

# Selected South African insurance sector data March 2021

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SOUTH AFRICAN RESERVE BANK



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# Introduction

This report provides a high level overview of insurers' financial and risk information, compiled by means of the aggregation of data submitted quarterly by individual South African-registered insurers.

The following should be noted with regards to the data contained in this document:

- data is based on reporting by insurance entities and the prudential standard issued in terms of the Insurance Act 18 of 2017 as implemented in South Africa on 1 July 2018;
- this information is subject to change without notice. The data in this report is as at the end of March 2021.

# Registered insurance entities in South Africa

|                                    | Mar 2020   | Mar 2021   |
|------------------------------------|------------|------------|
| <b>Total</b>                       | <b>170</b> | <b>150</b> |
| Life primary insurers              | 70         | 60         |
| Life cell captives                 | 5          | 5          |
| Life microinsurer <sup>1</sup>     | 1          | 2          |
| Non-life primary insurers          | 65         | 59         |
| Non-life cell captives             | 9          | 7          |
| Non-life captives                  | 8          | 5          |
| Non-life microinsurer <sup>1</sup> | 1          | 2          |
| Professional reinsurers            | 9          | 9          |
| Composite reinsurers               | 5          | 5          |
| Life reinsurers                    | 2          | 1          |
| Non-life reinsurers                | 2          | 3          |
| Other                              | 2          | 1          |

<sup>1</sup>Microinsurer: No data available as yet.

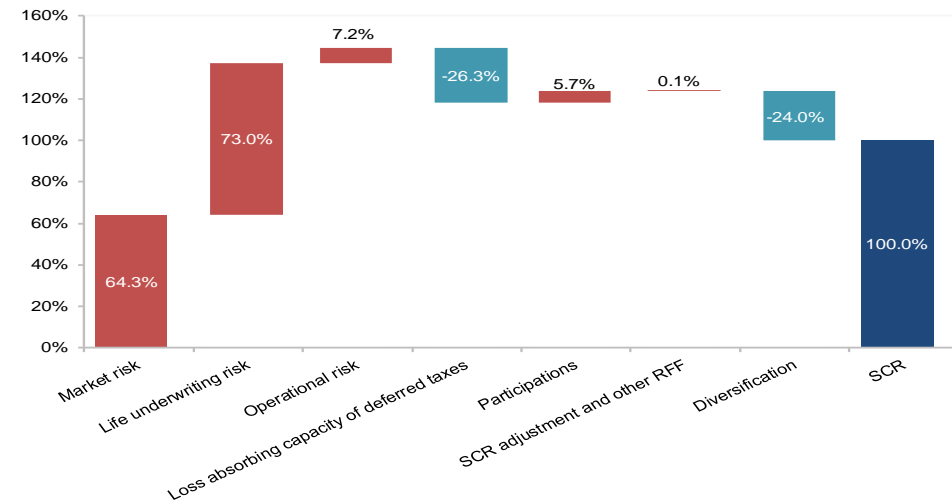


# Life insurance: Primary insurers

| Balance sheet                                    | Mar 2020<br>R'mil | Mar 2021<br>R'mil | 12 Monthly<br>% growth |
|--|-------------------|-------------------|------------------------|
| <b>Total assets</b>                              | <b>2,844,189</b>  | <b>3,316,560</b>  | <b>16.6</b>            |
| <i>Of which:</i>                                 |                   |                   |                        |
| Total investments                                | 2,655,491         | 3,134,099         | 18.0                   |
| Government bonds                                 | 203,206           | 305,199           | 50.2                   |
| Corporate bonds                                  | 228,978           | 210,375           | -8.1                   |
| Equity   | 385,035           | 525,916           | 36.6                   |
| Investment funds                                 | 1,428,098         | 1,724,823         | 20.8                   |
| Structured notes                                 | 51,537            | 59,480            | 15.4                   |
| Collateralised securities                        | 16,706            | 14,717            | -11.9                  |
| Cash and deposits                                | 229,631           | 171,273           | -25.4                  |
| Mortgages and loans                              | 78,514            | 88,738            | 13.0                   |
| Property   | 33,785            | 33,578            | -0.6                   |
| Total reinsurance recoverables/ (payable)        | 6,150             | 1,249             | -79.7                  |
| Derivatives                                      | 1,585             | 6,080             | 283.5                  |
| Owner occupied property                          | 9,647             | 6,843             | -29.1                  |
| Other assets                                     | 171,315           | 168,289           | -1.8                   |
| <b>Total liabilities</b>                         | <b>2,515,362</b>  | <b>2,992,521</b>  | <b>19.0</b>            |
| <i>Of which:</i>                                 |                   |                   |                        |
| Gross technical provisions                       | 2,337,180         | 2,804,020         | 20.0                   |
| <b>Basic own funds</b>                           | <b>328,826</b>    | <b>324,038</b>    | <b>-1.5</b>            |
| Eligible own funds to meet SCR                   | 319,156           | 321,611           | 0.8                    |
| Eligible own funds to meet MCR                   | 305,029           | 307,000           | 0.6                    |
| <b>Profitability</b>                             |                   |                   |                        |
| Gross premium                                    | 136,541           | 144,444           | 5.8                    |
| Reinsurance                                      | 3,857             | 4,235             | 9.8                    |
| Net premiums                                     | 132,684           | 140,209           | 5.7                    |
| Net claims paid                                  | 122,589           | 141,993           | 15.8                   |
| Investment income/ (loss) <sup>3</sup>           | -284,595          | 154,571           | 154.3                  |
| Management expenses                              | 13,954            | 13,738            | -1.5                   |
| Commission paid/ (received)                      | 4,881             | 4,942             | 1.2                    |
| Other expenses                                   | 4,703             | 1,288             | -72.6                  |
| Net profit before tax and dividends <sup>4</sup> | -28,771           | 7,397             | 125.7                  |
| <b>Other</b>                                     |                   |                   |                        |
| Number of policies at the end of period          | 51,173,993        | 45,823,710        | -10.5                  |
| Number of schemes at the end of period           | 83,590            | 89,545            | 7.1                    |

