



# General Reinsurance Africa Ltd.

*Registration Number 1966/003833/06*

## Financial Statement 2022

# Statement of Financial Position as at 31 December 2022

		LIFE		NON-LIFE		TOTAL	
	Notes	2022	2021	2022	2021	2022	2021
		R'000	R'000	R'000	R'000	R'000	R'000
<b>Assets</b>							
<b>Non-current assets</b>							
		<b>3 846 894</b>	<b>5 307 867</b>	<b>420 493</b>	<b>822 904</b>	<b>4 267 387</b>	6 130 771
Property and equipment	3	3 201	2 300	395	392	3 596	2 692
Deferred taxation	5	644 615	814 909	3 506	3 595	648 121	818 504
Long-term reinsurance assets	7	15 719	359 368	399 243	457 510	414 962	816 878
Right of use asset	11	-	2 204	1 487	102	1 487	2 306
Investments	4	2 644 275	3 849 915	15 862	361 305	2 660 137	4 211 220
Reinsurance financial asset	8	539 084	279 171	-	-	539 084	279 171
<b>Current assets</b>							
		<b>5 524 469</b>	<b>5 863 530</b>	<b>4 217 530</b>	<b>3 071 556</b>	<b>9 741 999</b>	8 935 086
Short-term reinsurance assets	7	1 349 241	1 765 285	1 677 304	1 277 334	3 026 545	3 042 619
Investments	4	2 545 342	1 609 114	1 991 492	1 254 103	4 536 834	2 863 217
Reinsurance financial asset	8	194 198	262 356	-	-	194 198	262 356
Amounts due by cedants	9	1 068 208	714 854	159 914	176 424	1 228 122	891 278
Amounts due from group companies	10	760	-	-	479	760	479
Right of use asset	11	2 306	2 616	380	122	2 686	2 738
Other receivables		47 296	52 410	11 819	10 386	59 115	62 796
Taxation		-	25 482	-	3 703	-	29 185
Inter-divisional clearing account		-69 912	11 230	69 912	-11 230	-	-
Cash and cash equivalents	24.3	387 030	1 420 183	306 709	360 235	693 739	1 780 418
<b>Total assets</b>							
		<b>9 371 363</b>	<b>11 171 397</b>	<b>4 638 023</b>	<b>3 894 460</b>	<b>14 009 386</b>	<b>15 065 857</b>
<b>Equity and liabilities</b>							
<b>Capital and reserves</b>							
		<b>909 685</b>	<b>1 053 615</b>	<b>282 468</b>	<b>248 778</b>	<b>1 192 153</b>	1 302 393
Issued capital	6	1 001 000	1 001 000	3 000	3 000	1 004 000	1 004 000
Investment reserve		29 133	88 194	-242	7 127	28 891	95 321
Accumulated profit / (deficit)		-120 448	-35 579	279 710	238 651	159 262	203 072
<b>Non-current liabilities</b>							
		<b>3 340 596</b>	<b>3 784 293</b>	<b>400 874</b>	<b>459 740</b>	<b>3 741 470</b>	4 244 033
Long-term technical reserves	7	3 200 573	3 676 124	399 243	457 510	3 599 816	4 133 634
Deferred taxation	5	138 631	103 300	-	2 058	138 631	105 358
Lease liability	11	-	3 704	1 631	172	1 631	3 876
Funds held under reinsurance treaties		1 392	1 165	-	-	1 392	1 165
<b>Current liabilities</b>							
		<b>5 121 082</b>	<b>6 333 489</b>	<b>3 954 681</b>	<b>3 185 942</b>	<b>9 075 763</b>	9 519 431
Short-term technical reserves	7	4 492 016	4 985 860	1 677 304	1 277 334	6 169 320	6 263 194
Taxation		21 891	-	5 572	-	27 463	-
Amounts due to cedants		38 078	32 711	25 888	31 947	63 966	64 658
Amounts due to group companies	10	529 914	1 290 509	2 227 319	1 857 728	2 757 233	3 148 237
Other provisions	12	30 388	18 988	484	723	30 872	19 711
Lease liability	11	3 877	3 698	249	172	4 126	3 870
Other payables		4 918	1 723	17 865	18 038	22 783	19 761
<b>Total equity and liabilities</b>							
		<b>9 371 363</b>	<b>11 171 397</b>	<b>4 638 023</b>	<b>3 894 460</b>	<b>14 009 386</b>	<b>15 065 857</b>

