ANNUAL REPORT **2014**

RELIANCE INSURANCE COMPANY (T) LIMITED

RELIANCE INSURANCE COMPANY (T) LIMITED

SINCE 1998

TABLE OF CONTENTS

Page No.

SINCE 1998

BOARD OF DIRECTORS

Mohamed H. Sumar

Munir A. Bharwani

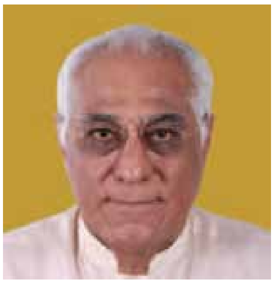
Mahboob F. Fazal

Pratul H. Shah

Murtaza G. Habib

Ashok K. M. Shah

Leonard C. Mususa



Bharat K Ruarelia
(Alternate - to Pratul H. Shah)

SINCE 1998

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

COMPANY INFORMATION

DIRECTORS
Mohamed H. Sumar
Mahboob F. Fazal
Munir A. Bharwani
Murtaza G. Habib
Ashok K. M. Shah
Pratul H. Shah (Alternate – Mr. Bharat K Ruparelia)
Leonard C. Mususa - Appointed 8th July 2014

PRINCIPAL BANKERS
I&M Bank (T) Limited
Habib African Bank Limited
Exim Bank (Tanzania) Ltd
National Micro Finance Bank PLC

AUDITORS
Horwath Tanzania
Certified Public Accountants in Public Practice
P. O. Box 22731 - Dar es Salaam

MANAGEMENT TEAM

Rajaram Parameswaran	Chief Executive Officer
Sanjay K. Singh	Director Operations
Aristark Mboya	Director Finance and Administration
Mark Lyimo	Deputy Director Operations
Rukia Goronga	Manager Underwriting & Reinsurance
Eric Bukombi	Manager Finance – Resigned 30th January 2015
Upendo Minja	Manager Human Resources
Raymond Edson	Internal Auditor
Michael Mshanga	Branch Manager – Arusha
Joyce Kasege	Branch Manager – Mbeya
Monica Kijuu	Branch Manager - Mwanza

REGISTERED & HEAD OFFICE Reliance House,
356, UN Road, Upanga,
P. O. Box 9826, Dar es Salaam

BRANCHES

DAR ES SALAAM	ARUSHA	MWANZA	MBEYA
NHC House - Samora Avenue	Subzali Building, 1st Floor	Plot 42, Block -L, 1st Floor B,	Market Square
Shop 1 - Mezzanine Floor	Goliondoi Road,	Uhuru Road,	Plot 3 Block C,
P. O. Box 9826,	P. O. Box 15241,	P. O. Box 1490,	P. O. Box 554,
Dar es Salaam	**Arusha**	**Mwanza**	**Mbeya**
Tel: (22) 2127168	Tel: (27) 2501553	Tel: (28) 2500838	Tel: (26) 2502726
Fax: (22) 2112903	Fax: (27) 2501552	Fax: (28) 2500706	Fax: (26) 2502725

www.reliancetz.com

CHAIRMAN'S REPORT

Dear Shareholders.

I have pleasure in presenting the sixteenth annual report and audited financial statements for the year ended 31st December 2014.

TANZANIA ECONOMIC OUTLOOK

Tanzania's economy continued to perform strongly during the year, with a GDP growth of 7.2%. The growth was driven by transport, communications, manufacturing and agriculture sectors and supported by public investment in infrastructure. Annual average inflation (CPI index) declined to 5.8% in 2014. However the external current account deficit at 14% of GDP remained the largest in the region. Tanzania remains a major FDI destination, with mostly green field investments in the extractive and tourism sectors. Its potential to integrate into global value chains lies in the successful exploitation of trade linkages with regional trading partners, as well as careful exploration of natural resources, including minerals and natural gas, to ensure economic spinoffs and employment creation.

INSURANCE BUSINESS ENVIRONMENT

The Tanzanian Insurance market is growing steadily at a cumulative annual growth of over 15% during the last 5 years. However the market continues to record underwriting loss which calls for pricing discipline and better risk management measures. The Association of Tanzania Insurers & Tanzania Insurance Brokers Association had engaged the services of an actuarial firm to scientifically evaluate financially viable rates for the market for various lines of business and the actuarially computed rates are likely to be implemented in 2015. The Insurance Regulator is actively engaged in the formulation of National Policy on insurance, Guidelines on Micro-insurance & Banc Assurance, Appointment of Insurance Ombudsman, Public education on insurance products and services for orderly growth of insurance sector so as to make insurance services available to all Tanzanians.

BUSINESS PERFORMANCE DURING THE YEAR

The focus of our company continued to be on growth with profitability. During the year 2014, the company underwrote a gross premium of Shs 32,434 million against a gross premium of Shs 27,621 million in 2013. The company registered a growth of 17.4% with an underwriting profit of Shs 1215 million compared to Shs 323 million in 2013. The company is expected to retain and consolidate its 4th position among the General Insurers with a market share of over 6.75%.

PROFIT

Profit before tax (PBT) for the year increased by 63% to Shs 3,644 million from Shs 2,225 million in 2013. Profit after tax (PAT) for the year was Shs 2,516 million against Shs. 1,511 million in 2013 registering an increase of 66.5%.

INVESTMENT INCOME

The investment duration of the portfolio is actively monitored, keeping in mind the duration of liabilities, through an Asset Liability Management model as well as its solvency position. Your Company's investment philosophy is based on strong cash generation, backed by prudent investment of surpluses keeping in mind the obligation to pay claims without delay when they arise.

CHAIRMAN'S REPORT *(continued)*

To diversify the investment opportunities, the Company formed a subsidiary company viz. Reliance Investment Company (T) Ltd in October, 2014 and has invested in a commercial property known as TANHOUSE in Dar es Salaam.

DIVIDEND

The Board of Directors has recommended a dividend of Shs 150 per share.

SINCE 1998

CREDIT RATING

The company maintained its credit rating of "A" awarded by Global Credit Rating Agency.

PROSPECTS FOR 2015

The company has started implementation of new IT system and the new system is likely to go live by July 2015. This would provide competitive advantage to the company in cover note control, timely issuance of policies, improved claims servicing and in providing necessary MIS.

The company will continue nurturing our existing broker/agent relationships and target on new brokers and agents for enhanced growth and reach. The focus will be on prompt claims servicing and risk management to differentiate the company from other players. Another focused area is to impart technical skills to local staff by continuing internal training and by deputing staff for various insurance seminars/workshops.

CORPORATE GOVERNANCE

The governance structure of the company provides for an appropriate allocation of oversight and administrative responsibilities and stipulates and delineates clearly the duties, and responsibilities to protect the interests of policyholders and rights of various stakeholders including shareholders.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to thank all policy holders, intermediaries and reinsurers for their continued support and patronage and for reposing their unstinted faith in the company. The management is confident of continuing to deliver full value to all stakeholders. My special thanks go to all our staff and management for their dedication towards excellence of service and steady growth of company's performance. Finally, I must record my thanks and appreciation to the shareholders and my fellow Directors for their support and for providing strategic direction and guidance.

Mohamed H. Sumar
Chairman

SINCE 1998

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31st December 2014, which disclose the state of affairs of the company.

1. **Incorporation**
The company is incorporated in in the United Republic of Tanzania under the Companies Act 2002 as a private company limited by share and is domiciled in Tanzania.

2. **Principal activities**
The company is a licensed insurer and underwrites general insurance business.

3. **Directors**
The Directors of the company at the date of this report are:-

Name	Position	Nationality	
Mr. Mohamed H. Sumar	Chairman	Tanzanian	
Mr. Mahboob F. Fazal	Director	British	
Mr. Munir A. Bharwani	Director	Canadian	
Mr. Murtaza G. Habib	Director	Tanzanian	
Mr. Ashok K. M. Shah	Director	British	
Mr. Pratul H. Shah	Director	Kenyan	(Alternate - Mr. Bharat K. Ruparelia)
Mr. Leonard C. Mususa	Director	Tanzanian	- Appointed 8th July 2014

4. **Company Secretary**
The company secretary is Mr. Rajaram Parameswaran.