| Performance indicators                          | Mar 2020 | Mar 2021 |
|---|----------|----------|
| Claims ratio <sup>1</sup>                       | 92.4     | 101.3    |
| Commission ratio <sup>1</sup>                   | 3.7      | 3.5      |
| Management expenses ratio <sup>1</sup>          | 10.5     | 9.8      |
| Individual lapse ratio <sup>2</sup>             | 69.3     | 16.4     |
| Individual contractual termination <sup>2</sup> | 4.2      | 6.9      |
| Individual expiry <sup>2</sup>                  | 1.1      | 0.0      |
| Surrenders <sup>2</sup>                         | 5.3      | 5.4      |
| Surrenders (in-force policies)                  | 0.5      | 0.4      |
| Individual lapse ratio (in-force policies)      | 7.0      | 1.3      |
| <b>Solvency and capital</b>                     |          |          |
| SCR cover ratio (Median)                        | 1.9      | 1.8      |
| MCR cover ratio (Median)                        | 4.3      | 4.6      |

## SCR risk components



<sup>1</sup> Expressed as a percentage of net written premium during the period.

<sup>2</sup> Expressed as a percentage of the number of new policies issued during the period.

<sup>3</sup> During 2021 The insurance industry benefited from a strong equity performance.

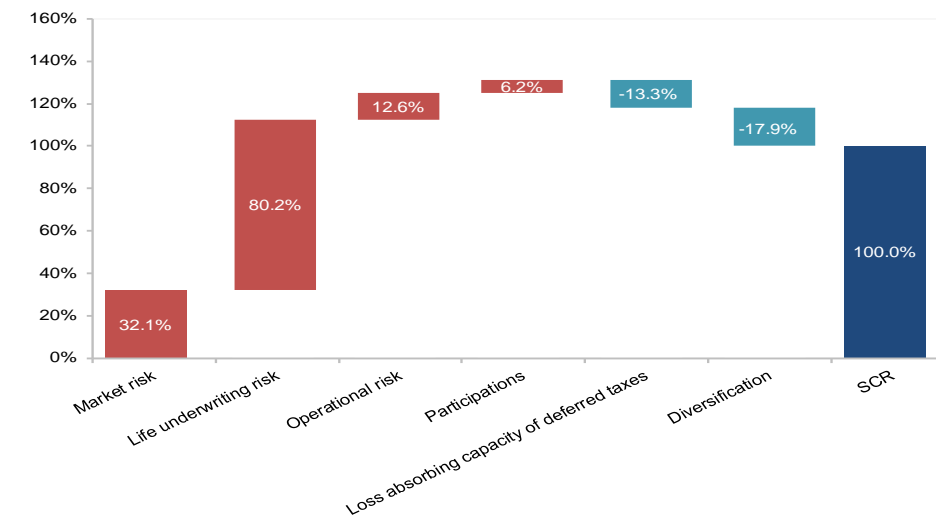
<sup>4</sup> Rebound in net profit before tax was mainly due to change in policy liabilities.

## Life insurance: Reinsurers

| Balance sheet  | Mar 2020<br>R'mil | Mar 2021<br>R'mil | 12 Monthly<br>% growth |
|--|-------------------|-------------------|------------------------|
| <b>Total assets</b>                                    | <b>7,979</b>      | <b>14,855</b>     | <b>86.2</b>            |
| <i>Of which:</i>                                       |                   |                   |                        |
| Total investments                                      | 4,792             | 6,001             | 25.2                   |
| Total reinsurance recoverables/ (payable) <sup>2</sup> | 1,123             | 4,892             | 335.7                  |
| Current assets   | 1,940             | 3,508             | 80.8                   |
| <b>Total liabilities</b>                               | <b>4,612</b>      | <b>11,190</b>     | <b>142.7</b>           |
| <i>Of which</i>  |                   |                   |                        |
| Gross technical provisions                             | 2,082             | 7,201             | 245.9                  |
| Accounts payable                                       | 1,843             | 3,483             | 88.9                   |
| Reinsurance deposits                                   | 3                 | 4                 | 17.4                   |
| <b>Basic own funds</b>                                 | <b>3,368</b>      | <b>3,665</b>      | <b>8.8</b>             |
| Eligible own funds to meet SCR                         | 3,368             | 3,624             | 7.6                    |
| Eligible own funds to meet MCR                         | 3,368             | 3,624             | 7.6                    |
| <b>Profitability</b>                                   |                   |                   |                        |
| Gross premium  | 1,793             | 2,062             | 15.0                   |
| Reinsurance  | 1,166             | 1,405             | 20.6                   |
| Net premiums   | 627               | 657               | 4.7                    |
| Net claims paid  | 440               | 752               | 70.9                   |
| Investment income                                      | -66               | 25                | 138.6                  |
| Management expenses                                    | 99                | 109               | 10.8                   |
| Other expenses   | -60               | -1                | -98.8                  |
| Net profit before tax and dividends <sup>3</sup>       | -106              | -555              | -421.5                 |

| Performance indicators                 | Mar 2020 | Mar 2021 |
|--|----------|----------|
| Claims ratio <sup>1</sup>              | 70.2     | 114.5    |
| Management expenses ratio <sup>1</sup> | 15.7     | 16.7     |
| <b>Solvency and capital</b>            |          |          |
| SCR cover ratio (Median)               | 1.7      | 1.4      |
| MCR cover ratio (Median)               | 5.7      | 4.8      |

### SCR risk components



<sup>1</sup> Expressed as a percentage of net written premium during the period.