# Statement of Profit or Loss

## for the year ended 31 December 2022

		LIFE		NON-LIFE		TOTAL	
	Notes	<u>2022</u> R'000	<u>2021</u> R'000	<u>2022</u> R'000	<u>2021</u> R'000	<u>2022</u> R'000	<u>2021</u> R'000
<b>Gross written premium</b>		3 763 237	3 606 986	593 696	569 318	4 356 933	4 176 304
Less: reinsurance premium		-1 290 633	-1 267 786	-593 696	-568 584	-1 884 329	-1 836 370
<b>Net written premium</b>		<b>2 472 604</b>	<b>2 339 200</b>	-	734	<b>2 472 604</b>	<b>2 339 934</b>
Less: net change in unearned premium							
Gross amount		-15 290	-953	-41 912	-14 011	-57 202	-14 964
Reinsurers' share		-	-	41 912	14 081	41 912	14 081
<b>Net earned premium</b>	13	<b>2 457 314</b>	<b>2 338 247</b>	-	804	<b>2 457 314</b>	<b>2 339 051</b>
Reinsurance financial asset income	8	239 691	191 874	-	-	239 691	191 874
Investment income	14	384 337	384 270	112 217	76 947	496 554	461 217
<b>Total income</b>		<b>3 081 342</b>	<b>2 914 391</b>	<b>112 217</b>	<b>77 751</b>	<b>3 193 559</b>	<b>2 992 142</b>
Gross claims	15	3 407 553	7 862 952	663 467	274 507	4 071 020	8 137 459
Reinsurance claims recovered	15	-730 035	-2 747 790	-663 467	-274 538	-1 393 502	-3 022 328
Gross commission	16	23 456	24 983	134 883	138 133	158 339	163 116
Reinsurance commission recovered	16	-67 375	-54 968	-185 625	-184 754	-253 000	-239 722
Reinsurance financial asset expense	8	66 870	121 234	-	-	66 870	121 234
Management expenses	17	160 876	116 154	21 442	20 810	182 318	136 964
Interest paid on underwriting balances		8 199	5 370	68 743	61 269	76 942	66 639
Currency fluctuations		3 112	4 297	15 518	10 749	18 630	15 046
<b>Total expenses</b>		<b>2 872 656</b>	<b>5 332 232</b>	<b>54 961</b>	<b>46 176</b>	<b>2 927 617</b>	<b>5 378 408</b>
<b>Profit / (loss) before taxation</b>		<b>208 686</b>	<b>-2 417 841</b>	<b>57 256</b>	<b>31 575</b>	<b>265 942</b>	<b>-2 386 266</b>
Taxation	18	293 555	-622 242	16 197	8 785	309 752	-613 457
<b>Net (loss) / profit after taxation</b>		<b>-84 869</b>	<b>-1 795 599</b>	<b>41 059</b>	<b>22 790</b>	<b>-43 810</b>	<b>-1 772 809</b>

# Statement of Comprehensive Income for the year ended 31 December 2022

		LIFE		NON-LIFE		TOTAL	
	Notes	<u>2022</u> R'000	<u>2021</u> R'000	<u>2022</u> R'000	<u>2021</u> R'000	<u>2022</u> R'000	<u>2021</u> R'000
<b>(Loss) / profit for the year</b>		-84 869	-1 795 599	41 059	22 790	-43 810	-1 772 809
<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		-84 301	-163 568	-9 493	-12 964	-93 794	-176 532
Income tax relating to components of other comprehensive income	18	25 241	51 109	2 124	2 904	27 365	54 013
<b>Total comprehensive (loss) / profit for the year</b>		<b>-143 929</b>	<b>-1 908 058</b>	<b>33 690</b>	<b>12 730</b>	<b>-110 239</b>	<b>-1 895 328</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 2022, 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 2022, 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: \*R Redfearn Chief Executive Officer \*GM Berry Chief Operating Officer JW Eshun Managing Director Businesses LN Mahluza Chief People Officer \*N Sing Chief Risk Officer AP Theophanides Chief Sustainability Officer \*NA le Riche Chief Growth Officer \*ML Tshabalala Audit & Assurance AM Babu Consulting TA Odukoya Financial Advisory G Rammego Risk Advisory DI Kubeka Tax & Legal 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.

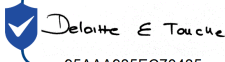
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 25 years.

DocuSigned by:  
  
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**Deloitte & Touche**  
Registered Auditor  
**Per: Gerdus Dixon**  
Partner  
6 April 2023



*The people behind the promise®*

**General Reinsurance Africa Ltd.**

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