



# ECOSYSTEMS FOR A DIGITAL WORLD

UBS

October 2021

Insurance | Financial Planning | Retirement | Investments | Wealth

Sanlam's current operating model has served us well ...



- **Market leader** in financial services in South Africa
- **Biggest insurer in Africa**, as measured by market capitalisation
- Presence in **38 countries** across Africa and other emerging markets

... but new ways of working required to adapt to the fast-changing environment



- > **Digital & data** enabling more granular customer segmentation, increased cross-selling & more personalised products
- > Efficient and effective **direct-to-client** distribution networks
- > Engagement platforms and ecosystems facilitating **frequent and positive interactions** with clients
- > Need for **cross-cluster interactions & mobility**
- > Competitors have **strengthened across Africa**
- > **Competition** against a new generation of tech companies **for talent**

In addition, our **internal ambition** has changed

# Strategy at a glance



## Our vision

To become the most admired financial services group in Africa

## Our strategy



Becoming an African champion



Building a fortress position in South Africa



Accelerating growth outside of South Africa



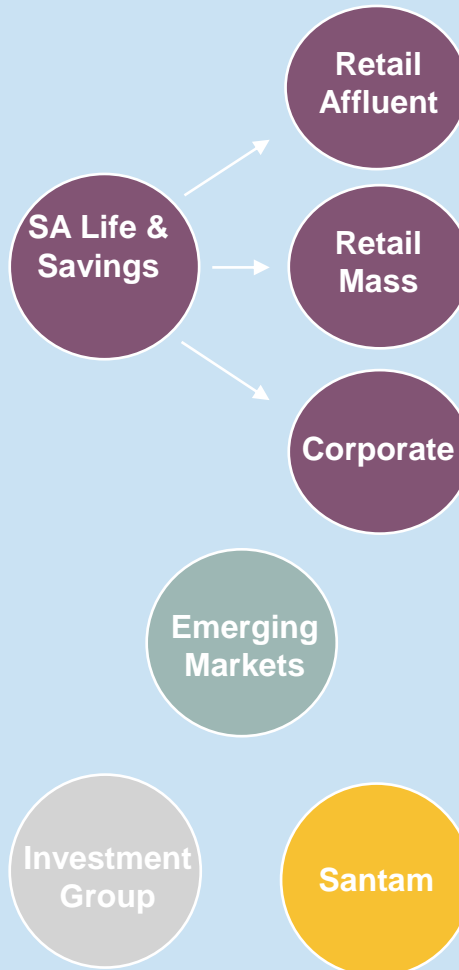
Strengthening our position where we operate outside of Africa

## Enabled by

### Data and digital transformation

Continuous development of our people and culture  
Innovation  
Partnerships

## Executed through our clusters



## VALUES THAT UNDERPIN WHAT WE DO

**Lead with courage** to earn our clients' trust

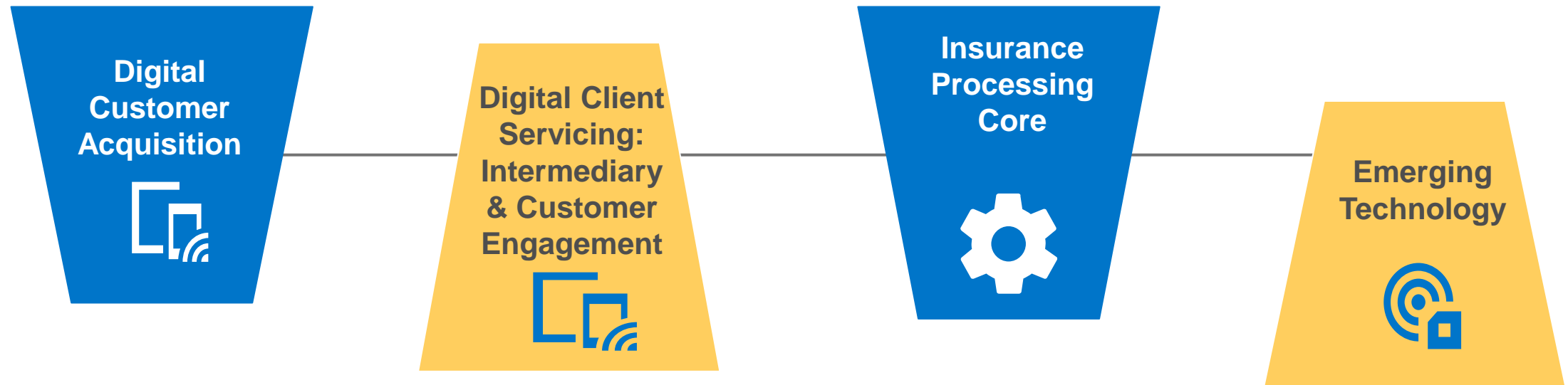
**Serve with pride** as we are client focused