<sup>2</sup> Fluctuation due to change in reinsurance arrangement between subsidiary and its parent reinsurer.

<sup>3</sup> Reinsurers net profit before tax was mainly affected by change in policy liabilities.

# Life insurance: Cell Captive insurers

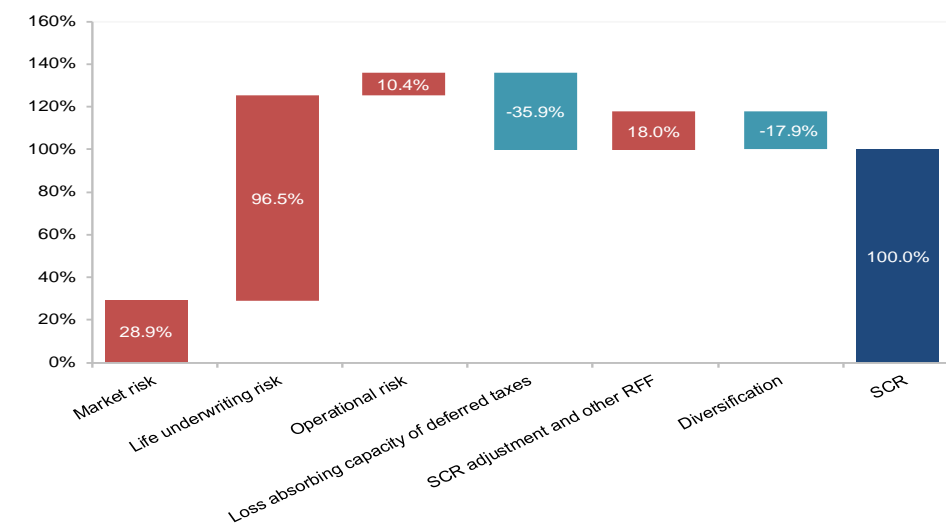
| Balance sheet                             | Mar 2020<br>R'mil | Mar 2021<br>R'mil | 12 Monthly<br>% growth |
|---|-------------------|-------------------|------------------------|
| <b>Total assets</b>                       | <b>15,643</b>     | <b>19,917</b>     | <b>27.3</b>            |
| <i>Of which:</i>                          |                   |                   |                        |
| Total investments                         | 18,089            | 22,447            | 24.1                   |
| Government bonds                          | 896               | 1,610             | 79.6                   |
| Corporate bonds                           | 6,487             | 8,135             | 25.4                   |
| Equity                                    | 98                | 278               | 184.8                  |
| Investment funds                          | 7,171             | 7,777             | 8.4                    |
| Structured notes                          | 7                 | 67                | 921.7                  |
| Collateralised securities                 | 146               | 308               | 111.7                  |
| Cash and deposits                         | 2,920             | 3,883             | 33.0                   |
| Mortgages and loans                       | 365               | 388               | 6.4                    |
| Total reinsurance recoverables/ (payable) | -3,255            | -3,891            | 19.5                   |
| Derivatives                               | -23               | 3                 | 112.0                  |
| Other assets                              | 831               | 1,358             | 63.4                   |
| <b>Total liabilities</b>                  | <b>7,375</b>      | <b>8,863</b>      | <b>20.2</b>            |
| <i>Of which:</i>                          |                   |                   |                        |
| Gross technical provisions                | 4,253             | 4,913             | 15.5                   |
| Deferred tax liabilities                  | 2,035             | 2,480             | 21.9                   |
| <b>Basic own funds</b>                    | <b>8,268</b>      | <b>11,054</b>     | <b>33.7</b>            |
| Eligible own funds to meet SCR            | 4,892             | 6,791             | 38.8                   |
| Eligible own funds to meet MCR            | 4,876             | 6,787             | 39.2                   |
| <b>Profitability</b>                      |                   |                   |                        |
| Gross premium <sup>3</sup>                | 3,974             | 4,149             | 4.4                    |
| Reinsurance                               | 833               | 928               | 11.4                   |
| Net premiums                              | 3,141             | 3,221             | 2.5                    |
| Net claims paid                           | 632               | 1,097             | 73.6                   |
| Investment income <sup>3</sup>            | -298              | 329               | 210.5                  |
| Management expenses                       | 325               | 338               | 3.9                    |
| Commission paid/ (received)               | 360               | 355               | -1.5                   |
| Other expenses                            | 1                 | 0                 | -68.8                  |
| Net profit before tax and dividends       | 1,053             | 1,363             | 29.5                   |
| <b>Other</b>                              |                   |                   |                        |
| Number of policies at the end of period   | 7,255,485         | 5,087,621         | -29.9                  |
| Number of schemes at the end of period    | 85,210            | 71,998            | -15.5                  |

| Performance indicators                          | Mar 2020 | Mar 2021 |
|---|----------|----------|
| Claims ratio <sup>1</sup>                       | 20.1     | 34.1     |
| Commission ratio <sup>1</sup>                   | 11.5     | 11.0     |
| Management expenses ratio <sup>1</sup>          | 10.3     | 10.5     |
| Individual lapse ratio <sup>2</sup>             | 21.6     | 0.0      |
| Individual contractual termination <sup>2</sup> | 0.8      | 2.2      |
| Individual expiry <sup>2</sup>                  | 54.2     | 11.1     |
| Surrenders <sup>2</sup>                         | 0.0      | 17.6     |
| Surrenders (in-force policies)                  | 0.0      | 1.7      |
| Individual lapse ratio (in-force policies)      | 3.0      | 0.0      |

