

# JUBILEE LIFE INSURANCE CORPORATION OF TANZANIA LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2019 TZS '000	2018 TZS '000
Gross earned premiums	8,393,934	7,433,746
Insurance premium ceded to reinsurers	(2,619,468)	(2,614,401)
<b>Net insurance premium</b>	<b>5,774,466</b>	<b>4,819,345</b>
Net investment income	1,333,493	925,639
Commissions earned	215,434	320,073
Other income	767,350	96,543
<b>Total income</b>	<b>8,090,743</b>	<b>6,161,600</b>
Claims and other policyholder benefits expense	(3,041,512)	(2,918,673)
Insurance claims recovered from reinsurers	1,435,343	1,255,735
Change in actuarial liability	(1,139,539)	(1,040,009)
Net insurance claims and policyholders benefits payable	(2,745,708)	(2,702,947)
Administrative and other expenses	(3,445,308)	(2,463,520)
Commissions expense	(1,030,858)	(900,577)
Finance cost	(41,382)	-
<b>Profit before income tax expense</b>	<b>827,487</b>	<b>94,556</b>
Income tax expense	(268,794)	(134,604)
<b>Profit/(Loss) for the year</b>	<b>558,693</b>	<b>(40,048)</b>
<b>Other comprehensive loss:</b>		
Items that may be subsequently reclassified to profit or loss		
Changes in fair value of government securities at fair value through other comprehensive income	(8,781)	-
Deferred tax on fair value of government securities	2,634	-
<b>Total other comprehensive loss for the period, net of tax</b>	<b>(6,147)</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>552,546</b>	<b>(40,048)</b>

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	2019 TZS '000	2018 TZS '000
<b>CAPITAL AND RESERVES</b>		
Share capital	2,300,000	2,300,000
<b>Statutory reserve:</b>		
-Capital reserve	1,072,778	1,072,778
-Contingency reserve	271,964	214,228
FVOCI reserves	(6,147)	-
Retained earnings	787,121	286,164
<b>Total equity</b>	<b>4,425,716</b>	<b>3,873,170</b>
<b>REPRESENTED BY:</b>		
<b>Assets</b>		
Furniture and equipment	792,262	806,252
Right-of-use assets	465,649	-
Intangible assets	23,241	29,847
Government securities at amortised cost	10,676,616	13,677,787
Government securities at fair value through other comprehensive income	2,346,562	-
Deposits with financial institutions	6,332,591	4,900,771
Other receivables	1,813,345	1,749,751
Deferred income tax	991	2,314
Corporate income tax recoverable	181,276	233,884
Reinsurers' share of insurance liabilities	1,496,039	886,012
Receivables arising out of direct insurance arrangements	269,242	698,591
Cash and bank balances	570,559	534,353
<b>Total assets</b>	<b>24,968,373</b>	<b>23,519,562</b>
<b>Liabilities</b>		
Insurance contract liabilities	6,420,179	5,868,350
Payable under deposit administration contracts	11,909,473	11,798,016
Payables arising from reinsurance arrangements	824,935	1,434,785
Lease liabilities	555,080	-
Other payables	832,990	545,241
<b>Total liabilities</b>	<b>20,542,657</b>	<b>19,646,392</b>
<b>Total net assets</b>	<b>4,425,716</b>	<b>3,873,170</b>

The financial statements were approved for issue by the board of directors on 11 March 2020 and were signed on its behalf by:

