Comprehensive Parallel Run Feedback

Presentation for:

2016 SAM Workshop

By:

Tiaan Henning

November 2016

Agenda

- SAM Queries
- Life Insurance Industry
- Non-Life Insurance Industry
- Operational Losses
- Groups

SAM Queries

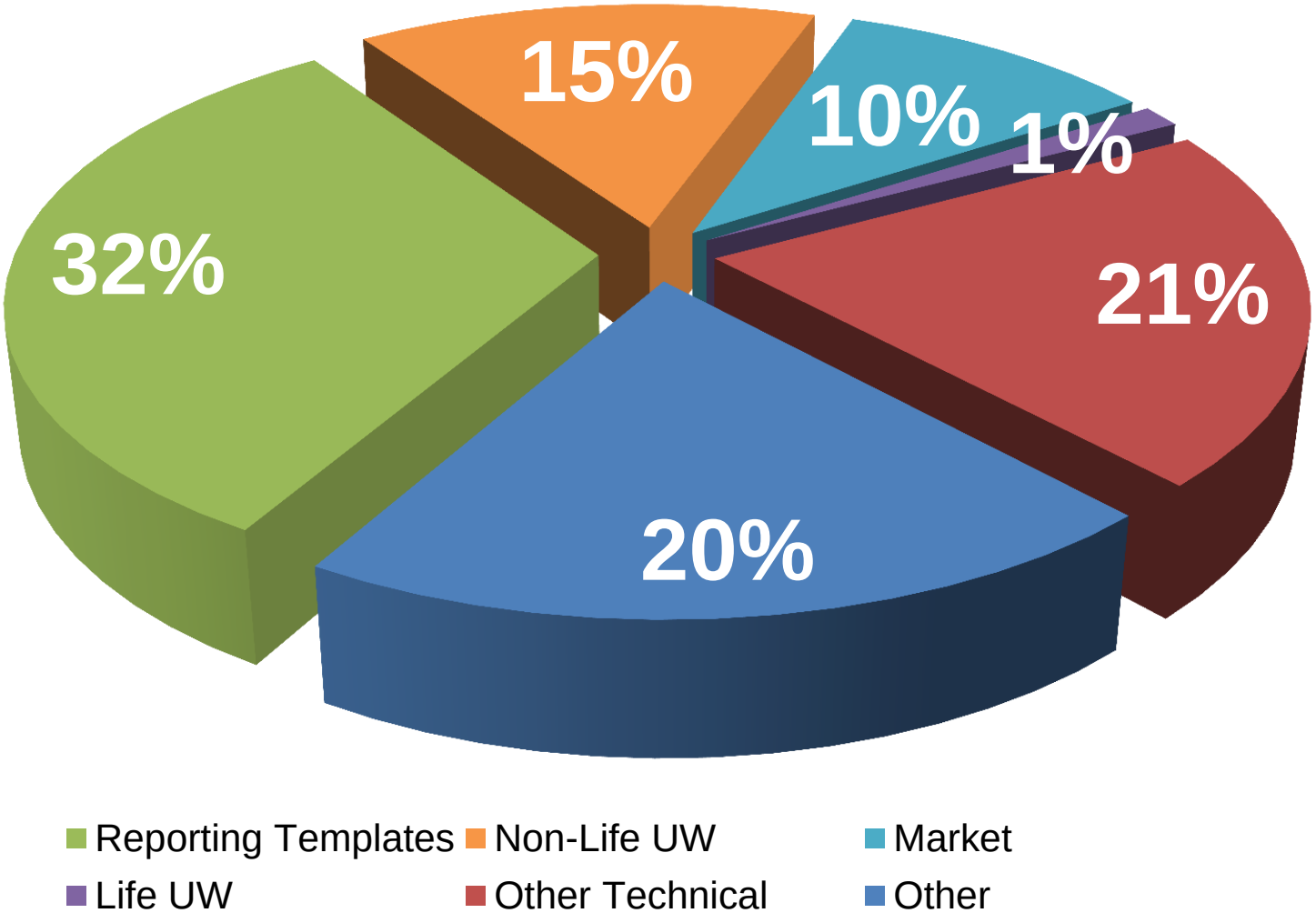
SAM Queries

SAM CPR	Workshop 2015	Workshop 2016
Received	842	385
% Responded and Completed	98%	96%

- Substantial decrease in number of queries received
- Response rate dropped by 2%

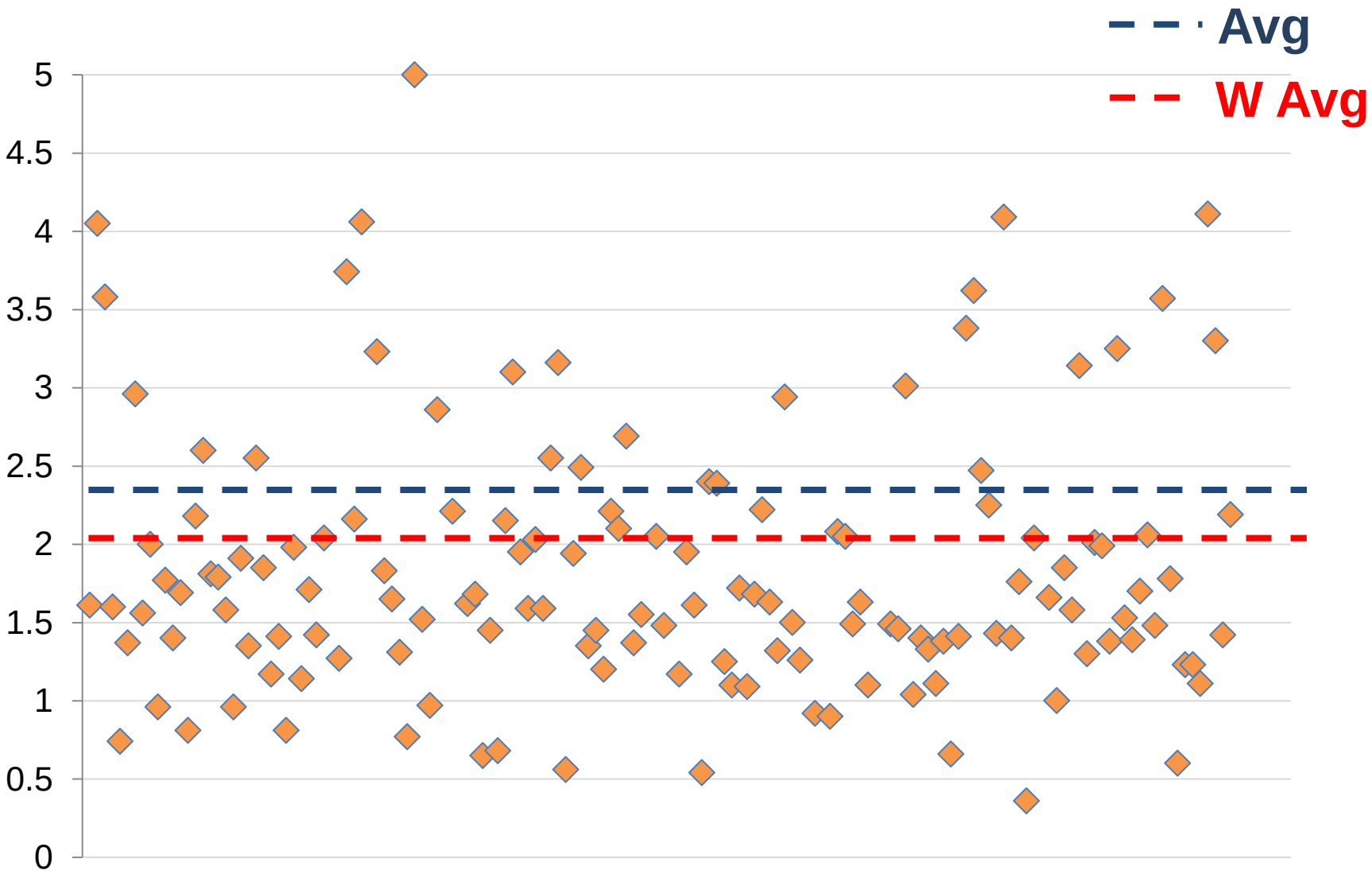
SAM Queries

SAM Queries


15%
10%
1%
32%
21%
20%
Reporting Templates
Non-Life UW
Market
Life UW
Other Technical
Other

