आपत्काले रक्षिष्यामि
GIC Re SA Ltd.

8th Annual Report 2021-2022

आपत्काले रक्षिष्यामि
GIC Re SA Ltd.

आपत्काले रक्षिष्यामि
GIC Re SA Ltd.

GIC RE SOUTH AFRICA LTD

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

The financial statements have been audited in compliance with Section 30 of the South African Companies Act 71 of 2008.

Prepared under the supervision of:
Sandip Karmarkar
Managing Director & Chief Executive Officer

आपत्काले रक्षिष्यामि

GIC Re SA Ltd.

The directors are responsible for the preparation and fair presentation of the annual financial statements of GIC Re South Africa Ltd (the company), comprising the statement of financial position as at 31 March 2022, and the statement of comprehensive income, changes in equity and cash flows for the period then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the Directors' report.

The directors are also responsible for such internal control as the directors determine 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 a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the annual financial statements

The annual financial statements of GIC Re South Africa Ltd, as identified in the first paragraph, were approved by the board of directors on 29th July 2022 and are signed on their behalf by

Sandip Karmarkar Managing Director & CEO	Jonathan Bagg Chairman

Declaration of the Company Secretary

In terms of S88 (2)(e) of the Companies Act 71 of 2008, I certify that in respect of the financial period ended 31 March 2022, the company has lodged with the Registrar of Companies all such returns that are required by the Companies Act, and that all such returns are to the best of my knowledge and belief, true, correct and up to date.

W Mwase
Company Secretary

Audit Committee Report

In addition to having specific statutory responsibilities, the audit committee is a sub-committee of the board of directors (board). It assists the board through advising and making recommendations on financial reporting, oversight of financial risk management and internal financial controls, external audit functions and statutory and regulatory compliance of the company. General risk management remains the responsibility of the board.

Terms of reference

The audit committee has adopted the formal terms of reference that have been approved by the board of directors and has executed its duties during the past financial year in accordance with these terms of reference.

The composition of the audit committee

Name	Appointed	Qualifications	Position	Independent
S Bhikha	24-Apr-14	B Compt Hons CA(SA)	Chairman	Yes
J Bagg	24-Apr-14	B.Sc. FASSA, FIA	Member	Yes
C I Moosa	25-Feb-19	B.A. (Law) (UDW), LLB (UDW), PG Diploma Labor Law (UJ)	Member	Yes

The executive directors and managing executives attend the committee meetings by invitation only. The external and internal auditors have unrestricted access to the audit committee.

Meetings

The audit committee held three meetings during the year. Attendance at the meetings is shown below:

Members	14-Jun-21	21-Sep-21	9-Dec-21
S Bhikha	Yes	Yes	Yes
J Bagg	Yes	Yes	Yes
CI Moosa	Yes	Yes	Yes

Mr. C. I. Moosa has resigned from the company on 31 December 2021 and has been replaced by Ms Nazley Sallie on the board from 1 June 2022.

Statutory duties

In the execution of its statutory duties, as required in terms of the Companies Act of South Africa (the Act) during the past financial year, the audit committee has:

- Ensured the reappointment of an external registered auditor, who in the opinion of the audit committee is qualified and independent of the company.
- Determined the fees to be paid to the external auditor and such auditor's terms of engagement.
- Ensured that the appointment of the external auditor complies with this Act and any other legislation relating to the appointment of such auditor.
- Considered the independence of the external auditor and has concluded that the external auditor has been independent of the company since being appointed during the year taking into account all other non-audit services performed and circumstances known to the audit committee.
- Confirmed that there were no complaints relating to the accounting practices of the company, the content or auditing of its financial statements, the internal financial controls of the company, or to any related matter.
- Based on reports from the external auditor, internal auditor and appropriate inquiries, made submissions to the board on any matter concerning the company's accounting policies, financial control, records and reporting, including input to the board's statement regarding control effectiveness.

Legal requirements

The audit committee has complied with all applicable legal, regulatory and other responsibilities for the year under review.

Annual financial statements

Following our review of the annual financial statements of GIC Re South Africa Ltd for the year ended 31 March 2022, we are of the opinion that, in all material respects, they comply with the relevant provisions of the Companies Act and International Financial Reporting Standards, and the committee verifies that the financial information provided by management to the users of such information is adequate, reliable and accurate.

S Bhikha
Chairman of the Audit Committee

GIC RE SOUTH AFRICA LTD

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors have pleasure in presenting their report for the year ended 31 March 2022.

Business:

GIC Re South Africa Ltd is a 100% owned subsidiary of General Insurance Corporation of India (GIC Re) which is controlled by the Government of India (holding 85.78% equity share).

GIC Re made its first move to Africa in April 2014, when it acquired the South African composite reinsurer Saxum Re and renamed it as GIC Re South Africa Ltd.

GIC Re South Africa Ltd.'s vision is to become a truly African Reinsurer. The core business philosophy includes reinsurance capacity development in Africa, application of the state of art technology, mutually beneficial relationships, benchmarking reinsurance and service delivery mechanism and a professional attitude.

The company is rated BB+ (Global) with negative outlook and zaAAA (National) by S&P.

GIC Re South Africa Ltd commenced the underwriting business on 1 January 2015. The company underwrites business from the entire African continent following expansion of its territorial scope to include Egypt and Libya from 1st January 2022.

Global Economic Outlook:

According to the World Economic Outlook published by the International Monetary Fund in April 2022, the war on Ukraine has triggered a costly humanitarian crisis. The economic damage from the conflict will contribute to a significant slowdown in global growth in 2022. As per Property Claims Service (PCS) data, the Insurance and Reinsurance industry will experience more than USD 20 billion loss due to war on Ukraine. GIC Re South Africa Ltd, does not have any exposure in Russia/Ukraine and therefore no negative impact has been observed.

The fuel and food prices have increased which increased inflation across the globe. Elevated inflation is going to complicate the trade offs central banks face between containing price pressures and safeguarding the growth. Interest rate are expected to rise as central banks tighten policy exerting pressure on emerging markets and developing economies.

As published by the International Monetary Fund in April 2022, the global economy is projected to grow at 3.6 percent in 2022 lower than, as projected earlier 6.1 percent. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. Inflation is expected to remain elevated driven by commodity and food prices. For 2022, inflation is projected at 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies.

South Africa Economic Outlook:

The International Monetary Fund, in its World Economic Outlook publication April 2022 indicates that growth is expected to rebound to 1.9 percent in 2022 significantly lower than the trend anticipated before the pandemic. Although, South Africa's target range as per reserve bank is 3%to 6 %, the inflation has broken through upper limit of reserve bank's target range and recorded at 7% in June 2022 .

Share capital:

The company has in issue, 571,030,862 ordinary shares of no par value equating to R 1,142,061,725.

There were no new shares issued in 2022.

Overview for the year:

The results for the year and the financial position of the company are fully disclosed in the attached financial statements.

Holding company:

The company is a wholly owned subsidiary of General Insurance Corporation of India (GIC Re).

Dividends:

No dividends were paid or declared during the year (2021: Nil).

Directors:

The directors in office at the date of this report are:	Date Appointed	Date Resigned
J Bagg (Chairman, Independent, non- Executive)	24-Apr-14	
D Srivastava (Non-executive)	18-Jun-18	
S Bhikha (Independent, non-executive)	24-Apr-14	
C I Moosa (Independent, non-executive)	24-Apr-14	31-Dec-21
M Bhaskar (Non-executive)	6-Mar-20	
N. Sarvanabhavan (Executive)	17-Apr-20	21-Jul-21
S. Karmarkar (Executive)	10-Dec-21	
N. Sallie (Independent, non executive)	1-Jun-22	

Directors' interest:

No directors have a conflicting interest in the company.

Secretary and registered office:

W Mwase is the company secretary. The registered office and office of the secretary are:

First Floor, Block C
Riviera Road Office Park
No. 6-9 Riviera Road
Houghton - 2193

Auditor:

SizweNtsalubaGobodo Grant Thornton Inc.

Company registration number:

1956/003037/06

Number of employees:

The number of people employed by the company at 31 March 2022 is 29 (2021: 30).

To the shareholder of GIC Re South Africa Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of GIC Re South Africa Limited (the company) set out on pages 260 to 299 which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, as well as the notes to the 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 GIC Re South Africa Limited as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We have 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 public company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other Independent requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the (including International Independence Standards).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The board of directors (directors) are responsible for the other information. The other information comprises the information included in the document titled "GIC Re South Africa Ltd annual financial statements for the year ended 31 March 2022", which includes the directors' report as required by the Companies Act of South Africa.

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.

In connection with our audit, 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 in 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 International Financial Reporting Standards 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 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 has 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 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.
- 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.

Other reports

We draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.

We were engaged to perform the following audit-related services:

- Quantitative Reporting Template in compliance with section Insurance Act, 2007 (the Act) for the year ended 31 March 2022

Auditors tenure

In terms of the IRBA rule published in Government Gazette Number 39475 dated 4 December 2015, I report that SizweNtsalubaGobodo Grant Thornton Incorporated has been the auditor of GIC Re South Africa Ltd for three years.

SizweNtsalubaGobodo Grant Thornton Inc.

Director: Nhlanhla Sigasa
Chartered Accountant (SA)
Registered Auditor

20 Morris Street East,
Woodmead, 2191

29 July 2022

GIC RE SOUTH AFRICA LTD

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	Year ended 31 March 2022 R	Year ended 31 March 2021 R
ASSETS			
Cash and cash equivalents	24.2	**170,857,206**	160,334,867
Other accounts receivable		**2,899,126**	457,424
Investments	9	**2,937,009,268**	2,522,037,380
Technical assets under insurance contracts		**1,797,790,379**	2,108,761,234
Retroceded outstanding claims	6	**1,603,424,927**	1,773,165,855
Retroceded unearned premium reserve	7	**153,789,132**	264,225,497
Gross deferred acquisition costs	8	**40,576,320**	71,369,882
Amounts due under reinsurance contracts	26.1	**725,527,920**	601,479,818
Amounts due from Retrocessionnaire contracts	26.2	**37,063,338**	7,047,106
Property, plant and equipment	5	**2,146,921**	3,917,180
Current tax receivable	24.3	**14,818,050**	20,000,000
Total assets		**5,688,112,208**	5,424,035,009
LIABILITIES AND SHAREHOLDER'S EQUITY			
Technical liabilities under insurance contracts		**2,172,209,236**	2,541,157,366
Gross outstanding claims	6	**1,918,306,505**	2,100,701,469
Gross unearned premium reserve	7	**225,766,794**	390,640,306
Retroceded deferred acquisition cost	8	**28,135,937**	49,815,591
Deposits withheld from Retrocessionnaire	13	**1,490,658,029**	1,311,876,708
Amounts payable to Retrocessionnaire contracts	26.3*	**212,150,974**	143,674,271
Amounts payable under reinsurance contracts	26.4*	**136,576,913**	10,067,294
Other accounts payable	11	**114,717,678**	32,458,375
Current tax payable	24.3	**-**	-
Lease liability	20	**1,377,106**	2,559,363
Deferred taxation	10	**2,415,762**	-
Total liabilities		**4,130,105,698**	4,041,793,377
SHAREHOLDER'S EQUITY			
Share capital	12	**1,142,061,725**	1,142,061,725
Retained earnings		**415,944,785**	240,179,907
Total shareholder's equity		**1,558,006,510**	1,382,241,632
Total liabilities and shareholder's equity		**5,688,112,208**	5,424,035,009

