



INVESTOR DAYS OCTOBER 2020

THE YEAR OF THE COVID

14 and 15 October 2020

Insurance | Financial Planning | Retirement | Investments | Wealth

Agenda



Introduction of new Exco members

Sanlam Group Strategy

Short presentations to illustrate strategy implementation

1 on 1 sessions: specific topics and general as per sign up

Exco introduction



🕒 We have a new and expanded Exco in order to:

- › Build a team for the future – in line with Sanlam’s policy for succession planning
 - › Create sufficient bandwidth for each customer segment, especially those where we do not have a leading position
 - › Drive co-operation between clusters to deliver customer value – enhancing value creation through the ‘best of both worlds’: retaining benefits of dedicated cluster focus while simultaneously extracting value from a Group perspective
 - › Digital and Human Capital focus require a stepped up investment
 - › Provide opportunities to existing star executives to develop themselves
 - › Significantly enhance diversity
 - › Seems like many changes, but experience and corporate memory remaining on Exco
-



OUR STRATEGY – WHAT'S DIFFERENT?



Our purpose defines who we are



Purpose grows the value of the organisation

Mission

is what you do

"We climb mountains"

"We provide a full range of financial services"

Strategy

describes the path you choose

"We'll attack the summit via the North Face"

"Be a Fortress in South Africa, a pan-African champion and strengthen our Indian franchise"

Vision

is where you're going

"We'll summit all major Himalayan peaks"

"To distinguish ourselves as the most admired financial services company in Africa"



Purpose

is why you exist, and climb mountains in the first place

"It is not the mountain we conquer, but ourselves"

"Empowering generations to be financially confident, secure and prosperous"



Approach to capital allocation



Our compass remains RoGEV

- ④ Strategy process assesses opportunities against RoGEV hurdles
 - > If opportunities create RoGEV > hurdle = strategic development (long term)
 - > If opportunities create RoGEV < hurdle = optimize capital structure (rapid execution)

 - ④ Strategy review identified significant opportunities for RoGEV outperformance:
 - > 60% opportunity in South Africa
 - > 30% opportunity in Africa excl. South Africa
 - > 10% opportunity in India
-

The Africa potential

Positive trends in Africa (pre-Covid-19)



Intra Africa trade & Integration

The African Continental Free Trade Area



\$2+ trillion
Combined GDP

1.2 Bn
Approximate
Population

16%
Intra-African Trade
total trade



GOALS

- Tariff elimination on **90% of goods**
- Non-tariff barrier reduction
- Intra-African trade **52% increase by 2022**
- \$3.6 billion** in welfare gains

- Single Market
- Free Movement of Business Persons and Investment
- Accelerate establishment of Customs Union

Trade Logistics and Investment by the Numbers

Logistics Index Score =
Ease of Doing Trade

Logistics Index Score (0-5)

Internal Trade (% of total)

- Transport Infrastructure
- Shipping Logistics
- Customs Clearance

	Logistics Index Score (0-5)	Internal Trade (% of total)
CFTA	2.43	16
ASEAN	2.99	51
EU	3.51	70

INVESTMENT IN AFRICA

3.4%
Share of World FDI flows into Africa

Total Foreign Investment



Bank Trade Financing



Technology adoption

ACCELERATING MOVES TO MOBILE BROADBAND NETWORKS AND SMARTPHONE ADOPTION

Mobile broadband connections to increase from 33% of total in 2016 to

60%
by 2020

By 2020, there will be

498m
smartphones, growth of 300 million from the end of 2016

Mobile data traffic to grow by a CAGR of

66%
over the period 2016-2020

Mobile contributing to economic and social development across Sub-Saharan Africa



DIGITAL INCLUSION

Delivering digital inclusion to the still unconnected populations.

MOBILE INTERNET PENETRATION

26% 2016 → **38%** 2020



FINANCIAL INCLUSION

Delivering financial inclusion to the unbanked populations. As of December 2016 there were

140 live mobile money services in 39 countries



INNOVATION

Delivering innovative new services and apps. Number of M2M connections to reach

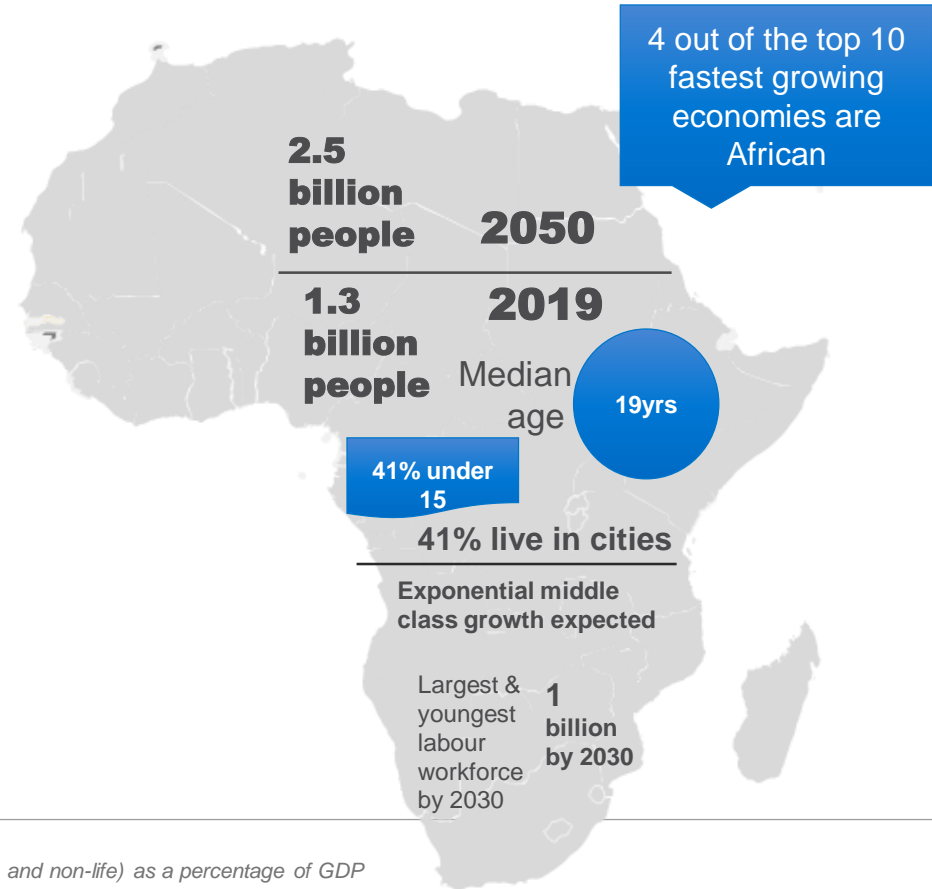
26 million by 2020

The growth opportunity



The Africa demographic dividend and insurance penetration rates across SSA

South Africa	16.99%	Uganda	0.77%
Namibia	6.69%	Angola	0.71%
Lesotho	4.76%	Tanzania	0.68%
Mauritius	4.18%	Gambia	0.67%
Zimbabwe	4.09%	Madagascar	0.67%
Kenya	2.83%	Niger	0.65%
Swaziland	2.44%	Sudan	0.57%
Togo	1.98%	Mali	0.53%
Mozambique	1.58%	Ethiopia	0.43%
Malawi	1.52%	Sierra Leone	0.41%
Senegal	1.51%	Eritrea	0.38%
Gabon	1.38%	Burundi	0.35%
Zambia	1.11%	Nigeria	0.30%
Ghana	1.10%	Central A.R.	0.29%
Cameroon	1.05%	D.R. Congo	0.29%
Congo	1.05%	Eq. Guinea	0.21%
Benin	0.85%	Chad	0.20%
Burkina Faso	0.78%	Guinea	0.04%



Source: PWC Market Research Centre

Note: The insurance penetration rate is calculated as the value of written premiums (life and non-life) as a percentage of GDP

What has not changed?



Geographic focus largely unchanged at headline level

- ④ South Africa: Confirmed as a must be fortress for Sanlam because: cashflows essential to Group equity story, strong market position in all segments, excellent opportunities with low risk of execution
 - ④ Africa (excluding SA): Confirmed as a significant near-term and longer-term opportunity given growth prospects for continent, low penetration, limited competition and existing position
 - ④ India: 16 year investment into an excellent business built on an ecosystem, opportunity for long term value accretion
-

Fortress South Africa: Strategic changes



4 Big Changes in response to opportunities

1. Customer Relationships deepened:

- › Low share of wallet vs benchmark
- › Technology enables an improvement in customer experience
- › Wider product set made available to customers who have been serviced in cluster silos in a limited manner
- › Integration of customer propositions possible through closer collaboration between clusters

OUTCOMES: Acquisition and maintenance unit cost reduction plus Loyalty improvement (increased persistency) = delta to VNB, VIF and value of non-life businesses

2. Digitalization and data usage:

- › Customer journeys digitalized, including intermediary engagement
- › Data analytics
- › Simplification and rationalization of the product set and core systems

OUTCOMES: Better client experience, smarter outcomes, lower costs

3. Empowerment as a competitive advantage in institutional markets

4. Increasingly direct distribution

Africa (excl. SA) strategic changes



Stabilise core and grow

1. Reshape the portfolio
 - Fewer countries
 - Capital rationalization regionally
 - Reduced risk profile
 2. Drive operational execution in the core
 - Focus on basics, financial controls and risk management
 - Improved and disciplined business processes
 - Management processes and culture aligned with Sanlam business model
 3. Volatility of investment returns reduced to focus on return on capital
 4. Selective expansion on consistent delivery platform
-

India strategic changes



1. Strong brand in India enables insurance to be sold outside current ecosystem
2. Opportunity to enhance Sanlam involvement





STRATEGIC OBJECTIVES





Our strategic ambition will be composed of 3 parts



Financial

Focus for today

- Achieve consistently superior returns for shareholders relative to competitors in the Insurance Sector of the JSE
- Maintain leadership as the biggest insurer in Africa as measured by market capitalisation

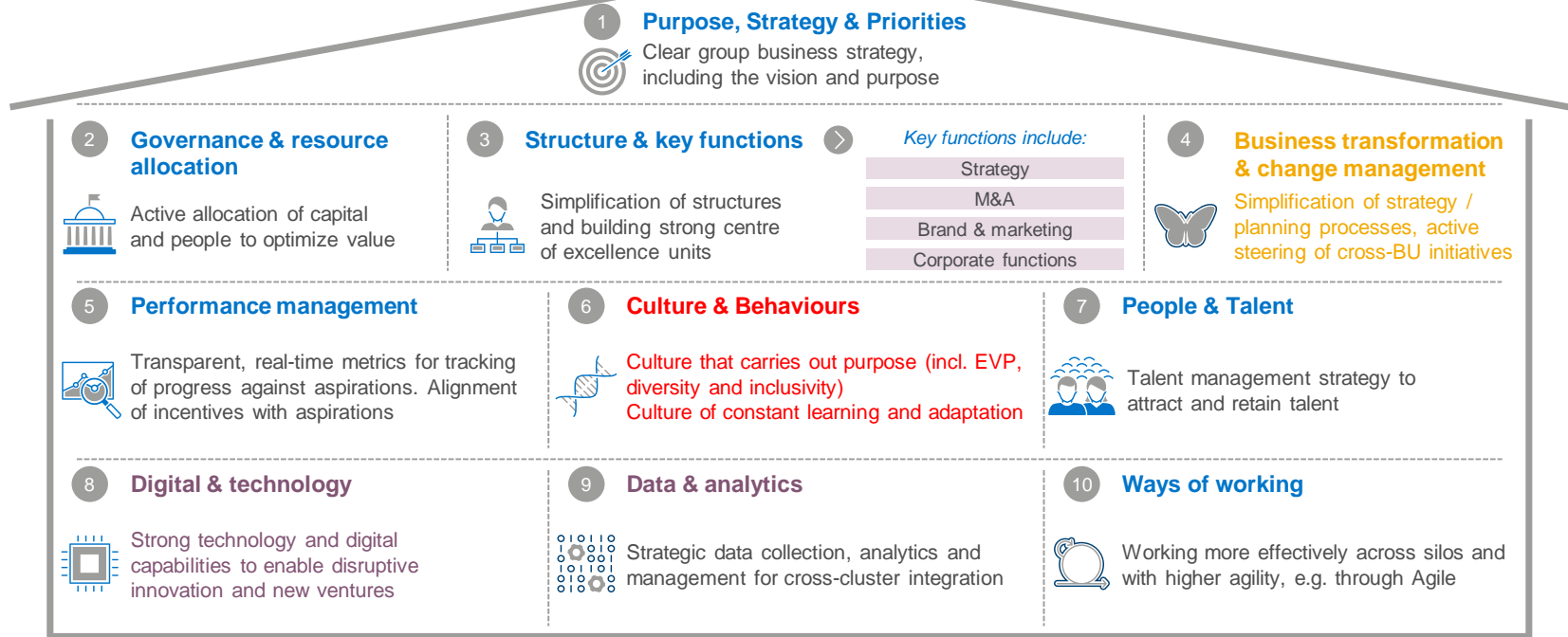
Customers

- Provide access to our products and services for more than 50 m customers across Africa by 2025
- Rated as having the best client experience in each market in which we operate
- Rated as the most trusted & secure insurer in each African market that we operate

Economic Impact

- Invest more than ZAR 1 trillion in the economies of Africa in a manner that is responsible and impactful for the development of those economies
- Diversify the benefits of ownership of the company to local participants to the extent of at least 20%
- Create and participate in powerful ecosystems that utilise digital technology to stimulate economic growth throughout our markets in a manner that could not be achieved with purely physical infrastructure

Necessary enablers to ensure a successful strategy



1 Leveraging digital and data to increase the value offered to clients, and improve efficiencies

2 Empowering people and evolving the culture to be competitive in a fast changing world

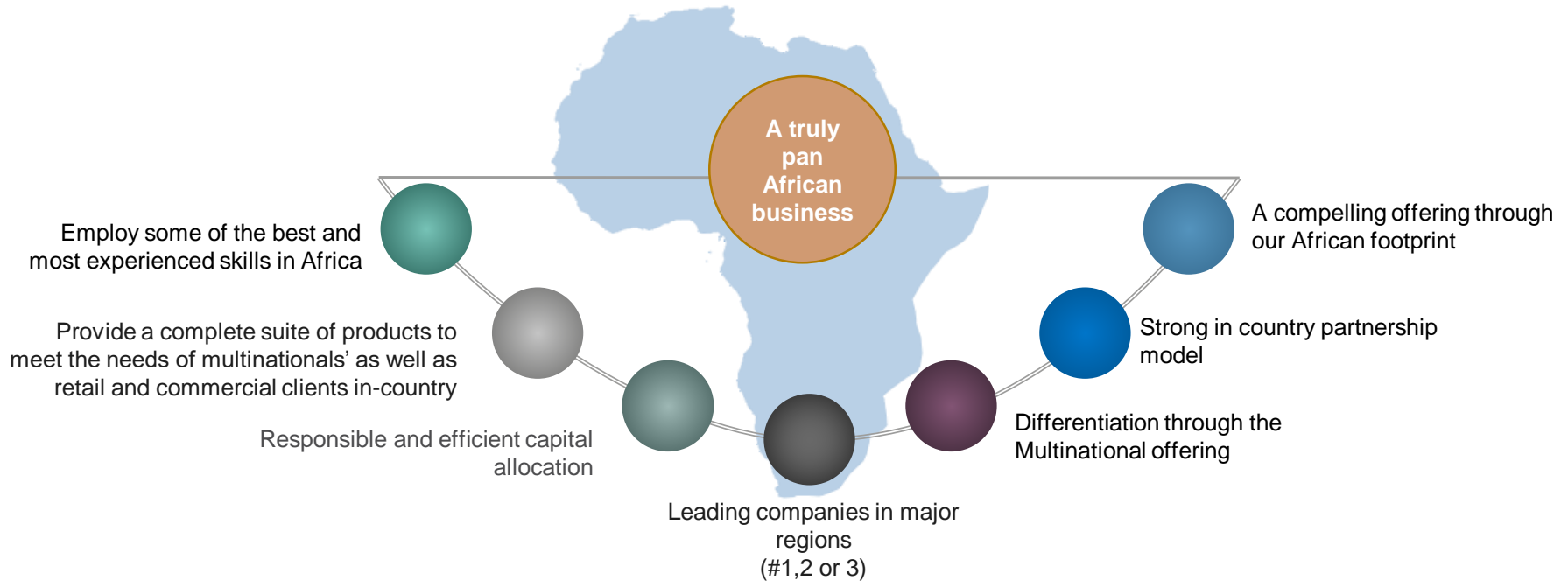
3 Increasing level of orchestration of Sanlam Group to implement strategy across the clusters



OUTLOOK



Our competitive positioning into the future



Our vision is to become the most admired financial services group in Africa

Outlook



- ⌚ Sanlam's performance is linked to the economic growth of the countries we operate in
 - ⌚ COVID-19 decimated global growth and the SA economy will take at least 2-3 years to recover to 2019 levels
 - ⌚ The next few years will be difficult, but we are well capitalised and better positioned to take advantage of opportunities that will present itself over the coming months
 - ⌚ We will however need to be pro-active and innovative, and hard work over the next few months is key to how we position the business for the future
-



DIGITAL AND BIG DATA

Anton Gildenhuys

Insurance | Financial Planning | Retirement | Investments | Wealth

Business Intelligence focus areas



Sales

BI and analytics has injected a much larger degree of science into the lead selection process for cross and up-sell campaigns.