**Shabir Abji**  
Chairman

**Amyl Lajji**  
Director

### STATEMENT OF CHANGES IN EQUITY

	Share capital TZS '000	General reserves TZS '000	Contingency reserve TZS '000	FVOCI reserves TZS '000	Retained earnings TZS '000	Total TZS '000
<b>Year ended 31 December 2019</b>						
At 1 January 2019	2,300,000	1,072,778	214,228	-	286,164	3,873,170
<b>Comprehensive Income</b>						
Net Profit for the year	-	-	-	-	558,693	558,693
Other comprehensive income:						
Changes in fair value of government securities at FVOCI	-	-	-	(6,147)	-	(6,147)
Reclassification adjustment: gain on disposal of available-for sale financial assets	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(6,147)	558,693	552,546
Transfer to contingency reserve	-	-	57,736	-	(57,736)	-
<b>At 31 December 2019</b>	<b>2,300,000</b>	<b>1,072,778</b>	<b>271,964</b>	<b>(6,147)</b>	<b>787,121</b>	<b>4,425,716</b>
<b>Year ended 31 December 2018</b>						
At 1 January 2018	2,000,000	1,402,778	165,997	(24,924)	428,801	3,972,652
<b>Impact of adoption of IFRS 9</b>						
Gross impact at adoption	-	-	-	-	(42,049)	(42,049)
Deferred tax impact	-	-	-	-	12,615	12,615
<b>At 1 January 2018 after IFRS 9 adoption (restated)</b>	<b>2,000,000</b>	<b>1,402,778</b>	<b>165,997</b>	<b>(24,924)</b>	<b>399,367</b>	<b>3,943,218</b>
<b>Comprehensive Income</b>						
Net Profit for the year	-	-	-	-	(40,048)	(40,048)
Other comprehensive income:						
Fair value reserves transferred to retained earnings on disposal	-	-	-	24,924	(24,924)	-
Total comprehensive income for the year	-	-	-	24,924	(64,972)	(40,048)
Bonus Shares issued	300,000	(300,000)	-	-	-	-
Withholding Tax on Bonus shares issued in 2018	-	(30,000)	-	-	-	(30,000)
Transfer to contingency reserve	-	-	48,231	-	(48,231)	-
<b>At 31 December 2018</b>	<b>2,300,000</b>	<b>1,072,778</b>	<b>214,228</b>	<b>-</b>	<b>286,164</b>	<b>3,873,170</b>

### STATEMENT OF CASH FLOWS

	2019 TZS '000	2018 TZS '000
<b>Cash flows from operating activities</b>		
Profit before income tax	827,487	94,557
Adjustments for:		
Depreciation of furniture and equipment	114,261	40,653
Amortisation of right-of-use asset	210,589	-
Amortisation of intangible assets	6,863	7,300
Foreign exchange gain	(257)	(317)
Increase in provision for doubtful debts	-	-
Interest expense on lease liabilities	41,382	-
Investment income	(1,333,493)	(894,151)
<b>Operating cash flows before capital changes</b>	<b>(133,168)</b>	<b>(751,959)</b>
(Increase)/decrease in insurance contract and other receivables	365,754	(1,653,902)
(Increase)/decrease in reinsurer's share of technical provisions	610,027	(841,757)
Increase in insurance contract and other payables	229,727	3,336,000
Increase in deposit administration contracts	111,457	1,374,508
<b>Cash generated from operations</b>	<b>1,183,797</b>	<b>1,462,891</b>
Interest paid	-	-
Income tax paid	(634,991)	(670,916)
<b>Net cash generated from operating activities</b>	<b>548,806</b>	<b>791,975</b>
<b>Cash flows from investing activities</b>		
Purchase of furniture, fittings and equipment	(100,271)	(374,101)
Purchase of intangible assets	(257)	(1,002)
Lease payments	(162,539)	-
Deposits with financial institutions	(614,868)	193,425
Net investment in government securities	654,609	(1,094,614)
<b>Net cash used in investing activities</b>	<b>(223,326)</b>	<b>(1,276,292)</b>
Interest received	2,070,091	894,471
<b>Net cash generated from financing activities</b>	<b>2,070,091</b>	<b>894,471</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,395,571</b>	<b>410,154</b>
Cash and cash equivalents at beginning of year	1,385,259	975,104
<b>Cash and cash equivalents at end of year</b>	<b>3,780,830</b>	<b>1,385,259</b>