

MAYFAIR INSURANCE TANZANIA LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

MAYFAIR INSURANCE TANZANIA LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	PAGES
TABLE OF CONTENTS	
Corporate information	1
Directors' report	2 - 23
Statement of directors' responsibilities	24
Declaration of the head of finance	25
Independent auditor's report	26 - 30
Statement of financial position	31
Statement of profit or loss and other comprehensive income	32
Statement of changes in equity	33
Statement of cash flows	34
Notes to the financial statements	35 - 89
Supplementary information – Appendices	i – iii

MAYFAIR INSURANCE TANZANIA LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

LIST OF ABBREVIATION

CPA	Certified Public Accountant
CGU	Cash Generating Unit
IAS	International Accounting Standards
IBNR	Incurred But Not Reported
IEASB	International Ethics Standards Board for Accountants
IFRIC	International Financial Reporting Interpretations Committee
IFRSs	IFRS Accounting Standards as issued by the International Accounting Standards Board
ISA	International Standards on Auditing
MNO	Mobile Network Operator
NBAA	National Board of Accountants and Auditors
NSSF	National Social Security Fund
PSSSF	Public Service Social Security Fund
TFRS	Tanzania Financial Reporting Standards
TRA	Tanzania Revenue Authority
TZS	Tanzania Shillings
USD	United States Dollars
VAT	Value Added Tax
SASB	Sustainability Accounting Standards Board
GRI	Global Reporting Initiative

MAYFAIR INSURANCE TANZANIA LIMITED

**CORPORATE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2025**

DIRECTORS	Name	Nationality	Position
	Mr. Jayesh G. Shah	British	Chairman
	Mr. Anjay V. Patel	British	Director
	Mr. Vishal R. Patel	Kenyan	Director
	Mr. Abbas M. Jessa	Tanzanian	Director
	Mr. David A. Sawe	Tanzanian	Director
	Mr. William E. Erio	Tanzanian	Director
	Mr. Pawan S. Patel	Tanzanian	Director
	Mr. Darpan Pindolia	British	Director
	Mr. Sanjay K Singh	Indian	Managing Director

MANAGEMENT	Name	Position
	Sanjay K. Singh	Managing Director
	Mohamed Haris (Joined 01 October 2025)	General Manager
	Ashish Dave (Resigned on 01 June 2025)	General Manager
	Charles M. Sebastian	Chief Finance Officer
	Chrisbeth Thomas	Assistant General Manager

REGISTERED OFFICE	
	TAN Re House, 2 nd Floor Plot No. 406, Longido Street P. O. Box 38353 Upanga, Dar es Salaam, Tanzania Tel + 255 2922337/338 Fax +255 2922339 E-mail: info@mayfair.co.tz

COMPANY SECRETARY	
	Adili Corporate Services Tanzania Limited Ground Floor 1 Bains Singh Avenue, Msasani Peninsula P. O. Box 79651 Dar es Salaam

AUDITOR	
	KPMG The Luminary Plot No.574, Haile Selassie Road Msasani Peninsula Area P. O. Box 1160 Dar es Salaam Registration No: 107992 TIN 100-144-91 PF No. 020

LAWYER	
	A & D Law Attorneys 15-13 Lukuledi St P. O. Box 34511 Dar es Salaam, Tanzania

MAIN BANKERS		
	I & M Bank (Tanzania) Limited Main Branch – Mosque Street P. O. Box 1509 Dar es Salaam	Diamond Trust Bank Tanzania Limited Upanga Branch – UN Road P. O. Box 115 Dar es Salaam

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The directors have pleasure to present their report together with the audited financial statements for the year ended 31 December 2025, which disclose the state of affairs of the Company as at that date. The report of directors is an equivalent of the Report of those charged with governance required by TFRS1

1. INCORPORATION

The Company is incorporated in Tanzania under the Companies Act, 2002. Its registered office is situated at Tan-Re House, 2nd Floor, Plot No. 406, Longido Street, P. O. Box 38353 Dar es Salaam.

2. PRINCIPAL ACTIVITIES

The Company is a licenced insurer and underwrites general insurance business.

3. OUR BUSINESS MODEL

Company's business model is based on assuming and spreading of risks which revolves around loss probability and diversification of risks. It's a risk sharing model which involves pooling of risks from individual customers and redistributing it across a larger portfolio. Company generates revenue in two ways i.e., by charging premium for granting insurance coverage and then reinvesting the premiums into other income generating assets.

Company recognises insurance claims servicing as its real tangible product and accords utmost importance as a tool to it to create and retain a loyal customer base on long term basis.

Customer centricity is the cardinal business philosophy of the Company. Company also accords high importance to its internal customers- the employees.

Strict compliance to laws of the land along with regulatory norms are the corner stones of all endeavours by the Company. As a responsible corporate citizen, the Company is highly committed to CSR activities.

Appreciation of shareholder value is also one of the key aims of the Company which is driven mainly by revenue generation, cost management, financial capital management and business environment management.

Company lays high emphasis on extensive use of technology to reach out to a wider client base through fast, efficient, affordable and reliable services.

In view of fast changing business environment, Company recognises that it will be critical for it to constantly upgrade its business model to make it leaner, faster and more effective by making it more agile and adaptive.

4. OUR STRATEGY

Company's strategy is governed by the Strategic Action Plan (SAP) for 2025-2027 as approved by Board.

The focus of the strategic action plan is on sustainable growth with profitability and customer service. Towards this goal, the Company has evaluated the performance since inception and identified its strength and weakness vis a vis its competitors. To earn the customer confidence, the Company will utilize the IT enabled services and build teams with right attitude and accountability.

Apart from focussing on further cementing relationship with existing channels and clients, Company will also make extensive use of new emerging distribution channels of bancassurance and MNO platforms for fintech micro-insurance solutions to increase the insurance penetration. In depth market research and analysis followed by launch of new innovative products will also be a key component of Company's strategy.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

4. OUR STRATEGY (CONTINUED)

Company will continue to follow the principle of leaner, compact but highly motivated team backed by wide use of IT- enabled techniques for faster delivery of its services.

Company's strategy will be continuously reviewed and realigned in light of changing economic developments and emerging needs of the society and markets.

5. COMPANY'S VISION

To be distinguished as a reliable and innovative Pan-African financial services leader.

6. COMPANY'S MISSION

To provide financial security through reliable and innovative insurance solutions.

7. CORPORATE GOVERNANCE

The Board of Mayfair Insurance Tanzania Limited consists of nine (9) directors, eight (8) of which are non-executive. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management's business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative and is in compliance with sound corporate governance principles.

The Board is required to meet at least four times a year. The Board delegates the day-to-day management of the business to Chief Executive Officer assisted by senior management. Senior management are invited to attend board meetings and facilitate the effective control of all the Company's operational activities, acting as a medium of communication and coordination between all the various business units. During the year the Board met five times.

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 Mayfair Insurance Company Tanzania Limited had the following board sub-committees to ensure a high standard of corporate governance throughout the Company. These are;

- Board Audit Risk & Compliance Committee;
- Board Investment Committee;
- Executive Committee (EXCOM); and
- Board Strategy Committee

Board Audit and Risk Committee

<u>No.</u>	<u>Name</u>	<u>Position</u>
1	Mr. Anjay V. Patel	Chairman
2	Mr. David A. Sawe	Member

Board HR and Investment Committee

<u>No.</u>	<u>Name</u>	<u>Position</u>
1	Mr. William E Erio	Chairman
2	Mr. Pawan S. Patel	Member

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

7. CORPORATE GOVERNANCE (CONTINUED)

Executive Committee (EXCOM)

<u>No.</u>	<u>Name</u>	<u>Position</u>
1	Mr. Jayesh G. Shah	Chairman
2	Mr. Abbas M. Jessa	Member

Board Strategy Committee

<u>No.</u>	<u>Name</u>	<u>Position</u>
1	Mr. Vishal V. Patel	Chairman
2	Mr. Darpan Pindolia	Member

8. CAPITAL STRUCTURE

The shares of the Company are held by the following shareholders:

		2025		2024
	%	Amount	%	Amount
		TZS'000		TZS'000
Significant shareholder				
Mayfair Insurance Company Limited – Kenya	40	1,600,000	40	1,600,000
Other shareholders	60	2,400,000	60	2,400,000
Abbas Mohamed Jessa				
Andrea Limited				
Subhash Motibhai Patel				
Lakdawalla Investments Limited				
Anjay Vithlbhai Patel				
Harbinder S. Jandu & Kamal Pal S. Jandu				
Gigvir Investments Limited				
Girdhar Pindolia				
Gaurav Pravin Shah				
Sujay Limited				
Jamdaba Limited				
Kasbo Holdings Limited				
Akberali A. Somji				
	100	4,000,000	100	4,000,000

All the shareholders are reputable and successful in their own businesses which acts as a great source of guidance for the Company. As a largest shareholder Mayfair Insurance Company Limited -Kenya. provides high level of technical guidance and support to the Company coming from their over 20 years of experience in this sector from multiple markets in Africa. Presence of a large group of successful businessmen from diverse sectors as shareholders gives the Company access to their rich experience and networks apart from diversification of capital sources.

The shareholders are fully committed to fulfil Company's capital needs to meet its short terms and long-term goals and objectives. Internal generation of resources through profitable operations and prudent distribution of dividend keeping Company's capital and liquidity requirements in mind is also one of the strategies followed by shareholders to meet future capital needs of the Company

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

8. CAPITAL STRUCTURE (CONTINUED)

Company follows a conservative underwriting philosophy by making proper risk selections and right pricing through adequate reinsurance protection to shield the Company's capital from undue exposure. Management team is well qualified and experienced to take care of technical requirements for proper risk management of the Company. Prompt, fair and transparent claims management practices followed by the Company helps it to rationalise the claims cost which adds to incremental addition to Company's reserves through regular underwriting profit which has assisted the Company to add to shareholders fund on a continuous basis after meeting regulatory requirements of various reserves including contingency reserves.

Directors do not hold direct significant interest in the Company's issued and paid up share capital (2024: Nil).

9. MANAGEMENT STRUCTURE

The Management of the Company is under the Chief Executive Officer (CEO) and is organised in the following departments.

- Finance and Administration department;
- Operations and Marketing department;
- Information Communications and Technology department.

10. FUTURE DEVELOPMENT PLANS

With its positioning as a serious long term reliable insurer after achieving the critical GWP volume which has established it as the 9th largest insurer (excluding medical), the Company is now aiming to achieve its rightful position as a top-notch insurer in the market characterized by innovative and cost-effective insurance solutions backed by strong customer friendly approach and technology.

The Company is going to lay special emphasis on digitization of its operations to make service delivery extremely efficient and impersonal without losing the touch of care and respect for its customer base. Improving the customer experience and hence cultivate a reliable and loyal customer base will be a key strategy for the company.

Company aims to develop new products in micro-insurance and credit insurance space through global partnership. Fintech will continue to get special attention as a tool for sustained growth.

The Company aims to increase its participation in Tanzania Energy Consortium for assisting in maximising the local retention of oil and gas risks.

The Company will also continue to actively participate in the newly established Tanzania Agriculture Insurance Consortium.

The Company will continue its endeavours to launch new, relevant and cost-effective products to address the emerging needs of the society due to fast changes in the technological space.

Improved broker relationship and their delightful experience with us backed by effective customer service will continue to remain as one of the major focuses of the company.

Cross border synergy by working closely with sister companies in Kenya, Zambia, Rwanda, Uganda and DRC under guidance of central team in Nairobi will be one of important focus areas of the company.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

10. FUTURE DEVELOPMENT PLANS (CONTINUED)

Company recognises the significant importance of Human capital in service sector like insurance. The company will lay special emphasis on bridging the skill gaps by skill upgradation and empowerment to create a local team of responsive and committed insurance professionals to meet the changing needs of this sector by allocating special budget for internal and external trainings.

11. PERFORMANCE OF THE YEAR

The results of the Company are set out on page 30 of these financial statements. During the year dividend of TZS 500 million was declared and paid. The highlights of the Company's performance for the year are as follows:

- The insurance revenue was TZS 48.67 billion (2024: TZS 45.44 billion);
- The net insurance claims incurred was TZS 10.57 billion (2024: TZS 10.29 billion);
- Other operating expenses for the year were TZS 11.1 billion (2024: TZS 12.20 billion);
- The Company has registered a profit before tax of TZS 3.60 billion (2024: profit of TZS 3.51 billion);
- The Insurance contract assets decreased by 5.00% in the current year, from TZS 23.71 billion in 2024 to TZS 22.53 billion in the year 2025;
- The cash generated from operating activities decreased from TZS 3.38 billion in December 2024 to TZS 1.76 billion in the current year.
- The company generated TZS 7.79 billion in investing activities while in 2024 the company used TZS 2.19 billion

12. KEY PERFORMANCE INDICATORS

<u>Performance indicator</u>	<u>Definition and calculation method</u>	2025	2024
Loss Ratio	Claims incurred/Gross premium	23.14%	21.62%
	Net paid claims/Net written premium	34.64%	29.82%
	Net incurred claims/Earned premium	42.77%	41.64%
Premium Retention Ratio	Net premium/Gross premium	52.40%	51.09%
Operating Ratio	Management expense/Gross premium	24.93%	25.37%
	Management expense/Net premium	46.09%	48.86%
Net Combined Ratio (A measure of profitability of the Company's operations)	Management expense including net commission and net incurred claims/Net earned premium	92.91%	97.73%

13. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

The principal financial risks that may significantly affect the Company's strategies and development are mainly insurance risk, financial risk, credit risk, liquidity risk and market. More details of the risks facing the Company are provided into the financial statements.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

14. OUR RESOURCES

Financial resources

The Company has adequate financial capacity and resources to successfully implement the strategies for both management expenses and capital investments. Company maintains high solvency margin and reserves to successfully meet the contingencies, if any.

Structure

The current Company Structure is adequate to support the effective and efficient implementation of the strategic initiatives laid down. The internal systems and processes do provide a conducive environment for executing the strategic action plan of the Company.

Policy

Company has right framework of proper policies and all required guidelines, manuals, rules, and procedures in place, are adequate to implement the corporate strategy. Some of the manuals and guidelines and procedures, however, will be subject to periodic reviews to align them with the demands of changing economic conditions and market dynamics. Company has adequate resources to implement these changes on a periodic basis.

Human Resource

The Company has a very professional and effective Human Resource capital in the form of an experienced and qualified management team led by Managing Director having over 37 years of experience in insurance sector. The combined experience of management team comprising of Managing Director/CEO, GM-T, CFO, AGM and Head of Marketing is over 60 years.

Management team is supported by a team of professionally qualified 36 staff members who are regularly trained to upgrade their skills to fill the skill gaps. Company has an active HR department which analyses the training requirements on a regular basis and imparts needed training periodically through in-house sessions and also nominations to external training programs.

The Company is an equal opportunity employer without any discrimination based on religion, gender, caste, tribe, color or region.

Social and relationship resources

Our relationships are established within and between each community, group of stakeholders and other networks including the ability to share information and enhance individual and collective well-being. Company lays special emphasis on shared norms, common values and behaviours, key relationships, and the trust and willingness to engage developed over time as it strives to create and protect wealth for its stakeholders.

The Company remains committed to stay away from corruption and anti-competitive behaviors and dedicates itself to customer safety and privacy through transparent and non-discriminatory behavior with full respect to human rights and personal freedom and liberty among others.

The Company remains committed to social causes by making regular contribution to orphanages, schools public health initiatives.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

15. TREASURY POLICIES AND OBJECTIVES

The treasury policy of Mayfair Insurance Company Tanzania Ltd is designed after taking into account the nature, terms and currency of the various liabilities and existing legislations. The aim of this treasury policy is to maximize returns without endangering solvency and liquidity needs to meet its claims liabilities. During the year 77% of total investment was placed on short term fixed interest securities in order to fulfil the insurance claim needs at short notice.

Company maintains about 26% of its investment in Debt Securities at amortised cost. Company keeps the return on its investments and impact of exchange gains/loss due to currency fluctuations under close monitoring to maximize the returns along with desired level of security of its funds.

16. RELATIONSHIP WITH THE STAKEHOLDER

Relationships with our key stakeholders including customers, suppliers, business partners, regulators and other service providers remained cordial throughout the year. A good relationship with our key stakeholders remains the root of our core values and belief.

17. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the Company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviors towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. 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 period ended 31 December 2025 and is of the opinion that they met accepted criteria.

The Board carries risk and internal control assessment through Board Audit Risk & Compliance Committee.

18. EMPLOYEES WELFARE

Management and employees' relationship

Relationship between employees and management continued to remain good and harmonious for the year. There were no grievances received by Management from the employees during the year. A healthy relationship continues to exist between management and staffs to achieve corporate goals and expectations.

The Company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

18. EMPLOYEES WELFARE (CONTINUED)

Training facilities

Company lays great importance on improving the skills and knowledge of its employees. To this end regular inhouse trainings and sessions are held to impart them with new knowledge and techniques.

Employees are also regularly nominated to trainings organised by external agencies and institutes.

During the year the Company spent about TZS 28.93 million (2024: TZS 35.2 million) for staff training in order to improve employees' technical skills and hence effectiveness to discharge the official responsibilities.

Training programs are continually being developed and conducted to ensure employees are adequately trained at all levels and all employees have some form of annual training to upgrade skills and enhance their technical knowledge.

Medical assistance

All members of staff and their spouse with a maximum number of four beneficiaries (dependants) each were availed medical insurance cover for both outpatient and inpatient needs.

Employees benefit plan

The Company makes contributions to NSSF and ZSSF on mandatory basis which qualifies to be a defined contribution plan.

The average number of employees during the year was 42 (2024: 38).

Group Life Insurance cover

The Company provides for group life insurance cover to its permanent employees.

19. PERSONS WITH DISABILITIES

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

20. GENDER PARITY

The Company gives equal opportunity to all Tanzanians during recruitment and filling of management positions provided they have required qualifications and the ability regardless of their gender. The Company had 42 employees, out of which 23 (equivalent to 55%) were female and 19 (equivalent to 45%) were male (2024: 38 employees, 17 female (45%) and male were 21 (55%).

