

TANZANIA REINSURANCE COMPANY LIMITED (TAN-RE)



Report of Financial Statements as at December 31, 2020

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Notes	2020 TZS	2019 TZS
Assets			
Property and equipment	17	858,868,638	1,002,841,080
Intangible assets	19	88,381,543	141,364,644
Investment Property	18	25,014,999,999	25,048,632,199
Deferred tax asset	16	2,162,213,385	1,893,839,735
Other receivables	23	7,820,473,699	3,403,347,640
Investment in Government securities	21	5,794,537,862	5,129,882,552
Financial assets - through profit or loss	20	12,245,453,738	11,810,143,672
Reinsurance assets	22	57,753,154,485	53,788,919,473
Deposits with financial institutions	25	18,837,983,521	11,145,098,582
Cash and cash equivalent	24	779,124,680	1,281,666,014
Total Assets		131,355,191,550	114,645,735,591
Equity and Liabilities			
Equity			
Issued share capital	26	40,752,993,389	39,852,993,389
Retained earnings		10,649,243,473	8,636,512,974
Share Premium	26	348,613,700	348,613,700
Contingency reserve	30	28,257,838,791	24,282,938,732
Total equity		80,008,689,353	73,121,058,794
Liabilities			
Insurance contract liabilities on unearned premiums	31	24,225,879,225	22,827,550,723
Insurance contract liabilities on outstanding claims	31	10,265,043,363	7,612,162,242
Amount payable to reinsurance companies	27	10,549,463,210	6,670,253,423
Other payables	28	2,136,663,390	3,654,251,276
Tax payable	16	4,169,453,009	760,459,133
Total liabilities		51,346,502,197	41,524,676,797
Total equity and liabilities		131,355,191,550	114,645,735,591

These financial statements were approved by the Board of Directors and authorised for issue on 19/04/2021 and were signed on their behalf by:

Name: Wilson Ndesanjo Title: Chairman of the Board

Signature:

Name: Khamis Suleiman Title: Chairman audit & risk committee

Signature:

Name: Rajab Kakusa Title: Chief Executive officer

Signature:

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 TZS	2019 TZS
Gross Premiums	8	140,638,730,552	141,394,263,608
Premiums ceded to reinsurers	8	(70,750,691,088)	(51,867,001,577)
Net Premiums		69,888,039,464	89,527,262,031
Fees and commission income	9	13,983,759,095	10,954,085,863
Investment income	10	2,240,823,539	1,974,701,425
Fair value gain(loss)	11	333,550,518	(470,362,102)
Other operating revenue	12	750,826,086	407,222,114
Other income		17,308,959,238	12,865,647,299
Total revenue		87,196,998,702	102,392,909,330
Gross benefits and claims paid	13	(37,809,598,033)	(53,671,926,526)
Claims ceded to reinsurers	13	6,557,528,125	5,897,783,516
Gross change in unearned insurance premium	13	(1,398,328,502)	(2,511,268,925)
Gross change in outstanding claims	8	(2,652,881,121)	(3,402,172,191)
Net benefits and claims		(35,303,279,531)	53,687,584,126
Operating and administration expenses	14	(12,459,049,204)	(11,674,637,374)
Provision for impairment-reinsurance receivables	22	(1,115,914,088)	(940,628,020)
Depreciation & Amortization	17&19	(452,880,079)	(455,844,280)
Fees and commission expense	15	(26,313,236,239)	(26,777,660,701)
Total other expenses		(40,341,079,610)	39,848,770,375
Total claims and other expenses		(75,644,359,141)	(93,536,354,501)
Profit before tax		11,552,639,561	8,856,554,829
Income tax expense	16	(4,395,682,164)	(1,625,465,364)
Profit for the year		7,156,957,397	7,231,089,465
Other comprehensive income, net of taxes			
Total comprehensive income for the year		7,156,957,397	7,231,089,465

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2020

	Notes	2020 TZS	2019 TZS
Operating activities			
Profit before tax		11,552,639,561	8,856,554,829
Adjustment to reconcile profit before tax to the net cash flows			
Non-cash:			
Depreciation of property and equipment	17	306,225,279	262,195,407
Amortisation of intangible assets	19	146,654,800	193,648,873
(Loss) /gain on fair value through profit or loss	11	(333,550,518)	470,362,101
Fair value loss on valuation of investment property	18	33,632,200	
Provision for impairment- reinsurance receivables	22	1,115,914,088	940,628,020
Foreign exchange gain	12	(51,423,273)	29,405,415
Movement in items in the statement of financial position:			
(Decrease)/ increase in reinsurance assets	22	(2,848,320,924)	(10,870,951,788)
Increase in other receivables	23	(4,417,126,059)	1,931,023,300
(Increase) /decrease in unearned premium reserves	22	(1,398,328,502)	(2,511,268,925)
Increase/(decrease) in outstanding claims	22	2,652,881,121	3,402,172,192
(Decrease)/increase in amount payable to reinsurance companies	24	3,879,209,787	(2,699,752,165)
Decrease increase in other payables	25	(1,517,587,886)	2,365,277,769
Tax paid		(800,000,000)	(800,000,000)
Tax paid- Previous years		(284,418,711)	
Cash generated from operating activities		8,036,400,964	1,569,295,029
Investing Activities			
(Purchases) /sale of government securities	21	(6,391,948,016)	(1,028,541,644)
Purchase of property and equipment	17	(162,252,837)	(396,487,579)
Purchase of intangible assets	19	(93,671,699)	
Proceeds from sale of property and equipment		19,300,000	
Net cash flows used in investing activities		(6,628,572,552)	(1,425,029,223)
Financing activities			
Proceeds from issue of shares	20	900,000,000	1,000,000,000
Dividend paid		(1,169,326,839)	(1,560,000,000)
Net cash flows from financing activities		(269,326,839)	(560,000,000)
Net decrease in cash and cash equivalents		1,138,501,574	(415,734,194)
Cash and cash equivalent at 1st January		3,349,416,013	3,765,150,207
Cash and cash equivalents at the end of the year	24.	4,487,917,587	3,349,416,013

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital TZS	Retained Earnings TZS	Contingency reserve TZS	Share premium TZS	Total TZS
At 1 January 2020	39,852,993,389	8,636,512,974	24,282,938,732	348,613,700	73,121,058,795
Dividend paid	900,000,000	(1,169,326,839)			(269,326,839)
Profit for the year		7,156,957,397			7,156,957,397
Contingency reserve		(3,974,900,059)	3,974,900,059		
At 30 September 2020	40,752,993,389	10,649,243,473	28,257,838,791	348,613,700	80,008,689,353
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		7,231,089,465			7,231,089,465
Contingency reserve		(4,026,945,789)	4,026,945,789		
At 31 Dec 2019	39,852,993,389	8,636,512,974	24,282,938,732	348,613,700	73,121,058,795