as; location, level and amount of services provided, accessibility, land size, development conditions as discerned from the Certificate of Title, date of transaction, parties to the transaction, condition (in case of buildings), motive of sale, tenure and the un-expired term.

Rental income and expenses relating to the Investment Property are disclosed in the table below:

	2025 TZS	2024 TZS
Rent income derived from investment property - Direct	587,057,343	588,505,049
Rental Expenses - Direct	(740,888,909)	(783,626,505)
Loss arising from investment property carried at fair value	**(153,831,566)**	**(195,121,456)**

The table below analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). There have been no transfers between level 1 and level 2 during the period.

There were no transfers between levels during the year under review.

19. INVESTMENT PROPERTY

	Level 1 TZS	Level 2 TZS	Level 3 TZS	Total TZS
At 31 December 2025	-	-	25,404,450,000	**25,404,450,000**
At 31 December 2024	-	-	24,169,450,000	**24,169,450,000**

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 11.8m - TZS 12.8m

	2025 TZS	2024 TZS
20. INTANGIBLE ASSETS		
Computer Software		
Cost		
At 1 January	1,160,097,088	1,133,528,638
Additions	-	26,568,451
At 31 December	**1,160,097,088**	**1,160,097,089**
Amortisation		
At 1 January	1,112,512,006	1,078,512,810
Amortisation for the year	29,936,344	33,999,197
At 31 December	**1,142,448,350**	**1,112,512,007**
Carrying amount 31 December	**17,648,738**	**47,585,082**

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

At fair value through profit or loss:

	2025 TZS	2024 TZS
Shares of CRDB Bank Plc (3,308,805 shares)		
At 1 January	2,216,950,940	1,522,050,300
Fair value gain during the year	2,779,460,880	694,900,640
At 31 December	**4,996,411,820**	**2,216,950,940**
Shares of Tanzania Portland Cement Public Limited Company (100,000 shares)		
At 1 January	360,000,000	436,000,000
Fair value gain during the year	247,000,000	(76,000,000)
At 31 December	**607,000,000**	**360,000,000**
Shares of African Reinsurance Corporation (8,000 shares)		
At 1 January	7,109,299,680	6,935,614,677
Fair value (loss)/gain during the year	(1,727,120,366)	173,685,003
At 31 December	**5,382,179,314**	**7,109,299,680**
Shares of Uganda Reinsurance Company (545 shares)		
At 1 January	1,490,115,825	1,187,912,737
Fair value gain during the year	(253,050,541)	302,203,088
At 31 December	**1,237,065,284**	**1,490,115,825**
Acre Tanzania Insurance Agency Limited		
At 1 January	-	-
Purchase of shares	426,787,000	-
At 31 December	**426,787,000**	**-**
Total carrying amount	**12,649,443,418**	**11,176,366,445**

	2025 TZS	2024 TZS
22. INVESTMENT IN GOVERNMENT SECURITIES AT AMORTISED COST		
Treasury bills (**)	7,793,925,000	6,202,230,017
Treasury Bond	1,000,000,000	1,000,000,000
	8,793,925,000	**7,202,230,017**
Less:		
Expected credit loss	(1,548,295)	(23,821,785)
	8,792,376,705	**7,178,408,232**
Government securities for less than three months	-	-
Government securities for more than three months	8,792,376,705	7,178,408,232
	8,792,376,705	**7,178,408,232**
Opening balance	23,821,785	12,481,602
Expected credit loss (ECL) -Treasury bills	(12,506,377)	2,140,183
Expected credit loss (ECL) -Treasury bonds	(9,767,113)	9,200,000
	1,548,295	**23,821,785**
Analysis of the changes in the gross carrying amount: bills		
At 01 January	7,178,408,232	7,301,448,048
Investment securities purchased	4,845,002,009	3,456,790,080
Payments received and financial asset derecognised	(3,229,485,241)	(3,556,008,111)
As at 31 December	**8,793,925,000**	**7,202,230,017**
Expected credit loss allowance	**(1,548,295)**	**(23,821,785)**
Net investment securities	**8,792,376,705**	**7,178,408,232**

23. OTHER RECEIVABLES

	2025 TZS	2024 TZS
Prepayments	49,162,600	203,921,857
Sundry Debtors Ezulwini Reinsurance	4,211,299,715	3,223,311,842
Withholding taxes	-	211,064,565
Staff loans and advances	2,860,509,983	2,723,166,052
Deposits	531,204,307	531,204,307
Sundry debtors	1,695,361,559	970,117,844
	9,347,538,164	**7,862,786,467**
Less:		
Provision for bad debts - Other receivables	(1,129,377,975)	(597,057,887)
	8,218,160,189	**7,265,728,580**

Movement of provisions for other receivables

	2025 TZS	2024 TZS
Opening balance	597,057,887	-
Charge during the year	532,320,088	597,057,887
	1,129,377,975	**597,057,887**