## Solvency and capital

|                          |     |     |
|--------------------------|-----|-----|
| SCR cover ratio (Median) | 1.1 | 1.1 |
| MCR cover ratio (Median) | 4.3 | 4.4 |

## SCR risk components



<sup>1</sup> Expressed as a percentage of net written premiums.

<sup>2</sup> Expressed as a percentage of the number of new policies issued during the period.

<sup>3</sup> During 2021 The insurance industry benefited from a strong equity performance.

# Non-Life insurance: Primary insurers

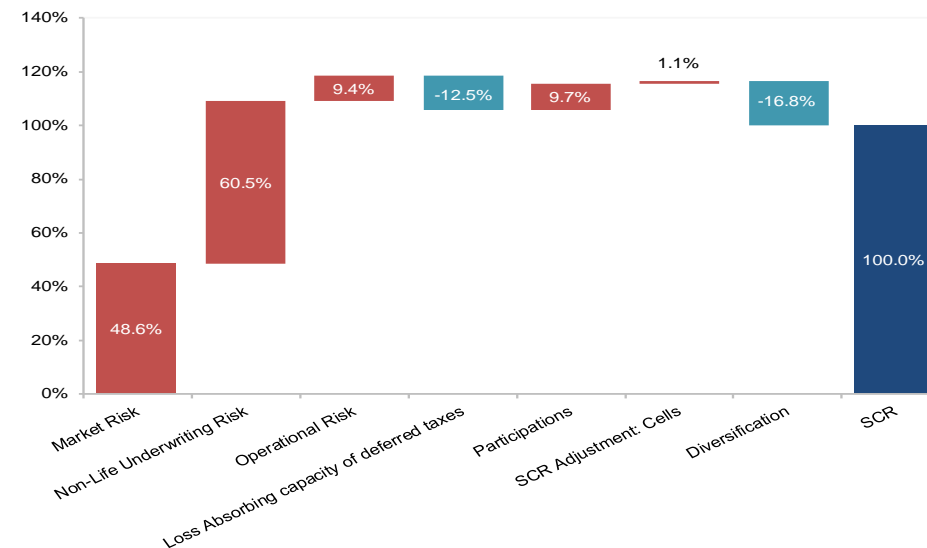
| Balance sheet                             | Mar 2020<br>R'mil | Mar 2021<br>R'mil | 12 Monthly<br>% growth |
|---|-------------------|-------------------|------------------------|
| <b>Total assets</b>                       | <b>155,636</b>    | <b>180,724</b>    | <b>16.1</b>            |
| <i>Of which:</i>                          |                   |                   |                        |
| Total investments                         | 104,341           | 121,961           | 16.9                   |
| Government bonds                          | 20,049            | 24,375            | 21.6                   |
| Corporate bonds                           | 26,946            | 29,263            | 8.6                    |
| Equity                                    | 14,833            | 19,272            | 29.9                   |
| Investment funds                          | 11,295            | 15,500            | 37.2                   |
| Structured notes                          | 260               | 138               | -47.0                  |
| Collateralised securities                 | 789               | 673               | -14.7                  |
| Cash and deposits                         | 28,038            | 30,849            | 10.0                   |
| Mortgages and loans                       | 2,077             | 1,849             | -11.0                  |
| Property                                  | 54                | 42                | -21.6                  |
| Total reinsurance recoverables/ (payable) | 16,421            | 25,744            | 56.8                   |
| Derivatives                               | 184               | 195               | 6.2                    |
| Owner occupied property                   | 1,854             | 1,438             | -22.4                  |
| Other assets                              | 32,837            | 31,386            | -4.4                   |
| <b>Total liabilities</b>                  | <b>86,552</b>     | <b>104,897</b>    | <b>21.2</b>            |
| <i>Of which:</i>                          |                   |                   |                        |
| Gross technical provisions                | 58,334            | 76,026            | 30.3                   |
| Accounts payable                          | 6,307             | 8,788             | 39.3                   |
| Payables (trade, not insurance)           | 10,569            | 7,594             | -28.1                  |
| <b>Basic own funds</b>                    | <b>69,084</b>     | <b>75,827</b>     | <b>9.8</b>             |
| Eligible own funds to meet SCR            | 67,739            | 74,894            | 10.6                   |
| Eligible own funds to meet MCR            | 63,948            | 70,699            | 10.6                   |
| <b>Profitability</b>                      |                   |                   |                        |
| Gross written premium                     | 31,522            | 35,523            | 12.7                   |
| Reinsurance                               | 10,336            | 10,466            | 1.3                    |
| Net premiums                              | 21,186            | 25,057            | 18.3                   |
| Net earned premium                        | 19,929            | 23,235            | 16.6                   |
| Investment income                         | -2,582            | 3,285             | 227.2                  |
| Net claims paid                           | 9,868             | 14,236            | 44.3                   |
| Management expenses                       | 5,868             | 6,852             | 16.8                   |
| Commission paid/ (received)               | 1,247             | 849               | -31.9                  |
| Underwriting profit/(loss) <sup>4</sup>   | 3,539             | 1,102             | -68.9                  |
| Underwriting and investment income        | 957               | 4,387             | 358.3                  |
| Net profit before tax and dividends       | 834               | 3,446             | 313.2                  |

