

CORPORATE PLAN

2023 – 2024



Official Sign-off

It is hereby certified that this Annual Performance Plan:

- i) Was developed by the management of Sasria SOC Ltd under the guidance of Mr M. Tyikwe, Chief Executive Officer.
- ii) Was prepared in line with the current Five Year 2019-2024 Strategic Plan of Sasria SOC Ltd.
- iii) Accurately reflects the performance targets which Sasria SOC Ltd will endeavour to achieve given the resources made available in the budget for 2023/24.

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1. EXECUTIVE SUMMARY

- Sasria SOC Limited (Sasria) is a State-owned short-term insurance company, tasked with providing insurance for special risks such as civil commotion, public disorder, strikes, riots and terrorism. Its mandate is prescribed and informed by the Reinsurance of Damages and Losses Act No. 56 of 1989 and the Conversation of Sasria Act No. 134 of 1998.
- The company developed a 5-Year Strategic Plan that started with the identification of areas of focus for the Vision 2024. These areas of focus provide opportunities to various stakeholders and specifically address the risks that the Government and the local insurance industry face.
- The company is in year 4 of its 5-year strategic plan (which commenced in 2018/19) and continues to implement the strategy after assessing the impact of the July 2021 unrests in KwaZulu-Natal and Gauteng, which caused massive and widespread damage. These events resulted in a degree of reprioritisation, inevitably, the implementation of some of the objectives will be delayed due to the deterioration of the company's financial position.
- The catastrophic¹ July 2021 events further introduces increased insurance risk, resulting in an increase to the company's risk exposure and more uncertainty in the underwriting performance. This, combined with the limited capital available after this event, introduced the need for quota share which inceptioned in August 2021 and will terminate in March 2025.
- The July 2021 unrests also highlighted the need to focus on long-term financial sustainability within the context of future uncertainties.
- Furthermore, the July 2021 unrests demonstrated Government's role as the reinsurer of last resort as the sole shareholder of the company because citizens expected the Government to intervene and assist in the event of a disaster of this magnitude.
- The 3-year Corporate Plan presents financial performance that continues to rebuild the capital base through a quota share reinsurance structure that cedes 52,6% to reinsurers in 2023/24 with 65% of catastrophe cover of R10 billion placed following the claim payments in excess of R32 billion related to the July 2021 unrests. Sasria plans to reduce the premium ceded in in this reinsurance structure to 40% over the remaining two years. This is due to the hard reinsurance market that saw catastrophe reinsurance premiums increasing by more than 200%, for less cover than the prior year.
- Gross written premium is expected to grow by 15% in 2023/24, of which 40% will be ceded to reinsurers, resulting in a profit before tax of R846 million increasing to R1 487 million by 2025/26. Financial assets and cash are expected to be R10,4 billion by the end of 2023/24 growing to R13,3 billion by 2025/26. We must caution that we are operating in an uncertain environment where an event like July 2021 will cause an immediate reversal in this expected performance and plunge the company into an uncertain future.
- In a scenario within the next two years, SASRIA experiences a cat event of R5 billion, it will require a capital injection of R100 million from the fiscus. A cat event of R10 billion will drive that up to R2,7 billion and a cat event of R15 billion will increase that to R8,4 billion, assuming Sasria maintains a similar reinsurance structure.
- In a world where climate change and its impact are a reality, the frequency and severity of disaster is increasing. Special risks, if not adequately addressed, pose a major risk to the economy of this country and to the attainment of the National Development Plan (NDP) goals. The impact of special risk is not just economic and social, but these risks further pose significant food security risks to the country, e.g., droughts and floods. These also pose an escalating threat to the three main problems facing South Africa, namely poverty, inequality, and unemployment. They have a disproportionate impact on the poor.

¹ Catastrophic events in the context of Sasria refers to the damage caused by special perils as defined in the Reinsurance of Damages and Losses Act, 1989, which are –

- Any act directed to overthrow the Government (local, provincial, national or tribal authority) by means of fear, violence or terrorism;
- Any act directed to bring about damage in order to achieve political, social or economic change, or in protest against any Government or for the purpose of inspiring fear in the public;
- Any riot, strike or public disorder (includes civil commotion, labour disturbances or lockouts);
- Any attempt to perform any act mentioned above; and
- Any act by lawfully established authority in controlling or suppressing any occurrence referred to above.

- The company conducted research on behalf of the Government with regards to special risks facing South Africa. To this end, a special risk report was prepared for the Minister of Finance in 2016 to provide an overview of special perils (wildfire, acid mine drainage, floods, drought, etc.) of importance to South Africa, in terms of their social and economic importance. The report further investigated how other countries respond to these perils and how South Africa currently responds.
- The report concluded that Government has the default and explicit mandate to underwrite all special risks and recommended that the Minister of Finance requests the President to establish a commission of enquiry involving all stakeholders to investigate the mechanism that must be adopted by the country in dealing with financing protection against natural disaster risk.
- Sasria can play a crucial role in enabling Government to address and deal with special risks facing the country. We also believe that Sasria can help to significantly remove Government from undertaking the above responsibility through different tools such as: self-insurance, insurance, natural disasters pool and contingency funds.
- For us to be truly effective, we believe that our role needs to go beyond our existing mandate to include the development of a Natural Disaster Pool that, in collaboration with the private sector, that will seek to mitigate the risks of climate change amongst others. There are also several other opportunities to diversify and grow our business.
- To that effect, Sasria has submitted a proposal in respect of the financing of special risks for Government's consideration.
- There is no doubt that Sasria has a critical role to play in ensuring financial peace of mind to South African citizens and the Government, now perhaps more than ever before, and we firmly believe that we will emerge stronger out of these short-term challenges.

2. SPECIAL RISKS FACING THE COUNTRY²

<p><i>Sovereign disaster risks – examples:</i></p> <ul style="list-style-type: none"> • Pandemic risk • Natural disasters against infrastructure i.e. road, bridges, etc. • Natural disasters against national and provincial properties 	<p><i>Market failure risks – examples:</i></p> <ul style="list-style-type: none"> • Market failure in providing cover to lower LSM and SME • Gaps in insurance policy for some natural perils i.e. absence of subsidence and landslip cover in some areas
<p><i>Uninsurable risks – examples:</i></p> <ul style="list-style-type: none"> • Drought – commercial farmers / emerging farmers • Man-made earthquake around old mine towns • Acid mine drainage claims by affected communities • Major disasters i.e. cyber risk, terrorism, grid failure, etc. 	<p><i>Social risks – examples:</i></p> <ul style="list-style-type: none"> • Drought risk affecting subsistence farmers • Natural disasters affecting poor communities living in informal settlement and in rural areas

The above table illustrates all special risks facing the country and Government as the reinsurer of last resort will have to deal with those risks.

² Research into significant perils facing South Africa, World Bank, 31 March 2016

3. PREAMBLE TO THE CORPORATE PLAN

The Corporate Plan is for the three-year period from 2023/24 – 2025/26 and prioritizes long-term interventions based on a most probable future. Specific emphasis is placed on long-term financial sustainability. The plan includes the strategy overview and objectives, scenario analysis tracking, key performance indicators (KPIs) as well as stakeholder management plan, governance, risks, and a three-year financial plan.

As a Schedule 3B public entity reporting to the National Treasury, the company complies with the statutory requirements to prepare and present a corporate plan annually. The Corporate Plan aims to:

- Comply with the requirements of Section 52 of the Public Finance Management Act (PFMA) (Act 1 of 1999), and
- Comply with Treasury Regulation 29.

4. INTRODUCTION

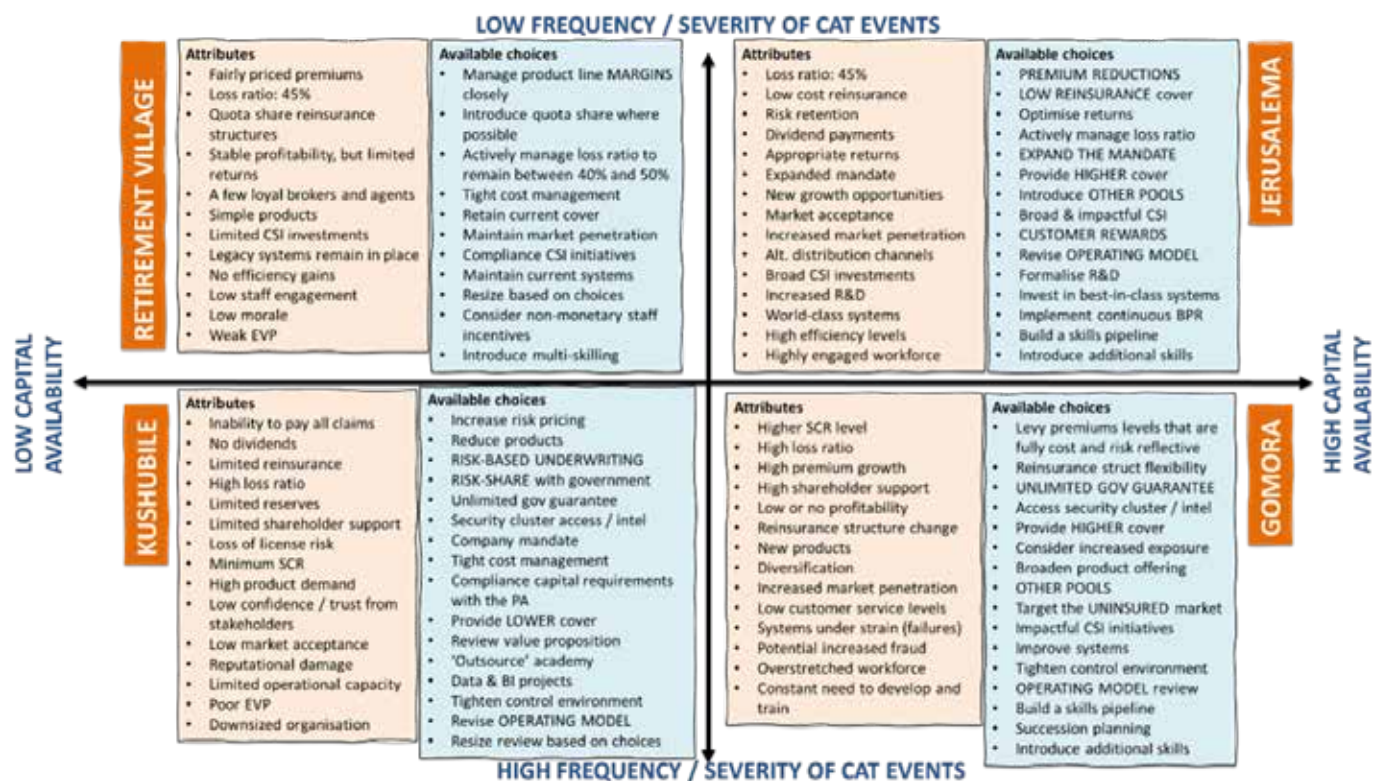
The previous year Corporate Plan (2022/23 – 2024/25 Corporate Plan) highlighted the detrimental impact of the July 2021 unrests and related claims. National Treasury, as sole shareholder, injected capital in the amount of R22 billion into the company to settle the magnitude of claims received and to resolve short-term regulatory solvency and liquidity challenges. This allowed the company to continue to operate as a going concern.

The ability of the company to settle claims estimated at R34 billion (with a significant portion from its own capital) as a result of the July 2021 unrests emphasises the critical role it plays within in the South African insurance sector. It further highlights the future challenges that are to be considered to avoid capital injections in respect of claims in the future.

The company continued to have capital capacity challenges during the 2022/23 financial year further exacerbated by international circumstances and events that led to a hardening of reinsurance markets. Only 65% of the desired catastrophe cover of R10 billion could be placed with reinsurers, and it came at a significantly higher cost. The company also had to introduce a quota-share arrangement with reinsurers at a minimum of 40% quota-share for a period of three years. Lastly, the Excess of Loss (wrap) product had to be phased out due to an inability to obtain affordable reinsurance treaties. This meant that large South African Companies could not get the extra R1 billion cover on top of the R500 million standard cover that SASRIA provides at affordable premiums. The high cost of cover with greater exposure acceptance combined with the quota-share results in a slower recovery of reserves over the Corporate Plan period.

Management conducted a post-mortem of the July 2021 event and its impact on the company. The conclusion of the post-mortem was that the claims following the event were dealt with admirably enabled by a recent investment in a new claims management system. This was especially true since the Own Risk and Solvency Assessment (ORSA) did not prepare the company for an event of the magnitude of the July 2021 unrests as it did not anticipate that the security cluster would respond slower as the July events unfolded over 11 days. One of the key learnings from the event was that a scenario that considers a failure in risk mitigation should be included in the ORSA. Further, that data and intelligence gathering are critical for anticipating and mitigating a possible event, whilst it will also assist with estimating and processing claims from an event. The company will invest in this capability over the next two years.

With over 90% of claims related to the July 2021 event paid³, the company is again refocusing on its long-term strategy. The scenario planning introduced post the July 2021 event allows it to track the future direction and thus the most probable future which is the basis of the Corporate Plan.



The Gomora scenario was regarded as the most probable future in the previous Corporate Plan. However, the inability to place 100% of the catastrophe cover and the high pricing thereof are indicators that Sasria might have to also consider a Kushubile future and its available choices.

Sasria will continue with its financial sustainability focus, now that the claims impact of the July 2021 unrests has been mostly addressed.

5. STRATEGIC OVERVIEW

PURPOSE

The principal purpose of Sasria is to provide cover for damage caused by those risks listed in the Reinsurance of Material Damage and Losses Act No. 56 of 1989, and any other risks which may be deemed necessary or viable by management and board of directors of Sasria. In addition, it is the purpose of Sasria to research and investigate coverage for any special risk that can be of national interest.

In simplified terms, our purpose is to create financial peace of mind to all those who depend on us: our clients, customers, staff and suppliers.



VISION

We revisited and simplified our vision statement in 2019 to reflect an end-state in which a range of relevant and appropriate insurance products, effectively delivered, meet the special risk needs of our customers and, by extension, our country:

“Special risk covered”

MISSION

Our mission is: **“To provide special risk solutions for stability in South Africa”**

Our Vision will be achieved via our Mission of providing special risk solutions by addressing each of the strategic objectives under our Strategic Focus Areas.

CORE VALUES

Our values underpin the delivery of Sasria’s purpose, vision and mission and are as follows:

Fairness – we will treat all our stakeholders impartially and with respect, recognising our accountability to them;

Ethics – we will conduct ourselves in a manner that is transparent and ethical: courageously doing what is right, honouring our commitments and communicating honestly;

Service Excellence – in the performance of our work, we will consistently apply our knowledge, experience and best efforts to deliver relevant and professional service of an exceptional standard;

Collaboration – we will engage with our stakeholders, assuming positive intent, respecting diversity and working together to create uniformly positive outcomes.

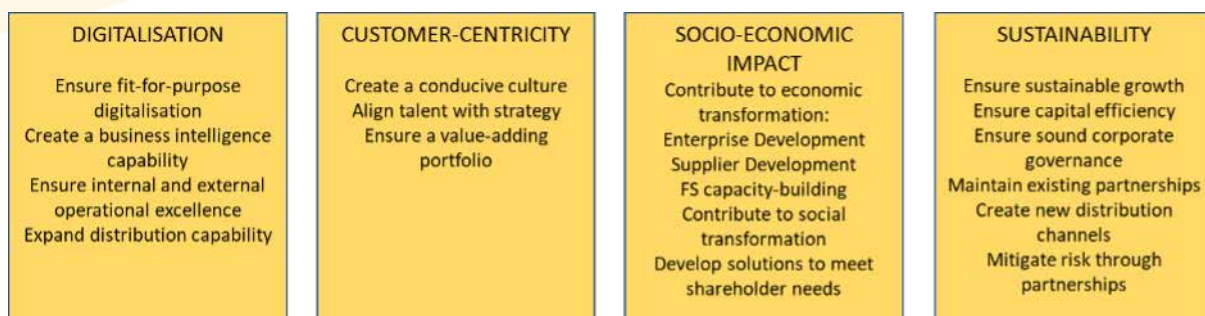
Innovation – we will apply thought and creativity to the application of new solutions to our, and our customers’ needs and requirements.

6. STRATEGIC FOCUS AREAS

Sasria presently has four Strategic Focus Areas:

- Digitalisation
- Customer-Centricity
- Socio-Economic Impact
- Sustainability

These, together with their key objectives, are consolidated in the following graphic:



7. STRATEGIC ENABLERS

The four strategic enablers identified were:

- o **Talent** Having the right people and adequate capacity
- o **Capital Management** Ensuring our financial sustainability
- o **Business Intelligence** Understanding our market demands and performance
- o **Distribution Channels** Being able to reach our customers effectively

8. VISION 2024

Vision 2024 is the current iteration of Sasria's 5-year strategy. Formulated for application for 2019 to 2024, it stresses the essential strategic continuity that Sasria has displayed since 2012.

In our 5-Year Strategic Plan, Sasria started its journey by identifying areas of focus for the Vision 2024 strategy. These areas of focus provide opportunities to various stakeholders and specifically address the risks that the Government, insurers and Sasria face.

Our process in identifying the areas of focus or significant opportunities is based on the risks that are currently faced by the organisation, risks which the industry is facing and risks that the Government is facing.

Government is the reinsurer of last resort; its citizens expect the Government to intervene and help them in the event of a disaster. Given the scale of the issues, Government is unlikely to be able to perform this role on its own; public-private partnerships are crucial in making sure that the country builds the financial resilience to withstand any special risk disaster.

Sasria has started its journey to assist in addressing these challenges and achieve specific objectives.

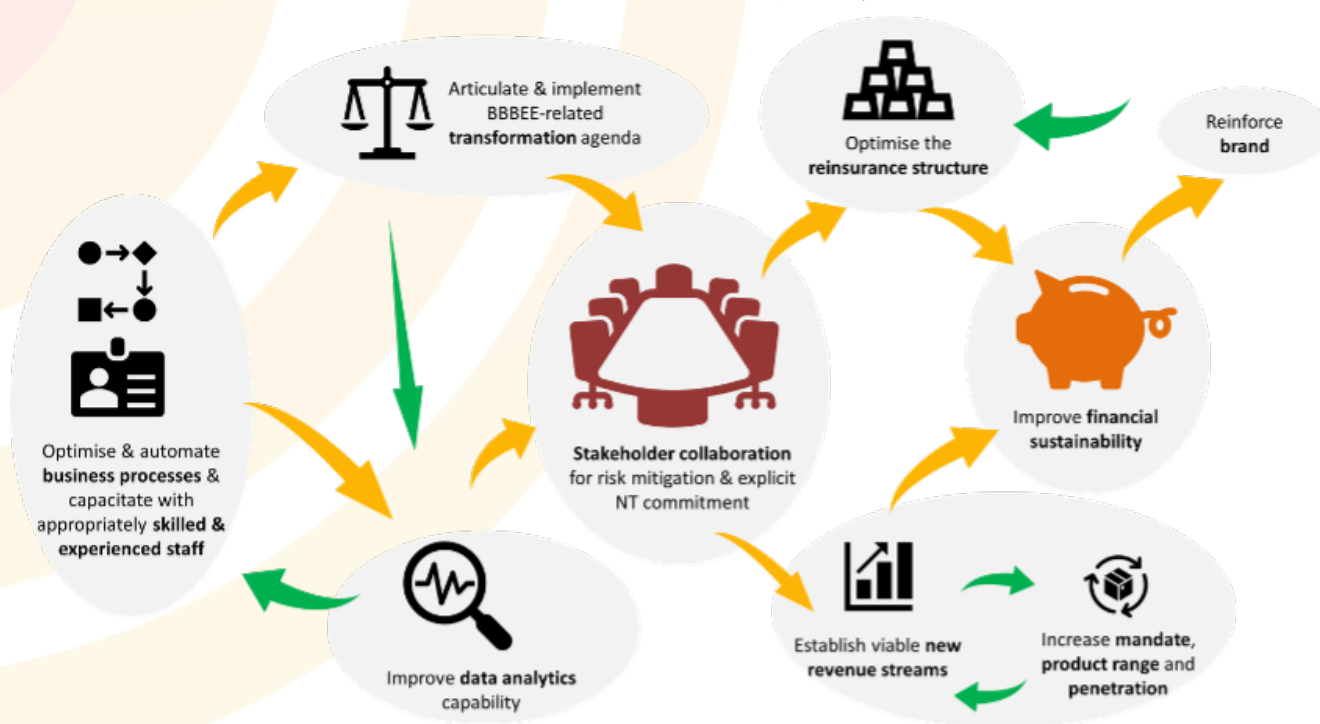
Additionally, there are opportunities for Sasria to materially expand its value proposition to include, among others:

- The **development of viable products for the uninsured**, using agent companies and alternative distribution channels
- The **development of a Natural Disaster Pool**, with an initial focus on drought insurance for emerging farmers
- **Acting as a claims administrator for the Government**, leveraging our systems and expertise.

This journey has been updated for the period 2023/24 – 2025/26 as appropriate taking cognisance of the impact of COVID-19 and the July 2021 unrests:



The relationships between the elements of the 2023/24 to 2025/26 journey can be depicted as follows:



This reflects a focus on –

- i. the need to optimise and automate of business process, whilst
- ii. capacitating the business with appropriately skilled and experienced staff,
- iii. in order to deliver on strategic projects, such as data & analytics, the policy centre and the alternative distribution channel,
- iv. that will lead to improved financial sustainability and a reinforced brand.

The 2023/24 scorecard included in this Corporate Plan reflects this revised focus.