**Caring** that comes from respect for each other

**Winning with integrity** to be the unrivalled industry leader in Africa

**Creating value** in everything that we do

# Digital Focus Areas Fundamental to Sanlam's Success



# Growing Sanlam Through Digital Transformation



Sanlam's Digital Transformation Vision is focused around two main outcomes:

1

Enhancing the Digital Business Model



- Digital customer acquisition as our biggest measure
- To have efficient distribution channels above any insurer through digital enablement
- Leading insurer in reaching new members by partnering through digital ecosystems

2

Transforming Digitally



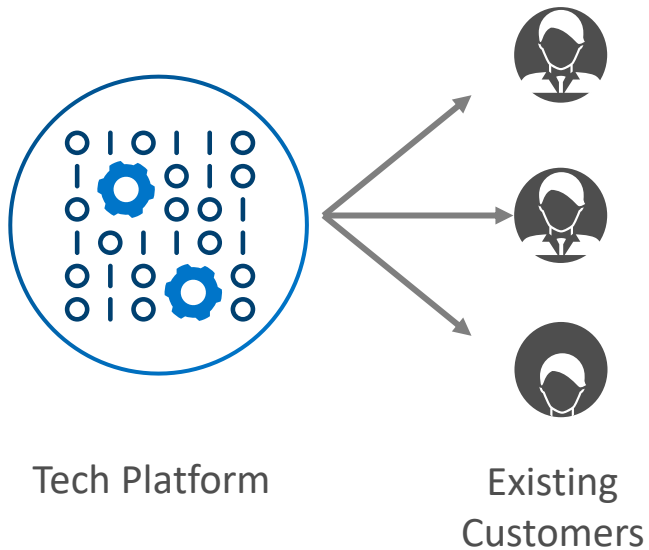
- 100% of client communication and processing to be digital
- To leapfrog in customer experience, analytics and business process redesign efficiencies
- To have digitally transformed platforms and infrastructure that results in lowest unit costs of administration