21. CORPORATE SOCIAL RESPONSIBILITY

The Company encourages its employees' initiatives on participation in corporate social responsibility activities. During the year, the Company undertook various corporate social responsibility activities involving outgoing of over TZS 33.50 million (2024: TZS 44.50 million). The activities included donations to orphanages, school fees for needy students and donations to schools.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

22. POLITICAL AND CHARITABLE DONATIONS

No donations were made to any political institutions during the financial year ending 31 December 2025 (2024: Nil).

23. CASH FLOWS

The Company is well resourced in terms of cash flows with a net cash increase in cash and cash equivalents of TZS 4.1 billion, cash used in operating and financing activities amounted to TZS 1.95 billion and TZS 709 million respectively while cash generated from investing activities amounted to TZS 7.98 billion. The payment of premium by clients directly to the Company and before commencement of insurance contract has positively influenced stable cash flows for the Company.

Delay in collection of facultative inward premium and other recovery from reinsurers may have an adverse impact to the Company's cash flow in future, however management have strong controls in place to ensure that receivables are recovered on timely fashion. Directors do not foresee any existence of commitments for capital expenditure that would impact the cash flow position of the Company. All excess cash are being invested prudently as guided by the investment policy.

24. LIQUIDITY

The Company liquidity is solely from internal sources, there is no plan for borrowing. Liquidity gap for up to the next 5 years is being tested and various risk tolerance limits being benchmarked. The Company manages liquidity by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

25. SOLVENCY

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 Mayfair Insurance Tanzania Limited has adequate resources to continue in operational existence for the foreseeable future.

The Company's state of affairs as at 31 December 2025 is set out on page 31 of these financial statements.

26. TRANSFER TO RESERVE

No amount transferred to contingent reserve during the year (2025: & 2024), in accordance with Section 27(2)(b) of the Insurance Regulations being higher of 3% of total written premium or 20% of the net profit after tax.

27. ADMINISTRATIVE MATTERS

The Company is capable of handling all administrative matters.

28. RELATED PARTY TRANSACTIONS

The details of related party balances and transactions are provided in Note 22 to the financial statements.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

29. DIRECTORS

The directors of the Company during the period and up to the date of this report are:

Name	Gender	Nationality	Age
Mr. Jayesh G. Shah	Male	British	65
Mr. Anjay V. Patel	Male	British	62
Mr. Vishal R. Patel	Male	Kenyan	54
Mr. Abbas M. Jessa	Male	Tanzanian	53
Mr. David A. Sawe	Male	Tanzanian	68
Mr. William E. Erio	Male	Tanzanian	61
Mr. Pawan S. Patel	Male	Tanzanian	38
Mr. Darpan Pindolia	Male	British	41
Mr. Sanjay K. Singh	Male	Indian	59
Mr. Haris Mohamed	Male	Indian	43

The non-executive directors are remunerated only by sitting fees. All listed above are non-executive directors except Sanjay K. Singh who is the Managing Director. Mr Haris Mohamed, also non-executive director was appointed as Managing Director effective 24 March 2026.

30. APPOINTMENT OF THE AUDITOR

The Company's auditor, KPMG has expressed its willingness to continue in office and are eligible for re-appointment. A resolution to reappoint KPMG as auditor will be put to the Annual General Meeting.

31. RESPONSIBILITY OF THE AUDITOR

Auditor is responsible to provide assurance of the consistency of information contained in the report by those charged with governance with those provided in the financial statements.

32. RESPONSIBILITIES OF THE DIRECTORS

The Company's directors are responsible for the preparation of financial statements that give a true and fair view of the Company for the year ended 31 December 2025 to the date of approval of the financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Company Act, 2002. More details of the responsibilities of the directors are shown on page 24.

33. ENVIRONMENTAL CONTROL PROGRAM

The company is committed to the environmental sustainability agenda. It continues to take deliberate actions to combat climate change adversities through participation in various environmental programs. During the year the company participated in a clean energy campaign in Arusha, aiming to reduce the deforestation.

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION

A. BASIS OF PREPARATION

(i) REPORTING ENTITY

The sustainability report has been prepared for Mayfair Insurance Tanzania Limited. The reporting boundary for sustainability-related financial disclosures is consistent with the boundary used for the Company's consolidated financial statements prepared under International Financial Reporting Standards (IFRS Accounting Standards).

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION (CONTINUED)

A. BASIS OF PREPARATION (CONTINUED)

(ii) CONNECTIVITY

This report contains the sustainability-related financial information of Mayfair Insurance Tanzania Limited for the financial year ended 31 December 2025.

This report makes connections with other reports, including the financial statements, to present a cohesive view of how relevant sustainability-related risks and opportunities could impact the company's financial position, performance and cash flows over the short, medium and long term.

(iii) SOURCES OF GUIDANCE

In preparing its sustainability-related financial information, Mayfair has referred to, and considered, the applicability of

- disclosure topics and metrics in GRI Standards.
- SASB Standards

(iv) ASSUMPTION, JUDGEMENT AND ESTIMATES

JUDGEMENT

The preparation and presentation of the sustainability report involve applying judgement to determine what information is relevant, reliable and useful to disclose. This includes interpreting reporting requirements and making informed decisions in areas where the standards allow flexibility. The table below summarizes key judgements applied.

Topic	Description
Materiality	To identify relevant risks and opportunities and material information, Mayfair exercised judgement in assessing impacts and dependencies across the value chain that could reasonably influence its strategy, business model or financial position and performance.
First time adoption of IFRS S1 and S2	As this is the Company's first year of disclosing sustainability-related financial information in reference to IFRS S1 and S2, management exercised judgement in determining the extent, level of detail, and timing of certain disclosures. This included deferring the disclosure of quantitative greenhouse gas emissions metrics where measurement systems and data collection processes are still being developed and providing qualitative disclosures in areas where reliable quantitative information is not yet available, particularly in relation to climate scenario analysis and the assessment of financial impacts. Management is actively enhancing its systems, controls, and methodologies, and expects to progressively improve the completeness, accuracy, and comparability of disclosures in future reporting periods.

TRANSITION RELIEFS

In preparing these sustainability-related financial disclosures for the first annual reporting period, the Company has applied the following transition reliefs permitted under IFRS S1 and IFRS S2.

- Not to disclose comparative information for the preceding reporting period, as permitted under the transition provisions of IFRS S1.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION (CONTINUED)

B. SUSTAINABILITY GOVERNANCE

The Board of Directors has overall responsibility for overseeing the management of sustainability-related risks and opportunities and ensuring that sustainability considerations are embedded in the organization's strategic direction. The Board approves the organization's strategy, including sustainability priorities, and monitors the performance of sustainability-related initiatives to ensure alignment with business objectives. When reviewing the organization's strategic plans and major business decisions, the Board evaluates the potential impact of sustainability-related risks and opportunities on the organization's performance.

The Board's responsibilities in relation to sustainability matters are defined in the Board Charter. These governance documents outline the Board's mandate to oversee the organization's strategy, risk management processes and performance, including sustainability-related matters.

The Board receives periodic reports on sustainability-related matters from management, including updates on sustainability performance and emerging sustainability-related risks and opportunities. These updates are presented to the Board on a quarterly basis.

Skills and competencies of the Board

The Board comprises members with extensive experience in the insurance industry and related sectors, enabling it to effectively oversee the organization's strategic priorities and associated risks. Board members participate in periodic training on emerging developments affecting the industry, including sustainability-related matters and evolving regulatory expectations.

This continuous professional development enables the Board to maintain an appropriate level of knowledge and understanding to oversee sustainability-related risks and opportunities. Where additional expertise is required, the Board may engage external advisors to provide specialized guidance on sustainability-related matters and emerging risks.

Management's role

Responsibility for implementing the organization's strategy, including sustainability-related initiatives, rests with senior management under the leadership of the Chief Executive Officer. Senior management is responsible for integrating sustainability considerations into day-to-day operations and ensuring that sustainability-related risks and opportunities are appropriately managed across the organization.

Specific management functions play key roles in implementing sustainability-related initiatives within their respective areas of responsibility. The Underwriting Manager oversees the integration of sustainability considerations into underwriting decisions and ensures adherence to sustainable underwriting practices. The Human Resources function is responsible for people-related sustainability matters, including diversity and employee development initiatives. The Chief Financial Officer oversees the organization's investment activities and ensures that sustainability considerations are incorporated into investment decisions.

Policies and internal control systems

Mayfair has established policies and internal control systems to support effective identification, management and reporting of sustainability-related risks and opportunities. These include the Investment Policy, which guides responsible investment practices, and the Underwriting Manual, which provides directions on incorporating sustainability-related considerations into underwriting decisions and risk selection.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION (CONTINUED)

B. SUSTAINABILITY GOVERNANCE (CONTINUED)

Policies and internal control systems (Continued)

Additional governance frameworks such as the Human Resources Policy, Code of Conduct, Code of Ethics and Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) procedures support ethical conduct and responsible business practices throughout the organization. These policies are integrated within the organization's broader internal control framework.

C. RISK MANAGEMENT

Mayfair Insurance Tanzania Limited maintains an enterprise-wide risk management framework designed to identify, assess, manage and monitor risks that may affect the Company's financial performance, capital position and long-term sustainability. The Company's risk management system is structured around four core processes: risk identification, risk measurement, risk control and risk monitoring. These processes apply to both traditional financial risks and emerging sustainability-related risks, including environmental, social and governance (ESG) risks.

Risk Identification

The Company maintains processes to identify existing and emerging risks that may arise from its underwriting activities, investment portfolio, operational processes and strategic initiatives. Risk identification is a continuous process conducted at both the transaction and portfolio levels.

Potential risks are assessed when new products, services or business initiatives are introduced, as well as during regular reviews of existing operations. Sustainability-related risks, including environmental, social and governance risks, are also considered as part of the Company's broader enterprise risk identification process.

Risk Measurement

Once identified, risks are evaluated to determine their potential impact on the Company's profitability, capital adequacy and operational performance. Risk measurement is performed using a range of analytical tools and methodologies, which may include qualitative assessments, internal risk indicators and quantitative models where appropriate.

These tools enable the Company to evaluate the potential impact of individual transactions as well as the aggregate exposure across portfolios. The Company periodically reviews its risk measurement tools to ensure they remain appropriate, accurate and capable of capturing emerging risks, including sustainability-related risks that may influence long-term financial performance.

Risk Control

Following risk assessment, the Company establishes risk limits and control mechanisms through internal policies, standards and procedures. These frameworks define responsibilities and authority for risk management across the organization.

Risk control mechanisms include underwriting guidelines, investment policies, internal approval procedures and operational controls designed to manage exposures across key risk categories. Where appropriate, mitigation measures are implemented to reduce risk exposure. The Company also maintains procedures that allow for the authorization of exceptions or adjustments to risk limits when justified by business or market conditions.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION (CONTINUED)

C. RISK MANAGEMENT (CONTINUED)

Risk Monitoring

The Company has established governance structures and reporting processes to monitor risk exposures and ensure timely review of risk positions. Risk monitoring reports are prepared on a regular basis and distributed to relevant management personnel to support informed decision-making and timely corrective action where necessary.

Monitoring processes are designed to ensure that emerging risks, including sustainability-related risks, are identified early and managed appropriately.

ESG Risk Champions

In recognition of the increasing importance of sustainability-related risks and opportunities, the Company has also established Environmental, Social and Governance (ESG) Risk Champions across departments. These individuals support the identification, assessment, mitigation and monitoring of ESG risks and opportunities within business operations.

ESG Risk Champions receive training in sustainability-related risk management and are responsible for supporting the integration of ESG considerations within departmental processes.

Their activities are guided by the Company's ESG policy, which establishes procedures and practices aimed at strengthening sustainability awareness and responsible business practices across the organization.

Integration with Overall Risk Management

Sustainability-related risks are integrated into the Company's broader enterprise risk management framework. Environmental, social and governance risks are assessed alongside other financial and operational risks to ensure a comprehensive understanding of potential impacts on the Company's operations, financial performance and long-term resilience.

D. STRATEGY

Mayfair Insurance Tanzania Limited defines time horizons over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur as follows:

Time horizon	Definition	Link to company's planning horizons for strategic decision-making
Short term	0 - 2 years	Focus is placed on strengthening revenue growth through expansion of intermediaries, enhancing staff capabilities through structured training programs, and optimizing short-term investment strategies to manage liquidity risks.
Medium term	3 - 5 years	The Company aims to improve underwriting quality and reinsurance arrangements through more prudent underwriting practices, while advancing digital transformation initiatives to enhance operational efficiency and turnaround times.
Long term	5+ years	Strategic priorities include strengthening underwriting capacity through increased policy retention and improved treaty negotiations, as well as diversifying investment portfolios, including exploration of equity investments to enhance long-term profitability

The table below summarizes the relevant sustainability-related risks and opportunities that could affect the company over the short, medium and long term.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION (CONTINUED)

D. STRATEGY (CONTINUED)

S/N	Risk/opportunity	Time horizon
1.	Transparent Information & Fair Advice for Customers	Short and medium term
2.	Data Privacy and Cyber	Short and medium term
3.	Systemic Risk Management	Medium and long term
4.	Diversity and Inclusion	Medium and long term
5.	Talent acquisition and development	Short and medium term
6.	Climate related physical risk	Medium and long term
7.	Sustainable Investment and Underwriting (Opportunity)	Medium and long term

Transparent Information & Fair Advice for Customers

Risk description

Transparent communication and the provision of fair, accurate and understandable information to customers are fundamental to maintaining trust in the insurance industry.

Current and anticipated financial effects

Failure to provide transparent information and fair advice to customers may result in increased customer complaints, policy disputes and potential legal or regulatory penalties, which could increase operational and compliance costs for the Company.

In addition, customer dissatisfaction arising from unclear policy information or misaligned expectations could negatively affect customer retention, renewal rates and the Company's reputation in the market, potentially impacting premium growth and long-term revenue stability.

Strategy

Mayfair Insurance Tanzania Ltd is committed to ensuring that customers receive clear, accurate and accessible information regarding insurance products and services. Product documentation, policy schedules and policy wordings are designed to clearly communicate the terms, conditions, exclusions and coverage limits associated with insurance policies. Additionally, the company monitors its compliance with the Tanzania Insurance Regulatory Authority that requires transparency in insurance products to enable policy holder to make informed decisions about their insurance needs.

Data Privacy and Cyber

Risk description

Risk of cyber-attacks or data breaches causing operational disruption and compromising sensitive information. Cybersecurity incidents could arise from external threats such as hacking, phishing, malware attacks or ransomware, as well as internal risks associated with inadequate data handling practices or system vulnerabilities.

Current and anticipated financial effects

During the reporting period, Mayfair has not experienced any material data breaches or cybersecurity incidents that have resulted in the compromise of customer information or disruption to business operations.

While no incidents have been reported, Mayfair recognizes that cyber threats continue to evolve in sophistication and scale. Potential financial impacts in the event of a cybersecurity incident could include regulatory penalties, remediation costs, operational disruptions affecting underwriting and claims processing systems, and reputational damage that could influence customer confidence and policy.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION (CONTINUED)

D. STRATEGY (CONTINUED)

Data Privacy and Cyber (continued)

Strategy

Internal policies and procedures guide the responsible collection, storage and use of confidential data, ensuring that access to sensitive information is restricted to authorized personnel based on operational requirements. Additionally, Mayfair complies with the requirements of the Tanzania Personal Data Protection Act, 2022, which establishes the legal framework for the collection, processing, storage and protection of personal information in Tanzania. The below are the metrics that the Company uses to monitor its performance towards data privacy and cyber risk.

Systemic Risk Management

Risk description

Mayfair Insurance Tanzania Limited recognizes systemic risk as a core strategic consideration given the interconnected nature of underwriting exposures, claims development patterns, macroeconomic conditions, regulatory dynamics and financial market developments within the Tanzanian insurance sector. Systemic risks may arise from developments that affect multiple lines of business simultaneously and may influence underwriting performance, reserve adequacy, capital strength, liquidity, profitability and long-term financial resilience.

Current and anticipated financial effects

During the reporting period, actuarial analysis indicated increased claim frequency in Marine and Motor Commercial portfolios due to exposure growth and fleet-related business dynamics, alongside rising severity in Engineering driven by large isolated losses across multiple underwriting years. In addition, systemic reserving pressures are evident from rising incurred claims liabilities and elevated IBNR utilization driven largely by IBNER across Engineering, Marine- Personal Accident and Workmen's Compensation classes.

Strategy

Mayfair Insurance Tanzania Limited is implementing portfolio optimization initiatives including gradual reduction of motor concentration, strengthening of non-motor lines, elimination of persistent loss-making portfolios and ongoing monitoring of claim ratios. Management has strengthened reserving practices by increasing reserve levels and revising IBNR upwards.

The Company manages capital- and liquidity-related risks associated with systemic non-insurance activities through its treasury policy, which is designed with consideration of the nature, duration and currency of its liabilities and applicable regulatory requirements. The policy aims to maximise investment returns while preserving solvency and maintaining sufficient liquidity to meet claims obligations as they fall due.

During the year, approximately 77% of total investments were allocated to short-term fixed-interest securities to support liquidity needs and ensure the timely settlement of insurance claims. In addition, approximately 26% of investments were held in debt securities measured at amortised cost.

The Company monitors investment returns, interest rate developments and foreign exchange exposures arising from currency fluctuations to maintain an appropriate balance between liquidity, capital preservation and return optimization.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION (CONTINUED)

D. STRATEGY (CONTINUED)

Diversity and Inclusion

Risk description

Mayfair Insurance Tanzania Limited recognizes that a diverse and inclusive workforce is essential for sustaining strong organizational performance, fostering innovation and responding effectively to the needs of a diverse customer base.

Current and anticipated financial effects

Mayfair invests in human resource initiatives aimed at promoting diversity, equal opportunity and an inclusive work environment. These initiatives include recruitment practices that encourage fair and transparent hiring processes, employee training and development programs, and policies designed to promote equal opportunity across the company.

Strategy

The Company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties. All members of staff and their spouse with a maximum number of four beneficiaries (dependents) were each availed medical insurance cover for both outpatient and inpatient needs.

Additionally, the Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Talent acquisition and development

Risk description

Mayfair Insurance Tanzania Ltd recognizes that attracting, developing and retaining skilled employees is critical to the effective delivery of insurance services and the achievement of its strategic objectives. As an insurance provider, the company relies on specialized expertise in areas such as underwriting, actuarial analysis, claims management, risk assessment, compliance and customer service.