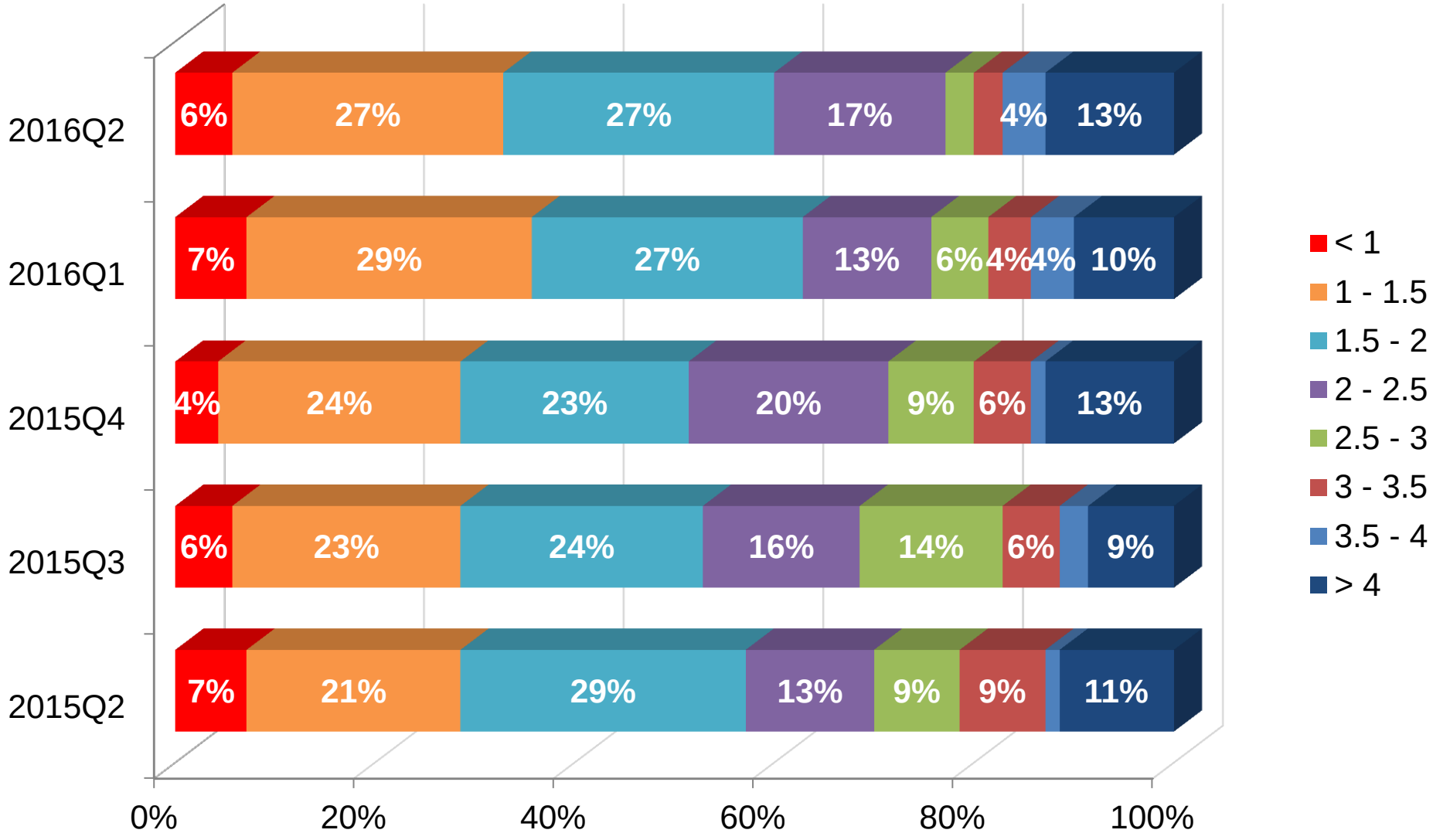
Insurance Industry

Insurance Industry

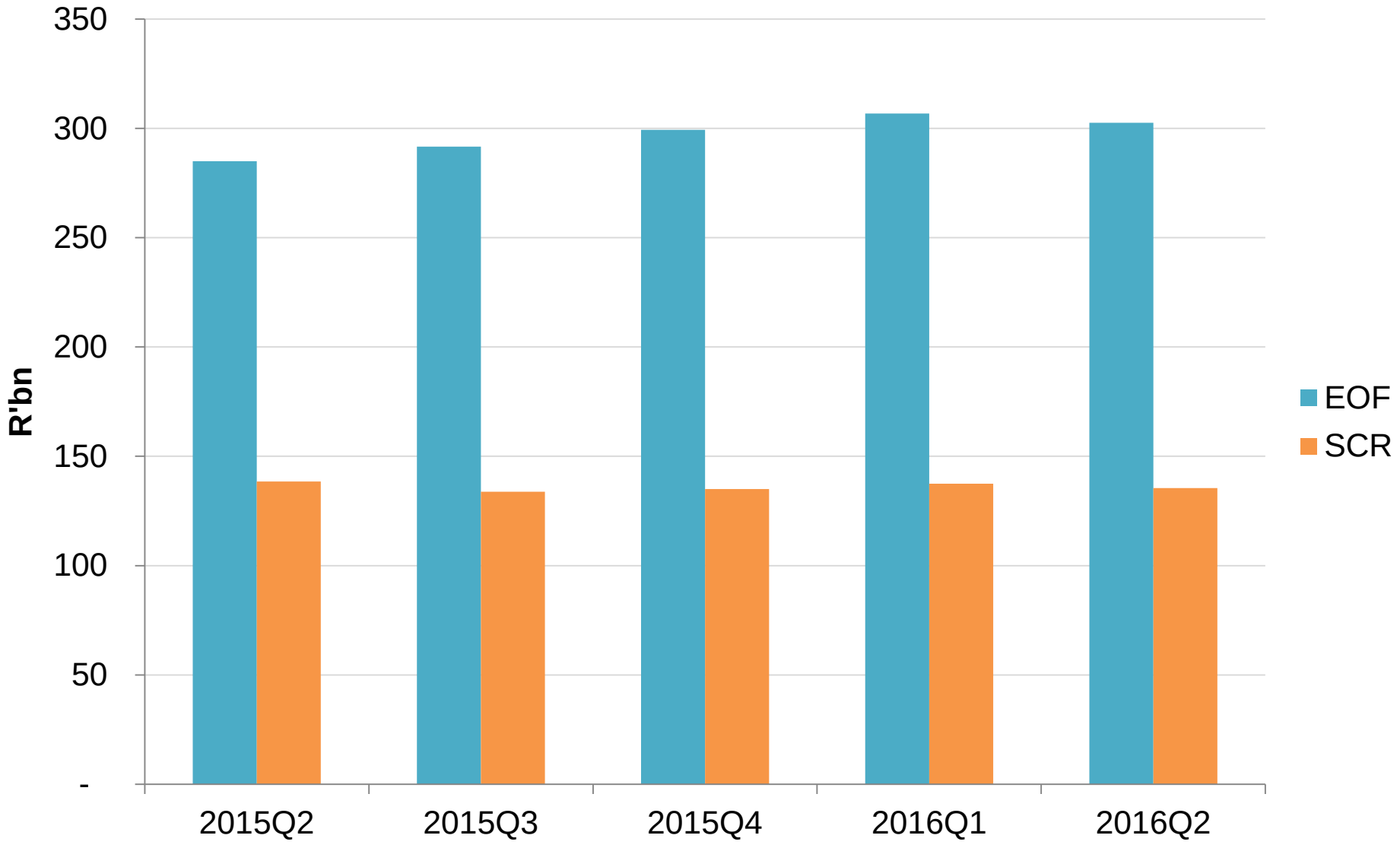


Life
Insurance Industry

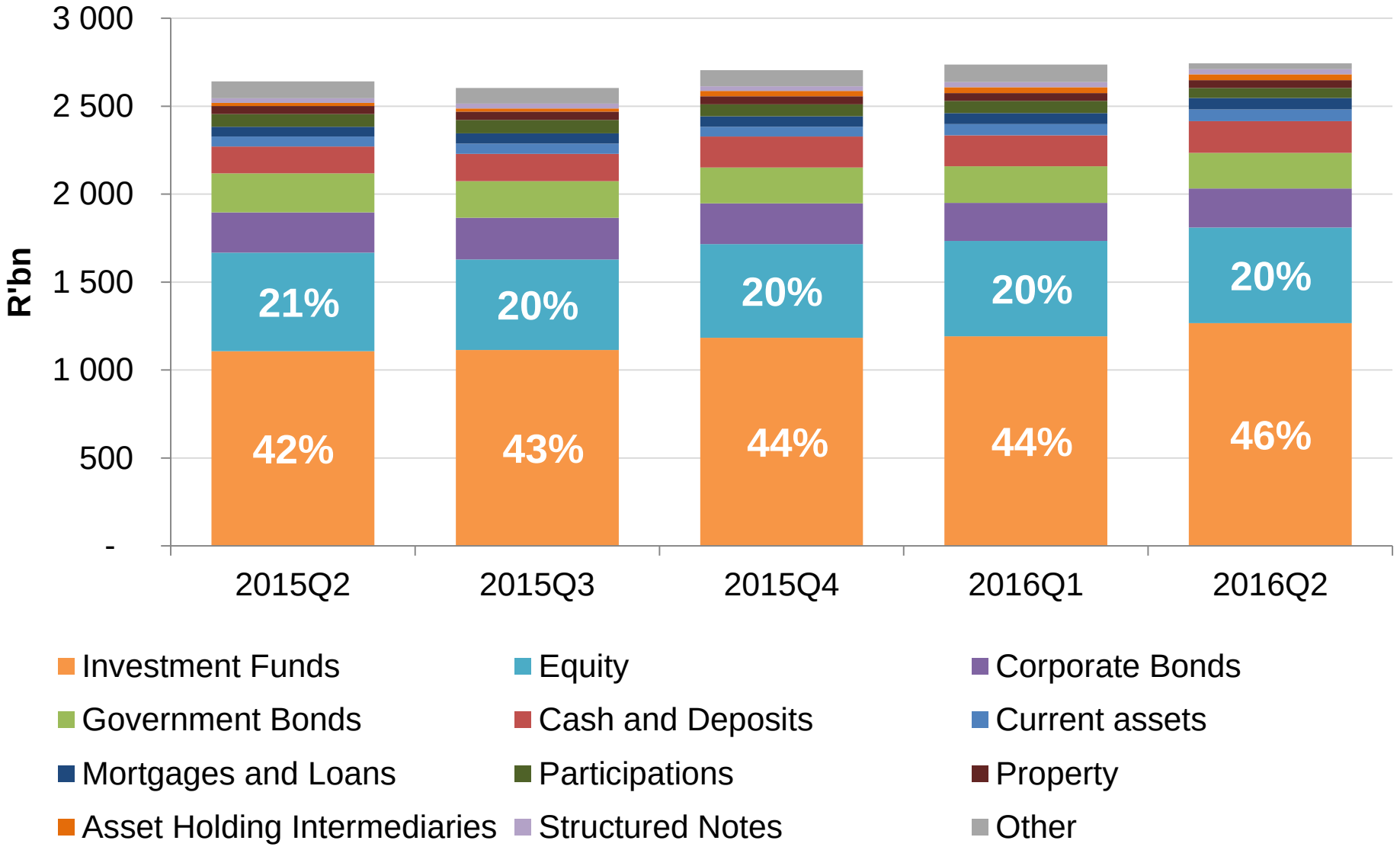
Life SCR Cover



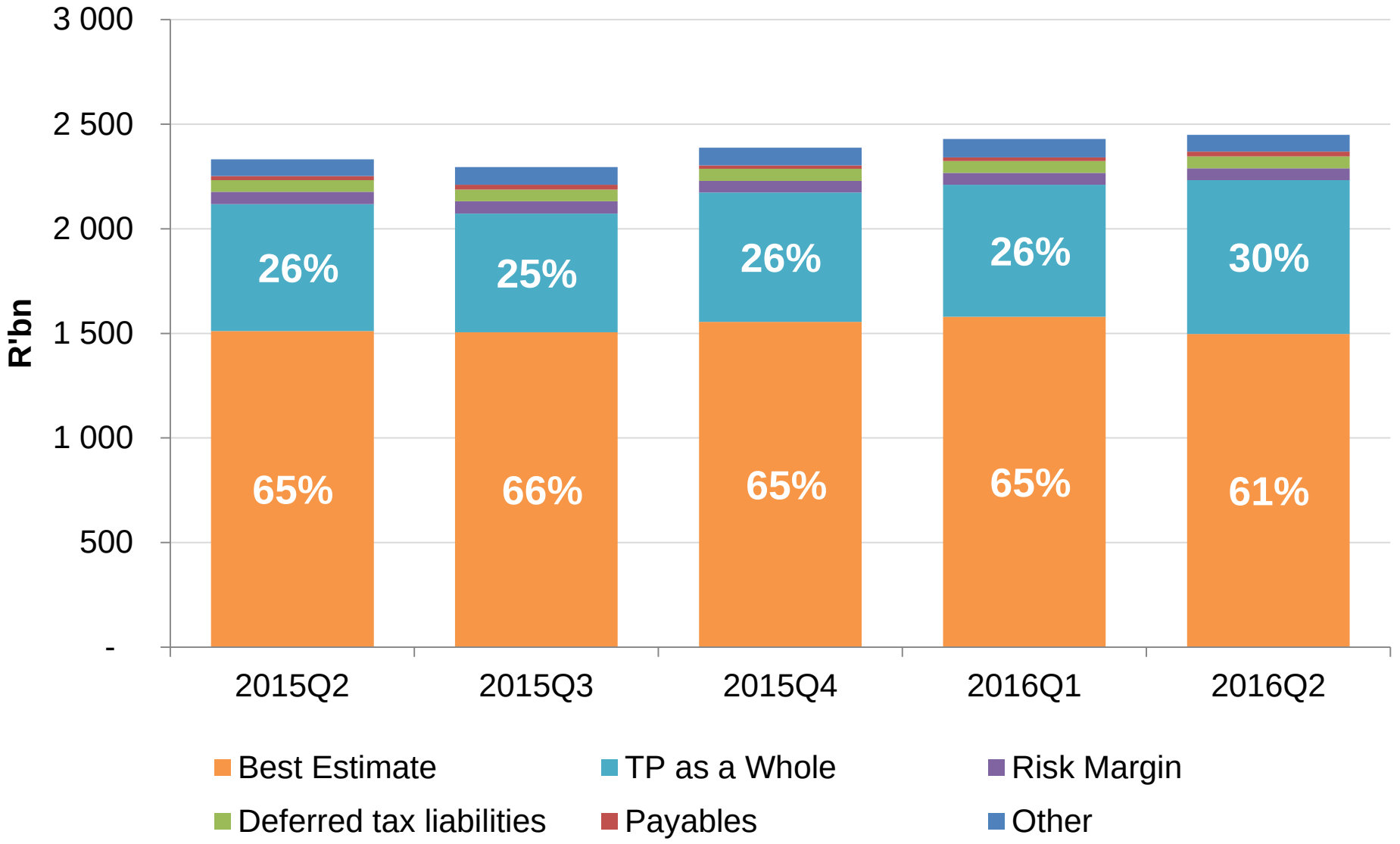
Life EOF and SCR



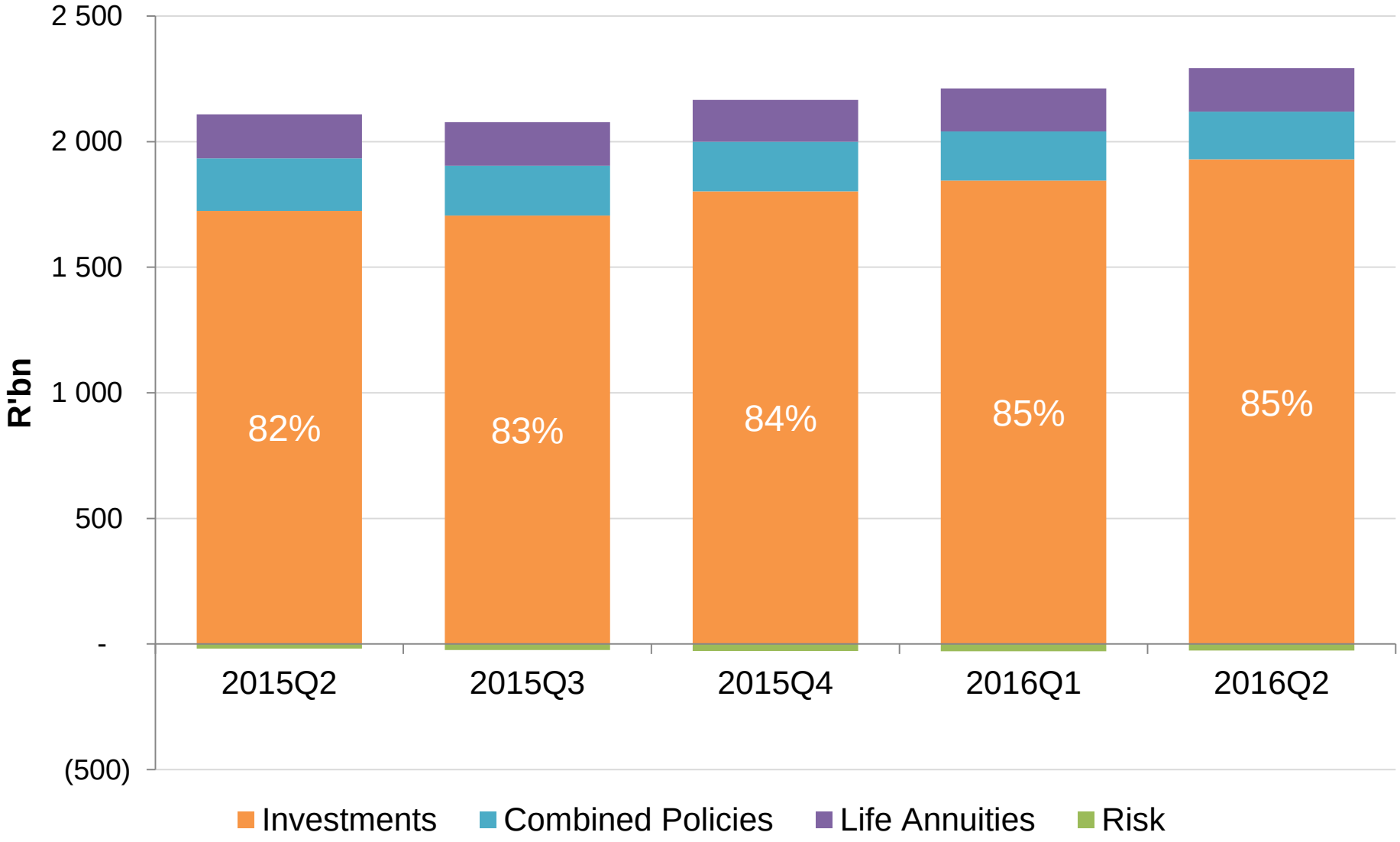
Life Assets


3 000
2 500
2 000
1 500
1 000
500
-
R'bn
21%
20%
20%
20%
20%
42%
43%
44%
44%
46%
2015Q2
2015Q3
2015Q4
2016Q1
2016Q2
Investment Funds
Equity
Corporate Bonds
Government Bonds
Cash and Deposits
Current assets
Mortgages and Loans
Participations
Property
Asset Holding Intermediaries
Structured Notes
Other