| Performance indicators                                | Mar 2020 | Mar 2021 |
|---|----------|----------|
| Claims ratio <sup>1</sup>                             | 46.6     | 56.8     |
| Management expenses ratio <sup>1</sup>                | 27.7     | 27.3     |
| Commission ratio <sup>1</sup>                         | 5.9      | 3.4      |
| Combined ratio <sup>2</sup>                           | 80.2     | 87.5     |
| Underwriting profit/(loss) ratio <sup>3</sup>         | 17.8     | 4.7      |
| Underwriting and investment income ratio <sup>3</sup> | 4.8      | 18.9     |

## Solvency and capital

|                          |     |     |
|--------------------------|-----|-----|
| SCR cover ratio (Median) | 1.8 | 1.7 |
| MCR cover ratio (Median) | 3.9 | 4.2 |

## SCR risk components



<sup>1</sup> Expressed as a percentage of net written premium during the period.

<sup>2</sup> Claims + commission + expenses as a percentage of net written premium.

<sup>3</sup> Expressed as a percentage of net earned premium during the period.

<sup>4</sup> Underwriting losses were as a result of higher than normal business interruption claims.



# Non-Life insurance: Reinsurers

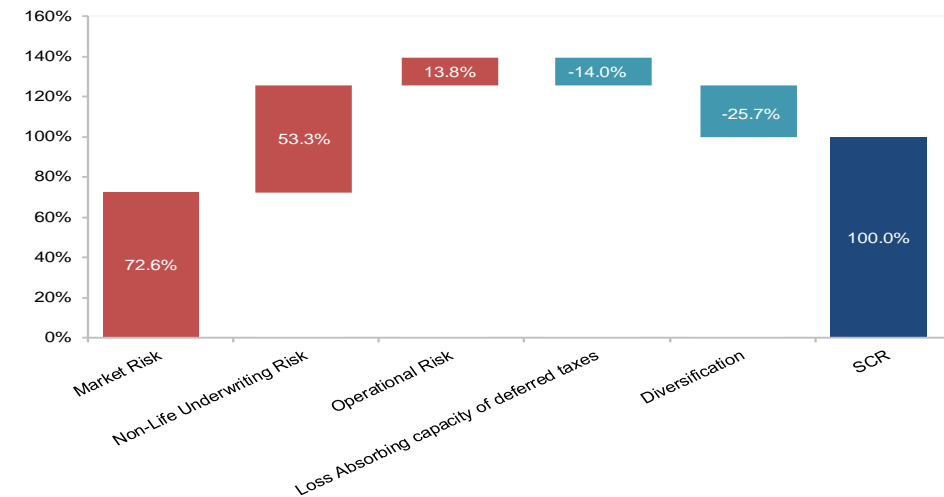
| Balance sheet                             | Mar 2020     | Mar 2021     | 12 Monthly  |
|---|--------------|--------------|-------------|
|   | R'mil        | R'mil        | % growth    |
| <b>Total assets</b>                       | <b>6,860</b> | <b>9,281</b> | <b>35.3</b> |
| <i>Of which:</i>                          |              |              |             |
| Total investments                         | 3,618        | 5,769        | 59.5        |
| Total reinsurance recoverables/ (payable) | 2,125        | 2,598        | 22.2        |
| <b>Total liabilities</b>                  | <b>5,242</b> | <b>7,016</b> | <b>33.8</b> |
| <i>Of which :</i>                         |              |              |             |
| Gross technical provisions                | 3,258        | 3,775        | 15.9        |
| Accounts payable                          | 345          | 176          | -48.9       |
| Reinsurance deposits                      | 1,432        | 2,921        | 103.9       |
| <b>Basic own funds</b>                    | <b>1,618</b> | <b>2,265</b> | <b>40.0</b> |
| Eligible own funds to meet SCR            | 1,618        | 2,264        | 39.9        |
| Eligible own funds to meet MCR            | 1,607        | 2,216        | 37.9        |
| <b>Profitability</b>                      |              |              |             |
| Gross premium                             | 1,218        | 781          | -35.8       |
| Reinsurance                               | 751          | 478          | -36.4       |
| Net premiums                              | 467          | 304          | -35.0       |
| Net earned premiums                       | 405          | 191          | -52.8       |
| Investment income                         | 289          | 152          | -47.5       |
| Net claims paid                           | -23          | -154         | 562.4       |
| Management expenses                       | 39           | 39           | -1.7        |
| Commission paid/ (received)               | 116          | 99           | -14.8       |
| Other expenses                            | -0           | -            | -100.0      |
| Underwriting profit/(loss)                | -134         | 365          | 372.3       |
| Underwriting and investment income        | -157         | 517          | 428.4       |
| Net profit before tax and dividends       | -157         | 512          | 425.8       |

| Performance indicators                        | Mar 2020 | Mar 2021 |
|---|----------|----------|
| Claims ratio <sup>1</sup>                     | 86.7     | -50.8    |
| Commission ratio <sup>1</sup>                 | 24.8     | 32.5     |
| Management expenses ratio <sup>1</sup>        | 8.5      | 12.8     |
| Combined ratio <sup>2</sup>                   | 119.9    | -5.5     |
| Underwriting profit/(loss) ratio <sup>3</sup> | -46.3    | 191.1    |
| Underwriting and investment income ratio      | -54.4    | 270.6    |

## Solvency and capital

|                          |     |     |
|--------------------------|-----|-----|
| SCR cover ratio (Median) | 1.7 | 2.3 |
| MCR cover ratio (Median) | 5.3 | 8.4 |

## SCR risk components



<sup>1</sup> Expressed as a percentage of net written premium during the period.