Current and anticipated financial effects

Failure to attract and retain qualified personnel may expose the company to operational risks, including reduced service quality, inefficiencies in underwriting and claims processes, and limitations in implementing strategic initiatives.

Employee development programs are implemented to enhance technical knowledge and professional skills. These programs may include internal training sessions, external professional development courses and opportunities for employees to obtain industry-recognized certifications relevant to the insurance sector and to their respective responsibilities. During the year the Company spent about TZS 28.93 million (2024: TZS 35.2 million) on staff training to improve employees' technical skills and hence effectiveness to discharge the official responsibilities.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION (CONTINUED)

D. STRATEGY (CONTINUED)

Climate related physical risk

Risk description

Mayfair Insurance Tanzania Ltd is exposed to climate-related physical risks primarily through its underwriting portfolio, particularly within property, engineering, marine and motor classes. Physical hazards such as flooding and extreme weather events contribute to increased claims frequency and severity across these lines of business.

Current and anticipated financial effects

Climate-related physical risks currently affect underwriting profitability and reserving outcomes through increased claims frequency and severity across catastrophe-exposed portfolios. Between 2020 and 2025, claims arising from flood-related events amounted to TZS 1,685,013,084, demonstrating the financial exposure to extreme weather risks.

The Company is in the process of developing systems and methodologies to measure and disclose its Scope 1, Scope 2 and relevant Scope 3 greenhouse gas emissions. Current disclosures therefore focus on governance, strategy and risk management aspects of climate-related risks, with expanded metrics expected in future reporting periods.

Sustainable Investment and Underwriting

Opportunity description.

Mayfair Insurance Tanzania Limited recognizes sustainable investment and underwriting as an opportunity to strengthen its long-term financial performance while contributing to responsible economic development.

Current and anticipated financial effects

As an insurance provider, the company plays an important role in supporting economic activities through risk transfer and the allocation of capital through its investment portfolio. Sustainable underwriting practices enable the company to evaluate potential risks associated with insured activities more comprehensively, supporting more informed underwriting decisions and improved risk selection

Through our underwriting practices, we seek to manage climate-related and social risks prudently while supporting sectors that contribute to sustainable development. Our approach integrates environmental, social and governance (ESG) considerations into risk assessment processes, ensuring that pricing, coverage terms and portfolio management decisions are responsive to emerging physical and transition risks. By strengthening risk selection, promoting responsible client behavior and supporting sectors aligned with national development priorities, we aim to enhance portfolio stability while contributing positively to the communities we serve.

Strategy

In parallel, we acknowledge that long-term value creation is closely linked to the sustainability of the environments and economies in which we operate. Mayfair Insurance Tanzania Ltd is progressively incorporating ESG considerations into its investment decision-making processes. This includes evaluating exposure to climate-related risks, governance standards of investee entities, sectoral concentration risks and broader sustainability factors that may influence risk-adjusted returns. By embedding ESG principles into both underwriting and investment activities, the Company seeks to strengthen capital resilience, protect policyholder interests and align its financial strategy with evolving regulatory and market expectations.

MAYFAIR INSURANCE TANZANIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION (CONTINUED)

D. STRATEGY (CONTINUED)

Resilience

Mayfair Insurance Tanzania Limited applies a structured approach to assess its resilience to sustainability-related risks and opportunities across underwriting, investment, and operational activities. Management evaluates the potential financial and operational implications of sustainability-related factors on key areas such as underwriting performance, claims experience, capital adequacy, liquidity, and operational efficiency. These assessments are incorporated into strategic planning across short, medium, and long-term horizons to ensure that the Company remains adaptable under different conditions.

To strengthen resilience, the Company implements targeted actions, including enhancing underwriting practices, strengthening capital and reserving frameworks, improving operational processes, investing in employee capabilities, and embedding sustainability considerations into core business activities.

Ongoing monitoring is performed through key performance and risk indicators, with regular reporting to the Board of Directors, which provides oversight of the Company's ability to sustain performance and respond effectively to evolving conditions. Where necessary, management implements corrective actions to address emerging risks and maintain resilience.

E. METRICS AND TARGETS

Mayfair Insurance Tanzania Limited uses a combination of quantitative and qualitative metrics to monitor its exposure and performance in relation to sustainability-related risks and opportunities. These metrics are aligned, where applicable, with industry-based guidance including SASB Standards and internally defined indicators.

(a) Transparent information and fair advice for customers

The Company evaluates its performance in delivering transparent and fair customer outcomes using the following metrics:

S/N	Metric	Source	Unit	2025 performance
1.	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	SASB	TZS	-
2.	Complaints to Claims ratio	SASB	%	-
3.	Customer retention rate	SASB	%	41%
4	Description of approach to informing customers about products	SASB	Qualitative	Refer to the description on page 16 about the transparent information and fair advice for customers

MAYFAIR INSURANCE TANZANIA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION (CONTINUED)

D. METRICS AND TARGETS (CONTINUED)

Additionally, the Company has set the following target to monitor the performance of the risk

Target / KPI	2025 performance	How the Company intends to achieve the target
Customer satisfaction rating > 90%.	Out of 5884 incurred claims only 5 were reported to authority.	<ul style="list-style-type: none"> Automate and streamline claims processes Introducing fast-track mechanisms for low-value claims Strengthening partnerships with service providers (e.g., loss adjusters) Enhance fraud detection capabilities through training and analytics
Claims turnaround time < 45 days	Non-motor - 17 days, Motor - 149 days. Motor has more days due to third party claims which is allowed to report a claim three years after incidence. All these were all settled in less than 45 days between Document verification date and payment date which is the regulated time to settle claim.	
Improved fraud detection rates by 5%.	There were 0 fraud cases in the year.	

The Company has established measurable targets aligned with its strategic objectives to support sustainable performance.

(b) Data privacy and cyber

The Company monitors cybersecurity and data protection risks through the following metrics:

Metric	Parameter	Source	Unit	2025 performance
Number of total data breaches	Breaches	SASB Standard	Number	-
Percentage of data breaches that are personal data	Personal data	SASB Standard	Percentage	-
Number of policyholders affected	Policyholders	SASB Standard	Number	-
Description of approach to identifying and assessing data security risks	Discussion and analysis	SASB Standard	N/A – Qualitative	Refer to disclosure on page17 about data privacy and cyber risk.

The Company has a target of maintaining zero data breach incidents on an annual basis. During the reporting period, this target was achieved, with no reported data breaches or cybersecurity incidents.

MAYFAIR INSURANCE TANZANIA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION (CONTINUED)

D. METRICS AND TARGETS (CONTINUED)

(c) Systemic risk management

Systemic risk exposures are monitored through the below metrics:

Metric	Parameter	Source	Unit	2025
Capital Adequacy Ratio	Quantitative	Company defined	%	126.3
Liquidity ratio	Quantitative	Company defined	%	139
Net insurance liabilities	Quantitative	Company defined	TZS	18,530,931,720
Total fair value of securities lending collateral assets	Personal data	SASB Standard	TZS	-
Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	Discussion and analysis	SASB Standard	N/A – Qualitative	Refer to disclosure on page 17 about systemic risk management.

The following targets support the effective management of systemic risk:

Target / KPI	2025 performance	How the Company intends to achieve the target
<ul style="list-style-type: none"> Retention ratio > 55% 	<ul style="list-style-type: none"> The net premium over the gross premium for the year was 52.4% 	<ul style="list-style-type: none"> Conduct regular reviews of reinsurance programs. Optimize treaty arrangements and reduce reliance on facultative placements. Engage brokers to negotiate favorable terms. Use analytical tools to ensure adequate catastrophe coverage Strengthening risk assessment frameworks and pricing models Develop product-specific underwriting guidelines based on portfolio insights Leverage data analytics to identify and manage high-risk segments Enhance skills and decision-making capacity within underwriting teams
<ul style="list-style-type: none"> Reduction in unprofitable risks by 5% 	<ul style="list-style-type: none"> Out of top 20 brokers in year 2025. Only 2 have unfavorable risks. This accounts for 1% of the brokers. 	
<ul style="list-style-type: none"> Reinsurance cost < 15% of premium income. 	<ul style="list-style-type: none"> Out of 4.8 billion income from reinsurance; Less than 10% were expenses incurred on it. 	
<ul style="list-style-type: none"> Improved commission structures: Fire > 35%, Engineering > 30%, Bonds > 25%. 	<ul style="list-style-type: none"> During the year 2025 we achieved the desired commission income percentages through both commission and profit commission 	

MAYFAIR INSURANCE TANZANIA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION (CONTINUED)

D. METRICS AND TARGETS (CONTINUED)

(d) Diversity and inclusion

The Company tracks workforce diversity through the following indicators:

Diversity by gender

Metric	Number	Percentage
Number of male employees	24	57%
Number of female employees	18	43%

Diversity by age

Metric	Number	Percentage
Less than 30 years	10	24%
Between 30 and 50 years	30	72%
Above 50 years	2	4%

The Company continues to enhance its diversity and inclusion practices. While specific targets have not yet been formalized, management is strengthening monitoring frameworks and governance processes, with the intention of introducing measurable diversity-related targets over time.

(e) Talent acquisition and development

The Company monitors its development of human capital through the following metric:

Metric	Source	Percentage
Percentage of employees receiving regular performance feedback and career development reviews	GRI	100%

The Company has established a target of ensuring that all employees undergo annual performance feedback and career development reviews. This target reflects the Company's commitment to maintaining a high-performing workforce and supporting continuous professional development. Performance evaluations are conducted through structured annual appraisal processes, complemented by periodic feedback engagements between employees and their supervisors. These processes are designed to assess individual performance, identify development needs and align employee objectives with the Company's strategic direction.

(f) Climate related physical risk

The Company has not yet established defined metrics to measure its performance in relation to climate-related risks and, consequently, has not set specific climate-related targets. Current monitoring is based on claims experience and qualitative assessment of exposures, which has been disclosed on page 19

Management is in the process of strengthening data collection, measurement methodologies and internal capabilities, which will enable the development of appropriate metrics and the subsequent establishment of measurable climate-related targets in future reporting periods.

MAYFAIR INSURANCE TANZANIA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

34. SUSTAINABILITY RELATED FINANCIAL INFORMATION (CONTINUED)

D. METRICS AND TARGETS (CONTINUED)

(g) Sustainable investment and underwriting.

Performance is monitored using the same financial and risk-based metrics applied under Systemic Risk Management, including capital adequacy, liquidity ratios, retention levels and reinsurance cost efficiency. Management will continue to improve performance monitoring of sustainable investment and underwriting opportunity through adoption of additional metrics and targets.


35. SERIOUS PREJUDICIAL MATTERS

In the opinion of the Directors, there are no serious unfavourable matters that can affect the Company (2024: None).

36. STATEMENT OF COMPLIANCE

The directors' Report has been prepared in full compliance with Tanzania Financial Reporting Standard No.1 (TFRS 1) on directors' report.

BY ORDER OF THE BOARD


.....
MR. JAYESH G. SHAH
CHAIRMAN

DATE: 31/03/2026


.....
MR. DAVID A. SAWE
DIRECTOR

DATE: 31/03/2026

MAYFAIR INSURANCE TANZANIA LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025**

The Company's directors are responsible for the preparation of the financial statements that give a true and fair view of Mayfair Insurance Tanzania Limited (the "Company") comprising the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standard) and in the manner required by the Companies Act, 2002.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Company to continue as going concern and have no reason to believe that the business will not be a going concern at least for the next twelve months from the date of approval of these financial statements.

The auditor is responsible for reporting on whether the annual financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Approval of financial statements

The financial statements of Mayfair Insurance Tanzania Limited, as identified in the first paragraph, were approved and authorized for issue by the directors on 31/03/2026



.....
MR. JAYESH G. SHAH
CHAIRMAN

Date: 31/03/2026


.....
MR. DAVID A. SAWE
DIRECTOR

Date: 31/03/2026

MAYFAIR INSURANCE TANZANIA LIMITED


**DECLARATION OF THE HEAD OF FINANCE
FOR THE YEAR ENDED 31 DECEMBER 2025**

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of directors as indicated in the statement of Directors' Responsibilities.

MICHAEL MENAS
I, being the Head of Finance of Mayfair Insurance Tanzania Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2025, have been prepared in compliance with the applicable accounting standards and statutory requirements.

I, thus confirm that the financial statements of Mayfair Insurance Tanzania Limited comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Name: MICHAEL MENAS

Position: Finance Manager

NBAA Membership No: ACPA 5454

Date: 31/03/2026.....



KPMG
Certified Public Accountants
2nd Floor, The Luminary
Haile Selassie Road, Masaki
P.O. Box 1160
Dar es Salaam, Tanzania

Telephone +255 22 2600330
Email info@kpmg.co.tz
Internet www.kpmg.com/eastafrica

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAYFAIR INSURANCE TANZANIA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mayfair Insurance Tanzania Limited (“the Company”) set out on pages 31 to 89, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies Act, 2002.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF MAYFAIR INSURANCE TANZANIA LIMITED (CONTINUED)**

Report on the Audit of the Financial Statements (Continued)

Key audit matters (continued)

Valuation of Insurance Contract liabilities

Refer to the following notes to the financial statements

Note 3 (a) material accounting policy: insurance and reinsurance contracts

Note 4 Critical accounting judgements and key sources of uncertainties

Note 13(a) Insurance contracts

Key audit matter	How the matter was addressed in our audit
<p>As of 31 December 2025, the Company's insurance contract liabilities amounted to TZS 41.06 billion, which represents 84% of total liabilities.</p> <p>The Company measures insurance contract liabilities in accordance with IFRS 17, Insurance Contracts (IFRS 17), applying the Premium Allocation Approach (PAA) to eligible contracts. The insurance contract liabilities comprise the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). The LIC includes the present value of expected future cash flows arising from insured events that have occurred as at the reporting date, together with an explicit risk adjustment for non-financial risk.</p> <p>In determining the insurance contract liabilities, management is required to estimate the expected future cash flows arising from insurance contracts for which insured events have occurred. This involves the application of actuarial valuation techniques, including the Loss Ratio method, chain-ladder and Bornhuetter-Ferguson methods, and the use of significant judgement in selecting assumptions.</p> <p>The key assumptions and areas of judgement applied in estimating future cash flows include: expected claims experience, one-off occurrences, and claims development patterns; levels of claims inflation; expected claims handling and settlement expenses; discount rates and the time value of money; and confidence levels applied in determining the risk adjustment for non-financial risk.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We gained an understanding of the Company's actuarial valuation process, including the approach for classification of insurance contracts for the purpose of measuring insurance contract liabilities and tested the design and implementation of relevant controls around claims reserving. • With the assistance of our internal actuarial specialists, we evaluated the appropriateness of the valuation methodologies applied by management, including whether the methodologies were consistent with IFRS 17, applicable actuarial guidance and industry practice. • On a sample basis, we tested the accuracy and completeness of the underlying data used in the actuarial valuation by reconciling it to source documents and financial records. • We challenged the key assumptions used in the valuation of insurance contract liabilities such as expected claims experience, one-off occurrences, and claims development patterns, levels of claims inflation, expected claims handling and settlement expenses, discount rates and the confidence levels applied in determining the risk adjustment for non-financial risk by: <ul style="list-style-type: none"> ○ benchmarking them against externally observable data, where available, and



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF MAYFAIR INSURANCE TANZANIA LIMITED (CONTINUED)**

Report on the Audit of the Financial Statements (Continued)

Key audit matters (continued)

Determination of Insurance Contract liabilities (continued)

Key audit matter	How the matter was addressed in our audit
<p>The estimation of incurred claims, particularly incurred but not reported (IBNR) claims, is subject to a high degree of estimation uncertainty, as actual claims experience may differ from assumptions used. In addition, insurance contract liabilities are subject to local regulatory requirements that may influence the minimum level of claims reserves recognised.</p> <p>Due to the magnitude of the insurance contract liabilities, the complexity of the actuarial valuation techniques applied, and the significant judgement and estimation uncertainty involved, we considered the valuation of insurance contract liabilities to be a key audit matter.</p>	<ul style="list-style-type: none"> ○ assessing reasonableness of the current year insurance contract liabilities by performing an adequacy test of prior year liability to the extent possible to ascertain the appropriateness of the key assumptions applied. • We performed a retrospective review of prior-year assumptions by comparing actual claims experience to previously estimated outcomes, in order to assess the reasonableness of management's assumptions relating to claims development, expenses and inflation. • We assessed the appropriateness of the application of the Premium Allocation Approach (PAA) by evaluating whether the contracts measured under the PAA met the eligibility criteria set out in IFRS 17. • We evaluated the risk adjustment for non-financial risk, including the methodology applied and the pattern of release, by analysing movements in claims experience and changes in risk adjustment factors. • For the valuation of the liability for incurred claims, we compared management's estimates to the outputs of our actuarial specialists and performed analytical procedures with reference to prior years and key historical ratios. • We assessed whether the insurance contract liabilities disclosures included in the financial statements were appropriate and in accordance with IFRS 17 – Insurance Contracts.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF MAYFAIR INSURANCE TANZANIA LIMITED (CONTINUED)**

Report on the Audit of the Financial Statements (Continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the "Mayfair Insurance Tanzania Limited report and financial statements for the year ended 31 December 2025", but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by Companies Act, 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF MAYFAIR INSURANCE TANZANIA LIMITED (CONTINUED)**

Report on the Audit of the Financial Statements (Continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies Act, 2002 we report to you, solely based on our audit of the financial statements, that:

- in our opinion, proper accounting records have been kept by the Company;
- the individual accounts are in agreement with the accounting records of the Company;
- we obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit;
- directors' report is consistent with the financial statements; and
- information specified by the law regarding Directors' emoluments and other transactions with the Company is disclosed.