24. RETROCESSION CONTRACT ASSETS

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

	2025					
	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	53,577,196,116	-	10,076,559,073	3,056,614,216	7,157,153,031	73,869,522,436
Expenses from reinsurance contracts	(151,593,533,032)	-	-	-	-	(151,593,533,032)
Claims recovered	-	-	22,494,915,415	-	-	22,494,915,415
Changes that relate to past service - adjustments to the AIC	-	-	9,983,795,416	(395,973,007)	-	9,587,822,409
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	66,094,523	-	-	-	66,094,523
Release of deferred commission income	29,872,865,123	-	-	-	-	29,872,865,123
Reinsurance service result	(121,720,667,909)	66,094,523	32,478,710,831	(395,973,007)	-	(89,571,835,562)
Finance income from reinsurance contracts held	-	-	833,488,416	182,960,872	-	1,016,449,288
Finance income from reinsurance contracts held	-	-	833,488,416	182,960,872	-	1,016,449,288
Total recognised in the statement of profit or loss and other comprehensive income	(121,720,667,909)	66,094,523	33,312,199,247	(213,012,135)	-	(88,555,386,274)
Cash flows						
Premiums received	175,667,307,215	-	-	-	-	175,667,307,215
Recoveries from reinsurance	-	-	(22,494,915,415)	-	-	(22,494,915,415)
Ceding commissions	(27,391,929,837)	-	-	-	(2,480,935,286)	(29,872,865,123)
Total cash flow	148,275,377,378	-	(22,494,915,415)	-	(2,480,935,286)	123,299,526,677
Balance at the end of the year	80,131,905,585	66,094,523	20,893,842,906	2,845,602,081	4,676,217,745	108,613,662,839

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

	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	38,592,181,437	-	12,087,080,053	385,559,071	6,923,650,073	**57,988,470,635**
Expenses from reinsurance contracts	(118,440,092,325)	-	-	-	-	**(118,440,092,325)**
Claims recovered	-	-	16,893,677,241	-	-	**16,893,677,241**
Changes that relate to past service - adjustments to the AIC	-	-	(2,751,863,867)	2,444,026,285	-	**(307,837,582)**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	26,403,405,751	-	-	-	-	**26,403,405,751**
Reinsurance service result	**(92,036,686,574)**	**-**	**14,141,813,374**	**2,444,026,285**	**-**	**(75,450,846,916)**
Finance income from reinsurance contracts held	-	-	979,113,680	229,028,860	-	**1,208,142,540**
Finance income from reinsurance contracts held	-	-	979,113,680	229,028,860	-	**1,208,142,540**
Total recognised in the statement of profit or loss and other comprehensive income	**(92,036,686,574)**	**-**	**15,120,927,054**	**2,673,055,145**	**-**	**(74,242,704,375)**
Cash flows						
Premiums received	133,658,609,962	-	-	-	-	**133,658,609,962**
Recoveries from reinsurance	-	-	(17,131,448,034)	-	-	**(17,131,448,034)**
Ceding commissions	(26,636,908,709)	-	-	-	233,502,958	**(26,403,405,751)**
Total cash flow	**107,021,701,253**	**-**	**(17,131,448,034)**	**-**	**233,502,958**	**90,123,756,177**
Balance at the end of the year	**53,577,196,116**	**-**	**10,076,559,073**	**3,058,614,216**	**7,157,153,031**	**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)

Fire reinsurance

	2025					
	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	8,468,565,790	-	2,425,922,184	2,922,122,796	4,127,090,860	**17,963,701,629**
Expenses from reinsurance contracts	(43,880,687,277)	-	-	-	-	**(43,880,687,277)**
Claims recovered						
Changes that relate to past service - adjusments to the AIC	-	-	13,542,942,807	-	-	**13,542,942,807**
Losses on onerous contracts	-	-	(212,287,736)	(395,973,007)	-	**(1,159,283,427)**
Amortisation of loss recovery component	-	-	-	-	-	**-**
Release of deferred commission income	10,587,936,954	-	-	-	-	**10,587,936,954**
Reinsurance service result	**(33,292,750,323)**	**-**	**13,330,655,071**	**(395,973,007)**	**4,389,442,575**	**(20,909,090,943)**
Finance income from reinsurance contracts held	-	-	545,630,278	-	-	**665,402,778**
Finance income from reinsurance contracts held	**-**	**-**	**545,630,278**	182,960,872	**-**	**665,402,778**
Total recognised in the statement of profit or loss and other comprehensive income	**(33,292,750,323)**	**-**	**13,876,285,349**	**(827,223,191)**	**-**	**(20,243,688,165)**
Cash flows						
Premiums received	48,846,010,511	-	-	-	-	**48,846,010,511**
Recoveries from reinsurance	-	-	(13,542,942,807)	-	-	**(13,542,942,807)**
Ceding commissions	(10,543,931,329)	-	-	-	(44,005,624)	**(10,587,936,953)**
Total cash flow	**38,302,079,182**	**-**	**(13,542,942,807)**	**-**	**(44,005,624)**	**24,715,130,751**
Balance at the end of the year	**13,497,894,649**		**2,759,264,725**	**2,094,899,605**	**4,083,085,236**	**22,435,144,215**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Fire reinsurance (Continued)

	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	(33,724,697,646)	-	-	-	-	(34,203,913,986)
Claims recovered	-	-	2,493,983,467	-	-	2,493,983,467
Changes that relate to past service - adjustments to the AIC	-	-	1,112,152,031	2,444,026,285	-	3,556,178,316
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	(26,470,225,446)	-	3,606,135,498	2,444,026,285	-	(20,420,063,663)
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	**(26,470,225,446)**	-	**3,877,109,219**	**2,536,211,866**	-	**(20,056,904,360)**
Cash flows						
Premiums received	33,563,294,615	-	-	-	-	33,563,294,615
Recoveries from reinsurance	-	-	(2,493,983,467)	-	-	(2,493,983,467)
Ceding commissions	(9,233,418,007)	-		-	1,978,945,806	(7,254,472,200)
Total cash flow	24,329,876,608		(2,493,983,467)		1,978,945,806	23,814,838,948
Balance at the end of the year	8,488,565,790	-	3,912,738,784	2,648,436,237	4,127,090,860	19,176,831,671