5. **Shareholders of the company**
The total number of shareholders during the year 2014 is 17 (2013: 17 shareholders). Directors having direct shareholding are listed below:-

Name	Nationality	Number of shares	% shareholding
Mr. Mohamed H. Sumar	Tanzanian	129,600	4.5

6. **Corporate Governance**
The current Board of Directors consists of seven Directors. No director holds executive position in the Company. Overall responsibility for the Company rests with the Board, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board met four times during the year as required under company Articles. The Board delegates the day-to-day management of the business to the Chief Executive Officer assisted by senior management. Senior management is invited to attend board meetings and facilitates the effective control of all the Company's operational activities, acting as a medium of communication and coordination between all the various business units.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability. During the year the Board of Directors had the following Board Sub-committees to ensure a high standard of corporate governance throughout the company.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

REPORT OF THE DIRECTORS (continued)

Corporate Governance *(continued)*

- **Board Investment committee**
  Mr. Munir A. Bharwani - Chairman
  Mr. Mahboob F. Fazal
  Mr. Bharat K. Ruparelia

- **Board Audit committee**
  Mr. Pratul H. Shah - Chairman
  Mr. Murtaza G. Habib
  Mr. Mahboob Fazal
  Mr. Leonard C. Mususa

- **Board Human Resource and Remuneration committee**
  Mr. Leonard Mususa - Chairman
  Mr. Ashok K.M Shah
  Mr. Mahboob F. Fazal

- **Board ICT committee**
  Mr. Munir A. Bharwani - Chairman
  Mr. Bharat K. Ruparelia
  Mr. Murtaza G. Habib
  Mr Rajaram Parameswaran

The Board Committees report to the Board of Directors. All the committees meet on regular basis.

7. Risk management and internal control

The company's objectives expose it to a variety of risks, including financial risk, credit risk, underwriting risk and the effect of changes in debt and equity market prices, foreign currency exchange rates and interest rates.

The company's risk management policies include the use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the approval of intermediaries and reinsurers. Investment policies are in place, which helps manage liquidity and maximize returns.

Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board assessed the internal control systems throughout the financial year ended 31 December 2014 and is of the opinion that they met accepted criteria.

8. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year except as disclosed in note 31 of Financial Statements.

9. Capital structure

The capital structure of the company for the year under review is shown below:
Issued and fully paid up Ordinary Shares - 2,880,000 of Shs 1,000/- each. (2013: 1,800,000 of Shs 1,000/- each). A resolution was passed in the AGM held on 2nd June 2014 to increase the paid up capital of the company to 2,880,000 shares of Tshs 1,000/= each by way of bonus issue of 3 shares out of 5 shares held in the share capital of the company by capitalizing share premium of Tshs 1,080,000,000/=.

SINCE
1998

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

REPORT OF THE DIRECTORS (continued)

10. Results for the year

The company has registered a profit after tax before other comprehensive income for the year of Shs 2,516m (2013: profit after tax Shs.1,511m). Other comprehensive income was TShs 528m (2013: Shs 630m).

11. Dividend

The directors propose a dividend of Tshs 150/= per share (2013: Tshs 150/=).

SINCE 1998

12. Transfer to reserves

An amount of Shs 583m (2013: Shs 441m) was transferred to Contingency Reserve in accordance with Regulation 27 (2) (b) of the Insurance Act 2009. The amount represents 3% of net written premium.
During the year an amount of Tshs 503m (2013: Shs 302m) was transferred to Capital Reserve in accordance with Regulation 13 (3) under the Insurance Act, 2009. The amount represents 20% of profit after tax.

13. Related party transactions

Transactions with related parties during the year were in the normal course of business. Details of transactions and balances with related parties are included in note 28 of the financial statements.

14. Solvency

The company has met the solvency requirement stipulated in the Regulation 21(i) of the Insurance Act 2009 and the Insurance Regulations 2009.

15. Going concern

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

16. Employee welfare

The relationship between the employees and management continues to be cordial. The company is committed to providing equal opportunities to all employees and gives opportunity to disabled persons whenever possible.

Valuing diversity and respect at work are a fundamental part of the company's culture. These commitments extend to recruitment and selections, training, career development and promotion and performance appraisal. Also, the employment terms are reviewed regularly to ensure that they meet statutory and market conditions. The number of staff as at 31st December 2014 was 77 (2013 – 69).

17. Auditors

The auditors, Horwath Tanzania have expressed their willingness to continue in office and will be recommended for reappointment in accordance with the Companies Act 2002.

The financial statements set out on pages 10 to 32, which have been prepared on the going concern basis, were approved by the board of directors on the date of this report and were signed on its behalf by

……………………………	…………………………
Mohamed H. Sumar	**Murtaza G. Habib**
Chairman	**Director**

Date: 18th March 2015

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act 2002 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit and loss. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

SINCE 1998

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act 2002.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal control.

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

The financial statements set out on pages 10 to 32, which have been prepared on the going concern basis, were approved by the board of directors on the date of this statement and were signed on its behalf by:

…………………………...
Mohamed H. Sumar
Chairman

……………………………..
Murtaza G. Habib
Director

Date: 18th March 2015

Crowe Horwath

Horwath Tanzania
Member Crowe Horwath International

13 Zanaki Street,
2nd Floor, Osman Towers
P.O. Box 227 31,
Dar es Salaam, Tanzania
Tel: +255 22 211.5251-3
Fax: +255 22 2130519
www.crowehorwath.co.tz

SINCE 1998

Report of the independent Auditors

To the members of Reliance Insurance Company (Tanzania) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Insurance Company (Tanzania) Limited which comprise, the statement of financial position as at 31 December 2014, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 32.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial Statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act 2002. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Crowe Horwath

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act 2002

SINCE
1998

Report on other legal and regulatory requirements

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

As required by the Companies Act 2002, we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

In respect of the foregoing requirements, we have no matter to report.

Horwath Tanzania
Certified Public Accountants in Public Practice
Dar es salaam

Signed by Christopher Msuya

Date: 30th March 2015

SINCE 1998

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	2014 Tsh 000	2013 Tsh 000
GROSS WRITTEN PREMIUM		**32,434,364**	**27,620,500**
Gross earned premium	3	30,346,214	24,208,696
Less: outward reinsurance		(12,572,074)	(11,736,072)
NET EARNED PREMIUM		**17,774,140**	**12,472,624**
Investment income	4	2,071,557	1,653,426
Exchange gain		187,655	67,183
Other income	5	22,560	38,854
Commission earned		3,524,751	3,132,215
Total income		**23,580,663**	**17,364,302**
Commission payable		(4,772,757)	(4,130,986)
Claims incurred	6	(10,015,768)	(6,922,144)
Operating and other expenses	7	(5,147,971)	(4,086,541)
Profit before tax		**3,644,166**	**2,224,631**
Tax charge	9	(1,127,995)	(713,239)
Profit for the year		**2,516,171**	**1,511,392**
Other comprehensive income			
Change in fair value of available for sale financial assets		554,984	630,359
Transfer to profit or loss account of fair value (gain)/			
loss on disposal of shares		(27,114)	-
Change in fair value of available for sale financial assets	15	527,870	630,359
Total comprehensive income for the year attributable to the			
owners of the company		**3,044,041**	**2,141,751**
		Tshs	**Tshs**
Earnings per share-basic and diluted	30	874	525
Dividends			
Proposed dividend per share		150	150

The accounting policies and notes on pages 14 to 32 form an integral part of these financial statements.