**KPMG
Certified Public Accountants (T)**

Signed by: CPA Alexander Njombe (ACPA 2714)
Dar es Salaam

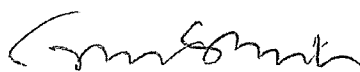
Date: 31 March 2026

MAYFAIR INSURANCE TANZANIA LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		2025 TZS '000	2024 TZS '000
Assets			
Cash and bank balances	20	4,591,160	1,391,440
Financial investments			
– Debt Securities at amortised cost	9	6,430,256	5,903,553
– Deposit with financial institutions	10	14,245,862	18,451,429
– Corporate Bonds	8	151,473	151,711
Insurance receivables	11	13,259,926	10,786,166
Other receivables	12	505,180	400,825
Equity Investment	25	321,386	150,000
Reinsurance contract assets	13(b)	22,529,149	23,713,552
Right -Of-Use Assets	6	334,744	450,698
Property and equipment	6	244,986	219,660
Intangible assets	7	12,883	15,812
Deferred tax	23	1,216,837	435,325
Total assets		<u>63,843,842</u>	<u>62,070,171</u>
Liabilities			
Payables arising from reinsurance arrangements	14	1,902,186	4,476,571
Insurance contract liabilities	13(a)	41,060,080	40,849,301
Lease Liability	24	316,748	435,316
Bank Overdraft	21	2,012,707	959,163
Current tax liability	23 (a) (ii)	769,820	365,286
Other payables	15	3,211,394	2,877,074
Total liabilities		<u>49,272,935</u>	<u>49,962,711</u>
Equity			
Share capital	16(a)	4,000,000	4,000,000
Retained earnings		6,063,783	3,600,336
Other reserves	16(b)	4,507,124	4,507,124
Total equity		<u>14,570,907</u>	<u>12,107,460</u>
Total liabilities and equity		<u>63,843,842</u>	<u>62,070,171</u>

The financial statements on pages 31 to 89 were approved and authorised for issue by the Board of directors on 31/03/2026 and were signed by:



MR. JAYESH G. SHAH
CHAIRMAN



MR. DAVID A. SAWE
DIRECTOR

Notes and related statements forming part of these financial statements appear on pages 35 to 89.

Report of the Auditor – pages 26 to 30.

MAYFAIR INSURANCE TANZANIA LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

		2025	2024
		TZS '000	TZS '000
Insurance revenue	17	48,669,280	45,441,156
Insurance service expenses	13 (a)	(28,510,332)	(32,309,504)
Net expenses from reinsurance contracts	13 (b)	<u>(7,011,280)</u>	<u>(729,149)</u>
Insurance service result		13,147,668	12,402,503
Interest revenue calculated using the effective interest method	18	2,054,543	1,779,874
Expected Credit Loss - (charge) /release	26(c)	<u>(320,074)</u>	<u>117,561</u>
Investment return		1,734,469	1,897,435
Net finance (expense) / income from insurance contracts	13(a)	(51,749)	1,098,767
Net finance income / (expense) from reinsurance contracts	13(b)	<u>280,872</u>	<u>(767,653)</u>
Net financial result		15,111,260	14,631,052
Other income	18	1,613	1,078,003
Other operating expenses	19	(11,509,125)	(12,197,323)
Profit before tax		3,603,748	3,511,732
Income tax expense	23 (a) (i)	<u>(760,271)</u>	<u>(1,628,278)</u>
Profit for the year		2,843,477	1,883,454
Other comprehensive income			
Gain on fair valuation of equity investments	25	171,386	-
Related deferred tax	23(b)	<u>(51,416)</u>	<u>-</u>
Other comprehensive income for the year net of taxation		119,970	-
Total comprehensive income		<u>2,963,447</u>	<u>1,883,454</u>

Notes and related statements forming part of these financial statements appear on pages 35 to 89.

Report of the Auditor – pages 26 to 30.

MAYFAIR INSURANCE TANZANIA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Share capital TZS'000	Contingency reserves TZS'000	Retained earnings TZS'000	Total TZS'000
Balance as at 1 January 2024	4,000,000	4,507,124	2,616,882	11,124,006
Profit for the year	-	-	1,883,454	1,883,454
Transfer to contingency reserves	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	1,883,454	1,883,454
Transactions with owners of the Company				
Dividend Paid	-	-	(900,000)	(900,000)
Total transactions with owners of the Company	-	-	(900,000)	(900,000)
Balance as at 31 December 2024	4,000,000	4,507,124	3,600,336	12,107,460
Balance as at 1 January 2025	4,000,000	4,507,124	3,600,336	12,107,460
Profit for the year	-	-	2,843,477	2,843,477
Transfer to contingency reserves*	-	-	-	-
Other comprehensive income – net of tax	-	-	119,970	119,970
Total comprehensive income for the year	-	-	2,963,447	2,963,447
Transactions with owners of the Company				
Dividend Paid	-	-	(500,000)	(500,000)
Total transactions with owners of the Company	-	-	(500,000)	(500,000)
Balance as at 31 December 2025	4,000,000	4,507,124	6,063,783	14,570,907

*Transfer to Contingency reserve is calculated annually as the higher of 3% of total written premium or 20% of the net profit after tax, in accordance with the Insurance Act, Tanzania. This reserve shall accumulate until it reaches the minimum paid up share capital or 50% of the net premiums, whichever is greater.

Notes and related statements forming part of these financial statements appear on pages 35 to 89.

Report of the Auditor – pages 26 to 30.

MAYFAIR INSURANCE TANZANIA LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 TZS'000	2024 TZS'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit after tax		2,843,477	1,883,454
Adjustments for:			
- Expected Credit Loss - charge / (release)	26(c)	320,074	(117,561)
- Depreciation of property and equipment	6	122,518	109,236
- Amortisation of right of use assets	6	192,569	189,260
- Amortisation of computer software	7	2,929	136,901
- Interest on lease liability	24	27,268	70,759
- Interest income on fixed deposits and treasury bond	18	(2,054,543)	(1,779,874)
- Corporate tax expense	23 (a) (i)	760,271	1,628,278
- Gain on sale of property and equipment		(1,613)	-
- Foreign exchange loss on cash and cash equivalent		47,588	16,446
- Foreign exchange loss on lease liability		14,065	-
- Foreign exchange loss on deposits with financial institutions		(387,468)	1,078,003
Operating profit before working capital changes		1,887,135	3,214,902
Changes in:			
- Insurance contract liabilities		210,780	10,503,022
- Insurance receivables		(2,888,477)	(3,436,989)
- Reinsurance contract asset		1,184,403	(8,162,144)
- Other receivables		(104,355)	(162,925)
- Payables arising out of reinsurance arrangements		(2,574,385)	600,660
- Other payables		334,320	821,496
Cash (used in) / generated from operating activities		(1,950,579)	3,378,022
Payment of interest portion of lease liability	24	(27,268)	(70,759)
Income tax paid	23 (a) (ii)	(1,188,665)	(984,615)
Net cash (used in) / generated from operating activities		(3,166,512)	2,322,648
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of items of property and equipment	6	(147,844)	(102,030)
Proceeds from sale of property and equipment		1,613	-
Acquisition of intangible assets	7	-	(12,917)
Investment in corporate bonds	8	-	(51,312)
Investment in Debt Securities at amortised cost	9	(517,780)	(1,084,555)
Proceeds from matured Debt Securities at amortised cost	9	-	175,000
Investments in equity instruments	25	-	(150,000)
Investment in deposits with financial institutions		(13,655,192)	(16,114,229)
Proceeds from deposits with financial institutions		21,070,465	14,748,386
Interest received from deposits		1,235,510	404,327
Net cash generated from / (used in) investing activities		7,986,772	(2,187,330)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability principal	24	(209,248)	(219,659)
Dividend paid		(500,000)	(900,000)
Net cash used in financing activities		(709,248)	(1,119,659)
Net increase / (decrease) in cash and cash equivalents		4,111,012	(984,341)
Movement in cash and cash equivalents during the year is as follows:			
Cash and cash equivalents as at 1 January	20	3,815,550	4,816,337
Effect of movements in exchange rates on cash held		(47,588)	(16,446)
Cash and Cash equivalent as at 31 December	20	7,878,974	3,815,550

Notes and related statements forming part of these financial statements appear on pages 35 to 89.
Report of the Auditor – Pages 26 to 30.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. REPORTING ENTITY

Mayfair Insurance Tanzania Limited is a Company domiciled in Tanzania. The financial statements of the Company are for the year ended 31 December 2025. The addresses of its registered office and principal place of business are disclosed in the corporate information page of this report. The Company is a licenced insurer and underwrites general insurance business.

2. BASIS OF PREPARATION

(a) Statement of compliance

The Financial statements have been prepared in accordance with and comply with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by Companies Act, 2002. Additional information required by the regulatory bodies is included where appropriate.

For the Companies Act, 2002 reporting purposes, in these financial statements the balance sheet is represented by the statement of financial position and the profit and loss account is presented in the statement of profit or loss and other comprehensive income.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for otherwise stated in the significant accounting policies. The significant accounting policies are summarised in Note 3.

The methods used to measure fair value are discussed further in Note 5.

(c) Functional and presentation currency

These financial statements are presented in Tanzanian Shillings (TZS), which is the Company's functional currency and presentation currency. Except as indicated, financial information presented in Tanzania Shillings has been rounded to the nearest thousands ('000').

(d) Use of estimates, assumptions and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 4.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these financial statements are stated below:

(a) Insurance and reinsurance contracts

Classification

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Company to financial risk. The Company does not accept insurance risk from other insurers.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Company or may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Company, unless otherwise stated.

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features. Some of these contracts are measured under the Premium Allocation Approach) PAA.

(i) *Separating components from insurance and reinsurance contracts*

At inception, the Company separates the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments:

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and
- distinct investment components: i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Company separates any promises to transfer to policyholders distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Company provides a significant service of integrating the good or service with the insurance component.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Insurance and reinsurance contracts (Continued)

(ii) *Aggregation and recognition of insurance and reinsurance contracts*

Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into three groups based on the profitability of contracts:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

An insurance contract issued by the Company is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Group provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

Reinsurance contracts

Groups of reinsurance contracts are established such that each group comprises a single contract.

Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Company concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Company's contractual rights and obligations, considering that the different covers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

A group of reinsurance contracts is recognised on the following date.

- *Reinsurance contracts initiated by the Company that provide proportionate coverage:* The date on which any underlying insurance contract is initially recognised. This applies to the Company's quota share reinsurance contracts.
- *Other reinsurance contracts initiated by the Company:* The beginning of the coverage period of the group of reinsurance contracts. However, if the Company recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date (see 'Reinsurance of onerous underlying insurance contracts' under (v)). This applies to the Company's excess of loss reinsurance contracts.
- *Reinsurance contracts acquired:* The date of acquisition.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Insurance and reinsurance contracts (Continued)

(iii) Insurance acquisition cash flows

The Company includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs. It estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Company then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

The Company capitalises the insurance acquisition cash flows by including it as a reduction in the liability for remaining coverage and amortising the cash flows over the coverage period of the contracts.

Changes in fulfilment cash flows

At each reporting date, if facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Company:

- (a) recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
- (b) if the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

The Company reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions have improved.

(iv) Contract boundaries

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

For insurance contracts; Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services). A substantive obligation to provide services ends when:

- the Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

For reinsurance contracts; Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Insurance and reinsurance contracts (Continued)

(iv) *Contract boundaries (Continued)*

— has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations and, therefore, may change over time.

(v) *Measurement – Contracts measured under the premium allocation approach (PAA)*

The Company applies the PAA to the measurement of Property, Marine, Aviation, Accident, motor and Liability insurance contracts with a coverage period of each contract in the group of one year or less.

On initial recognition, the Company measures the liability for remaining coverage (LRC) at the amount of premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date, and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the Company.

Premiums due to the Company for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC. The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

The Company has determined that there is no significant financing component for insurance contracts with a coverage period of one year or less. The Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

The Company also applies the PAA to the all - Proportional and Non-Proportional treaties. The coverage period of such reinsurance contracts held is 12 months or less. As the coverage period exceeds one year, the Company at initial recognition assessed that the PAA is a reasonable approximation of the General Model.

Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts. The allocation is done on the basis of the passage of time. The Company applies a methodology of daily release of LRC for expired time judgement in determining the basis of allocation.

When facts and circumstances indicate that a group of contracts has become onerous, the Company performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Company recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

The Company applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

If a loss-recovery component is created for a group of reinsurance contracts measured under the PAA, then the Company adjusts the carrying amount of the asset for remaining coverage.

(vi) *Derecognition and contract modification*

The Company derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Insurance and reinsurance contracts (Continued)

(vi) *Derecognition and contract modification (Continued)*

The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

(vii) *Presentation*

The Company presents separately in the statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Company disaggregates the amounts recognised in the statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Company has voluntarily included the net insurance finance income or expenses line in another sub-total: net insurance and investment result, which also includes the income from all the assets backing the Company's insurance liabilities.

The Company includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the related portfolios of insurance contracts issued.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion. It includes the entire change as part of the insurance service result.

(viii) *Insurance revenue*

As the Company provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Company expects to be entitled to in exchange for those services.

When applying the PAA, the Company recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service.

(ix) *Insurance service expenses*

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.

- Incurred claims and other insurance service expenses;
- Amortisation of insurance acquisition cash flows;
- Losses on onerous contracts and reversals of such losses;
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein;
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Insurance and reinsurance contracts (Continued)

(x) *Income or expenses from reinsurance contracts held*

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers
- An allocation of the premiums paid

The Company presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Company establishes a loss recovery component of the asset for the remaining coverage for a group of insurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group.

- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held.
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

(b) Other Income

Foreign exchange gains and losses on financial assets and financial liabilities are reported on a net basis as either net foreign exchange gain or loss depending on whether foreign currency movements result in a net gain or net loss position.

(c) Fair value measurement

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction on the measurement date.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Fair value measurement (Continued)

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

As at the reporting date, the Company did not have any instruments measured at fair value.

(d) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value plus or minus, for an item not a fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Financial assets

Financial assets are classified into the following specified categories: financial assets ‘at amortized cost’, and ‘at fair value through profit or loss (FVTPL)’.

Financial assets are classified based on (i) the business model within which the financial assets are managed and (ii) the contractual cash flow characteristics of the financial assets (whether the cash flows represent ‘solely payment of principal and interest’).

Financial assets at amortized cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold those assets for the purpose of collecting contractual cashflows and those cashflows comprise solely payments of principal and interest (‘hold to collect’).

Financial assets at fair value through profit or loss (FVTPL)

Other financial assets that do not fall into the category above is measured at FVTPL.

Effective interest method

The effective interest method is a method of calculating the amortised cost of financial asset and for allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that from an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (Continued)

Effective interest method (Continued)

Income is recognised on an effective interest basis for debt instruments other than those financial assets at fair value through other comprehensive income and those at FVTPL.

Impairment of financial assets

The Company assesses for indicators of impairment at the end of each reporting period. Financial assets are impaired based on expected credit loss (ECL) model. The Company recognises an allowance for either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. A financial asset is impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. These includes significant financial difficulty of the debtor, breach of contract such as a default or past-due event, the debtor entering bankruptcy or other financial reorganisation becoming probable; or the disappearance of an active market for a security because of financial difficulties.

The measurement of ECLs reflects a probability-weighted outcome, the time value of money and the entity's best available forward-looking information. The aforementioned probability-weighted outcome must consider the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is low.

The ECL model applies to financial assets measured at amortised cost and at fair value through other comprehensive income, lease receivables and certain loan commitments as well as financial guarantee contracts.

The carrying amount of financial asset is reduced by impairment loss directly for all financial assets and the loss is recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities are classified as at fair value through profit or loss where the financial liability is either held for trading or it is designated as at fair value through profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid in the financial liability.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (Continued)

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and for allocating interest expense over the relevant period.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances. For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in bank and other short term highly liquid investments with maturities of three months or less from the date of acquisition and bank overdrafts.

(f) Share capital

Ordinary shares are classified as equity. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(g) Property and equipment

i) Recognition and measurement

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or constructions of qualifying assets are recognised in profit or loss as incurred.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within the profit or loss.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Property and equipment (Continued)

ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Depreciation is charged on an annual basis as follows:

• Motor vehicles	5 years
• Computer equipment	3 years
• Furniture, fixtures, fittings and equipment	6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(h) Intangible assets

i) Recognition and measurement

Intangible assets comprise the cost of acquired computer software. Expenditure on acquired computer software is capitalised and measured at cost less accumulated amortization and any accumulated impairment losses.

ii) Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Current intangible assets are amortised at the rate of 33.3% per annum.

iii) Impairment of intangible assets

At end of each reporting period, the Company reviews carrying amounts of its tangible and intangible assets to determine whether there is an 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 impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

(i) Leases

At inception of a contract, the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration - i.e., the customer has the rights to obtain substantially all of the economic benefits from using the assets and the rights to direct the use of the asset.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Leases (Continued)

- *As a lessee*

The Company recognises a right of use asset and lease liability at the lease commencement date. The right-of-use asset is initially measure at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before commencement date, plus initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying assets or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease term of the building is five (5) years.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date over tenure of the lease, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The incremental borrowing rate of the Company is 8% per annum. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease term for these leases are five years and the Company has the right of the renewal. The Company assess these assumptions at each reporting period.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Leases (Continued)

Short term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets (less than TZS 10 million) and short-term leases (less than 12 months). The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) Foreign currency translation

Transactions in foreign currencies are translated to the functional currency (Tanzanian Shillings) at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss in the period in which they arise.

(k) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than investment properties and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

The Company's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Dividends

Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(m) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(n) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it is related to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

There are two types of temporary differences: taxable temporary differences and deductible temporary differences. Taxable temporary differences are timing differences such as decrease in provision and tax losses which cause taxable income in current period to be lower than pre-tax accounting income subject to taxes. The difference between the income tax payable and the pre-tax accounting income equals the deferred tax liability.

Deductible temporary differences are differences such as increase in provisions, depreciation of plant, property and equipment which cause the taxable income and hence income tax payable in current period to be higher than the pre-tax accounting income. They result in deferred tax asset which is expected to be utilized in future periods.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

o) Employees benefits

i) Retirement benefits

The Company makes statutory Contributions to the National Social Security Fund (NSSF). The Company's obligations in respect of contributions to such funds are 10% of the employees' gross emoluments in respect of NSSF members.

Contributions to this pension fund is recognised as an expense in the period the employees render the related services.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

o) Employees benefits (Continued)

ii) Short term benefits

The cost of all short-term employee benefits such as salaries, employees' entitlements to leave pay, medical aids, long service award, other contributions, etc. are recognised during the period in which the employees render the related services. The Company recognises the expected cost of bonuses and long service award only when the Company has a present legal or constructive obligation to make such payments and reliable estimate can be made.

iii) Termination benefits

Accumulative termination benefits are payable according to voluntary agreement entered between the employees and the Company whenever:

- An employee's employment is terminated before the normal retirement date;
- An employee accepts voluntary redundancy;
- Normal retirement.

p) Investment income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, changes in fair value of financial assets at fair value through profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

q) Contingency reserve

The statutory reserve represents capital and contingency reserve.