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Engineering reinsurance

	2025					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)			
	Excluding loss component	Loss component	Prese`nt value of future cash flows	Risk adjustment for non-financial risk	Liability for Reinsurance Acquisition cashflows	Total
	TZS	TZS	TZS	TZS	TZS	TZS
Opening balance	6,690,056,969	-	2,386,457,894	(220,964,179)	(503,495,931)	**8,352,054,754**
Expenses from reinsurance contracts	(14,358,587,393)	-	-	-	-	**(14,356,567,393)**
Claims recovered	-	-	-	-	-	-
Changes that relate to past service - adjustments to the AIC	-	-	353,735,672	-	-	**353,735,672**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	1,592,262,543	-	-	-	-	**1,592,262,543**
Reinsurance service result	**(12,764,304,851)**	-	**353,735,672**	-	-	**(12,410,569,178)**
Finance income from reinsurance contracts held	-	-	189,268,194	41,546,677	-	230,814,871
Finance income from reinsurance contracts held	-	-	**189,268,194**	**41,546,677**	-	**230,814,871**
Total recognised in the statement of profit or loss and other comprehensive income	**(12,764,304,851)**	-	**543,003,866**	**41,546,677**	-	**(12,179,754,308)**
Cash flows						
Premiums received	12,650,991,633	-	-	-	-	**12,650,991,633**
Recoveries from reinsurance	-	-	-	-	-	-
Ceding commissions	(1,420,683,280)	-	-	-	(171,579,263)	**(1,592,262,543)**
Total cash flow	**11,230,308,353**	-	-	-	**(171,579,263)**	**11,058,729,090**
Balance at the end of the year	**5,156,060,472**	-	**2,929,461,760**	**(179,417,502)**	**(675,075,193)**	**7,231,029,536**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Engineering reinsurance (Continued)

	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	2,933,022,868	-	1,961,844,285	14,639,505	1,772,464,648	6,681,971,306
Expenses from reinsurance contracts	(8,165,132,707)	-	-	-	-	(8,165,132,707)
Claims recovered	-	-	-	-	-	-
Changes that relate to past service - adjustments to the AIC	-	-	409,113,050	-	-	409,113,050
Losses on onerous contracts	-	-	1,643,803,483	-	-	1,643,803,483
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	761,474,020	-	-	-	-	761,474,020
Reinsurance service result	(7,403,658,688)	-	**2,052,916,533**	-	-	(5,350,742,165)
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	(7,403,658,688)	-	**2,250,006,575**	**38,082,874**	-	**(5,115,569,238)**
Cash flows						
Premiums received	9,646,206,230	-	-	-	-	9,646,206,230
Recoveries from reinsurance	-	-	(409,113,050)	-	-	(409,113,050)
Ceding commissions	1,514,486,559	-	-	-	(2,275,960,578)	(761,474,020)
Total cash flow	11,160,692,789	-	(409,113,050)	-	(2,275,960,578)	8,475,619,161
Balance at the end of the year	6,690,056,969	-	3,802,737,810	52,722,380	(503,495,931)	10,042,021,228

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	1,275,397,942	-	201,342,500	20,198,706	297,222,284	**1,794,161,432**
Expenses from reinsurance contracts	(10,557,641)	-	-		-	**(10,557,641)**
Claims recovered		-	(125,592,161)	(112,674,032)	-	**(238,266,193)**
Changes that relate to past service - adjustments to the AIC		-	-	-	-	-
Losses on onerous contracts		-	-	-	-	-
Amortisation of loss recovery component		-	-	-	-	
Release of deferred commission income	4,732,667	-	-	-	-	**4,732,667**
Reinsurance service result	**(5,824,974)**	**-**	**(125,592,161)**	**(112,674,032)**	**-**	**(244,091,166)**
Finance income from reinsurance contracts held	-	-	7,785,939	1,709,109	-	**9,495,048**
Finance income from reinsurance contracts held	**-**	**-**	**7,785,939**	**1,709,109**	**-**	**9,495,048**
Total recognised in the statement of profit or loss and other comprehensive income	**(5,824,974)**	**-**	**(117,806,222)**	**(110,964,923)**	**-**	**(234,596,118)**
Cash flows						
Premiums received	303,099,037	-	-	-	-	**303,099,037**
Recoveries from reinsurance	-	-	-	-	-	**-**
Ceding commissions	(4,732,667)	-	-	-	-	**(4,732,667)**
Total cash flow	**298,366,370**	**-**	**-**	**-**	**-**	**298,366,370**
Balance at the end of the year	**1,667,939,338**	**-**	**83,536,278**	**(90,766,217)**	**297,222,284**	**1,857,931,683**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Energy reinsurance (Continued)

	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	(223,846,359)	-	(265,033,968)	-	-	(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	(223,846,359)	-	(248,053,425)	3,281,078	-	(468,618,706)
Cash flows						
Premiums received	337,434,704	-	-	-	-	337,434,704
Recoveries from reinsurance	-	-	-	-	-	-
Ceding commissions	(77,821,220)	-	-	-	16,875,325	(60,945,895)
Total cash flow	259,613,484	-	-	-	16,875,325	276,488,809
Balance at the end of the year	1,275,397,942	-	201,342,500	20,198,706	297,222,284	1,794,161,432