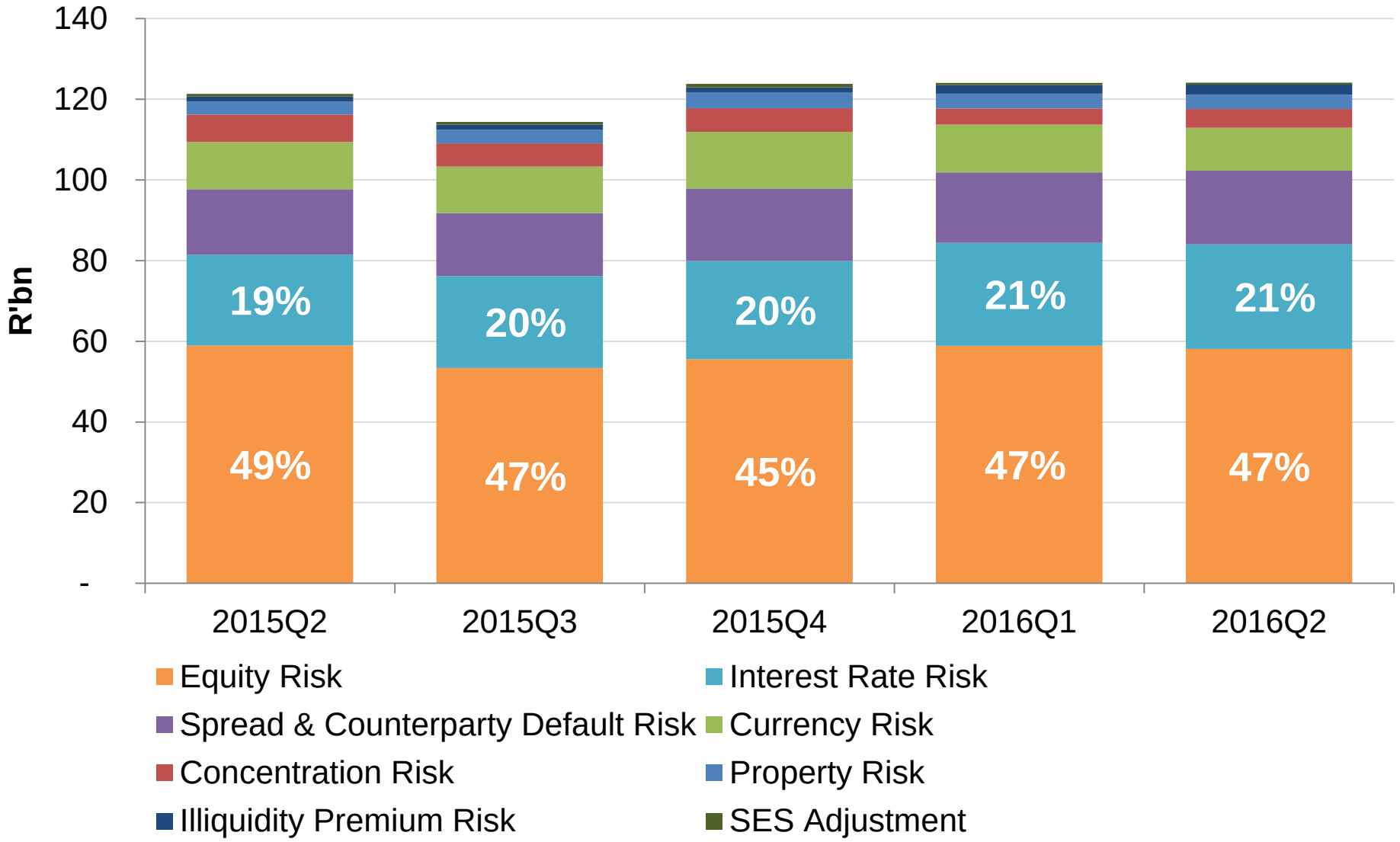
Life Liabilities



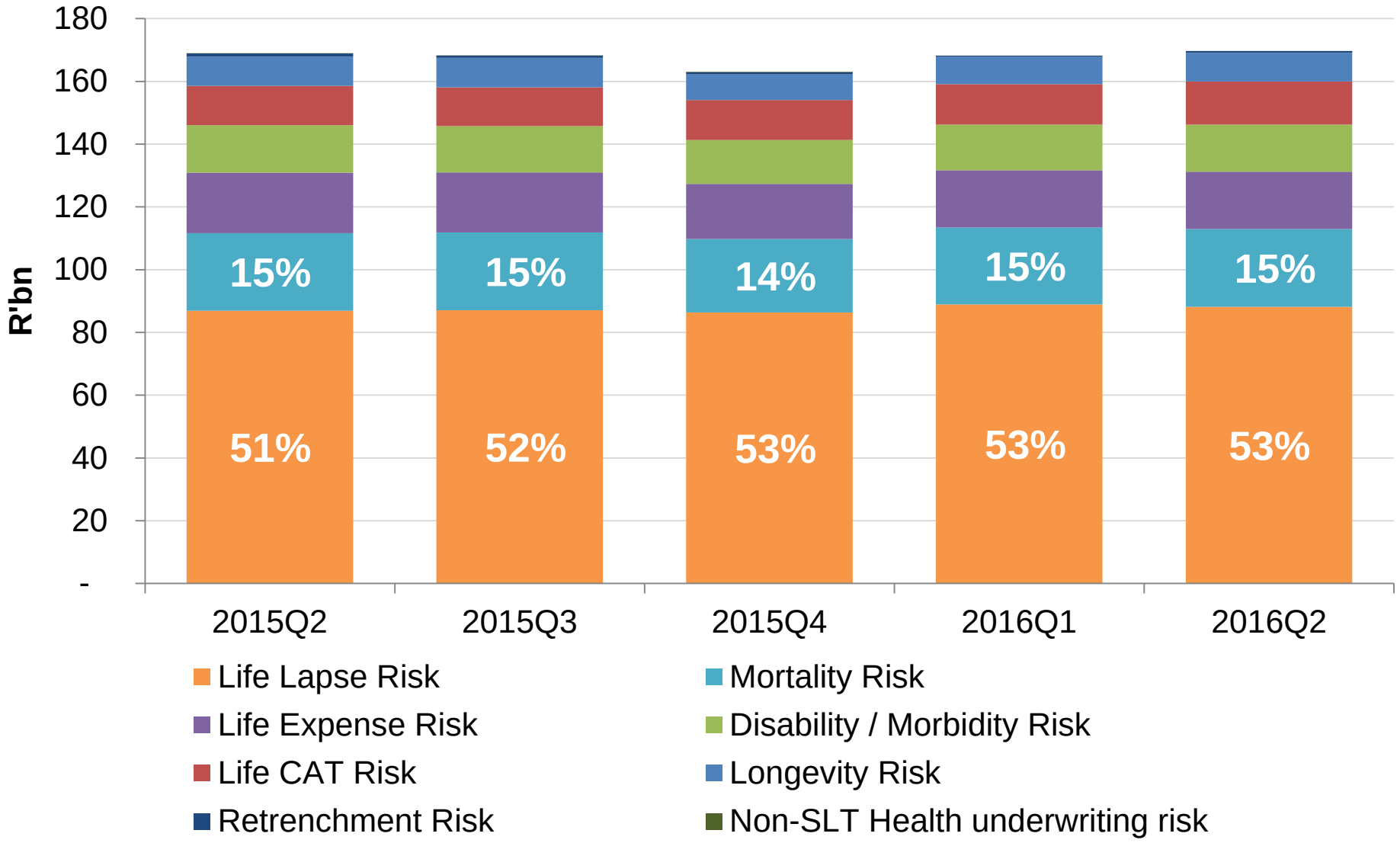
Life BEL


2 500
2 000
1 500
1 000
500
-
(500)
R'bn
82%
83%
84%
85%
85%
2015Q2
2015Q3
2015Q4
2016Q1
2016Q2
Investments
Combined Policies
Life Annuities
Risk