A contingency reserve is created in line with Insurance Regulations 27(1) under the Insurance Act 2009. The regulations require 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 results is made each year until the reserve reaches the greater of the minimum paid up capital or 50% of the net premium written.

r) New standards, amendments and interpretations effective and adopted during the year

The following standards and interpretations have been adopted and applied by the Company for in this financial year ended 31 December 2025

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

r) New standards, amendments and interpretations effective and adopted during the year (Continued)

- Relevant new and amended standards adopted by the Company

New and amended standard, an interpretations in issue but not yet effective for the year ended 31 December 2025

New standard or amendments	Effective date
Lack of Exchangeability – Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> .	1 January 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> **.	To be determined
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>	1 January 2026

New standard or amendments	Effective date
Annual Improvements to IFRS Accounting Standards – Amendments to: <ul style="list-style-type: none"> • IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>; • IFRS 7 <i>Financial Instruments: Disclosures</i> and its accompanying <i>Guidance on implementing IFRS 7</i>; • IFRS 9 <i>Financial Instruments</i>; • IFRS 10 <i>Consolidated Financial Statements</i>; and • IAS 7 <i>Statement of Cash flows</i> 	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7.	1 January 2026
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> .	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> .	1 January 2027

** The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted.

The Directors do not plan to apply the above standards, until they become effective. An assessment to ascertain if the potential impact of application of the above standards would be material is yet to be concluded.

There are no other standards that are not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on near future transactions.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF UNCERTAINTIES

Carrying amounts of assets and liabilities

In the application of the Company's accounting policies described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision in future periods if the revision affects both current and future periods.

Level of aggregation of insurance and reinsurance contracts (Continued)

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis. The Company determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. The Company applies significant judgement in determining at what level of granularity the Company has sufficient information to conclude that all contracts within a set will be in the same group.

Valuation of liabilities for insurance contracts (outstanding claims)

Estimates are made for both expected ultimate costs of claims reported and claims incurred but not reported (IBNR) at the end of the reporting date. The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims. The liabilities relating to insurance contracts are measured in accordance with the financial soundness valuation (FSV) (such as the ultimate cost of settling claims is estimated using a range of loss reserving techniques – e.g. the Loss Ratio method, the chain-ladder, and Bornhuetter- Ferguson methods) and 20% of outstanding claims reported at the period end as required by Tanzania Insurance Regulations. The amount recognised is the greater of amount obtained from financial soundness valuation method (actuarial) and 20% of outstanding claims reported at the period end as required by Tanzania Insurance Regulations. The main assumption underlying techniques applied in the estimation of liability include the Company's expected claims experience and claims development patterns, level of claims inflation, discount rates and the time value of money; and confidence levels applied in determining the risk adjustment for non-financial risk. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future (for example to reflect one-off occurrences, levels of claims inflation, expected claims handling and settlement expenses) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all uncertainties involved.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

5. DETERMINATION OF FAIR VALUES

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on the Dar es Salaam Stock Exchange;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

(a) Insurance receivables and other receivables

The fair value of insurance and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting rate.

(b) Investments

The fair value of financial assets at fair value through profit or loss is determined by reference to their quote bid price at the reporting date. As at the reporting date, the Company's investments were those measured at amortised cost and equity investment measured at Fair Value Through Other Comprehensive Income (FVOCI) (note 25).

(c) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

5. DETERMINATION OF FAIR VALUES (CONTINUED)

Financial assets and financial liabilities (by class) not measured at fair value

The following table analyses the Company's financial assets and financial liabilities (by class) not measured at fair value at 31 December 2025 and 31 December 2024. Except for Debt Securities at amortised cost which are long term, the carrying amount of these financial assets and liabilities reasonably approximate their fair value due to their short-term nature.

	Level 1 TZS'000	Level 2 TZS'000	Level 3 TZS'000	Financial asset at amortised cost TZS'000	Financial liabilities at amortised cost TZS'000	Total Carrying amount TZS'000	Fair value amount TZS'000
31 December 2025							
Financial assets:							
Investments in Debt Securities	-	6,430,256	-	6,430,256	-	6,430,256	6,430,256
Deposits with financial institutions	-	14,245,862	-	14,245,862	-	14,245,862	14,245,862
Reinsurance contract assets	-	22,529,149	-	22,529,149	-	22,529,149	22,529,149
Receivables arising out of direct insurance arrangements	-	7,704,029	-	7,704,029	-	7,704,029	7,704,029
Receivables arising out of reinsurance arrangements	-	5,555,897	-	5,555,897	-	5,555,897	5,555,897
Other receivables (excluding prepayments)	-	399,985	-	399,985	-	399,985	399,985
Cash and cash equivalents	-	4,591,160	-	4,591,160	-	4,591,160	4,591,160
Total	-	61,456,338	-	61,456,338	-	61,456,338	61,456,338
Financial liabilities							
Insurance contract liabilities	-	41,060,080	-	-	41,060,080	41,060,080	41,060,080
Payables arising from re-insurance arrangements	-	1,902,186	-	-	1,902,186	1,902,186	1,902,186
Other payables	-	1,965,464	-	-	1,965,464	1,965,464	1,965,464
Bank overdraft	-	2,012,707	-	-	2,012,707	2,012,707	2,012,707
Total	-	46,940,437	-	-	46,940,437	46,940,437	46,940,437

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

5. DETERMINATION OF FAIR VALUES (CONTINUED)

Financial assets and financial liabilities (by class) not measured at fair value (continued)

	Level 1 TZS'000	Level 2 TZS'000	Level 3 TZS'000	Financial asset at amortised cost TZS'000	Financial liabilities at amortised cost TZS'000	Total Carrying amount TZS'000	Fair value amount TZS'000
31 December 2024							
Financial assets							
Debt securities at amortized	-	5,903,553	-	5,903,553	-	5,903,553	7,461,269
Deposits with financial	-	18,451,429	-	18,451,429	-	18,451,429	18,451,429
Reinsurance contract assets	-	23,713,552	-	23,713,552	-	23,713,552	23,713,552
Receivables arising out of direct insurance arrangements	-	6,678,729	-	6,678,729	-	6,678,729	6,678,729
Receivables arising out of reinsurance arrangements	-	4,107,437	-	4,107,437	-	4,107,437	4,107,437
Other receivables (excluding prepayments)	-	353,061	-	353,061	-	353,061	353,061
Cash and cash equivalents	-	1,391,440	-	1,391,440	-	1,391,440	1,391,440
Total	-	60,599,201	-	60,599,201	-	60,599,201	62,156,917
Financial liabilities							
Insurance contract liabilities	-	40,849,301	-	-	40,849,301	40,849,301	40,849,301
Payables arising from re- insurance arrangements	-	4,476,571	-	-	4,476,571	4,476,571	4,476,571
Other payables	-	1,536,121	-	-	1,536,121	1,536,121	1,536,121
Bank overdraft	-	959,163	-	-	959,163	959,163	959,163
Total	-	47,821,156	-	-	47,821,156	47,821,156	47,821,156

Financial instruments measured at fair value.

The Company has equity instruments measured at Fair Value Through Other Comprehensive Income (FVOCI). The instruments are listed at the Dar es Salaam Stock exchange and hence level 1. Further disclosure is included in Note 25.

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

6. RIGHT OF USE ASSETS, PROPERTY AND EQUIPMENT

	Motor vehicles	Computer equipment	Furniture, fittings & office equipment	Total	Right of Use Asset	Total
Cost	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
At 1 January 2024	175,666	296,904	525,031	997,601	730,532	1,728,133
Additions	4,600	54,979	42,451	102,030	519,490	621,520
At 31 December 2024	180,266	351,883	567,482	1,099,631	1,250,022	2,349,653
At 1 January 2025	180,266	351,883	567,482	1,099,631	1,250,022	2,349,653
Additions	39,420	55,919	52,505	147,844	76,615	224,459
At 31 December 2025	219,686	407,802	619,987	1,247,475	1,326,637	2,574,112
Depreciation						
At 1 January 2024	53,623	252,487	464,625	770,735	610,064	1,380,799
Charge for the year	31,582	37,206	40,448	109,236	189,260	298,496
At 31 December 2024	85,205	289,693	505,073	879,971	799,324	1,679,295
At 1 January 2025	85,205	289,693	505,073	879,971	799,324	1,679,295
Charge for the year	30,514	47,806	44,198	122,518	192,569	315,087
At 31 December 2025	115,719	337,499	549,271	1,002,489	991,893	1,994,382
Carrying amount						
At 31 December 2024	95,061	62,190	62,409	219,660	450,698	670,358
At 31 December 2025	103,967	70,303	70,716	244,986	334,744	579,730

The Company did not own any land or buildings at 31 December 2025. There were no restrictions on the title of property and equipment recognised in the financial statements and no items were pledged as security for liabilities (2024: none).

The Company had no contractual commitments for the acquisition of property and equipment at the reporting date (2024: none).

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

7. INTANGIBLE ASSETS

	2025	2024
	TZS'000	TZS'000
Cost		
At 1 January	1,101,769	1,088,852
Additions	-	12,917
At 31 December	<u>1,101,769</u>	<u>1,101,769</u>
Amortisation		
At 1 January	(1,085,957)	(949,056)
Amortisation charge	(2,929)	(136,901)
At 31 December	<u>(1,088,886)</u>	<u>(1,085,957)</u>
Carrying amount	<u>12,883</u>	<u>15,812</u>

Intangible assets relate to computer software.

8. CORPORATE BOND

	2025	2024
	TZS'000	TZS'000
Corporate bonds	151,881	151,881
Expected credit loss	(408)	(170)
	<u>151,473</u>	<u>151,711</u>

Movement in Corporate bonds

Balance as at 1 January	151,881	100,569
Purchases	-	51,312
Balance as at 31 December	<u>151,881</u>	<u>151,881</u>

Prior year the Company purchased a bond from Iman Finance Limited as issued on 12 December 2024, with a face value of TZS 150,000,000 and accruing interest at a rate of 12%. Accrued interest during the year amounted to TZS 18,000,000 (2024: TZS 5,026,000).

9. INVESTMENT IN DEBT SECURITIES AT AMORTISED COST

	2025	2024
	TZS'000	TZS'000
Treasury bonds	6,538,824	6,021,044
Expected credit loss	(108,568)	(117,491)
	<u>6,430,256</u>	<u>5,903,553</u>
Maturity analysis:		
Over one year	<u>6,430,256</u>	<u>5,903,553</u>
Movement: Gross		
Balance as at 1 January	6,021,044	5,111,489
Purchases	517,780	1,084,555
Matured	-	(175,000)
Balance as at 31 December	<u>6,538,824</u>	<u>6,021,044</u>

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

9. INVESTMENT IN DEBT SECURITIES AT AMORTISED COST (CONTINUED)

	2025	2024
	TZS'000	TZS'000
Movement: ECL		
Balance as at 1 January	(117,491)	(72,841)
Charge / (release) for the period	8,923	(44,650)
Balance as at 31 December	<u>(108,568)</u>	<u>(117,491)</u>

10. DEPOSITS WITH FINANCIAL INSTITUTIONS

	2025	2024
	TZS'000	TZS'000
Call deposit accounts	1,459,995	3,383,273
Fixed deposit accounts	12,807,467	15,175,714
Expected credit loss	(21,600)	(107,558)
	<u>14,245,862</u>	<u>18,451,429</u>
Maturity analysis:		
Call deposit within 90 days from acquisition (Note 20)	1,459,995	3,383,273
Fixed deposits within 90 days from acquisition (Note 20)	3,840,526	-
Fixed deposits over 90 days but within a year	8,966,941	15,175,714
	<u>14,267,462</u>	<u>18,558,987</u>

11. INSURANCE RECEIVABLES

	2025	2024
	TZS'000	TZS'000
Direct clients	572,194	560,713
Agents and brokers	7,376,483	6,391,218
Less: Expected credit loss	(244,648)	(273,202)
	<u>7,704,029</u>	<u>6,678,729</u>
Receivables arising out of reinsurance arrangements	6,472,622	4,580,891
Less: Expected credit loss	(916,725)	(473,454)
Current assets	<u>13,259,926</u>	<u>10,786,166</u>

12. OTHER RECEIVABLES

Staff debtors	109,270	85,013
Prepayment	105,195	47,764
Deposit for Energy Consortium investment pool *	290,715	268,048
	<u>505,180</u>	<u>400,825</u>

*The company entered into a Tanzania Energy Co- Insurance Consortium agreement purposed to handle insurance risks on energy, oil, and gas business in the United Republic of Tanzania. As at 31 December 2025, the Company had made a total deposit of USD 110,000 to the Consortium member's. All other receivables are current assets.

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. INSURANCE AND REINSURANCE CONTRACT

Movement in insurance and reinsurance contract balances

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts measured under PAA. The coverage period of insurance contracts issued by the Company have coverage periods of one year or less and where the coverage period exceeds one year, the results of measuring this insurance contracts using the general measurement method and the premium allocation approach has been tested and confirmed not to be material.

a) Insurance Contracts

Analysis by remaining coverage and incurred claims

	Liabilities for remaining coverage TZS'000	Liabilities for incurred claims Estimates of present value of future cash Flows TZS'000	Risk adjustment for non - financial risk TZS'000	Total TZS'000
2025				
Opening liabilities	17,275,793	20,441,059	3,132,449	40,849,301
Changes in the statement of profit or loss and OCI				
Insurance revenue	(48,669,280)	-	-	(48,669,280)
Insurance service expenses				
Incurred claims and other insurance service expenses	-	21,890,566	(664,251)	21,226,315
Amortisation of insurance acquisition cash flows	7,284,017	-	-	7,284,017
	<u>7,284,017</u>	<u>21,890,566</u>	<u>(664,251)</u>	<u>28,510,332</u>
Insurance service result	(41,385,263)	21,890,566	(664,251)	(20,158,948)
Net finance income from insurance contracts	-	(99,471)	151,220	51,749
Total changes in the statement of profit or loss and OCI	(41,385,263)	21,791,095	(513,031)	(20,107,199)
Cash flows				
Premiums received	45,706,661	-	-	45,706,661
Claims and other insurance service expenses paid	-	(18,364,591)	-	(18,364,591)
Insurance acquisition cash flows	(7,024,092)	-	-	(7,024,092)
Total cash flows	38,682,569	(18,364,591)	-	20,317,978
Closing liabilities	14,573,099	23,867,563	2,619,418	41,060,080

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. INSURANCE AND REINSURANCE CONTRACT (CONTINUED)

Movement in insurance and reinsurance contract balances (Continued)

a) Insurance Contract (Continued)

2024	Liabilities for remaining coverage TZS'000	Estimates of present value of future cash Flows TZS'000	Liabilities for incurred claims Risk adjustment for non - financial risk TZS'000	Total TZS'000
Opening liabilities	15,368,386	11,808,790	3,169,103	30,346,279
Changes in the statement of profit or loss and OCI				
Insurance revenue	(45,441,156)	-	-	(45,441,156)
Insurance service expenses	-	25,125,576	(165,480)	24,960,096
Incurred claims and other insurance service expenses	7,349,408	-	-	7,349,408
Amortisation of insurance acquisition cash flows	7,349,408	25,125,576	(165,480)	32,309,504
	(38,091,748)	25,125,576	(165,480)	(13,131,652)
Insurance service result	-	(1,227,593)	128,826	(1,098,767)
Net finance income from insurance contracts	-	-	-	-
Total changes in the statement of profit or loss and OCI	(38,091,748)	23,897,983	(36,654)	(14,230,419)
Cash flows				
Premiums received	47,609,627	-	-	47,609,627
Claims and other insurance service expenses paid	-	(15,265,714)	-	(15,265,714)
Insurance acquisition cash flows	(7,610,472)	-	-	(7,610,472)
	39,999,155	(15,265,714)	-	24,733,441
Total cash flows	-	-	-	-
Closing liabilities	17,275,793	20,441,059	3,132,449	40,849,301

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. INSURANCE AND REINSURANCE CONTRACT (CONTINUED)

a) Insurance Contract (Continued)

The table below summarise the insurance service expenses and net finance expenses from insurance contract reconciled to Statement of profit or loss and other comprehensive income (SOI)

	2025	2024
	TZS'000	TZS'000
Insurance Claims Service Expense	21,226,315	24,960,096
Insurance Amortization of Acquisition Expenses	<u>7,284,017</u>	<u>7,349,408</u>
Insurance service expenses recognised in SOI	<u>28,510,332</u>	<u>32,309,504</u>
Net finance (expenses) / income from insurance contract recognised in SOI		
Movement in discount of Best Estimate Liability Claims	<u>(51,749)</u>	<u>1,098,767</u>

All Insurance contract liabilities are current liabilities

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. INSURANCE AND REINSURANCE CONTRACT (CONTINUED)

b) Reinsurance contracts

Analysis by remaining coverage and incurred claims

		2025			
		Assets for incurred claims			
		Estimates of present value of future cash flows	Risk adjustment for non- financial risk		
Note	Assets for remaining coverage TZS'000	TZS'000	TZS'000	Total TZS'000	
	Opening assets	9,746,649	12,079,371	1,887,531	23,713,551
	Changes in the statement of profit or loss and OCI				
	Allocation of reinsurance premiums paid	(23,946,177)	-	-	(23,946,177)
	Amounts recoverable from reinsurers	6,283,415	10,914,871	-	17,198,286
	Adjustments to Assets for incurred claims			(263,389)	(263,389)
	Net expenses from reinsurance contracts	(17,662,762)	10,914,871	(263,389)	(7,011,280)
	Net finance expenses from reinsurance contracts		201,535	79,337	280,872
	Total changes in the statement of profit or loss and OCI	(17,662,762)	11,116,406	(184,052)	(6,730,408)
	Cash flows				
	Premiums paid	21,757,544	-	-	21,757,544
	Amounts received	(6,143,150)	(10,068,388)	-	(16,211,538)
	Total cash flows	15,614,394	(10,068,388)	-	5,546,006
	Closing assets	7,698,281	13,127,389	1,703,479	22,529,149

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. INSURANCE AND REINSURANCE CONTRACT (CONTINUED)

b) Reinsurance contracts (Continued)

Analysis by remaining coverage and incurred claims(Continued)