* The prior year provisional profit commission was reclassified from amount payable to retrocessionaire contracts to amounts payable under reinsurance contracts. Refer to note 27

GIC RE SOUTH AFRICA LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Year ended 31 March 2022 R	Year ended 31 March 2021 R
Gross premiums written	23	**1,429,757,922**	1,168,764,346
Retroceded premiums	23	**(1,026,814,462)**	(851,284,776)
Net premiums written		**402,943,460**	317,479,570
Change in provision for unearned premiums		**54,437,147**	(21,643,344)
Gross	7	**164,873,512**	(39,418,617)
Retroceded	7	**(110,436,365)**	17,775,273
Net premium earned		**457,380,607**	295,836,226
Commission income	16	**237,126,909**	272,360,059
Net investment income	14	**199,323,887**	184,752,366
Net income		**893,831,403**	752,948,651
Claims incurred, net of reinsurance	15	**(251,262,769)**	(98,685,522)
Commission expense	16	**(336,005,235)**	(335,664,870)
Interest paid	24.4	**(41,298,879)**	(71,457,370)
Investment management expenses		**(6,051,006)**	(5,438,014)
Management expenses	17	**(36,084,860)**	(42,355,045)
(Increase)/decrease in provision for doubtful debts		**(11,765,620)**	4,224,147
Foreign exchange (loss)/gain		**(7,995,788)**	(183,558,953)
Profit before taxation	23	**203,367,246**	20,013,024
Taxation	18	**(27,602,368)**	10,942,661
Profit for the year		**175,764,878**	30,955,685

GIC RE SOUTH AFRICA LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Share capital R	Retained earnings R	Total R
31 March 2022			
Balance as at 1 April 2021	1,142,061,725	240,179,907	1,382,241,632
Profit for the period	-	175,764,878	175,764,878
Balance as at 31 March 2022	1,142,061,725	415,944,785	1,558,006,510
31 March 2021			
Balance as at 1 April 2020	1,142,061,725	209,224,222	1,351,285,947
Profit for the period	-	30,955,685	30,955,685
Balance as at 31 March 2021	1,142,061,725	240,179,907	1,382,241,632

GIC RE SOUTH AFRICA LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Year ended 31 March 2022 R	Year ended 31 March 2021 R
Cash flows from operating activities			
Cash generated / (utilised) by operations	24.1	**288,799,186**	(419,745,636)
Interest income	14	**110,877,742**	66,544,187
Interest paid	24.4	**(41,298,879)**	(71,457,370)
Dividends received- listed	14	**12,158,673**	6,083,038
Tax paid	24.3	**(20,004,655)**	(9,057,339)
Net cash inflow/(outflow) from operating activities		**350,532,067**	(427,633,120)
Cash flows from investing activities			
Net acquisition and disposal of investments		**(338,684,417)**	338,388,879
Additions to property, plant and equipment	5	**(143,054)**	(280,595)
Net cash inflow/(outflow) from investing activities		**(338,827,471)**	338,108,284
Cash flows from financing activities			
Lease payments	20	**(1,182,257)**	(1,009,259)
Net cash inflow/(outflow) from financing activities		**(1,182,257)**	(1,009,259)
Net increase/(decrease) in cash and cash equivalents		**10,522,339**	(90,534,095)
At the beginning of year		**160,334,867**	250,868,962
At the end of year	24.2	**170,857,206**	160,334,867

GIC RE SOUTH AFRICA LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

GIC Re South Africa Ltd ("company") is a company domiciled in South Africa. The company is wholly owned by General Insurance Corporation of India (GIC Re) and authorised to write short-term reinsurance business as per Insurance Act 2017.

1 ACCOUNTING POLICIES

1.1 Statement of compliance

The financial statements of the company are prepared on the going concern basis and in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa. The accounting policies set out below have been applied consistently to all years presented in the financial statements.

1.2 Basis of preparation

The company is domiciled in South Africa and its reporting currency is Rand. The presentation of the statement of financial position is based on the descending order of liquidity.

Basis of measurement

The financial statements are prepared on the historical cost basis except for investments which are carried at fair value. All figures are rounded off to nearest one Rand.

1.3 Significant judgements and source of estimation uncertainty

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The most significant judgements, estimates and assumptions relate to technical provisions and liabilities under insurance contracts detailed in note 4.

Assumptions

As a reinsurer, it is necessary to estimate proportional premiums earned, but not yet reported by cedants (pipeline premiums estimates). The pipeline premium is calculated separately for Facultative, Proportional Treaty and Non-proportional treaty business. For each, triangulation is done on an annual basis, separately for foreign and local business. The chain ladder method is then applied to determine the pipeline premium. Assumptions based on actual claims experience to date have been used in determining the claim provisions.

Profit commissions are payable to cedants based on the performance of the contracts underwritten and are estimated with reference to premiums and claims recorded in the financial statements.

1.4 Insurance contracts

Contracts under which the company accepts significant insurance risk from another party (the policyholder) through reinsurance inwards by agreeing to compensate the policyholder or other beneficiary if a specific uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts. The same definition is applied to reinsurance outwards. Insurance risk is a risk other than financial risk transferred from the holder of a contract to the issuer. Financial risk is the risk of a possible future change in one or more of a specific interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Contracts that do not meet the above definition of insurance risk are classified as investment contracts.

1.4.1 Commission expense

Acquisition costs comprise commission and other variable costs directly connected with the acquisition or renewal of insurance policies. Commission expenses are charged to profit or loss as incurred and include commission, brokerage, taxes, and profit commission which is paid to cedants based on the performance of the contracts underwritten. Commissions that vary with and are related to securing new contracts and renewing existing contracts are deferred over the period in which the related premiums are earned and recognised as an asset. All other costs are recognised as expenses when incurred.

1.4.2 Retrocession

The company retrocedes insurance risk in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risk. Retrocession arrangements do not relieve the company from its direct obligation to cedants. Amounts recoverable under retrocession contracts are recognised in the same year as the related claim. Amounts recoverable under retrocession agreements are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition that the company may not recover all amounts due. Premiums retroceded, claims reimbursed and commission income are presented in the statement of comprehensive income and statement of financial position separately from the gross amounts. Deferred retrocession income is recognised on a basis consistent with the provision for earned premiums.

1.4.3 Retroceded outstanding claims

Outstanding claims represent the company's estimate of the cost of settlement of claims that have occurred and were reported by the reporting date, but that have not yet been finally settled. The provision for outstanding claims is initially estimated at a gross level and thereafter the retrocession recoveries are separately recognised based on the relevant retrocessionaire contract.

1.4.4 Retroceded unearned premium reserve

Unearned premiums represent the proportion of premiums written in the current year, which relate to risks that have not expired by the end of the financial year. The provision for unearned premiums is first determined on a gross level and thereafter the retroceded portion is separately recognised based on the relevant retrocessionaire contract.

1.4.5 Amounts due under reinsurance contracts

Trade and other receivables which includes amounts due from reinsurance contracts at amortised cost using the effective interest method.

1.4.6 Amounts due from retrocessionaire contracts

Amounts recoverable from retrocessionaires are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each retrocessionaire contract.

1.4.7 Amounts payable to retrocessionaire contracts

Amounts that the company is required to pay under retrocessionaire contracts held are recognised as retrocessionaire liabilities and are measured at amortised cost.

1.5 Deposits

Deposits retained on retrocession placed are stated at amortised cost.

1.5.1 Deposits withheld from retrocessionaires

Deposits retained on ceded business are collateral for technical provisions covering business ceded to retrocessionaires. premium reserve deposits are retained at 40% of premium received and released on an annual basis. Outstanding Losses Reserves are retained at 100% of outstanding losses and released on a quarterly basis. Actual interest earned per annum on premium reserve deposits and actual interest earned per quarter on loss reserve deposit is paid to the retrocessionaire.

However, this provision is withdrawn treaty from 01.04.2021

1.6 Premiums

Premium income on insurance contracts is brought to account at the earlier of the date of coverage inception or the date of receipt. At year end, an estimate is raised for premiums where notification has not been timeously received.

1.6.1 Gross premiums written

Premium income on insurance contracts is brought to account at the earlier of the date of coverage inception or the date of receipt. At year end, an estimate is raised for premiums where notification has not been timeously received. All premiums are shown before deduction of commission payable to intermediaries.

1.6.2 Retroceded premiums

The retroceded premiums relating to earned premiums are recognised as expense in accordance with the retrocessionaire contract and services received. Retroceded premiums are written during the period in which the risks incept and are expensed over the contract period in proportion to the period of risk covered.

1.6.3 Unearned premium reserve (UPR)

The provision for unearned premium comprises the portion of premiums written which are estimated to be earned in future periods. The unearned premium provision is calculated at the reporting date using the 365th method for Facultative business and using 8th method for Proportional treaty and Non-proportional treaty business.

For Facultative business, both the start date and end date of cover were included, and it was assumed that risk emergence was not materially non-uniform over the coverage period, so the 365ths method was appropriate.

For both Proportional and Non-Proportional Treaty business, the 8ths method was applied on the assumption that a contract which starts within a quarter starts on average half-way through that quarter.

1.6.4 Change in provision for unearned premiums

The portion of gross written premium on short term insurance contracts, which is estimated to be earned in the following or subsequent years, is accounted for as unearned premium provision and recognised in the statement of financial position as technical liabilities under insurance contracts. The change in the provision is recognised through profit or loss as an adjustment to gross written premiums to determine the net premium earned.

1.7 Property, plant & equipment

The cost of item of property, plant and equipment is recognised as an asset when:

It is probable that future economic benefits associated with the item will flow to the company; and the cost of the item can be measured reliably.

Equipment, furniture and motor vehicles are stated at cost less accumulated depreciation and any accumulated impairment which is calculated to write off the cost of the assets to its residual value over their useful lives in a pattern that reflects their economic benefits. Cost includes all expenditure that is directly attributable to the acquisition of an asset to bring it to its intended use. Maintenance and repairs which neither adds to the value of the property and equipment is recognised directly in the statement of profit or loss.

The current estimated useful lives are as follows:

Equipment	
Office equipment	6 years
Computer equipment	3 years
Furniture	6 years
Motor vehicles	5 years

Equipment, furniture, and motor vehicles are depreciated on a straight-line basis. The useful lives and methods are reassessed annually. The residual values (if not insignificant) are also reassessed annually. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Equipment, furniture, and motor vehicles is subsequently measured using the cost model.