SINCE 1998

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	NOTES	2014 Tsh 000	2013 Tsh 000
CAPITAL EMPLOYED			
Share capital	10	2,880,000	1,800,000
Share premium		90,000	1,170,000
Contingency reserves		2,835,632	2,252,614
Capital reserves		1,195,789	692,555
Revaluation surplus	11	1,424,972	897,102
Retained earnings		2,424,036	1,264,117
		10,850,429	**8,076,388**
REPRESENTED BY			
Assets			
Property, plant and equipment	12	279,682	274,394
Intangible assets	13	20,199	9,103
Investment in subsidiary company	14	576,369	-
Available for sale assets – Listed equity	15	2,416,755	1,607,620
Available for sale assets - Unlisted equity	16	316,022	316,022
Receivables arising out of reinsurance arrangement		441,372	547,326
Receivables arising out of direct insurance arrangement		5,504,794	4,349,135
Reinsurers' share of liabilities	17	11,904,586	11,217,206
Deferred acquisition costs		930,697	764,716
Other receivables	18	1,789,940	1,468,532
Deferred tax	23	649,197	485,699
Corporate bonds	15	133,094	183,094
Government securities	19	1,044,334	1,044,334
Deposits with financial institutions	20	15,335,876	11,811,829
Cash and cash equivalents		456,025	976,199
Total Assets		**41,798,942**	**35,055,209**
Liabilities			
Unearned premium		16,327,350	14,239,199
Claims provisions	22	12,487,817	10,090,069
Creditors arising out of reinsurance arrangement		698,378	1,483,561
Other payables	24	1,232,218	1,066,419
Taxation		202,750	99,573
Total Liabilities		**30,948,513**	**26,978,821**
NET ASSETS		**10,850,429**	**8,076,388**

The financial statements on pages 10 to 32 were approved for issue by the Board of Directors on 18th March 2015 and signed on its behalf by:

……………………..	……………………….
Mohamed H. Sumar	**Murtaza G. Habib**
Chairman	**Director**

SINCE 1998

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

Year ended 31st December 2013	NOTES	Share Capital Tshs 000	Share Premium Tshs 000	Capital Reserve Tshs 000	Contingency Reserve Tshs 000	Revaluation Reserve Tshs 000	Retained Earnings Tshs 000	Total Tshs 000
At 1st January		**1,725,000**	**877,500**	**390,277**	**1,811,227**	**266,743**	**755,140**	**5,825,887**
Revaluation surplus	11	-	-	-	-	630,359	-	630,359
Net Profit		-			-	-	1,511,392	1,511,392
Transfer to contingency reserve		-	-	-	441,387	-	(441,387)	-
Transfer to capital reserve		-	-	302,278	-	-	(302,278)	-
Transactions with owners								
Issue of shares for cash		75,000	292,500	-	-	-	-	367,500
Dividend Paid		-	-	-	-	-	(258,750)	(258,750)
At 31st December		**1,800,000**	**1,170,000**	**692,555**	**2,252,614**	**897,102**	**1,264,117**	**8,076,388**

31st December 2014	NOTES	Share Capital Tshs 000	Share Premium Tshs 000	Capital Reserve Tshs 000	Contingency Reserve Tshs 000	Revaluation Reserve Tshs 000	Retained Earnings Tshs 000	Total Tshs 000
At 1st January		**1,800,000**	**1,170,000**	**692,555**	**2,252,614**	**897,102**	**1,264,117**	**8,076,388**
Revaluation surplus	11	-	-	-	-	527,870	-	527,870
Net Profit		-	-	-	-	-	2,516,171	2,516,171
Transfer to contingency reserve		-	-	-	583,018	-	(583,018)	-
Transfer to capital reserve		-	-	503,234	-	-	(503,234)	-
Transactions with owners		-	-	-	-	-	-	-
Bonus issue of shares		1,080,000	(1,080,000)	-	-	-	-	-
Dividend Paid		-	-	-	-	-	(270,000)	(270,000)
At 31st December		**2,880,000**	**90,000**	**1,195,789**	**2,835,632**	**1,424,972**	**2,424,036**	**10,850,429**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	2014 Tsh 000	2013 Tsh 000
Cash flows from Operating activities			
Cash generated from operations	27	3,539,869	2,385,683
Interest income		1,976,691	1,564,926
Dividend		72,271	88,499
Profit on sale of shares		22,595	-
Other income		(201,382)	(76,709)
Tax paid		(1,188,313)	(793,479)
Net cash from operating activities		**4,221,731**	**3,168,919**
Cash flows from Investing activities			
Purchase of property plant and equipment and intangible assets		(171,650)	(77,007)
Purchase of listed equity		(363,741)	-
Liquidation of corporate bond		50,000	50,000
Decrease in government securities		259,141	-
Increase in fixed deposits		(1,684,267)	(1,131,522)
Purchase of shares in subsidiary		(576,369)	-
Proceeds from disposal of equipment		8,833	10,000
Proceeds from disposal of listed shares		105,071	-
Net cash from / (used in) investing activities		**(2,372,983)**	**(1,148,529)**
Cash flows from Financing activities			
Proceeds from issue of shares		-	367,500
Dividends paid		(270,000)	(258,750)
Net cash from / (used in) financing activities		**(270,000)**	**108,750**
Net Increase in cash and cash equivalents		**1,578,748**	**2,129,140**
Movement in cash and cash equivalents			
Cash and cash equivalents at 1st January		7,753,855	5,624,715
Increase/(Decrease)		1,578,748	2,129,140
Cash and cash equivalents at 31st December	26	**9,332,604**	**7,753,855**

The accounting policies and notes on pages 14 to 32 form an integral part of these financial statements.

SINCE
1998

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2014

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards and requirements of the Companies Act 2002. The financial statements are presented in Tanzania Shillings and prepared under the historical cost convention as modified by fair value revaluation.

b) New standards and interpretations

Standards and interpretations effective and adopted in the current year including IFRS, IAS, and IFRIC

IAS 32 Offsetting Financial Assets and Financial liabilities — Amendments to IAS 32

Clarification of certain aspects concerning the requirements for offsetting financial assets and financial liabilities.

IFRS 10, IFRS 12 and IAS 27 - Investment Entities

The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27.

IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets

The standard has been amended to remove the requirement for certain disclosures of recoverable amount of Cash Generating Units which had been included in IAS 36 by issue of IFRS 13.

IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting

The amendment provides guidance on whether an entity is required to discontinue hedging when the derivatives which are designated hedging instruments are novated to a central counterparty.

IFRIC Levies

The interpretation provides guidance on accounting for levies payable to government. It specifies that the obligating event giving rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. A constructive obligation for levies that will be triggered by operating in future is not raised by virtue of the entity being economically compelled to operate in future or for being a going concern. Furthermore, if the obligating event occurs over a period of time, then the liability is recognized progressively. An asset is recognized if an entity has prepaid a levy before the obligating event. This accounting also applies to interim reporting.

The effective date of the above interpretations and amendments is for years beginning on or after 1 January, 2014.

The company has adopted these interpretations and amendments for the first time in the 2014 financial statements.

The impact of the interpretation and amendments is not material.

Standards and interpretations not yet effective

IAS 19 - Defined Benefit Plans: Employee Contributions

Amends IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognized as a reduction in the service cost in the period which the related service is rendered.

The effective date of the amendment is for years beginning on or after 1 July, 2014.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

The company expects to adopt the amendment for the first time in the 2015 financial statements.

IFRS 9 Financial Instruments

This new standard was issued as part of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the Standard includes chapters for classification, measurement and de-recognition of financial assets and liabilities. The following are the main changes from IAS 39:

- Financial assets will be categorized as those subsequently measured at fair value or at amortized cost.
- Financial assets at amortized cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on de-recognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through the statement of comprehensive income, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognized in the statement of comprehensive income.

The effective date of the standard is for years beginning on or after 01 January 2015.