	2024			
	<u>Assets for incurred claims</u>			
	Assets for remaining coverage TZS'000	Estimates of present value of future cash flows TZS'000	Risk adjustment for non- financial risk TZS'000	Total TZS'000
Opening assets	7,233,646	6,280,756	2,037,006	15,551,408
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums paid	(20,720,380)	-	-	(20,720,380)
Amounts recoverable from reinsurers	5,563,765	14,683,706	-	20,247,471
Adjustments to Assets for incurred claims	<u>-</u>	<u>-</u>	<u>(256,240)</u>	<u>(256,240)</u>
Net expenses from reinsurance contracts	(15,156,615)	14,683,706	(256,240)	(729,149)
Net finance expenses from reinsurance contracts	-	(874,419)	106,765	(767,654)
Total changes in the statement of profit or loss and OCI	<u>(15,156,615)</u>	<u>13,809,287</u>	<u>(149,475)</u>	<u>(1,496,803)</u>
Cash flows				
Premiums paid	23,284,167	-	-	23,284,167
Amounts received	<u>(5,614,549)</u>	<u>(8,010,672)</u>	<u>-</u>	<u>(13,625,221)</u>
Total cash flows	<u>17,669,618</u>	<u>(8,010,672)</u>	<u>-</u>	<u>9,658,946</u>
Closing assets	<u>9,746,649</u>	<u>12,079,371</u>	<u>1,887,531</u>	<u>23,713,551</u>

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. INSURANCE AND REINSURANCE CONTRACT (CONTINUED)

b) Reinsurance contracts (Continued)

The table below summarise Net expenses from reinsurance contract and net finance income from insurance contract reconciled to Statement of profit or loss and other comprehensive income (SOI)

	2025	2024
	TZS'000	TZS'000
Net expenses from reinsurance contracts		
Allocation of reinsurance premiums paid	(23,946,177)	(20,720,380)
Reinsurance claims service expenses	17,198,286	20,247,472
Reinsurance Movement in Risk Adjustment (RA)	<u>(263,389)</u>	<u>(256,241)</u>
Net Expenses from Reinsurance contract recognised in SOI	(7,011,280)	(729,149)
Net finance (expense) / income from Reinsurance contract Recognised in SOI		
Movement in discount of Best Estimate Liability Claims Reinsurance	<u>(280,872)</u>	<u>767,653</u>

The table below summarise movement in reinsurance contract assets:

	2025	2024
	TZS'000	TZS'000
As at January	23,713,552	15,551,408
Premium ceded	21,757,544	23,284,167
Reinsurance Acquisition Cost	280,872	(767,653)
Claims recovery	(16,211,539)	(13,625,221)
Payment to reinsurer	<u>(7,011,280)</u>	<u>(729,149)</u>
As at 31 December	<u>22,529,149</u>	<u>23,713,552</u>

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. INSURANCE AND REINSURANCE CONTRACT (CONTINUED)

c) Claims Development

31 December 2025

Gross

Estimates of discounted Gross	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Cumulative claims	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
At end of accident year	981,848	5,516,864	25,813,853	8,320,582	11,361,977	6,853,428	11,830,923	13,109,455	16,771,336	14,716,135	-
One year later	1,251,303	5,505,350	282,89,379	9,273,702	12,287,120	8,087,597	14,057,237	21,548,680	20,386,135	-	-
Two years later	1,225,071	5,298,889	18,670,351	8,884,569	12,044,646	8,030,440	13,643,779	22,690,177	-	-	-
Three years later	1,097,627	5,290,688	18,873,700	8,537,755	11,861,226	7,870,010	14,561,430	-	-	-	-
Four years later	1,102,335	5,116,039	18,828,313	8,300,341	11,807,841	8,029,535	-	-	-	-	-
Five years later	1,091,986	5,082,433	18,635,432	8,214,526	11,991,661	-	-	-	-	-	-
Six years later	1,084,345	5,025,959	18,554,400	8,236,792	-	-	-	-	-	-	-
Seven years later	1,084,345	5,006,780	18,615,052	-	-	-	-	-	-	-	-
Eight years later	1,084,345	5,038,931	-	-	-	-	-	-	-	-	-
Nineth Years Later	1,082,117	-	-	-	-	-	-	-	-	-	-
Current estimate of cumulative claims	1,082,117	5,038,931	18,615,052	8,236,792	11,991,661	8,029,535	14,561,430	22,690,177	20,386,135	14,716,135	125,347,965
Less: Cumulative payments to date	(1,082,013)	(4,970,040)	(18,121,500)	(8,147,641)	(11,618,206)	(7,228,974)	(12,284,307)	(14,627,713)	(15,484,548)	(7,848,160)	(101,413,102)
Liability in the statement of financial position	104	68,891	493,552	89,151	373,455	800,561	2,277,123	8,062,464	4,901,587	6,867,975	23,934,863
Liability in respect of Prior Years											-
Gross IBNR											3,977,489
Gross Claims Liability Included in the Statement of Financial Position											27,912,352
Changes in Gross Outstanding Claims Reserve (OCR) due to discounting											(3,498,572)
Changes in Gross IBNR (Including ULAE) due to discounting											(546,216)
Total gross claims liability included in the statement of financial position											23,867,563

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. INSURANCE AND REINSURANCE CONTRACT (CONTINUED)

c) Claims Development (Continued)

Estimates of discounted net cumulative claims	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
At end of accident year	469,930	2,173,245	3,920,481	2,264,662	3,133,922	2,314,092	5,446,171	6,580,444	6,906,482	6,115,943	-
One year later	443,335	1,895,503	5,698,753	2,877,207	3,885,554	3,030,975	7,017,165	9,819,542	9,007,319	-	-
Two years later	389,860	1,919,027	5,427,575	3,041,780	3,815,016	3,056,691	6,667,858	10,468,265	-	-	-
Three years later	384,135	1,982,002	6,165,675	2,922,182	3,768,058	2,928,374	7,097,745	-	-	-	-
Four years later	386,914	2,001,026	6,216,867	2,822,837	3,719,817	3,005,475	-	-	-	-	-
Five years later	387,692	1,990,542	6,156,692	2,776,313	3,799,553	-	-	-	-	-	-
Six years later	384,587	1,976,870	6,059,421	2,788,092	-	-	-	-	-	-	-
Seven years later	384,659	1,963,502	6,113,274	-	-	-	-	-	-	-	-
Eight years later	384,096	1,977,879	-	-	-	-	-	-	-	-	-
Ninth Years Later	383,671	-	-	-	-	-	-	-	-	-	-
Current estimate of cumulative claims	383,671	1,977,879	6,113,274	2,788,092	3,799,553	3,005,475	7,097,745	10,468,265	9,007,319	6,115,943	50,757,216
Less: Cumulative payments to date	(383,632)	(1,952,101)	(5,928,590)	(2,754,732)	(3,659,809)	(2,705,911)	(6,245,664)	(7,451,355)	(7,173,183)	(3,546,001)	(41,800,978)
Liability in the statement of financial position	39	25,778	184,684	33,360	139,744	299,564	852,081	3,016,910	1,834,136	2,569,942	8,956,238
Liability in respect of Prior Years											1,150,953
Net IBNR											2,491,420
Net Claims Liability Included in the Statement of Financial Position											12,598,611
Changes in Gross Outstanding Claims Reserve (OCR) due to discounting											(1,509,059)
Changes in Gross IBNR (Including ULAE) due to discounting											(349,273)
Total net claims liability included in the statement of financial position											10,740,279

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

14. PAYABLES ARISING FROM REINSURANCE ARRANGEMENTS

	2025	2024
	TZS'000	TZS'000
Payable to re-insurers	141,204	94,136
Payable to insurers	1,760,982	4,382,435
Current liabilities	<u>1,902,186</u>	<u>4,476,571</u>

15. OTHER PAYABLES

	2025	2024
	TZS'000	TZS'000
Sundry creditors	1,900,791	1,471,448
Output VAT and withholding taxes	1,019,275	1,081,115
Accrual for audit fees	64,673	64,673
Statutory deductions	125,021	155,579
Leave pay provision liability	101,634	104,259
Current liabilities	<u>3,211,394</u>	<u>2,877,074</u>

16. SHARE CAPITAL AND RESERVES

	2025	2024
	TZS'000	TZS'000
Authorised		
8,000,000 ordinary shares with a par values of TZS 1,000 per share	<u>8,000,000</u>	<u>8,000,000</u>
a) Issued and fully paid up		
4,000,000 ordinary shares of TZS 1,000 each	<u>4,000,000</u>	<u>4,000,000</u>

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

b) Contingency reserve

A non-distributable contingency reserve is required to be maintained by transferring each year from retained earnings an amount of not less than the greater of 3% of the total premium written or 20% of the net profit, whichever is the greater. The reserve is accumulated until it reaches the greater of minimum paid up share capital or 50% of net premiums written. The total amount of contingency reserve at end of the year is TZS 4,507,124,000 (2024: TZS 4,507,124,000).

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

17. INSURANCE REVENUE

	2025	2024
	TZS'000	TZS'000
Marine/Aviation	5,564,164	5,881,641
Engineering	4,754,842	1,177,560
Fire	9,151,329	8,976,881
Liability	446,598	804,946
Motor	18,269,399	18,585,605
Personal accident	6,476,484	6,031,616
Bond	2,648,898	1,555,660
Workmen's	65,520	90,874
Miscellaneous	1,292,046	2,336,373
Total insurance revenue	<u>48,669,280</u>	<u>45,441,156</u>

18. INTEREST AND NET FINANCE

	2025	2024
	TZS'000	TZS'000
Interest revenue		
Interest income from deposits with financial institutions	1,235,510	1,029,552
Interest income from investments in Debt Securities at amortised cost	819,033	750,322
	<u>2,054,543</u>	<u>1,779,874</u>
Net finance expenses from insurance contracts		
Interest accreted		
Effect of changes in interest rates and other financial assumptions	(51,749)	1,098,767
	<u>(51,749)</u>	<u>1,098,767</u>
Net finance income from reinsurance contracts		
Interest accreted	280,872	(767,653)
Total net finance expenses from reinsurance contracts	280,872	(767,653)
	<u>280,872</u>	<u>(767,653)</u>
A. Insurance finance income and expenses		
Net finance expenses from insurance contracts		
Recognised in profit or loss	(385,855)	1,078,003
Recognised in OCI	-	-
	<u>(385,855)</u>	<u>1,078,003</u>
Net finance income from reinsurance contracts		
Recognised in profit or loss	280,872	(767,653)
Recognised in OCI	-	-
	<u>280,872</u>	<u>(767,653)</u>
Other income		
Disposal of assets	1,613	1,078,003
	<u>1,613</u>	<u>1,078,003</u>

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

19. EXPENSE

		2025	2024
		TZS'000	TZS'000
Insurance and other operating expenses			
Claims and benefits	13	21,226,315	24,960,096
Fees and commissions	13	7,284,017	7,349,408
Staff costs		2,952,112	2,630,649
Defined contribution expense		300,884	290,416
Depreciation of property, plant and equipment		74,712	62,104
Amortization of right of use assets		192,569	189,260
Amortization of computer software		50,735	174,107
Audit fees*		106,429	116,185
Other consultancy costs		29,751	42,054
Directors' remuneration (Note 22)		157,336	142,455
Premium taxes, levies and licenses		646,383	576,164
Unrealised forex loss		387,468	-
Other expenses**		6,610,746	7,973,929
		<u>40,019,457</u>	<u>44,506,827</u>
Represented by:			
Insurance service expenses	13	28,510,332	32,309,504
Other operating expenses		11,509,125	12,197,323
		<u>40,019,457</u>	<u>44,506,827</u>

* Audit fees relate to amount paid for the audit of financial statements.

**Included in other expenses are printing TZS 175m (2024: TZS 172m), Travel expenses TZS 140m (2024: TZS 265m), Legal and professional fees TZS 1.58b (2024: TZS 1.43b), Finance cost TZS 208m (2024: TZS 295m), Advertising and promotions TZS 181m (2024: TZS 539m) and Microinsurance Platform fee TZS 1.79b.(2024: TZS 2.4b).

20. CASH AND CASH EQUIVALENTS

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

Cash balances	3,022	1,480
Bank balances	4,588,138	1,389,960
Cash and bank balances in statement of financial position	4,591,160	1,391,440
Deposits with financial institutions maturing within 90 days - Note 10	5,300,521	3,383,273
	9,891,681	4,774,713
Bank Overdraft repayable on demand and used for cash management purposes	<u>(2,012,707)</u>	<u>(959,163)</u>
	<u>7,878,974</u>	<u>3,815,550</u>

21. BANK OVERDRAFT

Bank overdraft	2,012,707	959,163
----------------	------------------	----------------

The Company had an overdraft facility with Canara Bank at differential interest rate of 1.5% of the overdraft amount. The overdraft facility is unsecured with an original currency of USD.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

22. RELATED PARTIES TRANSACTIONS

The majority shareholder is Mayfair Insurance Company Limited incorporated in Kenya.

List of related parties and the nature of the relationship.

Mayfair Insurance Company Ltd	Ultimate Parent company
Pawan Patel	Director
Gaurang Pravin Shah	Shareholder
Subhash M. Patel	Shareholder
Girdhar Pindoria	Shareholder
Abbas Mohamed Jessa	Shareholder
Harbinder S. Jandu & Kamalpal S. Jandu	Shareholder
Jayesh G. Shah	Shareholder
Lakdawalla Investment Ltd	Shareholder
Anjay Vithalbhai Patel	Shareholder
Darpan Pindolia	Director
Vishal R. Patel	Director
Sanjay K. Singh	Managing Director

Trading transactions

The Company was not charged any management fees during the year in respect of services and technical support provided by Mayfair Insurance Company Ltd - Kenya (the ultimate holding Company).

Transactions with related parties during the year were in the normal course of business and they give rise to amounts due from related parties as shown below. The terms and conditions of these transactions were equivalent to those available to others.

Directors remuneration

	2025 TZS'000	2024 TZS'000
Remuneration paid to directors during the year was as follows:		
Anjay V. Patel	19,701	17,837
Vishal Patel	19,701	17,837
Abbas M. Jessa	18,613	16,853
David Sawe	18,613	16,853
William E. Erio	19,701	17,837
Pawan Patel	18,613	16,853
Jayesh Shah	23,781	21,532
Mr. Darpan Pindolia	18,613	16,853
	<u>157,336</u>	<u>142,455</u>

Directors' remunerations relate to fees and travel and accommodation allowances.

	2025 TZS'000	2024 TZS'000
--	-----------------	-----------------

Key management personnel remuneration

Salaries and other short-term benefits	<u>1,627,357</u>	<u>1,555,468</u>
--	------------------	------------------

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

23. TAXATION

(a) Tax expense

	2025	2024
	TZS'000	TZS'000
(i) Income tax expense		
Current tax expense		
Current tax charge	1,593,199	1,170,303
Prior year current tax assessed	-	285,415
	<u>1,593,199</u>	<u>1,455,718</u>
Deferred tax expense		
Deferred tax (credit)/ charge – current year (Note 23 (b))	(447,511)	(36,435)
Deferred tax (credit)/charge – prior year (Note 23 (b))	(385,417)	208,995
	<u>(832,928)</u>	<u>172,560</u>
Tax expense	<u><u>760,271</u></u>	<u><u>1,628,278</u></u>

Reconciliation of income tax expense

	%	2025	%	2024
		TZS'000		TZS'000
Effective tax	21	<u>760,271</u>	46	<u>1,628,278</u>
Accounting profit before taxation		3,603,748		3,511,732
Tax applicable rate of 30%	30	1,081,124	54553	1,053,520
Deferred tax under/over provision in prior year	(11)	(385,417)	3	208,995
Permanently disallowed expenditure	2	64,564	6	116,970
Income not subjected to tax	-	-	3	(36,623)
Under provision of prior year tax charge	-	-	(1)	(36,623)
	-	-	8	285,416
	21	<u>760,271</u>	46	<u>1,628,278</u>

	2025	2024
	TZS'000	TZS'000
(ii) Income tax receivable		
Balance at 1 January	(365,286)	105,817
Tax charge for the period - Note 23(a)(i)	(1,593,199)	(1,170,303)
Prior year current tax assessed	-	(285,415)
Tax paid*	1,188,665	984,615
Balance at 31 December	<u>(769,820)</u>	<u>(365,286)</u>

*Tax paid includes TZS 961.6 million instalment taxes for the current financial year ended 31 December 2025 and TZS 227 million paid in relation to prior year taxes at the point of filing the 2024 tax returns.

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

23. TAXATION (CONTINUED)

(b) Deferred tax asset

Deferred tax asset has been computed in respect of the following items:

	Balance at 1 January TZS'000	Recognized in profit or loss TZS'000	Recognized in equity TZS'000	Balance at 31 December TZS'000
2025				
Accelerated depreciation for tax purpose	49,151	(8,071)	-	41,080
General provisions	422,474	468,296	-	890,770
IFRS 16	(36,300)	(12,714)	-	(49,014)
Prior year over provision	-	385,417	-	385,417
Fair value gain on equity investments	-	-	(51,416)	(51,416)
	<u>435,325</u>	<u>832,928</u>	<u>(51,416)</u>	<u>1,216,837</u>
2024				
Accelerated depreciation for tax purpose	16,805	32,346	-	49,151
General provision	639,491	(8,022)	-	631,469
Prior year under provision	-	(208,995)	-	(208,995)
IFRS 16	(48,411)	12,111	-	(36,300)
	<u>607,885</u>	<u>(172,560)</u>	<u>-</u>	<u>435,325</u>

The tax affairs of the Company are subject to agreement with the Tanzania Revenue Authority (TRA).

24. LEASES

The Company has lease contracts for various buildings used for office operations. Leases of buildings generally have lease terms between 2 and 5 years and include extension and termination options. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right of use asset

The carrying amount of right-of-use asset recognised and the movement during the period has been disclosed as part of property and equipment in the Note 6 of these financial statements.