Assets are removed from the statement of financial position on disposal or when it is withdrawn from use and no further economic benefits are expected from its disposal.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and are included in profit or loss. Depreciation for the financial year is disclosed in the statement of profit or loss as management expenses.

1.8 Outstanding and unintimated claims

Provisions are made for claims incurred up to the reporting date. The provisions exclude Value Added Tax (VAT) but include an estimate for future claims handling costs.

1.9 Share capital

GIC Re South Africa Ltd is 100% owned by GIC of India. Shares are classified as equity shares and there is no obligation to transfer cash or other assets.

1.10 Gross deferred acquisition costs

Commissions that vary with and are related to securing new contracts and renewing existing contracts are deferred over the period in which the related premiums are earned, and recognised as an asset. All other costs are recognised as expenses when incurred.

Deferred acquisition cost are calculated using the 365th method for the Facultative business and using the 8ths method for the Proportional and Non-Proportional Treaty business.

For Facultative business, both the start date and the end date of cover were included, and it was assumed that the risk emergence was not materially non-uniform over the coverage period, so the 365th method was appropriate.

For both Proportional and Non-Proportional Treaty business, the 8th method was applied on the assumption that a contract which starts within the quarter starts on average half-way through that quarter.

1.11 Gain or loss on realisation of investments

Gains or losses on realisation of investments are recognised in profit and loss.

1.12 Income taxes

Income tax on profit and loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity, or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. The current corporate tax rate is 28%. However, any increase or decrease in tax rate will impact profit after tax and on equity.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only 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 reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.13 Impairment of non-financial assets

The carrying amounts of the company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset is impaired, its recoverable amount is estimated. The recoverable amount is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount. In assessing the value in use, the expected future cash flows from the asset are 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.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation) had an impairment loss not been recognised in prior years.

1.14 Financial instruments

1.14.1 Financial assets

Financial assets are recognised when the company becomes a party to the contractual terms that provisions of the instruments. On initial recognition, these instruments are recognised at fair value or for financial instruments not carried at fair value, the cost thereof, including transaction costs. Subsequent to initial recognition, these instruments are measured as set out below:

1.14.1.1 Investment through Profit and Loss

Investments are classified at fair value through profit or loss. The investments are managed and their performance evaluated and reported internally on a fair value basis in terms of a documented investment strategy in line with the changes in insurance liabilities that are recognised in profit and loss. The fair value of listed investments is measured with reference to their quoted bid prices at the reporting date.

1.14.1.2 Investment through amortised cost

Investments are classified as subsequently measured at amortised cost and are accounted for using the effective interest rate method. The interest is calculated by applying the effective interest rate on the gross carrying amount of the investment. Gains and losses are recognised in the profit and loss.

1.14.1.3 Trade and other receivables

Trade and other receivables (which includes amounts due from reinsurance contract retrocessionaire) are stated at amortised cost using the effective interest rate method. Amounts recoverable under insurance contracts are assessed annually. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after impairment losses at each reporting date. The carrying amounts of the assets are reduced by the impairment losses. Impairment losses are recognised in the profit or loss account for the period.

1.14.1.4 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Cash and cash equivalents are stated at amortised cost.

1.15 Financial liabilities

Financial liabilities are initially measured at cost, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with the interest expense being recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the corresponding interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

Non-derivative financial liabilities are carried at amortised cost, comprising of the original debt, principal payments and amortisation.

1.15.1 Trade and other payables

Trade and other payables (which includes amounts due to reinsurance contract retrocessionaire) are stated at amortised cost using effective interest rate method.

1.16 Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The entity generally derecognises a financial liability when its contractual obligations expire or are discharged or cancelled. The entity also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

1.17 Impairments of assets

Financial assets other than those carried at fair value through profit or loss are impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a “loss even”) and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

If there is objective evidence that an impairment loss has been incurred on loans and receivables carried at amortised cost, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised.

Change in provision for doubtful debts

The provision for doubtful debts is recognised through profit or loss. Premium debtors older than 365 days are classified as doubtful debts and are not assessed as part of premium debtors.

1.18 Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.19 Foreign currencies

Foreign currency monetary items are translated to South African Rand at rates of exchange ruling at the reporting date.

Foreign currency transactions during the year are recorded at rates of exchange ruling at the transaction date. Realised and unrealised gains or losses on exchange are accounted for in profit and loss during the period that they arise. The foreign gains and losses are mainly come through business transactions and fixed deposits.

1.20 Employee benefits

Leave pay: Employee entitlements to annual leave are recognised when they accrue to employees.

Provision is made for the estimated liability of this leave as a result of services rendered by employees up to the statement of financial position date.

Bonus: Employees are entitled to Christmas bonus as per the company’s human resource policy Medical Aid: Employees are covered under Medical Aid Plan.

Short term employee benefits are those benefits which are expected to settled before twelve months after the end of annual reporting period during which employee services are rendered, but do not include termination benefits

The undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in an accounting period is recognised in that period. The expected cost of short-term compensated absences is recognised as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur, and includes any additional amounts an entity expects to pay as a result of unused entitlements at the end of the period. Short term employee benefits are recognised as an expense in profit or loss when incurred.

1.21 Leases

At inception of a contract, GIC assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company has not elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The right of use of the asset is included in the property, plant and equipment.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. 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 the company estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs.

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 company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. The threshold of these assets is R75 000.

2 Reinsurance risk management

2.1 Non-life reinsurance contracts

2.1.1 Risk management objectives and policies for mitigating reinsurance risk

The company reactivated its underwriting non-life reinsurance business as of 1 January 2015 after having been in run off since 2002. The cover periods for all historical reinsurance contracts, which were annual in nature, had expired by the end of 2005. The company's exposure is therefore limited to the uncertainty surrounding the timing of payment and severity of claims already incurred under historical reinsurance contracts. This is commonly referred to as claims development risk.

Sound underwriting principles are applied when the reinsurance contracts are underwritten. In order to ensure that each contract was comprehensively evaluated for underwriting and rating purposes, strict underwriting guidelines, agreed to with the parent company, are followed. The underwriting guidelines stipulate the type of risks that could be underwritten, as well as the exposure per risk that was acceptable.

The reinsurance contracts underwritten by the company comprise:

- Property reinsurance: contracts that indemnify against physical loss or damage and the financial consequences from a loss or damage to land and buildings.

- Transport reinsurance: contracts that indemnify against losses from the possession, use or ownership of a vessel, aircraft or other craft for the conveyance of persons or goods.
- Accident reinsurance: contracts that indemnify against losses from a variety of risks. These include:
  - Motor
  - Personal accident and health
  - Guarantee
  - Liability
  - Engineering
  - Miscellaneous

The claims liabilities recognised for each of these classes at year end are disclosed in note 6.

The largest claims development uncertainty is concentrated in those classes that are classified as long tail, such as liability and engineering. Long tail business is defined as reinsurance contracts under which claims are typically not settled within one year of the occurrence of the events giving rise to the claims. In long tail classes, there is still significant scope for future development, positive or negative, both in number of claims, as well as the value of the claims.

- The company commenced its operations from 01 January 2015 and is underwriting non-life reinsurance business emanating from Sub-Saharan Africa. In the month of October 2017, the company's territorial scope was widened to underwrite business from 5 North African Countries namely Algeria, Tunisia, Morocco, Sudan and South Sudan. As a result, the company has been underwriting business from the entire Africa continent.
- The company has regarded its concentration in South Africa as a primary concern from the point of view of hailstorm and earthquake exposures. To mitigate the underwriting risk, it has in place a 70% Whole Account Quota Share Treaty from Sirius, Sweden. Further based on its internal assessment and a catastrophe model sourced from a third party, has calculated realistic disaster scenario in any one catastrophe and as a matter of abundant precaution procured an excess of loss protection from Sirius International for US$ 49 million excess US$ 1 million for the year 2021-22. The cover is currently in place. These arrangements will protect the capital of the company in any catastrophe event.
- The company had launched two new products in 2018 namely (1) Stand-alone Political Violence and Terrorism (PVT) and (2) Retakaful business.
- For PVT business, the company has obtained a Quota Share Protection for 12 months beginning 01 October, 2021 from the Lloyd's Market.
- The Retakaful business has been protected under the existing Whole Account Quota Share Treaty and Whole Account Excess of Loss Cover.

2.1.2 Concentrations of reinsurance risk

Concentrations of risk may arise with a particular event or series of events for example in one geographical location.

2.1.3 Claims development information

Consistent with practice in the reinsurance industry, quarterly statements received from insurers under proportional reinsurance contracts, do not detail the date of loss of reinsurance claims. Proportional reinsurance contracts make up the largest part of the company's business. The majority of the business underwritten is classified as "short-tail" meaning that claims are settled within a year after the loss date. In terms of IFRS 4, an insurer need only disclose claims run-off information where uncertainty exists about the amount and timing of claim payments not resolved within one year.

Claims development is monitored in aggregate for all loss years. Note 6 provides details of the overall changes in estimates of claims liabilities created in earlier years.

2.3.4 Claims incurred, net of reinsurance

Claims incurred in respect of short-term insurance contracts consist of claims and claims handling expenses paid during the financial year as well as movements in provision for outstanding claims and claims incurred but not reported (IBNR).

3 Financial risk

Transactions in financial instruments result in the company assuming financial risks. These include market risk, liquidity risk and credit risk. Each of these risks is described below, together with ways in which the company manages these risks.

3.1 Market risk

Market risk can be described as the risk of a change in the fair value of a financial instrument brought about by changes in interest rates, equity prices, or foreign exchange rates.

- **Equity price risk**

The portfolio of listed equities, which are stated at fair value at reporting date, has exposure to price risk, being the potential loss in market value resulting from adverse changes in prices. The company's objective is to earn competitive relative returns by investing in a diverse portfolio of securities. Portfolio characteristics are analysed on a regular basis. The portfolio is invested in various industries as detailed in note 9, and the largest investment in any one company comprises 1.70% (2021: 1.25%) of the total assets.

At 31 March 2022, the company's ordinary listed equities were recorded at their fair value of R 273.24 million (2021: R 254.63 million). A hypothetical 25% decline or increase in each share's price would have decreased or increased profit before tax (PBT) respectively by R 68.31 million (2021: R 63.65 million). The impact on equity would be R 49.18 million (2021: R 45.83 million)

- **Interest rate risk**

Fluctuations in interest rates impact on the value of government securities and corporate bonds, inhouse fixed deposits from the investment portfolio. The maturity profile of these instruments is set out in note 9. Management is trying to find other instruments which gives good return to manage interest rate risk. The method for deriving sensitive information has not been changed.

Increase/decrease in interest rate	ZAR (million) Effect on PBT March 2022	ZAR (million) Effect on PBT March 2021	ZAR (million) Effect on shareholder's equity on March 2022	ZAR (million) Effect on shareholder's equity on March 2021
+1%	17.5	20.0	13	14
-1%	(17.5)	(20.0)	(13)	(14)

- **Foreign currency risk**

The company is exposed to foreign currency risk for transactions that are denominated in a currency other than Rand.