The company expects to adopt the standard for the first time in the 2015 financial statements.

SINCE 1998

c) Income recognition

Premium income is recognized on assumption of risks, and includes estimates of premiums due but not yet received, less an allowance for cancellations, and less unearned premium. Unearned premiums represent the proportion of the premiums written in periods up to the accounting date that relates to the unexpired terms of policies in force at the statement of financial position date, and is computed using the 1/24th method or as per Insurance Regulations 22(2)(a) under the Insurance Act 2009. Commissions receivable are recognized as income in the period in which they are earned.

Investment income is stated net of investment expenses. Interest income is recognized on a time proportion basis that takes into account the effective yield on the asset. Dividends are recognized as income in the period in which the right to receive payment is established.

d) Claims incurred

Claims incurred comprise claims paid in the year and changes in the provision for outstanding claims. Claims paid represent all payments made during the year, whether arising from events during that or earlier years. Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the statement of financial position date, but not settled at that date. Outstanding claims are computed on the basis of the best information available at the time the records for the year are closed, and include provisions for claims incurred but not reported ("IBNR") calculated at the rate of 20% of the outstanding claims, as prescribed in Insurance Regulations 27 (2) (a) under the Insurance Act 2009. Outstanding claims are not discounted unless the actual experience shows higher amount.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

e) Commissions payable and deferred acquisition costs

A proportion of net commission expense is deferred and amortized over the period in which the related premium is earned. Deferred acquisition costs represent a proportion of acquisition costs that relate to policies that are in force at the year end.

f) Contingency and capital reserves

The statutory reserve represents contingency and capital reserves.
A contingency reserve is created in line with Insurance Regulations 27(2) (b) under the Insurance Act 2009. The regulations requires an insurer to establish a contingency reserve into which a transfer representing the greater of 3% of the net premium written or 20% of the net profit is made each year until the reserve reaches the greater of the minimum paid up capital or 50% of the net premium written.

SINCE 1998

Capital reserve is made up of transfers from the net profit in line with Insurance Regulations 13(3) under the Insurance Act 2009, which requires an insurer to designate 20% of the net profit to the paid up share capital before the dividend for each year is paid.

g) Intangible assets

Computer software is stated at cost less amortization.

Amortization is calculated on the straight-line basis to write down the cost of software to its residual value over its estimated useful life as follows:

	%
Computer software	33.33

h) Property, plant and equipment

Motor vehicles, equipment and furniture are stated at cost less depreciation.

Depreciation is calculated on the straight-line basis to write down the cost of each asset, to its residual value over its estimated useful life as follows:

	%
Motor vehicles	25.00
Computer equipment	33.33
Furniture, fittings and office equipment	12.50
Office partition costs	20.00

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of equipment are determined by reference to their carrying amounts.

Additions to office partitions represent costs incurred on partitioning of the new Mbeya Branch office and Dar es Salaam City branch office.

i) Investments

All purchases and sales of investments are recognized on the trade date, which is the date the company commits to purchase or sell the asset. The cost of purchase includes transaction costs. The company subsequently determines the appropriate classification of its investments and re- evaluates such designation on a regular basis; the classification is dependent on the purpose for which the investments are acquired.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

Investments with fixed maturity that the company has the intent and ability to hold to maturity are classified as held-to maturity and are carried at amortized cost. Non-equity investments purchased in the primary market (i.e. directly from the issuer) are classified as originated loans, and are carried at amortized cost. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale and are carried at fair value.

Investments are classified and measured as follows:

(i). Listed equities are classified as available-for-sale investments and are carried at fair value. Their fair value is calculated by reference to the stock exchange quoted bid prices at the close of business on the balance sheet date.

(ii). Unlisted investments are classified as available-for-sale investments. They are shown at fair value unless their value cannot be reliably measured, when they are carried at cost less provision for impairment.

(iii). Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized in other comprehensive income and accumulated in investment revaluation reserve in the statement of changes in equity, until the financial asset is derecognized or impaired, at which time the cumulative gain or loss previously recognized in equity is recognized in the statement of profit or loss.

(iv). Securities issued by the Tanzanian Government are classified as originated loans. They are carried at amortized cost (i.e. cost plus accrued discount or interest) and any premium or discount is amortized through income, using the effective yield method.

(v). Fixed deposits and commercial papers are classified as originated loans. These are carried at amortized cost (i.e. cost plus accrued income), using the effective yield method.

Fair value gains/ (losses) are credited/ (debited) to other Comprehensive Income and statement of changes in equity as appropriate.

SINCE
1998

j) Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

k) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Tanzanian Shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in Profit or Loss in the year in which they arise.

l) Receivables

Outstanding premiums and amounts due from reinsurers are carried at amortized invoice amount less provision for impairment. A provision for impairment is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

m) Employee entitlements

The company has a statutory requirement to contribute to the Parastatal Pension Fund (PPF). The company contributes to the fund a minimum of 10% of the employee's basic salary and is recognized as an expense in the period to which they relate.

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognized as an expense accrual.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

n) Tax

Tax expense/ (income) comprise current tax and deferred tax. Tax is recognized as an expense/ (income) and included in the Statement of Profit or Loss and Other Comprehensive Income, except to the extent that the tax arises from a transaction, which is recognized directly in equity.

Current tax is computed in accordance with the Tanzanian income tax laws applicable to insurance companies. Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax rates enacted or substantively enacted at the Statement of Financial Position date are used to determine deferred tax. Deferred tax assets are recognized only to the extent that it probable that future taxable profits will be available against which the temporary differences can be utilized.

o) Dividends

Dividends are accounted for only when declared.

p) Comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

q) Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key areas of judgment in applying the entity's accounting policies are dealt with below:-

The ultimate liability arising from claims made under insurance contracts

The main assumption underlying techniques applied in the estimation of this liability is that a company's past claims experience can be used to project future claims development and hence ultimate claim costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios.

Historical claims development is mainly analyzed by accident years. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking accounts of all the uncertainties involved. A margin for adverse deviation may also be included in the liability valuations.

Impairment losses

At each balance sheet date the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the assets belongs.

Property and equipment

Critical estimates are made by the Company's management in determining depreciation rates for property, plant and equipment.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2014

1. Incorporation and registered office

The company is incorporated in the United Republic of Tanzania under the Companies Act 2002 and is domiciled in Tanzania. The address of its registered office is Reliance House, Plot number 356, United Nations Road, Upanga, Dar es Salaam.

2 Financial risk management objectives and policies including market risk and liquidity risk

The company's activities expose it to a variety of financial risks, including insurance risk, liquidity risk, credit risk, liquidity risk and the effects of changes in property values, debt and equity market prices, foreign currency exchange rates and interest rates. The company's overall risk management programme focuses on the identification and management of risks and seeks to minimize potential adverse effects on its financial performance, by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the approval of intermediaries and reinsurers. Investment policies are in place, which help manage liquidity, and seek to maximize return within an acceptable level of interest rate risk.

The disclosures below summarize the way the company manages key risks:

Insurance risk

The risk under any one insurance contract arises from the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Financial risk

The company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from insurance policies as they fall due. The most important components of this financial risk are market risk (including interest rate risk, equity price risk and currency risk), credit risk and liquidity risk.

These risks arise from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements. The risks that the company primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2014 (continued)

2 Financial risk management objectives and policies *(continued)*

The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance. For each policy, the senior management team is responsible for overseeing compliance of that policy.