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

24. LEASES (CONTINUED)

Lease liability movement

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2025	2024
	TZS'000	TZS'000
Balance at 1 January	435,316	129,817
Payments of lease liability (cash flow item)	(209,248)	(219,659)
Payments of interest expense (cash flow item)	(27,268)	(70,759)
Finance cost	27,268	70,759
Lease addition	76,614	497,427
Foreign exchange adjustment	14,066	27,731
Balance at 31 December	<u>316,748</u>	<u>435,316</u>
Current (Undiscounted)	194,815	222,992
Non-current (Undiscounted)	152,382	335,978
	<u>347,197</u>	<u>558,970</u>
Amounts to be recognised in profit or loss under IFRS 16		
Interest on lease liabilities	27,268	70,759
Amortization of the right of use asset	192,569	149,724
Foreign exchange adjustment	14,066	27,731
Amounts to be recognised in the statement of cash flows		
Interest paid	27,268	70,759
Principal payments	209,248	219,659

Extensions options

Some leases of office premises contain extension options exercisable by the Company up to one term after the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Company has estimated that the potential future lease payments, should it exercise the extension options, would result in an increase in lease liability of TZS 424million.

25. EQUITY INVESTMENT

	2025	2024
	TZS'000	TZS'000
At 1 January	150,000	-
Additions	-	150,000
Fair value gain	171,386	-
At end of year	<u>321,386</u>	<u>150,000</u>

The Company holds 118,442 ordinary shares in CRDB Bank Plc and 16,450 ordinary shares in NMB Bank Plc. The shares are listed in the Dar es Salaam Stock Exchange (DSE) and are Level 1. The investment is measured at fair value through other comprehensive income. The fair value gain during the year was TZS 171 million (2024: Nil - the changes in fair value as at the reporting date were insignificant).

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISKS

The Company issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the Company manages them.

(a) Insurance risk

(i) General insurance contracts

The risk under any one insurance contract is 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 number of claims and benefits will vary from year to year from the level established based on past experience.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about 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.

This risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting principles and guidelines, as well as the use of carefully arranged reinsurance agreements.

The Company has developed its insurance underwriting strategy to diversify the type of insurance risk accepted and within each of these categories to achieve a sufficient 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.

(ii) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors, such as inflation, legal rulings and weather events. The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (i.e., subrogation).

The reinsurance arrangements include excess of loss, and catastrophe coverage. The effect of such reinsurance arrangements is that the Company should not suffer total net insurance losses of more than TZS 25 million on motor accident and liabilities, TZS 50 million on fire and engineering and TZS 10 million on marine hulls and cargo. In addition to the overall Company reinsurance programme, individual business units are permitted to purchase additional reinsurance protection.

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISKS (CONTINUED)

(a) Insurance risk (Continued)

(iii) Concentration of insurance liabilities

The Company sells insurance products to the general public and therefore is not exposed to any concentration of risk in one particular sector.

The following table discloses the concentration of insurance liabilities by the class of business in which the contract holder operates and by the maximum insured loss limit included in the terms of the policy.

2025 Class of business	Maximum insured loss			Total TZS'000
	TZS 0 - 15m	TZS 15 - 250m	Above TZS 250m	
	TZS'000	TZS'000	TZS'000	
Motor gross	16,108,737	186,915,693	245,828,558	448,852,988
Net	17,500,155	167,133,744	1617,085,97	346,342,496
Accident gross	40,751	5,996,768	129,931,452	135,968,971
Net	55,151	6,906,487	20,116,649	27,078,287
Marine gross	1,194,192	158,642,817	1,227,353,968	1,387,190,977
Net	1,479,866	166,785,045	332,285,625	500,550,536
Fire gross	4,922,046	45,965,500	7,512,888,679	7,563,776,225
Net	571,567	56,103,980	1,285,833,270	1,342,508,817
Engineering gross	442,217	25,214,962	2,279,516,135	2,305,173,314
Net	517,407	26,591,990	505,477,915	532,587,312
Others	2,276,482	93,369,640	1,122,851,447	1,218,497,569
Net	10,485,459	52,143,150	247,123,428	309,752,037
Gross written premium	<u>18,369,538</u>	<u>20,081,391</u>	<u>7,255,734</u>	<u>45,706,663</u>
Net written premium (Inclusive of re-insurer's share TZS 813.417 million)	<u>13,443,994</u>	<u>8,161,110</u>	<u>3,095,158</u>	<u>24,700,262</u>

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISK (CONTINUED)

(a) Insurance risk (Continued)

iii) Concentration of insurance liabilities (Continued)

2024	Maximum insured loss			Total TZS'000
	TZS 0 - 15m TZS'000	TZS 15 - 250m TZS'000	Above TZS 250m TZS'000	
Motor gross	13,923,127	4,558,570	905,312	19,387,009
Net	11,466,085	1,885,498	-	13,351,583
Accident gross	3,601,997	2,982,741	3,821,945	10,406,683
Net	1,621,331	1,697,110	3,821,945	7,140,386
Marine gross	2,454,751	1,901,670	-	4,356,421
Net	1,537,997	556,130	-	2,094,127
Fire gross	2,898,662	4,840,950	1,138,150	8,877,762
Net	1,541,371	116,726	-	1,658,097
Engineering gross	1,306,001	2,197,603	-	3,503,604
Net	869,066	139,068	-	1,008,134
Others	15,509	1,062,348	-	1,077,857
Net	3,019	-	-	3,019
Gross written premium	24,200,047	17,543,882	5,865,407	47,609,336
Net written premium (Inclusive of re-insurer's share TZS 923.762 million)	17,038,869	4,394,532	3,821,945	25,255,346

Sensitivity analysis

	31 December 2025		31 December 2024	
<i>Before Reinsurance (Gross)</i>				
Change in reinsurance incurred claims	Impact on profit before tax TZS'000	Impact on equity TZS'000	Impact on profit before tax TZS'000	Impact on equity TZS'000
+ 5%	2,285,333	1,599,733	2,380,467	1,666,327
- 5%	(2,285,333)	(1,599,733)	(2,380,467)	(1,666,327)
<i>After Reinsurance</i>				
Change in reinsurance incurred claims	Impact on profit before tax TZS'000	Impact on equity TZS'000	Impact on profit before tax TZS'000	Impact on equity TZS'000
+ 5%	1,235,013	864,509	1,262,767	883,937
- 5%	(1,235,013)	(864,509)	(1,262,767)	(883,937)

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISK (CONTINUED)

(b) Financial risk

The Company is exposed to a range of financial risks through its financial assets, financial liabilities (investment contracts), 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 its insurance and investment contracts. The most important components of this financial risk are interest rate risk, equity price risk, currency risk and credit risk.

These risks arise from open positions in interest rate, 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.

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the audit committee, which is responsible for developing and monitoring Company risk management policies in their specified areas. All Board committees have both executive and non-executive members and report regularly to the Board of directors on their activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee is responsible for monitoring compliance with the Company's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. Key areas where the Company is exposed to credit risk are:

Re-insurers' share of insurance contract liabilities; amounts due from reinsurers in respect of claims already paid amounts due from direct clients, brokers and agents.

The Company has established a credit policy under which each new customer (direct, brokers, agents and other insurance companies) is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

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

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISK (CONTINUED)

(c) Credit risk (Continued)

Other sundry debtors are not having standard credit characteristics; they differ depending on whether they are normal, “governed by specific debtor” or the creditworthiness of entity from which they are receivable.

The maximum exposure to credit risk at 31 December 2025 is the carrying value of the financial assets in the statement of financial position.

There was no collateral held in respect of the financial assets in the balance sheet.

None of the above assets are past due or impaired.

In determining the expected credit losses for these assets the Company has taken into account the historical default experience, the financial position of the counterparties, financial analysts reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

The maximum exposure to credit risk is as summarised below:

	Carrying Amounts TZS '000	Expected credit loss TZS '000	Net TZS '000
31 December 2025			
Deposit with financial Institutions – note 10	14,267,462	(21,600)	14,245,862
Investment in Debt Securities at amortised cost - note 9	6,538,824	(108,568)	6,430,256
Corporate bonds – note 8	151,881	(408)	151,473
Cash and cash equivalents – note 20	4,591,160		4,591,160
Receivables arising from direct insurance arrangement – note 11	7,948,677	(244,648)	7,704,029
Receivable arising from reinsurance arrangements – note 11	6,472,623	(916,726)	5,555,897
Other receivables (excluding prepayments) – note 12	399,985	-	399,985
	<u>40,370,612</u>	<u>(1,291,950)</u>	<u>39,078,662</u>
31 December 2024			
Deposit with financial Institutions – note 10	18,558,987	(107,558)	18,451,429
Investment in Debt Securities at amortised cost – note 9	6,021,044	(117,491)	5,903,553
Corporate bonds – note 8	151,881	(170)	151,711
Cash and cash equivalent – note 20	1,391,440	-	1,391,440
Receivables arising from direct insurance arrangement – note 11	6,951,931	(273,202)	6,678,729
Receivable arising from reinsurance arrangements – note 11	4,580,891	(473,454)	4,107,437
Other receivables (excluding prepayments) – note 12	353,061	-	353,061
	<u>38,009,235</u>	<u>(971,875)</u>	<u>37,037,360</u>

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISK (CONTINUED)

(c) Credit risk (Continued)

The table below provides the information regarding the credit risk exposure of the Company.

31 December 2025	Stage 1	Stage 2	Stage 3	Total
	TZS'000	TZS'000	TZS'000	TZS'000
Other receivable arising out of insurance arrangements	7,704,029	-	244,648	7,948,677
Other receivable arising out of reinsurance arrangements	5,555,897	-	916,726	6,472,623
Debt Securities at amortised cost	6,430,256	-	108,568	6,538,824
Corporate bonds	151,473	-	408	151,881
Deposits with financial institutions	14,245,862	-	21,600	14,267,462
Other receivables (excluding prepayments)	399,985	-	-	399,985
Cash and bank balances	4,591,160	-	-	4,591,160
	<u>39,078,662</u>	<u>-</u>	<u>1,291,950</u>	<u>40,370,612</u>
31 December 2024	Stage 1	Stage 2	Stage 3	Total
	TZS'000	TZS'000	TZS'000	TZS'000
Other receivable arising out of insurance arrangements	6,678,728	-	273,202	6,951,930
Other receivable arising out of reinsurance arrangements	4,107,437	-	473,454	4,580,891
Debt Securities at amortised cost	5,903,553	-	117,491	6,021,044
Corporate bonds	151,711	-	170	151,881
Deposits with financial institutions	18,451,429	-	107,558	18,558,987
Other receivable (excluding prepayment)	353,061	-	-	353,061
Cash and bank balances	1,391,440	-	-	1,391,440
	<u>37,037,359</u>	<u>-</u>	<u>971,875</u>	<u>38,009,234</u>

The following table shows the carrying amounts of financial assets bearing credit risk excluding reinsurance contract assets which are disclosed in note 13 respectively:

	2025	2024
	TZS'000	TZS'000
Deposit with financial Institutions	14,245,862	18,451,429
Investment in Debt Securities at amortised cost	6,430,256	5,903,553
Corporate bonds	151,473	151,711
Cash and cash equivalent	4,591,160	1,391,440
Receivables arising from direct insurance arrangement	7,704,029	6,678,728
Receivable arising from reinsurance arrangements	5,555,897	4,107,437
Other receivables (excluding prepayments)	399,985	353,061
	<u>39,078,662</u>	<u>37,037,359</u>

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISK (CONTINUED)

c) Credit risk (Continued)

None of the above assets are either past due.

Credit quality analysis

i. Credit risk

Credit risks is the risk of financial loss to the company if a counterparty to a reinsurance contract or financial instrument fail to meet its obligations and arising from the company reinsurance contract assets and investments fixed deposits and government bonds.

Other areas where credit risk arises include cash and cash equivalents, and deposits with banks and other receivables. The Company has no significant concentrations of credit risk. The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

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 for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company. Management information reported to the Company includes details of provisions for impairment on loans and receivables and subsequent write-offs. Compliance and Risk committee makes regular reviews to assess the degree of compliance with the Company procedures on credit.

Exposures to individual policyholders and groups of policyholders are collected within the on-going 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 Company risk committee.

Credit quality analysis

The following table sets out information about credit quality of reinsurance contract assets.

Reinsurance contract assets

Based on AM best rating agency

		2025	2024
		TZS ‘000’	TZS ‘000’
	Probability of default		
A	0.05%	2,332,615	2,509,403
B++	0.27%	5,131,754	5,520,689
B	2.69%	5,605,972	6,030,848
GCR Rated		9,458,809	9,652,612
		<u>22,529,150</u>	<u>23,713,552</u>

As at 31 December 2025, the maximum exposure to credit risk from insurance contract is TZS 5.556 million (2024: TZS 4.107 million) which primarily relate to claims receivable and maximum exposure to credit risk from reinsurance contract is TZS 22.53 billion (2024: TZS 23.71 billion). The amount is receivables arising out of reinsurance arrangement less ECL.

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISK (CONTINUED)

(c) Credit risk (Continued)

Credit quality analysis (Continued)

Deposit with financial institution	Probability of default	2025	2024
		TZS'000'	TZS'000'
B2	0.44%	2,425,469	3,232,255
CCC+	29.98%	11,556,644	15,106,466
CCC	25.98%	285,349	218,000
		<u>14,267,462</u>	<u>18,556,721</u>
Loss allowance		(21,600)	(105,292)
		<u>14,245,862</u>	<u>18,451,429</u>

Government bonds at amortized cost	Probability of default	2025	2024
		TZS'000'	TZS'000'
B+	1.83%	6,538,824	6,021,044
Loss allowance		(108,568)	(117,491)
		<u>6,430,256</u>	<u>5,903,553</u>

Total movement in Expected Credit losses

2025	1 Jan 2025	Charge/ (release) for the year	31 Dec 2025
	TZS'000	TZS'000	TZS'000
Deposit with financial Institutions	107,558	(85,958)	21,600
Debt Securities at amortized cost	117,491	(8,923)	108,568
Corporate Bonds	170	237	407
Receivable arising from direct & reinsurance arrangement	<u>746,656</u>	<u>414,718</u>	<u>1,161,374</u>
	<u>971,875</u>	<u>320,074</u>	<u>1,291,949</u>

2024

Deposit with financial Institutions	88,885	18,674	107,559
Debt Securities at amortized cost	72,841	44,650	117,491
Corporate Bond	170	-	170
Receivable arising from direct & reinsurance arrangement	<u>927,540</u>	<u>(180,885)</u>	<u>746,655</u>
	<u>1,089,436</u>	<u>(117,561)</u>	<u>971,875</u>

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The risk arises when proceeds from the Company's financial assets are not sufficient to fund the obligations arising from insurance policies as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISK (CONTINUED)

(d) Liquidity risk (Continued)

The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. All liquidity policies and procedures are subject to review and approval by the Company's board of directors.

Maturity profile of non-derivative financial liabilities based on the contractual cash flows, "undiscounted" including interest and excluding impact of netting is as follows:

The table below shows the contractual maturity of financial liabilities:

2025	Carrying Amount TZS'000	Due on demand TZS'000	1 – 3 months TZS'000	3 – 12 months TZS'000	1 – 5 years TZS'000
Insurance contract liabilities	41,060,081	-	18,771,778	22,288,303	-
Payables arising from reinsurance arrangements	1,902,186	-	760,874	1,141,312	-
Other payables	3,128,174	-	1,235,540	1,892,634	-
Tax liabilities	316,748	-	-	316,748	-
Bank overdraft	2,012,706	-	758,875	1,253,831	-
Lease liability	316,748	-	55,631	100,840	160,277
	<u>48,736,643</u>	<u>-</u>	<u>21,582,698</u>	<u>26,993,668</u>	<u>160,277</u>
2024	Carrying Amount TZS'000	Due on demand TZS'000	1 – 3 months TZS'000	3 – 12 months TZS'000	1 – 5 years TZS'000
Insurance contract liabilities	40,849,301	-	18,675,414	22,173,887	-
Payables arising from reinsurance arrangements	4,476,571	-	1,790,628	2,685,943	-
Other payables	1,536,121	-	606,724	929,397	-
Tax liabilities	365,286	-	-	365,286	-
Bank overdraft	959,163	-	361,645	597,518	-
Lease liability	435,316	-	76,455	138,587	220,274
	<u>48,621,758</u>	<u>-</u>	<u>21,510,866</u>	<u>26,890,618</u>	<u>257,749</u>

(e) Market risks

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISK (CONTINUED)

e) Market risks (Continued)

(i) Interest rate risk

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. Risk management activities are aimed at optimizing net interest income, given market interest rates levels consistent with the Company's business strategies.

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. Risk management activities are aimed at optimizing net interest income, given market interest rates levels consistent with the Company's business strategies.

Sensitivity

At 31 December 2025, if the interest rate were to increase or decrease by 5% with all the other variables held constant, the impact on the pre-tax profit for the year would have been lower or higher by TZS 86.3 million and equity by TZS 60.4 million. This is mainly attributable to the Company's exposure to interest rates on its interest-bearing financial assets and liabilities.

The table below summarizes the contractual maturity periods and interest rate profile of the Company's financial instruments:

2025	On demand TZS'000	Due between 3 and 12 months TZS'000	Due between 1 and 5 years TZS'000	Non interest bearing TZS'000	Total TZS'000
Assets					
Investments in Debt Securities at amortised cost	-	-	6,430,256	-	6,430,256
Deposits with financial institutions	-	14,245,862	-	-	14,245,862
Reinsurers' share of technical provisions and reserves	-	22,529,149	-	-	22,529,149
Other receivables	-	505,180	-	-	505,180
Insurance receivables	-	13,259,926	-	-	13,259,926
Cash and bank balances	4,591,160	-	-	-	4,591,160
	4,591,160	50,540,117	6,430,256	-	61,561,533
Liabilities					
Insurance contract liabilities	-	41,060,081	-	-	41,060,081
Payables arising from reinsurance arrangements	-	1,902,186	-	-	1,902,186
Other payables	-	1,965,564	-	-	1,965,564
Tax liabilities	-	915,300	-	-	915,300
Bank overdraft	-	2,012,707	-	-	2,012,707
Lease liability	-	-	316,748	-	316,748
	-	47,855,837	316,748	-	48,172,585
Interest sensitivity gap	4,591,160	2,684,280	6,113,508	-	13,388,948

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISK (CONTINUED)

e) Market risks (Continued)

(i) Interest rate risk (Continued)

2024	On demand TZS'000	Due between 3 and 12 months TZS'000	Due between 1 and 5 years TZS'000	Non interest bearing TZS'000	Total TZS'000
Assets					
Investments in Debt Securities at amortised cost	-	-	5,903,553	-	5,903,553
Deposits with financial institutions		18,451,429	-	-	18,451,429
Reinsurers' share of technical provisions and reserves	-	23,713,552	-	-	23,713,552
Other receivables	-	337,567	-	-	337,567
Insurance receivables	-	10,786,166	-	-	10,786,166
Cash and bank balances	1,391,440	-	-	-	1,391,440
	<u>1,391,440</u>	<u>53,288,714</u>	<u>5,903,553</u>	-	<u>60,583,707</u>
Liabilities					
Insurance contract liabilities	-	40,849,301	-	-	40,849,301
Payables arising from reinsurance arrangements	-	4,476,571	-	-	4,476,571
Other payables	-	1,536,121	-	-	1,536,121
Tax liabilities		365,286	-	-	365,286
Bank overdraft	-	959,163	-	-	959,163
Lease liability	76,455	138,587	257,749	-	472,791
	<u>76,455</u>	<u>48,325,029</u>	<u>257,749</u>	-	<u>48,659,233</u>
Interest sensitivity gap	<u>1,314,985</u>	<u>4,963,685</u>	<u>5,645,804</u>	-	<u>11,924,474</u>

(i) Currency risk

The Company is exposed to currency risk on settlement of reinsurance premiums to reinsurers, settlement of claims in foreign currency, short term insurance contracts and investments that are denominated in a currency other than the respective functional currency of the Company, the Tanzanian Shillings (TZS). The Company's strategy towards managing its foreign currency exposure is through transacting mainly using its functional currency.