The company is writing business from whole of Africa. The company's focus is to build foreign currency reserves and match ZAR, USD and EUR Liabilities with ZAR(South African Rand), USD (US Dollar) and EUR (EURO) assets.

Impact of a change in the rand exchange rate against the euro is not material to the company for the current year.

The method for deriving sensitive information has not been changed.

Increase/decrease in Foreign currency (USD)	ZAR (million) Effect on PBT March 2022	ZAR (million) Effect on PBT March 2021	ZAR (million) Effect on shareholder's equity on March 2022	ZAR (million) Effect on shareholder's equity on March 2021
10%	36.63	55.0	26	40
-10%	(36.63)	(55.0)	(26)	(40)

3.2 Liquidity risk

The company ensures that the solvency of the company meets the regulatory requirements at all times by maintaining a high level of liquidity.

The company follows the regulatory provisions, in conjunction with prudential norms laid out by the Board of directors, with regard to the investment of its funds. The general investment strategy is to use cash as the default asset class.

Equity exposure is maintained at lower levels. The company maintains liquid assets which can be used for immediate cash flow needs (refer note 24.2).

Expected cash flows of liabilities:

2022

	Carrying amount	1 year	2 years	More than 2 years
Deposits withheld from Retrocessionnaire	**1,490,658,029**	1,490,658,029	-	-
Amounts payable to Retrocessionnaire contracts	**207,933,056**	207,933,056	-	-
Amounts payable under reinsurance contracts	**136,576,913**	136,576,913	-	-
Other accounts payable	**29,154,111**	29,154,111	-	-

2021

	Carrying amount	1 year	2 years	More than 2 years
Deposits withheld from retrocessionaires	**1,311,876,708**	1,311,876,708	-	-
Amounts payable to retrocessionaire contracts	**143,674,271**	143,674,271	-	-
Amounts payable under reinsurance contracts	**10,067,294**	10,067,294	-	-
Other accounts payable	**32,458,375**	32,458,375	-	-

Maturity of technical liabilities under insurance contracts and lease liabilities have been included in Note 6 and note 20 respectively.

The company performs a currency-wise asset and liability management exercise every quarter and any decision on conversion of currencies is taken in ALCO (Asset Liability Committee).

For Rand funds, the fund managers are instructed to keep funds invested in such a way as to offer maximum flexibility and high liquidity.

Over and above these liquidity measures, a letter of comfort given by the parent company provides support to the company in order to maintain adequate capital, to meet solvency and policy holder liability requirements and financial obligations.

3.3 Credit risk

The company has several exposures to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the company is exposed to credit risk are:

- amounts due under reinsurance contracts
- amounts due from Retrocessionnaire contracts
- investments excluding equities; and
- retroceded technical liabilities.

Exposure to individual policyholders and groups of policyholders are monitored as part of the credit control process. Reputable financial institutions are used for investing and cash handling purposes.

Under the terms of the retrocession agreements, Retrocessionnaire agree to reimburse the ceded amount in the event that a gross claim is paid. However, the company remains liable to its cedants regardless of whether the Retrocessionnaire meets the obligations it has assumed. Consequently, the company is exposed to credit risk.

The company reinsures with Sirius International Insurance Corporation which has been rated A (Excellent) by A.M. Best and A- (Strong) by S&P Ratings.

Sirius International Insurance Corporation arranged a 70% whole account quota share treaty whereby 70% of the claims are recovered from Sirius International Insurance Corporation.

Except from amounts due from company's reinsurance contracts none of the company's financial assets exposed to credit risk are past 365 days due and not impaired. The company does not hold any collateral as security held for receivables.

<u>Age analysis of amounts due from companies on reinsurance contracts.</u>

2022

	Total	Current	More than 30 days	More than 60 days	More than 90 but less than 365 days	More than 365 days *
Amounts due under reinsurance contracts	**785,479,080**	671,436,610	5,225,285	11,853,452	37,012,573	59,951,161

2022

	Total	Current	More than 30 days	More than 60 days	More than 90 but less than 365 days	More than 365 days *
Amounts due under reinsurance contracts	**636,853,015**	550,892,880	7,149,865	16,677,223	26,759,850	35,373,197

* The amount mentioned under more than 365 days are impaired.

Analysis of the credit quality of the company's assets

2022

	AAA R	AA R	A R	BBB and lower R	Not Rated R	Total R
Technical assets under insurance contracts	-	-	1,757,214,059	-	40,576,320	1,797,790,379
Investments						
Government securities	-	-	-	329,746,940	-	329,746,940
Negotiable Certificate of Deposit	-		-	290,827,219	-	290,827,219
Fixed Deposits	-	-	-	1,746,872,063	-	1,746,872,063
Treasury bills	-	-	211,830,897	-	-	211,830,897
Ordinary shares - listed	-	-	273,244,094	-	-	273,244,094
Collective investment schemes	-	-	74,692,791	-	-	74,692,791
Preference shares - listed	-	-	9,795,264	-	-	9,795,264
Accounts receivable (Net)	32,512,622	556,723,961	6,183,281	20,810,030	109,298,025	725,527,920
Other accounts receivable	-	-	-	-	2,899,126	2,899,126
Cash and cash equivalents		42,277,227	25,042,283	75,320,092	28,217,604	170,857,206
	32,512,622	599,001,188	2,358,002,669	2,463,576,344	180,991,076	5,634,083,899

2021

	AAA R	AA R	A R	BBB and lower R	Not Rated R	Total R
Technical assets under insurance contracts	-	-	2,037,391,352	-	71,369,882	2,108,761,234
Investments						
Government securities	-	-	-	305,026,164	-	305,026,164
Negotiable Certificate of Deposit	-	-	-	120,323,339	106,701,828	227,025,167
Fixed Deposits	-	-	-	1,490,842,475	-	1,490,842,475
Treasury bills	-	-	157,473,282	-	-	157,473,282
Ordinary shares - listed	-	-	254,635,883	-	-	254,635,883
Collective investment schemes	-	-	77,851,349	-	-	77,851,349
Preference shares - listed	-	-	9,183,060	-	-	9,183,060
Accounts receivable (Net)	10,877,397	514,433,696	19,800,657	31,287,448	25,080,620	601,479,818
Other accounts receivable	-	-	-	-	457,424	457,424
Cash and cash equivalents	-	7,018,907	46,484,493	70,735,511	36,095,956	160,334,867
	10,877,397	521,452,602	2,602,820,076	2,018,214,937	239,705,710	5,393,070,723

The company's maximum exposure to credit risk is analysed in the tables above.

The assets as above are based on external credit ratings obtained from various reputable rating agencies like Fitch and Standard and Poor's. The assets under investment are designated at fair value through profit and loss.

The international rating scales are based on long-term investment horizons under the following broad investment grade definitions:

AAA The financial instrument is judged to be of the highest quality, with minimal credit risk and indicates the best quality issuers that are reliable and stable.

AA The financial instrument is judged to be of high quality and is subject to very low credit risk and indicates quality issuers.

A The financial instrument is considered upper-medium grade and is subject to very low credit risk although certain economic situations can more readily affect the issuers' financial soundness adversely than those rated AAA or AA.

BBB The financial instrument is subject to moderate credit risk and indicate medium class issuers, which are currently satisfactory.

*Amount Receivable is net of provision for doubtful debts of R 59.95 million (2021: R 35.37 million).

Fair value hierarchy

The table below analyses assets carried at fair value. The different levels have been defined as follows:

Level 1

Quoted market price in an active market for an identical instrument.

Level 2

Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data.

Level 3

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

2022

	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss*	**329,746,940**	-	-	329,746,940
Financial assets mandatory at fair value through profit or loss**	**283,039,358**	74,692,791		357,732,149
	612,786,297	74,692,791	-	687,479,088

2021

	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss*	**305,026,164**	-	-	305,026,164
Financial assets mandatory at fair value through profit or loss**	**263,818,943**	77,851,349	-	341,670,292
	568,845,107	77,851,349	-	646,696,456

* Government bonds - listed

** Ordinary shares, collective investment schemes and preference shares

The carrying amount of cash and cash equivalents, amounts due under reinsurance contracts, treasury bills, negotiable certificates of deposits, fixed deposits, amounts due from Retrocessionnaire contracts and other accounts receivable reflect the approximate fair value because of their short term nature

Collective Investment schemes are valued based on its unit price or the net asset value (NAV), depending on the market value of the underlying investments in which the pool of money is invested. Its yield is calculated by taking the interest and income receivable of all the instruments in the fund divided by the net asset value, expressed as a nominal annual rate.

Capital management

The company recognises equity and reserves as capital and management closely monitors the company's capital position relative to the economic and regulatory requirements. The company submits quarterly and annual returns to the Prudential Authority (PA) in terms of the Insurance Act, 2017. The company is required to at all times to maintain a minimum capital adequacy requirement as defined in the Insurance Act, 2017.

The company with the assistance of its consulting actuary, has addressed the capital needs under the Solvency Assessment and Management (SAM) regime (from July 2018) and have complied with the transitional reporting requirements as communicated by the Regulator.

4 Technical provisions and liabilities under insurance contracts

Insurance risks are unpredictable and the company recognises that it is impossible to forecast with absolute precision claims payable under insurance contracts. Over time, the company has developed a methodology that is aimed at establishing insurance provisions and liabilities that have a reasonable likelihood of being adequate to settle all its insurance obligations.

The earned premium, Unearned Premium Reserve (UPR) and Deferred Acquisition Cost (DAC) are calculated using the 365th method for Facultative business and using the 8th method for Proportional and Non-Proportional Treaty business.

In respect of claims incurred but not yet reported (IBNR), for most classes of business, the loss ratio method was used. It was assumed there was no IBNR beyond the point at which historically almost all development based on the Chain Ladder pattern had occurred.

There was no major impact of COVID 19 on the assumptions and no material effect on the financial statements.

4.1 Non-life reinsurance contracts

4.1.1 Claim provisions

The outstanding claims provisions include notified claims as well as incurred but not yet reported claims,(IBNR) Outstanding claims provisions are not discounted.

Notified claims

Claims notified by cedants are assessed with due regard to the specific circumstances, information available from the cedant and/or loss adjuster and past experience with similar claims. The company employs staff experienced in claims handling and rigorously applies standardised policies and procedures around claims assessment.

The ultimate cost of the reported claims may vary as a result of future developments or better information becoming available about current circumstances. Estimates are therefore reviewed regularly and followed up with the cedant to ensure that it is still current.

4.1.2 Premium provisions and deferred commission

Unearned premium provisions and deferred commission assets have been recognised. For Facultative, 365th method is used, and for propotional and non propotional treaty business the 8th method is adopted.