A. OPTIMISE AND AUTOMATE BUSINESS PROCESSES

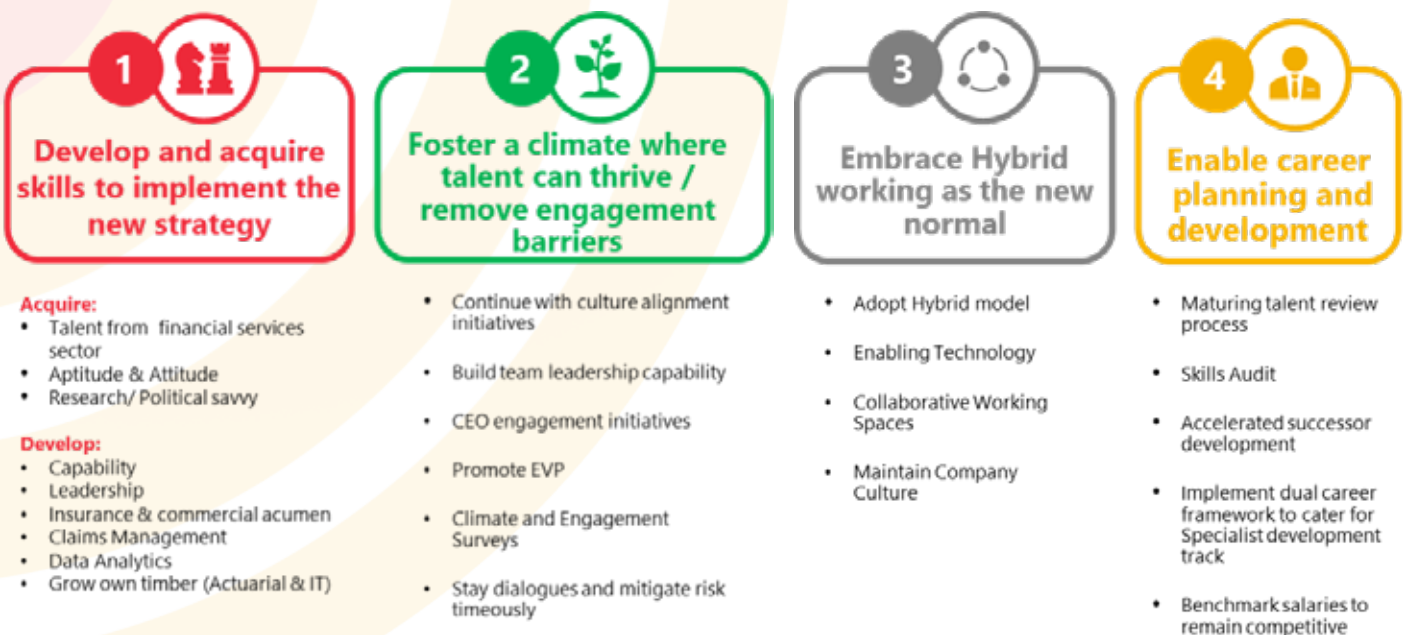
Initiative	System / process improvement
<i>Insurance suite / platform</i>	<p>Claims Management System (Phase 1) has been implemented.</p> <ul style="list-style-type: none"> - API's, Power BI & Google Maps <p>Claims Management System (Phase 2)</p> <ul style="list-style-type: none"> - Policy Centre - Payment Centre - Rating engine - Reinsurance Module - Analytics - IFRS 17 module (Accounting)
<i>System consolidation & integration</i>	<ul style="list-style-type: none"> - CRM, Talent & Finance & Operations - Integration with other internal systems - Robotics process automation (FNOL⁴ & Payments)
<i>Enhancing the mobility & connectivity for Sasria staff & customers</i>	Continue with unified communications program, i.e. removal of physical telephones
<i>Renovate the core infrastructure upgrades, cloud consolidation & optimisation</i>	A hybrid model to be implemented where some services will be in the cloud
<i>Turning social business activities into strategic intelligence</i>	<ul style="list-style-type: none"> • Digital, Data & Analytics (Business Intelligence) • Innovation • (AI, APIs,) emerging techs <ul style="list-style-type: none"> - embracing Insure-techs / fintech's

⁴ First Notification of Loss

B. CAPACITATE THE BUSINESS WITH APPROPRIATELY SKILLED AND EXPERIENCED STAFF

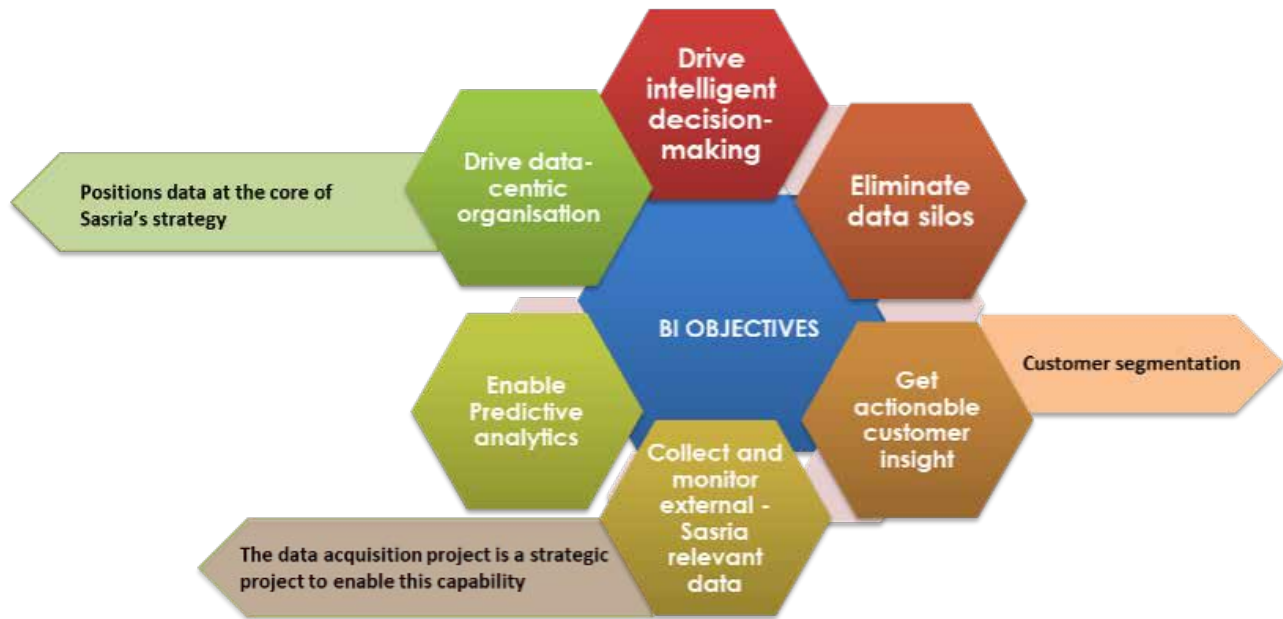


Resulting in the following initiatives:

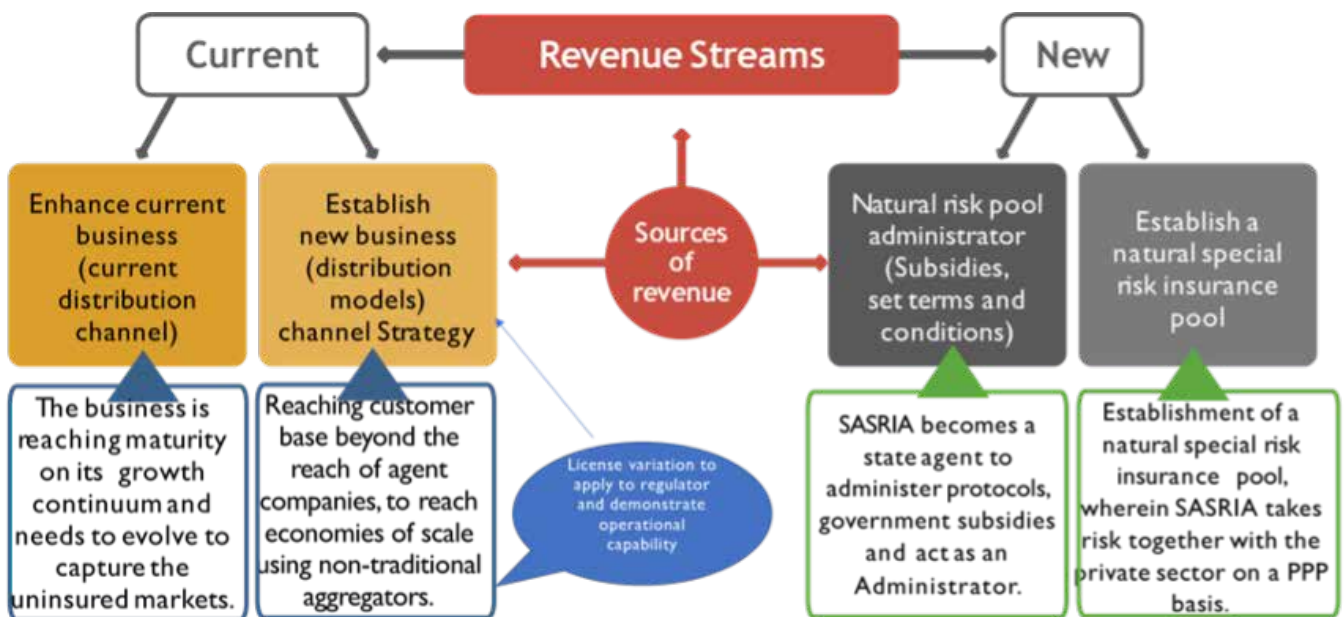


C. STRATEGIC PROJECTS

i. Data acquisition (including Business Intelligence)



ii. New Revenue Streams



9. STAKEHOLDER MANAGEMENT

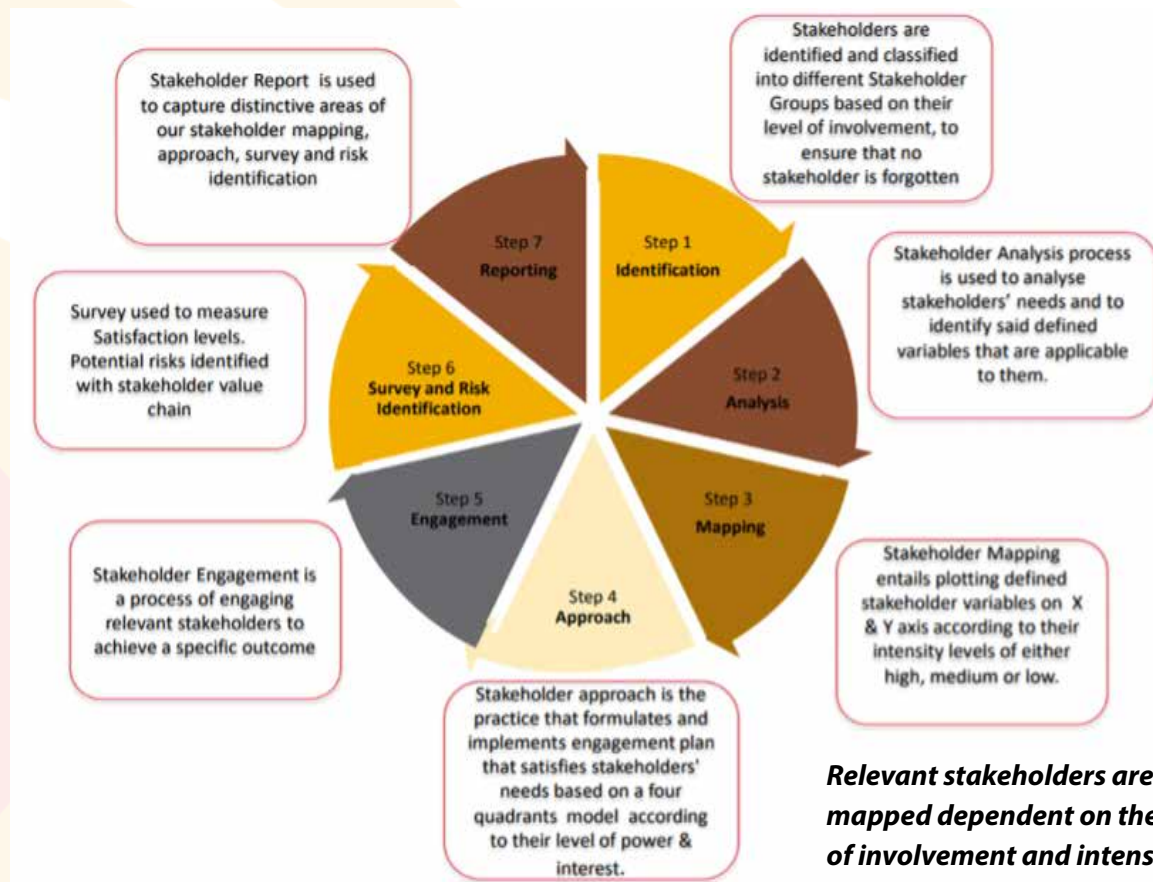
Stakeholder management is central to Sasria's business from a revenue, business sustainability and effectiveness points of view.

Sasria's business model places stakeholder management at the heart of its business across the value chain, from product development and distribution, revenue optimization, customer service to regulatory compliance.

A conscious stakeholder management framework is crucial to ensure a coherent and consistent experience of stakeholders in their interactions with Sasria in order to foster positive perceptions and attitudes towards the organisation.

The stakeholder management framework consists of seven steps from identification through to engagement and reporting as per the graphic below:

Stakeholder Planning: Framework



Relevant stakeholders are mapped dependent on their level of involvement and intensity.

Stakeholders Map (Key Target Audience)



Stakeholder engagement plans are developed for each relevant stakeholder with an aim to focus and link stakeholder engagement to Sasria's organisational objectives and translate findings, insights and agreements into tangible deeds.

10. OPERATING PRINCIPLES

Sasria conducts business in a responsible, disciplined, professional and well-governed way. As a state-owned company, Sasria plays a meaningful role in society by offering products that will assist in the protection of assets in South Africa against potentially catastrophic special risk events. The company is proudly South African and passionately committed to accelerating its growth and business transformation goals. Sasria's operating principles are:

- To operate with a core staff complement but limit total operational costs to 7% of earned Gross Written Premium excluding capital investments.
- To operate via an outsourced distribution network (agents) comprising other short-term insurance companies. We are investing in capabilities to monitor our agent insurers to ensure compliance with the outsource and intermediary agreements. The company plans to go one step down in the value chain and have more training engagements with brokers that sell SASRIA products to lower provision of improper advice.
- To have sufficient reinsurance treaties and covers in place.
- To strive to achieve optimal investment returns.

Sasria also:

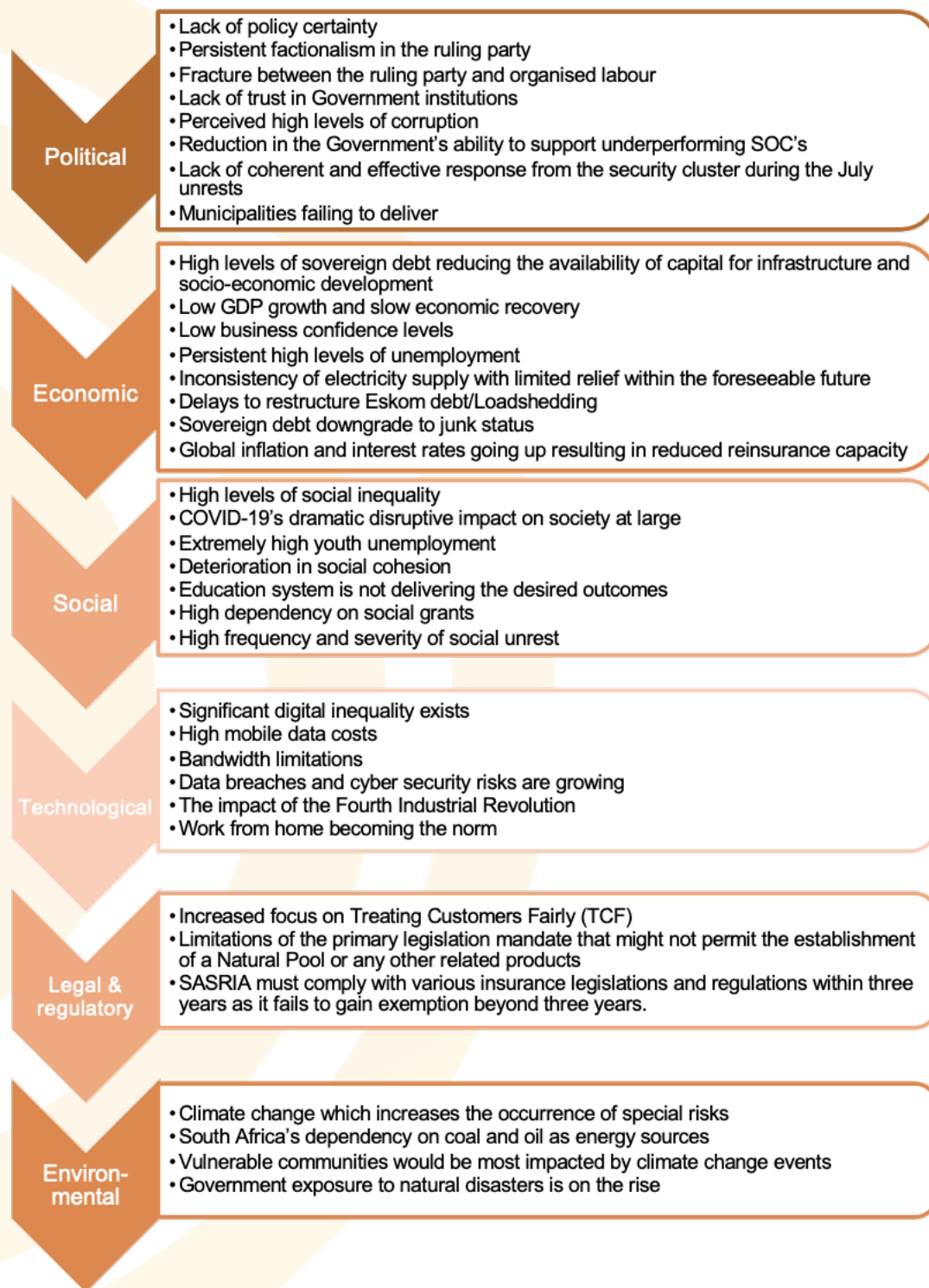
- Identifies the insurance needs of the public through research and development.
- Conducts itself in a manner that promotes co-operation, mutual understanding and fosters good relations with relevant third parties, agent companies and intermediaries (brokers) and end-customers in the same manner.
- Develops and maintains a work environment that encourages employment equity and skills development.
- Establishes a co-operative relationship with employees to work towards common goals of profitability and high performance.

11. ENVIRONMENTAL ANALYSIS

Since its inception, Sasria has always been directly affected by environmental pressures, largely by definition. Historically, the emphasis has been on pressures of a political, economic, social, policy and legislative nature. In 2019, technology and the environment were added to this list of key drivers, owing to their increasing impact. In 2020, the impact of the COVID-19 pandemic was added to the list as a significant driver.

Most recently, in 2021, civil unrest has led to unprecedented claims resulting from damage to property. Although largely seen as a social driver, the magnitude of the events and the strong possibility of recurrence, demanded it being highlighted.

Owing to the growing diversity of strategic drivers, we have adopted an abbreviated high-level PESTLE format for our environmental analysis. We have also, for the purposes of this document, necessarily summarised the main issues rather than deal with them in detail.



Prognosis:

There remains opportunity in the market for Sasria to extend its reach, drive greater inclusivity, design relevant and appropriate new products, establish new routes to market, collaborate more widely with the private sector and build a more diverse business that serves the needs of the Government and South Africans.

Sasria submitted a proposal to Government, which is in its early stages of consideration by Government, in which it provides solutions and a programme to –

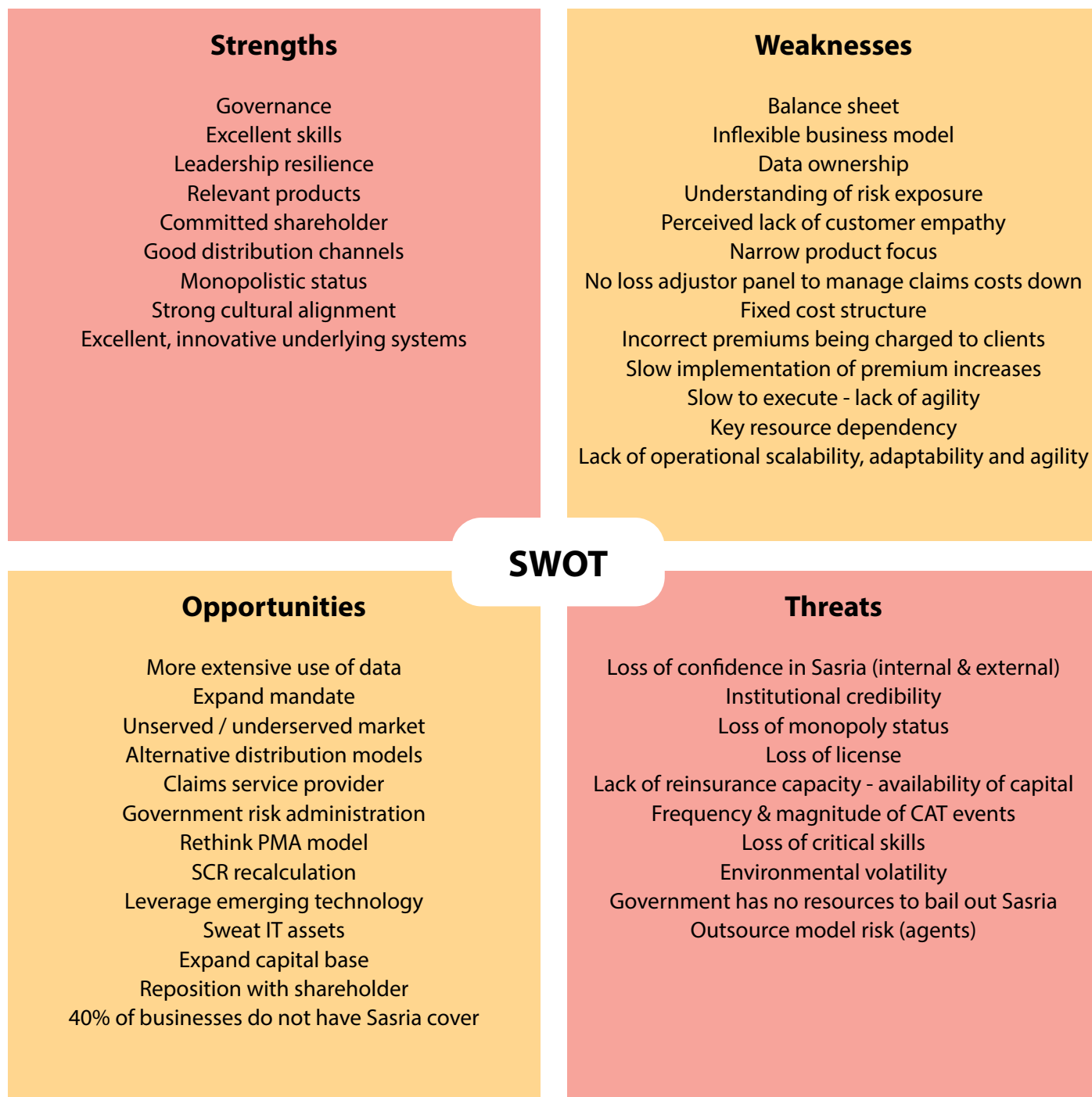
- Re-establish Sasria as the special risk insurer following the impact of the claims associated with the July 2021 unrests; and
- Expand Sasria's role in respect of special risk insurance.