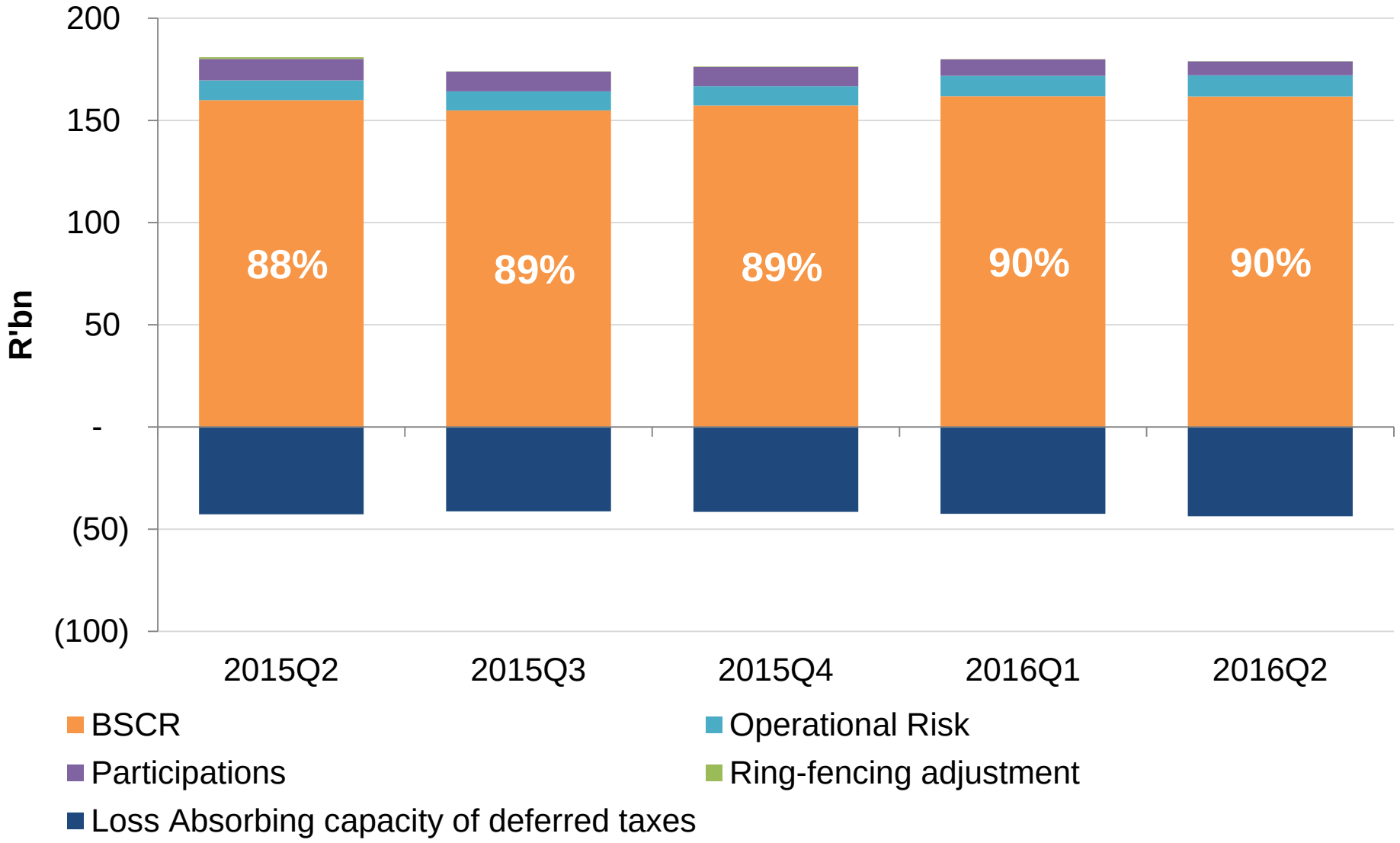
Life: Market Risk



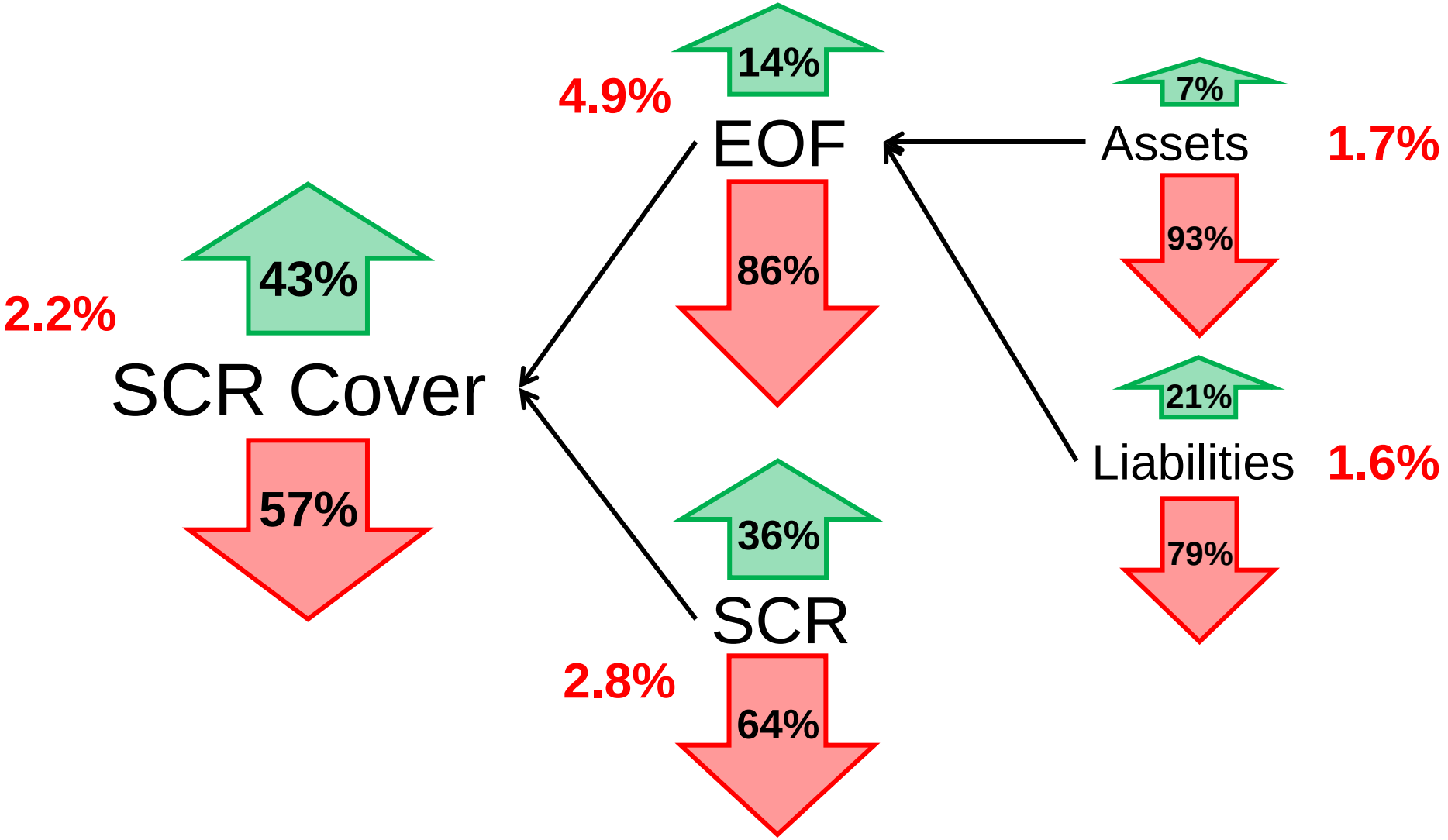
Life: UW Risk


R'bn
180
160
140
120
100
80
60
40
20
-
15%
15%
14%
15%
15%
51%
52%
53%
53%
53%
2015Q2
2015Q3
2015Q4
2016Q1
2016Q2
Life Lapse Risk
Mortality Risk
Life Expense Risk
Disability / Morbidity Risk
Life CAT Risk
Longevity Risk
Retrenchment Risk
Non-SLT Health underwriting risk

Life: SCR

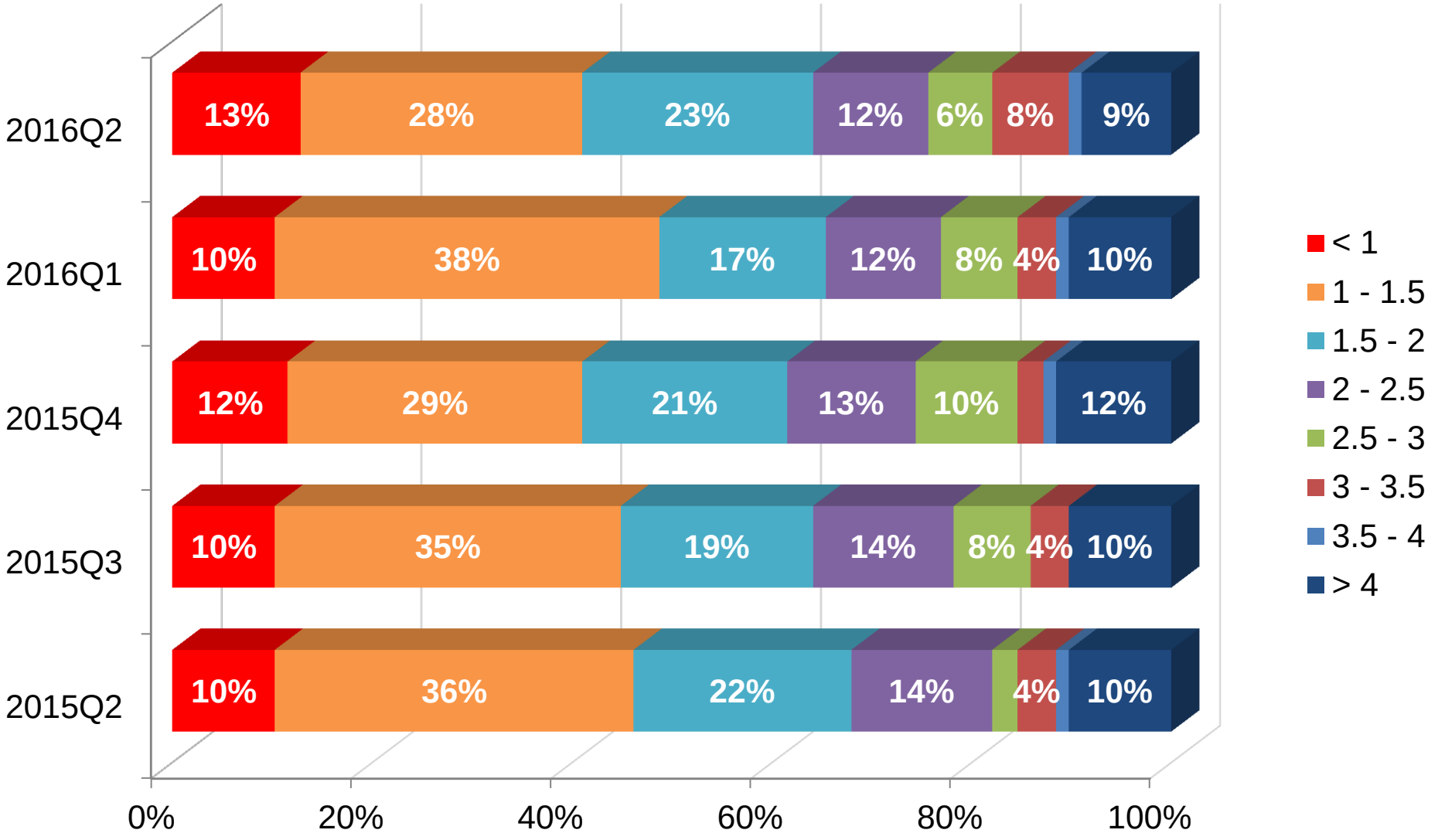

200
150
100
50
-
(50)
(100)
R'bn
88%
89%
89%
90%
90%
2015Q2
2015Q3
2015Q4
2016Q1
2016Q2
BSCR
Operational Risk
Participations
Ring-fencing adjustment
Loss Absorbing capacity of deferred taxes