4.1.3 Recoverability of insurance receivables

Amounts due from cedants have been assessed for an indication of impairment due to significant financial difficulty, a breach of contract or other observable data indicating a measurable decrease in the future cash recoverable. This may include adverse changes in the payment status of cedants or economic conditions that may lead to default of amounts due.

The carrying amount of insurance receivables has been reduced by a provision for doubtful debts and the amount of the loss has been recognised in the statement of comprehensive income. If in future the amount becomes recoverable the previously recognised provisions for doubtful debts will be reversed through the statement of profit or loss.

5 Property, Plant and Equipment

	31 March 2022 R	31 March 2021 R
At cost		
Equipment	**2,338,226**	2,337,707
Furniture	**882,097**	882,097
Motor vehicles	**3,058,260**	3,058,260
Right-of-use asset	**3,568,623**	3,568,623
	9,847,206	9,846,687
Accumulated depreciation and accumulated impairment		
Equipment	**(2,041,140)**	(1,993,539)
Furniture	**(774,076)**	(712,831)
Motor vehicles	**(2,505,498)**	(2,033,595)
Right-of-use asset	**(2,379,571)**	(1,189,542)
	(7,700,284)	(5,929,507)
Net book value		
Equipment	**297,086**	344,168
Furniture	**108,021**	169,266
Motor vehicles	**552,762**	1,024,665
Right-of-use asset	**1,189,052**	2,379,081
	2,146,921	3,917,180

	31 March 2022 R	31 March 2021 R
Equipment		
Net book value at beginning of year	**344,168**	327,645
Additions	**143,054**	280,595
Disposals	**(35,028)**	-
Depreciation	**(155,108)**	(264,072)
Net book value at end of year	**297,086**	344,168
Furniture		
Net book value at beginning of year	**169,266**	253,381
Additions	**-**	-
Depreciation	**(61,245)**	(84,115)
Net book value at end of year	**108,021**	169,266
Motor vehicles		
Net book value at beginning of year	**1,024,665**	1,414,450
Additions	**-**	-
Depreciation	**(471,903)**	(389,785)
Net book value at end of year	**552,762**	1,024,665
Right-of-use asset		
Net book value at beginning of year	**2,379,081**	3,568,623
Additions	**-**	-
Disposals	**-**	-
Depreciation	**(1,190,029)**	(1,189,542)
Net book value at end of year	**1,189,052**	2,379,081
Total		
Net book value at beginning of year	**3,917,180**	1,995,476
Additions	**143,054**	3,849,218
Disposals	**(35,028)**	
Depreciation	**(1,878,285)**	(1,927,514)
Net book value at end of year	**2,146,921**	3,917,180

6 Provision for outstanding claims

	31 March 2022 R	31 March 2021 R
Balance at beginning of the period	**327,535,614**	461,392,437
Gross	**2,100,701,469**	1,995,534,060
Retroceded	**(1,773,165,855)**	(1,534,141,623)

	31 March 2022 R	31 March 2021 R
Amounts transferred (to)/from profit or loss	**(12,654,036)**	(133,856,823)
Gross	**(182,394,964)**	105,167,409
Retroceded	**169,740,928**	(239,024,232)
Balance at end of the period	**314,881,578**	327,535,614
Gross	**1,918,306,505**	2,100,701,469
Retroceded	**(1,603,424,927)**	(1,773,165,855)
Transportation	**17,546,580**	6,232,876
Property	**188,182,063**	237,485,511
Engineering	**12,970,716**	7,965,124
Guarantee	**11,297,964**	5,532,524
Liability	**6,659,795**	4,231,349
Motor	**56,411,298**	33,614,081
Miscellaneous	**15,077,943**	26,953,142
Accident/Health	**6,735,219**	5,521,008
	314,881,578	327,535,614

Payment Development

Gross Reporting year actual claims cost	Total	2022 R	2021 R	2020 R	2019 R	2018 R	2017 R	2016 R
2022	906,740,907	74,411,889	255,583,148	262,141,061	183,126,431	83,403,327	46,612,662	1,462,389
2021	796,731,690	345,707	74,613,397	174,484,409	286,468,457	215,769,629	43,259,690	1,790,401
2020	1,211,208,388	-	4,635	53,314,628	514,317,035	485,436,650	140,628,469	17,506,971
2019	1,172,817,193	-	-	1,579,173	245,794,827	505,662,878	388,452,192	31,328,123
2018	740,056,477	-	-	-	449,607	139,662,359	567,680,748	32,263,763
2017	205,810,787	-	-	-	-	(16,091,252)	108,251,394	113,650,645
2016	53,733,177	-	-	-	-	-	(14,889,510)	68,622,687
Cumulative payments to date	**5,087,098,619**	**74,757,596**	**330,201,180**	**491,519,271**	**1,230,156,357**	**1,413,843,591**	**1,279,995,645**	**266,624,979**
Retro Reporting year actual claims cost	**Total**	**R**	**R**	**R**	**R**	**R**	**R**	**R**
2022	642,824,102	52,088,322	179,339,212	183,530,412	128,547,040	58,382,329	39,620,693	1,316,094
2021	564,189,347	25,502	52,229,378	122,139,086	200,527,920	151,038,741	36,617,357	1,611,363
2020	873,653,373	-	-	37,320,237	359,809,007	339,806,205	120,895,734	15,822,190
2019	884,301,490	-	-	-	172,056,370	353,964,015	330,176,761	28,104,344
2018	609,433,039	-	-	-	-	97,458,063	483,000,196	28,974,780
2017	180,257,253	-	-	-	-	(14,042,012)	92,013,685	102,285,580
2016	49,104,335	-	-	-	-	-	(12,656,084)	61,760,419
Cumulative payments to date	**3,803,762,939**	**52,113,824**	**231,568,590**	**342,989,735**	**860,940,337**	**986,607,341**	**1,089,668,342**	**239,874,770**

Net Reporting year actual claims cost	Total	R	R	R	R	R	R	R
2022	263,916,805	22,323,567	76,243,936	78,610,649	54,579,392	25,020,998	6,991,968	146,295
2021	232,542,343	320,205	22,384,019	52,345,323	85,940,537	64,730,889	6,642,332	179,038
2020	337,555,015	-	4,635	15,994,391	154,508,028	145,630,445	19,732,736	1,684,781
2019	288,515,703	-	-	1,579,173	73,738,457	151,698,864	58,275,431	3,223,779
2018	130,623,438	-	-	-	449,607	42,204,296	84,680,552	3,288,983
2017	25,553,534	-	-	-	-	(2,049,240)	16,237,709	11,365,065
2016	4,628,842	-	-	-	-	-	(2,233,427)	6,862,268
Cumulative payments to date	**1,283,335,680**	**22,643,772**	**98,632,590**	**148,529,536**	**369,216,020**	**427,236,250**	**190,327,303**	**26,750,209**

7 Unearned premium reserve

	31 March 2022 R	31 March 2021 R
Balance at beginning of year	**126,414,809**	104,771,465
Gross	**390,640,306**	351,221,689
Retroceded	**(264,225,497)**	(246,450,224)
Amounts transferred through profit and loss	**(54,437,147)**	21,643,344
Gross	**(164,873,512)**	39,418,617
Retroceded	**110,436,365**	(17,775,273)
Balance at end of year	**71,977,662**	126,414,809
Gross	**225,766,794**	390,640,306
Retroceded	**(153,789,132)**	(264,225,497)

8 Deferred acquisition costs

	31 March 2022 R	31 March 2021 R
Balance at beginning of year	**21,554,291**	20,055,515
Gross	**71,369,882**	66,492,752
Retroceded	**(49,815,591)**	(46,437,237)
Amounts transferred through profit and loss	**(9,113,907)**	1,498,776
Gross	**(30,793,561)**	4,877,130
Retroceded	**21,679,654**	(3,378,354)
Balance at end of year	**12,440,383**	21,554,291
Gross	**40,576,320**	71,369,882
Retroceded	**(28,135,937)**	(49,815,591)

9 Investments

	31 March 2022		31 March 2021	
	R	R	R	R
	Cost	Fair Value or amortised cost	Cost	Fair Value or amortised cost
Negotiable certificates of deposits- unlisted*	288,000,000	290,827,219	214,000,000	227,025,167
Treasury bills - unlisted*	211,830,897	211,830,897	157,454,245	157,473,282
Fixed deposits - unlisted*	1,713,510,000	1,746,872,063	1,469,846,540	1,490,842,475
Ordinary shares - listed**	210,599,172	273,244,094	216,082,939	254,635,883
Collective investment schemes - listed**	74,260,704	74,692,791	77,609,789	77,851,349
Preference shares - listed**	11,530,706	9,795,264	15,813,539	9,183,060
Government bonds - listed**	325,426,985	329,746,940	288,743,813	305,026,164
Total investments	2,835,158,464	2,937,009,268	2,449,550,865	2,522,037,380

* Held at amortized cost

** Held at fair value

Listed ordinary shares portfolio analysis	% 2022	% 2021
Basic materials	15	35
Consumer services	31	16
Financials	32	37
Industrials	22	12
	100	**100**

Maturity profile of fixed interest securities

	Less than one year	One to five years	More than five years	Total
	R	R	R	R
2022				
Negotiable certificates of deposits- unlisted	290,827,219	-	-	290,827,219
Fixed deposits - unlisted	1,746,869,263	-	-	1,746,869,263
Treasury bills - unlisted	211,830,897	-	-	211,830,897
Government bonds- listed	-	302,820,325	26,926,615	329,746,940
2021				
Negotiable certificates of deposits - unlisted	217,006,131	-	-	217,006,131
Fixed Deposits - unlisted	1,490,842,475	-	-	1,490,842,475
Treasury bills - unlisted	-	157,473,282	-	157,473,282
Government bonds- listed	-	-	305,026,164	305,026,164

Presented below are the effective interest rates of the company's interest bearing investments:

	31 March 2022	31 March 2021
Negotiable certificates of deposits - unlisted	4.97%	5.25%
Fixed deposits - unlisted	3.95%	3.20%
Government bonds listed	5.14%	9.85%
Treasury bills (Aylett) - unlisted	1.00%	6.00%

10 Deferred taxation

	31 March 2022
Deferred tax asset/(liability)	
Impairment allowance	9,712,088
Leave pay provision	977,823
Leases	50,775
Asset held on capital account	
Equities	(13,531,303)
Preference shares	374,855
Tax loss	-
Total deferred tax asset/(liability)	**(2,415,762)**
The deferred tax assets has been raised and is considered recoverable based on future profitability and the unwinding of the temporary differences created	
Deferred tax liability	(13,531,303)
Deferred tax asset	11,115,541
Total net deferred tax asset	**(2,415,762)**
Reconciliation of deferred tax asset/(liability)	
At beginning of year	-
Deferred tax previously unrecognised	21,769,510
Change in tax rate	-777,483
Movement in impairment allowance	2,549,016
Movement in leave provision	364,122
Movement in leases	2,099
Movement in equity	-5,203,867
Movement in preference shares	-1,057,328
Movement in donations	-50,381
Movement in tax loss	-20,011,450
	(2,415,762)

31 March 2021

A deferred tax asset of R 21.7 million was not been recognised due to the uncertainty of future taxable income against which to utilise the deferred tax. Assessed loss at reporting date is R 74.37 million.