12. SWOT ANALYSIS

Sasria's ability to deliver special risk insurance in terms of its mandate depends, in part, on understanding relevant market dynamics, customer needs and the regulatory environment while balancing these drivers against its internal capacity and capability in the context of acceptable levels of risk and shareholder value expectations.

To review its positioning against these requirements, Sasria routinely performs SWOT (Strengths, Weaknesses, Opportunities and Threats) analyses at both a Departmental and consolidated level.

The SWOT analysis includes, where relevant, outcomes of our recent scenario planning exercise.



The outcomes of the SWOT analysis informed the selection of available choices within the relevant scenario as per the scenario planning exercise.

13. CORPORATE KEY PERFORMANCE INDICATORS (KPIs)

While detailed plans and KPI sets are developed by individual Divisions and Departments, a top-level KPI set is agreed between the company's Executives and the Board. These KPIs are designed to reflect the overall performance of the business against its strategic goals and are routinely reviewed at Board meetings over the course of each year. The company-level KPIs for 2023/24 are as follows and should be read together with the Divisional / Departmental plans for a comprehensive view.

Corporate KPIs for 2023/24

Review of the key performance indicator framework

In anticipation of the revision to the Vision 2024 strategy during the Corporate Plan year also allowed for a review of the appropriateness of the scorecard. The balanced scorecard was confirmed and the framework slightly revised to split the customer perspective into a customer and distribution perspective.

The revised perspectives overlayed with strategic objectives (which remain as per the Vision 2024) can be represented as follows:

PERSPECTIVE	OBJECTIVES
Finance perspective	Sustainable growth Capital efficiency
Customer perspective	Deliver value to the customer
Distribution (e.g. agent & broker) perspective	Distribution capability
ESG perspective (previously governance)	Sound corporate governance
Internal process perspective	Operational excellence
Organisational capacity (innovation) perspective	Conducive culture Capacity building in the financial sector

Proposed key performance indicators

There are 13 proposed KPI's. Where relevant, previous wordings were kept for reference with the new wordings. Two new KPI's have been added, i.e. efficient distribution costs and insurance skills, and others removed to reflect changing focuses within the perspectives to achieve the strategic objectives.

KPI #	Weighting	Perspective - Strategic Objective	KPI	Formula	Performance target			
					2023/24	2024/25	2025/26	
1	15%	Finance – sustainable growth	Premium growth (GWP)	Percentage growth of gross written premium income compared to the previous financial year	10% - 15%	7% - 10%	7% - 10%	
2	5%	Finance – sustainable growth	Operational efficiency	Expenses for administration and marketing (less depreciation, STI and LTI) as a percentage of GWP	6% - 7%	6% - 7%	6% - 7%	
3	5%	Finance – sustainable growth	Efficient distribution costs	Percentage of GWP reduction in policy administration and intermediary fees by year end (2022 baseline)	3% - 5%	-	-	
4	10%	Finance – capital efficiency	Loss-ratio	Percentage average gross incurred loss ratio range over a 3-year rolling period, excluding IBNR reserve and catastrophe events	45% - 50%	45% - 50%	45% - 50%	
5	10%	Customer – deliver value to the customer	Claims turnaround by the ombudsman	Claims overturned by the Ombudsman for Short-term Insurance, as a percentage of the total claims received	≤0.5%	≤0.5%	≤0.5%	
6	5%	Distribution – distribution capability	Alternative distribution channels	Achievement of project plan milestones	100%	100%	100%	
7	5%	ESG – sound corporate governance	Irregular, fruitless and wasteful expenditure	Reported in the annual financial statements	Nil	Nil	Nil	
8	5%	ESG – sound corporate governance	Unethical behaviour	Reported incidents of unethical behaviour investigated	100%	100%	100%	
9	5%	ESG – sound corporate governance	PFMA compliance	PFMA submissions within the stipulated deadlines	100%	100%	100%	
10	5%	ESG – sound corporate governance	External audit opinion	Audit opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion	
11	10%	Internal processes – operational excellence	Fast-track claims effectiveness & efficiency	Fast-track claims ⁵ turnaround time	90% of fast-track claims settled within 25 working days (where all relevant information is available)	90% of fast-track claims settled within 20 working days (where all relevant information is available)	95% of fast-track claims settled within 20 working days (where all relevant information is available)	
12	10%	Internal processes – operational excellence	Large loss claims effectiveness & efficiency	Large loss claims turnaround time	70% of large losses finalised within 50 working days (where all relevant information is available)	75% of large losses finalised within 50 working days (where all relevant information is available)	80% of large losses finalised within 50 working days (where all relevant information is available)	
13	10%	Capacity building – capacity building in the financial sector	Insurance skills	Percentage of identified employees trained on insurance fundamentals	50%	50%	50%	

⁵ Claims below an estimated value of R250,000.

14. ALIGNMENT OF STRATEGIC OBJECTIVES TO THE NATIONAL DEVELOPMENT PLAN

Sasria's objective is to deliver on its mandate to protect the assets of all in South Africa against special risks. This is done through the provision of guaranteed special risk insurance cover at reasonable cost - irrespective of the political risk in South Africa.

Insurance is the backbone of every industrial economy and without the guarantees of asset protection for investors, the country will have difficulty in attracting and retaining foreign investors. Sasria's strategic objectives are aligned with Government's priorities as tabulated below. Some of these objectives, and Sasria's contribution to them, will be impacted – at least in the short-term – by recent events:

National priorities outcomes	Sasria's contribution
<ul style="list-style-type: none"> Economic transformation and job creation Spatial integration, human settlements and local Government. Social cohesion and safe communities 	<p>Ensuring jobs are not lost, by:</p> <ul style="list-style-type: none"> Reimbursing businesses for the loss of income due to business interruptions or damage to assets caused by events related to special risk events Restoring their liquidity or business operations quickly and efficiently <p>Ensuring jobs are not lost, by:</p> <ul style="list-style-type: none"> Investing with B-BBEE asset managers Increasing procurement spend with black-owned businesses as per the FSC Applying these principles in the company's procurement policies and practices Applying these principles in the company's employment policies and practices
<ul style="list-style-type: none"> Education, skills and health 	<p>Developing skills in the financial sector to ensure sustainability and transformation, by:</p> <ul style="list-style-type: none"> Investing 4% of after-tax profit in CSI initiatives (except in 2022/23 and 2023/24), focusing on education and development. This includes a focus on specialist skills-sets required in the financial and insurance sectors Investing in the financial services sector (developing actuaries) through the support of the SAADP Training and developing Sasria's employees via its talent management strategy Taking in learners and interns, and developing their skills
<ul style="list-style-type: none"> Building a capable, ethical and developmental State Protecting and enhancing our environmental assets and natural resources 	<p>Investing profits responsibly, developing infrastructure, by:</p> <ul style="list-style-type: none"> Encouraging and protecting infrastructure development by providing special construction risk insurance Investing company profits responsibly to ensure that Sasria remains financially sustainable and can respond when South Africa needs it to pay claims Investing in infrastructure development through asset managers Investing a portion of company profits in projects targeted at expanding the infrastructure of schools in underprivileged, underdeveloped and rural communities

National priorities outcomes	Sasria's contribution
<ul style="list-style-type: none"> • Social cohesion and safe communities • A better Africa and world 	<p>Instilling investor confidence, by:</p> <ul style="list-style-type: none"> • Demonstrating Sasria's reliability and financial strength to act as a guarantee that all claims will be paid to help encourage businesses both locally and internationally to invest in South Africa • Instilling an ethical culture in Sasria by fighting corruption through ethics and fraud prevention awareness campaigns
<ul style="list-style-type: none"> • Consolidating the social wage through reliable and quality basic services • Building a capable, ethical and developmental State 	<p>Contributing to the fiscus of South Africa, by:</p> <ul style="list-style-type: none"> • Creating income (dividends) for the shareholder through contributing to Government's revenue for spending in any of its NDP priorities • Being financially responsible and disciplined as a state-owned company • Delivering Sasria's legislative mandate in a highly effective and profitable manner • Researching and investigating coverage for any special perils that could be of national interest • Creating jobs for staff and for the insurance industry by providing learnership programmes • Instilling a strong governance culture in Sasria
<ul style="list-style-type: none"> • Social cohesion and safe communities 	<p>Affordable short-term insurance for the huge uninsured market, by:</p> <ul style="list-style-type: none"> • Contributing to the growth and transformation of the insurance market and financial sector • Doing research and making affordable short-term insurance protection increasingly available and accessible to the huge uninsured market • Providing basic financial literacy and consumer education on the benefits of financial inclusion and insurance

15. BUSINESS MODEL

Sasria's unique business model enables the company to minimise its operating expenses, offer a very affordable product to protect the assets of the people of South Africa against special risks, and sustain its solid track record of financial performance.

Our business model may be explained as follows:

Business process	Explanation	Stakeholders
Provide special risk cover	We do not sell our products directly to our end-customers. Instead, we enter into agreements with other short-term insurance companies and intermediaries in South Africa who then, as agents, represent and sell the special risks cover to our end-customers, be they individuals, businesses, government or corporate entities. The agents and brokers (intermediaries) engage with our end-customers on policy administration and collect premiums on our behalf.	<ul style="list-style-type: none"> Customers
Pay fees	We pay the agents binder fees for performing administration on our behalf. We also pay intermediaries commission for selling our products to current and new customers.	<ul style="list-style-type: none"> Agents and brokers
Pay claims	The only contact that we have with end-customers is on the settlement of claims. Customers submit claims to the intermediaries or insurance companies, who confirm their validity prior to submission to Sasria. We receive and verify all claims before payment directly to the customer.	<ul style="list-style-type: none"> Customers
Reinsure risks	We buy reinsurance cover to protect and strengthen our balance sheet and pay reinsurance premiums to reinsurers. We receive recoveries from reinsurers when the reinsurance treaties are triggered.	<ul style="list-style-type: none"> Reinsurers
Pay salaries and other expenses	We incur costs in managing the business, including paying our directors, employees and service providers, as well as suppliers, for goods and services, and benefactors of our corporate social investment activities.	<ul style="list-style-type: none"> Employees Suppliers Community
Pay taxes and fees	We pay all the relevant taxes and statutory fees to the authorities.	<ul style="list-style-type: none"> Authorities Regulatory bodies Associations
Invest	Our premium, after payment of claims and expenses, is invested, whilst ensuring and maintaining the adequate liquidity levels for claims payment. Our investments earn good returns in the form of interest, dividends and capital growth.	<ul style="list-style-type: none"> Investments
Pay dividends	We pay our shareholder a dividend from our distributable reserves.	<ul style="list-style-type: none"> Shareholder

16. MANDATES

Sasria is the only short-term insurer in South Africa that provides cover against special risks such as civil commotion, public disorder, strikes, riots and terrorism.

Sasria is accountable to the Minister of Finance via National Treasury. Like all the other insurance companies in South Africa, Sasria operates within a well-developed framework regulated by the Financial Sector Conduct Authority (FSCA), the non-banking financial services industry regulator. Sasria is also a member of various industry associations.

Sasria has a dual mandate:

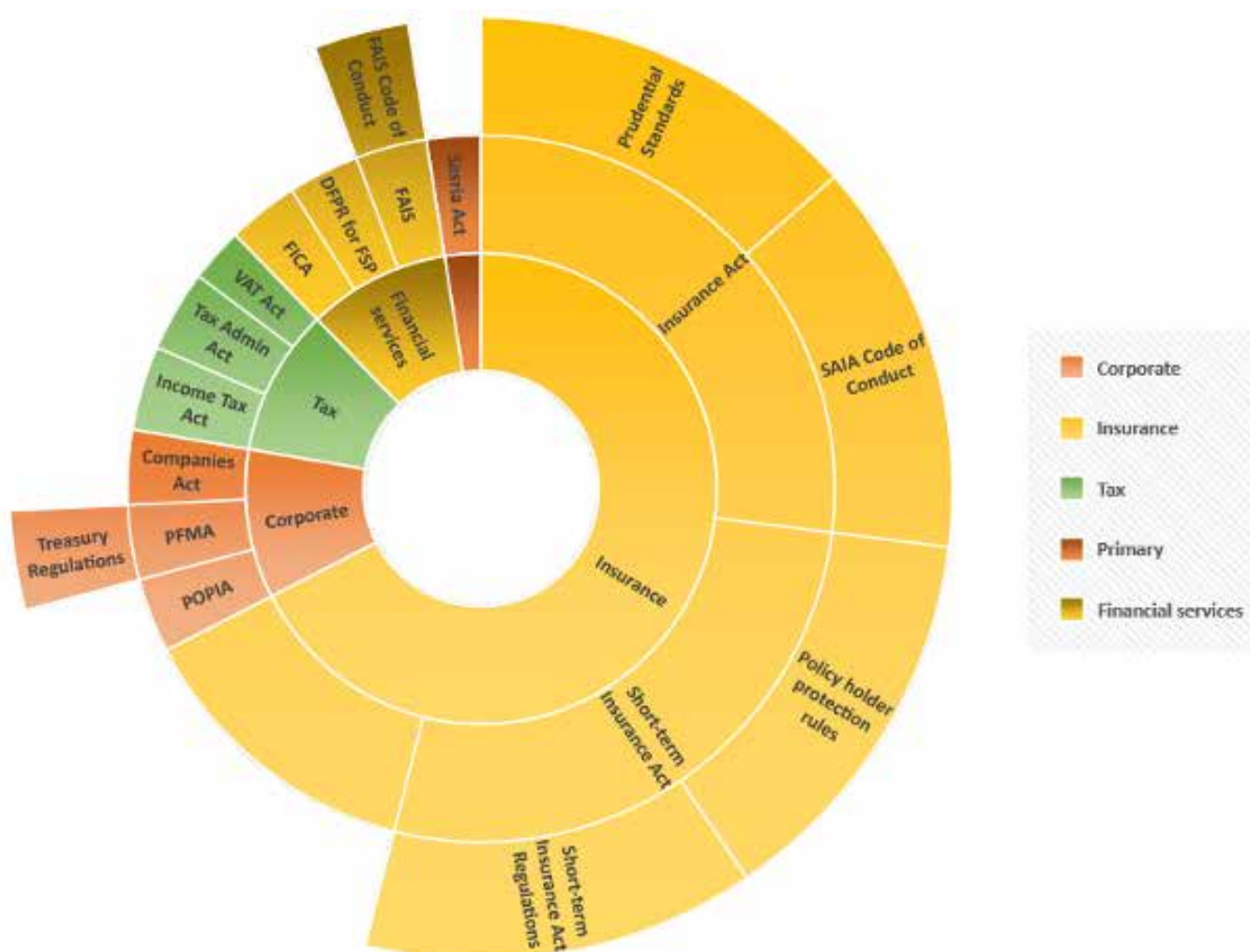
- Our legislative mandate as a short-term insurance company is to provide cover for special risk events in terms of the Reinsurance of Material Damages Act; and
- Our broader strategic mandate as a state-owned company is to make a positive contribution to transforming the financial services industry in line with the National Development Plan (NDP), to create a better and sustainable economic environment for all South Africans.

Sasria generally delivers on this mandate in several ways. These range from ensuring continued solid financial results, which enables the company to remain self-funded as a state-owned company, while growing and transforming the insurance market and financial sector through Skills Development spend as part of its Corporate Social Investment (CSI) programmes.

17. LEGAL FRAMEWORK

Sasria categorises legislation, regulations, etc into 3 categories namely core, secondary and topical.

The graphic below provides a view of the core legislation that governs the company.



The Board of Directors of Sasria derives its authority from the following regulatory universe:

- Companies Act No. 71 of 2008
- Conversion of Sasria Act No. 134 of 1998
- Reinsurance of Damage and Losses Act No. 56 of 1989
- Public Finance Management Act No. 1 of 1999
- Short-Term Insurance Act No. 53 of 1998
- King IV Report on Governance for South Africa 2016
- Insurance Act No. 18 of 2017
- Financial Sector Regulation Act No. 9 of 2017
- Prudential Authority and FSCA Regulations
- National Treasury's Significance and Materiality Frameworks
- Financial Advisory and Intermediary Services Act No. 37 of 2002

18. GOVERNANCE FRAMEWORK

Sasria will continue its practice of applying sound governance structures, procedures and processes during the next financial year. We consider these fundamental to the effective delivery of our dual mandate, as well as ensuring our company's long-term sustainability.

The Board

The Board is committed to the principles of openness, transparency, integrity and accountability as advocated in the King IV Report on Corporate Governance for South Africa 2016 (King IV). This commitment to good governance is formalised in the company's charters, policies and procedures.

The Board of Directors comprises twelve Non-Executive Directors and two Executive Directors (Managing Director and Finance Director). The Board meets a minimum of four times a year to review the strategic direction of the company.

Board members have been assigned committee responsibilities in accordance with the Public Finance Management Act No. 1 of 1999, Companies Act No. 71 of 2008, and the King IV Report on Corporate Governance. There are currently no vacancies on the Sasria Board.

Board Member Profiles (abbreviated) as at 27 October 2021:

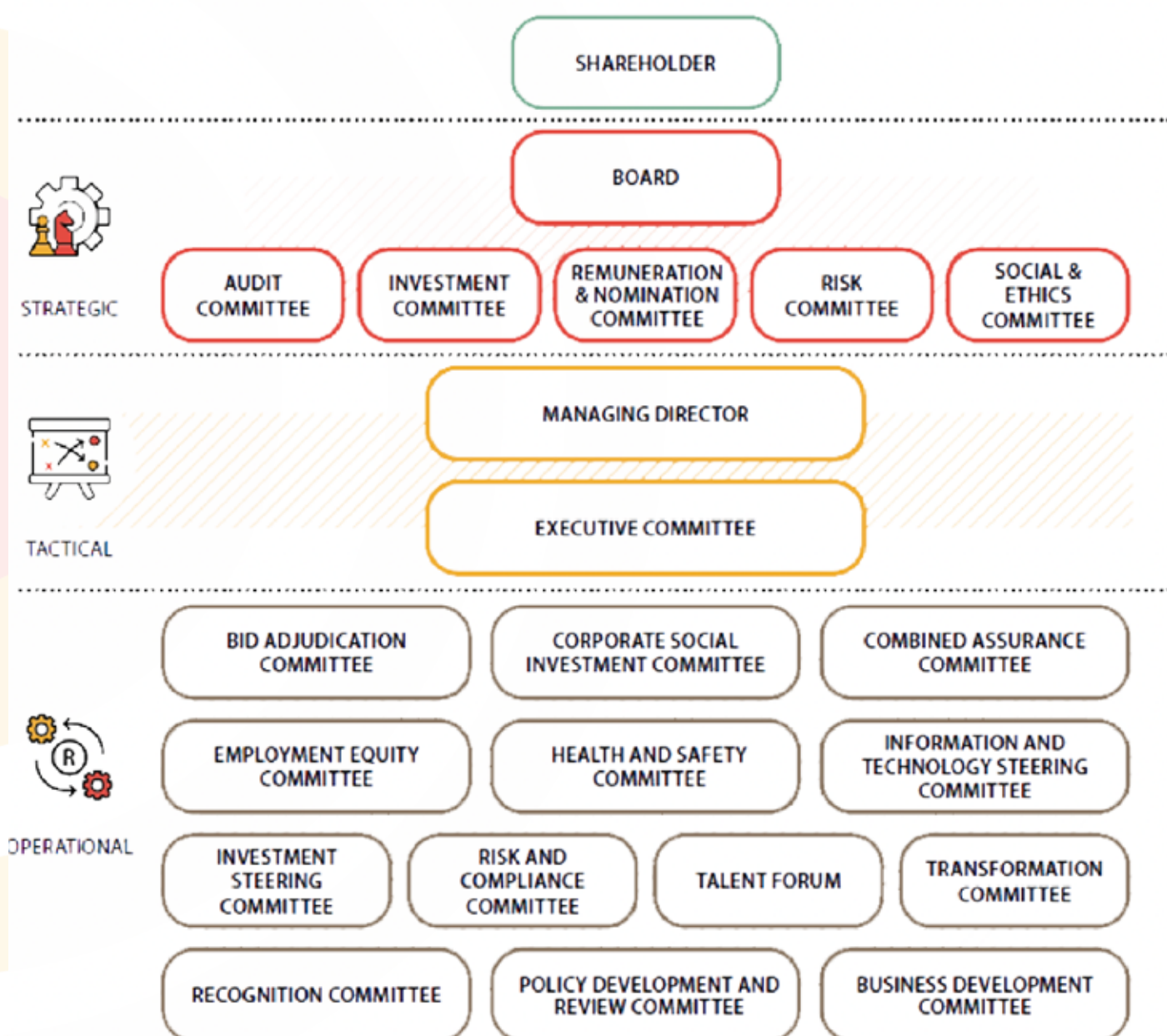
Refer to Annexure 7 for more detailed profiles of the Board members.

Initials	Title / Surname	Full Name	Sasria Designation
M.M.	Mr Ngoasheng	Moses Modidima	Chairperson of the Board Investment Committee Deputy Chairperson
P.O.	Ms Mokonyane	Priscilla Onkgodisitse	Deputy Chairperson of the Board Risk Committee Chairperson
M.	Ms Ramoipone	Moipone	Non-executive Director
N.D.	Mr Marumo	Nakedi Desmond	Social & Ethics Committee Deputy Chairperson
J.M.	Ms Maisela	Japhtaline Mantuka	Remuneration & Nomination Committee Chairperson
C.J.	Mr van Dyk	Christiaan Johannes	Non-executive Director
E.S.	Mr Ngutshane	Enos Senise	Remuneration & Nomination Committee Deputy Chairperson
R.T.	Mr Haman	Reginald Thomas	Risk Committee Deputy Chairperson
S.	Mr Gounden	Sathiaselalan	Audit Committee Deputy Chairperson
M.M.	Ms Phiri	Margaret Mosibudi	Audit Committee Chairperson
R.	Ms Moletsane	Refilwe	Social & Ethics Committee Chairperson
N.	Dr Mgoqi-Mbalo	Nolwandle	Investment Committee Chairperson
M.	Mr Tyikwe	Mpumelelo	Chief Executive Officer (Executive Director)
B.	Ms Mthiyane	Bajabulile	Chief Financial Officer (Executive Director)

Board Committees

The Board has five committees which assists it to drive Sasria's strategic mandate. These include four statutory committees, namely the Audit Committee, Risk Committee, Remuneration and Nomination Committee and the Social and Ethics Committee, as well as the Investment Committee.