# 1 Enhancing the Digital Business Model



Two types of digital models

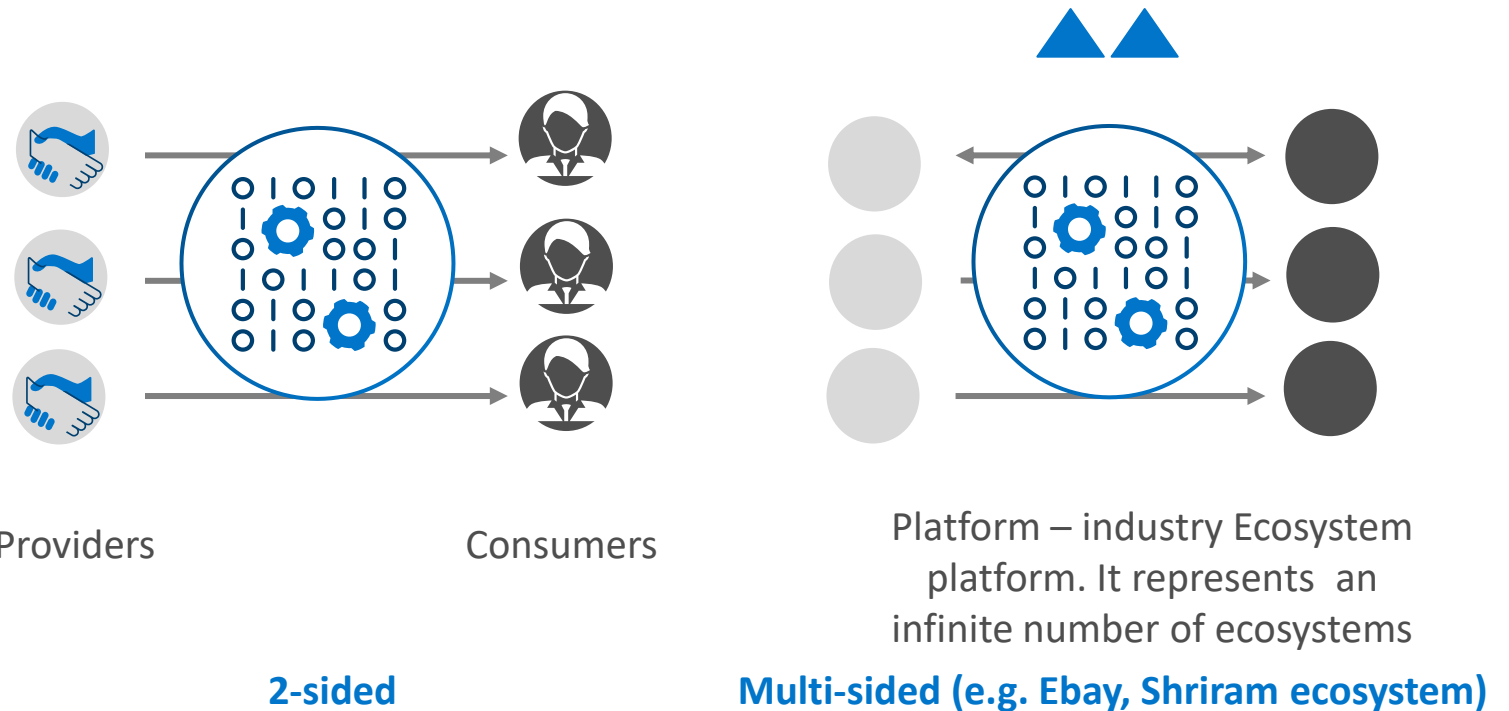
## Digital Value Chain Model



### Purpose:

*Used as a digital platform to provide data, APIs, software, digital products and services*