Life: Annual vs Quarterly

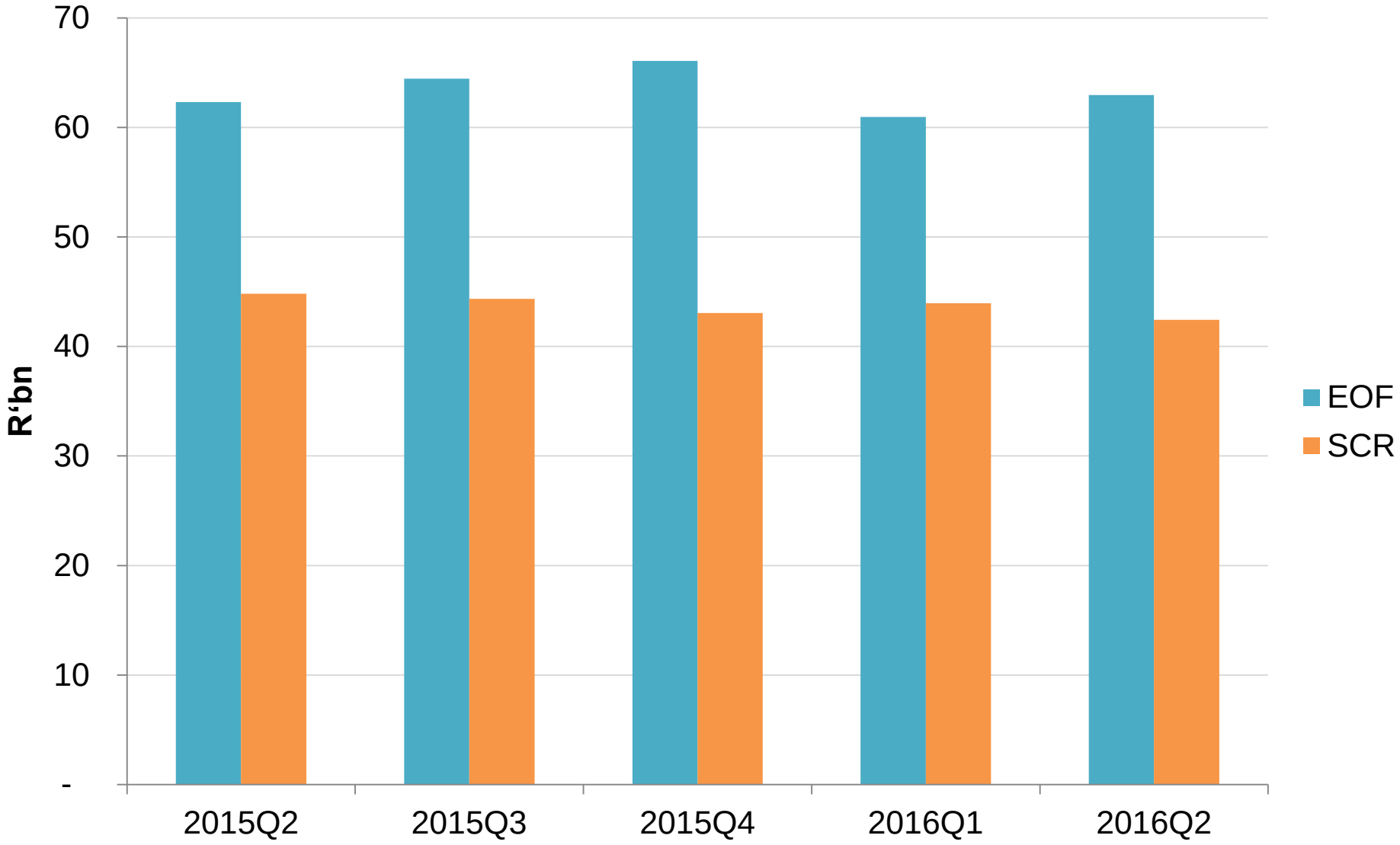


Non-Life Insurance Industry

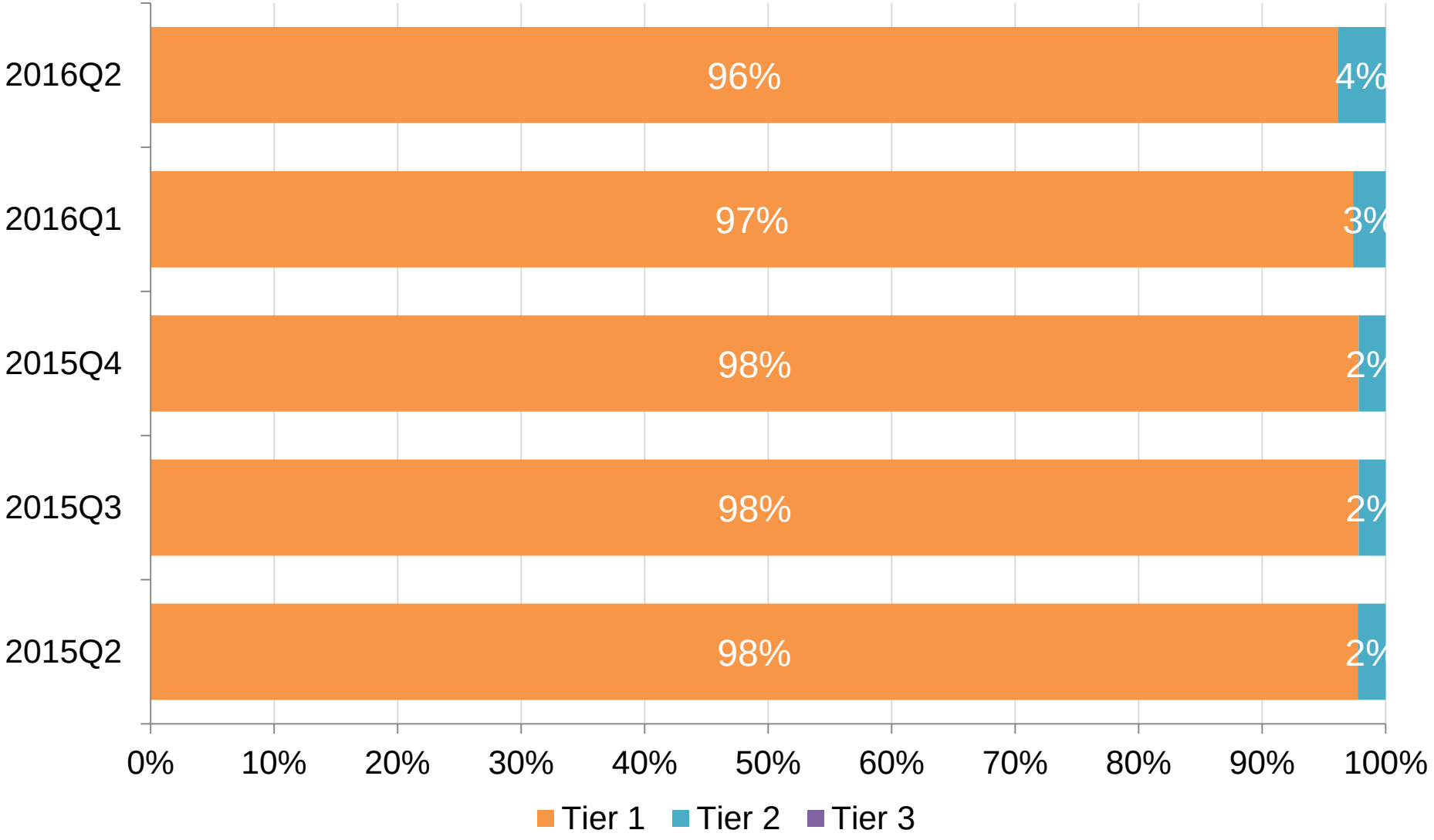
Non-Life SCR Cover



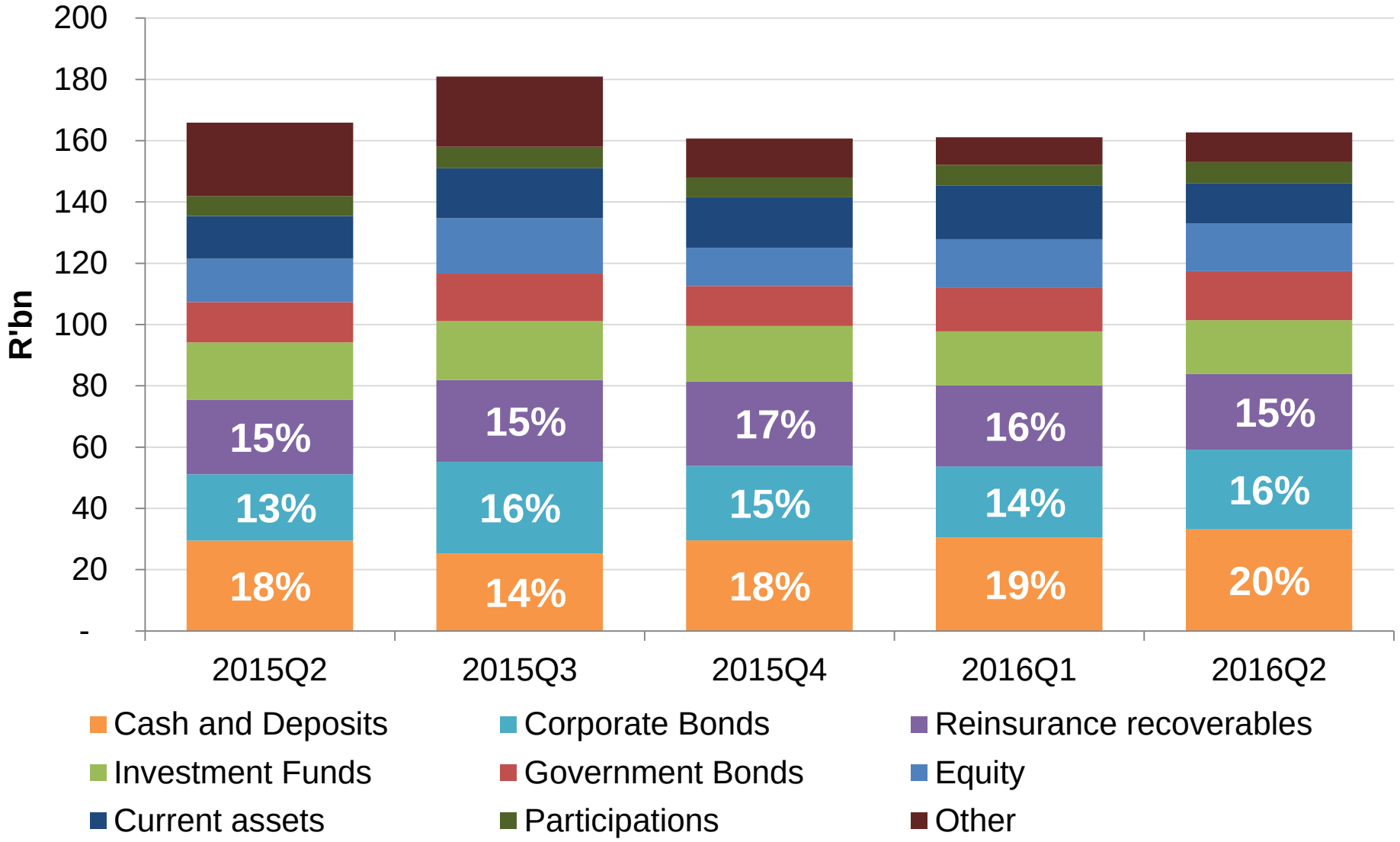