11 Other accounts payable

	31 March 2022 R	31 March 2021 R
PAYE, UIF & SDL	375,625	742,809
Expenses accrual	269,131	586,686
VAT payable	5,824,191	5,547,693
Unallocated premium received	104,627,165	23,605,450
Withholding tax on interest	-	1,975,737
Provision for leave liability	3,621,566	-
	114,717,678	32,458,375

12 Share capital

	31 March 2022 R	31 March 2021 R
Authorized		
1 500 000 000 ordinary shares of no par value		
Issued		
At beginning of the year		
571,030,862 ordinary shares of no par value	1,142,061,725	1,142,061,725
Issued during the year		
ordinary shares of no par value	-	-
At end of the year		
571,030,862 ordinary shares of no par value	**1,142,061,725**	1,142,061,725

The unissued shares are under the control of the directors.

13 Deposits withheld from retrocessionaires

	31 March 2022 R	31 March 2021 R
Retro Loss Reserve Deposits	1,020,455,368	929,026,662
Retro IBNR Reserve Deposits	70,031,096	57,020,220
Retro UPR Reserve Deposits	400,171,565	325,829,826
	1,490,658,029	1,311,876,708

14 Net investment income

31 March 2022	Total R
Dividends received - listed	12,158,673
Interest income	110,877,742
Realised profit/(loss) on disposal of investments	56,691,687
Net movement in unrealised gains on revaluation of investments	19,595,785
	199,323,887

31 March 2021	Total R
Dividends received - listed	6,083,038
Interest received	66,544,187
Realised loss on disposal of investments	(406,817)
Net movement in unrealised gains on revaluation of investments	112,531,958
	184,752,366

15 Claims incurred

31 March 2022	Total R
Claims paid	(263,916,805)
Gross	(906,740,906)
Retroceded	642,824,101
Change in provision for outstanding claims	12,654,036
Gross	182,394,964
Retroceded	(169,740,928)
Claims incurred	(251,262,769)
31 March 2021	**Total R**
Claims paid	(232,542,345)
Gross	(796,731,692)
Retroceded	564,189,347
Change in provision for outstanding claims	133,856,823
Gross	(105,167,409)
Retroceded	239,024,232
Claims incurred	(98,685,522)

16 Commission

	31 March 2022 R	31 March 2021 R
Commission expense		
Gross commission and brokerage paid	**(305,211,674)**	(340,542,000)
Gross deferred acquisition cost	**(30,793,561)**	4,877,130
	(336,005,235)	(335,664,870)
Commission income		
Retrocession commission and brokerage received	**215,447,255**	275,738,413
Retroceded deferred commission revenue	**21,679,654**	(3,378,354)
	237,126,909	272,360,059
Net Commission	**(98,878,326)**	(63,304,811)

17 Management expenses

	31 March 2022 R	31 March 2021 R
Depreciation	**1,878,285**	2,009,400
Loss on disposal of equipment	**35,028**	-
External auditors' remuneration	**1,340,689**	1,495,844
Internal auditors' remuneration	**688,700**	689,723
Software expenses	**1,788,312**	2,259,873
Directors' fees	**1,075,053**	1,173,971
Utilities	**665,557**	300,412
Tarrifs	**1,353,244**	1,454,893
Consulting fees	**3,205,218**	3,306,398
Employee costs - salaries and bonuses	**19,785,014**	23,324,840
Staff amenities	**771,444**	3,369,947
Membership fees	**557,564**	157,470
Insurance costs	**766,701**	745,474
Other expenses	**2,174,051**	2,066,801
	36,084,860	42,355,045

18 Taxation

31 March 2022	Total R
South African normal tax	
Current taxation	-
– current year income tax charge	27,181,950
Prior year under or over provision	(1,995,345)
	25,186,605
Deferred taxation	-
– current year	23,407,790
Under/(over) provisions prior years	(21,769,510)
Change in rate	777,483
	2,415,763
	27,602,368

31 March 2022	Total R
Tax rate reconciliation:	%
Standard tax rate	**28.00**
Non-taxable income- dividend received	-1.68
Non-deductible expenditure	0
Accounting loss/ (profit) on disposal of investments	-7.23
Other - Expenditure incurred in the production of exempt income	0.05
Miscellaneous expenses - Not incurred in the production of income	0
Unrealised loss/(profit) on equity and preference shares	6.28
Effect of temporary differences raised at CGT rate	-0.17
Under/overprovision in prior years	-0.99
Deferred tax previously unrecognised	-10.76
Unutilised calculated assessed loss and deductible temporary differences	0
Change in standard tax rate	-0.38
Difference between income tax and Deferred tax rate	0.52
Effective tax rate	**13.64**
31 March 2021	**Total R**
South African normal tax	
Current taxation	
– current year	(10,942,661)
– utilisation of tax credit	
Deferred taxation	-
– current year	-
	(10,942,661)
Tax rate reconciliation:	%
Standard tax rate	**28.00**
Non-taxable income- dividend received	-8.47
Non-deductible expenditure	0.26
Accounting loss on disposal of investments	3.36
Other - Expenditure incurred in the production of exempt income	0.17
Miscellaneous expenses - Not incurred in the production of income	0.22
Unrealised loss/(profit) on equity and preference shares	-24.86
Effect of temporary differences raised at CGT rate	0.00
Under/overprovision in prior years	-54.43
Unutilised calculated assessed loss and deductible temporary differences	1.33
Effective tax rate	**-54.42**

19 Related party transactions

19.1 Identity of related parties

The current holding company is General Insurance Corporation of India (GIC Re India) which is controlled by Government of India (holding 85.78% equity share), it acquired 100% of the company's shares on 24 April 2014.

19.2 Transactions with Directors & Key Management Personnel

The remuneration of the Non-Executive Directors, of the company, is set out below.

2022

Name	Designation	Basic Remuneration	Medical Benefits	Cash Incentive	Other allowances	Total
S Bhikha	Non-Executive Director	380,609	-	-	-	380,609
CI Moosa	Non-Executive Director	380,609	-	-	-	380,609
J Bagg	Non-Executive Director	313,835	-	-	-	313,835
		Total				**1,075,053**

2022

Name	Designation	Basic Remuneration	Medical Benefits	Cash Incentive	Other allowances	Total
S Bhikha	Non-Executive Director	409,958	-	-	-	409,958
CI Moosa	Non-Executive Director	360,266	-	-	-	360,266
J Bagg	Non-Executive Director	403,746	-	-	-	403,746
		Total				**1,173,970**

Basic Remuneration is referred as directors siting fees.
The following other Non- Executive Directors do not earn any remuneration for their service pertaining to the company:

D Srivastava		-	-	-	-	-
M Bhaskar		-	-	-	-	-

The remuneration of executive directors of the company is set out below:

2022

Name	Designation	Basic Remuneration*	Medical Benefits	Cash Incentive	Other allowances	Total
N Saravanabhavan*	MD & CEO	508,414	51,662	-	55,877	615,953
Sandip Karmarkar**	MD & CEO	-	-	-	-	-
2021						
CG Asirvatham	MD & CEO	614,305	111,293	-	359,473	1,085,071
N Saravanabhavan***	MD & CEO	-	-	-	-	-

*Resigned 21st July 2021 *** Joined company on 29th March 2021

** Appointed on 10th December 2021. Remuneration was approved and paid in July 2022.

The remuneration of Key Management Personnel of the company, is set out below :

2022

Name	Designation	Basic Remuneration*	Medical Benefits	Cash Incentive	Other allowances	Total
W Mwase	Public Officer, Company Secretary, Manager - Admin	468,500	26,754	-	115,437	610,691
S Shankar	Chief Operating Officer	573,835	216,660	-	860,263	1,650,758
C Verma	Chief Underwriting Officer	567,407	216,660	-	939,277	1,723,344
A Tamhane	Chief Risk Officer	550,270	181,926	-	854,990	1,587,186
R Ugile	Chief Technology Officer	538,985	199,293	-	725,786	1,464,064
N Kasture	Chief Finance Officer, Manager HR	539,005	199,293	-	712,671	1,450,969
A Chinyamunzore	Chief Technical Accounts Officer	376,500	4,935	-	-	381,435

2021

Name	Designation	Basic Remuneration*	Medical Benefits	Cash Incentive	Other allowances	Total
W Mwase	Public Officer, Company Secretary, Manager - Admin	437,500	22,308	-	118,303	578,111
S Shankar	Chief Operating Officer	765,815	207,408	-	816,955	1,790,178
S Sapdhare#	Chief Finance Officer, Manager – Manager HR	742,346	79,827	-	908,640	1,730,813
C Verma	Chief Underwriting Officer	794,740	207,408	-	982,187	1,984,335
A Tamhane	Chief Risk Officer	754,010	174,168		927,433	1,855,611
R Ugile	Chief Technology Officer, Manager HR	728,670	190,788	-	898,048	1,817,506
N Kasture	Chief Finance Officer, Manager – Manager HR	728,850	190,788	-	897,857	1,817,495
B Zhawu##	Chief Technical Accounts Officer	380,384		-	89,281	469,665
A Chinyamunzore###	Chief Technical Accounts Officer	60,000	-	-	-	60,000

Repatriated on 26th February 2021

Resigned on 31st December 2021

Joined on 18th January 2021

19.3 Other related party transactions

The following transactions were entered with the current holding company:

	2022 R	2021 R
Statement of comprehensive income effects:		
Retroceded premiums	**20,063,036**	17,135,045
Retroceded claims	**40,936,551**	38,228,720
Retroceded commission	**9,357,512**	(2,442,226)
Interest paid on reserve deposits	**1,971,187**	5,116,065

	2022 R	2021 R
Statement of financial position effects:		
Retroceded outstanding claims	**379,710,636**	473,482,539
Retroceded unearned premium provision	**-**	1,019,747
Retroceded deferred acquisition cost	**-**	34,720
Retroceded reserve deposit	**140,339,473**	155,658,689

20 Lease

The following transactions were entered with the current holding company:

	2022 R	2021 R
Lease payments represent rentals payable by the company for office premises. The lease has been negotiated for a term of three years and escalates at 8% per annum.		
Minimum Lease payments due		
- within one year	1,429,878	1,323,961
- in one year to two years	-	1,429,878
Total undiscounted lease liability	1,429,878	2,753,839
less: future finance charges	(52,772)	(194,476)
Present value of minimum lease payments	1,377,106	2,559,363
Reconciliation of lease liability		
Opening balance	2,559,363	-
Lease liability recognised during the period	-	3,568,623
Finance charges	141,703	217,831
Lease payments	(1,323,960)	(1,227,090)
Present value of minimum lease payments	1,377,106	2,559,363

21 Other company information

Dividends

No dividends were paid during the year (2021: Nil).