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Accident reinsurance

	2025					
	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	7,908,117,015	-	537,741,608	77,380,416	3,709,054,459	12,232,293,498
Expenses from reinsurance contracts	(26,484,120,858)	-	-	-	-	(26,484,120,858)
Claims recovered		-	-	-	-	-
Changes that relate to past service - adjustments to the AIC		-	2,245,629,339	-	-	**2,245,629,339**
Losses on onerous contracts		-	1,064,710,207	36,002,838	-	**1,100,713,045**
Amortisation of loss recovery component		-	-	-	-	-
Release of deferred commission income	4,389,442,575	-	-	-	-	**4,389,442,575**
Reinsurance service result	**(22,094,678,283)**	-	**3,310,339,546**	36,002,838	-	**(18,748,335,899)**
Finance income from reinsurance contracts held	-	-	36,773,035	8,072,130	-	**44,845,165**
Finance income from reinsurance contracts held	-	-	**36,773,035**	**8,072,130**	-	**44,845,165**
Total recognised in the statement of profit or loss and other comprehensive income	(22,094,678,283)	-	**3,347,112,581**	**44,074,967**	-	(18,703,490,734)
Cash flows						
Premiums received	26,297,703,224	-	-			**26,297,703,224**
Recoveries from reinsurance	-	-	(2,245,629,339)	-	-	**(2,245,629,339)**
Ceding commissions	(5,095,328,904)	-	-	-	705,886,329	**(4,389,442,575)**
Total cash flow	**21,202,374,320**	-	(2,245,629,339)	-	**705,886,329**	**19,662,631,310**
Balance at the end of the year	**7,015,813,052**	-	1,639,224,850	121,455,383	**4,414,940,788**	**13,191,434,074**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Accident reinsurance (Continued)

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)			
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Liability for Reinsurance Acquisition cashflows	Total
	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	4,389,442,575	-	-	-	-	4,389,442,575
Reinsurance service result	**(12,281,214,279)**	-	369,763,521	-	-	**(11,911,450,758)**
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	(12,281,214,279)	-	448,939,807	15,298,898	-	(11,816,975,574)
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	(5,095,328,904)	-	-	-	705,886,329	(4,389,442,575)
Total cash flow	**14,656,817,017**	-	(1,122,943,178)	-	705,886,329	14,239,760,169
Balance at the end of the year	**7,908,117,015**	-	537,741,608	77,380,416	3,709,054,459	12,232,293,498

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Agriculture reinsurance

	2025					
	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	759,251,673	-	603,531	(183,652)	9,812,896	**769,484,448**
Expenses from reinsurance contracts	(237,090,272)	-	-	-	-	**(237,090,272)**
Claims recovered	-	-	243,390,555	-	-	**243,390,555**
Changes that relate to past service - adjustments to the AIC	-	-	13,186,713	1,089,114	-	**14,275,828**
Losses on onerous contracts	-	-	-	-	-	**-**
Amortisation of loss recovery component	-	66,094,523	-	-	-	**66,094,523**
Release of deferred commission income	95,331,751	-	-	-	-	**95,331,751**
Reinsurance service result	**(141,758,521)**	66,094,523	**256,577,268**	**1,089,114**	**-**	**182,002,383**
Finance income from reinsurance contracts held	-	-	(41,811)	(9,178)	-	**(50,989)**
Finance income from reinsurance contracts held	**-**	**-**	**(41,811)**	**(9,178)**	**-**	**(50,989)**
Total recognised in the statement of profit or loss and other comprehensive income	**(141,758,521)**	66,094,523	**256,535,457**	**1,079,937**	**-**	**181,951,395**
Cash flows						
Premiums received	651,316,289	-	-	-	-	**651,316,289**
Recoveries from reinsurance	-	-	(243,390,555)	-	-	**(243,390,555)**
Ceding commissions	(134,128,463)	-	-	-	38,796,712	**(95,331,751)**
Total cash flow	**517,187,826**	**-**	**(243,390,555)**	**-**	**38,796,712**	**312,593,984**
Balance at the end of the year	**1,134,680,978**	66,094,523	13,748,433	896,284	**48,609,608**	**1,264,029,827**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Agriculture reinsurance (Continued)

	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	(35,807,435)	-	(2,064,267)	-	-	(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	(35,807,435)	-	(1,831,378)	45,000	-	(37,593,813)
Cash flows						
Premiums received	483,794,997	-	-	-	-	483,794,997
Recoveries from reinsurance	-	-	(215,122)	-	-	(215,122)
Ceding commissions	(11,740,435)	-	-	-	4,025,262	(7,715,173)
Total cash flow	**472,054,561**	-	(215,122)	-	**4,025,262**	**475,864,702**
Balance at the end of the year	**759,251,673**	-	603,531	(183,652)	**9,812,896**	**769,484,448**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

PVT reinsurance

	2025					
	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	3,114,413	-	190,272,125	5,868,304	110,649,688	**309,904,531**
Expenses from reinsurance contracts	(1,516,990,591)	-	-	-	-	**(1,516,990,591)**
Claims recovered	-	-	2,751,398	-	-	**2,751,398**
Changes that relate to past service - adjustments to the AIC	-	-	75,154,855	961,930	-	**76,116,785**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	222,549,650	-	-	-	-	**222,549,650**
Reinsurance service result	**(1,294,440,941)**	**-**	**77,906,253**	**961,930**	**-**	**(1,215,572,758)**
Finance income from reinsurance contracts held	-	-	471,493	103,498	-	**574,991**
Finance income from reinsurance contracts held	**-**	**-**	**471,493**	**103,498**	**-**	**574,991**
Total recognised in the statement of profit or loss and other comprehensive income	**(1,294,440,941)**	**-**	**78,377,746**	**1,065,429**	**-**	**(1,214,997,766)**
Cash flows						
Premiums received	1,127,381,226	-	-	-	-	**1,127,381,226**
Recoveries from reinsurance	-	-	(2,751,398)	-	-	**(2,751,398)**
Ceding commissions	(224,369,156)	-	-	-	1,819,506	**(222,549,650)**
Total cash flow	**903,012,070**	**-**	**(2,751,398)**	**-**	**1,819,506**	**902,080,178**
Balance at the end of the year	**(388,314,457)**	**-**	**265,898,473**	**6,933,733**	**112,469,194**	**(3,013,057)**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

