



# General Reinsurance Africa Ltd.

*Registration Number 1966/003833/06*

## Financial Statement 2021

# Statement of Financial Position as at 31 December 2021

		LIFE		NON-LIFE		TOTAL	
Notes	2021	2020	2021	2020	2021	2020	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Assets</b>							
<b>Non-current assets</b>		<b>5 307 867</b>	<b>4 630 143</b>	<b>822 904</b>	<b>1 030 444</b>	<b>6 130 771</b>	5 660 587
Property and equipment	3	2 300	2 816	392	371	2 692	3 187
Deferred taxation	5	814 909	102 374	3 595	3 882	818 504	106 256
Long-term reinsurance assets	7	359 368	-	457 510	651 263	816 878	651 263
Right of use asset	11	2 204	4 820	102	224	2 306	5 044
Investments	4	3 849 915	4 281 695	361 305	374 704	4 211 220	4 656 399
Reinsurance financial asset	8	279 171	238 438	-	-	279 171	238 438
<b>Current assets</b>		<b>5 863 530</b>	<b>2 710 393</b>	<b>3 071 556</b>	<b>2 297 718</b>	<b>8 935 086</b>	5 008 111
Short-term reinsurance assets	7	1 765 285	3 588	1 277 334	915 075	3 042 619	918 663
Investments	4	1 609 114	1 870 698	1 254 103	614 721	2 863 217	2 485 419
Reinsurance financial asset	8	262 356	155 746	-	-	262 356	155 746
Amounts due by cedants	9	714 854	371 080	176 424	119 357	891 278	490 437
Amounts due from group companies	10	-	98	479	388 503	479	388 601
Right of use asset	11	2 616	2 658	122	124	2 738	2 782
Other receivables		52 410	69 524	10 386	13 148	62 796	82 672
Taxation		25 482	25 100	3 703	3 612	29 185	28 712
Inter-divisional clearing account		11 230	-38 968	-11 230	38 968	-	-
Cash and cash equivalents	24.3	1 420 183	250 869	360 235	204 210	1 780 418	455 079
<b>Total assets</b>		<b>11 171 397</b>	<b>7 340 536</b>	<b>3 894 460</b>	<b>3 328 162</b>	<b>15 065 857</b>	<b>10 668 698</b>
<b>Equity and liabilities</b>							
<b>Capital and reserves</b>		<b>1 053 615</b>	<b>1 961 673</b>	<b>248 778</b>	<b>236 048</b>	<b>1 302 393</b>	2 197 721
Issued capital	6	1 001 000	1 000	3 000	3 000	1 004 000	4 000
Investment reserve		88 194	200 653	7 127	17 187	95 321	217 840
Accumulated (deficit) / profit		-35 579	1 760 020	238 651	215 861	203 072	1 975 881
<b>Non-current liabilities</b>		<b>3 784 293</b>	<b>2 592 728</b>	<b>459 740</b>	<b>656 569</b>	<b>4 244 033</b>	3 249 297
Long-term technical reserves	7	3 676 124	2 483 404	457 510	651 263	4 133 634	3 134 667
Deferred taxation	5	103 300	100 845	2 058	4 962	105 358	105 807
Lease liability	11	3 704	7 403	172	344	3 876	7 747
Funds held under reinsurance		1 165	1 076	-	-	1 165	1 076
<b>Current liabilities</b>		<b>6 333 489</b>	<b>2 786 135</b>	<b>3 185 942</b>	<b>2 435 545</b>	<b>9 519 431</b>	5 221 680
Short-term technical reserves	7	4 985 860	2 675 040	1 277 334	915 075	6 263 194	3 590 115
Amounts due to cedants		32 711	65 219	31 947	3 304	64 658	68 523
Amounts due to group companies	10	1 290 509	20 139	1 857 728	1 505 912	3 148 237	1 526 051
Other provisions	12	18 988	22 287	723	2 058	19 711	24 345
Lease liability	11	3 698	3 109	172	145	3 870	3 254
Other payables		1 723	341	18 038	9 051	19 761	9 392
<b>Total equity and liabilities</b>		<b>11 171 397</b>	<b>7 340 536</b>	<b>3 894 460</b>	<b>3 328 162</b>	<b>15 065 857</b>	<b>10 668 698</b>