## Platform Business Model



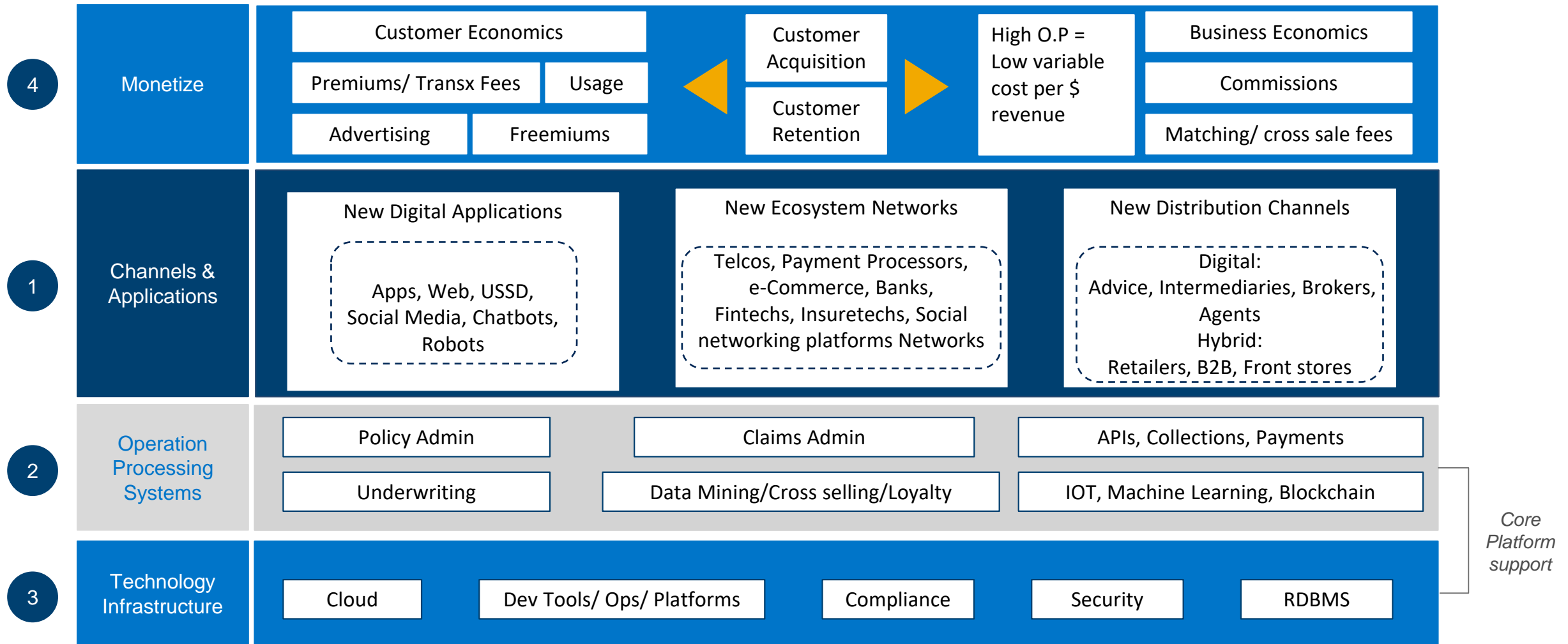
### Purpose:

*Used as a digital platform to monetize the interactions between Firm, Ecosystems and Consumers (e.g. marketplace, orchestration hub, creation platform, not your customers)*

## 2 Transforming digitally





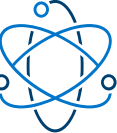

Rethinking our Technology and Processes to fit the digital age



# Measuring Business Success

4 key areas to measure digital success



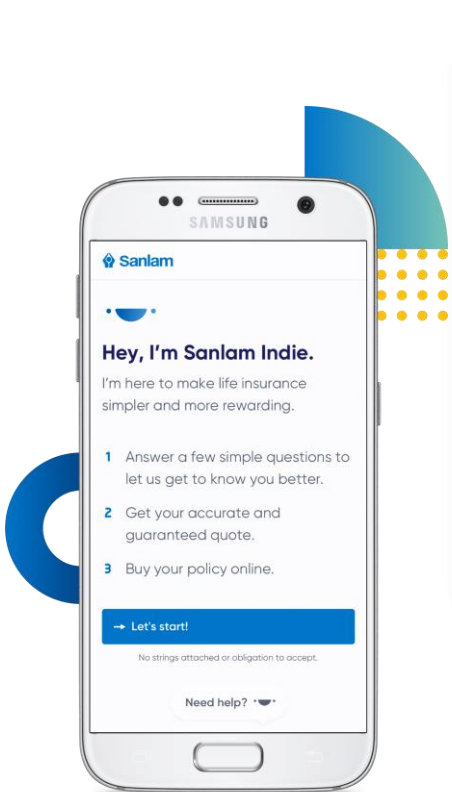
Areas to measure		KPIs to be measured	
	Customer Usage	<i>Customers</i>	<ul style="list-style-type: none"><li>• % of product/service that are digital</li></ul>
	Sales and Marketing	<i>Business model Sales</i>	<ul style="list-style-type: none"><li>• % of revenue from insurance as a service model</li><li>• % of revenue through digital only channels (advice/intermediary/brokers/ self-service)</li></ul>
	Operations	<i>Operations Exploration Claims</i>	<ul style="list-style-type: none"><li>• % of client advice or assets underwritten/ processed digitally</li><li>• % exploration initiatives' using analytics platform</li><li>• % of claims that are self-processed</li></ul>
	Workplace	<i>Workplace</i>	<ul style="list-style-type: none"><li>• % of departments using new digitalized workplace model</li></ul>