PVT reinsurance (Continued)

	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	(1,516,990,591)	-	-	-	-	(1,516,990,591)
Claims recovered	-	-	2,751,398	-	-	2,751,398
Changes that relate to past service - adjustments to the AIC	-	-	76,116,785	-	-	76,116,785
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	222,549,650	-	-	-	-	222,549,650
Reinsurance service result	**(1,294,440,941)**	**-**	**78,868,183**	**-**	**-**	**(1,215,572,758)**
Finance income from reinsurance contracts held	-	-	471,493	103,498	-	574,991
Finance income from reinsurance contracts held	-	-	471,493	103,498	-	574,991
Total recognised in the statement of profit or loss and other comprehensive income	**(1,294,440,941)**	**-**	**79,339,676**	**103,498**	**-**	**(1,214,997,766)**
Cash flows						
Premiums received	1,127,381,226	-	-	-	-	1,127,381,226
Recoveries from reinsurance	-	-	-	-	-	-
Ceding commissions	(224,369,156)	-	-	-	1,819,506	(222,549,650)
Total cash flow	**903,012,070**	**-**	**-**	**-**	**1,819,506**	**904,831,576**
Balance at the end of the year	**3,114,413**	**-**	**190,272,125**	**5,868,304**	**110,649,688**	**309,904,531**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Motor reinsurance

	2025					
	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	-	(331,696,414)	(41,573,262)	13,826,495	**(285,654,598)**
Expenses from reinsurance contracts	(161,589,113)	-	-	-	-	**(161,589,113)**
Claims recovered	-	-	-	-	-	-
Changes that relate to past service - adjustments to the AIC	-	-	9,046,601	529,444	-	**9,576,045**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	-	-	-	-	-	-
Reinsurance service result	**(161,589,113)**	**-**	**9,046,601**	**529,444**	**-**	**(152,013,068)**
Finance income from reinsurance contracts held	-	-	(77,936)	(17,108)	-	**(95,044)**
Finance income from reinsurance contracts held	**-**	**-**	**(77,936)**	**(17,108)**	**-**	**(95,044)**
Total recognised in the statement of profit or loss and other comprehensive income	**(161,589,113)**	**-**	**8,968,665**	**512,336**	**-**	**(152,108,112)**
Cash flows						
Premiums received	23,842,285,975	-	-	-	-	**23,842,285,975**
Recoveries from reinsurance	-	-	-	-	-	**-**
Ceding commissions	-	-	-	-	-	**-**
Total cash flow	**23,842,285,975**	**-**	**-**	**-**	**-**	**23,842,285,975**
Balance at the end of the year	**23,754,485,446**	**-**	**(322,727,749)**	**(41,060,926)**	**13,826,495**	**23,404,523,265**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Motor reinsurance (Continued)

	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
)pening balance	73,788,584	-	(321,020,898)	(41,674,321)	13,826,495	(275,080,141)
xpenses from reinsurance contracts	(71,966,997)	-	-	-	-	(71,966,997)
laims recovered	-	-	-	-	-	-
hanges that relate to past service - adjustments to the AIC	-	-	(11,198,526)	-	-	(11,198,526)
osses on onerous contracts	-	-	-	-	-	-
mortisation of loss recovery component	-	-	-	-	-	-
elease of deferred commission income	-	-	-	-	-	-
einsurance service result	**(71,966,997)**	**-**	**(11,198,526)**	**-**	**-**	**(83,165,523)**
inance income from reinsurance contracts held	-	-	523,010	101,059	-	624,069
inance income from reinsurance contracts held	**-**	**-**	**523,010**	**101,059**	**-**	**624,069**
otal recognised in the statement of profit or loss and other omprehensive income	**(71,966,997)**	**-**	**(10,675,516)**	**101,059**	**-**	**(82,541,454)**
ash flows						
remiums received	71,966,997	-	-	-	-	71,966,997
ecoveries from reinsurance	-	-	-	-	-	-
eding commissions	-	-	-	-	-	-
otal cash flow	**71,966,997**	**-**	**-**	**-**	**-**	**71,966,997**
alance at the end of the year	**73,788,584**	**-**	**(331,696,414)**	**(41,573,262)**	**13,826,495**	**(285,654,598)**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Marine reinsurance