Our overarching governance structure is as follows:



Executive Committee Members

Sasria's Executive Management comprises the following members and roles:

Title	Name / Surname	Position	Qualifications	Experience
Mr	Mpumi Tyikwe (57)	Managing Director	FII SA, Post Graduate Diploma in Management	Short-term insurance and implementation of strategy
Ms	Bajabulile Mthiyane (42)	Finance Director	Bcom Hons CA(SA), AMP (Harvard Business School)	Finance, Investment, statutory reporting and Procurement
Ms	Nkateko Mayimela (34)	Executive Claims Manager	BCom Hons CA (SA) SMP (GIBS) AMP (INSEAD Business School)	Risk management, Internal and external audit, operational effectiveness, analytics
Mr	Mziwoxolo Mavuso (50)	Executive Manager: Governance	Bproc LLB GMP GEDP	Legal, Compliance and Company Secretariat
Mr	Sam Nkosi (52)	Executive Manager: Business Change & Technology	Digital Transformation and Strategy (HBS) CIO Academy (Saïd Business School) ITIL (BCS) Hdip BS (IBS) MSc IS (Leeds Beckett University)	Information systems and technology
Ms	Tshepiso Chocho (42)	Executive Manager: People Management	BA Hons MMDP	Human Capital, Corporate Social Investment and Facilities
Mr	Muzi Dladla (41)	Executive Manager: Stakeholder Management	Management Advanced Programme in Economics (Wits Business School), Management Development Programme in Business Management (University of Pretoria), MBA (Henley Business School)	Stakeholder management, marketing & communications and business development

19. ORGANISATIONAL STRUCTURE

Through its people Sasria aims to create an environment that:

- attracts, inspires, develops and retains talent;
- drives high-performance;
- is customer centric.

Our goal is to building a strong talent base with the right attitude and enthusiasm to fulfil Sasria's mandate. In 2023/24 the company has an envisaged staff complement of 153 permanent positions in nine Divisions. New positions will be created in the areas of Risk Intelligence, Actuarial, Quality Assurance and Technology to improve efficiencies in the monitoring of agent companies and to build data and intelligence capability for risk mitigation. Interns and temporary positions are not reflected.

A new Control Functions division which includes Risk Management, Internal Audit as well as the Head of Actuarial Function has also been established and will report directly to the respective Board Committees. The aim of the Control Functions is to strengthen the lines of defence while maintaining independence and objectivity.

Sasria's business and functional structure for 2023/24 is included in Annexure 5:

20. RISK MANAGEMENT

Enterprise Risk Management (ERM) enables management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value.

Effective risk management is crucial to the company's continued growth and success, and this can only be achieved if all three elements of risks – namely threat, uncertainty and opportunity – are recognised and managed accordingly.

In executing its business strategy, Sasria is exposed to a range of risks which need to be managed within its risk appetite and tolerances. This assists the Board and Management in achieving its business goals and objectives.

Sasria aims to align strategy, processes, people and technology for the purpose of evaluating and managing the uncertainties that are faced by the company.

Risk Governance



Risk Management

Accountability for risk management ultimately lies with the Board of Directors.

Oversight of risk resides primarily with the Risk Committee and the Audit Committee. The Risk Committee assists the Board in fulfilling its responsibilities in managing risk and complying with the relevant requirement of the Insurance Act. The Risk Committee determines and recommends the risk appetite to the Board and reviews and monitors the risk profile against the risk appetite. The Audit Committee assists the Board with regard to financial information, selecting and applying accounting principles and policies and monitoring the internal control systems.

Oversight of risk management at Sasria's divisional level takes place through the Executive Committee.

Assurance Level 1

Each business division executive is responsible and accountable for risk management within their area and may delegate specific responsibilities to the divisional risk champions. This serves as the first level of assurance.

Assurance Level 2

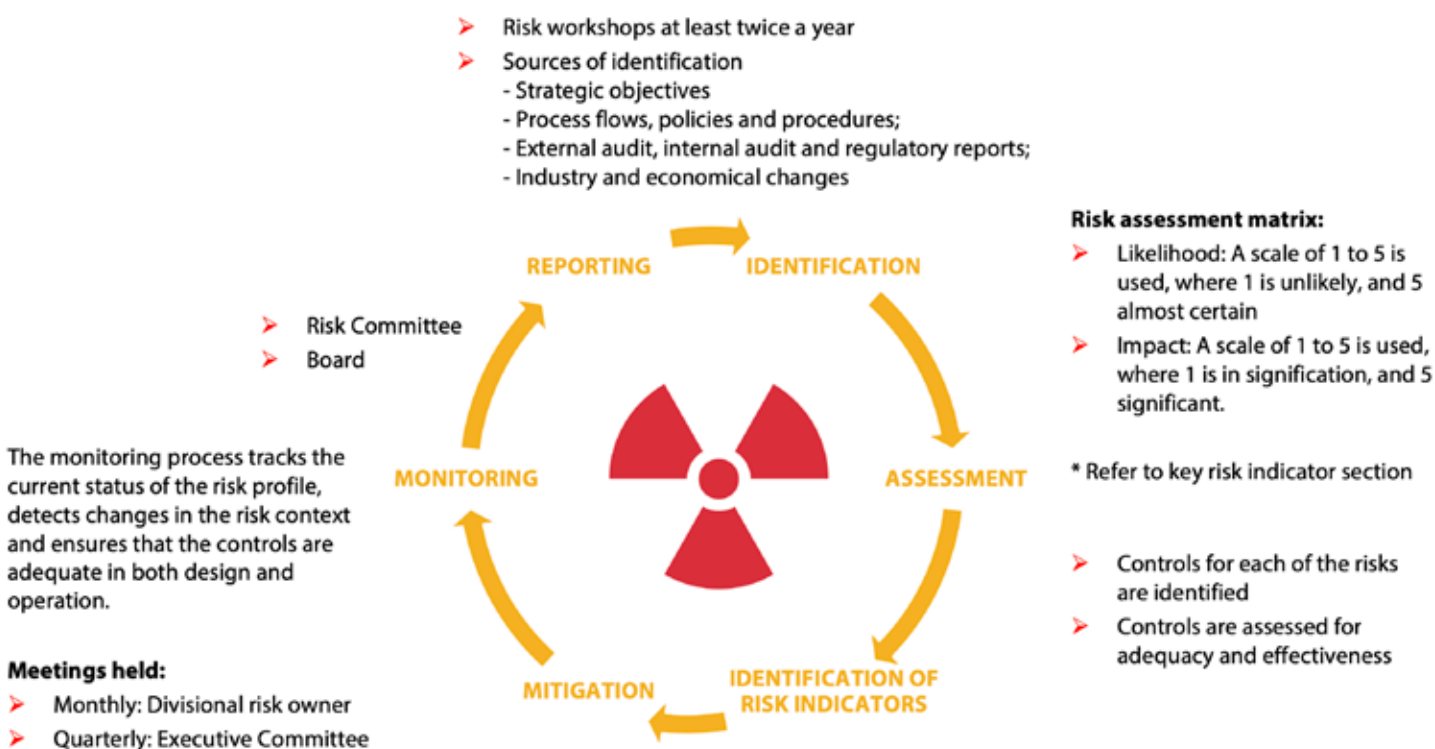
Sasria's Head of Risk Management is responsible and accountable for Sasria's ERM process. The Head of Risk Management has direct access to the chairperson of the Risk Committee in the absence of executive management to discuss matters relating to risk management.

Dedicated risk management, quality assurance, compliance and actuarial functions have been established as the second level of assurance to effectively facilitate risk management within the company, to improve the risk culture within the organisation and to monitor and measure the risks that are within the company's risk appetite.

Assurance Level 3

The board has ensured that Sasria has an effective risk-based and independent internal audit function governed by an internal audit charter, approved by the board, that adheres to the Standards and Code of Ethics set out by the Institute of Internal Auditors.

Risk and Control Self-Assessment Process



The Internal Audit function reports to the Audit Committee and provides reports at Audit Committee meetings. The Internal Audit function, among others, evaluates the company's governance processes and objectively assesses and reports on the effectiveness of risk management and the internal control environment.

Assurance Level 4

Accountability for risk management ultimately lies with the Board of Directors.

- **Risk identification and assessment**
- **Risk identification**

Risk identification is the process of analysing all material activities across Sasria to determine the potential exposure to key risks. This must include consideration of both internal and external factors.

In the first instance, each division is involved in the risk identification process and is responsible for ensuring that all material risks, causes and controls associated with its activities are identified and documented.

The Risk Function conducts monthly meetings with the risk champions from each division to challenge and assess each division on the completeness of the risks identified.

- **Risk assessment**

Risk assessment involves developing an understanding of the likelihood of risk events materialising and the potential impact the risks may have on the business. It is the responsibility of the Risk Function to develop and maintain the identification and assessment tools and to ensure these are consistently applied across all divisions.

- **Monitoring and reporting**

The monitoring process tracks the current status of the risk profile, detects changes in the risk context and ensures that the controls are adequate in both design and operation.

Reporting is done on a quarterly basis to the Executive Committee, Risk Committee and the Board.

Sasria's top risks

A table of Sasria's top risks is attached in Annexure 3. The Head of Risk Management meets with the Risk Champions from each business Division on a monthly basis. Quarterly meetings are held with the Executive Managers of all Divisions.

Sasria also applies the Own Risk and Solvency Assessment (ORSA) as defined by the Prudential Authority (PA) as the entirety of processes and procedures employed to identify, assess, monitor, manage, and report the short- and long-term risks an insurance undertaking faces or may face. It also defines the process to determine the own funds necessary to ensure that insurers' overall solvency needs are always met and are sufficient to achieve business objectives.

The regulatory balance sheet is currently projected once a year as part of the ORSA stress testing and risk budgeting process. Projected regulatory capital requirements are considered together with the risk appetite, to ensure that Sasria's business is managed within the risk appetite on an ongoing basis.

A key part of Sasria's ORSA process is to evaluate the potential adverse impact to the current and future financial condition of the company resulting from changes to key risk factors from unexpected events.

Sasria is currently in the process of further embedding the ORSA process into the business for the next business cycle.

21. THREE-YEAR FINANCIAL PLAN

The 3-year Corporate Plan presents financial performance that rebuilds the capital base through –

- (i) monitoring rate increases that were effective 1 February 2022;
- (ii) a reinsurance structure where effectively 40% of the insurance business is ceded to reinsurers in years 1 and a catastrophe cover of R10 billion at 65% placement; and
- (iii) risk management and business intelligence to reduce claims.

Gross written premium is expected to grow by 15% at the top end in 2023/24, of which 40% will be ceded to reinsurers in terms of the quota share structure, resulting in a profit before tax of R846 million increasing to R1 487 million by 2025/26. Sasria's secondary source of income relate to the investment income from assets under management.

Capital adequacy for regulatory purposes is achieved through two main sources of capital –

- i. Shareholder's funds: This comprise of equity contributions from the shareholder of R22 billion partly offset by the accumulated loss.
- ii. Reinsurance: This comprises of CAT cover and quota share (ceded policies) from the reinsurance market. Access to reinsurance after the July 2021 unrests has been constrained introducing the need for quota share and higher CAT cover, albeit at materially higher cost. CAT cover of R10 billion at 65% placement have been included in the 3-year Financial Plan and a quota share of 40% is only included in 2023/24.

Financial assets and cash are expected to be R10,5 billion by the end of 2023/24 growing to R13,3 billion by 2025/26.

KEY RATIOS

Description	Actual 2022 %	Budget 2023 %	Forecast 2023 %	Budget 2024 %	Budget 2025 %	Budget 2026 %	Target
Loss ratio	1157,8%	40,1%	2,1%	46,0%	45,9%	45,7%	45-55%
Combined Loss Ratio	910,6%	89,3%	70,8%	91,4%	88,5%	84,4%	
Expenses for administration and marketing as a percentage of GWP	8,4%	7,0%	7,6%	7,4%	7,2%	7,0%	6-8%
Expenses for administration and marketing & policy administration fees as a percentage of GWP	20,5%	18,3%	19,6%	17,6%	17,5%	17,3%	18-22%
Salaries expenses as a percentage of administration and marketing expenses	51,1%	42,6%	44,1%	42,4%	41,6%	40,7%	40% - 45%
Consulting fees as a percentage of administration and marketing expenses	3,1%	3,5%	3,7%	4,2%	4,1%	4,1%	3%
Salaries + consulting fees as a percentage of administration and marketing expenses	54,2%	46,2%	47,7%	46,6%	45,7%	44,8%	46%
Salaries expense as a percentage of GWP	4,3%	3,0%	3,3%	3,1%	3,0%	2,8%	3-5%
Return on investments	2,2%	3,4%	4,5%	4,9%	5,2%	5,2%	

The resultant income statements, balance sheets and cash flow statements for the 3 years are presented below:

Description	Actuals		Budget		Forecast		Budget		Budget		Budget	
	year ending	YOY %	Year Ending	YOY %	Year Ending	YOY %	Month ending	YOY %	Month ending	YOY %	Month ending	YOY %
	2022		2023		2023		2024		2025		2026	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Gross written insurance premium	3 152 458	32,3%	4 581 122	-9,0%	4 169 994	15,0%	4 795 492	10,0%	5 275 042	8%	5 697 041	
Insurance premium ceded to reinsurers	(973 117)	-150,8%	(2 166 445)	12,7%	(2 440 804)	-3%	(2 505 659)	64%	(900 912)	34%	(594 772)	
Net written insurance premium	2 179 341	-20,7%	2 414 677	-28,4%	1 729 190	32%	2 289 833	91%	4 374 130	17%	5 102 269	
Net change in unearned premium provision	(117 059)	-30,3%	(237 885)	-35,9%	(152 499)	15%	(129 825)	33%	(87 504)	12%	(77 004)	
Net insurance premium earned	2 062 282	-23,5%	2 176 792	-27,6%	1 576 691	37%	2 160 008	98%	4 286 626	17%	5 025 265	
Gross insurance claims and loss adjustment expenses	(35 145 291)	99,8%	(1 740 899)	-95,1%	(85 763)	-2402%	(2 145 587)	-11%	(2 380 981)	-8%	(2 569 650)	
Claims and loss adjustment expenses recovered from	9 255 422	98,1%	749 742	-77,1%	171 815	-391%	842 876	100%	-	0%	-	
Expenses for the acquisition of insurance contracts	(445 778)	-31,6%	(606 555)	-3,3%	(586 427)	9%	(535 540)	-12%	(597 147)	-8%	(647 467)	
Administration fees	(379 514)	-32,4%	(520 313)	-3,5%	(502 330)	3%	(487 298)	-11%	(542 941)	-8%	(588 564)	
Commission earned from reinsurers	314 302	190,7%	725 955	25,8%	913 568	1%	921 963	-77%	208 741	-72%	58 168	
Expenses for administration and marketing	(265 541)	-19,1%	(320 320)	-1,3%	(316 188)	-12%	(355 131)	-7%	(379 464)	-5%	(398 656)	
Net underwriting result	(24 604 118)	104,8%	464 402	152,2%	1 171 366	-66%	401 291	48%	594 834	48%	879 096	
Investment income	323 623	69,6%	310 990	76,5%	548 747	-10%	494 561	19%	587 785	13%	664 698	
Investment management fees	(7 828)	-47,3%	(4 161)	177,2%	(11 532)	-42%	(16 386)	-3%	(16 865)	-13%	(19 131)	
Corporate social investment expense	(23 566)	67,4%	(7 600)	1,2%	(7 688)	-329%	(33 000)	-7%	(35 220)	-7%	(37 608)	
Other income	17 846	98,2%	-	100,0%	323	100%	-	0%	-	0%	-	
Net profit before tax	(24 294 043)	107,0%	763 631	122,8%	1 701 216	-50%	846 467	34%	1 130 534	32%	1 487 055	
Income tax	836 970	-81,1%	-	0,0%	158 582	0%	-	0%	-	0%	-	
Profit / (loss) for the year	(23 457 073)	107,9%	763 631	143,5%	1 859 798	-54%	846 467	34%	1 130 534	32%	1 487 055	

BALANCE SHEET

	Actuals	Budget	Forecast	Budget	Budget	Budget
	year ending	year ending	year ending	year ending	year ending	year ending
	31 Mar 2022	31 Mar 2023	31 Mar 2023	31 Mar 2024	32 Mar 2025	33 Mar 2026
	R'000	R'000	R'000	R'000	R'000	R'000
Assets						
Property, plant and equipment	15 859	27 199	16 941	23 521	20 359	16 487
Intangible assets	65 206	87 527	82 097	161 517	204 591	199 954
Deferred acquisition costs	161 966	222 549	211 893	252 087	277 484	299 769
Deferred income tax	776 713	776 713	935 295	935 295	935 295	935 295
Financial assets						
- at fair value through profit and loss	37 302	1 429 339	8 658 433	8 551 213	8 859 878	10 103 871
loans and receivables	9 359	116 894	23 207	23 207	23 207	23 207
Prepayments	401 194	89	4 129	4 129	4 129	4 129
Insurance receivables	274 417	562 525	249 711	306 850	337 537	364 540
Reinsurance contracts	2 845 137	886 788	672 859	254 942	-	-
Other receivables	743 149	-	-	-	-	-
Cash and cash equivalents	14 578 781	7 493 647	1 824 830	1 823 233	2 820 967	3 217 582
Total assets	19 909 083	11 603 270	12 679 395	12 335 994	13 483 446	15 164 834
Equity and liabilities						
Accumulated Loss	(15 098 628)	(13 059 219)	(13 238 832)	(12 392 366)	(11 261 832)	(9 774 777)
Shareholder Capital Contribution	22 000 000	22 000 000	-	-	-	-
Share capital	-	-	22 000 000	22 000 000	22 000 000	22 000 000
Total equity	6 901 372	8 940 781	8 761 168	9 607 634	10 738 168	12 225 223
Lease Liabilities	8 610	-	8 610	8 610	8 610	8 610
Deferred income	99 374	147 942	180 774	165 617	2 827	-
Employee benefit liability	21 138	28 695	37 074	36 779	38 611	39 669
Insurance contracts	12 694 166	2 265 417	3 272 136	2 103 052	2 339 939	2 536 041
Trade and other payables	184 423	220 435	419 632	414 303	355 291	355 291
Total liabilities	13 007 711	2 662 489	3 918 227	2 728 360	2 745 278	2 939 611
Total equity and liabilities	19 909 083	11 603 270	12 679 395	12 335 994	13 483 446	15 164 834

CASH FLOW STATEMENT

Description	Actual for the year ended	Budget for the year ended	Forecast for the year ended	Budget for the year ended	Budget for the year ended	Budget for the year ended
	Mar-22 R'000	Mar-22 R'000	Mar-23 R'000	Mar-24 R'000	Mar-25 R'000	Mar-26 R'000
Cash flows from operating activities						
Cash generated from operations	(17 069 679)	(7 726 673)	(4 637 809)	(484 862)	802 436	1 019 651
Investment Income	307 034	310 990	538 716	478 176	570 920	645 567
Income tax paid	(147 653)	-	-	-	-	-
Interest paid	(5 395)	-	-	-	-	-
Net cash from operating activities	(16 915 693)	(7 415 683)	(4 099 094)	(6 686)	1 373 356	1 665 217
Cash flows from investing activities						
Purchase of property, plant and equipment	(4 989)	(76 802)	(6 955)	(12 350)	(4 820)	(4 344)
Proceeds on disposal of property and equipment	198	-	(26 122)	(89 780)	(62 139)	(20 264)
Purchases relating to intangible assets	(23 751)	-	-	-	-	-
Purchase of investments	6 266 124	(680 745)	(8 621 781)	107 220	(308 665)	(1 243 994)
Net cash used in investing activities	6 237 582	(757 547)	(8 654 858)	5 090	(375 623)	(1 268 602)
Cash flows from financing activities						
Cash payment relating to principal lease liability	(4 199)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Shareholder Capital Contribution	22 000 000	7 100 000	-	-	-	-
Net cash flows from financing activities	21 995 801	7 100 000	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	11 317 690	(1 073 230)	(12 753 951)	(1 596)	997 733	396 615
Cash and cash equivalents at beginning of year	3 261 091	8 566 877	14 578 781	1 824 830	1 823 233	2 820 967
Cash and cash equivalents at end of year	14 578 781	7 493 647	1 824 830	1 823 233	2 820 967	3 217 582

22. DIVIDEND POLICY

Sasria advocates the regular payment of dividends in order to return excess reserves to shareholders, while retaining earnings for value creation without impairing the company's financial viability, solvency and future strategy.

Sasria can consider an ordinary or special dividend payment. An ordinary and/or special dividend declaration should be cognisant of internal and external factors that that should be considered, which may result in dividends not being declared. Sasria might therefore decide to retain capital for specific strategic objectives due to an increase in appetite, which can include new product developments; new markets; business model changes; investments in new ventures or acquisitions and development of operational efficiencies in the business. Other factors include: the increase in terrorism exposure, the reduction in reinsurance capacity and significant increases in underwriting risk.

The ordinary dividend to be declared annually equals the product of the profit after tax of the previous financial year multiplied by a pay-out ratio, which is based on the medium-term return and medium-term growth expectation.

A special dividend declaration could be considered whenever deemed necessary by the Board and when Sasria's SCR coverage ratio exceeds the risk target +10%.

For any dividend declaration, Sasria sustainability should be assessed and Sasria should always maintain liquidity and solvency after any payment. This makes dividends highly unlikely for this financial year due to the depleted reserves as a result of the July 2021 unrest claims

24. BORROWING PLAN

Should the requirement for borrowings arise, the company will duly request the Minister of Finance to approve borrowing authorisation and related limit in line with section 66(3)(b) of the PFMA that would enable the company to access borrowings from the financial markets.