The company has not changed the processes used to manage its risks from previous periods. The notes below explain how financial risks are managed:

(a) Short-term insurance contracts

The company engages in short term insurance contracts and funds the insurance liabilities with a portfolio of equity and debt securities exposed to market risk. During the year, the company increased the portion of financial assets invested in debt securities to mitigate the impact of the volatility of equity prices experienced in recent years. An analysis of the company's financial assets and its short term insurance liabilities is presented below:

	2014	2013
Financial Assets	**Tshs 000**	**Tshs 000**
Debt Securities:		
Held to maturity		
- Treasury Bills	1,044,334	1,044,334
- Listed securities	133,094	183,094
- Unlisted Securities	15,335,876	11,811,829
Financial Securities:		
- Listed securities - available for sale	2,416,755	1,607,620
- Unlisted securities	316,022	316,022
Loans and Receivables:		
- Receivables from insurance and reinsurance	5,946,166	4,896,561
- Cash and bank balance	456,025	976,199
Total	**25,648,272**	**20,835,659**
Short term insurance liabilities at amortized cost		
Insurance contracts – short term	29,513,545	25,812,830
Less: assets arising from reinsurance contracts held short -term	(11,904,586)	(11,217,206)
Total	**17,608,959**	**14,595,624**

Short-term insurance liabilities are not directly sensitive to the level of market interest rates, as they are undiscounted and contractually noninterest bearing. However, due to the time value of money and the impact of interest rates on the level of bodily injury incurred by the company's policyholders (where a reduction of interest rate would normally produce a higher insurance liability), the company matches the cash flows of assets and liabilities in this portfolio by estimating their mean duration.

SINCE 1998

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014 (continued)

The table below shows the contractual timing of cash flows arising from assets and liabilities include in the company's Asset Liability Management framework for management of short term insurance contracts as of 31 December 2014:

	Total Amount	No stated Maturity	0 – 1 Year	1 – 2 years	2 – 3 years	3 – 4 years	Over 5 years
			All amounts Tshs in '000s				
2014							
Financial Assets							
Debt Securities Held to maturity							
Treasury Bills	1,044,334	-	411,880	372,113	-	-	260,341
Deposits with Financial Institutions	15,335,876	-	15,335,876	-	-	-	-
Financial assets held to maturity							
Corporate bonds	133,094	-	87,687	-	45,407	-	-
Equity available for sale - listed securities	2,416,755	2,416,755	-	-	-	-	-
Unlisted securities	316,022	316,022	-				
Receivables from insurance and Reinsurance Contracts	5,946,166	-	5,946,166	-	-	-	-
Cash and bank balances	456,025	-	456,025	-	-	-	-
Total	**25,648,272**	**2,732,777**	**22,237,634**	**372,113**	**45,407**	**-**	**260,341**
Short Term Liabilities							
Outstanding claims provision	12,487,817	-	12,487,817	-	-	-	-
Unearned premium	16,327,350		16,327,350	-	-	-	-
Payable arising from reinsurance arrangement	698,378	-	698,378	-	-	-	-
Less: Assets arising from Reinsurance contracts	(11,904,586)	-	(11,904,586)	-	-	-	-
Total	**17,608,959**	**-**	**17,608,959**				
Difference in contractual cash flows	**8,039,313**	**2,732,777**	**4,628,675**	**372,113**	**45,407**	**-**	**260,341**

	Total Amount	No stated Maturity	0 – 1 Year	1 – 2 years	2 – 3 years	3 – 4 years	Over 5 years
			All amounts Tshs in '000s				
2013							
Financial Assets							
Debt Securities Held to maturity							
Treasury Bills	1,044,334	-	-	783,993	-	-	260,341
Deposits with Financial Institutions	11,811,829	-	11,811,829	-	-	-	-
Financial assets held to maturity							
Corporate bonds	183,094	-	137,687	-	45,407	-	-
Equity available for sale - listed securities	1,607,620	1,607,620	-	-	-	-	-
Unlisted securities	316,022	316,022	-	-	-	-	-
Receivables from insurance and Reinsurance Contracts	4,896,560	-	4,896,560	-	-	-	-
Cash and bank balances	976,199	-	976,199	-	-	-	-
Total	**20,835,658**	**1,923,644**	**17,822,274**	**783,993**	**45,407**	**-**	**260,341**
Short Term Liabilities							
Outstanding claims provision	10,090,069	-	10,090,069	-	-	-	-
Unearned premium	14,239,199		14,239,199	-	-	-	-
Payable arising from reinsurance arrangement	1,483,561		1,483,561	-	-	-	-
Less: Assets arising from Reinsurance contracts	11,217,206	-	11,217,206	-	-	-	-
Total	**14,595,623**	**-**	**14,595,623**	**-**	**-**	**-**	**-**
Difference in contractual cash flows	**6,240,035**	**1,923,644**	**3,226,651**	**783,993**	**45,407**	**-**	**260,341**

SINCE 1998

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014 (continued)

2 Financial risk management objectives and policies *(continued)*

(b) Market risk

(i) Interest rate risk

Interest rate risk arises primarily from investments in fixed interest securities. The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date. For financial instruments and insurance contracts described in this note, the sensitivity is solely associated with the former, as the carrying amounts of the latter are not directly affected by changes in market risks.

Premium is retained locally to support business growth, to meet local and regulatory market requirements and to maintain sufficient assets in the local currency to match local currency liabilities. The company is therefore not exposed to currency risks.

(ii) Equity price risk

The company is exposed to equity securities price risk as a result of its holdings in equity investments, classified as financial assets at fair value through profit or loss. Exposures to equity shares 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 has a defined investment policy, which sets limits on the company's exposure to equities both in aggregate terms and by industry. This policy of diversification is used to manage the company's price risk arising from its investments in equity securities.
Investment management meetings are held monthly.

(iii) Currency risk

Foreign currency exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. The company primarily transacts in Tanzania Shillings and US Dollar and its assets and liabilities are denominated in the same currencies. The company is therefore exposed to currency risk.

The company has a policy on management of exposure to foreign currency risks, which sets limits on the company's exposure to foreign currency.

(c) Credit risk

The company has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the company is exposed to credit risk are:

- reinsurers' share of insurance liabilities and reserves;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders;
- amounts due from insurance intermediaries;
- amounts due from corporate bond issuers; and
- counter party risk with respect to derivative transactions

The company manages the levels of credit risk it accepts by placing limits on its exposure to a single counter party, or groups of counter party and to geographical and industry segments. Such risks are subject to regular review. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2014 (continued)

2 Financial risk management objectives and policies *(continued)*

Reinsurance is used to manage insurance risk. This does not, however, discharge the company's liability as primary insurer. If a reinsurer fails to pay a claim, the company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on annual basis by reviewing their financial strength prior to finalization of any contract.

In addition, management assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information. The recent payment history of reinsurers is also used to update the reinsurance purchasing strategy. In certain circumstances, deposits from reinsurers are also held as collateral.

The exposure to individual counterparties is also managed through other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the company. Management information reported to the directors include details of provisions for impairment on receivables and subsequent write offs. Management makes regular reviews to assess the degree of compliance with the company's procedures on credit. Exposures to individual policyholders and groups policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the management.

The amount that best represents the Company's maximum exposure to credit risk at 31 December 2014 is made up as follows;

	Fully Performing	**Past due 4 to 6 Months**	**Past due 6-12 Months**	**Impaired**	**Total**
			All amounts Tshs in '000s		
Receivable from					
Insurance and Reinsurance contracts	3,796,336	1,336,601	813,229	321,080	6,267,246
Less Provision for bad debts	-	-	-	(321,080)	(321,080)
Net Balance	**3,796,336**	**1,336,601**	**813,229**	**-**	**5,946,166**

The amount falling under impairment represents specific debtors' items provided for as bad debts under the company policy on bad debts provision. The amount under past due represent debtors items outstanding between 90 and over 180 days. The amount is not impaired due to the fact that the management is confident to collect the amount.