	2025					
	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	2,804,336,545	-	905,214,224	29,346,111	392,542,092	**4,131,438,972**
Expenses from reinsurance contracts	(5,147,602,127)	-	-	-	-	**(5,147,602,127)**
Claims recovered	-	-	940,826,060	-	-	**940,826,060**
Changes that relate to past service - adjustments to the AIC	-	-	324,842,361	(14,608,178)	-	**310,234,184**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	1,261,218,622	-	-	-	-	**1,261,218,622**
Reinsurance service result	**(3,886,383,505)**	-	**1,265,668,421**	**(14,608,178)**	-	**(2,635,323,261)**
Finance income from reinsurance contracts held	-	-	35,484,645	7,789,312	-	**43,273,957**
Finance income from reinsurance contracts held	-	-	**35,484,645**	**7,789,312**	-	**43,273,957**
Total recognised in the statement of profit or loss and other comprehensive income	**(3,886,383,505)**	-	**1,301,153,066**	**(6,818,865)**	-	**(2,592,049,304)**
Cash flows						
Premiums received	6,751,463,264	-	-	-	-	**6,751,463,264**
Recoveries from reinsurance	-	-	(940,826,060)	-	-	**(940,826,060)**
Ceding commissions	(1,292,845,907)	-	-	-	31,627,285	**(1,261,218,622)**
Total cash flow	**5,458,617,357**	-	**(940,826,060)**	-	**31,627,285**	**4,549,418,582**
Balance at the end of the year	**4,376,570,398**	-	**1,265,541,230**	**22,527,246**	**424,169,377**	**6,088,808,251**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Marine reinsurance (Continued)

	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
pening balance	2,061,974,526	-	575,420,040	21,930,110	364,491,137	3,023,816,814
xpenses from reinsurance contracts	(4,167,884,441)	-	-	-	-	(4,167,884,441)
laims recovered	-	-	311,164,431	-	-	311,164,431
hanges that relate to past service - adjustments to the IC	-	-	291,414,206	-	-	291,414,206
osses on onerous contracts	-	-	-	-	-	-
mortisation of loss recovery component	-	-	-	-	-	-
elease of deferred commission income	1,133,588,951	-	-	-	-	-
einsurance service result	**(3,034,295,490)**	-	602,578,637	-	1,133,586,951	**(2,431,716,853)**
nance income from reinsurance contracts held	-	-	38,379,977	7,416,001	-	45,795,978
nance income from reinsurance contracts held	-	-	38,379,977	7,416,001	1,133,588,951	**45,795,978**
otal recognised in the statement of profit or loss and her comprehensive income	(3,034,295,490)	-	640,958,615	7,416,001	-	**(2,386,920,876)**
ash flows						
remiums received	4,938,297,416	-	-	-	-	4,938,297,416
ecoveries from reinsurance	-	-	(311,164,431)	-	-	(311,164,431)
eding commissions	(1,161,639,907)	-	-	-	28,050,956	(1,133,588,951)
tal cash flow	**3,776,657,510**	-	(311,164,431)	-	**28,050,956**	**3,493,544,034**
lance at the end of the year	**2,804,336,646**	-	905,214,224	29,346,111	**392,542,092**	**4,131,438,972**

TANZANIA REINSURANCE COMPANY LIMITED (TAN-RE)

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24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Aviation reinsurance

	2025					
	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	19,195,687,725	-	3,265,135,379	204,994,276	(249,243,938)	**22,416,573,441**
Expenses from reinsurance contracts	(51,283,125,430)	-	-	-	-	**(51,283,125,430)**
Claims recovered	-	-	414,672,075	-	-	**414,672,075**
Changes that relate to past service - adjustments to the AIC	-	-	8,065,441,660	643,130,042	-	**8,708,571,702**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	9,846,202,968	-	-	-	-	**9,846,202,968**
Reinsurance service result	**(41,436,922,462)**	-	**8,480,113,734**	**643,130,042**	-	**(32,313,678,685)**
Finance income from reinsurance contracts held	-	-	15,662,733	3,438,161	-	**19,100,894**
Finance income from reinsurance contracts held	-	-	**15,662,733**	**3,438,161**	-	**19,100,894**
Total recognised in the statement of profit or loss and other comprehensive income	**(41,436,922,462)**	-	**8,495,776,467**	**646,568,203**	-	**(32,294,577,792)**
Cash flows						
Premiums received	31,417,823,629	-	-	-	-	**31,417,823,629**
Recoveries from reinsurance	-	-	(414,672,075)	-	-	**(414,672,075)**
Ceding commissions	(6,802,722,738)	-	-	-	(3,043,480,231)	**(9,846,202,968)**
Total cash flow	**24,615,100,891**	-	**(414,672,075)**	-	**(3,043,480,231)**	**21,156,948,586**
Balance at the end of the year	**2,373,866,155**	-	**11,346,239,771**	**851,562,479**	**(3,292,724,169)**	**11,278,944,236**

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Aviation reinsurance (Continued)

	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	-	-	-	-	-
Reinsurance service result	**(35,072,336,441)**	-	**9,448,829,164**	-	-	**(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	**(35,072,336,441)**	-	**9,621,565,708**	33,377,151	-	**(25,417,393,582)**
Cash flows						
Premiums received	52,830,045,464	-	-	-	-	**52,830,045,464**
Recoveries from reinsurance	-	-	(11,082,718,924)	-	-	**(11,082,718,924)**
Ceding commissions	(10,635,427,474)	-	-	-	1,119,618,252	**(9,515,809,222)**
Total cash flow	**42,194,617,990**	-	**(11,082,718,924)**	-	**1,119,618,252**	**32,231,517,318**
Balance at the end of the year	**19,195,687,725**	-	**3,265,135,379**	204,994,276	**(249,243,938)**	**22,416,573,441**

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24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Medical reinsurance

	2025					
	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	-	-	137,320,715	29,023,268	-	166,343,983
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	-	-	-	-	-	-
Finance income from reinsurance contracts held	-	-	-	-	-	-
Total recognised in the statement of profit or loss and other comprehensive income	-	-	-	-	-	-
Cash flows						
Premiums received	2,739,901,146	-	-	-	-	2,739,901,146
Recoveries from reinsurance	-	-	-	-	-	-
Ceding commissions	-	-	-	-	-	-
Total cash flow	2,739,901,146	-	-	-	-	2,739,901,146
Balance at the end of the year	2,739,901,146	-	137,320,715	29,023,268	-	2,906,245,129