Intermediary Analytics

BI enables Sanlam to better understand the performance of our sales force from a risk and persistency perspective – this allows the business to lend better support to our distribution force.



Retention

Analytics is improving Sanlam's ability to detect the likelihood of clients lapsing, and allows the business to proactively respond to this intelligence.



Business Insights

Apart from statistical and predictive modelling, BI enables Sanlam to conduct more descriptive analytics which allows for better and more transparent business insight.



Experience Investigations

Actuarial experience investigations for risk and lapse metrics have been automated using the BI technology stack. More time can now be dedicated to insights and value-adding activities.



Client Lifestage Value

Using granular lifestage segmentation models and benchmark portfolios, Sanlam has made great progress in gaining a better understanding of the lifetime (or lifestage) value of a client.

Managing persistency in the limited underwritten space



Sanlam Individual Life & the limited underwritten space

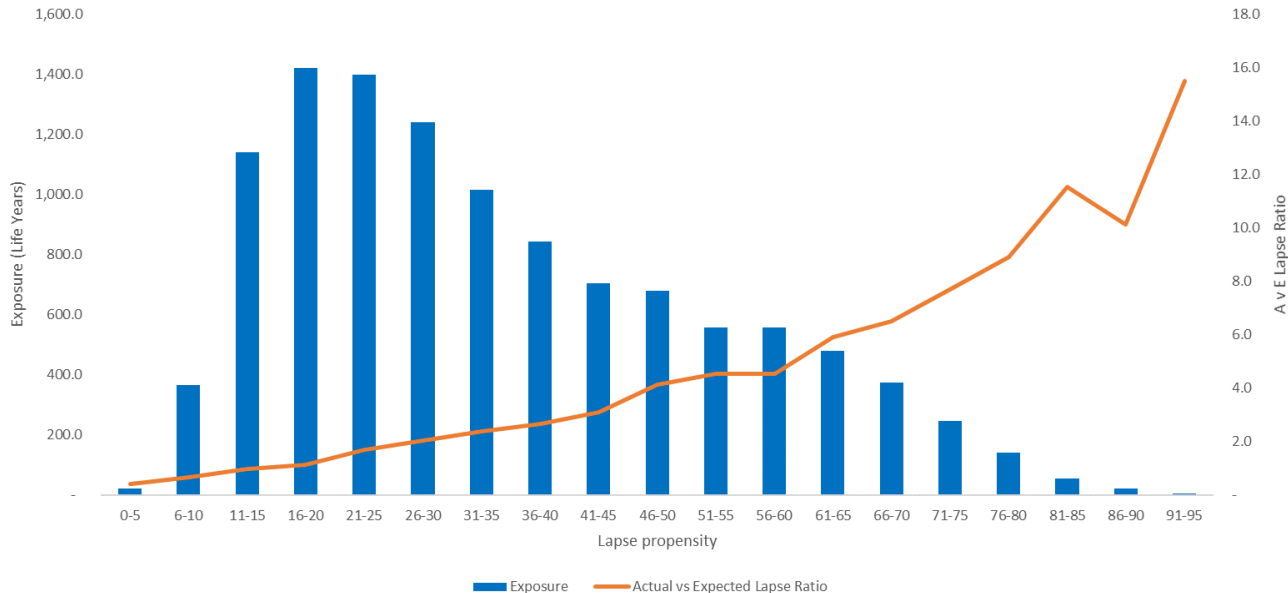
Managing the quality of new business



Limited underwritten service models have the advantage of streamlining the sales process. However, this typically happens at the cost of lower levels of persistency, which is a challenge that the insurance industry faces.

Sanlam has built internal models to understand clients' lapse propensity, and are now in a stronger position to manage the quality of new business in a more intelligent manner.

Internal Lapse Model: Performance on Clients in 1st Policy Year in a Limited Underwritten Service Model



- The bar graph presents the exposure of clients in their first policy year in a limited underwritten service model
- The bars are arranged by propensity to lapse, where a higher lapse score indicates a higher lapse propensity
- The line graph presents the actual versus expected lapse ratio pertaining to clients in each scoring bucket
- The figure demonstrates that Sanlam is now able to, with a high degree of accuracy, identify those clients that will lapse before a policy is issued – this allows the business to proactively manage persistency

SKY collections optimisation



SKY collections modelling



Summary

Business Problem

- 40 000 clients miss premiums on monthly basis
- Collections specialists at SKY contact clients at **random** and agree payment arrangements
- We want to design an **intelligent approach** to select clients for payment arrangement

Our Approach

- Developed a predictive model to understand the attributes that influences clients to honour payment arrangements

> **40** variables used

> **70** machine learning methods tested

Outcome (*In Progress*)

Most clients either pay 0% or 100% of arrangement

The classification model has proven to be **highly predictive**

Daily calls will prioritize clients for payment arrangements

SKY collections



Understanding payment patterns

It was critical for the Advanced Analytics team to understand the payment pattern of clients with whom outstanding payment arrangements were made. The investigation ended with the conclusion that clients typically fall into one of two categories: either the full outstanding amount was paid, or nothing was paid towards the arrangement at all.

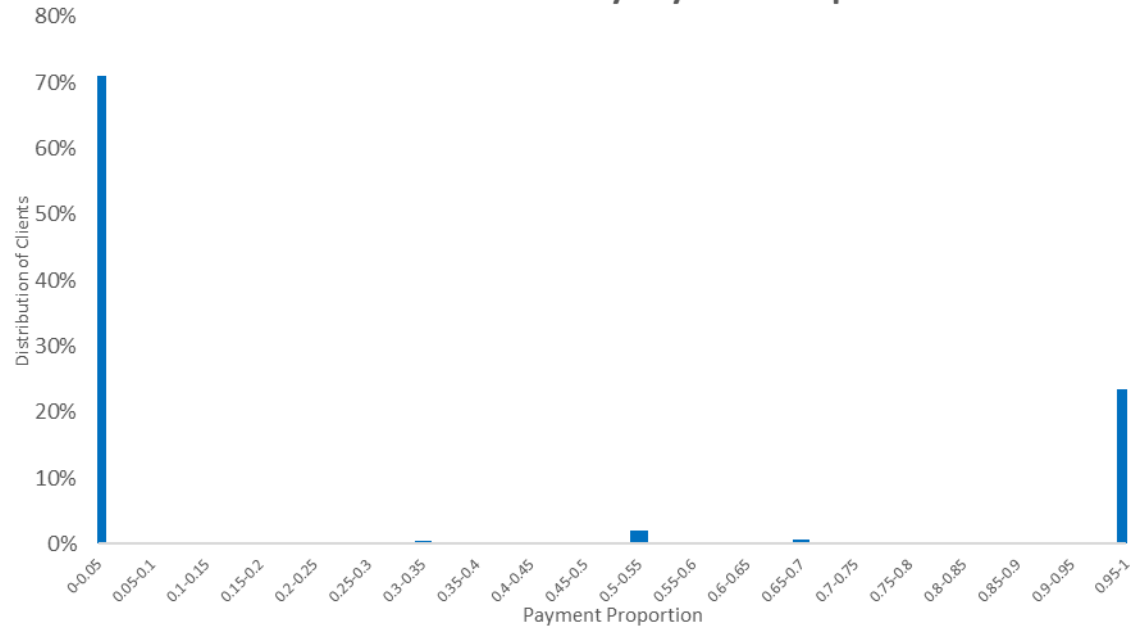
> 100 000

The number of payment arrangements that were monitored in our analysis, each arrangement being monitored for a 3 month period

94%

The proportion of clients that either do not pay anything towards the arrangement, or fulfill and honour the arrangement in its entirety

Distribution of Clients by Payment Proportion

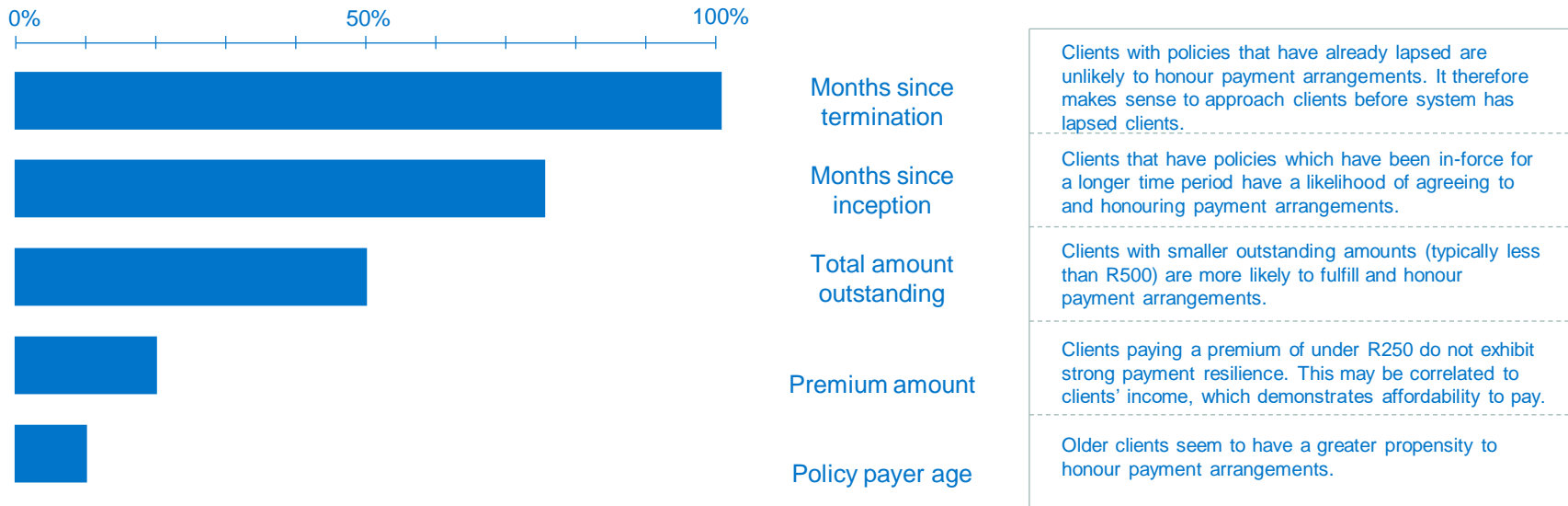


SKY collections



Variable Importance

A variable importance plot helps us understand the *relative* influence that each variable plays in predictions made by the calibrated model. More than 40 variables were used in the build of the collections model, ranging from **operational**, **systems** and **demographic** types. A selection of 5 of these variables have been highlighted to provide some insight into the relationship between these variables and collection rates.



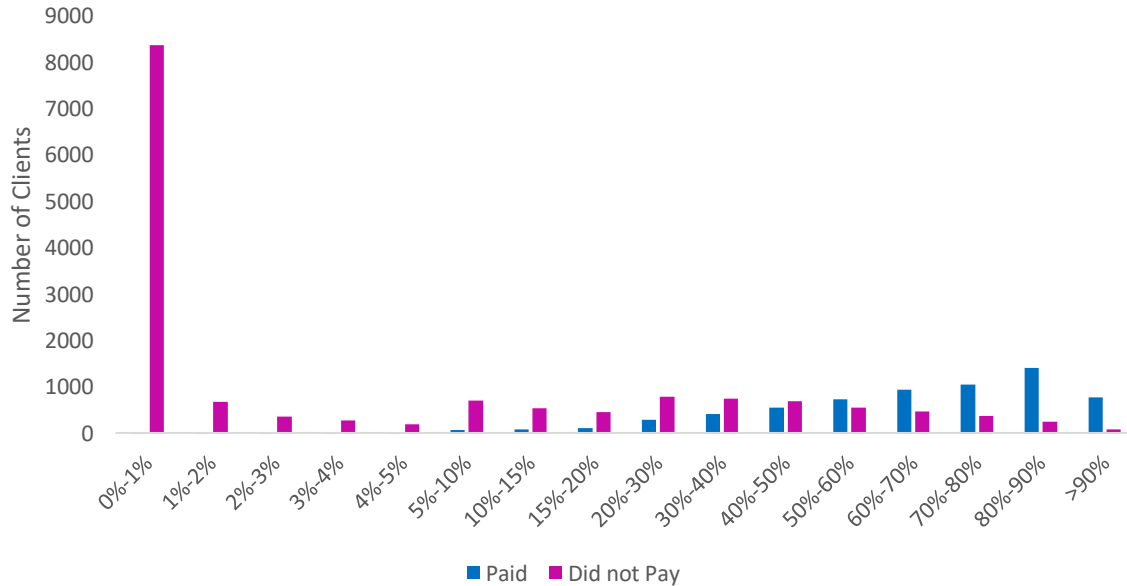
SKY collections



Predictive Power of the Model

The model was tested on unseen data of 22k policies which entered a payment arrangement. Of the total, 6.5k policies honoured the payment arrangement in full

Distribution of Clients (by payment status) across Propensity Bands



Graph 1.2

The bar graph presents the scoring of the 22k clients across propensity bands, with an indicator of their actual payment status.

The clients who have actually honoured the arrangement are skewed towards higher propensity bands, while clients who have not paid anything are skewed towards lower propensity bands.