Exposure to currency risk for foreign denominated amounts in the following classes of financial instruments; disclosure around market risk also relates to sensitivity analysis of the type of market risk –currency risk, showing how the income profit or loss and equity would have been affected by reasonably possible changes in the relevant risk variable at the year-end date.

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISK (CONTINUED)

(e) Market risks (Continued)

(i) Currency risk (Continued)

The Company's exposure to foreign currency risk was as follows based on notional amounts in US dollars:

	2025	2024
	TZS'000	TZS'000
Bank balances	85,296	91,547
Deposit with financial institutions and investment in Debt Securities at amortised cost	8,749,299	11,873,582
	<u>8,834,595</u>	<u>11,965,129</u>

A sensitivity analysis in relation to net exposure for a 10% strengthening of the USD against TZS

	2025	2024
	TZS'000	TZS'000
Increase/(decrease) in profit or loss	883,460	1,196,513
Increase/(decrease) in equity	<u>618,422</u>	<u>837,559</u>

The following significant exchange rates applied during the year:

	Average rate	Closing rate
US Dollar	2,534.52	2447.46

(ii) Weighted average effective interest rates

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

	2025	2024
	%	%
Debt Securities at amortised cost	12.71	12.69
Deposits with financial institutions (TZS)	10.87	10.11
Deposits with financial institutions (US\$)	4.45	4.34

(f) Climate Risk

Climate change presents substantial risks, that potentially results in global economic losses and property damages. The insurance industry potentially faces challenges, including increased claims, rising reinsurance costs, and difficulty in assessing climate – related risks.

Climate-related risks are categorized into

- (i) physical risks, arising from extreme weather events, and
- (j) transition risks, linked to regulatory and market shifts towards a low-carbon economy.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISK (CONTINUED)

(f) Climate risk (Continued)

Physical risks, such as floods, droughts, and rising temperatures, could affect Mayfair Insurance Tanzania through increased claims under property, motor, and agricultural insurance risks. However, given the company's diversified insurance portfolio and reinsurance arrangements, the financial impact of these events has remained immaterial. Additionally, our operational resilience, including effective disaster recovery measures, ensures that business continuity is maintained during potential climate-related disruptions.

Transition risks, such as regulatory changes and evolving market preferences, may require adjustments in underwriting policies and investment strategies. Tanzania's increasing focus on environmental regulations could lead to new reporting requirements and sustainability-linked insurance products. However, given our strong governance structure and ability to adapt to regulatory changes, the impact on our financial performance remains insignificant at this stage. Furthermore, reinsurance cost fluctuations due to climate-related factors have been manageable, with no material effect on the company's profitability.

Risk Mitigation

Mayfair Insurance Tanzania has a dedicated Risk Management Department based in Mayfair Insurance Company Kenya, which oversees climate-related risks as part of the broader Enterprise Risk Management (ERM) framework. This department also handles Environmental, Social, and Governance (ESG) matters, ensuring that sustainability considerations are integrated into our risk assessment and strategic decision-making processes.

To mitigate potential climate-related risks, the company continuously refines its underwriting models to reflect emerging environmental trends, ensuring that climate-sensitive sectors such as real estate, agriculture, and transportation are appropriately assessed. Additionally, we the company maintains a well-diversified investment portfolio, reducing exposure to industries that are highly vulnerable to climate transition risks.

Furthermore, the company is actively exploring the development of climate-conscious insurance products, such as weather-indexed insurance for farmers, to support clients in managing climate risks. Our business continuity plans are regularly reviewed to enhance operational resilience in case of environmental disruptions.

Financial Statement Impact

At present, the financial impact of climate-related risks on Mayfair Insurance Tanzania is immaterial. The assessment of insurance contract liabilities, investment portfolio valuations, and expected credit loss (ECL) provisioning has not revealed any significant financial exposure due to climate-related factors. While extreme weather events may result in periodic claim fluctuations, our reinsurance arrangements effectively mitigate these risks, preventing any material impact on our financial statements.

Additionally, our investment strategy ensures minimal exposure to climate-sensitive assets, maintaining the stability of our fair value measurements. The company's strong credit risk management practices further mitigate any potential adverse effects on policyholder receivables or business counterparties affected by climate change.

Forward-Looking Considerations

While the current financial impact of climate-related risks remains immaterial, Mayfair Insurance Tanzania continues to monitor evolving risks and regulatory developments. Our Risk Management Department will enhance its climate risk assessment models and work closely with regulatory bodies such as the Tanzania Insurance Regulatory Authority (TIRA) to ensure compliance with emerging sustainability standards.

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISK (CONTINUED)

(g) Capital management

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

During the year the return on capital employed was 26.18% (2024: 29.00%). Return on capital is defined as: profit for the year before tax divided by total shareholders' equity. There were no changes in the Company's approach to capital management during the year.

(h) Regulatory capital

The Company is required to comply with the following:

The Company's lead regulator, Tanzania Insurance Regulatory Authority, sets and monitors capital requirements for the Company as a whole.

As per regulation issued under section 18 of the Insurance Act, 2009, it requires the minimum amount of paid-up share capital to be maintained by a general insurer to be TZS 2.507 billion for the year ended 31 December 2025.

As at year end, the Company had issued and paid-up ordinary share capital of 4,000,000 shares at TZS 1,000 amounting to TZS 4,000,000,000.

The Company's objectives when managing capital are:

- To comply with the insurance capital requirements that the regulators of the insurance markets require;
- 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 and investment contracts commensurately with the level of risk.

There were no changes in the Company's approach to capital management during the year.

(i) Margin of solvency

The Company's capital management objective is to comply with the capital and solvency requirements as set out in the Insurance Act 2009 ('the Act') and its regulations, to safeguard the Company's ability to continue as a going concern and to provide an adequate return to shareholders.

The Act requires an insurance Company transacting general business to have minimum paid up capital of TZS 2.683 billion times the lesser of 1.03 and the ratio of current year to prior year Consumer Price Index (CPI), i.e., TZS 2,683,000,000 and maintain a solvency margin, (i.e., admitted assets less total liabilities) of the greater of TZS 1.341 million and 20% of net premiums written, i.e., TZS 24,325,461,000 for the year ended 31 December 2025 (2024: TZS 22,535,622,000).

The Company's paid up share capital at 31 December 2025 was TZS 4,000,000,000, which is above the prescribed minimum capital requirement for an insurance Company transacting general business. The Company also reviews its capital movements regularly to ensure that it is adequately capitalised at all times and is able to sustain its financial capability and comply with the regulatory requirements.

MAYFAIR INSURANCE TANZANIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

26. MANAGEMENT OF CAPITAL, INSURANCE AND FINANCIAL RISK (CONTINUED)

(i) Margin of solvency (Continued)

In order to comply with the Insurance Act 2009 and its regulations, the Company has transferred a total of TZS 465,523,000 as to date to the contingency reserve.

As at 31 December 2025, the Company's total admissible assets exceeded liabilities as prescribed in the Act and the Companying regulations by TZS 10.3 billion (2024: TZS 9.6 billion) resulting in a solvency margin surplus of TZS 5.6 billion (2024: TZS 4.7 billion).

Solvency margin as at 31 December 2025	<u>TZS' 000</u>	Short term Business <u>TZS' 000</u>
Total admitted assets		59,676,971
Total admitted liabilities		<u>49,335,195</u>
Actual Solvency Margin		10,341,776
Add: Margin requirement (The greater of TZS 1,253,595,200 or 20% of net written premium)		
-Net written premium current period	23,949,118	
-20% of net written premium	<u>4,789,824</u>	<u>4,789,824</u>
Total liabilities and minimum requirement (margin requirement)		54,125,018
Solvency Margin		<u>5,551,953</u>
Solvency margin as at 31 December 2024	<u>TZS' 000</u>	Short term Business <u>TZS' 000</u>
Total admitted assets		59,174,540
Total admitted liabilities		<u>49,597,423</u>
Actual solvency margin		9,577,117
Add: Margin requirement (The greater of TZS 1,139,632,000 or 20% of net written premium)		
-Net written premium current period	24,325,461	
-20% of net written premium	<u>4,865,092</u>	<u>4,865,092</u>
Total liabilities and minimum requirement (margin requirement)		54,462,515
Solvency margin		<u>4,712,025</u>

MAYFAIR INSURANCE TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

27. CONTINGENT LIABILITIES

The directors are not aware of any contingent liability or asset against the company as at 31 December 2025.

28. CAPITAL COMMITMENTS

The directors also confirm that there are no commitments involving the Company as at the date of this report.

29. ULTIMATE PARENT COMPANY

The ultimate parent company of Mayfair Insurance Tanzania Limited is Mayfair Insurance Company Kenya Limited.

30. SUBSEQUENT EVENTS

Significant escalation in geopolitical tensions in the Middle East have contributed to heightened global market volatility. The situation remains fluid and the potential impact of these evolving circumstances including the possibility of higher fuel and logistics-related cost pressures, increased inflation uncertainty impacting rates, and periods of foreign exchange and market volatility associated with shifts in global risk sentiment, will be monitored and assessed into the year ahead. While the impacts to the company are yet to materialise, these developments arose after year-end and are considered non-adjusting events under IAS 10 Events after the Reporting Period. Accordingly, no adjustments have been made to the amounts recognised in the financial statements for the reporting period ended 31 December 2025. Other than the aforementioned, the directors are not aware of any events (as defined per IAS 10 Events after the Reporting Period) that occurred after the reporting date of 31 December 2025 and the date of authorisation of these annual financial statements.

MAYFAIR INSURANCE TANZANIA LIMITED

APPENDIX A – REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2025

Class of insurance business	GENERAL INSURANCE BUSINESS REVENUE ACCOUNT									Total 000"
	Marine/Aviation 000"	Engineering 000"	Fire 000"	Liability 000"	Motor 000"	Personal Accident 000"	Theft / FG 000"	Workmens' Compensation 000"	Miscellaneous 000"	
Gross Written Premium	5,439,232	2,261,374	9,981,278	411,716	17,098,428	6,481,178	1,884,279	71,714	2,077,462	45,706,661
Opening Gross Unearned Premium	1,861,016	4,431,616	3,941,900	245,817	8,157,503	145,527	527,349	45,211	898,790	20,254,729
Closing Gross Unearned Premium	1,736,084.83	1,938,150	4,771,849	210,935	6,986,532	150,221.01	589,459	51,403.93	857,477.29	17,292,112
Insurance revenue	5,564,164	4,754,840	9,151,329	446,598	18,269,399	6,476,484	1,822,169	65,520	2,118,775	48,669,278
Gross Claims paid	3,440,860	2,687,786	2,260,622	3,811	8,256,026	1,212,000	494,468	-	9,017	18,364,590
Gross Claims outstanding brought forward	1,971,179	7,230,376	2,180,217	572,317	7,027,911	1,129,662	2,599,334	35,273	827,239	23,573,508
Gross Claims outstanding carried forward	4,074,678	7,047,545	3,186,723	134,438	7,030,720	1,094,486	2,551,589	116,244	1,250,558	26,486,981
Discounting through OCI	(337,925)	335,583	96,283	9,311	209,024	(41,295)	42,989	(31,004)	(231,219)	51,747
Claims and benefits through PnL	5,882,284	2,169,372	3,170,845	(443,380)	8,049,811	1,218,119	403,734	111,975	663,556	21,226,316
Other directly attributable expenses			-	-	-	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Insurance acquisition cash flows amortisation	736,636	594,714	2,012,464	58,513	2,170,656	1,191,759	211,398	13,668	294,209	7,284,017
Total insurance service expenses	6,618,920	2,764,086	5,183,309	(384,867)	10,220,467	2,409,878	615,132	125,643	957,765	28,510,333
Reinsurance revenue	3,609,768	1,604,202	8,824,453	606,039	3,277,374	408,912	1,611,108	6,993	1,808,695	21,757,544
Opening RI Unearned Premium	1,337,897	3,530,641	3,326,151	117,535	2,535,785	116,399	431,177	4,153	751,702	12,151,440
Closing RI Unearned Premium	1,429,762	1,417,167	4,185,571	121,304	1,407,024	126,743	510,849	3,705	760,682	9,962,807
RI AICF	(1,020,996)	(679,463)	(2,803,033)	(107,185)	(688,513)	(106,556)	(301,214)	(1,617)	(574,837)	(6,283,414)
RI Claims paid	2,412,764	2,045,489	1,921,589	381	2,643,346	659,198	378,839	-	6,783	10,068,389
RI Claims outstanding brought forward	777,810	6,296,458	1,662,450	95,091	1,797,888	813,980	2,154,233	3,561	603,304	14,204,775

MAYFAIR INSURANCE TANZANIA LIMITED

APPENDIX A – REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

Class of insurance business	GENERAL INSURANCE BUSINESS REVENUE ACCOUNT							Workmens' Compensation 000"	Miscellaneous 000"	Total 000"
	Marine/Aviation 000"	Engineering 000"	Fire 000"	Liability 000"	Motor 000"	Personal Accident 000"	Theft / FG 000"			
RI Claims outstanding carried forward	1,334,203	5,912,041	2,624,491	36,410	1,469,176	685,974	1,998,579	10,553	997,312	15,068,739
Discounting through OCI	(84,471)	348,463	51,544	2,017	96,164	(3,551)	35,147	(2,662)	(161,778)	280,873
Claims and benefits through PnL	3,053,629	1,312,609	2,832,087	(60,316)	2,218,470	534,743	188,038	9,654	562,568	10,651,482
Net expenses from reinsurance contracts	(556,722)	1,725,604	2,329,913	555,402	1,499,152	(242,731)	1,042,184	(3,831)	662,310	7,011,281
Insurance service result	(498,034)	265,151	1,638,107	276,063	6,549,781	4,309,337	164,854	(56,292)	498,700	13,147,667
Expenses of management	1,226,158	509,778	2,250,065	92,813	3,854,474	1,905,793	424,770	16,166	468,319	10,748,336
Premium Tax	76,922	31,980	141,155	5,822	241,806	91,657	26,647	1,014	29,379	646,382
Total expenses	1,303,080	541,758	2,391,220	98,635	4,096,280	1,997,450	451,417	17,180	497,698	11,394,718
Underwriting (loss)/profit	(1,801,114)	(276,607)	(753,113)	177,428	2,453,501	2,311,887	(286,563)	(73,472)	1,002	1,752,949

MAYFAIR INSURANCE TANZANIA LIMITED

APPENDIX A – REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

GENERAL INSURANCE BUSINESS REVENUE ACCOUNT

	Marine/Aviation	Engineering	Fire	Liability	Motor	Personal Accident	Bond Theft	Workmens' Compensation	Miscellaneous	31 December 2024 Total
Reinsurance revenue	3,466,617	2,564,975	7,688,459	151,492	6,281,072	384,700	1,162,196	9,038	1,575,617	23,284,166
Opening RI Unearned Premium	1,542,275	1,302,076	3,113,058	131,316	2,008,126	4,111	-	4,650	1,482,043	9,587,655
Closing RI Unearned Premium	1,195,537	3,530,641	3,326,151	117,535	2,535,785	116,399	573,538	4,153	751,702	12,151,441
RI AICF	(1,009,597)	(463,217)	(2,416,726)	(35,505)	(860,351)	(58,965)	(185,511)	(1,844)	(532,049)	(5,563,765)
RI Claims paid	505,668	3,308,623	1,312,198	7,393	2,469,585	128,343	276,268	-	2,595	8,010,673
RI Claims outstanding brought forward	1,020,855	1,110,159	3,290,793	85,380	1,049,606	209,965	-	2,513	1,548,491	8,317,762
RI Claims outstanding carried forward	777,810	6,296,458	1,662,450	95,091	1,797,888	813,980	2,154,233	3,561	603,304	14,204,775
Discounting through OCI	34,831	(1,027,552)	283,861	1,915	(71,282)	(43,896)	96,519	(51)	(41,999)	(767,654)
Claims and benefits through PnL	227,792	9,522,474	(600,005)	15,188	3,289,149	776,251	2,333,981	1,099	(900,593)	14,665,336
Net expenses from reinsurance contracts	2,575,966	(9,649,280)	5,658,645	114,579	1,603,914	(562,804)	(1,930,834)	6,592	2,674,502	491,280
Insurance service result	1,444,123	(294,810)	1,457,274	418,685	4,898,136	3,794,923	(138,711)	57,462	1,003,289	12,640,371
Expenses of management	1,137,705	685,369	1,736,653	91,446	3,792,516	3,376,735	287,984	17,270	377,918	11,503,596
Premium Tax	70,384	42,400	107,437	5,657	234,622	73,400	17,816	1,068	23,380	576,164
Total expenses	1,208,089	727,769	1,844,090	97,103	4,027,138	3,450,135	305,800	18,338	401,298	12,079,760
Underwriting (loss)/profit	236,034	(1,022,579)	(386,816)	321,582	870,998	344,788	(444,511)	39,124	601,991	560,611