ANNEXURES >>



ANNEXURE 1: SIGNIFICANCE & MATERIALITY FRAMEWORK

A. SIGNIFICANCE FRAMEWORK

National Treasury will be informed in writing and the relevant particulars of the transaction will be submitted for approval if the transaction entails any of the following, irrespective of the rand amount involved:

Establishment or participation in the establishment of a company:

- Participation is not specified in the 2023 - 2024 Corporate Plan.

Participation in a significant partnership, trust, unincorporated joint-venture or similar arrangement:

- Participation is not specified in the 2023 - 2024 Corporate Plan.

Acquisition or disposal or a significant shareholding in a company:

- Acquisition or disposal is not specified in the 2023 - 2024 Corporate Plan.
- Acquisition or disposal is significant if:
 - a) It affects ownership control
 - b) Sasria's right to pass or block a special resolution is affected
 - c) There is a change of at least 20% in shareholding
 - d) For an acquisition, any transaction resulting in shareholding of at least 20% in a company.

Acquisition or disposal of a significant asset:

- Acquisition or disposal is not specified in the 2023 - 2024 Corporate Plan and participation is for more than or equal to 2% of gross written premium.

Commencement or cessation of a significant business activity:

- If such activity is not specified in the 2023 - 2024 Corporate Plan.

A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint-venture or similar arrangement:

- Of 20% of total issued shares or more if not specified in the 2023 - 2024 Corporate Plan.
- Ownership control is affected, if not specified in the 2023 - 2024 Corporate Plan.
- The ability to pass or block a special resolution is affected, if not specified in the 2023 - 2024 Corporate Plan.

B. MATERIALITY FRAMEWORK

National Treasury will be informed in writing and the relevant particulars of the expenditure/recovery/loss will be submitted if any of the following conditions are triggered:

Irregular expenditure:

- Any irregular expenditure incurred.

Fruitless or wasteful expenditure:

- Any fruitless and wasteful expenditure incurred.

Material losses through criminal conduct:

- Any individual item that is more than or equal to 2% of gross written premium.
- Any class of closely related items that collectively are more than or equal to 2% of gross written premium.

Losses recovered or written off:

- Any individual item that is more than or equal to 2% of gross written premium.
- Any class of closely related items that collectively are more than or equal to 2% of gross written premium.

ANNEXURE 2: THREE-YEAR FINANCIAL PLAN

BUDGETED FINANCIAL RESULTS FOR THE YEAR ENDING 31 MARCH 2023

Assumptions and Key ratios

In preparation of this budget, the following assumptions were used and the outcome thereof is depicted in the key ratios

Table 1: Assumptions used

ASSUMPTIONS USED	Budget 2023	Forecast 2023	Budget 2024	Budget 2025	Budget 2026
1 GWP (Growth)	38,5%	32,3%	15,0%	10,0%	8,0%
2 Commission (% of GWP)	12.5% - 15.0%	12.5% - 15.0%	9.5% - 12.0%	9.5% - 12.0%	9.5% - 12.0%
Binder fees (% of GWP)	12,5%	12,5%	10,5%	10,5%	10,5%
3 CPI	6,5%	5,3%	4,6%	4,6%	4,6%
4 Salaries and wages (Growth)	6,0%	2,6%	8,0%	5,0%	2,7%
5 Performance bonus Provision (% of CTC)	20,0%	20,0%	20,0%	20,0%	20,0%
6 Loss Ratio	45,0%	45,0%	45,0%	45,0%	45,0%
7 Investment Return	3,5%	4,5%	4,9%	5,2%	5,2%
8 Prop Reinsurance Treaty					
- Ceded (% of Sasria Wrap Premium)	80,0%	0,0%	0,0%	0,0%	0,0%
- Commission (% of Ceded Premium)	30,0%	0,0%	0,0%	0,0%	0,0%
9 Prop Reinsurance Treaty (Ex Sasria Wrap)					
- Ceded (% of Sasria Premium)	40,0%	52,6%	40,0%	0,0%	0,0%
- Commission (% of Ceded Premium)	44,3%	44,3%	44,3%	0,0%	0,0%
10 CAT					
-10 Bn CAT Premium	250 000	387 822	501 078	550 893	594 772
- Structured Deal	-	5 145	5 418	5 667	5 928
11 Technical Reserves					
- Gross OCR (% of GEP)	33,1%	24,3%	24,3%	24,3%	24,3%
- Net OCR (% of GEP)	33,1%	24,3%	24,3%	24,3%	24,3%
- Gross IBNR (% of GEP)	1,0%	1,0%	1,0%	1,0%	1,0%
- Net IBNR (% of GEP)	1,0%	1,0%	1,0%	1,0%	1,0%
- ULAE (% of OCR and IBNR)	2,7%	2,9%	2,9%	2,9%	2,9%

Table 2: Key ratios

Description	Actual 2022 %	Budget 2023 %	Forecast 2023 %	Budget 2024 %	Budget 2025 %	Budget 2026 %	Target
Loss ratio	1157,8%	40,1%	2,1%	46,0%	45,9%	45,7%	45-55%
Combined Loss Ratio	910,6%	89,3%	70,8%	91,4%	88,5%	84,4%	
Expenses for administration and marketing as a percentage of GWP	8,4%	7,0%	7,6%	7,4%	7,2%	7,0%	6-8%
Expenses for administration and marketing & policy administration fees as a percentage of GWP	20,5%	18,3%	19,6%	17,6%	17,5%	17,3%	18-22%
Salaries expenses as a percentage of administration and marketing expenses	51,1%	42,6%	44,1%	42,4%	41,6%	40,7%	40% - 45%
Consulting fees as a percentage of administration and marketing expenses	3,1%	3,5%	3,7%	4,2%	4,1%	4,1%	3%
Salaries + consulting fees as a percentage of administration and marketing expenses	54,2%	46,2%	47,7%	46,6%	45,7%	44,8%	46%

Income Statement

Table 3: Budgeted income statement for the year ending 31 March 2023 (Comparative: Forecast YE March 2022)

Description	Actuals year ending 2022		Budget Year Ending 2023		Forecast Year Ending 2023		Budget Month ending 2024		Budget Month ending 2025		Budget Month ending 2026	
	R'000	YOY %	R'000	YOY %	R'000	YOY %	R'000	YOY %	R'000	YOY %	R'000	YOY %
Gross written insurance premium	3 152 458	32,3%	4 581 122	-9,0%	4 169 994	15,0%	4 795 492	10,0%	5 275 042	8%	5 697 041	
Insurance premium ceded to reinsurers	(973 117)	-150,8%	(2 166 445)	12,7%	(2 440 804)	-3%	(2 505 659)	64%	(900 912)	34%	(594 772)	
Net written insurance premium	2 179 341	-20,7%	2 414 677	-28,4%	1 729 190	32%	2 289 833	91%	4 374 130	17%	5 102 269	
Net change in unearned premium provision	(117 059)	-30,3%	(237 885)	-35,9%	(152 499)	15%	(129 825)	33%	(87 504)	12%	(77 004)	
Net insurance premium earned	2 062 282	-23,5%	2 176 792	-27,6%	1 576 691	37%	2 160 008	98%	4 286 626	17%	5 025 265	
Gross insurance claims and loss adjustment expenses	(35 145 291)	99,8%	(1 740 899)	-95,1%	(85 763)	-2402%	(2 145 587)	-11%	(2 380 981)	-8%	(2 569 650)	
Claims and loss adjustment expenses recovered from	9 255 422	98,1%	749 742	-77,1%	171 815	-391%	842 876	100%	-	0%	-	
Expenses for the acquisition of insurance contracts	(445 778)	-31,6%	(606 555)	-3,3%	(586 427)	9%	(535 540)	-12%	(597 147)	-8%	(647 467)	
Administration fees	(379 514)	-32,4%	(520 313)	-3,5%	(502 330)	3%	(487 298)	-11%	(542 941)	-8%	(588 564)	
Commission earned from reinsurers	314 302	190,7%	725 955	25,8%	913 568	1%	921 963	-77%	208 741	-72%	58 168	
Expenses for administration and marketing	(265 541)	-19,1%	(320 320)	-1,3%	(316 188)	-12%	(355 131)	-7%	(379 464)	-5%	(398 656)	
Net underwriting result	(24 604 118)	104,8%	464 402	152,2%	1 171 366	-66%	401 291	48%	594 834	48%	879 096	
Investment income	323 623	69,6%	310 990	76,5%	548 747	-10%	494 561	19%	587 785	13%	664 698	
Investment management fees	(7 828)	-47,3%	(4 161)	177,2%	(11 532)	-42%	(16 386)	-3%	(16 865)	-13%	(19 131)	
Corporate social investment expense	(23 566)	67,4%	(7 600)	1,2%	(7 688)	-329%	(33 000)	-7%	(35 220)	-7%	(37 608)	
Other income	17 846	98,2%	-	100,0%	323	100%	-	0%	-	0%	-	
Net profit before tax	(24 294 043)	107,0%	763 631	122,8%	1 701 216	-50%	846 467	34%	1 130 534	32%	1 487 055	
Income tax	836 970	-81,1%	-	0,0%	158 582	0%	-	0%	-	0%	-	
Profit / (loss) for the year	(23 457 073)	107,9%	763 631	143,5%	1 859 798	-54%	846 467	34%	1 130 534	32%	1 487 055	

Sasria plans to achieve net profit before tax of R846 million for the financial year ending 31 March 2024. This is 50% below the forecast net profit before tax of R1,7 billion for the financial year ending 31 March 2023. The decrease is attributable to a favourable July 2021 claims estimate adjustment that are reported in the financial year ending 31 March 2023.

Expenses for administration and marketing expenses increase at a rate that is above inflation, this is mainly attributable to costs incurred to support the digitalisation strategy, business intelligence and data analytics.

The Income Statement is discussed in further detail below.

Gross insurance premium written (GWP)

The following factors were taken into consideration in the GWP budget for 2023 - 2026:

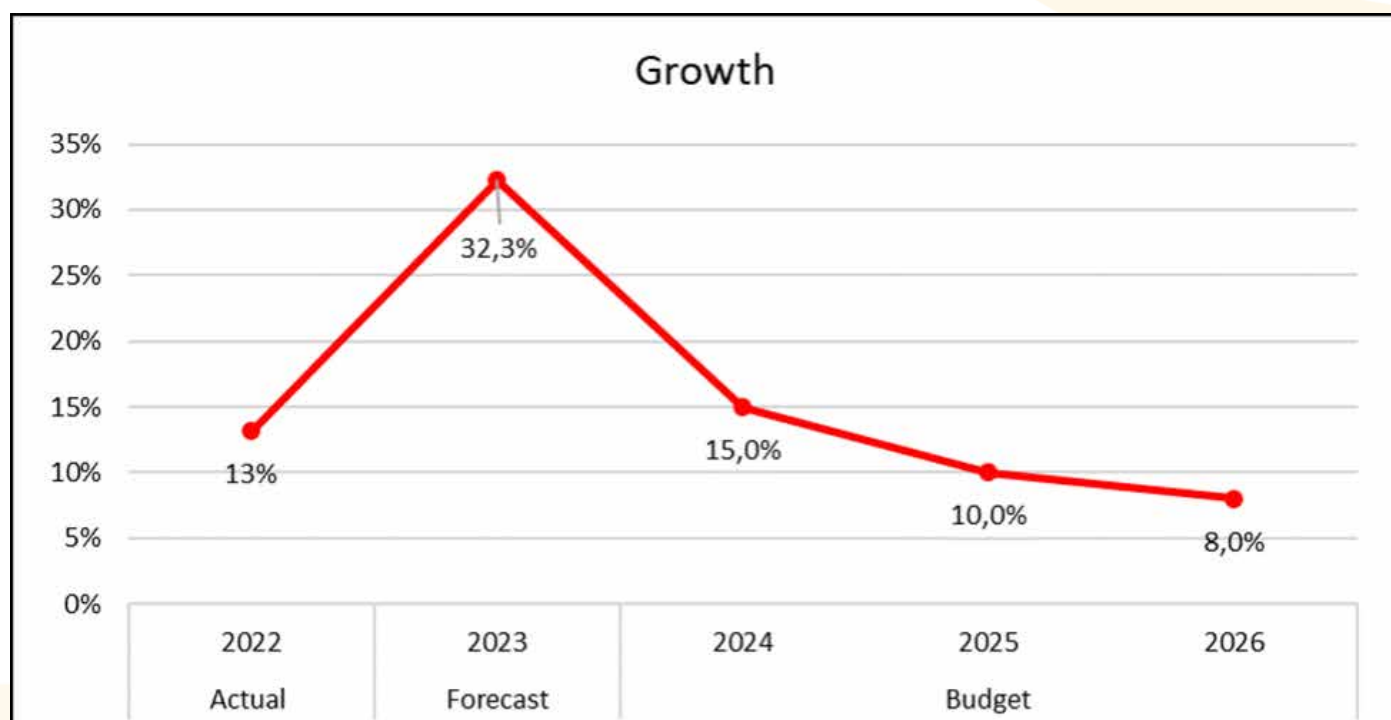
- Insurance inflation rate.
- GDP
- Internal initiatives

The GWP forecast for the 2023 financial year was calculated using 01 April 2022 to 31 August 2022 actual gross written premium and forecast from 01 September 2022 to 31 March 2023.

Table 4: Budgeted gross written premium for 2023 - 2025

Description	2024	2025	2026
	Probable	Probable	Probable
GWP Base numbers	4 169 992 146	4 795 490 968	5 275 040 065
Insurance Inflation rate	5,00%	5,00%	5,00%
GDP	1,40%	1,70%	1,70%
Internal Initiatives	8,60%	3,30%	1,30%
GWP Growth Rate	15,00%	10,00%	8,00%
GWP Forecast numbers	4 795 490 968	5 275 040 065	5 697 043 271

Graph 1: Gross written premium growth (Actuals: 2022 and Forecast 2023 and Budget 2024 - 2026)



Gross claims incurred (Claims) and Loss Ratio

Insurance claims for 12 months ending 31 March 2023 is forecasted to be R 86 million (a loss ratio of 2%). The low loss ratio in the 2023 financial year forecast is due to the reversal of July 2021 unrests claims amounting R970 million that were not included in IBNER as at March 2022. The adjusted loss ratio excluding the effect of the reversal is 26%.

Reinsurance expense and reinsurance commission income

Sasria implemented a new reinsurance strategy during the financial year ending 31 March 2022. The new strategy was one of the management actions taken to restore the company's solvency status. The reinsurance structure is as follows:

- For the 2023 financial year, Sasria cedes 52,6% of its GWP from the Sasria conversional product to reinsurers and received a 44.25% commission as per the reinsurance treaty agreements. The ceding rate decrease to 40% in the 2024 financial year.
- CAT cover structured deal.
- R10 billion CAT cover at 65% placement

Commission expense / Intermediary fees and administration fees

The commission/intermediary fee and administration fee expense fee is a function of GWP. Sasria budgeted for a 5% reduction in total outsourcing fees from 2024 financial year onwards.

Administration and marketing expenses

The budgeted administration and marketing expenditure for the year ending 31 March 2023 is expected to increase by 12.3% from the 2022 financial year actuals.

Table 5: Administration and marketing expenses Forecast 2023 & Budget 2024 to 2026.

Description	Actuals year ending 2022	YOY %	Budget Year Ending 2023	YOY %	Forecast Year Ending 2023	YOY %	Budget Month ending 2024	YOY %	Budget Month ending 2025	YOY %	Budget Month ending 2026
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%	R'000
Advertising	12 774	32,5%	15 916	6,3%	16 925	11,7%	18 908	3,0%	19 476	4,6%	20 376
Amortisation	10 139	-8,9%	17 574	-47,4%	9 241	12,1%	10 360	84,0%	19 065	30,6%	24 901
Bank Charges	124	8,1%	120	11,2%	134	7,5%	144	0,0%	144	8,3%	156
Computer expenses	12 083	64,0%	19 530	1,5%	19 814	17,2%	23 214	4,6%	24 276	4,6%	25 392
Consulting fees	8 246	40,2%	11 349	1,9%	11 565	28,1%	14 819	4,6%	15 504	4,6%	16 212
Risk Management	-	0,0%	1 500	-100,0%	-	0,0%	-	0,0%	-	0,0%	-
Customer relationship management expense	-	0,0%	1 552	0,1%	1 554	16,1%	1 804	4,4%	1 884	4,5%	1 968
Depreciation	5 727	-0,5%	8 509	-33,0%	5 697	1,3%	5 770	38,3%	7 982	2,9%	8 216
Entertainment	24	312,5%	50	98,0%	99	-87,9%	12	0,0%	12	0,0%	12
External audit fees	4 518	1,4%	4 022	13,9%	4 580	-15,1%	3 889	-5,0%	3 696	4,5%	3 864
FSCA Fees	1 111	6,7%	3 268	-63,7%	1 185	5,3%	1 248	4,8%	1 308	4,6%	1 368
General repairs and maintenance	851	135,8%	2 005	0,1%	2 007	2,8%	2 064	-4,1%	1 980	4,2%	2 064
Health and safety expenses	264	16,3%	102	200,8%	307	12,7%	346	0,6%	348	6,9%	372
Insurance expense	925	79,4%	917	80,9%	1 659	-33,3%	1 107	5,1%	1 164	4,1%	1 212
Interest	10 361	-100,0%	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-
Legal Fees	1 881	-22,1%	1 468	-0,2%	1 465	36,8%	2 004	4,8%	2 100	4,6%	2 196
Motor vehicles maintenance	100	-52,0%	111	-56,7%	48	8,3%	52	15,4%	60	0,0%	60
NE Directors fees	6 188	5,1%	6 500	0,0%	6 501	5,2%	6 840	4,7%	7 164	4,5%	7 488
NE Travel and accommodation	-	0,0%	146	37,0%	200	8,0%	216	0,0%	216	5,6%	228
NMI Training	29	934,5%	466	-35,7%	300	0,0%	600	0,0%	624	0,0%	660
Other expenses	(2)	-2739,8%	4	0,0%	53	0,0%	-	0,0%	-	0,0%	-
Printing and stationery	6	1233,3%	49	62,4%	80	10,0%	88	-63,6%	32	50,0%	48
Recruitment Costs	1 993	-3,8%	2 533	-24,3%	1 918	5,1%	2 016	4,8%	2 112	4,5%	2 208
Rent	10 208	-2,0%	9 014	8,7%	9 798	8,0%	10 584	8,0%	11 436	8,0%	12 348
Salaries And Wages	135 763	4,6%	136 516	2,1%	139 349	8,0%	150 553	5,0%	158 020	2,7%	162 318
Security	282	1,1%	283	0,8%	285	1,1%	288	4,2%	300	4,0%	312
Software License	9 851	111,3%	23 879	-12,8%	20 819	28,8%	26 816	4,6%	28 056	4,6%	29 340
Staff training and seminars	5 254	17,6%	6 465	-4,4%	6 180	25,9%	7 779	4,6%	8 136	4,7%	8 520
Staff Welfare	931	27,1%	1 284	-7,9%	1 183	117,6%	2 574	4,9%	2 700	4,4%	2 820
Strategic Projects	4 394	27,2%	7 761	-28,0%	5 589	25,2%	7 000	-14,3%	6 000	4,6%	6 276
Subscriptions	5 671	4,0%	5 916	-0,3%	5 897	94,0%	11 440	-4,8%	10 896	4,6%	11 400
Telephone expense	2 535	6,5%	2 591	4,2%	2 700	5,3%	2 844	5,9%	3 012	4,0%	3 132
Travelling and accommodation	1 149	66,7%	1 242	54,1%	1 915	199,1%	5 727	4,7%	5 994	4,9%	6 285
Utilities	2 076	8,5%	2 409	-6,5%	2 252	8,2%	2 436	7,9%	2 628	7,8%	2 832
Company Strategy	353	3,4%	600	-39,2%	365	87,4%	684	3,5%	708	5,1%	744
Integrated Report	439	6,6%	467	0,2%	468	5,1%	492	4,9%	516	4,7%	540
	256 248	15,6%	296 134	-4,7%	282 181	15,2%	325 020	7,0%	347 861	5,3%	366 192
Performance bonus	9 293	265,9%	24 186	40,6%	34 007	-11,5%	30 111	5,0%	31 603	2,7%	32 464
Total administration and marketing expenses	265 541	20,6%	320 320	-1,3%	316 188	12,3%	355 131	6,9%	379 464	5,1%	398 656

Notes

1. The significant increase in advertising expense to the 2024 budget is due to:

- a. The organisational strategic theme of Relevance has three new strategic objectives namely;
 - Brand Identity and development;
 - Brand differentiation and positioning;
 - Enhanced Public relations

These objectives have a 3-year strategic horizon, wherein brand of Sasria is meant to be elevated into one that exhibit leadership and a sense of giving care. As such this requires brand specific marketing in order to create the type of psychological contacting with targeted audience.

- b. To be able to close the gap that was exposed by the recent civil unrest Sasria has to make a concerted effort to increase its visibility in the market and not only target the usual corporate and commercial customer but also include the SMME market and SA general public at large.
- c. To make and rebuild the reputational damage caused by the July unrest, Sasria has to embark on the proactive management drive through public relations. This among other initiatives will require media partnership and other events which require a significant financial investment

2. The significant increase in amortisation is due to investment in technology and softwares to support the digitalisation strategy, business intelligence and data analytics.

3. The increase computer expenses is attributable to costs incurred to support the existing and budgeted applications and softwares.

4. The increase consulting fees is attributable to the establishment of a new enterprise architecture department that requires resources.

5. The increase in depreciation expense is attributable to an increase in budgeted capital expenditure in computer hardware to support the digitalisation strategy and motor vehicle

6. The significant decrease in audit fees is attributable to a once-off IFRS 17 implementation audit that is included in the costs for the 2023 financial year.

7. The significant increase in health and safety and stationery is largely due to employee returning to work.

8. The increase in employee expenses is attributable to the acquisition of requisite skills to enable the organisation and achieve its objectives. The headcount is expected to increase by 10 positions for the financial year ending 31 March 2024.

9. The high increase is also attributable to skills retention measures which are planned in the financial year. The 2023/2024 salary budget is driven by the following:

- Anticipated increase in permanent staff numbers from 143 to 153.
- Alignment with market benchmarks and pay scales and critical skills.
- CPI Increase in salaries.