The amount that best represents the Company's maximum exposure to credit risk at 31 December 2013 is made up as follows;

	Fully Performing	**Past due 4 to 6 Months**	**Past due 6-12 Months**	**Impaired**	**Total**
			All amounts Tshs in '000s		
Receivable from					
Insurance and Reinsurance contracts	3,044,606	1,320,732	531,123	251,131	5,147,591
Less Provision for bad debts	-	-	-	(251,131)	(251,130)
Net Balance	**3,044,606**	**1,320,732**	**531,123**	**-**	**4,896,461**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014 (continued)

2 Financial risk management objectives and policies *(continued)*

The customers under the fully performing category of receivables under insurance and reinsurance contracts are paying their debts as they continue trading. Receivables in the impaired category are fully provided for and they continue being pursued for settlement.

(d) Liquidity risk

Maintaining sufficient available liquid assets to meet company's obligations as they fall due is an important part of the company's financial management practice. The company operates all controls to identify sources of liquidity risk, monitor potential exposures, and manage liquidity requirement. The Board sets limit on the minimum proportion of maturing funds available to meet unforeseen contingencies.

The table below provides a contractual maturity analysis of the company's financial liabilities

	31 December 2014				31 December 2013			
	On Demand & 6 months	6 months & 1 year	Between More than 1 year	Total	On Demand & 6 months	6 months & 1 year	Between More than 1 year	Total
		Tshs'000				Tshs'000		
Insurance contracts	4,712,555	2,833,877	4,941,385	12,487,817	4,066,843	3,132,894	2,890,332	10,090,069
Payables arising from - Reinsurance Arrangements	698,378	-	-	698,378	1,483,561	-	-	1,483,561
Other Payables	1,232,218	-	-	1,232,218	1,066,419	-	-	1,066,419
Total	**6,643,151**	**2,833,877**	**4,941,385**	**14,418,413**	**6,616,823**	**3,132,894**	**2,890,332**	**12,640,049**

(e) Capital management

The company maintains an efficient capital structure from a combination of equity shareholders' funds consistent with the company's risk profile and the regulatory and market requirements of its business.

The company's objectives in managing its capital are:

- o To match the profile of its assets and liabilities, taking account of the risks inherent in the business
- o To maintain financial strength to support new business growth
- o To satisfy the requirement of its policyholders, regulators and rating agencies
  - To retain financial flexibility by maintaining strong liquidity and access to a range of capital market;
  - To allocate capital efficiently to support growth;
  - 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; and
  - To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2014 (continued)

3 Gross earned premium

The company underwrites only general insurance. This has been analyzed into general sub class of business based on the nature of the assumed risk as shown below:

	2014 Tshs 000	2013 Tshs 000
Motor	16,334,326	12,153,071
Fire	5,692,995	4,347,204
Personal accident	198,968	154,417
Other	8,119,925	7,554,002
	30,346,214	**24,208,696**

4 Investment income

Interest on Government securities	103,590	103,678
Interest on bank deposits	1,851,814	1,431,227
Interest from corporate bonds	21,286	30,022
Dividend	72,272	88,499
Profit on sale of shares	22,595	-
	2,071,557	**1,653,426**

5 Other income

Gain on disposal of property, plant and equipment	8,833	10,000
Staff vehicle loan scheme	13,727	9,527
Other income	-	19,327
Sublease rental income	147,031	142,543
Less: Sublease rental expense attributable to sublease income	(147,031)	(142,543)
	22,560	**38,854**

6 Claims incurred

Gross	12,487,817	10,090,069
Less: Reinsurers' share	(4,884,202)	(4,625,164)
Net claims payable 31st December	7,603,615	5,464,905
Net claims payable 1st January	(5,464,905)	(4,024,466)
Net Claims paid	7,877,059	5,481,705
Net claims incurred for the year	**10,015,768**	**6,922,144**

7 Operating and other expenses

Staff costs (note 8)	2,516,149	2,086,641
Auditors' remuneration	37,380	31,641
Depreciation and amortization (note 12 & 13)	155,269	155,946
Other operating expenses	2,344,164	1,766,520
Impairment charge for doubtful receivables	95,010	45,793
	5,147,971	**4,086,541**

SINCE 1998

SINCE 1998

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014 (continued)

		2014	2013
		Tshs 000	**Tshs 000**
8	**Staff costs**		
	Salaries and other benefits	2,389,816	1,981,558
	Social security benefit costs	126,333	105,083
		2,516,149	**2,086,641**
9	**Tax**		
	Current tax	1,285,663	824,570
	Prior year	5,829	-
	Deferred tax (Note 23)	(163,497)	(111,331)
		1,127,995	**713,239**
	A reconciliation of the tax charge is shown below;		
	Profit before tax	3,644,166	2,224,631
	Tax calculated at a tax rate of 30%	1,093,250	667,389
	Tax effect of:		
	Income not subject to tax	(24,331)	(18,446)
	Expenses not deductible for tax purposes	53,247	64,296
	Prior period	5,829	-
	Tax charge /(credit)	**1,127,995**	**713,239**
10	**Share capital**		
	Authorized		
	10,000,000 ordinary shares of Shs 1,000/= each (2013- 5,000,000)	10,000,000	5,000,000
	Issued and fully paid		
	2,880,000 ordinary shares of Shs 1,000/= each (2013- 1,800,000)	2,880,000	1,800,000

At the 16th Annual General Meeting held on 02nd June 2014, a resolution was passed to increase the nominal share capital of the company from Tshs 5,000,000,000/= divided in 5,000,000 ordinary shares of Tshs 1,000/= each to Tshs 10,000,000,000/= (Tshs Ten Billion) divided into 10,000,000 ordinary shares of Tshs 1,000/= each, and increase the paid up capital of the company from Tshs 1,800,000,000/= divided into 1,800,000 ordinary shares of Tshs 1,000/= each to Tshs 2,880,000,000/= divided into 2,880,000 ordinary shares of Tshs 1,000/= each, by way of bonus issue of 3 shares out of 5 shares held by capitalizing share premium amount of Tshs 1,080,000,000/=.

11 Revaluation surplus

The revaluation surplus represents solely the surplus on the revaluation of listed shares.

Movements in the revaluation surplus are shown on page 12.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014 (continued)

12 Property, plant and equipment

2014	**Office equipment Tshs 000**	**Motor vehicles Tshs 000**	**Computer equipment Tshs 000**	**Furniture and fittings Tshs 000**	**Office Partition Tshs 000**	**Total Tshs 000**
Cost						
At 1st January	129,973	187,337	147,187	143,223	339,688	883,202
Additions	4,531	4,300	35,715	15,184	89,645	149,375
Disposals	-	(25,743)	-	-	-	(25,743)
At 31 December	**134,504**	**165,894**	**182,902**	**158,407**	**429,333**	**1,071,040**
Depreciation						
At 1st January	54,584	164,035	118,929	71,048	264,419	673,012
Charge for the year	15,349	9,027	22,205	16,982	80,523	144,086
Disposals	-	(25,743)	-	-	-	(25,743)
At 31 December	**69,933**	**147,319**	**141,134**	**88,030**	**344,942**	**791,358**
Net book amount						
At 31st December	**64,571**	**18,575**	**41,768**	**70,377**	**84,391**	**279,682**

2013	**Office equipment Tshs 000**	**Motor vehicles Tshs 000**	**Computer equipment Tshs 000**	**Furniture and fittings Tshs 000**	**Office Partition Tshs 000**	**Total Tshs 000**
Cost						
At 1st January	107,907	177,000	122,803	135,806	339,688	883,202
Additions	22,066	23,140	24,384	7,417	-	77,007
Disposals	-	(12,803)	-	-	-	(12,803)
At 31 December	**129,973**	**187,337**	**147,187**	**143,223**	**339,688**	**947,406**
Depreciation						
At 1st January	41,447	159,406	98,144	54,447	196,481	549,922
Charge for the year	13,137	17,432	20,785	16,601	67,938	135,893
Disposals	-	(12,803)	-	-		(12,803)
At 31 December	**54,584**	**164,035**	**118,929**	**71,048**	**264,419**	**673,012**
Net book amount						
At 31st December	**75,389**	**23,302**	**28,258**	**72,175**	**75,269**	**274,394**

SINCE 1998

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2014 (continued)

13 Intangible assets – Computer software

	2014 Tshs 000	2013 Tshs 000
Cost		
At 1st January	187,575	187,575
Additions	22,275	-
At 31st December	**209,850**	**187,575**
Amortization		
At 1st January	178,472	158,420
Charge for the year	11,179	20,052
At 31st December	**189,651**	**178,472**
Net book amount		
At 31st December	**20,199**	**9,103**

SINCE 1998

14 Investment in Subsidiary

Investment in Reliance Investment Company (T) Limited

	% of Equity held	2014 Tshs 000	2013 Tshs 000
Amount committed	100%	1,284,000	-
Less: Amount to be paid		707,631	-
Amount paid		**576,369**	**-**

The subsidiary company was incorporated on 2nd October 2014. The subsidiary company is a real estate company. There was no need for consolidation of accounts because the subsidiary company has not started operations.

