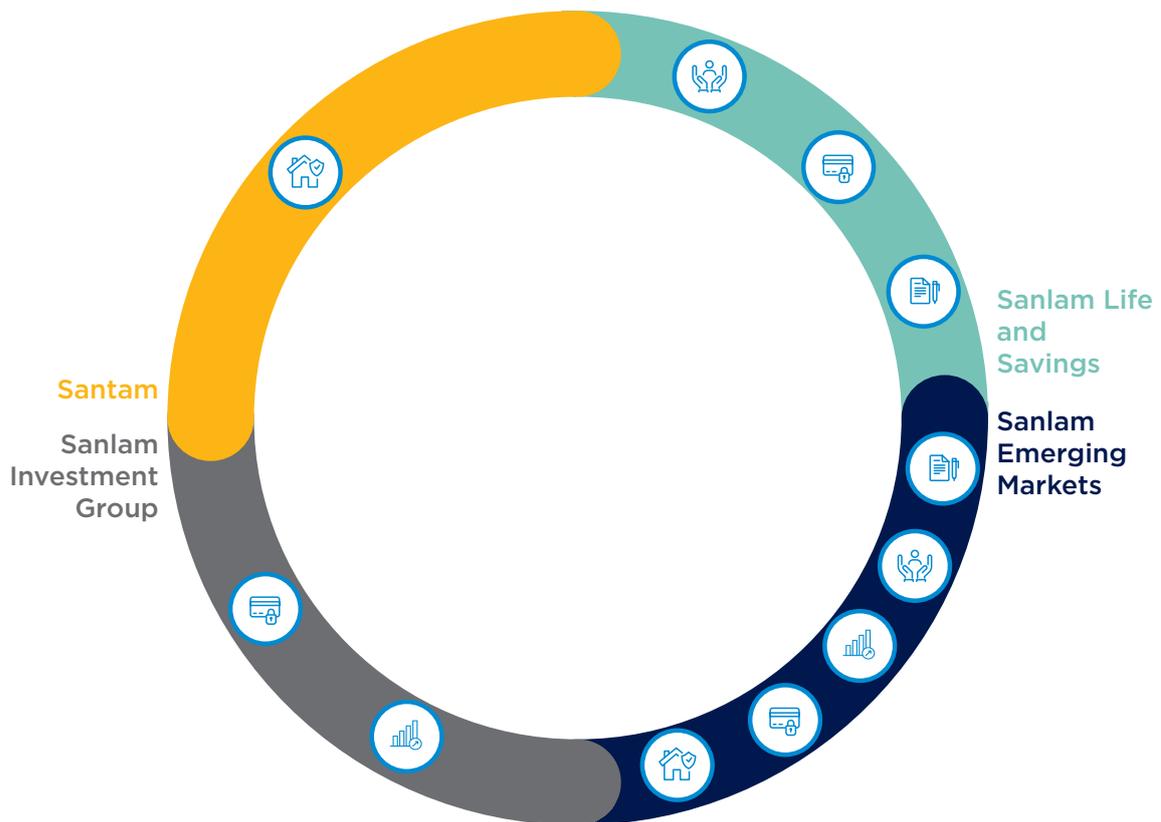


Our key financial solutions, business activities and distribution channels

Sanlam's financial and risk solutions support wealth creation and protection for individuals and organisational clients. The benefits of these solutions often have a positive impact beyond the client. This supports systemic resilience for businesses, families and communities, such as in the case of benefit payments on death, disability or fires and floods.



Our key financial solutions



Life insurance

Risk solutions provide monetary benefits to compensate for the financial impact of unexpected events such as death, disability, trauma and retrenchment. Investment solutions facilitate wealth accumulation and provide for income at retirement through a full range of investment options that offer varying levels of investment guarantees.



General insurance

Insurance solutions provide monetary benefit to compensate for the loss of physical property, loss of trading income or liability incurred. It includes motor, property, aviation, crop, engineering, guarantee, liability, accident, transportation and alternative risk transfer insurance.



Credit and structuring

Retail client solutions offer access to personal loans on a secured and unsecured basis to create long-term financial prosperity. Institutional client solutions provide asset-based financing, debt origination and structuring, asset-liability management, equity and interest rate derivatives, and collateralised lending in support of business activity and economic growth.



Investment management

Retail client solutions offer savings options that create wealth through a range of collective investment schemes and wealth management solutions. Institutional client solutions offer wealth creation through traditional and specialist asset management in South Africa and abroad.



Administration, health and other

Long-term financial resilience and prosperity is created through individual and organisational financial needs analysis and advice (including estate planning, trusts and wills), health management and retirement fund administration.

Our business activities



Product development

We conduct market research and engage with our clients and advisers to understand the financial needs of our target market. We develop innovative solutions and adapt current solutions to address client needs. We develop distribution channels and adapt current channels in line with client preferences.



Business support

We provide business support services including financial management, accounting, actuarial valuations, regulatory reporting, human resources support and information technology.



Distribution and client support

We manage and support the various distribution channels and provide client support services. This includes client account administration, actuarial valuations, ongoing advice, claims management and management of client complaints. Corporate and product-specific branding campaigns connect us to our clients.



Product management

We match the liabilities for solutions offering clients guaranteed returns with appropriate assets. This ensures that the guarantees can be funded from asset returns. We conduct analyses of the variances between actual and expected life insurance and general insurance claims, as well as actual and expected policy surrenders and lapses to identify emerging trends as input to new product development, product repricing and claims management. Governance of the bonuses declared in respect of participating products ensures fair treatment between clients over time.



Capital and risk management

We deploy discretionary capital, optimise capital allocation to clusters, undertake financial and actuarial risk management and implement effective governance structures to ensure regulatory compliance.

Our distribution channels

Omni-channel distribution ensures that clients are reached and serviced through their preferred channel. The distribution model is continuously adapted to changing client preferences, with increased focus on developing our digital capability. Sanlam's current distribution channels are classified into four categories:



Advisers

Advisers service our retail clients via two categories: those accredited to sell only Sanlam products, and those accredited to sell a wider product range. Where an adviser is accredited to sell a wider product range, limits apply to the proportion of business that can be placed at competitors. Adviser channels are managed according to market segment (entry-level, middle-income, affluent and professional/small business). This ensures appropriate focus on the needs of the various segments in line with our client-centric business philosophy.



Independent brokers

Brokers service retail and institutional clients across market segments and are supported by dedicated broker support units. In the South African affluent market the majority of new business is written through brokers. In the Pan-African operations most institutional general insurance business is placed by brokers. Given brokers' independence to distribute all competitor products, establishing and maintaining superior support and relationships with this channel is a key focus area of the broker support units.



Direct

Direct units distribute Sanlam products directly to retail and institutional clients using technology-based channels such as outbound call centres, online platforms and mobile communication. Direct distribution contributes a major portion of Santam's general insurance premiums through MiWay. Its contribution to life and investment business volumes is still relatively small but growing strongly and will become a more pronounced source of business. The development of our digital capability as part of the omni-channel approach is therefore receiving particular emphasis.



Affinity groups, bancassurance, telecommunications and other partners

Affinity groups focus on distribution through groupings of retail clients such as employers and church groups. The affinity group partner is responsible for administration at an individual member level, and Sanlam provides the products. Sanlam has strategic alliances with banks, telecommunications companies and other distribution partners across Africa through which we distribute insurance and investment products to large client bases through single entry points. This is a benefit for start-up operations to gain economies of scale faster than through traditional retail intermediaries. It forms a critical part of our omni-channel distribution approach and promotes financial access in emerging market segments due to the lower distribution cost.