10. An increase in licence costs is attributable to additional software licensing. Please see below list of the software licence that are in excess of R500k:

- Aris (Software AG)
- Internal Audit System (Enhancements)

- Darktrace Enterprise Security Immune System
- Web Applications Digital Certificates
- Mimecast Services
- Tenableio License Renewal (Vulnerability Management)
- Endpoint Security Solution - CrowdStrike
- 3rd party Risk Management
- Microsoft Licence Renewal (Power BI, azure, D365)
- Compliance Module - Highbond
- Boardpac
- Amazon Web Services (AWS)
- Microsoft CSP (NCE , MPSA)
- CMDB
- Cherwell Support
- MySQL

11. Staff training and seminars budget is geared towards supporting the organisation with developing skills, knowledge and behaviours that are required for Sasria to implement the strategy. Further to that it remains an essential part of the EVP as it supports career development.
12. The significant increase in staff welfare is mostly due to increase in staff engagements and collaborations as employees are returning to the office.
13. The significance strategic project is due to the business process re-engineering project aiming to improve the processes.
14. The significant increase in subscription expenses is in line with Sasria strategy of gathering data for risk management.
15. The significant increase in travelling and accommodation is due to the fact that the lockdown restrictions have been lifted.
16. The significant increase in company strategy is mainly due to BCT strategy which is focused on the digitalisation strategy
17. Sasria has sufficient controls in place to ensure that it stay within in budget as far as expenses is considered. Any amounts over budget have to be approved by the Chief Financial Officer or Chief Executive Officer as per the Delegation of Authority Policy.

Investment income

The investment income is calculated based on the forecasted strategic asset allocation and the 5-year assumptions forecasted investment return.

CSI

Being a good corporate citizen, our objective is to continue to contribute to employment, reduction of poverty and contributing to capacity building in the financial industry. Sasria believes that it is important to continue funding initiatives in education, skills development, community upliftment and Staff Initiatives. Almost 60% of the CSI budget will be spent on initiatives in education with the aim to impact over 26 000 learners in Primary and Tertiary education in various provinces as well as 60 tertiary students in the Sasria bursary scheme, Thuthuka and SAADP. Sasria also believes that a lot more focus should be on CSI programmes that are aligned to the strategy of the organisations and aim to reduce the risk of protests and civil unrest in South African communities, as such Sasria will continue to collaborate with Santam, the Department of Cooperative Governance and the South African Local Government Association (SALGA) in a Partnership for Risk and Resilience (P4RR) to support municipalities and communities in reducing and managing systemic risks that result in catastrophic claims.

The significant increase from the 2023 financial year to the 2024 financial year is due the fact that the company was not able to continue to contribute to many of its CSI programmes in the 2023 financial year due to the financial impact of July 2021 unrests.

Balance Sheet

Table 6: forecasted Statement of Financial Position as at 31 March 2023 and Budget numbers for 2024-2026

	Actuals year ending 31 Mar 2022 R'000	Budget year ending 31 Mar 2023 R'000	Forecast year ending 31 Mar 2023 R'000	Budget year ending 31 Mar 2024 R'000	Budget year ending 32 Mar 2025 R'000	Budget year ending 33 Mar 2026 R'000
Assets						
Property, plant and equipment	15 859	27 199	16 941	23 521	20 359	16 487
Intangible assets	65 206	87 527	82 097	161 517	204 591	199 954
Deferred acquisition costs	161 966	222 549	211 893	252 087	277 484	299 769
Deferred income tax	776 713	776 713	935 295	935 295	935 295	935 295
Financial assets						
- at fair value through profit and loss	37 302	1 429 339	8 658 433	8 551 213	8 859 878	10 103 871
- loans and receivables	9 359	116 894	23 207	23 207	23 207	23 207
Prepayments	401 194	89	4 129	4 129	4 129	4 129
Insurance receivables	274 417	562 525	249 711	306 850	337 537	364 540
Reinsurance contracts	2 845 137	886 788	672 859	254 942	-	-
Other receivables	743 149	-	-	-	-	-
Cash and cash equivalents	14 578 781	7 493 647	1 824 830	1 823 233	2 820 967	3 217 582
Total assets	19 909 083	11 603 270	12 679 395	12 335 994	13 483 446	15 164 834
Equity and liabilities						
Accumulated Loss	(15 098 628)	(13 059 219)	(13 238 832)	(12 392 366)	(11 261 832)	(9 774 777)
Shareholder Capital Contribution	22 000 000	22 000 000	-	-	-	-
Share capital	-	-	22 000 000	22 000 000	22 000 000	22 000 000
Total equity	6 901 372	8 940 781	8 761 168	9 607 634	10 738 168	12 225 223
Lease Liabilities	8 610	-	8 610	8 610	8 610	8 610
Deferred income	99 374	147 942	180 774	165 617	2 827	-
Employee benefit liability	21 138	28 695	37 074	36 779	38 611	39 669
Insurance contracts	12 694 166	2 265 417	3 272 136	2 103 052	2 339 939	2 536 041
Trade and other payables	184 423	220 435	419 632	414 303	355 291	355 291
Total liabilities	13 007 711	2 662 489	3 918 227	2 728 360	2 745 278	2 939 611
Total equity and liabilities	19 909 083	11 603 270	12 679 395	12 335 994	13 483 446	15 164 834

Assets

The forecasted and budgeted capital expenditure depicted on the table below mainly relates to computer equipment and softwares acquired to support the digitalisation strategy, business intelligence and data analytics.

Table 7: Capital expenditure:

	Actual year ending 31 March 2022 R'000	Forecast year ending 31 March 2023 R'000	Budget year ending 31 March 2024 R'000	Budget year ending 31 March 2025 R'000	Budget year ending 31 March 2026 R'000
Computer equipment	4 810	6 755	11 350	4 610	4 125
Computer software	23 752	26 131	89 780	62 139	20 264
Leasehold improvements	0	0	0	0	0
Furniture and fittings	178	200	200	209	219
Motor vehicles	0	0	800	0	0
Office equipment	0	0	0	0	0
Total	28 740	33 086	102 130	66 959	24 608

Please see below for the detailed listing of capital expenditure:

Description of asset	FY 2024
Laptop Replacements	1 600
Ipads replacements	450
Hypedrive	140
Monitors	60
Earphones	100
Portable Printers	50
Network Switches	1 750
Testing Environment	2 500
Computer hardware	4 000
Network access control	700
Total Computer equipment	11 350

Description of asset	FY 2024
Furniture and fittings	200
Motor vehicle	800

Description of asset	FY 2024
Commvault Licence Renewal (DMP)	800
Multi cloud management tool	1 600
Network monitoring tool	500
Unified Communications	2 500
Intelli (new)	60
Integration hub	3 000
Intelli (new)	60
Integration hub	3 000
Strategy monitoring software	400
POPIA System Maintenance	400
Sharepoint Enhancement (Upgrade Sharepoint (Micro:	1 300
Data Erasure/Shredder Software	100
Distributed Denial of Service Attack Prevention	500
AD Audit and AD Manage	500
Darkweb monitoring Solution	1 000
Strategic Projects	
Policy Centre	45 000
Aggregator Distribution Platform	2 000
Data, Digital & Analytics	18 000
Isometrix Replacement	2 000
Talent Management System	1 000
Recognition and rewards system	400
Investment system - Confluence outsource	3 000
Bloomberg Terminal	800
Data Governance (Phase 2)	960
Data inventory (POPIA project)	900
Total Computer software	89 780

Financial assets at fair value through profit and loss increases through the forecast and the budget period due to the implementation of the investment strategy which allows the allocation of assets under management to different types of instruments. The allocation is as follows:

Description	Forecast year ending 31 Mar 2023 %	Budget year ending 31 Mar 2024 %	Budget year ending 32 Mar 2025 %	Budget year ending 33 Mar 2026 %
Equity and bonds	0,0%	5,8%	12,1%	11,8%
Money market	82,6%	76,6%	63,7%	64,0%
Cash	17,4%	17,6%	24,2%	24,2%
	100%	100%	100%	100%

The quota share reinsurance contract expires in March 2024. The budget assumes that the contract will not be renewed hence the zero balance on Reinsurance Contracts from 2025 financial year onwards.

Equity

Sasria's assets exceeds its liabilities on the forecast and thought the budget period. The forecasted and budgeted accumulated loss resulted from the losses incurred as result of claims from the July 2021 civil unrests.

Liabilities

The quota share reinsurance contract expires in March 2024. The budget assumes that the contract will not be renewed hence the zero balance on Deferred Income from 2025 financial year onwards.

Cash flow Statement

Table 8: forecasted Statement of Financial Position as at 31 March 2023 and Budget numbers for 2024-2026

Description	Actual for the year ended	Budget for the year ended	Forecast for the year ended	Budget for the year ended	Budget for the year ended	Budget for the year ended
	Mar-22	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26
	R'000	R'000	R'000	R'000	R'000	R'000
Cash flows from operating activities						
Cash generated from operations	(17 069 679)	(7 726 673)	(4 637 809)	(484 862)	802 436	1 019 651
Investment Income	307 034	310 990	538 716	478 176	570 920	645 567
Income tax paid	(147 653)	-	-	-	-	-
Interest paid	(5 395)	-	-	-	-	-
Net cash from operating activities	(16 915 693)	(7 415 683)	(4 099 094)	(6 686)	1 373 356	1 665 217
Cash flows from investing activities						
Purchase of property, plant and equipment	(4 989)	(76 802)	(6 955)	(12 350)	(4 820)	(4 344)
Proceeds on disposal of property and equipment	198	-	(26 122)	(89 780)	(62 139)	(20 264)
Purchases relating to intangible assets	(23 751)	-	-	-	-	-
Purchase of investments	6 266 124	(680 745)	(8 621 781)	107 220	(308 665)	(1 243 994)
Net cash used in investing activities	6 237 582	(7 57 547)	(8 654 858)	5 090	(375 623)	(1 268 602)
Cash flows from financing activities						
Cash payment relating to principal lease liability	(4 199)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Shareholder Capital Contribution	22 000 000	7 100 000	-	-	-	-
Net cash flows from financing activities	21 995 801	7 100 000	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	11 317 690	(1 073 230)	(12 753 951)	(1 596)	997 733	396 615
Cash and cash equivalents at beginning of year	3 261 091	8 566 877	14 578 781	1 824 830	1 823 233	2 820 967
Cash and cash equivalents at end of year	14 578 781	7 493 647	1 824 830	1 823 233	2 820 967	3 217 582

The significant **outflow from operating activities** in the forecast for the period relates to the settlement of a portion of the July 2021 civil unrests claims.

The significant **outflow from investing activities** in the 2024 budget is due to the acquisition of financial investments as per the investment strategy.

ANNEXURE 3: TOP 10 RISK REGISTER

A detailed summary of the inherent risk responses (mitigations) follow the risk register table.

#	Risk Name	Risk Classification	Cost of Risk (R)	Rating Score	Inherent Risk	Control Rating	Residual Risk
1	Change in the frequency and magnitude of Sasria's CAT risk	Underwriting Risk	R32 bn	20	Very High	Fair	High
2	Increase in frequency and severity of claims due to truck related events	Underwriting Risk	R712	15	High	Fair	High
3	Increased insurance risk as a result of volatile strikes, protests, and other special risks.	Underwriting Risk	R32 bn	15	High	Fair	High
4	Failure to retain critical skills in the company.	Operational Risk	R2 m	15	High	Fair	Medium
5	Non-compliance with Sasria claims regulations by the distribution channel (agents and brokers)	Operational Risk	R14 m	15	High	Fair	Medium
6	Inadequate service provided to our customers	Operational Risk	R666 m	15	High	Fair	Medium
7	Failure to adhere to Manuals and Procedures.	Operational Risk	R21 m	15	High	Fair	Medium
8	Cyber Security Risk	Operational Risk	R20 m	15	High	Fair	Medium



#	Risk Name	Risk Classification	Cost of Risk (R)	Rating Score	Inherent Risk	Control Rating	Residual Risk
9	Incomplete and Inaccurate Sasria revenue.	Underwriting/ Operational Risk	R15.25 m	15	High	Fair	Medium
10	Data management risk	Strategic Risk	R19.86 m	12	High	Fair	Medium
11	Failure to comply with regulatory requirements and Governance codes.	Operational Risk	R10 m	12	High	Fair	Medium
12	Inability to secure future reinsurance capacity and significant increase in reinsurance costs	Strategic Risk	R3.5 bn	12	High	Fair	Medium

Summary of inherent risk responses

#	Risk Name	Risk Description	Risk response (this list does not entail all current actions and mitigations)
1	Change in the frequency and magnitude of Sasria's CAT risk	<p>The 2021 July unrest was a significant event for Sasria and was seen by most as a systemic risk. The assessment of the July unrests' impact on SASRIA indicated that it was significantly detrimental to SASRIA with the company projected to fall short using its own reserves and reinsurance proceeds for the payment of Catastrophe (CAT) claims which totalled R32 billion.</p> <p>In July 2022, security experts have warned and predict a terrifying scenario of a repeat insurrection, likely driven by the pro-Zuma RET faction and marked by a guerrilla style sabotage. The aim is to keep Jacob-Zuma and his allies implicated in the State Capture inquiry, out of jail.</p> <p>In the same month, top business and government officials have also warned that South Africa is set to face a repeat of the July 2021 riots as very little has been done to address the issues facing the country over the last year.</p>	<ul style="list-style-type: none"> Improving SCR ratio which is at 265% as at 30 September 2023. (Ongoing) Reinsurance structure put in place as at 1 April 2022. (Completed and ongoing) Scenario analyses are performed annually to determine capital requirements and potential management actions to be implemented should insurance risk increase drastically. (Annually) Ongoing discussions with reinsurers to ensure that we improve the reinsurance capacity going forward. (Ongoing) Workshops have taken place with the National Treasury to find long term solutions to enhance capacity in Sasria and for government to become an explicit insurer of last resort. This will further assist in increasing reinsurance capacity in the international market. (Completed and ongoing).
2	Increase in frequency and severity of claims due to truck	<p>The high jacking, burning and looting of trucks, especially on the N3 has resulted in a significant number of claims being submitted in the past years.</p> <p>Some have been rejected and the Claims Department have seen the highest number of disputes, increasing the risk of litigation.</p>	<ul style="list-style-type: none"> The technical underwriting of the high-risk clients is currently in process. (Annually) ORSA scenarios (to determine capital requirements and potential management actions) include the risk relating to frequent labour action (including truck and xenophobic attacks on foreign nationals in the trucking industry) resulting in multiple large claims. (Annually)

#	Risk Name	Risk Description	Risk response (this list does not entail all current actions and mitigations)
	related events	<p>This is a challenge for Sasria since not all claims on trucks are Sasria related incidents.</p> <p>Truck claims have been centralised (through an M8 product) to ensure they are handled effectively and consistently as not all claims are Sasria related.</p>	<ul style="list-style-type: none"> • Opinions are obtained for all claim litigations. The litigation matters are monitored. (Ad-hoc) • Trucking clients with high loss ratio are currently being reviewed and underwritten at renewal of their policies. (Annually) • Post loss adjustments are conducted on multi claimants. (As part of renewal) • The Underwriting department continues to monitor the multi claimants and apply corrective measures in order to: <ul style="list-style-type: none"> ○ Manage the loss ratio; ○ Reduce risk exposure on specific client; ○ Optimise rates; and ○ Align to TCF principles by protecting the bigger portfolio • This entails identifying the top 5 loss contributing clients based on both frequency and severity of their claim contribution to the overall loss ratio. The coupon renewal terms are reviewed, and additional underwriting measures can then be applied to risks. (Monthly) • Sasria is taking part in various industry initiatives in order to mitigate or reduce the risk. (Ad-hoc) • Claims rejection forum made up of Senior Managers in the Claims and Underwriting Department. Forum ensure that claims are rejected correctly and to reduce complaints and TCF related risk. (Monthly)



Summary of inherent risk responses

#	Risk Name	Risk Description	Risk response (this list does not entail all current actions and mitigations)
3	Increased insurance risk as a result of volatile strikes, protests, and other special risks.	<p>Sasria's claims are extremely volatile and are interconnected to various risks facing the country. In the past few years, Sasria has experienced high and increasing loss ratios because of increases in service delivery, student issues and strikes.</p> <p>Socio-economic landscape - Unemployment, poverty and inequalities remain the biggest drivers of social unrest. These factors contribute to the increased number of service delivery protest experienced in the past five years.</p>	<ul style="list-style-type: none"> • Scenario analyses are performed annually to determine capital requirements and potential management actions to be implemented should insurance risk increase drastically. (Annually) • Regular monitoring of newspapers and media for possible claims. To identify possible Sasria claims/events which has not yet been reported. (Weekly/monthly) • Annual Pricing review conducted. (Annually) • Claims valuations are performed quarterly on a roll forward basis and annually valuations are reviewed by the Auditors and Head of Actuarial. (Quarterly) • The loss ratio is monitored monthly for changes compared to budget or changes in trends are investigated. (Monthly) • Loss ratios are monitored per class of business based on set thresholds. (Monthly) • Possible Maximum Loss study on selected known insured properties or scenarios (capping on exposure) are performed to ensure sufficient reinsurance is purchased and these PML studies are used in scenario analysis to determine the impact on Sasria's earnings, solvency and liquidity. (Annually) • Opinions are given for all claim litigations. The litigation matters are monitored by the Compliance department. (Ad-hoc) • All rejected claims are logged and signed off on. Claims Rejection Forum made up of the claims and underwriting seniors and managers has been formed to deal with all rejections of claims prior to the letters being sent out to ensure the rejections are fully authorised. (Weekly/monthly)

#	Risk Name	Risk Description	Risk response (this list does not entail all current actions and mitigations)
4	Failure to retain critical skills in the company.	<p>Retaining trained and experienced staff is a key to excellent risk management.</p> <p>We cannot afford to lose both the commitment and the intellectual capital of our best employees.</p> <p>There is currently a shortage of strategists, specialised skills and underwriters within the short-term insurance market.</p> <p>It is also true that it is not always about the number of staff, but about the quality of staff leaving and the knowledge and experience they take with them which is rather the concern.</p> <p>We should also be concerned about the operational disruption, the potential damage to the company's reputation, the low morale of the remaining employees and the time and cost of replacing these positions.</p>	<ul style="list-style-type: none"> Sasria entered into several initiatives with other agents and associations in order to decrease and mitigate the number of claims. (Ad-hoc) Consultants or temporary staff are used where vacancies exist. When temporary staff are employed for more than three months the legal department is consulted. (Ad-hoc/daily) Appointment and on boarding checklist completed, signed off by relevant management and reviewed. (Ad-hoc/monthly) Reputable recruitment service providers are used to ensure that good quality applicants are received. (Ad-hoc/daily) Exit interview results are reviewed to ensure trends are identified and actions taken when there is a need. (Ad-hoc/daily) Corporate Wellness programme is used. (Annually) Creating succession pools for key positions and core departments in the company to ensure continuity for high-risk roles. These are communicated on to the Remuneration Committee and discussed in Executive meetings. (Annually) Development plans and on the job, coaching is developed for each employee. (Daily/bi-annually) Two-year remuneration benchmarking exercise. (Every 2 years) Employee Value Propositions (EVP) extends to more than salary. (Annual) Persons with critical skills can be paid up to the 90th percentile of the scale. (Annual) Talent Forum Meetings to identify and manage talent and succession risks (Quarterly)



#	Risk Name	Risk Description	Risk response (this list does not entail all current actions and mitigations)
5	Non-compliance with Sasria claims regulations by the distribution channel (agents and brokers)	<p>The 2021 July unrest was a significant event for Sasria, and a number of interventions were put in place, including extending the services provided by the agent companies by way of a temporary mandate to settle claims that were below R1 million.</p> <p>This was in an effort to ensure that such claims are dealt with efficiently and effectively. The claims were settled through a float that was paid to agent companies.</p>	<ul style="list-style-type: none"> The Human Capital department has put a retention strategy in place to address loss of critical and priority skills which was approved by REMCO. The strategy includes locking in these skills for the next 12 months. (Completed) Outsource agreements are in place with the Agent Companies, which includes cancellation clauses where there is non-performance by Agent Company. (Ad-hoc) Due diligence process is followed on all new Agent Companies. (Ad-hoc) Complaints monitoring by the claims department and market conduct. (Monthly) Meetings between claims staff and agent staff are held to clear non-compliance with the Sasria claim regulations. (Ad-hoc) Stakeholder training on Sasria claim regulations and technical support. (Annually) The Claims department checks for accuracy and completeness of information on the AOL. (Daily) Reconciliation of the float amounts against mandates and what has been paid by agent companies. (Monthly)
6	Inadequate service provided to our customers	<p>We depend on our stakeholders to write new business, collect premiums, and refer claims.</p> <p>There is a risk of ineffective communication with stakeholders and a lack of training of stakeholders.</p> <p>Furthermore, due to the outsource model, we are far removed from the end-customer which gives rise to the following risks:</p>	<ul style="list-style-type: none"> Conducting a stakeholder needs analysis to assess product offering needs and overall satisfaction needs. (Annually) Feedback from technical visits which identify premium, systems or training issues which are reported monthly to the EM: SMD and interventions are implemented. (Monthly) Continuous engagements with the distribution channel. (Monthly)

#	Risk Name	Risk Description	Risk response (this list does not entail all current actions and mitigations)
		<ul style="list-style-type: none"> • Inadequate service and advice provided to the end-customer by the distribution channel; • The product sold to the end-customer is inadequate; • End-customers who thought they had Sasria cover, they realise at claim stage that they don't have Sasria cover as a result of poor advice from the distribution channel; • Resulting in repudiation of claims due to a lack of cover; • This further increases reputational risk for Sasria. 	<ul style="list-style-type: none"> • Sales and product awareness presentations for the distribution channel. (Annually/Ad-hoc) • Stakeholder Management and Communication Policies. (completed) • Complaints and queries received are analysed and reported to Exco. (Monthly); and • Annual customer survey. (Annually).
7	Failure to adhere to Manuals and Procedures.	<p>This is a general risk which is inherent in all organisations and affecting all divisions within the organisation.</p> <p>Every organisation is dependent on processes, procedures and manuals in the implementation of its strategy and achievement of objectives. As such, processes, manuals and procedures can be regarded as the platform for business operations and their failures could have a major impact on the organisation if they are negatively influenced by risk events.</p> <p>As such, it is crucial that processes, manuals and procedures as an operational risk factor, are clearly identified and understood.</p> <p>The failure to adhere to these processes, manuals and procedures may cause unexpected losses, reputational risk, poor customer service and negatively impact the</p>	<ul style="list-style-type: none"> • Review of month end reports and set mandates for each staff member. (Monthly) • Segregation of duties within the organisation. (Daily) • Monitoring adherence to the DOA. (Monthly) • ERP system automation. ERP workflows built in with authorisation levels. (Completed) • CMS system developed. (Phase 1 & 2 completed) • Monthly review and reconciliation. (Monthly) • Review of compliance with mandates as set per policy. (Annual) • Annual training to staff on manuals and procedures. (Annual) • Roles and responsibilities clearly defined with policies and procedures. (Daily)