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Medical reinsurance (Continued)

	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	-	-	137,320,715	29,023,268	-	166,343,983

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Life reinsurance

	2025					
	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	6,378,879,458	-	358,245,328	32,401,433	(750,305,875)	**6,019,220,345**
Expenses from reinsurance contracts	(8,515,202,331)	-	-	-	-	**(8,515,202,331)**
Claims recovered	-	-	5,104,703,182	-	-	**5,104,703,182**
Changes that relate to past service - adjustments to the AIC	-	-	415,557,245	(3,408,475)	-	**412,148,770**
Losses on onerous contracts	-	-	-	-	-	-
Amortisation of loss recovery component	-	-	-	-	-	-
Release of deferred commission income	1,873,187,393	-	-	-	-	**9,174,222,457**
Reinsurance service result	**(6,642,014,938)**	-	**5,520,260,426**	**(3,408,475)**	-	**6,175,872,078**
Finance income from reinsurance contracts held	-	-	2,531,846	555,771	-	**3,087,617**
Finance income from reinsurance contracts held	-	-	**2,531,846**	**555,771**	-	**3,087,617**
Total recognised in the statement of profit or loss and other comprehensive income	**(6,642,014,938)**	-	**5,522,792,272**	**(2,852,704)**	-	**(1,122,075,369)**
Cash flows						
Premiums received	21,039,331,280	-	-	-	-	**21,039,331,280**
Recoveries from reinsurance	-	-	(5,104,703,182)	-	-	**(5,104,703,182)**
Ceding commissions	(1,873,187,393)	-	-	-	-	**(1,873,187,393)**
Total cash flow	**19,166,143,887**	-	**(5,104,703,182)**	-	-	**14,061,440,705**
Balance at the end of the year	**18,903,008,408**	-	**776,334,419**	29,548,729	**(750,305,875)**	**18,958,585,681**

NOTES TO THE FINANCIAL STATEMENTS (*CONTINUED*)
FOR THE YEAR ENDED 31 DECEMBER 2025

24. RETROCESSION CONTRACT ASSETS (CONTINUED)

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

Life reinsurance (Continued)

	2024					
	Assets for remaining coverage (ARC)		Assets for incurred claims (AIC)			
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Liability for Reinsurance Acquisition cashflows	Total
	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	-	-	-	-	-
Reinsurance service result	(9,206,302,564)	-	1,164,115,116	-	-	(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)	-	1,193,927,746	5,760,568	-	(4,949,206,186)
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)	-	-	-	(1,345,757,899)	**(3,057,408,064)**
Total cash flow	**9,196,392,226**	-	(1,711,309,863)	-	(1,345,757,899)	**6,139,324,464**
Balance at the end of the year	**6,378,879,458**	-	358,245,328	32,401,433	(750,305,875)	**6,019,220,345**

	2025 TZS	2024 TZS
25. CASH AND CASH EQUIVALENTS		
Cash at bank	4,302,834,023	2,762,912,132
Expected credit loss (ECL) -Cash	(8,111,151)	(1,357,457)
	4,294,722,872	**2,761,554,675**

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.

Movement of provisions for cash and cash equivalents

Opening balance	1,357,457	1,492,457
Charge /(release)during the year	6,753,694	(135,000)
	8,111,151	**1,357,457**

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

Cash at bank	4,294,722,872	2,761,554,675
Fixed deposits maturing in less than three months	7,576,942,973	14,372,229,256
	11,871,665,845	**17,133,783,931**

26. CASH GENERATED FROM OPERATIONS

	Notes		
Profit before tax		**23,596,374,467**	**19,821,351,148**
Adjustments for:			
Depreciation of property and equipment	18	256,108,235	370,033,713
Amortisation of intangible assets	20	29,936,344	33,999,197
Fair value gain on valuation of investment property	12	(1,235,000,000)	—
Fair value gain through profit or loss	12	(1,046,289,973)	(1,094,788,733)
Shares of profit of an associate	33(b)	(403,359,677)	(472,336,706)
Foreign exchange gain/(loss)	13	(463,310,529)	1,116,964,524
Accrued interest income	27	1,171,110,745	1,066,687,109
Interest income	11(a)	(4,740,064,248)	(3,957,432,805)
Investment income	11(b)	(1,098,395,890)	(1,050,528,804)
Working capital changes:			
in retrocession contract assets		(34,744,140,403)	(16,148,870,016)
in other receivables		(952,431,612)	(669,216,916)
in reinsurance contract liabilities		22,065,802,126	9,375,642,468
in other payables		1,705,137,814	247,215,081
Cash generated from operations		**4,141,477,359**	**8,638,717,260**

27. DEPOSITS WITH FINANCIAL INSTITUTIONS

	2025 TZS	2024 TZS
Fixed deposits with Banks	51,517,428,836	54,633,596,590
Accrued interest	1,171,110,745	1,066,687,109
	52,688,539,581	**55,700,283,699**
Expected credit loss (ECL) - fixed deposits	(340,017,217)	(394,280,196)
	52,348,522,364	**55,306,003,503**

Movement of expected credit loss

	2025 TZS	2024 TZS
Opening balance	394,280,196	391,083,390
Charge during the year	(54,262,979)	3,196,806
	340,017,217	**394,280,196**