<sup>2</sup> Claims + commission + expenses as a percentage of net written premium.

<sup>3</sup> Expressed as a percentage of net earned premium during the period.

# Non-Life insurance: Cell Captive insurers

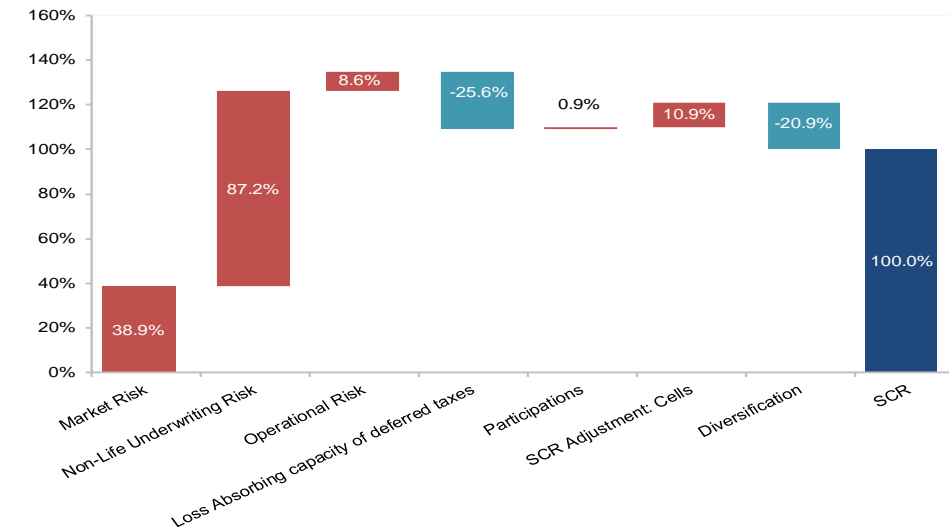
| Balance sheet                             | Mar 2020<br>R'mil | Mar 2021<br>R'mil | 12 Monthly<br>% growth |
|---|-------------------|-------------------|------------------------|
| <b>Total assets<sup>4</sup></b>           | <b>42,237</b>     | <b>48,329</b>     | <b>14.4</b>            |
| <i>Of which:</i>                          |                   |                   |                        |
| <i>Total investments</i>                  | 35,975            | 40,968            | 13.9                   |
| Government bonds                          | 385               | 862               | 123.8                  |
| Corporate bonds                           | 12,619            | 13,565            | 7.5                    |
| Equity                                    | 1,490             | 2,349             | 57.7                   |
| Investment funds                          | 4,111             | 5,692             | 38.4                   |
| Structured notes                          | 118               | 91                | -22.8                  |
| Collateralised securities                 | 378               | 448               | 18.5                   |
| Cash and deposits <sup>4</sup>            | 16,850            | 17,943            | 6.5                    |
| Mortgages and loans                       | 24                | 18                | -23.9                  |
| Total reinsurance recoverables/ (payable) | 3,856             | 4,363             | 13.2                   |
| Derivatives                               | -2                | 1                 | 137.4                  |
| Other assets                              | 2,408             | 2,997             | 24.5                   |
| <b>Total liabilities</b>                  | <b>26,286</b>     | <b>28,985</b>     | <b>10.3</b>            |
| <i>Of which:</i>                          |                   |                   |                        |
| Gross technical provisions                | 23,857            | 26,143            | 9.6                    |
| <b>Basic own funds</b>                    | <b>15,951</b>     | <b>19,344</b>     | <b>21.3</b>            |
| Eligible own funds to meet SCR            | 12,365            | 15,543            | 25.7                   |
| Eligible own funds to meet MCR            | 12,126            | 15,452            | 27.4                   |
| <b>Profitability</b>                      |                   |                   |                        |
| Gross written premium                     | 4,710             | 5,250             | 11.5                   |
| Reinsurance                               | 1,849             | 1,992             | 7.8                    |
| Net premiums                              | 2,861             | 3,258             | 13.9                   |
| Net earned premium                        | 3,532             | 3,859             | 9.2                    |
| Investment income                         | 52                | 717               | 1283.0                 |
| Net claims paid                           | 2,006             | 2,191             | 9.2                    |
| Management expenses                       | 573               | 653               | 14.0                   |
| Commission paid/ (received)               | 120               | 70                | -41.6                  |
| Underwriting profit/(loss)                | -28               | 334               | 1297.1                 |
| Underwriting and investment income        | 24                | 1,051             | 4299.7                 |
| Net profit before tax and dividends       | 76                | 1,137             | 1392.7                 |

| Performance indicators                                | Mar 2020 | Mar 2021 |
|---|----------|----------|
| Claims ratio <sup>1</sup>                             | 70.1     | 67.2     |
| Management expenses ratio <sup>1</sup>                | 20.0     | 20.0     |
| Commission ratio <sup>1</sup>                         | 4.2      | 2.2      |
| Combined ratio <sup>2</sup>                           | 94.3     | 89.4     |
| Underwriting profit/(loss) ratio <sup>3</sup>         | -0.8     | 8.7      |
| Underwriting and investment income ratio <sup>3</sup> | 0.7      | 27.2     |

## Solvency and capital

|                          |     |     |
|--------------------------|-----|-----|
| SCR cover ratio (Median) | 1.5 | 1.6 |
| MCR cover ratio (Median) | 2.4 | 3.1 |

## SCR risk components



<sup>1</sup> Expressed as a percentage of net written premium during the period.