While there is some level of overlap, the model proves to make strong distinction between positive and negative classes

SKY collections



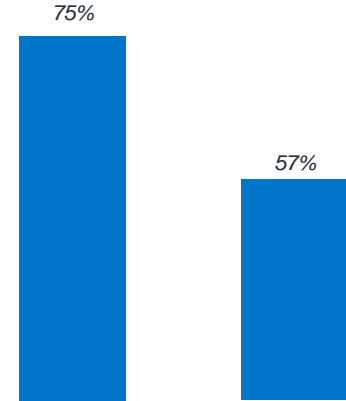
Value Generation: the analytics solution for optimizing collections was deployed and monitored over a c.50 day period



- Collection specialists are split into two groups on a rotational basis
- One group follows the 'old' random selection process while the other follows a data-driven approach to selecting clients for securing payment arrangements

 **77%**

- The data-driven process generated 77% more payment arrangements than the random selection process
- This occurred despite splitting collection specialists equally into the groups, and rotating to avoid any bias



- The bar graph presents the % of premium value that was retained when payment arrangements became due
- The data-driven approach not only manages to secure more payment arrangements, but also selects clients that have a higher likelihood of honoring payment arrangements



COVID-19

- *LATEST OPERATIONAL TRENDS*
- *CORPORATE CREDIT BOOK*

Lotz Mahlangeni



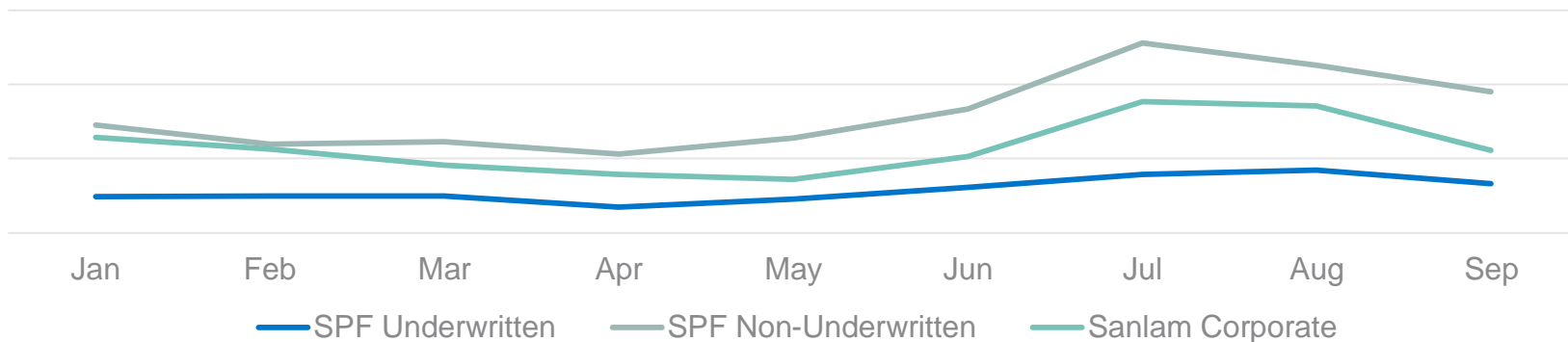
LATEST OPERATIONAL TRENDS



YTD mortality experience



2020 Net Monthly Claim Amounts up to end September

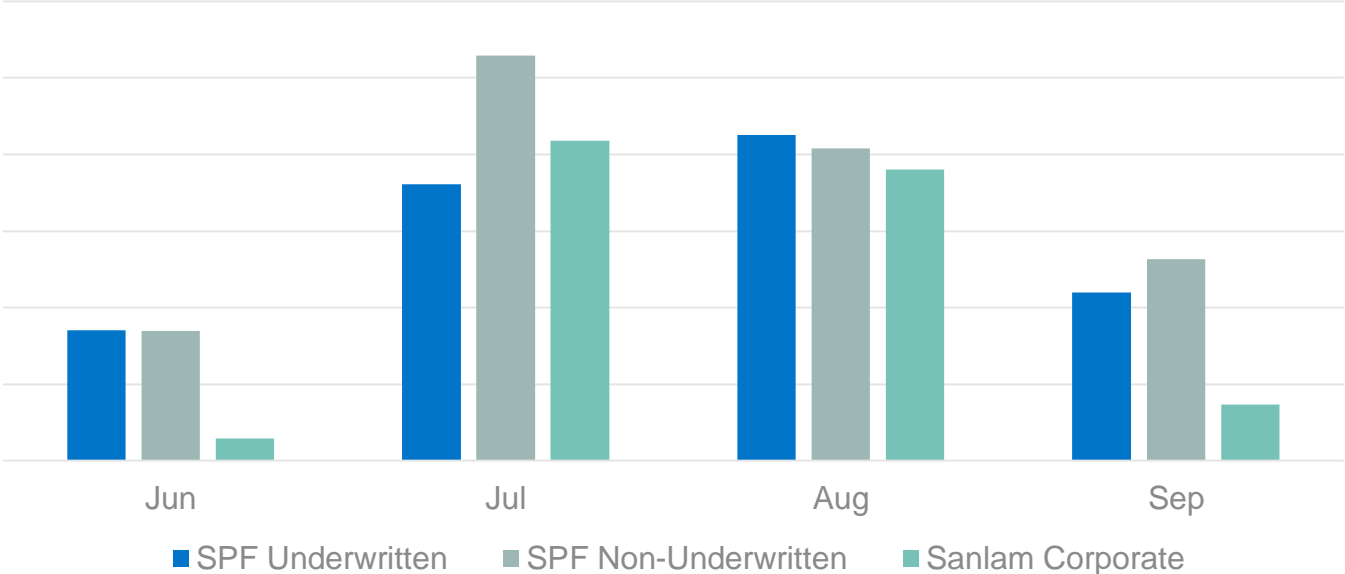


- ⌚ Overall experience for 1H2020 was favourable across most business lines, with positive GEV risk variances
- ⌚ From June marked increases observed across business lines not explained by the increase in COVID claims alone, likely due to under-reporting of COVID deaths and collateral impact of the pandemic (e.g. lockdown measures)
- ⌚ Claim frequencies seems to have peaked in July and have since fallen for consecutive months

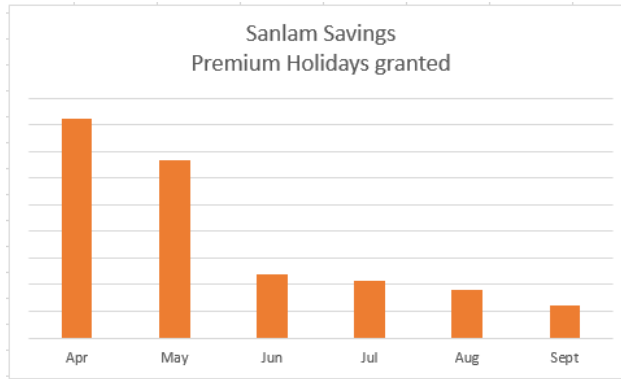
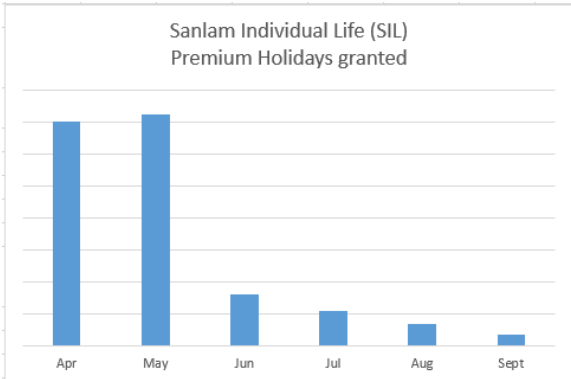
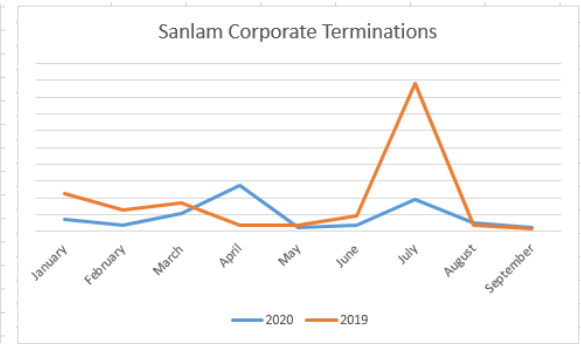
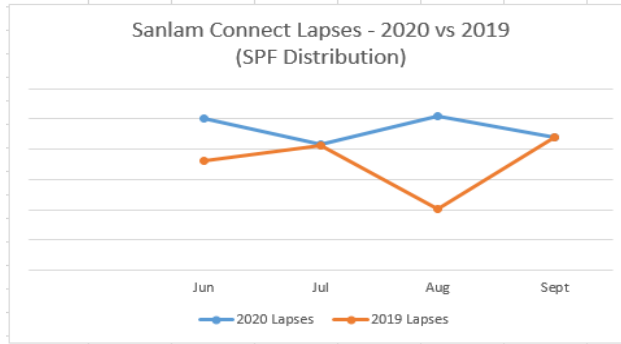
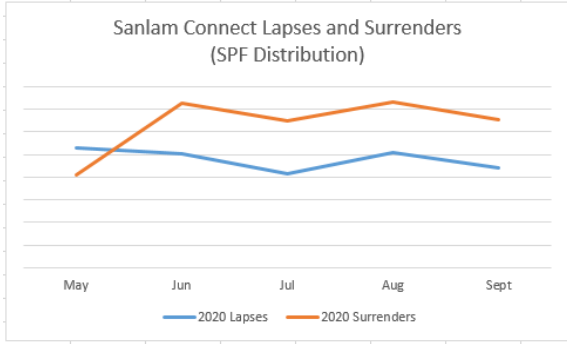
Excess claims



Expected to be offset by risk variances and releases from annuity business. Pandemic reserve of R760 million available if needed



Persistency – Sanlam Life



- Premium Holidays were introduced to preserve persistency. High uptake during April & May with the number of premium holidays granted reducing substantially post June.
- Circa 87% of SIL risk policies with Premium Holidays successfully reinstated since August.

Persistency trends



- ⌚ Persistency experience up to the end of September 2020 has been better than previous years and better than assumptions for most products

 - ⌚ However, this is the result of various different and sometimes opposing impacts
 - › A number of retention initiatives implemented
 - › Reduced face-to-face interaction between brokers and clients
 - › Economic environment and impact of lockdown
 - › Perception of importance of insurance

 - ⌚ Current experience is not an indication of future experience
 - › Poor economic conditions will impact affordability over next few years
 - › Longer (2-3 year) economic recovery in SA to get back to 2019 levels
 - › Mass lapse assumption change of R1,5 billion (net of tax) in 1H2020 will be reviewed but we don't expect significant changes
-



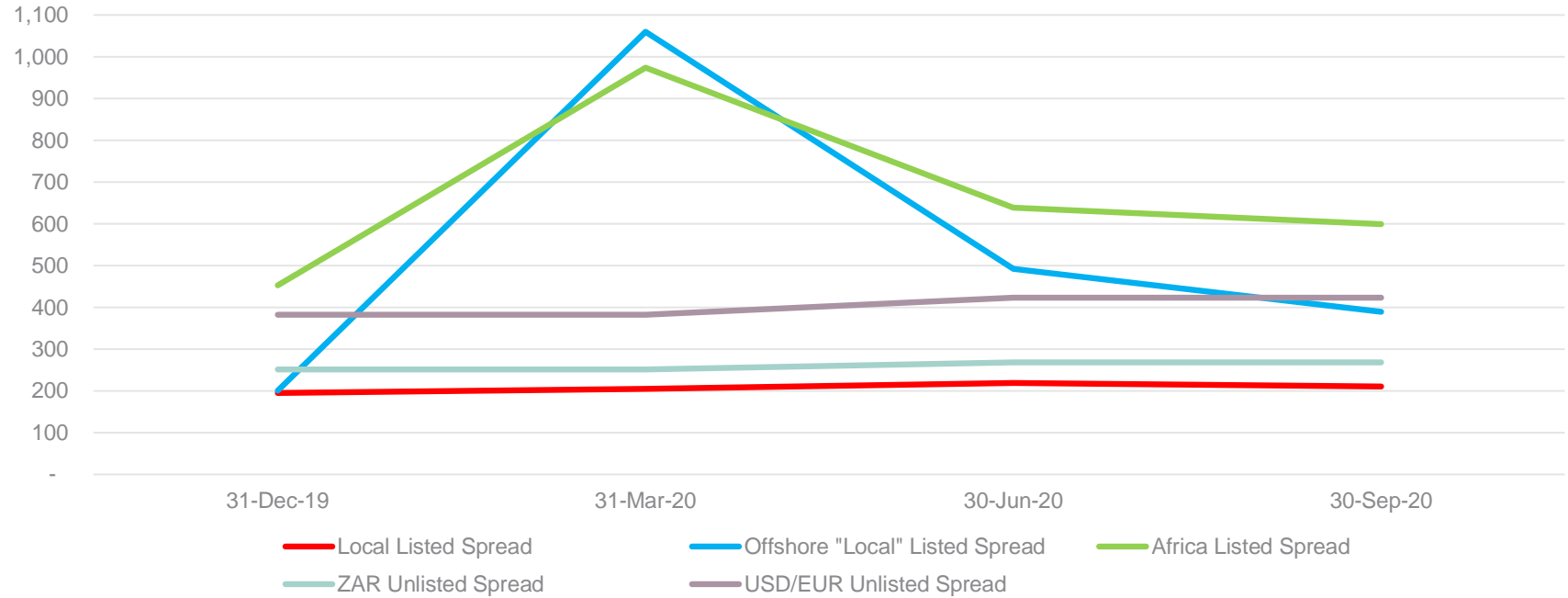
CORPORATE CREDIT BOOK



Trends post June



Change in credit spreads
R180m positive pre-tax impact since 30 June 2020



Credit book – changes since 30 June 2020



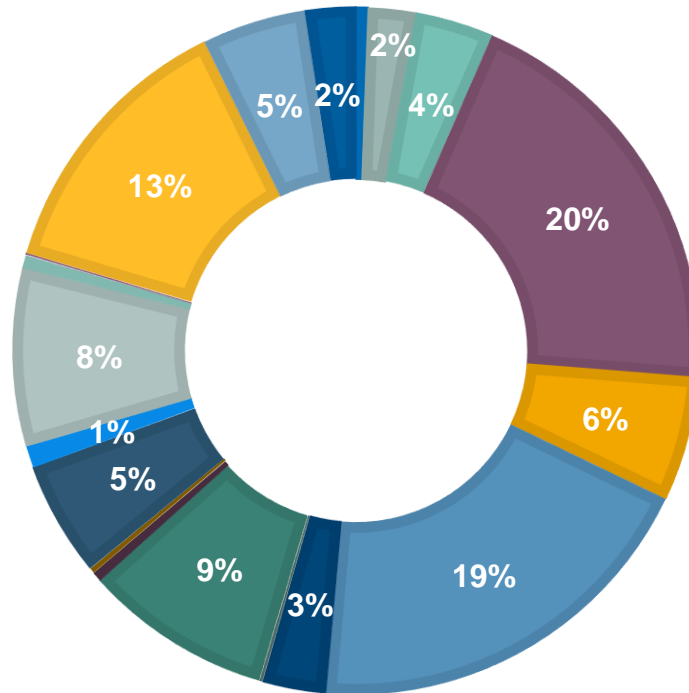
- ⦿ No material change to the size and quality of the book since 30 June 2020
 - › R800m new investments made, replacing maturities and amortisations
 - › No further defaults following the first default in H1 2020 of R132 million (R95 million after tax)
 - › No further provisions raised
 - › No additional counterparties added to red section of the watchlist

 - ⦿ No material change to the composition of the credit book

 - ⦿ Declining indulgence requests as the lockdown levels are lowered
 - › Some of the indulgence requests have now expired and the loans have reverted to original terms