# SANLAM CASE STUDIES

# Sanlam Indie | A potential source of future value for the Sanlam Group

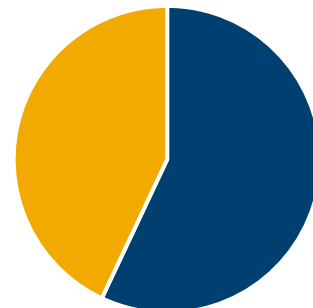


## Context

- **D2C offering** underwriting **life products and funeral cover**
- **End to end business model** responsible for **digital marketing, onboarding, technical infrastructure and after sales service**
- Applications fulfilled completely **online** or through **call center**
- Cover is active **within 10 mins** and **policy doc is sent through mail**

## Age Demographic

### New business Volumes

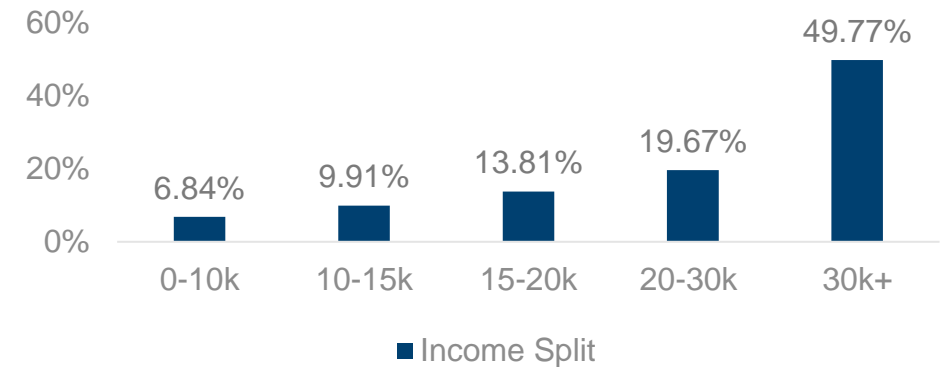


~60% of risk premiums come from customers under 40 years of age

■ 0-40 ■ 40+

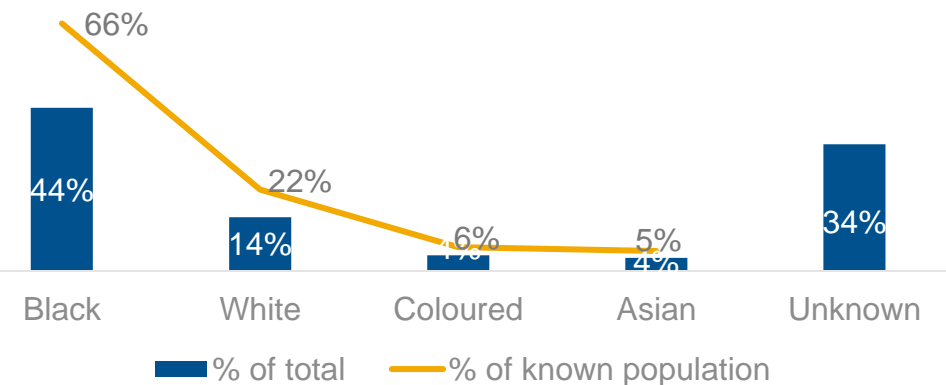
## Customer split by Income

### Digital customer split, p.Month



~50% of digital sales are from clients earning over R30k per month

## Customer split by Race



# MiWay Blink | A potential source of future value for the Santam Group

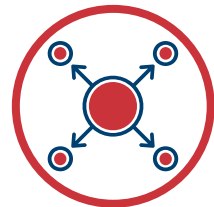


No paperwork, no long phone calls - just smart tech, cashbacks and great service.