	2025 TZS	2024 TZS
Fixed deposits maturing in less than three months	7,576,942,973	14,372,229,256
Fixed deposits maturing in more than three months	44,771,579,391	40,933,774,247
	52,348,522,364	**55,306,003,503**

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

	2025 TZS	2024 TZS
BOA Bank Limited	4,191,758,390	4,155,284,000
Azania Bank Limited	4,188,201,300	4,118,502,884
United Bank for Africa (T) Limited	500,000,000	5,268,472,000
NCBA Bank Tanzania Limited	3,544,108,875	3,693,450,000
Equity Bank Tanzania Limited	500,000,000	500,000,000
Tanzania Commercial Bank (TCB)	1,717,643,550	1,697,380,000
Canara Bank (Tanzania) Limited	3,044,108,875	2,993,450,000
CRDB Bank Plc	1,517,643,550	1,497,380,000
NMB Bank Plc	6,935,287,100	7,619,210,290
DCB Commercial Bank Plc (DCB)	2,000,000,000	2,000,000,000
UTT Liquid Fund	1,217,643,550	1,197,380,000
I&M Bank Tanzania Limited	5,076,942,973	3,963,498,966
Diamond Trust Bank Tanzania Limited (DTB)	3,208,815,503	2,663,736,450
KCB Bank Tanzania Limited	1,717,643,550	1,697,380,000
National Bank of Commerce Limited (NBC)	2,717,643,550	2,697,380,000
Mwanga Hakika Bank Limited	4,474,114,840	3,957,904,000
BancABC Tanzania Limited	1,030,586,130	1,018,428,000
Stanbic Bank Tanzania Limited	500,000,000	500,000,000
Absa Bank Tanzania Limited	3,435,287,100	3,394,760,000
ECL -Fixed deposits	(340,017,217)	(394,280,196)
Accrued interest	1,171,110,745	1,066,687,109
	52,348,522,364	**55,306,003,503**

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% - 13.0% (2024: 10.0% - 12.0%) and deposits in US dollars earn interest at the range between 4.0% – 6.0% (2024: 2.0% - 6.0%). 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 Bodies. The fixed deposits are kept until maturity and terms renegotiated during maturity. In case of requirement the deposits can be called early.

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

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

	2025					
	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	1,423,601,092	101,580,351	40,621,243,003	4,831,779,343	2,637,402,436	49,615,606,225
Reinsurance service revenue	(300,255,957,213)	-	-	-	-	(300,255,957,213)
Reinsurance service expense						
Gross claims paid	-	-	98,054,270,496	-	-	98,054,270,496
Attributable operating and administration expenses	-	-	25,142,319,202	-	-	25,142,319,202
Changes that relate to past service - adjustments to the LIC	-	-	4,168,384,811	21,390,816	-	4,189,775,628
Losses on onerous contracts	-	526,258,650	-	-	-	526,258,650
Amortisation of loss component	-	-	-	-	-	-
Amortisation of reinsurance acquisition cash flows	66,080,677,676	-	-	-	-	66,080,577,676
Reinsurance service result	**(234,175,279,537)**	**526,258,650**	**127,364,974,509**	**21,390,816**	-	**(106,262,655,562)**
Finance costs from reinsurance contracts issued	-	-	(2,878,405,591)	(631,845,130)	-	**(3,510,250,721)**
Finance expenses from reinsurance contracts issued, including foreign exchange gain or loss	-	-	**(2,878,405,591)**	**(631,845,130)**	-	**(3,510,250,721)**
Total recognised in the statement if profit or loss and other comprehensive income	**(234,175,279,537)**	**526,258,650**	**130,243,380,101**	**653,235,946**	-	**(102,752,404,841)**

28. REINSURANCE CONTRACT BALANCES (CONTINUED)

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

	2025					
	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	314,095,474,340	-		-		314,095,474,340
Claims paid	-	-	(98,054,270,496)	-		(98,054,270,496)
Expenses paid	-	-	(25,142,319,202)	-		(25,142,319,202)
Reinsurance acquisition cash flows	(74,969,306,565)	-		-	8,888,628,889	(66,080,677,676)
Total cash flow	**239,126,167,775**	**-**	**(123,196,589,698)**	**-**	**8,888,628,889**	**124,818,206,966**
Balance at the end of the year	**6,374,489,330**	**627,839,001**	**47,668,033,406**	**5,485,015,289**	**11,526,031,325**	**71,681,408,351**

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	-	-	10,761,682,840	1,562,617,996	-	**12,324,300,836**
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	**(206,144,157,105)**	**101,580,351**	**111,246,507,509**	**1,562,617,996**	**(1,866,968,655)**	**(93,233,451,249)**
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	**(206,144,157,105)**	**101,580,351**	**113,381,999,296**	**2,261,782,724**	**(1,866,968,655)**	**(90,398,794,734)**

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	261,780,784,949	-	-	-	-	261,780,784,949
Claims paid	-	-	(77,122,675,875)	-	-	(77,122,675,875)
Expenses paid	-	-	(23,362,148,794)	-	-	(23,362,148,794)
Reinsurance acquisition cash flows	(66,025,894,165)	-	-	-	4,504,371,090	(61,521,523,074)
Total cash flow	**195,754,890,785**	**-**	**(100,484,824,669)**	**-**	**4,504,371,090**	**99,774,437,206**
Balance at the end of the year	**1,423,601,092**	**101,580,351**	**40,621,243,003**	**4,831,779,343**	**2,637,402,436**	**49,615,606,225**