 - ⦿ Industries that remains the most “troublesome” are the leisure, hospitality and gaming sectors
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Credit book composition

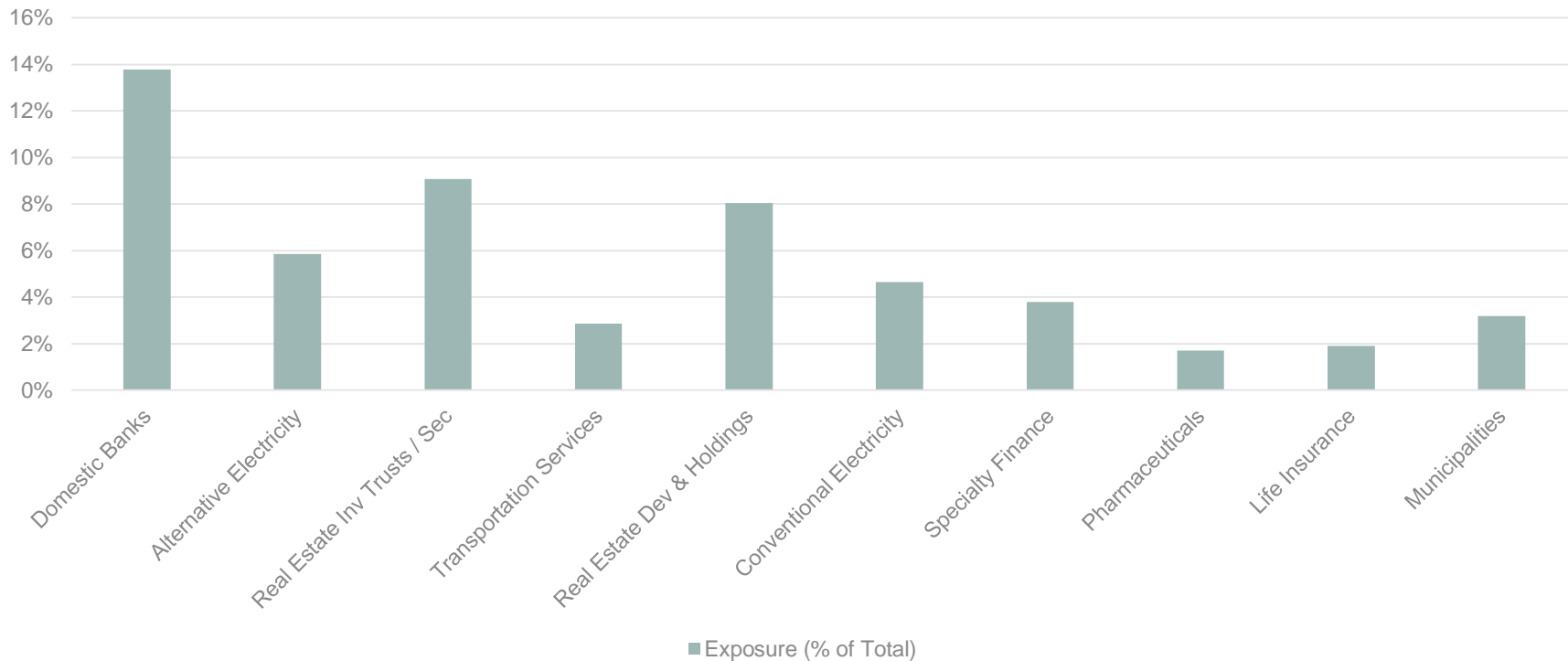


- Africa local listed
- Africa offshore listed
- Africa unlisted
- SA local listed
- SA offshore listed
- SA local unlisted
- SA offshore unlisted
- SA perpetual prefs
- Infrastructure local unlisted
- Infrastructure offshore unlisted
- Infrastructure prefs
- Properties local listed
- Properties offshore listed
- Properties unlisted
- Empowerment Finance prefs
- Empowerment Finance unlisted
- Cash
- Government bonds
- Collateralised lending

Credit book composition



Portfolio Split by Sub Sector





SAHAM

Heinie Werth

Insurance | Financial Planning | Retirement | Investments | Wealth

The strategy to deliver value from SAHAM GI



Strategic pillars



1 Motor



2 Health



3 Assistance



4 Commercial & Corporate



5 Captive & Reinsurance¹

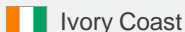
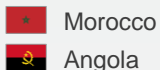


6 Affinity partnerships

Leverage Santam's expertise, especially in Commercial & Corporate and Reinsurance

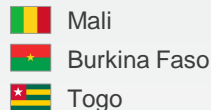
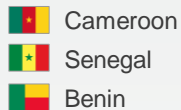
7 Core markets

Main focus

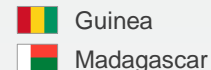
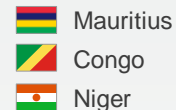


8 Other markets

Maintain / Grow (regional plays)



Future potential being evaluated



1. Includes internal and external reinsurance; 2. Please note that this slide is only for former Saham territories and does not include other core SPA markets, e.g Nigeria, Kenya, etc.

Despite making progress, further work is necessary to deliver on SAHAM's expected value



Work to date

- **Rationalised client base**
- **Repriced products**, removed mispriced extras
- Progressed on **fraud prevention** using data analytics
- Progressed on better **cost management**
- Further optimised **Reinsurance**
- Increased number of **Specialist deals**
- Progress on **capital optimisation** and **selling** of **non-core assets**
- Introduced **performance-linked** variable bonuses
- **Reinforced zero tolerance** for fraud through culture focus

Priorities going forward

- Focus our efforts:
 - Which **businesses** we want, in...
 - Which **markets**, to...
 - Better direct **capital** and **capacity**
- Ongoing focus on **selling non-core assets**
- Rebalance the **float**
- Ensure quality across **management teams**
- Continue to improve **underwriting**
- **Improve our Health Businesses**
- Decide way forward for **Reinsurance**
- Implement the hub / clusters **target operating model**

Targets (% of NEP)

Underwriting margin
2021 onwards

5% - 9%

Float
2023 onwards

6% - 9%

Summary of 6 key initiatives to support SPA GI's strategic objectives



Partnerships

Affinity partnership ideation will use FabLab approach to design new solutions and refresh existing products to target new customer segments



Value proposition

Promote a "one stop shop" approach for affinity partners and corporate customers by offering a structured global solution through a single point of sale



Ways of working

Target operating model (5 regional hubs) to achieve economies of scale and make subsidiaries more efficient



IT & Digital

Business strategy needs to drive IT solutions; to ensure this, the Solutions Factory is organised by business lines and supports sub-cluster IT requirements



Human capital

HR, Talent, and Learning solutions to develop human capital throughout the businesses



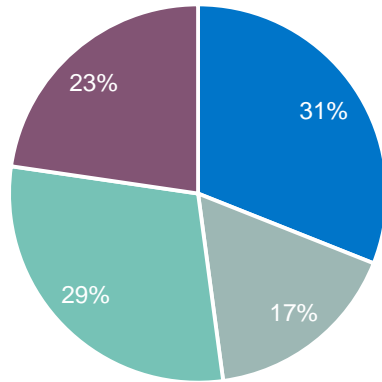
Capital and float mgt

Design a pragmatic investment approach which allows businesses to optimise RoE / RoGEV on capital and float management with less volatility

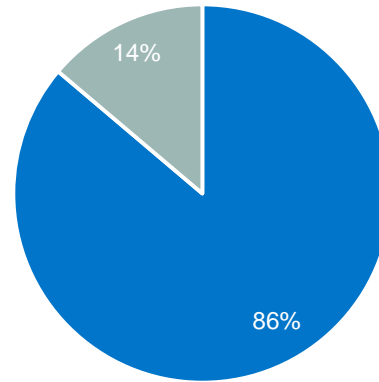
SAHAM value allocation



Appraisal value at 30 June 2020 = ZAR 19.8bn



■ Morocco ■ Côte d'Ivoire ■ Internal reinsurance ■ Other



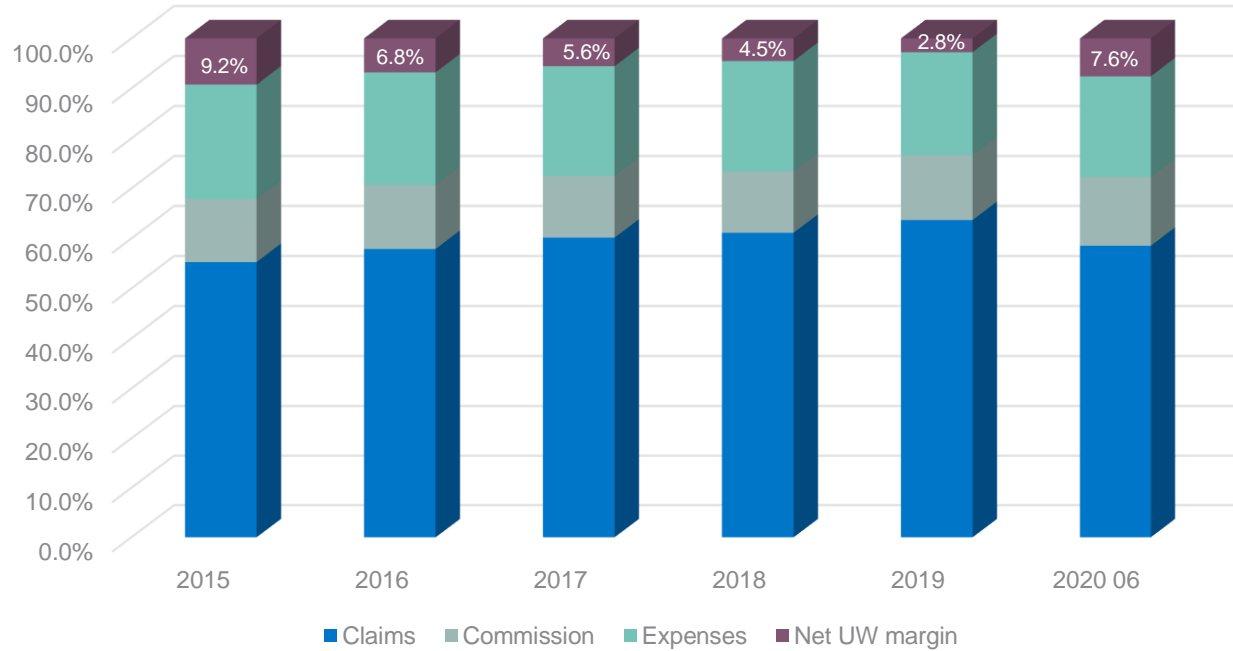
■ Non-life ■ Life

Valuation implies a PE ratio of 15x to 20x based on UW and Float margin target range

SAHAM GI UW margin



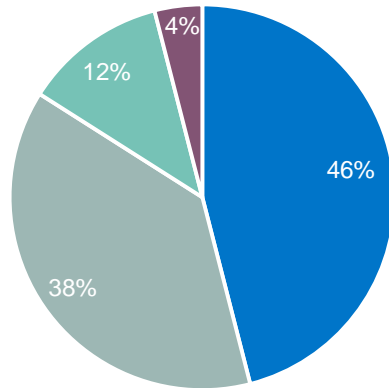
Saham net general insurance underwriting margin



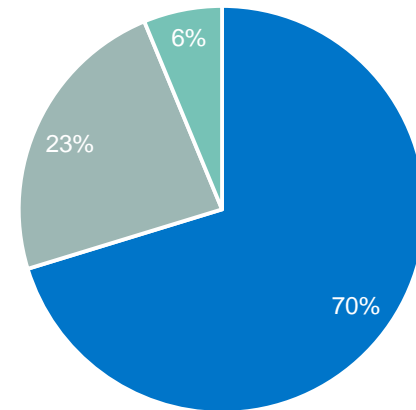


SAHAM GI float

Float size at 30 June 2020: R14.5bn



- Equities
- Investment properties
- Interest-bearing investments
- Cash



- Morocco
- West and East Africa
- Lebanon



CLIENT RELATIONSHIPS & CROSS-SELLING

Jurie Strydom

Client relationships & cross-sell



Advice led

- Advice more important than ever for clients
- Intermediary is central, supplemented by enabling digital tools and platforms
- Data driven client insights are the key enabler, building on our business intelligence investments



Great client experience

- COVID-19 will prove to be a game-changer for digital adoption
- Design disciplines are key to curate relevant information and provide intuitive journeys
- We will build on our successes with Indie and MiWayLife and new tools rolled out during lockdown

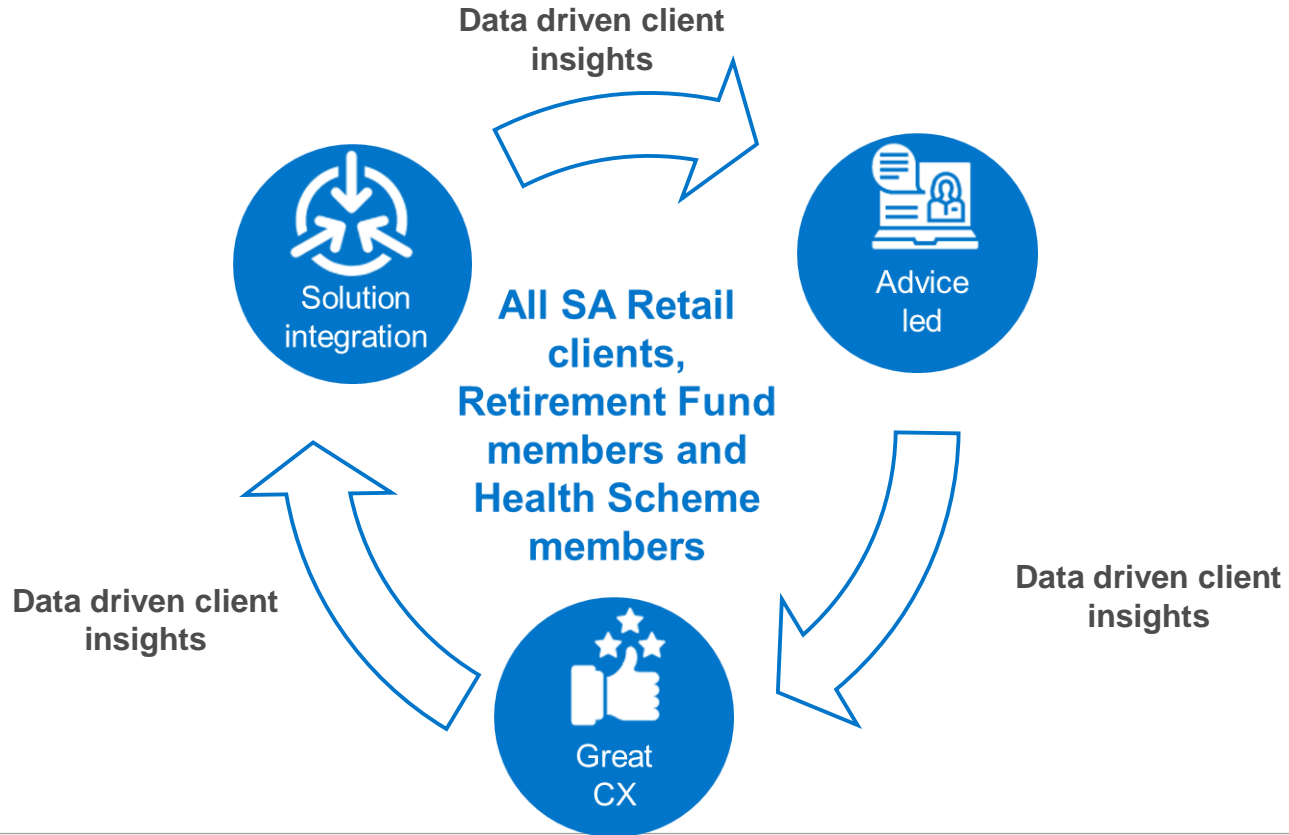


Solution integration

- Our solutions are best-of-breed on value and quality in each need category
- We will begin to integrate solutions, giving clients more reasons to engage more deeply with Sanlam as preferred partner on full basket
- This further drives engagement, data and experience