Going concern

GIC Re South Africa Ltd is regulated by Prudential Authority (PA) and is complying with all rules and regulations issued by PA. The company is being rated by S&P from its inception and continues to be rated by them. As GIC Re South Africa Ltd is a wholly owned subsidiary of GIC of India, it has been given unconditional parental guarantee. There are no borrowings by the company including from its parent company and has adequate Liquidity policy. It is liquid enough to meet its liabilities. COVID 19 has not adversely affected the company in 2021 & 2022 and is in position to pay claims/debit balances on time. The company has improved the Solvency Capital Requirement ratio (SCR) from March 2021 (2.33) to March 2022 (2.54). Considering the facts, the directors believe that the company will be a going concern in future.

COVID 19 impact

The company faced COVID 19 pandemic and subsequent nationwide lockdown. The company has given work from home facility to all employees and made sure that company's operations were not affected. In terms of business, the company was able to function smoothly with its strong Information Technology team support and not affected adversely. The Gross premium written has increased by R 261 million as compared to March 2021. Despite of COVID pandemic, the company booked technical profit of R 107 million as compared to R 134 million profit last year.

Events after reporting date

Flood event in KwaZulu-Natal

There has been a major flood event in KZN Province which occurred in April 2022. While market loss figures are estimated between ZAR 10 billion to ZAR 15 billion, the company's incurred loss so far is R 172.5 million out of which company has paid R 35.8 million. and outstanding losses are R 136.7 million.

The company has adequate retrocession programme which will mitigate the impact of these claims significantly and net loss to the company will be minimal. The company will be in a position to recover 70% of the losses arising out of this event from its Proportional Program and under Whole Account Non-Proportional Program, net retained amount in excess of US$ 1 million (approx. R 16.42 million) will be recovered. The Company has a total Non-Proportional Cover of US$ 49 million Xs. US 1 million to protect its net retained account.

Unallocated premium received subsequently allocated

Unallocated premium received amounting to R 104,627,165 (as disclosed in note 11) has subsequently reduced to R43 925 642 as at 30 June 2022.

22 New standards, amendments and interpretations issued

(a) New applied standards, amendments and interpretations issued and effective for the current financial year.

(i) Interest Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7.

Amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting.

- The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform.
- In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

The amendments are not applicable as the company does not apply hedge accounting.

(ii) IAS 1, Presentation of Financial Statements. Amendment to the Definition of Material.

The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The impact is immaterial. The company's financial statements are prepared taking into consideration materiality of the information to be presented to the primary users of the entity's annual financial statements.

(iii) IAS 8, Accounting policies, Changes in Accounting Estimates and Errors. Amendment to the Definition of Material.

The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The impact is immaterial. The company financial statements are prepared taking into consideration materiality of the information to be presented to the primary users of the entity's annual financial statements.

(b) New standards, amendments and interpretations issued but not effective for the financial year and not early adopted.

(i) IFRS 17 Insurance Contracts.

IFRS 17 addresses the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurancecontracts held and investment contracts with discretionary participation features. The standard contains guidance on when toseparate components in an insurance contract and account for them in terms of another standard. The components that haveto be separated (subject to certain criteria) are embedded derivatives, distinct investment components and distinct goods andnon-insurance services.

The standard requires an entity to identify portfolios of insurance contracts and to group them into the following groups at initialrecognition:

- Contracts that are onerous;
- Contracts that have no significant possibility of becoming onerous subsequently; and
- The remaining contracts in the portfolio.

Groups of insurance contracts should be measured at initial recognition at the total of the following:

- The fulfilment cash flows which comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks and a risk adjustment for non-financial risk; and
- The contractual service margin which represents the profit in the group of insurance contracts that will be recognised in future periods.

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of:

- The liability for remaining coverage (fulfilment cash flows related to future service and the contractual service margin) and
- The liability for incurred claims (fulfilment cash flows related to past service).

An entity may simplify the measurement of a group of insurance contracts using the Premium Allocation Approach if certain criteria are met.

The new standard will have a significant impact on the financial statements when it is initially applied which will include changes to the measurement of insurance contracts issued and the presentation and disclosure. A detailed assessment of the impact is currently underway.

The standard is effective for annual periods beginning on or after 1 January 2023 and has to be applied retrospectively. Early adoption is permitted. The entity is expecting to adopt IFRS 17 in its financial statements for the year ending 31 March 2024. The entity will in future periods estimate the impact of IFRS 17 on its financial statements.

(ii) IAS 1, Presentation of Financial Statements. The following amendments were made.

- *Classification of Liabilities as current or Non-current.*

  Narrow scope amendments to the accounting standard to clarify how debts and other liabilities are classified based on the contractual arrangements in place at the reporting date.The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022, however, theireffective date has been delayed to 1 January 2023.

- Disclosure of Accounting Policies

  The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material. The amendments are effective for annual periods beginning on or after 1 January 2023.

  The company will apply the amendments from the effective date and the amendments are not expected to significantly impact the company.

(iii) IAS 8, Accounting policies, Changes in Accounting Estimates and Errors. Amendment to the Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.The amendments are effective for annual periods beginning on or after 1 January 2023, the company will apply the amendments from the effective date and the amendments are not expected to significantly impact the company.

(iv) IAS 16, Property, plant, and equipment- Proceeds before Intended use

The amendments prohibit an entity from deducting from cost of an item of property, plant and equipment any proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost ofproducing those items, in the profit or loss

The amendments are effective for annual reporting periods beginning on or after 1 January 2022, the company will apply the amendments from the effective date and the amendments are not expected to significantly impact the company.

(v) IAS 37, Provisions, Contingent Liabilities and Contingent Assets: 'Onerous Contracts- Cost of Fulfilling a Contract

The amendments specify which costs should be included in an entity's assessment and whether a contract will be loss Making. The amendments are effective for annual reporting periods beginning on or after 1 January 2022, GIC will apply the amendments from the effective date and the amendments are not expected to significantly impact the company.

(vi) IFRS 9, Financial Instruments. Annual Improvements to IFRS Standards 2018–2020

The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether toderecognise a financial liability. The amendments are effective for annual reporting periods beginning on or after 1 January 2022The company will apply the amendments from the effective date and the amendments are not expected to significantly impact the company.

c) New standards, amendments and interpretations issues and effective for the current financial year but not implemented by the company.

(i) IFRS 9, Financial instruments

It is expected that IFRS 9 will change the classification of financial assets to either amortised cost, fair value through profit orloss or fair value through other comprehensive income. In addition, IFRS 9 replaces the 'incurred loss' model in IAS 39 with an'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance isrecognised.

The company has elected to defer the implementation of IFRS 9 to 01 April 2023 when IFRS 17 is expected to be effective. A detailed assessment of the impact has not been made by the company, therefore the impact is not yet known.

IFRS 9 provides a temporary exemption that permits the company to apply IAS 39 rather than IFRS 9 when accounting for financial instruments for annual periods beginning before 01 April 2023.

The entity is eligible to apply the temporary exemption from IFRS 9 due to the following criteria :

- it has not previously applied any version of IFRS 9; and
- its activities are predominantly connected with insurance

As at 31st March 2022 and (31st March 2021), the carrying amount of the liabilities arising from contracts within the scope of this IFRS 4 were greater than 90% of the total carrying amount of all liabilities. There has been no change in the entity's activities.

The entity's financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are all measured at fair value as they are managed and performance is evaluated on a fair value basis.

23 Revenue account

	31 March 2022 R	31 March 2021 R
Gross premiums written	**1,429,757,922**	1,168,764,346
Retroceded premiums	**(1,026,814,462)**	(851,284,776)
	402,943,460	317,479,570

Business class	2022		
	Gross	Retro	Net
Transportation	80,086,994	56,160,468	23,926,526
Property	766,277,450	558,404,436	207,873,014
Engineering	75,808,221	53,246,739	22,561,483
Guarantee	28,878,175	20,215,202	8,662,972
Liability	152,805,347	106,963,741	45,841,606
Motor	212,753,951	153,064,384	59,689,567
Miscellaneous	65,042,881	45,085,730	19,957,151
Agriculture	39,912,334	27,938,634	11,973,700
Accident/health	8,192,569	5,735,128	2,457,441
Total written premium revenue portfolio	**1,429,757,922**	**1,026,814,462**	**402,943,460**

Business class	2021		
	Gross	Retro	Net
Transportation	72,429,962	50,714,525	21,715,437
Property	609,049,592	458,965,386	150,084,206
Engineering	82,418,544	57,772,155	24,646,389
Guarantee	16,591,395	11,622,081	4,969,314
Liability	58,186,159	40,705,317	17,480,842
Motor	219,003,228	153,414,034	65,589,194
Miscellaneous	92,034,690	64,754,664	27,280,026
Agriculture	12,256,543	8,579,580	3,676,963
Accident/health	6,794,233	4,757,034	2,037,199
Total written premium revenue portfolio	**1,168,764,346**	**851,284,776**	**317,479,570**

24 Notes to the statement of cash flows

24.1 Cash generated / (utilised) by operations

	31 March 2022 R	31 March 2021 R
Profit before taxation	**203,367,246**	20,013,024
Adjustments for:		
– depreciation of property, plant and equipment	**1,878,285**	1,927,514
– realised (profit)/loss on disposal of investments	**(56,691,687)**	406,817
– interest income	**(110,877,742)**	(66,544,187)
– dividends received	**(12,158,673)**	(6,083,038)
– interest paid	**41,298,879**	71,457,370
– Increase/(decrease) in net provision for unearned premium	**(54,437,147)**	21,643,344
– Increase/(decrease) in net deferred acquisition costs	**9,113,907**	(1,498,776)
– Increase/(decrease) in net provision for outstanding claims	**(12,654,036)**	(133,856,823)
– unrealised gain on revaluation of investments	**(19,595,785)**	(112,531,958)
– loss on disposal of equipment	**35,028**	-
Cash utilised by operations before working capital changes	**(10,721,725)**	(205,066,713)
(Increase)/decrease in amounts due under reinsurance contract	**(124,048,102)**	114,065,136
(Increase)/decrease in other accounts receivable	**(2,441,702)**	150,572
Increase/(decrease) in amounts payable to retrocessionaire	**68,476,703**	(407,248,612)
(Increase)/decrease in amounts due from retrocessionaire contracts	**(30,016,232)**	1,721,837
Increase/(decrease) in amounts payable under reinsurance contracts	**126,509,619**	-
Increase/(decrease) in other accounts payable	**82,259,303**	(6,550,312)
Increase in deposits withheld from retrocessionaires	**178,781,322**	83,182,455
	288,799,186	(419,745,636)

24.2 Cash and cash equivalents

	31 March 2022 R	31 March 2021 R
Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:		
Cash on call and on deposit	**95,534,602**	51,837,583
Cash at bank	**75,320,138**	108,493,940
Cash on hand	**2,466**	3,344
	170,857,206	160,334,867