<sup>2</sup> Claims + commission + expenses as a percentage of net written premium.

<sup>3</sup> Expressed as a percentage of net earned premium during the period.

<sup>4</sup> General increase in assets was as a result of reclassification of insurers from primary to cell captives.

# Non-Life insurance: Captive insurers

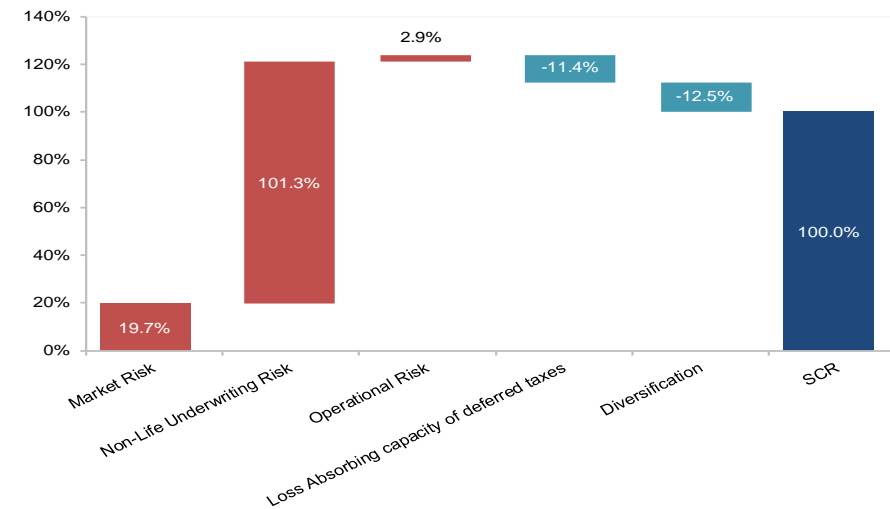
| Balance sheet                             | Mar 2020<br>R'mil | Mar 2021<br>R'mil | 12 Monthly<br>% growth |
|---|-------------------|-------------------|------------------------|
| <b>Total assets</b>                       | <b>3,096</b>      | <b>2,870</b>      | <b>-7.3</b>            |
| <i>Of which:</i>                          |                   |                   |                        |
| <i>Total investments</i>                  | 2,632             | 2,341             | -11.1                  |
| Government bonds                          | 2                 | 440               | 19057.4                |
| Corporate bonds                           | 108               | 295               | 173.9                  |
| Equity                                    | 2                 | 3                 | 47.2                   |
| Investment funds                          | 424               | 120               | -71.8                  |
| Structured notes                          | 10                | 28                | 189.0                  |
| Collateralised securities                 | 4                 | 3                 | -7.4                   |
| Cash and deposits                         | 2,083             | 1,452             | -30.3                  |
| Total reinsurance recoverables/ (payable) | 259               | 263               | 1.5                    |
| Derivatives                               | -                 | -                 | 0.0                    |
| Other assets                              | 206               | 267               | 29.8                   |
| <b>Total Liabilities</b>                  | <b>722</b>        | <b>998</b>        | <b>38.2</b>            |
| <i>Of which:</i>                          |                   |                   |                        |
| Gross technical provisions                | 587               | 935               | 59.5                   |
| <b>Basic own funds</b>                    | <b>2,374</b>      | <b>1,872</b>      | <b>-21.1</b>           |
| Eligible own funds to meet SCR            | 2,394             | 1,872             | -21.8                  |
| Eligible own funds to meet MCR            | 2,379             | 1,838             | -22.7                  |
| <b>Profitability</b>                      |                   |                   |                        |
| Gross written premium <sup>3</sup>        | 224               | 56                | -74.9                  |
| Reinsurance                               | 17                | 23                | 30.9                   |
| Net premiums                              | 206               | 33                | -83.9                  |
| Net earned premium                        | 212               | 70                | -67.0                  |
| Investment income                         | 38                | 16                | -58.1                  |
| Net claims paid                           | -91               | 132               | -246.0                 |
| Management expenses                       | 39                | 15                | -60.8                  |
| Commission paid/ (received)               | 2                 | 7                 | 910.4                  |
| Underwriting profit/(loss)                | 265               | -85               | -131.9                 |
| Underwriting and investment income        | 303               | -69               | -122.6                 |
| Net profit before tax and dividends       | 293               | -69               | -123.4                 |

| Performance indicators                                | Mar 2020 | Mar 2021 |
|---|----------|----------|
| Claims ratio <sup>1</sup>                             | -43.9    | 397.2    |
| Management expenses ratio <sup>1</sup>                | 18.7     | 45.3     |
| Commission ratio <sup>1</sup>                         | 0.9      | 21.2     |
| Combined ratio <sup>2</sup>                           | -24.4    | 463.7    |
| Underwriting profit/(loss) ratio <sup>4</sup>         | 124.8    | -120.6   |
| Underwriting and investment income ratio <sup>4</sup> | 142.7    | -97.9    |

## Solvency and capital

|                          |     |     |
|--------------------------|-----|-----|
| SCR cover ratio (Median) | 1.8 | 1.5 |
| MCR cover ratio (Median) | 3.8 | 5.7 |

## SCR risk components



<sup>1</sup> Expressed as a percentage of net written premium during the period.