Non-Life EOF and SCR



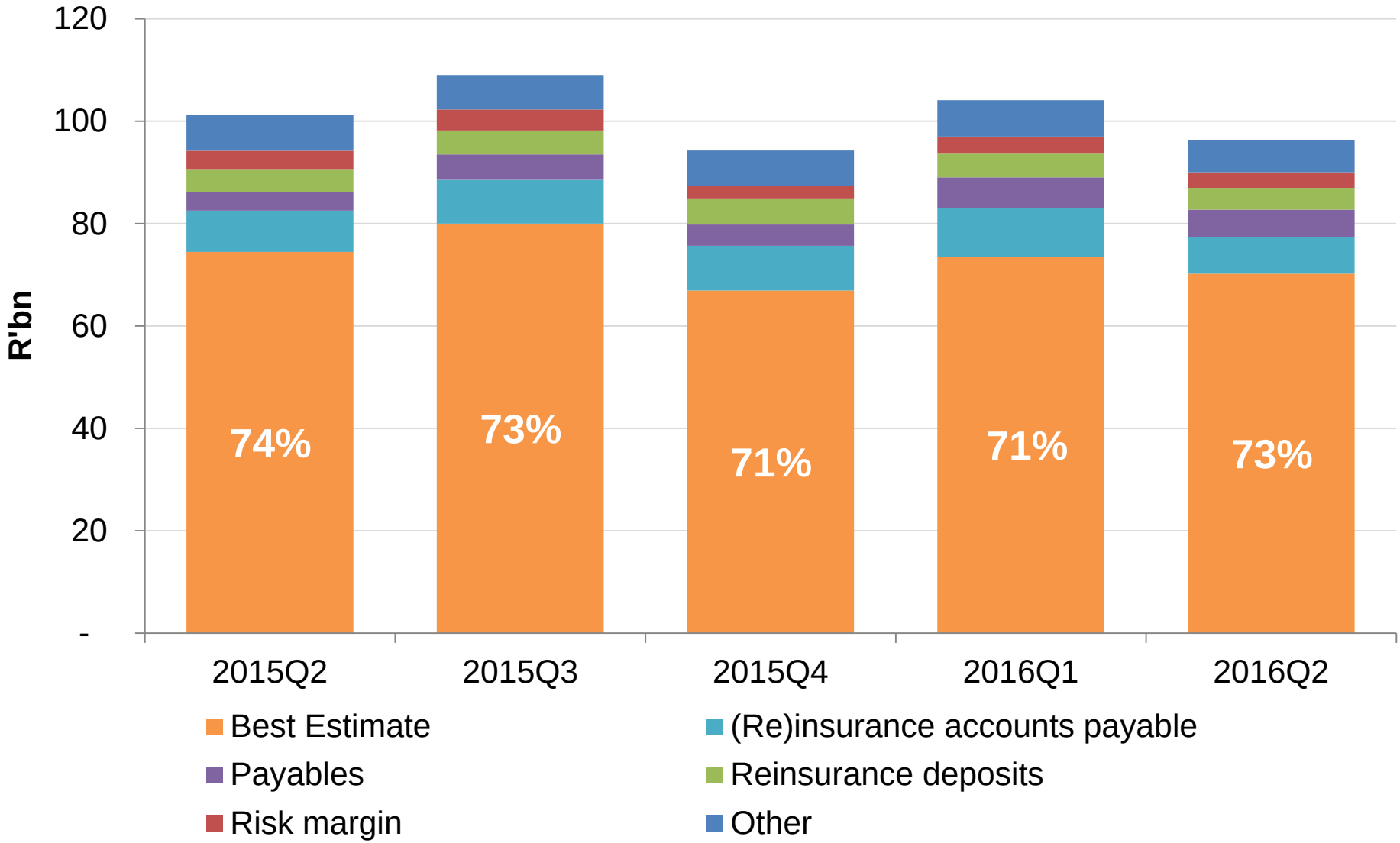
Non-Life EOF


2016Q2
96%
4%
2016Q1
97%
3%
2015Q4
98%
2%
2015Q3
98%
2%
2015Q2
98%
2%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Tier 1
Tier 2
Tier 3