15 Listed securities

	2014	2013
(a) Listed shares		
At 1st January	1,607,619	977,261
Additions	363,741	-
Sale of shares	(105,071)	-
Realized taken to Profit or Loss	22,596	-
Fair value gain	527,870	630,359
At 31st December	**2,416,755**	**1,607,620**
(b) Corporate bonds		
At 1st January	183,094	233,094
Redemption	(50,000)	(50,000)
At 31st December	**133,094**	**183,094**

16 Unlisted shares

	2014	2013
At 1st January	316,022	292,876
Bonus shares	-	23,146
At 31st December	**316,022**	**316,022**

The Company holds 316,022 shares of par value of Shs 1,000/= in Tanzania Reinsurance Company Ltd.

SINCE 1998

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014 (continued)

17 Reinsurers' share of liabilities

	2014 Tshs 000	2013 Tshs 000
Unearned premium	7,020,384	6,592,042
Claims outstanding	4,884,202	4,625,164
Total	**11,904,586**	**11,217,206**
Current	**11,904,586**	**11,217,206**

18 Other receivables

Prepayments	- Current	86,009	143,948
Other receivables	- Current	1,621,802	1,246,576
Other receivables	- Non Current	82,129	78,007
		1,789,940	**1,468,532**

19 Government securities

Treasury bills maturing:		
Within 90 days (Note 26)	259,141	-
Over 90 days but within a year	152,739	-
1-5 years	372,113	783,993
Over 5 years	260,341	260,341
	1,044,334	**1,044,334**

20 Deposits with Banks and Financial Institutions

Deposits maturing:		
- Within 90 days of placement (Note 26)	8,617,438	6,777,656
- Over 90 days but within a year	6,718,438	5,034,173
	15,335,876	**11,811,829**

21 Weighted average effective interest rates

The following table summarizes the weighted average effective interest rates at the year end on the principal interest-bearing investments:

	%	%
Government securities	9.9	9.5
Deposits with financial institutions (Shs.)	14.3	15.3
Deposits with financial institutions (US $)	4.1	3.8
Corporate bonds	13.5	14.4

22 Claims provisions

Claims reported and claims handling expenses:		
- At 1st January	10,090,069	7,036,459
- claims notified in the year	17,238,568	12,696,730
- payments for claims and claims handling expenses	(16,108,089)	(10,553,938)
- At 31st December	11,220,548	9,179,252
Claims incurred but not reported (IBNR)	1,267,269	910,818
Total	**12,487,817**	**10,090,069**
Current	**12,487,817**	**10,090,069**

SINCE 1998

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014 (continued)

23 Deferred tax

Deferred tax is calculated, on all temporary differences under the liability method using a principal tax rate of 30% (2013: 30%). The movement on the deferred tax account is as follows:

	2014 Tshs 000	2013 Tshs 000
At 1st January	(485,699)	(374,368)
Income statement (credit) / charge	(163,497)	(111,331)
At 31st December	**(649,197)**	**(485,699)**

Deferred tax liabilities and deferred tax charge in the Statement of Profit or Loss and other Comprehensive Income are attributable to the following items:

2014	1st January Tshs 000	Charged to Profit or Loss & Other Comprehensive Income Income Tshs 000	31 December Tshs 000
Property and equipment:			
- On historical cost basis	(41,342)	(14,221)	(55,563)
Other deductible temporary differences	(444,357)	(149,277)	(593,634)
Net deferred tax liability	**(485,699)**	**(163,497)**	**(649,197)**

24 Other payables

	2014 Tshs 000	2013 Tshs 000
Amount due to APA Insurance	2,434	2,434
Accrued expenses	1,135,529	988,374
Other liabilities	94,255	75,611
Total	**1,232,218**	**1,066,419**
Current	**1,232,218**	**1,066,419**

25 Contingent liabilities

In common with the insurance industry in general, the company is subject to litigation arising in the normal course of insurance business. The directors are of the opinion that such litigation will not have a material effect on the financial position or profits of the company as adequate provision has been made where appropriate.

26 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2014 Tshs 000	2013 Tshs 000
Cash and bank balances	456,025	976,199
Deposits with financial institutions (Note 20)	8,617,438	6,777,656
Government securities (Note 19)	259,141	-
	9,332,604	**7,753,855**

SINCE 1998

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014 (continued)

27 Cash generated from operations

	2014	2013
	Tshs 000	**Tshs 000**
Reconciliation of profit before tax to cash generated from operations:		
Profit before tax	3,644,166	2,224,631
Depreciation and Amortization	155,269	155,946
Investment income	(2,071,557)	(1,653,426)
Gain on sale of property and equipment	(8,833)	(10,000)
Other income	201,382	76,709
Change in fair value of unquoted share	-	(23,146)
Change in fair value of quoted shares	(22,596)	-
	1,987,831	**770,714**
Changes in:		
Increase in trade and other receivables	(2,224,476)	(5,925,014)
Increase in technical provision	4,485,898	6,465,414
Increase in trade and other payables	619,384	1,074,568
Cash generated from operations	**3,539,869**	**2,385,683**

28 Related party transactions

i) Related party reinsurance transactions

	2014	2013
	Tshs 000	**Tshs 000**
Reinsurance Premium Ceded (net of deductions) to APA Insurance Limited*	-	6,049

*(A company incorporated in Kenya and holding 34% share capital of the company)

ii) Business from companies related to certain directors

	2014	2013
Insurance premium	519,776	304,721

iii) Consultation fess

Sumar Varma Associates*

	2014	2013
Mr Mohamed Sumar , Chairman is also Managing Director Sumar Varma Associates	5,240	-

iv) Bank Deposits

	2014	2013
I&M Bank (T) Limited*	4,670,792	3,160,238

* Mr. Pratul Shah, is also an independent Director of I&M Bank (T) Limited

v) Key Management Remuneration

	2014	2013
Key management staff remuneration	1,451,078	1,093,270

vi) Directors' fees

	2014	2013
Directors' fees	66,155	54,058
Board meetings sitting fees	66,929	32,597
	133,084	**86,655**

SINCE 1998

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014 (continued)

29 Dividend Payment

Payment of dividend is subject to withholding tax of 10% in line with the prevailing laws.

30 Earnings per share

	2014	2013
	Tshs 000	**Tshs 000**
Profit for the year	2,516,171	1,511,392
Shares in issue	2,880,000	2,880,000
	Tshs.	**Tshs.**
Basic earnings per share	874	525

31 Events after the reporting period

Since the reporting date the subsidiary company viz. Reliance Investment Company (T) Ltd has entered into a contract of purchase of a commercial property valued at Tshs 2,403 million at Tan House property located at plot number 34/1 along New Bagamoyo road, Dar es Salaam.

The directors are not aware of any other matters or circumstances arising since the end of the financial year not otherwise dealt with in these financial statements, which significantly affect the financial position of the company and results of its operations.