## Context

- Purely digital end to end insurance platform through a web/app interchange
- Offering car insurance



## Market Positioning

- Enables MiWay to compete in the growing Insurtech market
- Offers telematics and customer AI enabled intelligence

## Milestones:

- Launched on 23<sup>rd</sup> of March 2021 with fully-fledged digital campaign and radio adverts
- Feedback has been positive, with consumers amazed with the *simplicity, speed and ease of getting a quote*
- Strong quote-to-conversion rate of 17% considering that digital does not require any “hard selling”

# Sanlam & Capitec | Achieving financial inclusion through collaboration



get our **funeral plan**  
cover up to **21 dependants**

## Drivers of Success

- Product **simplicity** and most **competitive premiums** in the market
- **Ease of application** –
  - Applications fulfilled completely on **Mobile App** or with assistance in branch
  - Cover is active **within 10 mins**
  - **Paperless process**
- **Efficient, seamless servicing** with the customer in control -
  - Flexible benefits and premium collections based on customer preference
  - Quick claims payout, with most claims paid within 4 hours

## Vision

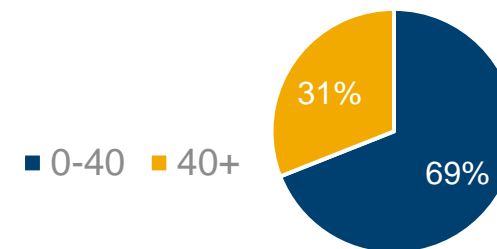
**Financial inclusion of the under-served through collaboration**

- Capitec - access and ownership of the customer
- Sanlam - insurance and operational expertise

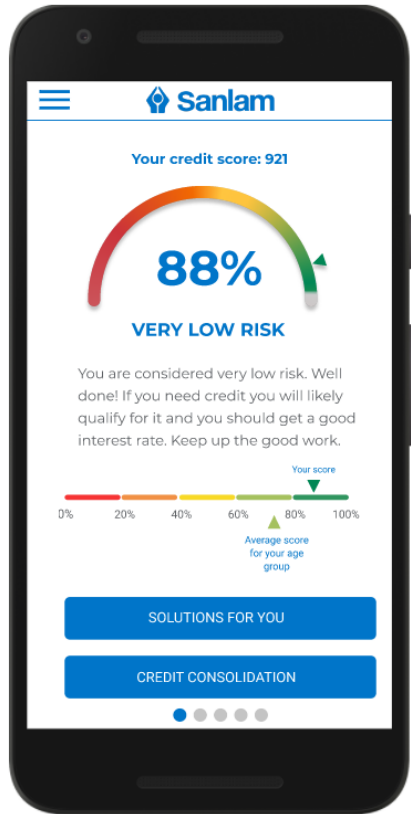
## Performance

- 3.4 million policies sold since launch in 2018, of which, more than half a million sales through the Capitec Mobile App
- 1.4 million active policies and 6.4 million lives covered as of August 2021
- R2.6 billion of claims paid to date

### Active book by age (all lives covered)



# Sanlam Credit Solutions | Powering customer financial confidence through a credit advice and solutions platform



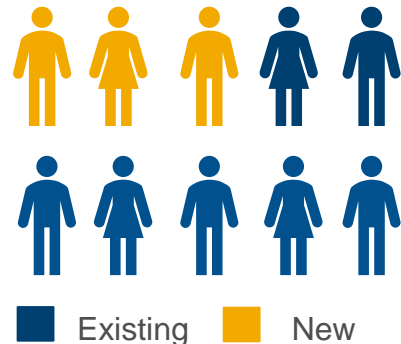
~ 145,000  
customers signed up  
since May 2020

