

TANZANIA REINSURANCE COMPANY LIMITED (TAN-RE)



— Reinsurance at its best —
ISO 9001:2015 Certified

Report of Financial Statements as at December 31, 2019

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Notes	2019 TZS	2018 TZS
Assets			
Property and equipment	18	1,002,841,080	858,548,908
Intangible assets	20	141,364,644	335,013,516
Investment Property	19	25,048,632,199	25,048,632,199
Tax recoverable	17	-	331,486,139
Deferred tax asset	17	1,893,839,735	1,537,729,739
Other receivables	24	3,403,347,640	5,334,370,940
Investment in Government securities	22	5,129,882,552	4,989,963,442
Financial assets - through profit or loss	21	11,810,143,672	12,280,505,773
Reinsurance assets	23	53,788,919,473	40,150,263,963
Deposits with Financial institutions	26	11,145,098,582	10,256,476,048
Cash and cash equivalent	25	1,281,666,014	502,229,607
Total Assets		114,645,735,591	101,635,220,274
Equity and Liabilities			
Equity			
Issued share capital	27	39,852,993,389	38,852,993,389
Retained earnings		8,636,512,973	6,992,369,299
Share Premium	27	348,613,700	348,613,700
Contingency reserve		24,282,938,732	20,255,992,943
Total equity		73,121,058,794	66,449,969,331
Liabilities			
Insurance contract liabilities on unearned premiums	32	22,827,550,723	20,316,281,798
Insurance contract liabilities on outstanding claims	32	7,612,162,242	4,209,990,050
Amount payable to reinsurance companies	28	6,670,253,423	9,370,005,588
Tax payable	17	760,459,133	-
Other payables	29	3,654,251,276	1,288,973,507
Total liabilities		41,524,676,797	35,185,250,943
Total equity and liabilities		114,645,735,591	101,635,220,274

These financial statements were approved by the Board of Directors and authorised for issue on: 17th April 2020 and were signed on their behalf by:

Name: Wilson Ndesanjo Title: Chairman of the Board
Name: William Erio Title: Vice Chairman
Name: Rajab Kakusa Title: Chief Executive officer

Signature: [Signature]
Signature: [Signature]
Signature: [Signature]

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 TZS	2018 TZS
Gross Premiums	9	141,394,263,608	111,521,892,498
Premiums ceded to retrocessioners	9	(51,867,001,577)	(43,331,685,660)
Net Premiums		89,527,262,031	68,190,206,838
Fees and commission income	10	10,954,085,863	10,367,486,636
Investment income	11	1,974,701,424	2,155,348,417
Fair value (loss)/gain	12	(470,362,102)	795,430,814
Other operating revenue	13	407,222,114	442,016,851
Other income		12,865,647,299	13,760,282,718
Total revenue		102,392,909,330	81,950,489,556
Gross benefits and claims paid	14	(53,671,926,526)	(47,857,172,450)
Claims ceded to reinsurers	14	5,897,783,516	6,578,640,348
Gross change in unearned insurance premium	14	(2,511,268,925)	(945,429,861)
Gross change in outstanding claims	14	(3,402,172,191)	(475,698,825)
Net benefits and claims		(53,687,584,126)	(42,699,660,788)
Operating and administration expenses	15	(11,674,637,374)	(11,304,532,556)
Provision for impairment- reinsurance receivables	23	(940,628,020)	(1,441,028,413)
Depreciation & amortization	19 & 21	(455,844,280)	(418,119,868)
Fees and commission expense	16	(26,777,660,701)	(19,419,228,919)
Total other expenses		(39,848,770,375)	(32,582,909,756)
Total claims and other expenses		(93,536,354,501)	(75,282,570,544)
Profit before tax		8,856,554,829	6,667,919,010
Income tax expense	17	(1,625,465,364)	(412,901,073)
Profit for the year		7,231,089,464	6,255,017,937
Other comprehensive income, net of taxes		-	-
Total comprehensive income for the year		7,231,089,464	6,255,017,937

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2019

	Notes	2019 TZS	2018 TZS
Operating activities			
Profit before tax		8,856,554,829	6,667,919,010
Adjustment to reconcile profit before tax to the net cash flows			
Non-cash:			
Depreciation of property and equipment	19	262,195,407	237,404,855
Amortisation of intangible assets	21	193,648,873	180,715,012
Loss/(gain) on fair value through profit or loss	12	470,362,102	(795,430,814)
Provision for impairment- reinsurance receivables	23	940,628,020	1,441,028,413
Foreign exchange (loss)/gain	7	29,405,415	(91,746,605)
Movement in items in the statement of financial position:			
Increase in reinsurance assets	23	(10,870,951,788)	(11,329,223,343)
Decrease/(increase) in other receivables	24	1,931,023,300	(1,825,523,382)
Increase in unearned premium reserves	22	(2,511,268,925)	(945,429,861)
Increase in outstanding claims	22	3,402,172,192	475,698,825
(Decrease)/increase in amount payable to reinsurance companies	24	(2,699,752,165)	4,352,258,417
Decrease increase in other payables	25	2,365,277,769	(70,409,695)
Tax paid		(800,000,000)	(1,138,600,623)
Cash generated from operating activities		1,569,295,030	(2,696,365,150)
Investing Activities			
(Purchases) /sale of government securities	21	(1,028,541,644)	(2,195,679,084)
Purchase of property and equipment	19	(396,487,579)	(51,733,449)
Purchase of intangible assets	21	-	(265,319,261)
Net cash flows used in investing activities		(1,425,029,223)	(2,512,731,794)
Financing activities			
Proceeds from issue of shares	20	1,000,000,000	5,450,000,000
Dividend paid		(1,560,000,000)	(500,000,000)
Net cash flows from financing activities		(560,000,000)	4,950,000,000
Net decrease in cash and cash equivalents		(415,734,193)	(259,096,944)
Cash and cash equivalent at 1st January		3,765,150,209	4,024,247,153
Cash and cash equivalents at the end of the year	26	3,349,416,014	3,765,150,209

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Note 23 Share capital TZS	Retained Earnings TZS	Note 21 Contingency reserve TZS	Note 20 Share premium TZS	TZS
At 1 January 2019	38,852,993,389	6,992,369,299	20,255,992,943	348,613,700	66,449,969,331
Paid up share capital	1,000,000,000	-	-	-	1,000,000,000
Dividend paid	-	(1,560,000,000)	-	-	(1,560,000,000)
Profit for the year	-	7,231,089,464	-	-	7,231,089,464
Contingency reserve	-	(4,026,945,789)	4,026,945,789	-	-
At 31 Dec 2019	39,852,993,389	8,636,512,973	24,282,938,732	348,613,700	73,121,058,795
At 1 January 2018	32,842,899,000	5,224,326,805	17,113,789,040	348,613,700	55,329,428,545
Paid up share capital	5,450,000,000	-	-	-	5,450,000,000
Bonus share	760,294,389	-	-	-	760,294,389
Dividend paid	-	(1,344,771,541)	-	-	(1,344,771,541)
Profit for the year	-	6,255,017,937	-	-	6,255,017,937
Contingency reserve	-	(3,142,203,903)	3,142,203,903	-	-
At 31 Dec 2018	38,852,993,389	6,992,369,299	20,255,992,943	348,613,700	66,449,969,331