32 Currency

These financial statements are presented in Tanzania Shillings rounded to the nearest thousand (000).

33 Going Concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Report of the Independent Auditors – pages 8 - 9

REVENUE ACCOUNT FOR YEAR ENDED 31 DECEMBER 2014

Class of insurance Business	Fire	Motor	Motor TP	Personal Accident	Liability	Workmen's Comp	Bond/ Fidelity Guarantee	Marine Aviation	Contractors All Risks	Miscella-neous	2014 Total	2013 Total
	Tshs 000	**Tshs 000**	**Tshs 000**	**Tshs 000**	**Tshs 000**	**Tshs 000**	**Tshs 000**	**Tshs 000**	**Tshs 000**	**Tshs 000**	**Tshs'000**	**Tshs'000**
Gross written premiums	6,402,349	14,457,359	3,067,956	199,031	446,548	353,109	1,365,563	3,319,427	1,274,367	1,548,655	32,434,364	27,620,500
Change in gross UPR	(709,354)	(637,712)	(553,277)	(64)	(47,083)	24,433	(28,835)	(187,971)	118,533	(66,820)	(2,088,150)	(3,411,804)
Gross earned premiums	5,692,995	13,819,647	2,514,679	198,968	399,465	377,542	1,336,728	3,131,456	1,392,900	1,481,834	30,346,214	24,208,696
Less: reinsurance payable	3,978,113	3,677,965	378,942	58,528	185,308	65,310	257,296	2,136,493	1,205,192	628,927	12,572,074	11,736,072
Net earned premiums	**1,714,882**	**10,141,682**	**2,135,737**	**140,439**	**214,157**	**312,232**	**1,079,432**	**994,963**	**187,708**	**852,908**	**17,774,140**	**12,472,624**
Gross claims paid	4,907,504	7,422,765	426,523	51,682	248	12,485	314,703	662,103	1,193,851	1,116,225	16,108,089	10,553,938
Change in gross o/s claims	677,571	1,118,178	156,048	35,041	22,800	39,270	(183,363)	569,660	99,470	(136,927)	2,397,748	3,053,610
Less: Reinsurance recoverable	4,293,531	2,121,429	99,164	42,449	6,235	6,887	38,583	550,471	1,136,845	194,475	8,490,069	6,685,403
Net claims incurred	**1,291,544**	**6,419,513**	**483,407**	**44,274**	**16,813**	**44,868**	**92,757**	**881,292**	**156,476**	**784,823**	**10,015,768**	**6,922,144**
Commissions receivable	1,522,096	579,328	54,177	13,418	68,375	10,654	56,627	665,283	402,882	151,911	3,524,751	3,132,215
Commissions payable	1,484,765	1,715,650	301,321	28,469	63,056	51,457	196,234	500,872	213,222	217,711	4,772,757	4,130,985
Management Expenses	475,897	2,755,350	637,288	35,848	56,621	79,279	276,622	274,539	43,577	237,957	4,872,978	3,907,085
Statutory expenses	41,501	237,379	57,766	2,972	4,799	6,551	22,996	23,864	3,382	20,814	422,024	321,999
Total expenses and commissions	**480,067**	**4,129,051**	**942,198**	**53,871**	**56,101**	**126,633**	**439,225**	**133,992**	**(142,701)**	**324,751**	**6,543,008**	**5,227,854**
Underwriting profit/(loss)	**(56,729)**	**(406,883)**	**710,132**	**42,294**	**141,243**	**140,731**	**547,450**	**179,679**	**173,933**	**(256,486)**	**1,215,364**	**322,626**

SINCE 1998

SINCE 1998

REVENUE ACCOUNT FOR YEAR ENDED 31 DECEMBER 2013

Class of insurance Business	Fire	Motor	Motor TP	Personal Accident	Liability	Workmen's Comp	Bond/ Fidelity Guarantee	Marine Aviation	Contractors All Risks	Miscella-neous	2013 Total	2012 Total
	Tshs 000	Tshs 000	Tshs 000	Tshs 000	Tshs 000	Tshs 000	Tshs 000	Tshs 000	Tshs 000	Tshs 000	Tshs 000	Tshs 000
Gross written premiums	5,366,582	12,070,407	1,676,283	196,182	380,535	380,224	1,355,282	3,277,378	1,547,029	1,370,598	27,620,500	21,672,793
Change in gross UPR	(1,019,377)	(1,388,581)	(205,036)	(41,765)	(62,948)	(25,545)	48,191	(585,373)	29,133	(160,503)	(3,411,804)	(3,163,681)
Gross earned premiums	4,347,205	10,681,826	1,471,247	154,417	317,587	354,679	1,403,473	2,692,005	1,576,162	1,210,095	24,208,696	18,509,111
Less: reinsurance payable	3,353,671	3,811,572	353,696	68,600	152,153	97,949	458,592	1,589,828	1,286,928	563,083	11,736,072	8,998,403
Net earned premiums	**993,534**	**6,870,254**	**1,117,551**	**85,817**	**165,434**	**256,730**	**944,881**	**1,102,177**	**289,234**	**647,012**	**12,472,624**	**9,510,708**
Gross claims paid	619,938	5,852,261	228,999	53,424	-	13,222	161,787	1,054,645	505,158	2,064,504	10,553,938	11,947,088
Change in gross o/s claims	1,074,684	1,068,638	(76,405)	19,969	6,455	1,511	(153,820)	241,561	1,004,726	(133,710)	3,053,610	(1,161,011)
Less: Reinsurance recoverable	1,251,953	2,478,946	(33,595)	23,847	1,113	2,411	(120,151)	673,470	1,110,208	1,297,201	6,685,403	6,150,512
Net claims incurred	**442,669**	**4,441,953**	**186,189**	**49,546**	**5,342**	**12,322**	**128,118**	**622,736**	**399,676**	**633,593**	**6,922,144**	**4,635,565**
Commissions receivable	1,290,836	579,893	40,370	14,619	43,442	14,953	66,146	570,280	349,530	162,146	3,132,215	2,509,991
Commissions payable	1,266,639	1,408,055	145,151	28,280	56,813	53,907	204,500	493,855	284,771	189,014	4,130,985	3,256,262
Management Expenses	357,170	2,178,495	353,895	30,796	52,410	78,431	280,386	302,884	79,885	192,733	3,907,085	3,636,806
Statutory expenses	31,211	180,558	29,314	2,689	4,342	6,387	22,505	23,324	6,169	15,500	321,999	230,559
Total expenses and commissions	**364,184**	**3,187,215**	**487,990**	**47,146**	**70,123**	**123,772**	**441,245**	**249,783**	**21,295**	**235,101**	**5,227,854**	**4,613,636**
Underwriting profit/(loss)	**186,681**	**(758,914)**	**443,372**	**(10,875)**	**89,969**	**120,636**	**375,518**	**229,658**	**(131,737)**	**(221,682)**	**322,626**	**261,507**

Your most preferred Insurer

RELIANCE INSURANCE COMPANY (T) LIMITED

HEAD OFFICE:
Reliance House, 356, UN Road, Upanga,
P. O. Box 9826, Dar es Salaam, TANZANIA.

DAR ES SALAAM
NHC House - Samora Avenue
Shop 1 - Mezzanine Floor
P. O. Box 9826,
Dar es Salaam
Tel: (22) 2127168
Fax: (22) 2112903

ARUSHA
Subzali Building, 1st Floor
Goliondoi Road,
P. O. Box 15241,
Arusha
Tel: (27) 2501553
Fax: (27) 2501552

MWANZA
Plot 42, Block -L, 1st Floor B,
Uhuru Road,
P. O. Box 1490,
Mwanza
Tel: (28) 2500838
Fax: (28) 2500706

MBEYA
Market Square,
Plot 3 Block C,
P. O. Box 554,
Mbeya
Tel: (25) 2502726
Fax: (25) 2502725

www.reliancetz.com