## Context

- D2C credit advice and solutions through **Sanlam** and **partners on platform**
- Links to other **Sanlam solutions both online and offline** e.g. Sanlam Indie with aim to offer **holistic advice and solutions**
- Joint Venture business driving **multi-channel digital customer acquisition and engagement**
- Supported by **coaches on live chat** or through **call center**

## New Customers

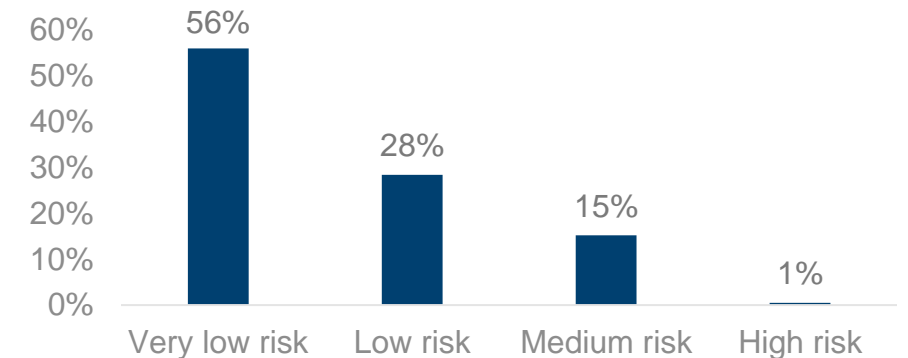
Unlocking new and growing existing customer relationships



**3 in 10**  
of Sanlam Credit  
Solutions customers are  
new to Sanlam

## Customer Credit Health

Attracting customers **across the credit risk rating profile spectrum ~ 85% low risk** showing opportunity for both credit, invest and insurance solutions



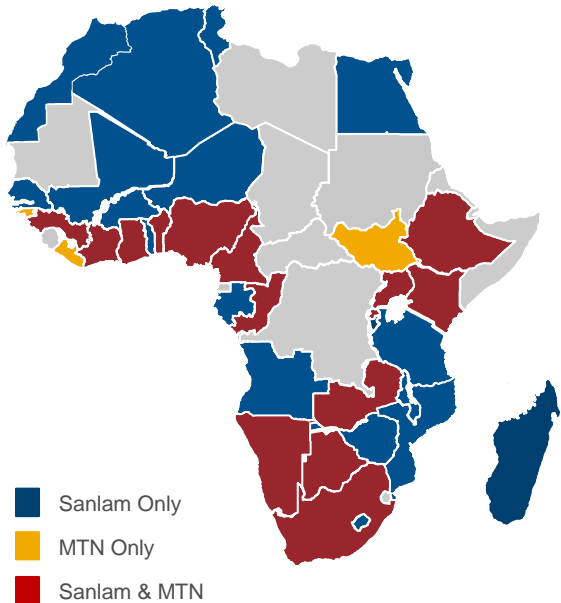
## Customer Engagement



**25%**  
of Sanlam Credit  
Solutions customers engaging  
with the platform every month

**65%**  
of those who engage  
do so more than once a month

# Sanlam & MTN | Building the largest and most valuable platforms across Africa



## Africa's 1<sup>st</sup> Micro & Mass Insurance Provider

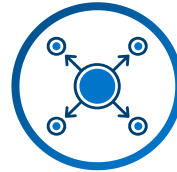
### Context

MTN & Sanlam to provide full range of insurance services to MTN customers across Africa (SA included)

## Building the largest and most valuable platforms



Licenses and regulatory capital in 33 countries in SSA



Access to customer base in 19 countries

Extensive insurance expertise



Extensive Fintech & Telco expertise

Existing footprint & partnerships across SSA



Go to market (Marketing & Distribution)