# Statement of Profit or Loss

## for the year ended 31 December 2021

		LIFE		NON-LIFE		TOTAL	
Notes		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		R'000	R'000	R'000	R'000	R'000	R'000
<b>Gross written premium</b>		3 606 986	3 099 972	569 318	635 394	4 176 304	3 735 366
Less: reinsurance premium		-1 267 786	-7 545	-568 584	-635 076	-1 836 370	-642 621
<b>Net written premium</b>		<b>2 339 200</b>	<b>3 092 427</b>	<b>734</b>	<b>318</b>	<b>2 339 934</b>	<b>3 092 745</b>
Less: net change in unearned premium							
Gross amount		-953	-18 270	-14 011	-83 285	-14 964	-101 555
Reinsurers' share		-	-	14 081	83 449	14 081	83 449
<b>Net earned premium</b>	13	<b>2 338 247</b>	<b>3 074 157</b>	<b>804</b>	<b>482</b>	<b>2 339 051</b>	<b>3 074 639</b>
Reinsurance financial asset income	8	191 874	109 548	-	-	191 874	109 548
Investment income	14	384 270	431 335	76 947	48 569	461 217	479 904
<b>Total income</b>		<b>2 914 391</b>	<b>3 615 040</b>	<b>77 751</b>	<b>49 051</b>	<b>2 992 142</b>	<b>3 664 091</b>
Gross claims	15	7 862 952	3 459 462	274 507	1 144 701	8 137 459	4 604 163
Reinsurance claims recovered	15	-2 747 790	12 075	-274 538	-1 144 701	-3 022 328	-1 132 626
Gross commission	16	24 983	69 584	138 133	156 959	163 116	226 543
Reinsurance commission recovered	16	-54 968	-134	-184 754	-183 911	-239 722	-184 045
Reinsurance financial asset expense	8	121 234	100 481	-	-	121 234	100 481
Management expenses	17	116 154	127 197	20 810	28 197	136 964	155 394
Interest paid on underwriting balances		5 370	4 584	61 269	27 922	66 639	32 506
Currency fluctuations		4 297	18 543	10 749	-16 881	15 046	1 662
<b>Total expenses</b>		<b>5 332 232</b>	<b>3 791 792</b>	<b>46 176</b>	<b>12 286</b>	<b>5 378 408</b>	<b>3 804 078</b>
<b>(Loss) / profit before taxation</b>		<b>-2 417 841</b>	<b>-176 752</b>	<b>31 575</b>	<b>36 765</b>	<b>-2 386 266</b>	<b>-139 987</b>
Taxation	18	-622 242	15 297	8 785	10 312	-613 457	25 609
<b>Net (loss) / profit after taxation</b>		<b>-1 795 599</b>	<b>-192 049</b>	<b>22 790</b>	<b>26 453</b>	<b>-1 772 809</b>	<b>-165 596</b>

# Statement of Comprehensive Income for the year ended 31 December 2021

		LIFE		NON-LIFE		TOTAL	
	Notes	<u>2021</u> R'000	<u>2020</u> R'000	<u>2021</u> R'000	<u>2020</u> R'000	<u>2021</u> R'000	<u>2020</u> R'000
<b>(Loss) / profit for the year</b>		-1 795 599	-192 049	22 790	26 453	-1 772 809	-165 596
<b>Other comprehensive income</b>							
<b>Available-for-sale financial assets</b>							
Net unrealised (loss) / gain arising on revaluation of available-for-sale financial assets during the year		-163 568	226 559	-12 964	18 610	-176 532	245 169
Income tax relating to components of other comprehensive income	18	51 109	-51 938	2 904	-4 169	54 013	-56 107
<b>Total comprehensive (loss) / income for the year</b>		<b>-1 908 058</b>	<b>-17 428</b>	<b>12 730</b>	<b>40 894</b>	<b>-1 895 328</b>	<b>23 466</b>

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of General Reinsurance Africa Limited

### Opinion

We have audited the financial statements of General Reinsurance Africa Limited (the Company) set out on pages 14 to 54, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of General Reinsurance Africa Limited as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of South Africa.

### 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 General Reinsurance Africa Limited in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The directors are responsible for the other information. The other information comprises the certificate of the company secretary, the report of the audit committee and the report of the directors as required by the Companies Act of South Africa, as well as the directors' responsibilities statement for financial reporting and the report on corporate governance. The other information 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 an audit opinion or any form of assurance conclusion thereon.



National Executive: \*LL Bam Chief Executive Officer \*R Redfearn Chief Executive Officer - Elect \*TMM Jordan Deputy Chief Executive Officer; Clients & Industries  
\*MJ Jarvis Chief Operating Officer; Acting Tax & Legal \*AF Mackie Audit & Assurance \*MR Verster Consulting \*TA Odukoya Financial Advisory \*N Sing Risk Advisory  
\*JK Mazzocco People & Purpose MG Dicks Risk Independence & Legal \*A Muraya Responsible Business & Public Policy DP Ndlovu Chair of the Board

Regional Leader: MN Alberts

A full list of partners and directors is available on request

\* Partner and Registered Auditor

**B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice**

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

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 and fair presentation of the financial statements in accordance with IFRSs and the requirements of the Companies Act of South Africa, 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 General Reinsurance Africa Limited'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.

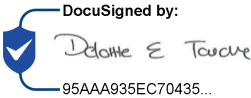
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- 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.

**Report on Other Legal and Regulatory Requirements**

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of General Reinsurance Africa Limited for 24 years.



**Deloitte & Touche**  
Registered Auditor  
**Per: Gerdus Dixon**  
Partner  
23 March 2022



*The people behind the promise®*

**General Reinsurance Africa Ltd.**

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