24.3 Taxation Paid

	31 March 2022 R	31 March 2021 R
Opening current tax receivable	**20,000,000**	-
Tax charge	**(25,186,605)**	10,942,661
Balance at the end of the year	**(14,818,050)**	(20,000,000)
Tax (paid)/received	**(20,004,655)**	(9,057,339)

24.4 Interest Paid

	31 March 2022 R	31 March 2021 R
Interest on retro deposits	**41,157,176**	71,239,539
Interest paid on lease liability	**141,703**	217,831
	41,298,879	71,457,370

25. Categorisation of assets and liabilities

				Financial assets and liabilities		Other non - financial assets and liabilities	Current / non - current distinction	
		Total	Financial assets at fair value through profit and loss	Financial Assets at amortised cost	Financial liabilities at amortised cost		Current assets and liabilities	Non - current assets and liabilities
2022	**Note**	R	R	R	R	R	R	R
ASSETS								
Cash and cash equivalents	**24.3**	170,857,206	-	170,857,206	-	-	170,857,206	-
Other accounts receivable		2,899,126	-	2,899,126	-	-	2,899,126	-
Investments		2,937,009,268	687,479,089	2,249,530,179	-	-	2,607,262,328	329,746,940
Government securities*1	**9**	329,746,940	329,746,940	-	-	-	-	329,746,940
Fixed deposits	**9**	1,746,872,063	-	1,746,872,063	-	-	1,746,872,063	-
Negotiable certificates of deposits	**9**	290,827,219	-	290,827,219	-	-	290,827,219	-
Listed ordinary shares*2	**9**	273,244,094	273,244,094	-	-	-	273,244,094	-
Listed preference shares*2	**9**	9,795,264	9,795,264	-	-	-	9,795,264	-
Treasury bills	**9**	211,830,897	-	211,830,897	-	-	211,830,897	-
Listed collective investment schemes*2	**9**	74,692,791	74,692,791	-	-	-	74,692,791	-
Technical assets under insurance contracts		1,797,790,379	-	-	-	1,797,790,379	1,319,035,598	-
Retroceded outstanding claims	**6**	1,603,424,927	-	-	-	1,603,424,927	1,603,424,927	-
Retroceded unearned premium reserve	**7**	153,789,132	-	-	-	153,789,132	153,789,132	-
Gross deferred acquisition costs	**8**	40,576,320	-	-	-	40,576,320	40,576,320	-

				Financial assets and liabilities		Other non - financial assets and liabilities	Current / non - current distinction	
		Total	Financial assets at fair value through profit and loss	Financial Assets at amortised cost	Financial liabilities at amortised cost		Current assets and liabilities	Non - current assets and liabilities
2022	**Note**	**R**	**R**	**R**	**R**	**R**	**R**	**R**
Amounts due under reinsurance contracts	**26.1**	725,527,920	-	725,527,920	-	-	725,527,920	-
Amounts due from retrocession contracts	**26.2**	37,063,338	-	37,063,338	-	-	37,063,338	-
Property, plant and equipment	**5**	2,146,921	-	-	-	2,146,921	-	2,146,921
Current tax receivable	**24.3**	14,818,050	-	-	-	14,818,050	14,818,050	-
Total assets		5,688,112,208	687,479,089	3,185,877,769	-	1,814,755,350	5,356,218,347	331,893,861
LIABILITIES								
Technical liabilities under insurance contracts		2,172,209,236	-	-	-	2,172,209,236	1,654,266,480	517,942,756
Gross outstanding claims	**6**	1,918,306,505	-	-	-	1,918,306,505	1,400,363,749	517,942,756
Gross unearned premium reserve	**7**	225,766,794	-	-	-	225,766,794	225,766,794	-
Retroceded deferred acquisition cost	**8**	28,135,937	-	-	-	28,135,937	28,135,937	-
Deposits withheld from retrocessionaires	**13**	1,490,658,029	-	-	1,490,658,029	-	1,490,658,029	-
Amounts payable to retrocessionaire contracts	**26.3**	212,150,974	-	-	212,150,974	-	212,150,974	-
Amounts payable under reinsurance contracts	**26.4**	136,576,913	-	-	136,576,913	-	136,576,913	-
Other accounts payable	**11**	114,717,678	-	-	375,625	114,342,053	114,717,678	-
Lease liability	**20**	1,377,106	-	-	1,377,106	-	1,377,106	-
Deferred tax	**10**	2,415,762	-	-	-	2,415,762	-	2,415,762
Total liabilities		4,130,105,698	-	-	1,841,138,647	2,288,967,051	3,609,747,179	520,358,518

*1 Designated at Fair Value
*2 Mandatory Fair Value

Fair value of financial assets and financial liabilities amortised cost are approximated at their carrying amount as these financial instruments will be receivable or payable within 12 months.

25. Categorisation of assets and liabilities

				Financial assets and liabilities		Other non - financial assets and liabilities	Current / non - current distinction	
		Total	Financial assets at fair value through profit and loss	Financial Assets at amortised cost	Financial liabilities at amortised cost		Current assets and liabilities	Non - current assets and liabilities
2021	**Note**	**R**	**R**	**R**	**R**	**R**	**R**	**R**
ASSETS								
Cash and cash equivalents	**24.2**	160,334,867	-	160,334,867	-	-	160,334,867	-
Other accounts receivable		457,424	-	457,424	-	-	457,424	-
Investments		2,522,037,380	646,696,456	1,875,340,924	-	-	2,217,011,216	305,026,164
Government securities*1	**9**	305,026,164	305,026,164	-	-	-	-	305,026,164
Fixed deposits	**9**	1,490,842,475	-	1,490,842,475	-	-	1,490,842,475	-
Negotiable certificates of deposits	**9**	227,025,167	-	227,025,167	-	-	227,025,167	-
Listed ordinary shares*2	**9**	254,635,883	254,635,883	-	-	-	254,635,883	-
Listed preference shares*2	**9**	9,183,060	9,183,060	-	-	-	9,183,060	-
Treasury bills	**9**	157,473,282	-	157,473,282	-	-	157,473,282	-
Listed collective investment schemes*2	**9**	77,851,349	77,851,349	-	-	-	77,851,349	-
Technical assets under insurance contracts		2,108,761,234	-	-	-	2,108,761,234	1,630,006,453	-
Retroceded outstanding claims	**6**	1,773,165,855	-	-	-	1,773,165,855	1,773,165,855	-
Retroceded unearned premium reserve	**7**	264,225,497	-	-	-	264,225,497	264,225,497	-
Gross deferred acquisition costs	**8**	71,369,882	-	-	-	71,369,882	71,369,882	-
Amounts due under reinsurance contracts	**26.1**	601,479,818	-	601,479,818	-	-	601,479,818	-
Amounts due from retrocession contracts	**26.2**	7,047,106	-	7,047,106	-	-	7,047,106	-
Property, plant and equipment	**5**	3,917,180	-	-	-	3,917,180	-	3,917,180
Current tax receivable	**24.3**	20,000,000	-	-	-	20,000,000	20,000,000	-
Total assets		5,424,035,009	646,696,456	2,644,660,139		2,132,678,414	5,115,091,665	308,943,344

2022	Note	Total	Financial assets at fair value through profit and loss	Financial assets and liabilities Financial Assets at amortised cost	Financial liabilities at amortised cost	Other non - financial assets and liabilities	Current / non - current distinction Current assets and liabilities	Non - current assets and liabilities
		R	R	R	R	R	R	R
LIABILITIES								
Technical liabilities under insurance contracts		2,541,157,366	-	-	-	2,541,157,366	1,973,967,969	567,189,397
Gross outstanding claims	6	2,100,701,469	-	-	-	2,100,701,469	1,533,512,072	567,189,397
Gross unearned premium reserve	7	390,640,306	-	-	-	390,640,306	390,640,306	-
Retroceded deferred acquisition cost	8	49,815,591	-	-	-	49,815,591	49,815,591	-
Deposits withheld from retrocessionaires	13	1,311,876,708	-	-	1,311,876,708	-	1,311,876,708	-
Amounts payable to retrocessionaire contracts	26.3	143,674,271	-	-	143,674,271	-	143,674,271	-
Amounts payable under reinsurance contracts	26.4	10,067,294	-	-	10,067,294	-	10,067,294	-
Other accounts payable	11	32,458,375	-	-	586,686	31,871,689	32,458,375	-
Lease liability	20	2,559,363	-	-	2,559,363	-	2,559,363	-
Total liabilities		4,041,793,377	-	-	1,468,764,323	2,573,029,054	3,474,603,980	567,189,397

*1 Designated at Fair Value
*2 Mandatory Fair Value

Fair value of financial assets and financial liabilities amortised cost are approximated at their carrying amount as these financial instruments will be receivable or payable within 12 months.

26.1 Amounts due under reinsurance contracts

	31 March 2022 R	31 March 2021 R
Amounts due under reinsurance contracts	**725,527,920**	601,479,818
	725,527,920	601,479,818

26.2 Amounts due from Retrocessionnaire Contracts

	31 March 2022 R	31 March 2021 R
Provisional profit commission receivable	**37,063,338**	7,047,106
	37,063,338	7,047,106

26.3 Amounts payable to Retrocessionnaire

	31 March 2022 R	31 March 2021 R
Amounts payable to retrocessionaires	**212,150,974**	143,674,271
	212,150,974	143,674,271

26.4 Amounts payable under reinsurance contracts

	31 March 2022 R	31 March 2021 R
Amounts payable under reinsurance contracts	**83,930,325**	-
Provisional profit commission payable	**52,646,588**	10,067,294
	136,576,913	10,067,294

27. Prior year reclassification

Profit commission payable was presented and disclosed as part of amounts payable to retrocessionnaires on the statement of financial position and the related note in the prior year. Prior year profit commission payable has been reclassified from amounts payable to retrocessionnaires to amounts payable under reinsurance contracts. This reclassification results in improved disclosure as the profit commission payable is to cedents and not to retrocessionnaires, which is consistent with the entity's policies.

The reclassification resulted in an increase in amounts payable under reinsurance contracts and a decrease in amounts payable to retrocessionnaires.

Restatement of the statement of financial position	Presented as at 31 March 2021	Reclassification	Restated at 31 March 2021
Amounts payable to Retrocessionnaires	153,741,565	(10,067,294)	143,674,271
Amounts payable under reinsurance contracts	-	10,067,294	10,067,294

आपत्काले रक्षिष्यामि
GIC Re SA Ltd.

GIC Re South Africa Ltd

[Rates zaAAA (National) & BB+ (Global) by S&P]

1st Floor, Block C, Riviera Road Office Park,
No. 6-9 Riviera Road, Houghton Estate, Johannesburg - 2193, South Africa
Phone: +27 (0) 8770760 | **Email:** info@gicresa.co.za

Visit us at www.gicresa.co.za