

18 September 2019

Dear Stakeholder,

We were humbled to be visited by the Minister of Finance, Mr Tito Mboweni on the 13th of September 2019 at our Annual General Meeting (AGM). The 2019 Integrated Report (IR) which includes the company's going concern statement as well as the annual financials statement was tabled and adopted by the Minister.

The Minister of Finance will table the IR in Parliament at the end of September. The IR, showcases our clean audit and good governance, insights on the claims increase, which were greatly influenced by the current socio-economic landscape. The IR will further unpack our premium growth as well as show the drop in investment income and Sasria's first ever net loss driven by the high loss ratio.

The influx of claims in the 2018/2019 financial year posed operational challenges to Sasria, from which we drew valuable lessons. We have put measures in place to improve our operational efficiency and this has enabled us to clear the backlog of claims that we had. Currently all claims are now processed within the agreed service level agreement period. Measures are also in place to attend to our claims efficiently should we ever experience another influx of claims.

Despite the rise in claims and small net loss recored in the 2018/2019 financial year, Sasria remains well capitalised with a healthy balance sheet and no requirement for a government bail-out. Sasria has R8.5 billion assets under management and a reinsurance programme backed by "A" rated local and international reinsurers. This gives us confidence that we are able to honour all our current and future claims obligations. Sasria is a regulated insurance company and complies to all statutory requirements stipulated by both insurance regulators. We currently hold 2.7 times the amount of capital that the Prudential Authority requires Sasria to hold.

I would like to take this opportunity to thank you for your ongoing support. The success we have experienced over Sasria's 40-year history is because of you.

Regards

Cedric Masondo
Managing Director
Sasria SOC Ltd