All SA clients, Retirement Fund members and Health members

Client relationships & cross-sell



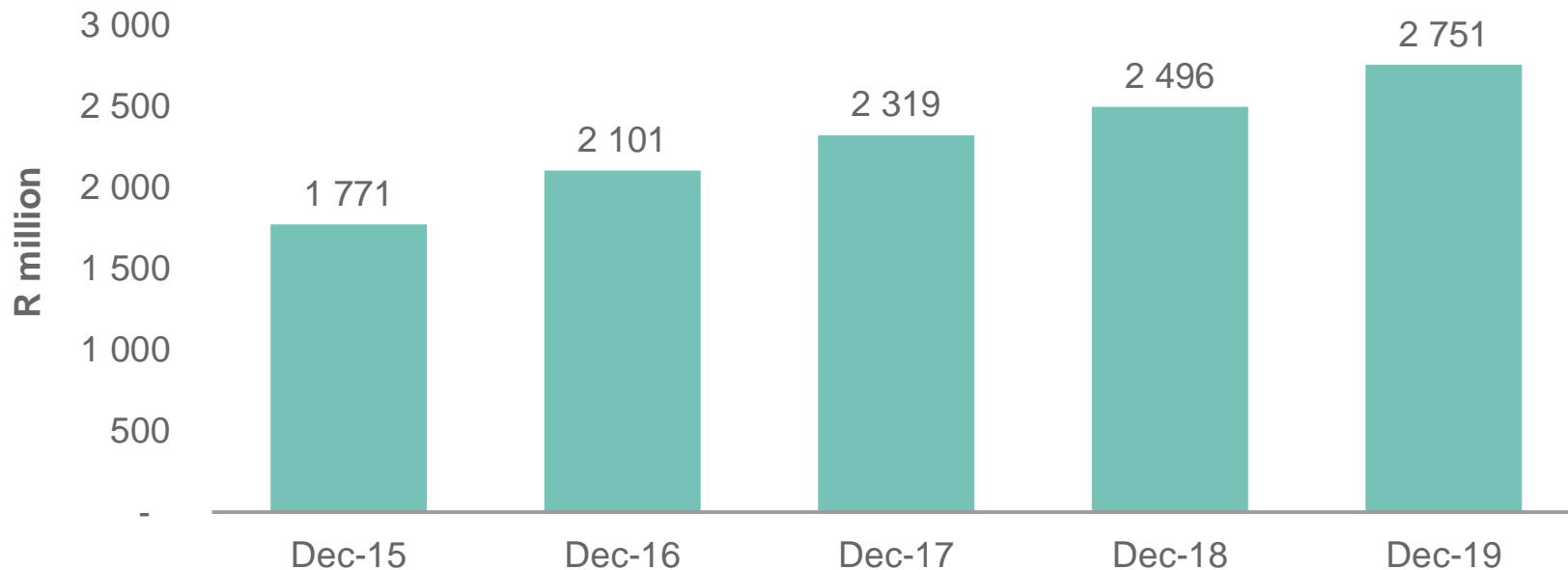


SANTAM: MiWay

Lizé Lambrechts

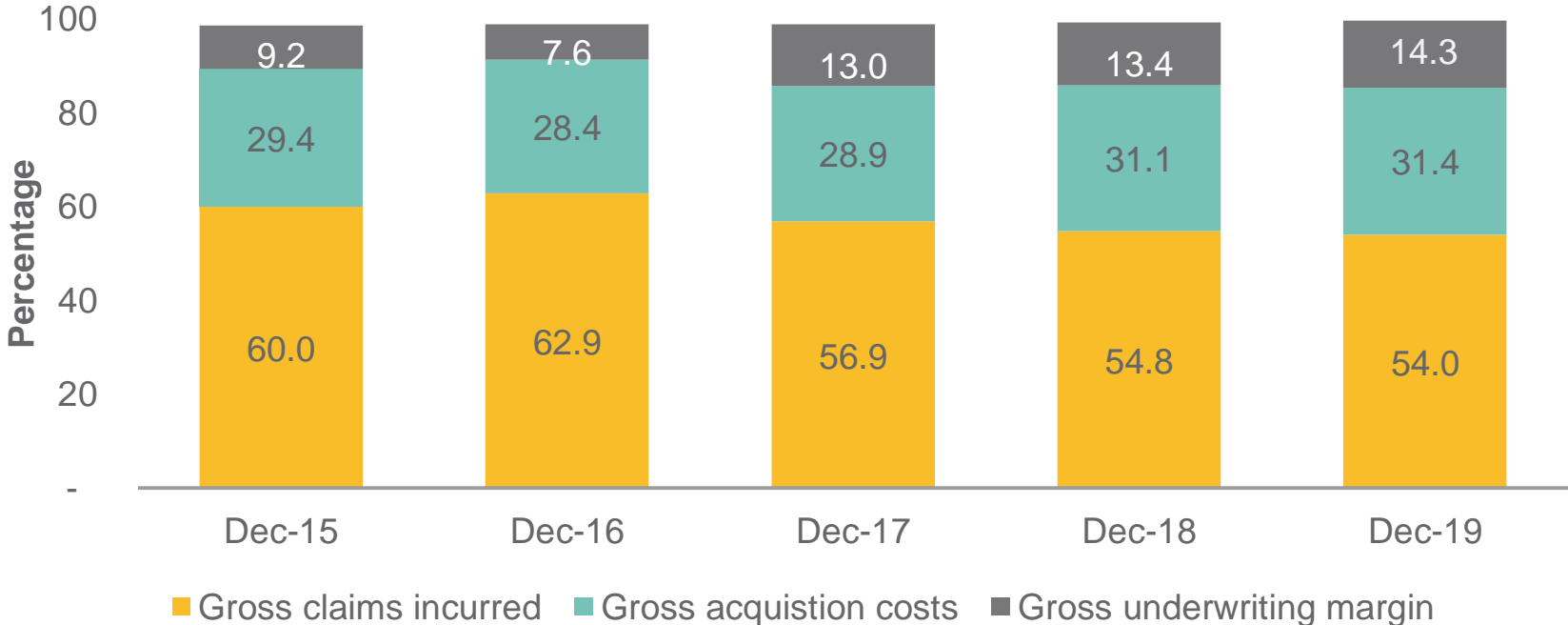
Insurance | Financial Planning | Retirement | Investments | Wealth

MiWay gross written premium over 5 years



5 year average growth of 13% per annum

MiWay gross underwriting result performance over 5 years



MiWay growth initiatives



④ Digital end-to-end insurance

- › Changed environment/ impact of COVID-19
- › Slick digital self-service platform
- › Cost efficiencies

④ User based insurance

- › Telematics
- › Shorter underwriting process
- › Work-from-home product launched

④ Other Direct Personal lines initiatives

Key enablers in delivering growth



- ④ Culture and living the values
 - ④ End to end responsibilities including brand management
 - ④ Continuous innovation
 - ④ Incentivised to create shareholder value
-