#	Risk Name	Risk Description	Risk response (this list does not entail all current actions and mitigations)
		achievement of strategic objectives of an organisation and in the long term it's sustainability.	<ul style="list-style-type: none"> Annual review of policies following a 3-year cycle period and reviewed and recommended by the Policy Review and Development Committee. (Quarterly/Annually) Training and development of staff in line with technological trends. Reskilling of Sasria staff. (Annually) Training during Governance Week. (Annually) Training conducted on employment relations policies and procedures. (Annually)
8	Cyber Security Risk	<p>Cyber risk means any risk of financial loss, disruption or damage to the reputation of Sasria from some sort of failure in our information technology systems. The risks and opportunities which digital technologies, devices and media bring us are manifest.</p> <p>The insurance industry faces a barrage of attacks from criminals and state-actors, many which are extremely sophisticated, and is an enticing target because of the volume of valuable data it holds.</p>	<ul style="list-style-type: none"> Firewalls are deployed on our perimeter network which screen incoming and outgoing traffic. Where servers are accessible to users outside of Sasria, we make use of a demilitarised zone, which restrict the access to information available to these users. (Daily) Access control is monitored, and logon credentials regularly updated and reviewed. Antivirus software is installed on all our computers and servers and updated daily. (Daily) Daily backups are performed and stored. (Daily) Disaster recovery testing is performed bi-annually. All systems must be restored within 8 hours (4 hours for the CMS system) during these tests. (Bi-annual) Artificial Intelligence security monitoring implemented to actively manage the security landscape of the organization. (Daily) Increased awareness training ongoing to combat the risks associated with remote working. (Quarterly)

#	Risk Name	Risk Description	Risk response (this list does not entail all current actions and mitigations)
			<ul style="list-style-type: none"> Continuous vulnerability assessments and penetration tests are performed for servers and end-user devices. (Quarterly) Microsoft Security Defender is used as an antimalware with a complement of Microsoft Advanced. (Daily) External service provider (Security Operations Centre) performs additional cyber security monitoring for Sasria. (Monthly) Cloud Security Controls. (Daily) Cyber security insurance is in place, which includes provision for forensic expertise, cyber incident response Plan, data recovery and business interruption and crisis management. (Annual) Continuous Data discovery and protection. (Bi-annual)
9	Incomplete and Inaccurate Sasria revenue.	<p>Incomplete and inaccurate Sasria revenue is a high risk mainly due to our business model, which is outsourced, and we are highly dependent on our agent companies to provide us with the necessary policy information, write premiums and ensure that all required administration is done appropriately.</p> <p>Obtaining assurance and ensuring that our outsourced partners provide us with quality information is a high priority.</p>	<ul style="list-style-type: none"> Annual product awareness training/ workshop. Product awareness training tailored per Agent company. (Annually) The senior bookkeeper reconciles the Annexure 1 returns received from the Agent companies with the premiums in the bank accounts before the premium information is captured on the system. (Monthly) Monthly bank account reconciliations are performed by the bookkeeper and reviewed by the Statutory Reporting Manager to ensure that there are no unallocated premiums (Weekly) Premium analysis is conducted monthly to monitor premium movements and findings are reported to the executive committee. Relevant Agent companies are engaged on the findings. All large fluctuations in premiums are investigated and reported monthly. (Monthly)





#	Risk Name	Risk Description	Risk response (this list does not entail all current actions and mitigations)
			<ul style="list-style-type: none"> • The finance department keeps track of the premiums received monthly and penalties are issued to Agent companies that do not pay premiums as required by the Sasria Regulations. (Monthly) • Refunds are approved in line with the premium management process. Sign off of refunds is by both the FD and Executive Stakeholder Management. (Monthly) • Bi-Annual external audit reports are received in line with the accounting regulations from the agent company's auditors. The FD reviews the listing of all audit reports. Any qualified audit reports are identified and discussed with the FD, Executive Manager: Stakeholder Manager, Quality Assurance and follow up on reasons for the qualified audit reports are made by the various departments. (Bi-annually) • Our quality assurance department performs pro-active risk reviews based on a risk-based plan and follow-up reviews where any findings had been identified, by internal audit or another external reviewer. In addition, our quality assurance team assist, in guiding the Agents to resolve any identified problems and provide guidance relating to control related findings. (Based on annual risk-based plan and in the event of risks identified at agents) • Our internal audit team performed onsite audits at our Agents based on the approved audit plan for the year. (Based on annual approved risk-based plan) • Onboarding process, which includes Request of various documentations from the new agent company, before on boarding are finalised. Sign off is obtained from relevant Executive Managers. (Ad-hoc) • Monitoring, maintenance, and offboarding process of agent companies due to various exit reasons such as liquidation. (Ad-hoc).

#	Risk Name	Risk Description	Risk response (this list does not entail all current actions and mitigations)
10	Data management risk	<p>Sasria previously did not receive all policyholder information from its Agents.</p> <p>The outsource agreements between Sasria, and the Agents make provision for Sasria to have continued access to the policyholder data and the Sasria policy information held by the agent companies.</p> <p>Strategically, Sasria will be able to assess its risk exposure and pricing more accurately when the data is obtained. By identifying the policyholder risk addresses and specifically areas of concern.</p> <p>From a governance perspective, the FSCA is requiring Sasria to obtain the policyholder data in terms of the PPR.</p>	<ul style="list-style-type: none"> • The outsource agreements between Sasria and the Agents make provision for Sasria to have continued access to the policyholder and the Sasria policy information held by the agent companies. (Completed) • We have initiated working teams/projects with all agent companies 60+ (consolidated to 55 agent companies) and they are submitting DAP file which are loaded onto the data warehouse and the dashboards. Obtaining the rest of the data from our agents is ongoing and per our plan. (Weekly and monthly follow up) • Monthly DAP meetings held by the project team. (Monthly) • A significant action relating to the received data will be to reconcile each agent data to the monthly received premium annexure and bank statements to ensure completeness and accuracy of the data and data quality. (Planned for phase 2)
11	Failure to comply with regulatory requirements and Governance codes.	<p>A continuing heavy agenda of regulatory change is driving regulatory risk.</p> <p>Insurers expressed frustration with the cost and distraction of compliance and warned of the potentially damaging effects that disproportionate requirements could have in areas such as capital, consumer protection and product availability.</p> <p>The Authorities are also issuing new Standards which need to be adhered to. In the past, the PA issued 24 standards at once. There is therefore a risk of not complying with all the changes in legislation.</p>	<ul style="list-style-type: none"> • Core and Secondary Acts (As per Compliance Risk Profile). (Completed) • All new and proposed legislation are reviewed for the impact on Sasria, and actions are discussed and allocated. (Ad-hoc/Monthly) • All operational policies bear reference to regulatory framework governing policies. (Completed) • Training and Awareness on regulations. (Quarterly) • Compliance Risk Management Plan workshops are held annually. • Training and Awareness interventions on regulatory and governance requirements is done during Governance Week annually. (Annually)



#	Risk Name	Risk Description	Risk response (this list does not entail all current actions and mitigations)
			<ul style="list-style-type: none"> Sasria follows sound procedures and practices for the creation, receiving, maintenance, retention and disposal of all records and data, including electronic records. (Daily) All regulatory submissions by relevant departments are monitored monthly using the compliance calendar and late submissions are noted on the calendar. (Monthly) Annual compliance monitoring conducted. (Quarterly) There is an Annual Compliance Calendar, which incorporates some provisions relating to core legislation. This is monitored monthly by Compliance function. (Monthly) Compliance function monitors compliance with regulatory requirements during Q3 and Q4 in line with the Compliance Monitoring Plan and issues Compliance Monitoring Reports to the relevant departments monitored. (Q3 and Q4) Legal Department conducts Legal analysis of new laws and communicates same to the relevant EM and Exco. (Ad-hoc) Legal and Compliance receives Legal updates from various sources (moonstone, parliamentary monitoring, and Juta). (Weekly)
12	Inability to secure future reinsurance capacity and significant increase in	There has been a change in the risk appetite of the big reinsurers, during the negotiations that took place in March 2022 with the reinsurers to implement a new reinsurance structure.	<ul style="list-style-type: none"> Ongoing discussions with reinsurers to ensure that we improve the reinsurance capacity going forward. (Ongoing) Workshops have taken place with the National Treasury to find long term solutions to enhance capacity in Sasria and for government to become an explicit insurer of last

#	Risk Name	Risk Description	Risk response (this list does not entail all current actions and mitigations)
	reinsurance costs	<p>Based on the negotiations on the catastrophe reinsurance cover the reinsurance capacity changed from 100% to 65%.</p> <p>In addition, some reinsurers included terms that they would provide capacity on the cat cover on condition that they have the same share in the quota share. As a result of this, the quota share percentage was adjusted to 56% to cater for these reinsurers and to increase the capacity on Sasria's catastrophe reinsurance cover.</p>	resort. This will further assist in increasing reinsurance capacity in the international market. (Completed and ongoing)



ANNEXURE 4: FRAUD PREVENTION PLAN

1. Introduction

Sasria SOC Ltd (Sasria) values the integrity and efforts of all its employees in dealing with suppliers, stakeholders and other employees. To this end Sasria has adopted these organisational values that are embedded in the business and also form part of staff performance measurements: professionalism, integrity, teamwork, innovation and customer centricity.

Sasria supports and fosters a culture of zero tolerance for the commission or concealment of fraudulent or illegal acts. Allegations of such acts will be investigated and pursued to their logical conclusion, including legal action, criminal prosecution, and disciplinary action where warranted.

Being cognisant of its responsibility for setting the tone for effective leadership based on an ethical foundation, the Sasria Board accepts the need to manage organisational ethics and integrity, to build an ethical corporate culture that is zero tolerant to fraud. All Sasria employees have a responsibility with respect to the fight against fraud and other illegal acts. In this light Sasria employees are specifically prohibited from participating in anything that involves fraud and/or illegal activities. The Board has adopted the following ethics promotion/anti-fraud policies: Conflict of Interest Management Policy, Fraud Prevention and Whistleblowing Policy, Ethics Management Policy, Fit and Proper Requirements Policy.

The Social and Ethics Committee of the Board is mandated by the Board to drive ethics and anti-fraud promotion in the organisation. In terms of its charter, this committee drives Sasria's standing in terms of the goals and purposes of –

- The anti-corruption protocols of the Organisation for Economic Development.
- Good Corporate Citizenship, including promotion of equality, prevention of unfair discrimination and reduction of corrupt activities.

The Social and Ethics Committee further reports to the Shareholder through its Chairperson at the Annual General Meeting of Sasria in terms of the Companies Act No. 2008. In this regard the Committee submits a formal written report on its activities for the financial year under review.

The fraud prevention plan (fraud plan) is reviewed annually to incorporate relevant changes in the operating environment. The fraud prevention plan is included in the Sasria annual corporate plan to the Shareholder.

2. Purpose of the Fraud Prevention Plan

The purpose of the fraud prevention plan is to provide:

- Guidelines within the existing legal framework, to deal with fraud and corruption within Sasria.
- An outline of what may constitute fraud, theft, corruption and dishonesty, and to detail the procedures where these acts are suspected or discovered.
- An overview of Sasria's approach to the prevention and detection of fraud and corruption.

3. Scope of the Fraud Prevention Plan

The fraud plan applies to any actual or suspected acts of fraud, theft, corruption and dishonesty involving all Sasria's employees as well as consultants, vendors, contractors, employees with outside agencies and/or any other stakeholders having a business relationship with Sasria. Crime in its broadest definition will not be tolerated, irrespective of a person's position or number of years of service and will be uniformly and severely dealt with.

4. Definition of Fraud & Corruption

4.1 Fraud

The legal definition of fraud is based on South African law. For the purpose of this plan, fraud is defined as:

"Any unlawful act or omission by which a misrepresentation is made with the intention to defraud, which causes actual prejudice, or which is potentially prejudicial to another, whether or not there is personal benefit to the perpetrator."

Fraud can be perpetrated either internally by persons within the employment of the Sasria, or by clients or other external third parties.

The Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, provides that "any person who gives or accepts or agrees or offers to accept or receives any gratification from another person in order to influence such other person in a manner that amounts to":

The illegal or unauthorised performance of such other person's powers, duties or functions;

- o An abuse of authority, a breach of trust, or the violation of a legal duty or set of rules;
- o The achievement of an unjustified result; or
- o Any other unauthorised or improper inducement to do or not to do anything is guilty of the offence of corruption.

4.2 Corruption

For purposes of the Sasria fraud plan, corruption is defined as lack of integrity or honesty (especially susceptibility to bribery) including use of a position of trust for dishonest gain.

The fraud prevention plan in summary prohibits:

"the abuse of a position of employment to gain an advantage in contravention of duty. It includes the offering/giving/soliciting or accepting of an inducement or reward for certain improper actions and any improper approach or solicitation, either directly or through a nominee to act in any way which could be to Sasria's disadvantage".

Forms of Corruption

Bribery – involves the promise, offering or giving of a benefit that improperly affects the actions or decisions of public servants.

Embezzlement – this involves theft of resources by persons who control such resources.

Fraud – Any conduct or behaviour of which a dishonest representation and/or appropriation forms an element.

Extortion – Coercion of a person or entity to provide a benefit to a public servant, another person or an entity, in exchange for acting or failing to act in a particular manner.

Abuse of power – The use by a public servant of his or her vested authority to improperly benefit another public servant, person or entity or using the vested authority to improperly discriminate against another public servant, person or entity.

Conflict of interest – The failure by a public servant to act or to consciously fail to act on a matter where the public servant has an interest or another person or entity that has some form of relationship with the public servant has an interest.

Abuse of privileged information – This involves the use, by a public servant of privileged information and knowledge that a public servant possesses as a result of his or her office to provide unfair advantage to another person or entity to obtain a benefit.

Favouritism – The provision of services or resources according to personal affiliation of a public servant.

Nepotism – A public servant ensuring that family members are appointed to public service positions or that family members receive contracts from the State is regarded as nepotism.

5. Regulatory Framework

5.1 Public Finance Management Act, No. 1 of 1999, as amended

This Act requires accounting authority of a public entity to exercise utmost care, act with fidelity, honesty and integrity, disclose all material facts, including those reasonably discovered, and seeks to prevent any prejudice to the financial interests of the state. The accounting authority must also ensure that there is an effective, efficient and transparent system of internal audit and risk management, financial and internal control.

5.2 Prevention and Combating of Corrupt Activities Act, No. 12 of 2004

This Act provides for the strengthening of measures to prevent and combat corruption and corrupt activities; and also outlines the offences in respect of corruption and offences relating to corrupt activities.

5.3 Prevention of Organised Crime Act, No. 121 of 1998 (POCA)

This Act contains provisions that are aimed at achieving the following:

- The combating of organised crime, money laundering and criminal gang activities.
- The criminalisation of conduct referred to as “racketeering”.
- The provision of mechanisms for the confiscation and forfeiture of the proceeds of crime.
- The creation of mechanisms for the National Director of Public Prosecutions to obtain certain information required for the purposes of an investigation; and
- The creation of mechanisms for co-operation between investigators and the South African Receiver of Revenue.

5.4 Financial Intelligence Centre Act, No. 38 of 2001 (FICA)

The Act establishes a Financial Intelligence Centre and a Money Laundering Advisory Council. The purpose of these entities is to combat money laundering activities.

5.5 Protection of Constitutional Democracy Against Terrorist and Related Activities Act, No. 33 of 2004

The Act criminalises terrorist activities and terrorist financing and gave Government investigative and asset seizure powers in cases of suspected terrorist activity.

5.6 Protected Disclosures Act, No. 26 of 2000

The Act facilitates reporting by employees of fraud, corruption or other unlawful or irregular actions by their employers or co-employees without fear of any discrimination or reprisal by their employers or co-employees.

6. Fraud and Corruption Strategies

6.1 Structural Strategies – The actions to be undertaken in order to address fraud and corruption at a structural level.

6.1.1 Board of Directors – The Board of Directors bears the ultimate responsibility for management of fraud, corruption and risk within Sasria. This includes the coordination of risk assessments, overseeing the investigation of suspected fraud and corruption, and facilitation for the reporting of such instances.

6.1.2 An ethical culture – Sasria is required to conduct itself in an ethical and moral way. Ethical conduct is based on a set of principles referred to as values and norms. The collective ethical conduct of all the individual employees of Sasria reflects Sasria's ethical conduct. Good governance indicates that institutions should develop code of conduct as part of their corporate governance frameworks. All employees are expected to abide by the Code of Conduct of Sasria.

6.1.3 Executive Management Commitment – The Executive Management of Sasria is committed to eradicating fraud and corruption and ensuring that Sasria strives to be perceived as ethical in all its dealings with the public and other interested parties. Senior management will also ensure that all the employees and stakeholders are made aware of its overall anti-fraud and corruption activities through various initiatives of awareness and training.

6.2 Operational Strategies

6.2.1 Internal Controls – Internal controls are the first line of defence against fraud and corruption. These are essential elements in the overall Anti-Fraud and Corruption Strategy. The Internal Audit Department will be responsible for implementing an audit program which will incorporate steps to evaluate adherence to internal controls.

6.2.2 Employee Awareness – Awareness of Sasria's Anti-Fraud and Corruption Strategy, Code of Conduct, Whistle Blowing policy and the manifestation of fraud and corruption in the workplace will assist in the creation of an environment which may be hostile to a would-be transgressor.

6.2.3 Pre-employment Screening and Recruitment Procedures – To be carried out for all the appointments, and evidence of such screening will be maintained by the People Management Department. Recruitment will be conducted in accordance with the requisite recruitment procedures.

6.2.4 Internal Audit Plan – A robust internal Audit Plan which focuses on the prevalent high fraud and corruption risk serves as an effective preventative measure.

6.2.5 Fraud and Corruption Prevention Plan – The actions set out in this plan are all focused at mitigating the risk of fraud and corruption in the company.

6.2.6 Disclosure of Interest – All Sasria Directors and staff are required to annually disclose their business interests. The register of disclosures is kept by the Compliance Officer. Disclosure of conflict of interests is also done at all Board and Committee meetings and management committees and forums at which the employees sit either as members or by invitation.

6.3 Detection Strategies

Detection of fraud and corruption may occur through:

- Vigilance on the part of all employees
- The Internal Audit function
- Ad hoc management reviews
- Anonymous reports
- Application of detection techniques
- External audits.

6.4 Response Strategies

6.4.1 Reporting fraud and corruption – Fraud prevention and Whistle Blowing Policy.

The key obstacle in fighting fraud and corruption is the fear by employees of being intimidated to identify any corrupt or unethical practices witnessed at the workplace. Those who often do whistle blowing end up being victimised and intimidated. For this reason, Sasria adopted a Fraud prevention and Whistle Blowing Policy setting out the detailed procedure to be followed in order to report any incidents of fraud and corruption.

6.4.2 Investigating fraud and corruption

In the event when fraud or corruption is detected or suspected, investigations will be initiated, and if warranted, the disciplinary proceedings, prosecution or action aimed at the recovery of losses will be initiated.

6.5 Maintenance Strategies

6.5.1 Fraud and Ethics Awareness Campaigns

Sasria holds an Ethics Awareness/Anti-Fraud campaign at least annually to ensure that staff members are aware of ethics and fraud prevention strategic within Sasria.

Ethics is assigned to the Compliance Function of Sasria, which is responsible for ethics awareness campaigns, ethics awareness assessments and initial review of ethics management and fraud prevention policies.

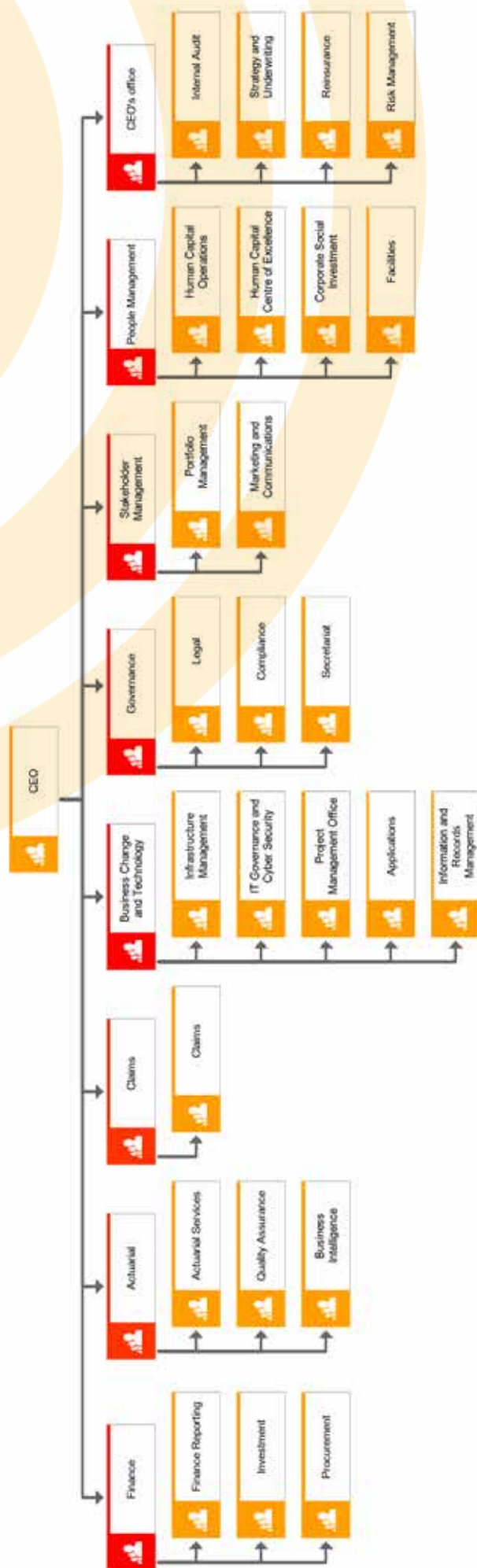
6.5.2 Review of the effectiveness of the Anti-Fraud and Corruption Strategy and the Prevention Plan

Sasria will conduct a review of the Anti-Fraud and Corruption Strategy and Prevention to determine the effectiveness thereof. The Board of Directors is ultimately accountable for this review and may appoint a person to take the responsibility for this.