## 2021 Progress



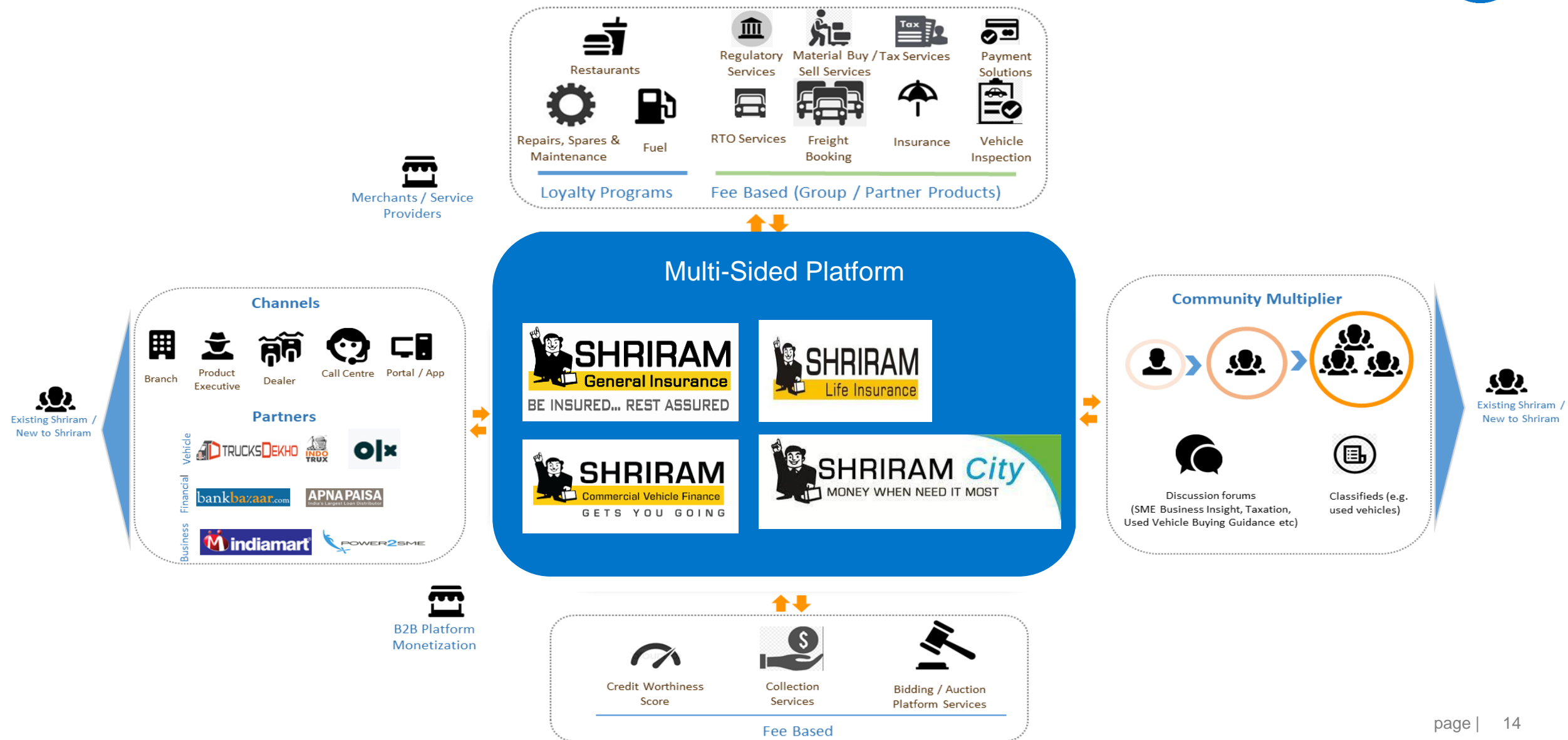
### Micro & Life Insurance

- 4 markets are live, micro hospital & life insurance
- 2 additional markets planned for 2021 including Nigeria

### SA – General & Life Insurance

- Device insurance in South Africa is live
- Life insurance with Sanlam
- Life cell in progress with Guardrisk (Contract Protector)
- Microinsurance with “Ayo” in planning stage

# Sanlam Shriram | Shriram digital ecosystem as a Marketplace in India



**THANK YOU**