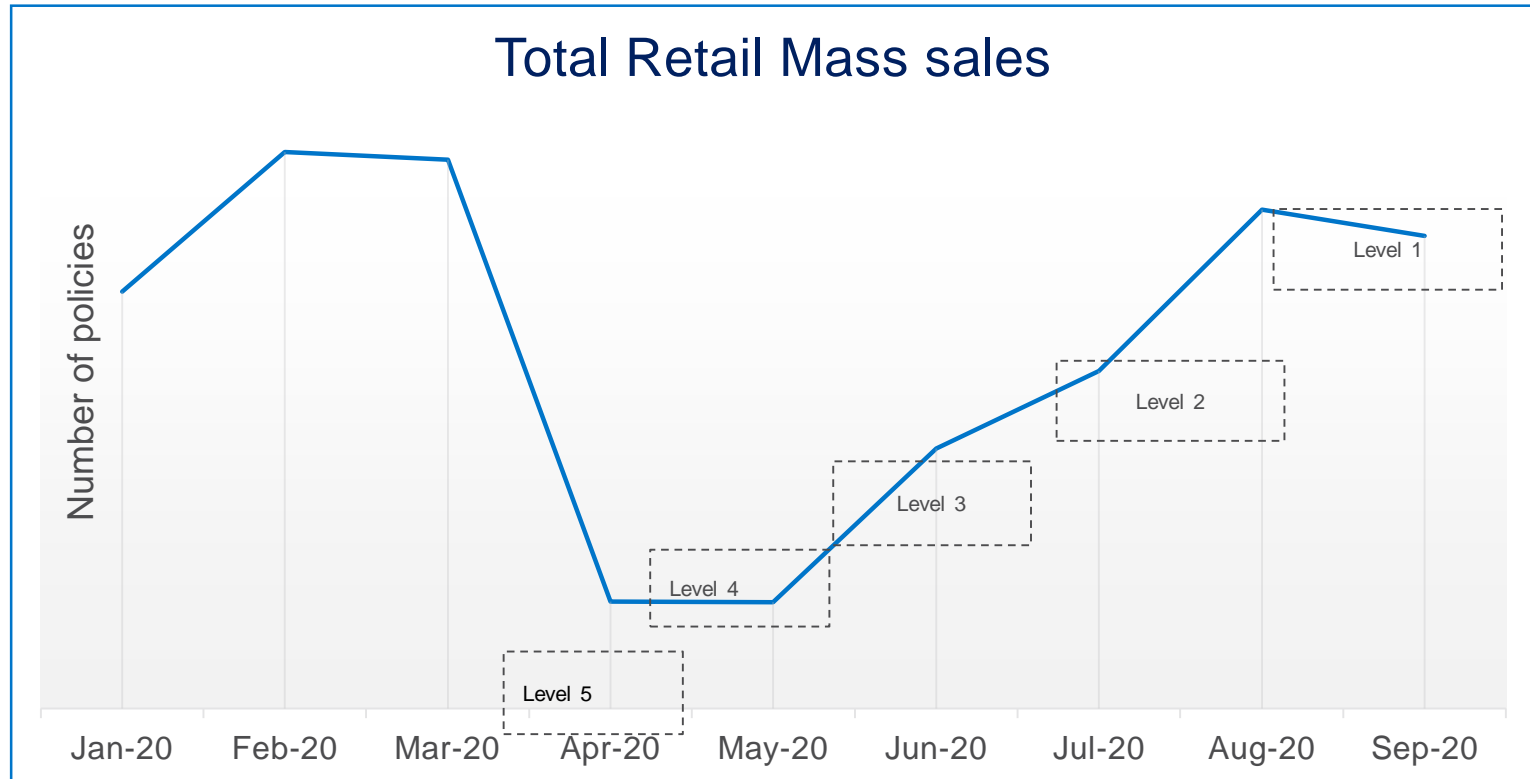


RETAIL MASS

Bongani Madikiza

Insurance | Financial Planning | Retirement | Investments | Wealth

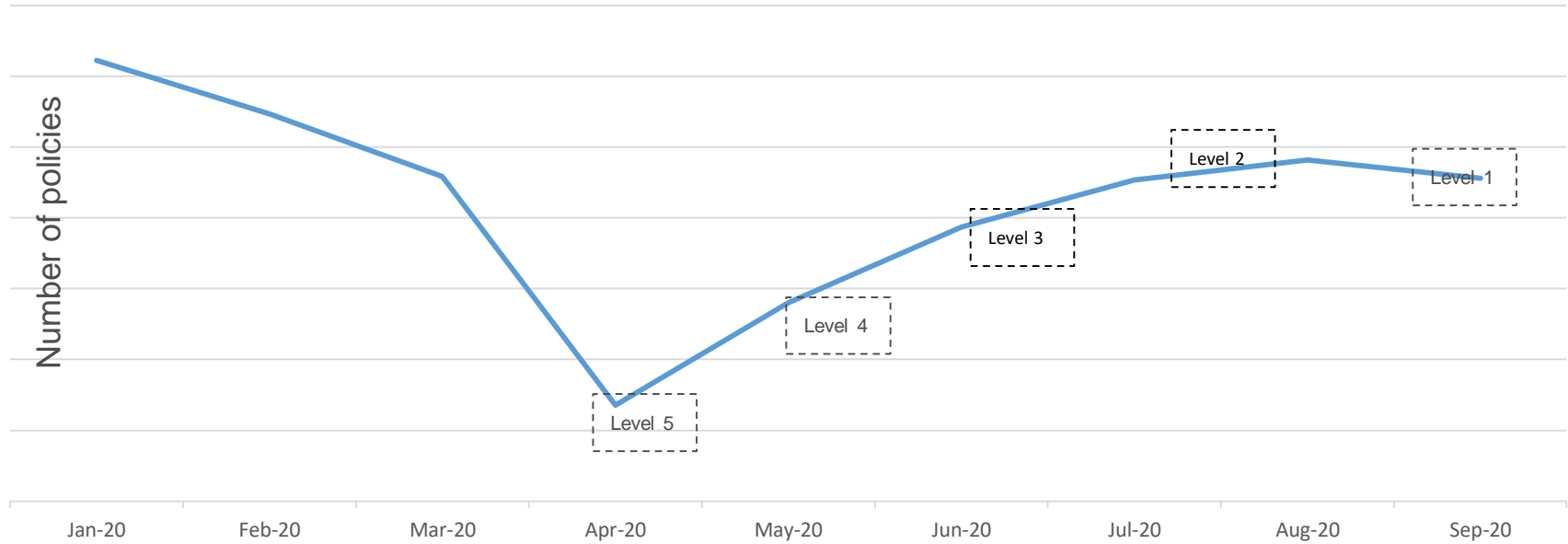
Retail Mass sales



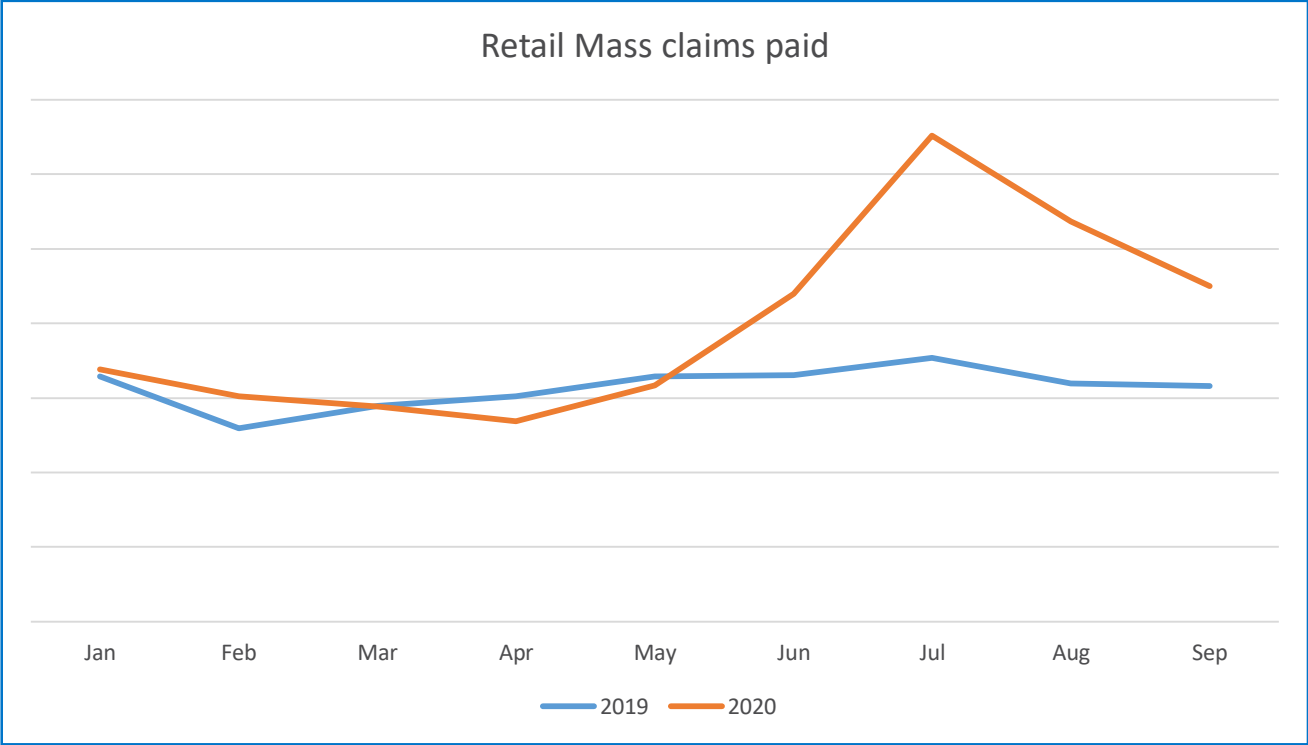
Capitec funeral sales



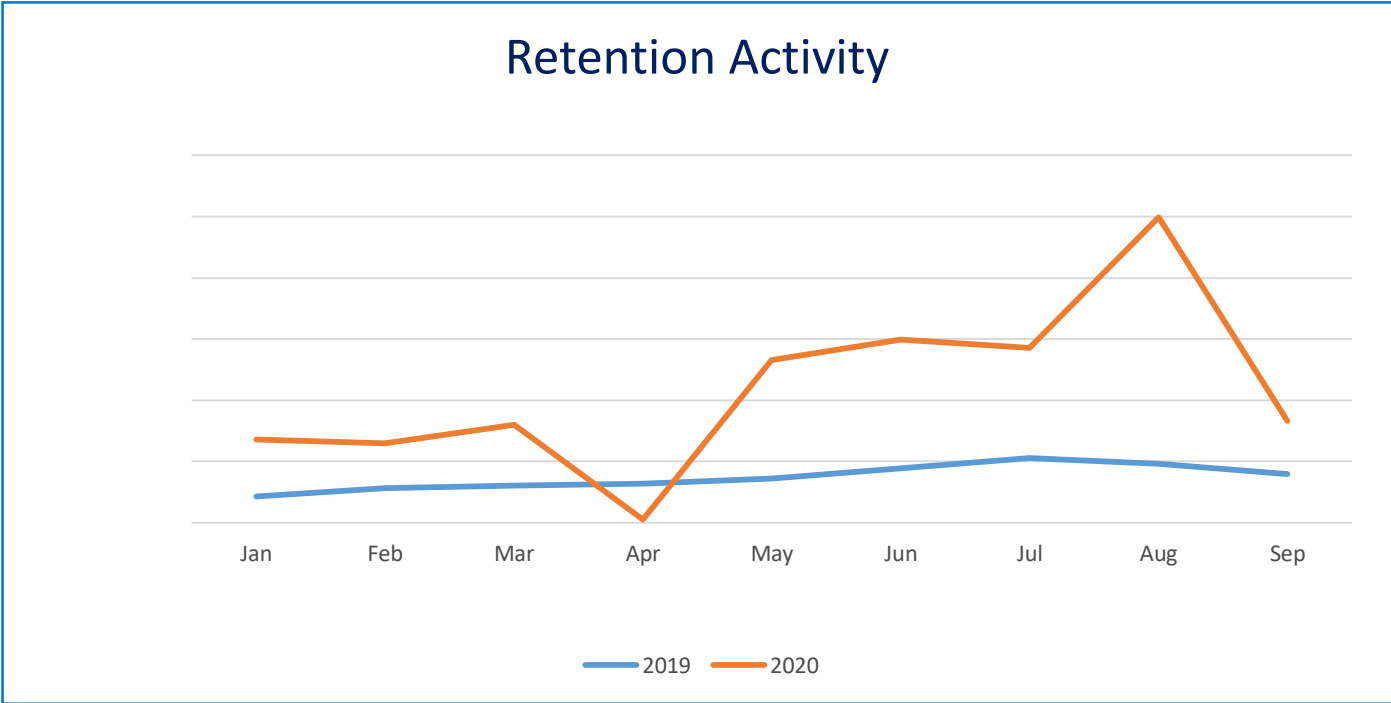
Capitec funeral sales



Retail Mass claims



Retail Mass retentions



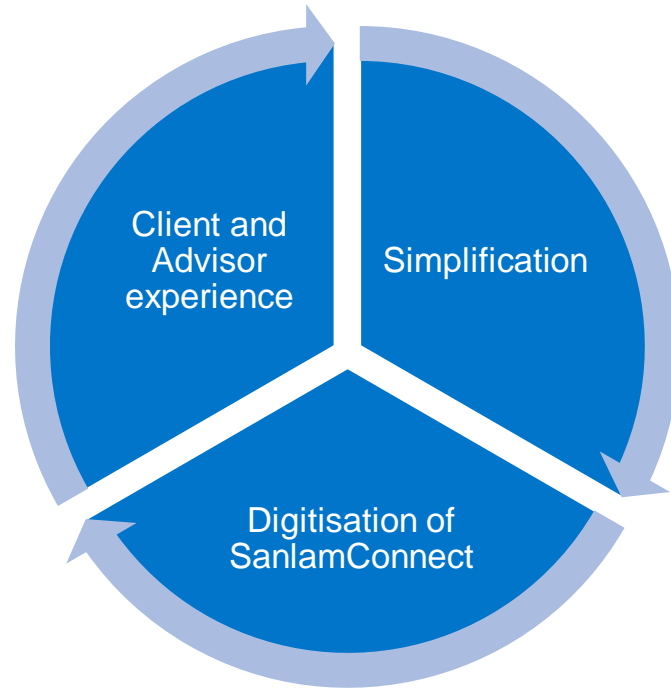


RETAIL AFFLUENT

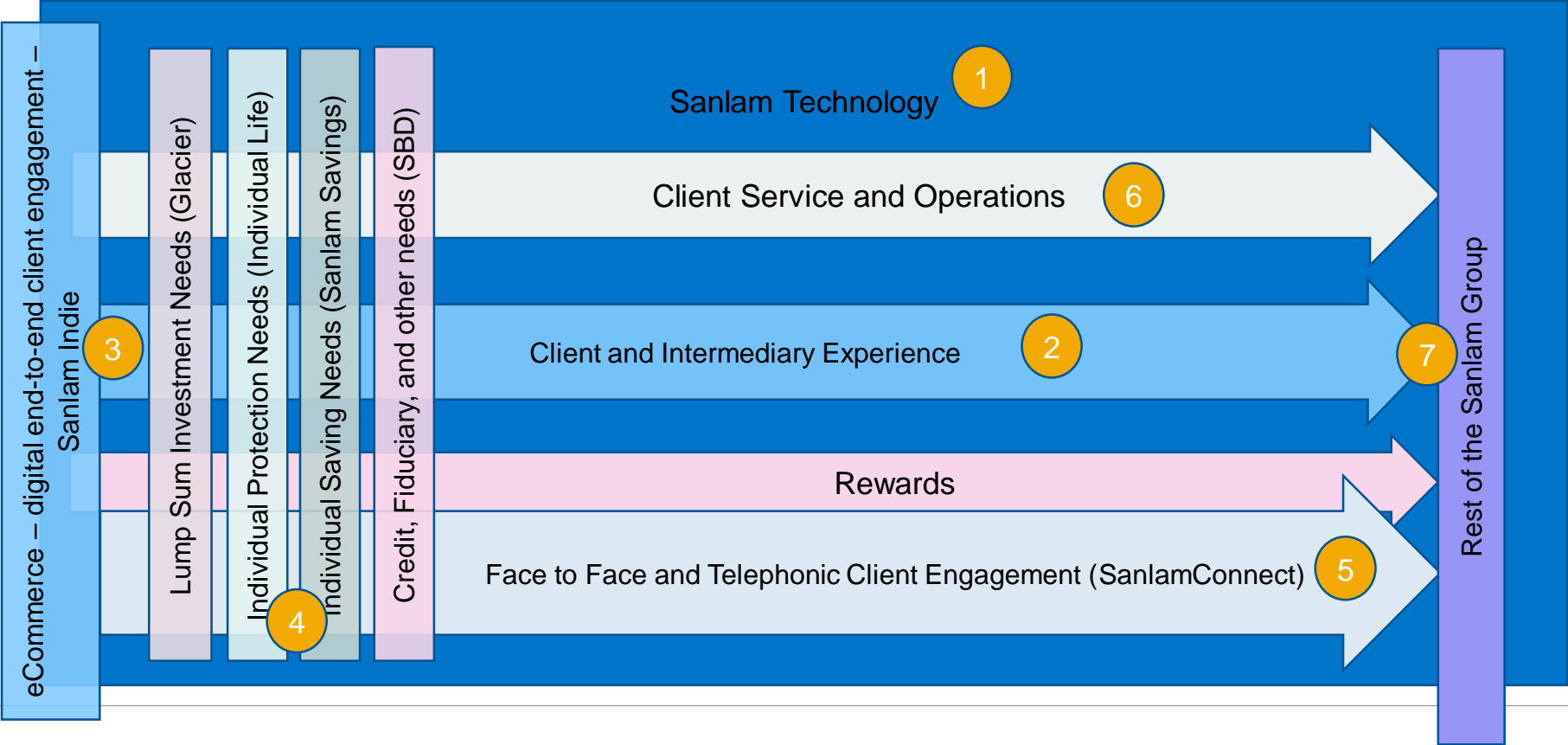
Anton Gildenhuys

Insurance | Financial Planning | Retirement | Investments | Wealth

Strategic focus areas



Retail affluent operating model





CORPORATE

Kanyisa Mkhize

Insurance | Financial Planning | Retirement | Investments | Wealth



FOCUS ON BECOMING THE LEADING CORPORATE BUSINESS IN SOUTH AFRICA

Employee Benefits

#1

Improve **customer/ member experience** with a bundled employee benefits, health and retail offering

#2

Strengthen **distribution** and increase deal flow from partnerships, broker consolidation, direct and key account management capabilities and a public sector push

#3

AuM growth through conversion of standalone administration business to **umbrella fund**, supported by a world-class asset management offering including **smooth bonus type** products

Health

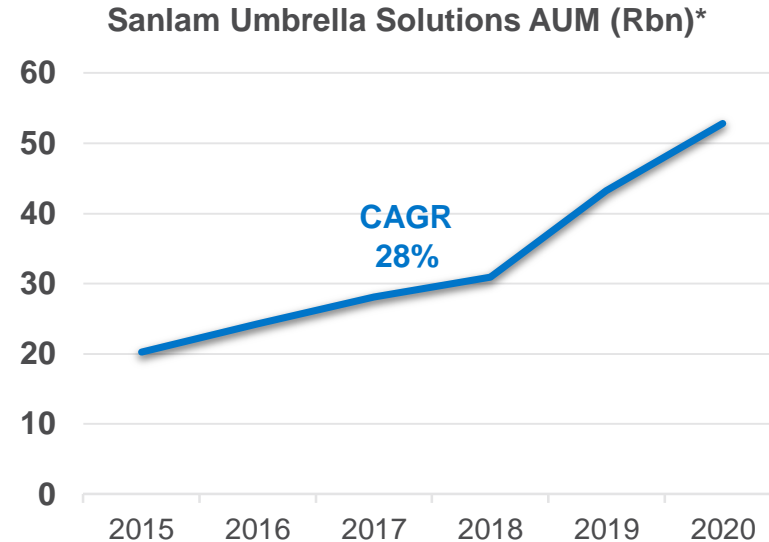
#4

Strategic alignment with Afrocentric for a compelling **health proposition** for both the retail and institutional business

Sanlam Umbrella solutions



- 4th largest umbrella fund in 2020
- 2021 pipeline promising based on request for tenders
- Well positioned to continue to capitalise on retirement fund consolidation through umbrella fund conversions
- Working on enhancing our CVP, go-to market strategy and increased relevance in a post-COVID economic environment



CELEBRATING
R50 BILLION
IN AUM

Experience + Expertise + Reputation = **Opportunity!**

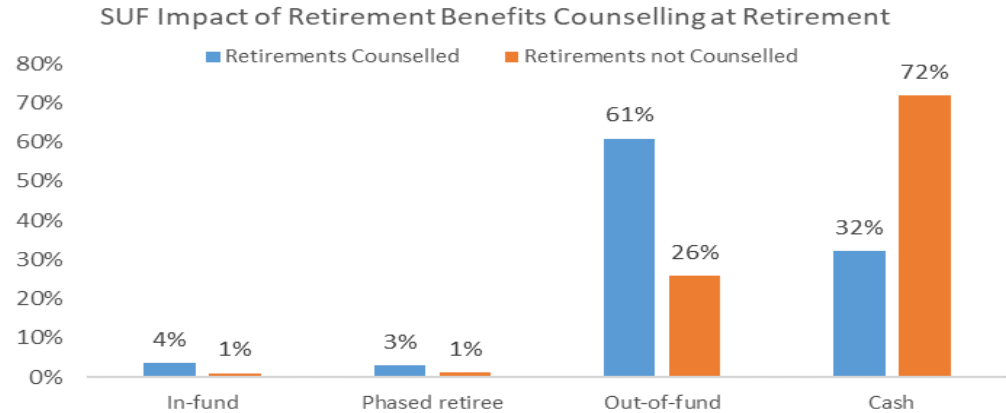
* Includes additional Sanlam sponsored funds of R4bn from 2019 (ACA)

Retailisation



Positively influencing member behaviour towards financial resilience

- ⌚ R2bn inflows into Sanlam Corporate assets through in-fund preservation and DC annuities 30 September
- ⌚ Annuity provider to ~90 funds as part of default annuity solution
- ⌚ 15% of total Sanlam Umbrella Fund exits into in-fund preservation for Q2
- ⌚ With-profit annuity launched as part of default annuity suite
- ⌚ Smooth Growth Series – launched as a differentiator within post-retirement solutions and on the Glacier platform
- ⌚ Multi-channel engagement strategy through digital journeys, e.g. Whatsapp engagement, personalised interactive videos