<sup>2</sup> Claims + commission + expenses as a percentage of net written premium.

<sup>3</sup> Most captive insurers receives once off premiums which are spread over the period resulting in fluctuations.

<sup>4</sup> Expressed as a percentage of net earned premium during the period.

## Composite reinsurers

### Balance sheet

|                                       | Mar 2020<br>R'mil | Mar 2021<br>R'mil | 12 Monthly<br>% growth |
|---------------------------------------|-------------------|-------------------|------------------------|
| <b>Total assets</b>                   | <b>38,666</b>     | <b>39,010</b>     | <b>0.9</b>             |
| Total investments                     | 21,703            | 19,291            | -11.1                  |
| Total reinsurance recoverables        | 8,778             | 12,055            | 37.3                   |
| Current assets                        | 7,554             | 6,998             | -7.4                   |
| <b>Total liabilities</b>              | <b>26,843</b>     | <b>28,333</b>     | <b>5.6</b>             |
| <i>Of which :</i>                     |                   |                   |                        |
| Gross technical provisions (Life)     | 5,226             | 6,625             | 26.8                   |
| Gross technical provisions (Non-Life) | 11,664            | 11,888            | 1.9                    |
| Reinsurance accounts payable          | 5,099             | 4,535             | -11.1                  |
| Reinsurance deposits                  | 1,496             | 31                | -97.9                  |
| <b>Basic own funds</b>                | <b>11,824</b>     | <b>10,676</b>     | <b>-9.7</b>            |
| Eligible own funds to meet SCR        | 13,334            | 11,371            | -14.7                  |
| Eligible own funds to meet MCR        | 11,729            | 10,268            | -12.5                  |

### Profitability

|                                     | Mar 2020<br>Life | Mar 2020<br>Non-life | Mar 2021<br>Life | Mar 2021<br>Non-life |
|-------------------------------------|------------------|----------------------|------------------|----------------------|
| Gross premium                       | 2,969            | 3,874                | 2,952            | 3,209                |
| Reinsurance                         | 174              | 3,254                | 447              | 2,491                |
| Net premiums                        | 2,795            | 621                  | 2,505            | 718                  |
| Net earned premiums                 |                  | 477                  |                  | 470                  |
| Investment Income                   | 1,667            | 584                  | 139              | 58                   |
| Net claims paid                     | 60               | 284                  | 1,792            | 284                  |
| Management expenses                 | 172              | 23                   | 136              | 29                   |
| Commission paid/ (received)         | 234              | 225                  | 212              | 59                   |
| Other expenses                      | 51               | 17                   | -6               | -56                  |
| Underwriting profit/(loss)          |                  | 159                  |                  | 140                  |
| Underwriting and investment income  |                  | 443                  |                  | 198                  |
| Net profit before tax and dividends | 214              | 427                  | -305             | 340                  |

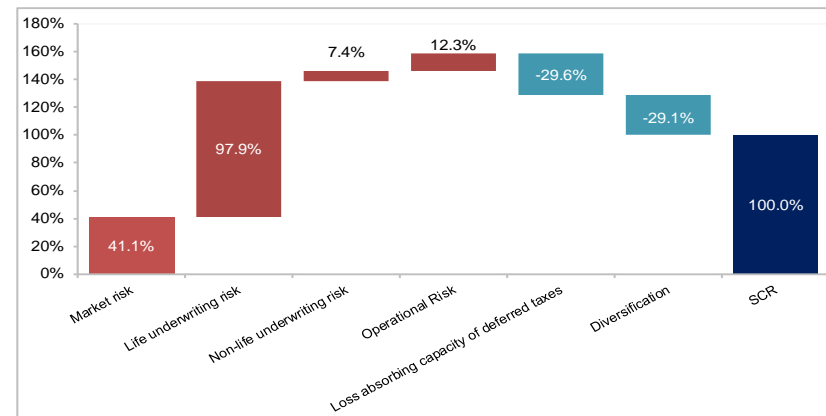
### Performance indicators

|   | Mar 2020<br>Life (%) | Mar 2020<br>Non-life (%) | Mar 2021<br>Life (%) | Mar 2021<br>Non-life (%) |
|---|----------------------|--------------------------|----------------------|--------------------------|
| Claims ratio <sup>1</sup>                             | 59.7                 | 76.9                     | 71.5                 | 39.5                     |
| Management Expenses ratio <sup>1</sup>                | 6.2                  | 3.8                      | 5.4                  | 4.0                      |
| Commission ratio <sup>1</sup>                         | 8.4                  | 36.2                     | 8.5                  | 8.2                      |
| Combined ratio <sup>2</sup>                           |                      | 116.9                    |                      | 51.7                     |
| Underwriting profit/(loss) ratio <sup>3</sup>         |                      | 27.3                     |                      | 29.9                     |
| Underwriting and investment income ratio <sup>3</sup> |                      | 75.9                     |                      | 42.3                     |

### Solvency and capital

|                          | Mar 2020 | Mar 2020 | Mar 2021 | Mar 2021 |
|--------------------------|----------|----------|----------|----------|
| SCR cover ratio (Median) | 1.6      | 1.6      | 1.7      | 1.7      |
| MCR cover ratio (Median) | 4.2      | 4.2      | 3.8      | 3.8      |

### SCR risk components



<sup>1</sup> Expressed as a percentage of net written premium during the period.

<sup>2</sup> Claims + commission + expenses as a percentage of net written premium.

<sup>3</sup> Expressed as a percentage of net earned premium during the period.