

**TANGERINE LIFE INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**STATEMENT OF FINANCIAL POSITION**

<b>ASSETS</b>		<b>31-Dec-19</b>	<b>31-Dec-18</b>
	<b>Notes</b>	<b>N'000</b>	<b>N'000</b>
Cash and cash equivalents	6	6,234,492	2,306,270
Financial assets at amortised cost	7	126,063	64,976
Financial assets at fair value through profit or loss	8	4,741,275	4,010,451
Other receivables and prepayment	9	518,861	59,511
Reinsurance assets	10	510,894	446,154
Right-of-use assets	11	97,461	-
Property and equipment	12	97,248	95,580
Intangible assets	13	77	289
Statutory deposit	14	200,000	200,000
<b>TOTAL ASSETS</b>		<b>12,526,371</b>	<b>7,183,231</b>
<b>LIABILITIES</b>			
Insurance contract liabilities	15	1,937,209	1,311,947
Investment contract liabilities	16	891,135	1,031,352
Lease liability	17	64,183	-
Trade payables	18	236,087	241,400
Other payables and accruals	19	260,402	282,659
Current income tax liabilities	20	75,915	17,212
<b>TOTAL LIABILITIES</b>		<b>3,464,931</b>	<b>2,884,570</b>
<b>EQUITY</b>			
Share capital	21	1,724,681	1,000,000
Share premium	21	6,319,796	2,494,862
Contingency reserves	22	343,822	294,898
Retained earnings	23	673,141	508,901
<b>TOTAL EQUITY</b>		<b>9,061,440</b>	<b>4,298,661</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,526,371</b>	<b>7,183,231</b>

These financial statements were authorised for issue by the board of directors on the 17 February 2020 and were signed on its behalf by:

Eric Idiahi (Chairman)  
FRC/2014/IODN/00000006218

Livingstone Magorimbo (Managing Director)  
FRC/2013/CIIN/00000002611

Abayomi Kayode (Chief Financial Officer)  
FRC/2017/ICAN/00000017633

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**STATEMENT OF COMPREHENSIVE INCOME**

	Notes	31-Dec-19 N'000	31-Dec-18 N'000
Gross premium income written		<u>3,401,847</u>	<u>2,265,495</u>
Gross premium income	24	3,327,574	2,255,178
Reinsurance expenses	25	<u>(667,300)</u>	<u>(414,671)</u>
<b>Net premium income</b>		2,660,274	1,840,507
Changes in individual life fund	15	2,604	(8,335)
Claims expenses	26	(1,946,096)	(1,616,035)
Claims recoveries from reinsurance companies	27	535,915	629,037
Underwriting expenses	28	<u>(571,845)</u>	<u>(405,106)</u>
<b>Net underwriting income</b>		680,852	440,068
Investment income	29b	781,190	779,671
Profit/(loss) on investment contracts	30	69,598	19,135
Fair value (losses)/gains	31	76,715	(95,548)
Other operating (loss)/income	32	1,455	(4,580)
Net expected credit loss	33	(12,912)	535
Management expenses	34	<u>(1,022,298)</u>	<u>(908,197)</u>
		574,601	231,085
Interest expenses on lease liability		<u>(14,544)</u>	<u>-</u>
<b>Profit before tax</b>		560,057	231,085
Income tax	20	<u>(70,816)</u>	<u>(12,844)</u>
<b>Profit for the year</b>		<u>489,241</u>	<u>218,241</u>
<b>Total comprehensive income for the year</b>		<u>489,241</u>	<u>218,241</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<u>489,241</u>	<u>218,241</u>
Earnings per share - basic/diluted (kobo)	35	<u>43.65</u>	<u>21.82</u>

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**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Share Premium	Contingency Reserve	Retained earnings	Total equity
	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2019	<b>1,000,000</b>	<b>2,494,862</b>	<b>294,898</b>	<b>508,901</b>	<b>4,298,661</b>
Issue of shares	724,681	3,824,934	-	-	4,549,615
Profit for the year	-	-	-	489,241	489,241
Dividend declared and paid	-	-	-	(276,077)	(276,077)
Total comprehensive income for the year	1,724,681	6,319,796	294,898	722,065	9,061,441
Transfer to contingency reserves	-	-	48,924	(48,924)	-
Balance at 31 December 2019	<b>1,724,681</b>	<b>6,319,796</b>	<b>343,822</b>	<b>673,141</b>	<b>9,061,441</b>
Balance at 1 January 2018	1,000,000	2,494,862	272,243	317,778	4,084,883
Day 1 IFRS 9 adjustment (ECL impairment)(see note 6a)	-	-	-	(4,507)	(4,507)
Day 1 tax impact of IFRS adoption (see note 20a)	-	-	-	45	45
Adjusted 1 January 2018	<b>1,000,000</b>	<b>2,494,862</b>	<b>272,243</b>	<b>313,316</b>	<b>4,080,421</b>
Profit for the year	-	-	-	218,240	218,240
Total comprehensive income for the year	-	-	-	218,240	218,240
Transfer to contingency reserves	-	-	22,655	(22,655)	-
Balance at 31 December 2018	<b>1,000,000</b>	<b>2,494,862</b>	<b>294,898</b>	<b>508,901</b>	<b>4,298,661</b>

**STATEMENT OF CASH FLOWS**

	<b>Note</b>	<b>31-Dec-19 N'ooo</b>	<b>31-Dec-18 N'ooo</b>
<b>Cash flows from operating activities:</b>			
Premium received from policyholders		3,234,813	2,265,495
Deposit for premium in advance	18	160,709	210,229
Cash received from investment contract liabilities	16a	40,909	49,324
Cash withdrawals from investment contract liabilities	16a	(243,976)	(234,713)
Re-insurance premium paid		(643,449)	(459,996)
Underwriting expenses	28	(571,845)	(405,106)
Claims recovered from reinsurance		464,514	577,391
Claims paid	26	(1,392,503)	(1,581,367)
Payment to employees		(368,435)	(295,814)
Other Operating cash payments		(609,450)	(649,809)
Financing cost paid on lease liability		(14,544)	-
Tax paid	20	(12,113)	(13,602)
<b>Net cash outflow used in operating activities</b>		<b>44,630</b>	<b>(537,967)</b>
<b>Cash flows from investing activities:</b>			
Purchase/Acquisition of treasury bills		(9,186,229)	(4,845,660)
Proceeds from liquidation of treasury bills		8,631,493	6,141,128
Purchase of bond investment		(389,859)	-
Purchase of equity securities		(481,348)	-
Proceeds from bonds redemption		800,000	-
Net Money market placements with banks		(64,277)	(590)
Purchase of Property & Equipment		(47,727)	(12,609)
Purchase of intangible assets	12	-	(361)
Acquisition of right of use assets	13	(55,729)	-
Deposit in Escrow for acquisition of subsidiaries		(473,924)	-
Proceeds from disposal of property and equipment		1,905	9,316
Interest received from investments	29	887,562	777,005
Dividend received		315	347
<b>Net cash from/(used in) investing activities</b>		<b>(377,818)</b>	<b>2,068,576</b>
<b>Cash flows from financing activities:</b>			
Issue of shares		4,549,615	-
Dividend paid		(276,077)	-
<b>Net cash flows from financing activities:</b>		<b>4,273,538</b>	<b>-</b>
Net decrease in cash and cash equivalents		3,940,350	1,530,609
Cash and cash equivalents at beginning of year		2,310,127	779,518
<b>Cash and cash equivalents at end of year</b>	<b>6</b>	<b>6,250,477</b>	<b>2,310,127</b>