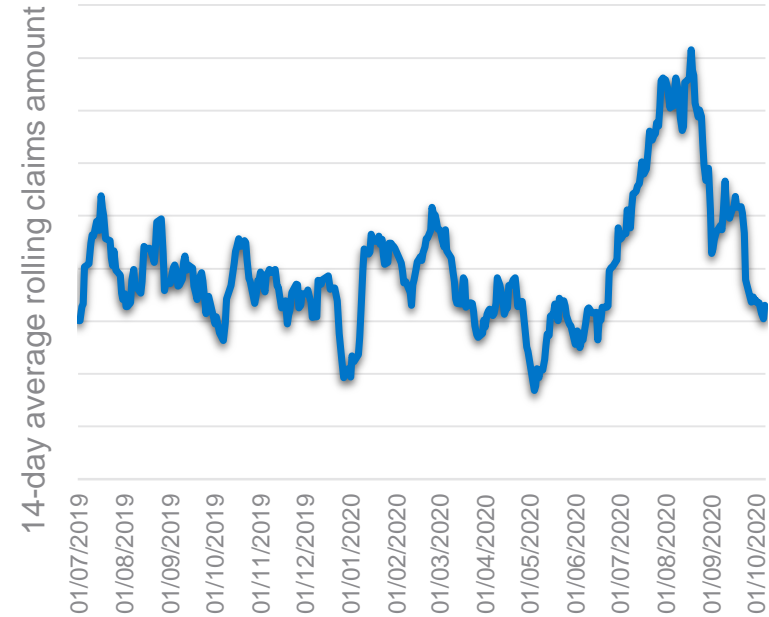
COVID-19 update



Since investor results presentation:

- ⌚ Retirement fund administration platforms' member suspensions have decreased from 108k to 80k
 - > Further requests for suspensions negligible (0.1% of members)
 - > Reinstatements picking up as economy resumes
 - > No new significant terminations or retrenchments
- ⌚ Death claims peaked mid-August but there may still be some bulk claims
- ⌚ Distribution activity levels back to normal