6.5.3 Review and updating the Anti-Fraud and Corruption Strategy and Prevention Plan

This will involve ongoing review of fraud and corruption risk exposures. Fraud and Corruption risk assessments should be conducted at the same time as the review of the Anti-Fraud and Corruption Strategy and Prevention Plan. The Board of Directors is accountable for the review and may delegate a person to take the responsibility.

ANNEXURE 5: ORGANISATIONAL STRUCTURE



Legend



ANNEXURE 6: BOARD COMMITTEE RESPONSIBILITIES AND COMPOSITION

The Committees roles and responsibilities and composition are as follows:

Audit Committee

Responsibilities

- Evaluate adequacy and efficiency of the internal control systems, accounting practices, information systems, auditing and actuarial valuation practices of the company.
- Facilitate interaction between board and senior management, internal auditors and external auditors, on matters referred to in section 8.1 of Prudential Standard GOI 2.
- Recommend measures to enhance the credibility and objectivity of financial statements and reports on the insurer's business.
- Advise the board on any matter referred to the committee by the board.
- Assess the effectiveness of the internal audit function.
- Assess the adequacy if the resources of the internal audit function.
- Promote and maintain an effective relationship with the external auditor.
- Ensure that policies are in place to ensure the independence of the external auditor.
- Oversee development of, and approve, the internal and external audit plans to ensure all risks are considered and statutory and financial reporting requirements are met.
- Monitor implementation of internal and external audit plans.
- Review all internal and external audit reports and ensure that all issues identified are managed and rectified in an appropriate and timely manner.
- Provide input on scope of audit work.

Composition

- The Committee consists of six Non-Executive Directors.
- The Committee has a Chairperson and a Deputy Chairperson.
- One of the members of the Committee is the representative from National Treasury.

Risk Committee

Responsibilities

- Risk strategy development.
- Evaluate effectiveness of risk management system.
- Identify build-up and concentration of risk.
- Identify and monitor all material risks to help board in ensuring its decision-making capability and accuracy of its reporting is maintained.
- Ensure appropriate segregation of risk function from other operational business line functions.

- Measures to enhance adequacy and effectiveness of the risk management system.

Composition

- The Committee consists of four Non-Executive Directors and one Executive Director.
- The Committee has a Chairperson and a Deputy Chairperson.

Remuneration and Nomination Committee

Responsibilities

- Develop and review appropriate remuneration policy.
- Monitor implementation of the remuneration policy and compliance with the GOI 2 Prudential Standard.
- Make annual recommendations to the board on remuneration of:
 - The Managing Director.
 - Senior managers reporting directly to the Managing Director.
 - Other persons whose activities may, in the committee's opinion, affect the financial soundness of the insurer
 - any other person specified by the Prudential Authority.

Composition

- The Committee consists of four Non-Executive Directors.
- The Committee has a Chairperson and a Deputy Chairperson.

Investment Committee

Responsibilities

- Ensure that investments are made in terms of the investment policy.
- Ensure that appointed asset managers perform adequately and continue to produce good returns for Sasria investments under their control.
- Ensure responsible investment is practiced promoting good governance and creation of value by companies that Sasria invests in.
- Review appropriateness of the investment policy in light of economic and business conditions affecting Sasria and making recommendations to the Board as appropriate.

Composition

- The Committee consists of five Non-Executive Directors.
- The Committee has a Chairperson and a Deputy Chairperson.

Social and Ethics Committee

Responsibilities

- Social and economic development.
- Environment, health and public safety.
- Oversee labour and employment matters.
- Promote consumer relationships.
- Fair treatment of customers by Sasria and its distribution channels.
- Ensure that accounting authority leads ethically and effectively.
- Reporting to the board and shareholder, at the annual general meeting, on matters falling within its mandate.
- Ensure that the accounting authority ensures that the SOC is and is seen to be, a responsible corporate citizen.
- Ensure that the accounting authority governs the ethics of the SOC in a way that supports the establishment of an ethical culture.
- Ensure that it compiles and submits its annual report in line with legal requirements.
- Invite members of the executive and senior managers by standing invitation or ad hoc basis to provide pertinent information and insights in their areas of responsibility.
- Execute its statutory duties and any other duties assigned or delegated to it by the governing body.

Composition

- The Committee consists of four Non-Executive Directors and one Executive Director.
- The Committee has a Chairperson and a Deputy Chairperson.



ANNEXURE 7: PERFORMANCE INFORMATION REPORT (APRIL 2022 TO SEPTEMBER 2022)

We believe we are on track to meet our 2022/2023 strategic objectives. The Key Performance Indicator table for the 6 months period is reported below. The company achieved 10 of its 15 (67% by quantum and 65% by weighting) stated in the key performance indicators in the 2nd quarter (as at 30 September 2022).

One KPI was not measured, i.e. 6. Unqualified Audit Opinion as the external audit was still in progress.

PERFORMANCE INFORMATION FOR THE 6 MONTHS ENDING 30 SEPTEMBER 2022						
STRATEGIC OBJECTIVE	WEIGHTING	KEY PERFORMANCE INDICATOR	PERFORMANCE TARGET ('000)	BUDGET YEAR ENDING 31 MARCH 2023 ('000)	ACTUAL PERFORMANCE ('000)	VARIANCES FOR THE PERIOD AND ACTION PLANS
1. Sustainability – sustainable growth	10%	Percentage growth of gross written premium income compared to the 2021/2022 financial year	24% to 38.5%	Budgeted income GWP (YTD 31 August 2022): R1 965 300	KPI achieved Actual income GWP (YTD ended 31 August 2022): R1 941 350 Actual income GWP (YTD ended 31 August 2021): R1 419 021 GWP is 36.8% above prior year.	Variance: We have implemented immediate strategies to ensure that Sasria achieves premium target, through continued engagement



PERFORMANCE INFORMATION FOR THE 6 MONTHS ENDING 30 SEPTEMBER 2022

STRATEGIC OBJECTIVE	WEIGHTING	KEY PERFORMANCE INDICATOR	PERFORMANCE TARGET ('000)	BUDGET YEAR ENDING 31 MARCH 2023 ('000)	ACTUAL PERFORMANCE ('000)	VARIANCES FOR THE PERIOD AND ACTION PLANS
						with Stakeholders and monitoring of the rate increase implementation.
2. Sustainability – capital efficiency	10%	Percentage average gross incurred loss ratio range over a 3-year rolling period, excluding IBNR reserve and catastrophe events	45% to 55%	Included in the budget	KPI achieved. Budgeted loss ratio: between 45 and 55% Forecast loss ratio: 17.5%	Variance: The loss ratio is below the budgeted range.
3. Sustainability – sound corporate governance	5%	Irregular, fruitless, and wasteful expenditure	Nil	Included in the budget	KPI not achieved. Budgeted Fruitless and wasteful expenditure: R0.	Variances: The fruitless and wasteful expenditure



PERFORMANCE INFORMATION FOR THE 6 MONTHS ENDING 30 SEPTEMBER 2022						
STRATEGIC OBJECTIVE	WEIGHTING	KEY PERFORMANCE INDICATOR	PERFORMANCE TARGET ('000)	BUDGET YEAR ENDING 31 MARCH 2023 ('000)	ACTUAL PERFORMANCE ('000)	VARIANCES FOR THE PERIOD AND ACTION PLANS
					<p>Actual Fruitless and wasteful expenditure YTD: R2 276 384</p> <p>Budgeted irregular expenditure: R0.</p> <p>Actual irregular expenditure YTD: R0</p>	<p>was as a result of a penalty levied by OSTI and interest levied by SARS for late declaration of VAT output from reinsurance receipts</p> <p>Action: An application to SARS for remission of the interest is in progress.</p>
4. Sustainability – sound corporate governance	5%	Incidents of unethical behaviour investigated	100%.	Included in the budget.	<p>KPI achieved.</p> <p>All reported incidences / cases were investigated by Internal Audit.</p>	Variance: None.

PERFORMANCE INFORMATION FOR THE 6 MONTHS ENDING 30 SEPTEMBER 2022						
STRATEGIC OBJECTIVE	WEIGHTING	KEY PERFORMANCE INDICATOR	PERFORMANCE TARGET ('000)	BUDGET YEAR ENDING 31 MARCH 2023 ('000)	ACTUAL PERFORMANCE ('000)	VARIANCES FOR THE PERIOD AND ACTION PLANS
5. Sustainability – sound corporate governance	5%	PFMA submissions within the stipulated deadlines	100%	Included in the budget.	KPI not achieved. Three PFMA submission were submitted after the due date. namely Quarterly Reporting Q4 of 2021/2022 on Travel, Subsistence, Quarterly procurement plans Q4 of 2021/2022 Progress and Quarterly Report-Q1 of 2022/2023 on Travel and Subsistence.	Variance: Compliance calendar was automated, and reminders are automated and sent to business on 1st day of each month, 15 days and 3 days before the actual submission date alerting management of their reporting obligations.
6. Sustainability – sound corporate governance	5%	Audit opinion for the financial year ending March 2023	Unqualified opinion	Included in the budget.	KPI in progress	Variance: None.
7. Socio-economic impact – capacity building in the financial	5%	Percentage approved personal development plans for all critical roles by 30th June 2022	100%	Included in the budget.	KPI achieved.	Variance: None.



PERFORMANCE INFORMATION FOR THE 6 MONTHS ENDING 30 SEPTEMBER 2022						
STRATEGIC OBJECTIVE	WEIGHTING	KEY PERFORMANCE INDICATOR	PERFORMANCE TARGET ('000)	BUDGET YEAR ENDING 31 MARCH 2023 ('000)	ACTUAL PERFORMANCE ('000)	VARIANCES FOR THE PERIOD AND ACTION PLANS
sector					All personal development plans for critical roles by 30th June 2022.	
8. Customer-centricity – deliver value-add to the customer	10%	Fast-track claims turnaround time	90% of fast-track claims settled within 25 days (where all relevant information is available) ¹	Included in the budget.	KPI not achieved. 52.1% of fast-track claims received, were settled within 25 days.	Variance: The KPI is monitored by the Claims Management System. The calculation is on annual basis and includes files which have not reached TAT. Enquiry made with IT if change can be made

⁶ Claims below an estimated value of R250,000.

PERFORMANCE INFORMATION FOR THE 6 MONTHS ENDING 30 SEPTEMBER 2022

STRATEGIC OBJECTIVE	WEIGHTING	KEY PERFORMANCE INDICATOR	PERFORMANCE TARGET ('000)	BUDGET YEAR ENDING 31 MARCH 2023 ('000)	ACTUAL PERFORMANCE ('000)	VARIANCES FOR THE PERIOD AND ACTION PLANS
9. Customer-centricity – deliver value-add to the customer	10%	Large loss claims turnaround time	70% of large losses finalised within 50 days (where all relevant information is available)	Included in the budget.	KPI achieved. 79.08% of large loss claims received, were settled within 50 days.	Variance: None
10. Customer-centricity – deliver value-add to the customer	5%	Claims overturned by the Ombudsman for Short-term Insurance, as a percentage of the total claims received by Sasria	≤0.5%	Included in the budget.	KPI achieved. 26 complaints were received from OSTI against the total number of 2024. claims received during period. 24 of the 26 complaints related to the July 2021 incident (CAT). 6 matters received were resolved by OSTI and 1	Variance: None.

PERFORMANCE INFORMATION FOR THE 6 MONTHS ENDING 30 SEPTEMBER 2022

STRATEGIC OBJECTIVE	WEIGHTING	KEY PERFORMANCE INDICATOR	PERFORMANCE TARGET ('000)	BUDGET YEAR ENDING 31 MARCH 2023 ('000)	ACTUAL PERFORMANCE ('000)	VARIANCES FOR THE PERIOD AND ACTION PLANS
					of 2024 claims was overturned by OSTI, which is 0.049%	
11. Customer-centricity – deliver value-add to the customer	5%	Percentage reduction of the number of customer service complaints against the Claims department received against the 2021/2022 baseline	≥25%	Included in the budget	KPI achieved. Planned performance: reduce the number of complaints by 50% (the 2021/22 baseline is 63 complaints, which includes the 32 related to CAT event).	Variance: None. The number of claim complaints received has not exceeded the baseline limit. Claims department has implemented an intervention aimed at

⁷ Different decision arrived at by OSTI on a claim.

PERFORMANCE INFORMATION FOR THE 6 MONTHS ENDING 30 SEPTEMBER 2022						
STRATEGIC OBJECTIVE	WEIGHTING	KEY PERFORMANCE INDICATOR	PERFORMANCE TARGET ('000)	BUDGET YEAR ENDING 31 MARCH 2023 ('000)	ACTUAL PERFORMANCE ('000)	VARIANCES FOR THE PERIOD AND ACTION PLANS
					<p>45 complaints were received, of the 45, only 6 were KPI related, 4 of the 6 related to the CAT event.</p> <p>Effectively 6 KPI related complaints were received from 1 April to 30 September 2022.</p>	<p>the reduction of customer complaints.</p> <p>Compliance Office will continue to monitor.</p>
12. Digitalisation - distribution capability	5%	Percentage increase in website and social media traffic against the 2021/2022 baseline.	≥10%	Included in salary budget	<p>KPI achieved.</p> <p>Actual performance: 10.23%</p>	Variance: None



PERFORMANCE INFORMATION FOR THE 6 MONTHS ENDING 30 SEPTEMBER 2022						
STRATEGIC OBJECTIVE	WEIGHTING	KEY PERFORMANCE INDICATOR	PERFORMANCE TARGET ('000)	BUDGET YEAR ENDING 31 MARCH 2023 ('000)	ACTUAL PERFORMANCE ('000)	VARIANCES FOR THE PERIOD AND ACTION PLANS
13. Sustainability – sustainable growth	5%	Percentage operational expense ratio excluding depreciation, binder fees, CSI and bonus provision both STI and LTI	6% - 8%	Included in the budget	KPI achieved. Planned performance: 7-9% Actual performance: 4.9%	Variance: None
14. Customer-centricity – conducive culture	5%	Percentage implementation of the culture project as per	100%	Estimated R2 million ³	KPI achieved.	Variance: None

⁸ Two million was budgeted in the previous financial year. Additional activities may be required and will be paid for from the contingency.

PERFORMANCE INFORMATION FOR THE 6 MONTHS ENDING 30 SEPTEMBER 2022

STRATEGIC OBJECTIVE	WEIGHTING	KEY PERFORMANCE INDICATOR	PERFORMANCE TARGET ('000)	BUDGET YEAR ENDING 31 MARCH 2023 ('000)	ACTUAL PERFORMANCE ('000)	VARIANCES FOR THE PERIOD AND ACTION PLANS
		the planned activities for the year			Planned performance: 1 81% ⁴ completion. Actual performance: 2 81% completion.	After the focus groups, 15 activities across the 3 pillars (Leadership, Communication & Empowerment) of the culture journey were identified and allocated to owners.
15. Digitalisation – operational excellence	5%	Percentage implementation of the new Policy Centre ⁵	100%	Estimated R30 million ⁷	KPI achieved.	Variance: Project has not yet commenced.

⁹ The performance measurement refers to the performance against the full project plan from November 2019 to December 2022.

¹⁰ Customer Web Portal (legacy system) replacement – including the reinsurance, rates calculator, rating capability, billing centre, customer engage and policy administration modules.

¹¹ A project budget of R30 million was approved in the previous financial year for phase 1 (year 1). The project is expected to span 3 years. The estimate total project cost is expected to be approximately R95 million. Once the expected project becomes known, the Board will be engaged to avail project funding.

PERFORMANCE INFORMATION FOR THE 6 MONTHS ENDING 30 SEPTEMBER 2022						
STRATEGIC OBJECTIVE	WEIGHTING	KEY PERFORMANCE INDICATOR	PERFORMANCE TARGET ('000)	BUDGET YEAR ENDING 31 MARCH 2023 ('000)	ACTUAL PERFORMANCE ('000)	VARIANCES FOR THE PERIOD AND ACTION PLANS
		system as per the planned activities ⁶ for the year			Planned performance: 3 0% ⁸ completion. Actual performance: 4 0% completion.	The second round of the procurement process did not provide a suitable system implementation partner. The RFP will be revised and send back to market by end October 2022.
16. Sustainability – sustainable growth	5%	Gross written premium income from the SMME/F4 product	R2 000	Budget income GWP (Annual): R2 000.	KPI in progress	Variance This is a new product that is still taking traction with

⁶ Project activities will be defined during the inception phase of the project once a service provider has been appointed. The procurement activities to source a system implementation partner is targeted for this financial year.

⁸ As at the end of the quarter, the procurement process was still in progress. Project performance tracking will commence once the system implementation partner has been appointed and a project plan agreed with all stakeholders



PERFORMANCE INFORMATION FOR THE 6 MONTHS ENDING 30 SEPTEMBER 2022

STRATEGIC OBJECTIVE	WEIGHTING	KEY PERFORMANCE INDICATOR	PERFORMANCE TARGET ('000)	BUDGET YEAR ENDING 31 MARCH 2023 ('000)	ACTUAL PERFORMANCE ('000)	VARIANCES FOR THE PERIOD AND ACTION PLANS
					Actual income GWP (YTD): R10	stakeholders in our current distribution channel. Alternative distribution channels are being explored.

ANNEXURE 8: DIRECTORS' PROFILES

Surname	Names and Preferred Name	Race and Gender	Current and or past fulltime Position	Current Board Membership	Qualifications	Areas of Expertise
1. Ngoasheng	Moses Modidima (64)	Black – Male	CEO and Deputy Chairman of Safika Holdings	See attached list – Annexure A	BA (Economics and International Politics) BSocSci Hons (Industrial Sociology) MPhil (Development Studies)	Investments
2. Mokonyane	Priscilla Onkgoditse (34)	Black – Female	Discovery Insure – Head of Strategy	Nelson Mandela Children's Fund Momentum Retirement Annuity Fund Momentum Pension Preservation Fund Momentum Provident Preservation Fund and the Self-Financed Retirement Annuity Fund Seriti Institute Actuarial Society of South Africa Association of South African Black Actuarial Professionals	BSc MCom Actuarial Science AMASSA	Governance Investments Risk Management Actuarial Recruitment and Human Capital
3. Ramoipone	Moipone (39)	Black – Female	Director PFMA Support	N/A	National Diploma and BTech Public Finance and Accounting Registered Government Auditor	Finance and Accounting
4. Maisela	Japhtaline Mantuka (65)	Black -Female	Khomolema Consulting Petro SA	Motor Industry Retirement Funds. Which comprises of: Auto Workers Provident Fund Motor Industry Retirement Funds. Which comprises of:	Master's in management PGD Management Wharton Business School Leadership Development Programme	Human Capital Investment. Social and Ethics



ANNEXURE 8: DIRECTORS' PROFILES

5. Dr Mgoqi	Codelia Nolwandle (50)	Black – Female	CEO/ Executive Management at Standard Bank	Auto Workers Provident Fund	MSc PhD	Short Term insurance Life insurance Employee Benefits Asset Management Strategy development, execution, and management
6. Phiri	Margaret Mosibudi (47)	Black- Female	Director Senior Manager at AGSA	Council for Mineral Technology	CA(SA)	External Audit Internal Audit Financial accounting Risk Management Corporate governance Investigations Board evaluations
7. Haman	Reginald Thomas (47)	Coloured – Male	Group Corporate Services Officer at Aspen Pharma Group	Services Officer Aspen Pharmacare Holdings Chairperson: Audit & Risk Committee (Department of Public Enterprises) Chairperson: Department of Sports and Recreation Rural Housing Loan Fund SOC Royal Bafokeng Resources Properties - Waterkloof Utilities Company - RBR Env Rehab Trust - Department of Transport (ARC) Driving Licence Trading Account Department of Home Affairs (ARC)	MBA PDBA NHD Diploma in Company Direction Executive Programme	Risk Management Business Strategy Risk Financing / insurance Corporate Governance Internal Audit Forensic Audit - Information Technology HR – Remuneration



8. Sathie	Gounden (62)	Indian – Male	Non-Executive Director of Sci-Bono Discovery Centre MPC	Sci – Bono Discovery Centre; The Playhouse company; SARS; NHBRC	BCompt CTA CA(SA) Harvard Business School Executive Leadership Development Programme	Audit Finance Risk Governance Fraud and Prevention
9. Moletsane	Refiwe (51)	African - Female	Middle East and Africa Head of Compliance AIG	SAIA (Alternate Board Member)	B Juris MAP B Hons Insurance and Risk Management	Governance, Compliance, Regulatory Affairs
10. Ngutshane	Enos (65)	African - Male	Executive Manager Prasa (current)	IRFA Board Chairperson CCMA	M Public Administration (Liverpool) PGD Administrative Studies	Risk Human Resource Safety Investment
11. Marumo	Desmond (62)	African - Male	Self - Employed	DMC	LLM (Corporate Law) Higher Certificate Intellectual Property Law	Law
12. Van Dyk	Christiaan Johannes (55)	White – Male	Previous: Group CEO: Assupol Past: MD: Natsure Past CEO: Momentum Wealth Previous Board Committee: SA Guarantee Specialist, C&G Guarantees C&G Engineering Risk Underwriters, Renew Risk Africa)	Assupol Holdings Assupol Life Assupol Investment Holding Capcubed Home Finance Capcubed Bridging Finance Capcubed Investments Kevin Grant Wines Idille Country Estate ICE Riaan K2013155484 Risk Committee Chair (Sasria & Assupol) Remuneration Committee Chair (Assupol) Remuneration Committee (Subtropico) Audit Committee Actuarial Committee Investment Committee Social & Ethics Committee Nominations Committee Growth & Innovation Committee	BSc Actuarial Science FFA FASSA	Life insurance Short-term insurance Asset management Investment product & administration Reinsurance Actuarial, Risk Management Finances Audit Remuneration Strategy
13. Tyikwe	Mpumelelo (57)	African - Male	Chief Executive Officer	Shumi Investments Sichukama Investments	FLISA, Post Graduate Diploma in Management	Executive leadership, turnaround, insurance, formulation and implementation of strategy
14. Mthiyane	Bajabulile (42)	African - Female	Chief Financial Officer	Reef Tankers (PTY) LTD	BCom Hons CA(SA) AMP (Harvard Business School)	Statutory reporting, Investment and Procurement



[illegible]

NOTES



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