Death claims submitted

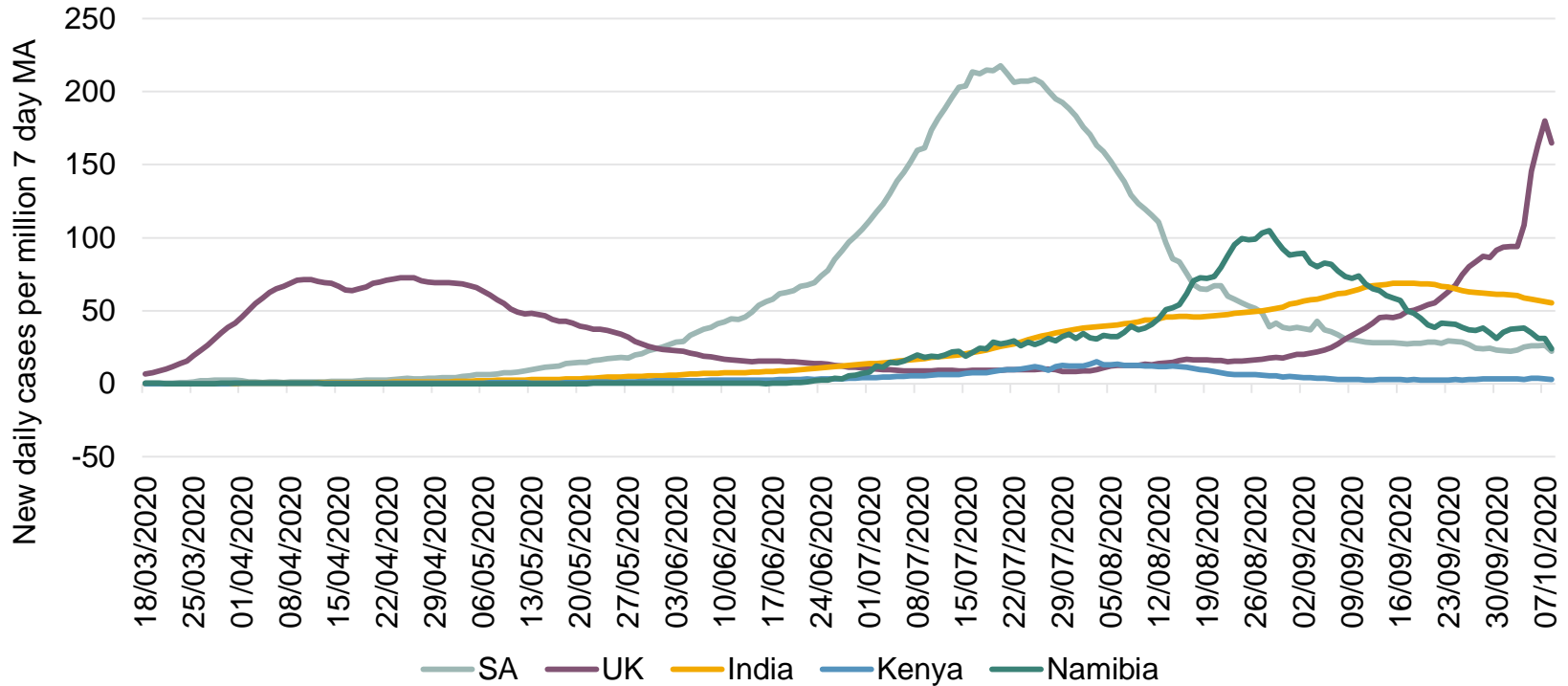




COVID-19: ECONOMIST VIEW

Arthur Kamp

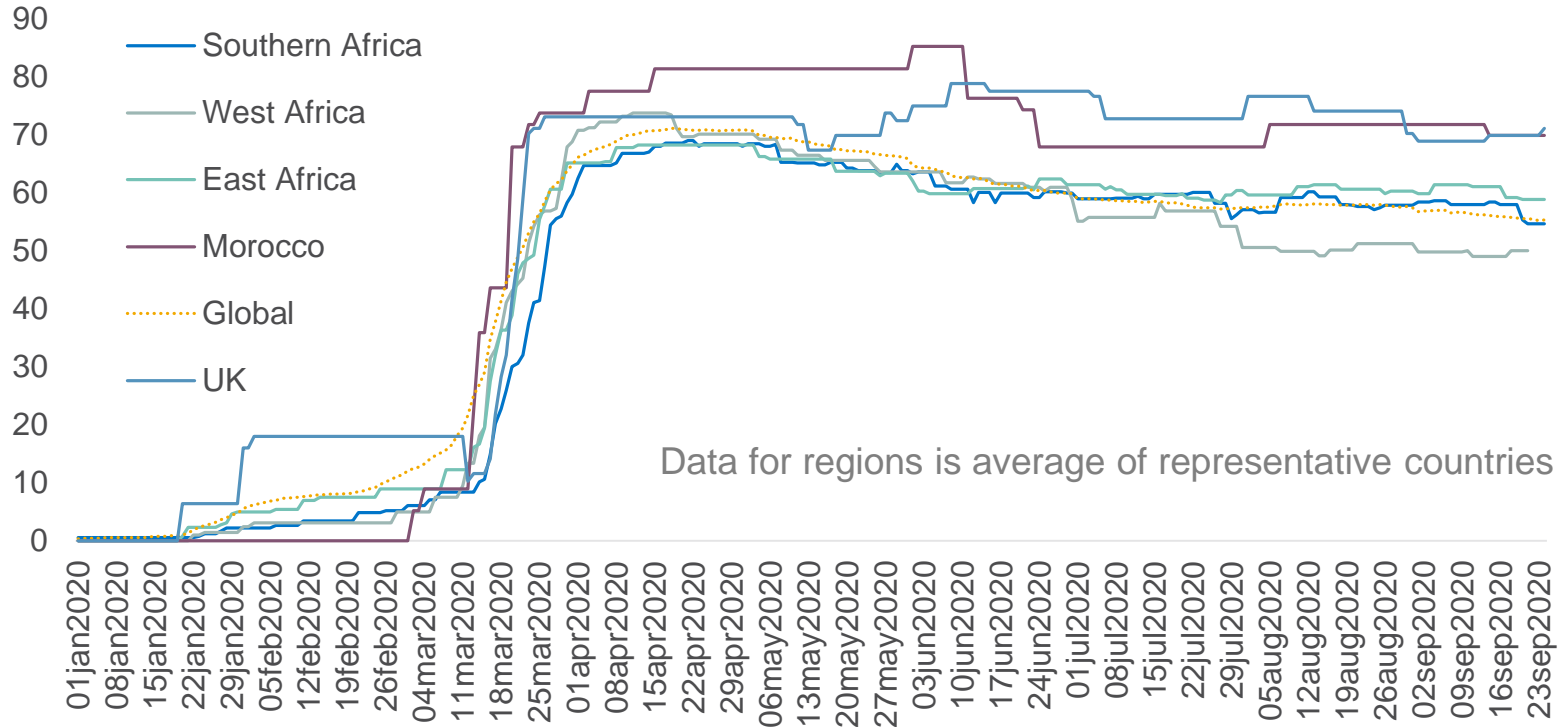
COVID-19: diverse outcomes



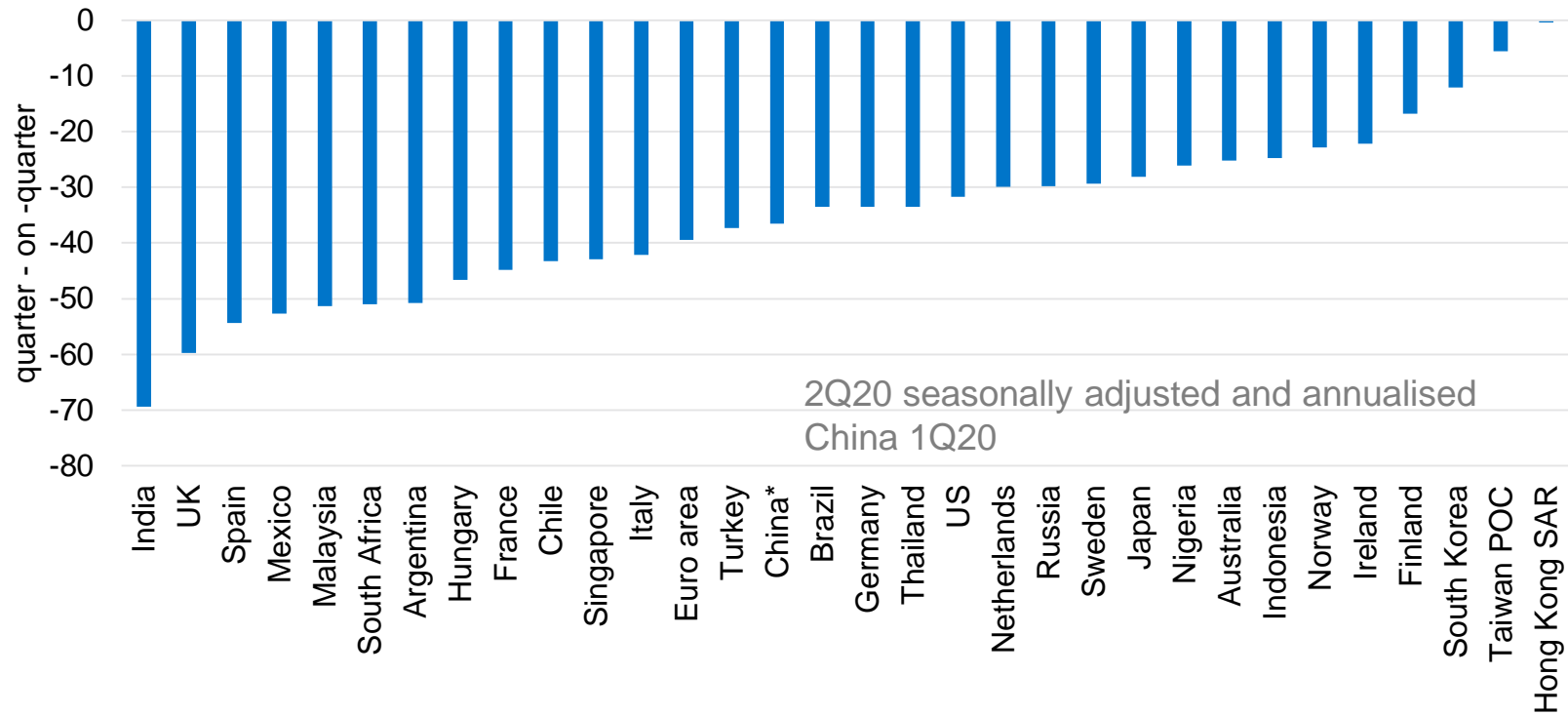
Stringency of Government responses



Government COVID-19 Response Tracker Index



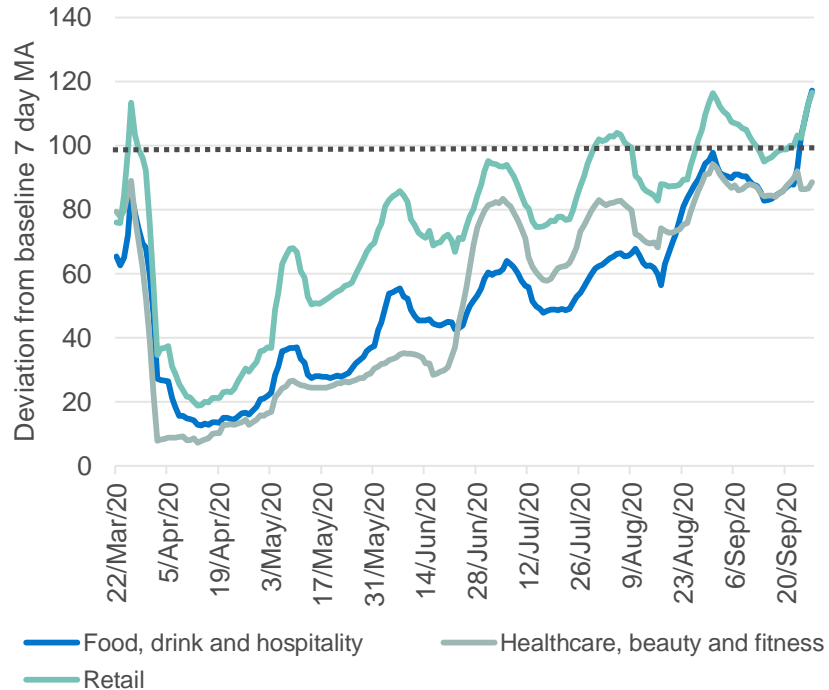
GDP varying degrees of decline



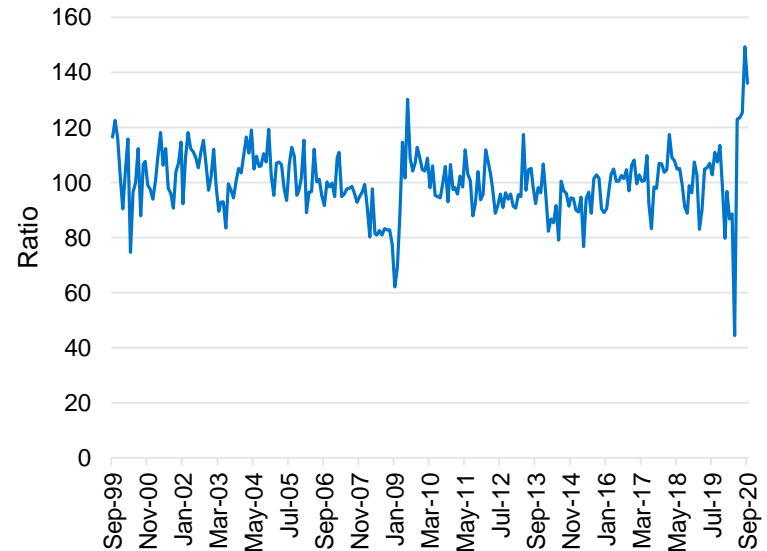
The SA recovery surprises



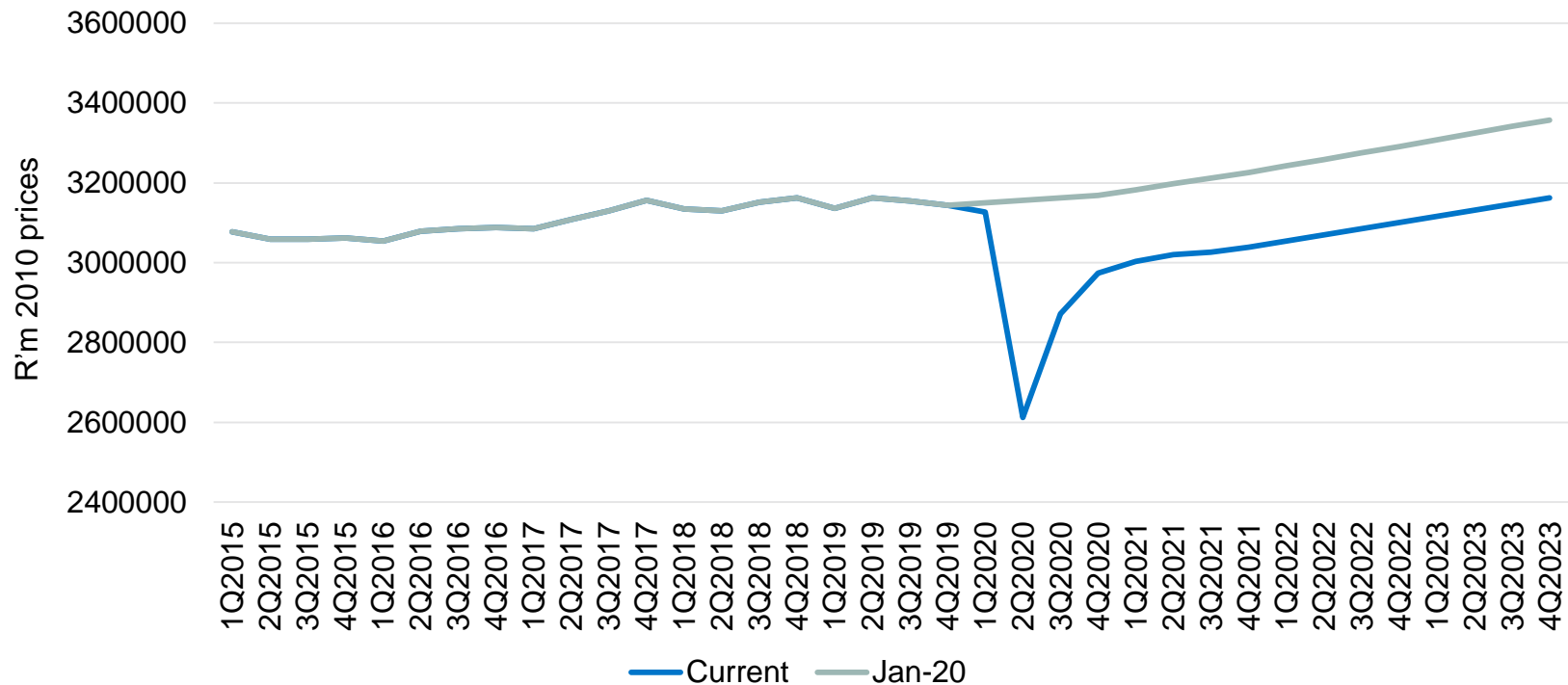
Small business turnover



PMI new orders / inventory ratio



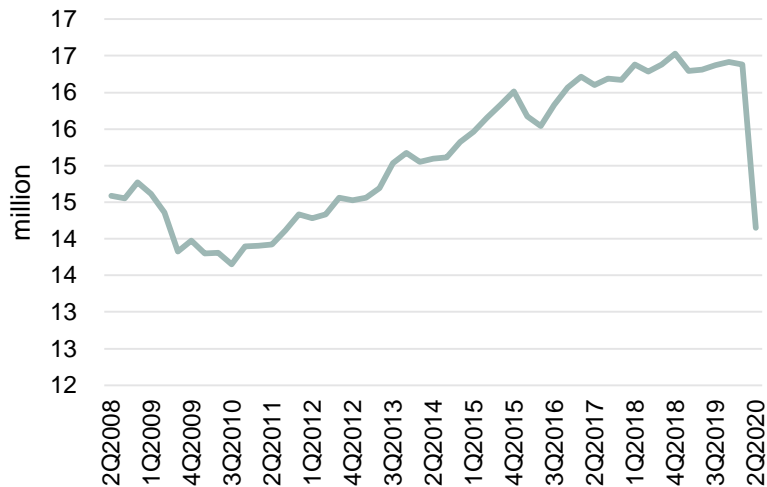
SA real GDP actual and expected



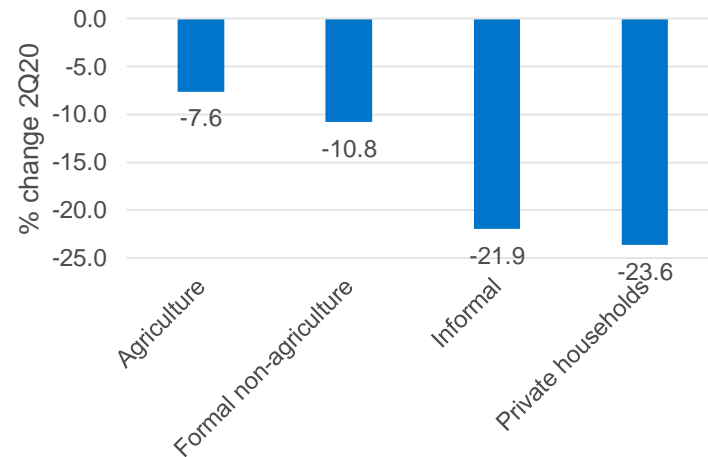
SA employment



2.2 million jobs lost



Low income workers most affected

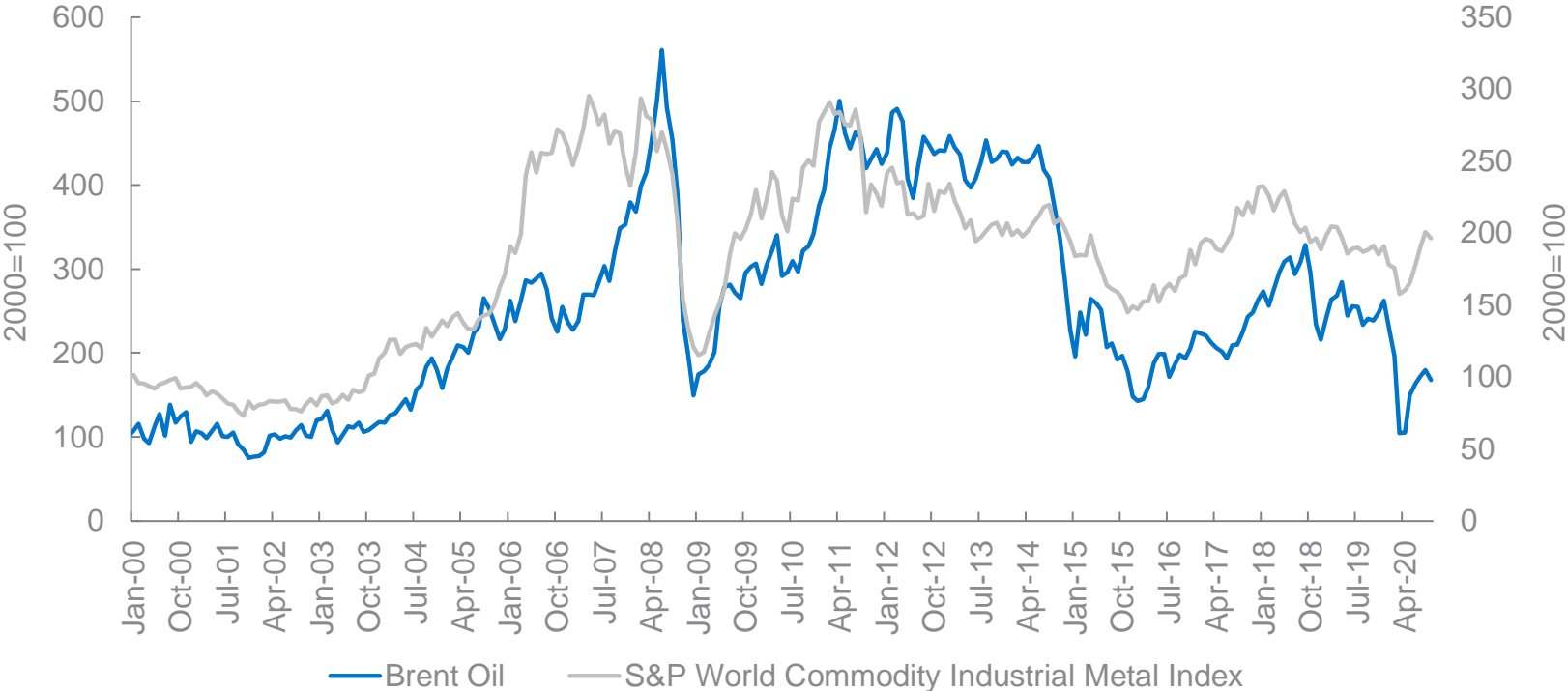


IMF EMERGENCY FUNDING



Country	Type of Emergency Financing	Amount US \$m	Date
South Africa	Rapid Financing Instrument	4300	June 2020
Nigeria	Rapid Financing Instrument	3400	April 2020
Ghana	Rapid Credit Facility	1000	April 2020
Côte d'Ivoire	Rapid Credit Facility	295	April 2020
Côte d'Ivoire	Rapid Financing Instrument	591	April 2020
Kenya	Rapid Credit Facility	739	May 2020
Uganda	Rapid Credit Facility	492	May 2020
Senegal	Rapid Financing Instrument	295	April 2020
Senegal	Rapid Credit Facility	147	April 2020
Mozambique	Rapid Credit Facility	309	April 2020
Rwanda	Rapid Credit Facility	109	April 2020
Rwanda	Rapid Credit Facility	111	April 2020
Gabon	Rapid Financing Instrument	147	April 2020
Gabon	Rapid Financing Instrument	152	July 2020
Gambia, The	Rapid Credit Facility	21	April 2020
Gambia, The	Extended Credit Facility	47	March 2020
Mali	Rapid Credit Facility	200	April 2020
Malawi	Rapid Credit Facility	91	May 2020
Malawi	Rapid Credit Facility	102	October 2020

Divergent commodity price fortunes

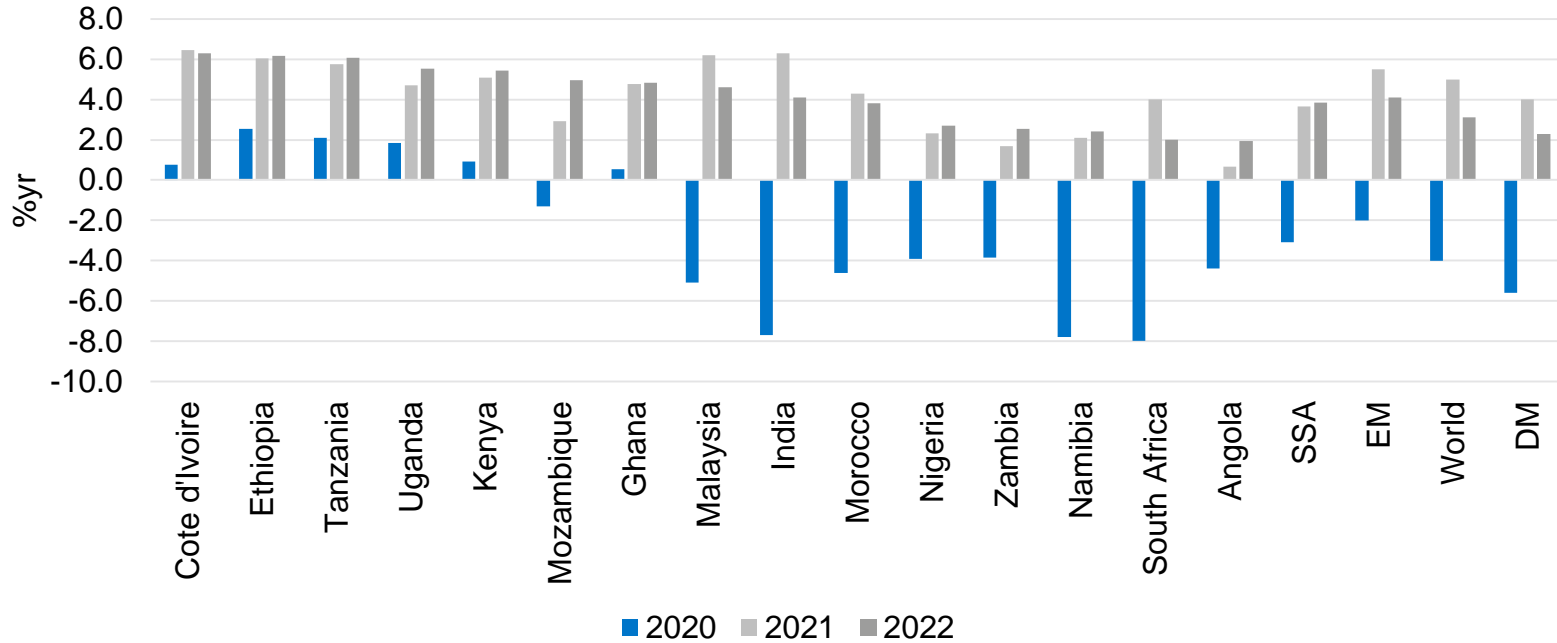


SOURCE: IRESS

GDP growth relative to the world



Sanlam Operating Environment

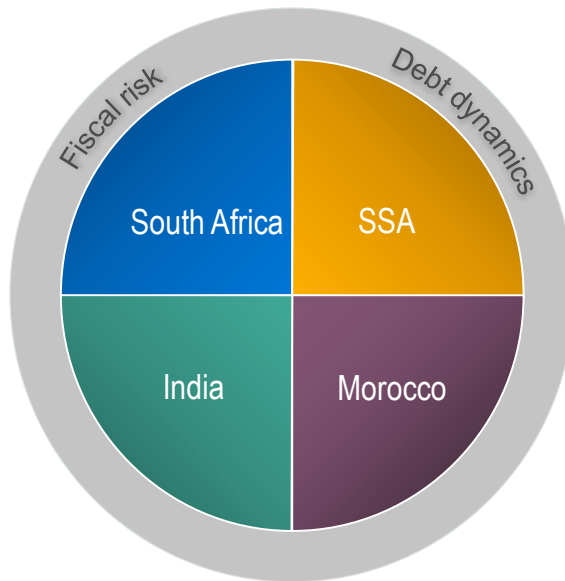


Sanlam operating environment summary



- ⌚ Failed fiscal policy crowds out private investment
- ⌚ Structurally low potential growth
- ⌚ Terms of trade increase helpful
- ⌚ Well-targeted COVID-19 package
- ⌚ Tentative signs of reform, but acceleration needed

- ⌚ Agriculture is leading recovery
- ⌚ But, a strained banking sector & impaired transmission mechanism are constraints
- ⌚ Reforms required to unlock additional growth potential



- ⌚ Signs of recovery and robust medium term growth prospects in numerous economies
- ⌚ But, resource intensive countries lag
- ⌚ Low oil prices constrain Nigeria and Angola
- ⌚ Fiscal consolidation needed with some countries in debt distress

- ⌚ Diversified export base
- ⌚ But, hit to tourism a material drag
- ⌚ Fiscal consolidation required
- ⌚ Expected shift towards a more flexible currency regime