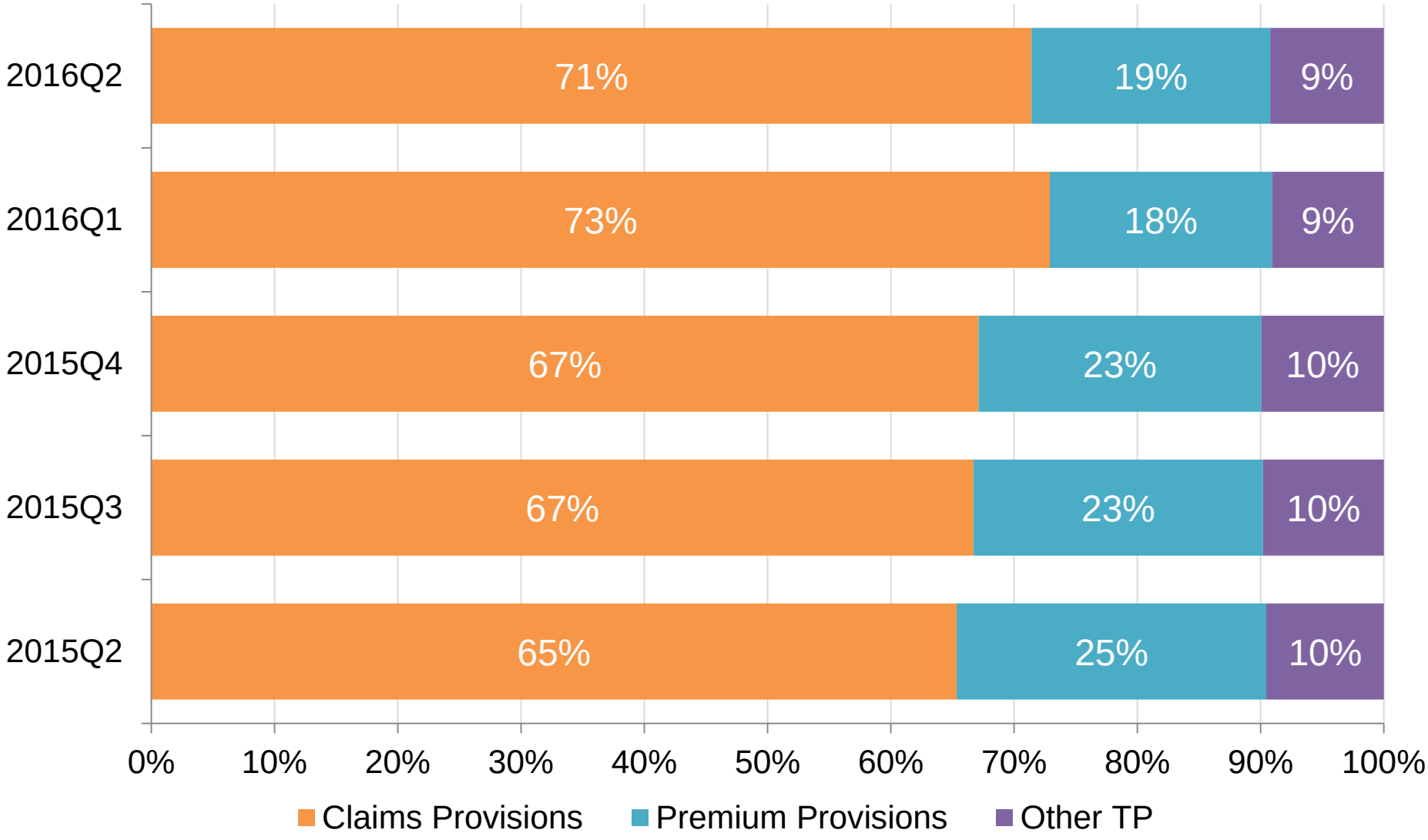
Non-Life Assets



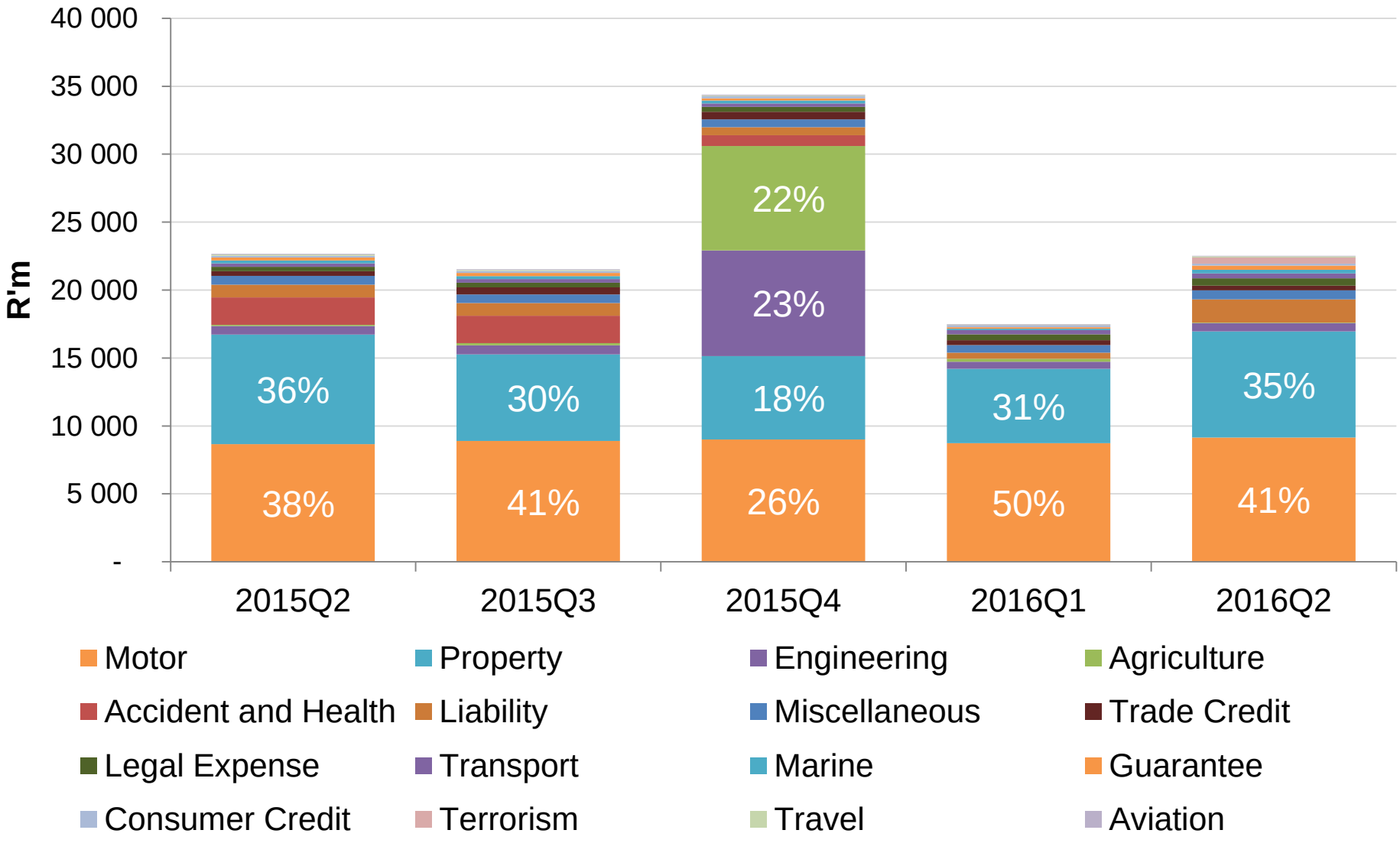
Non-Life Liabilities



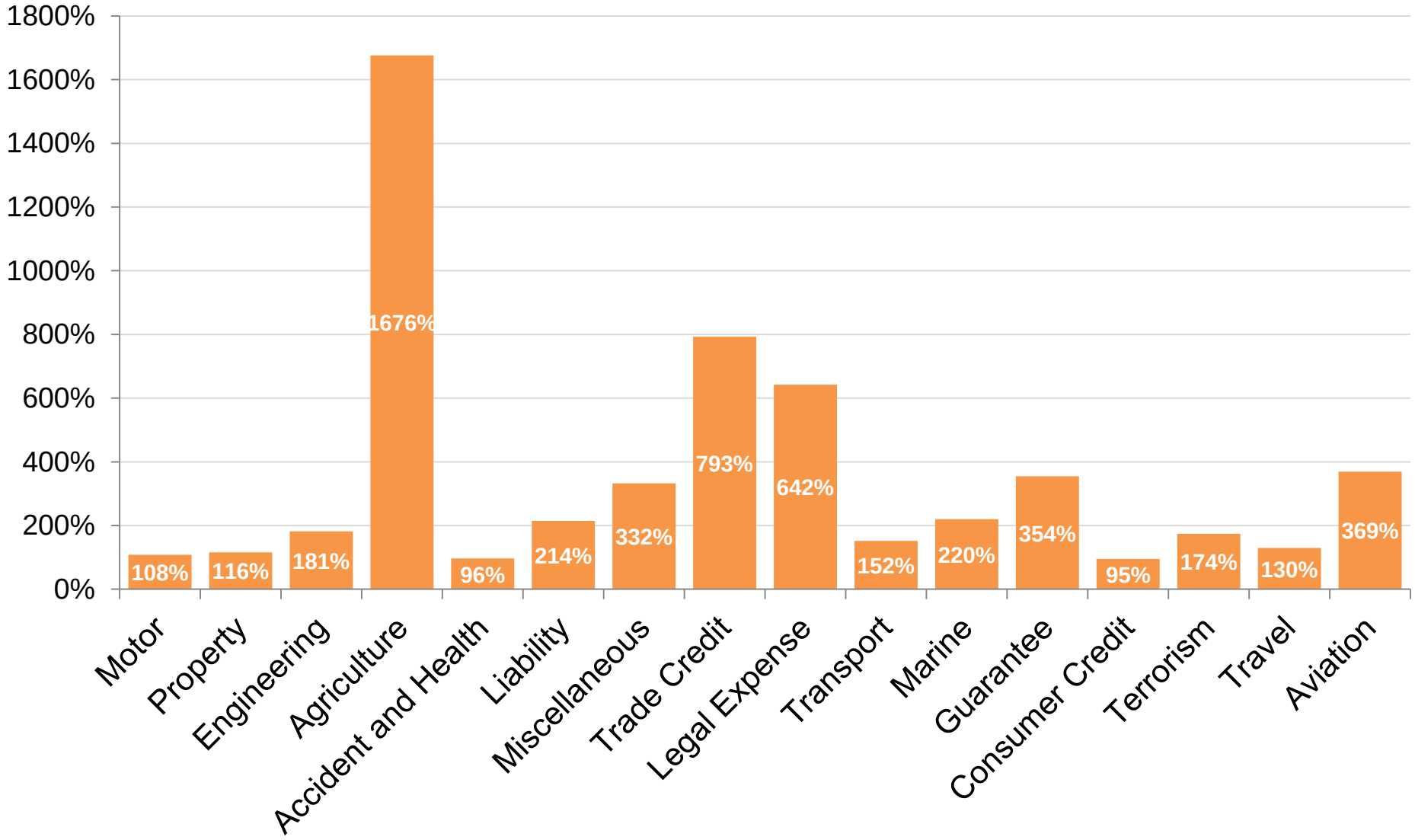
Non-Life BEL


2016Q2
71%
19%
9%
2016Q1
73%
18%
9%
2015Q4
67%
23%
10%
2015Q3
67%
23%
10%
2015Q2
65%
25%
10%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Claims Provisions
Premium Provisions
Other TP

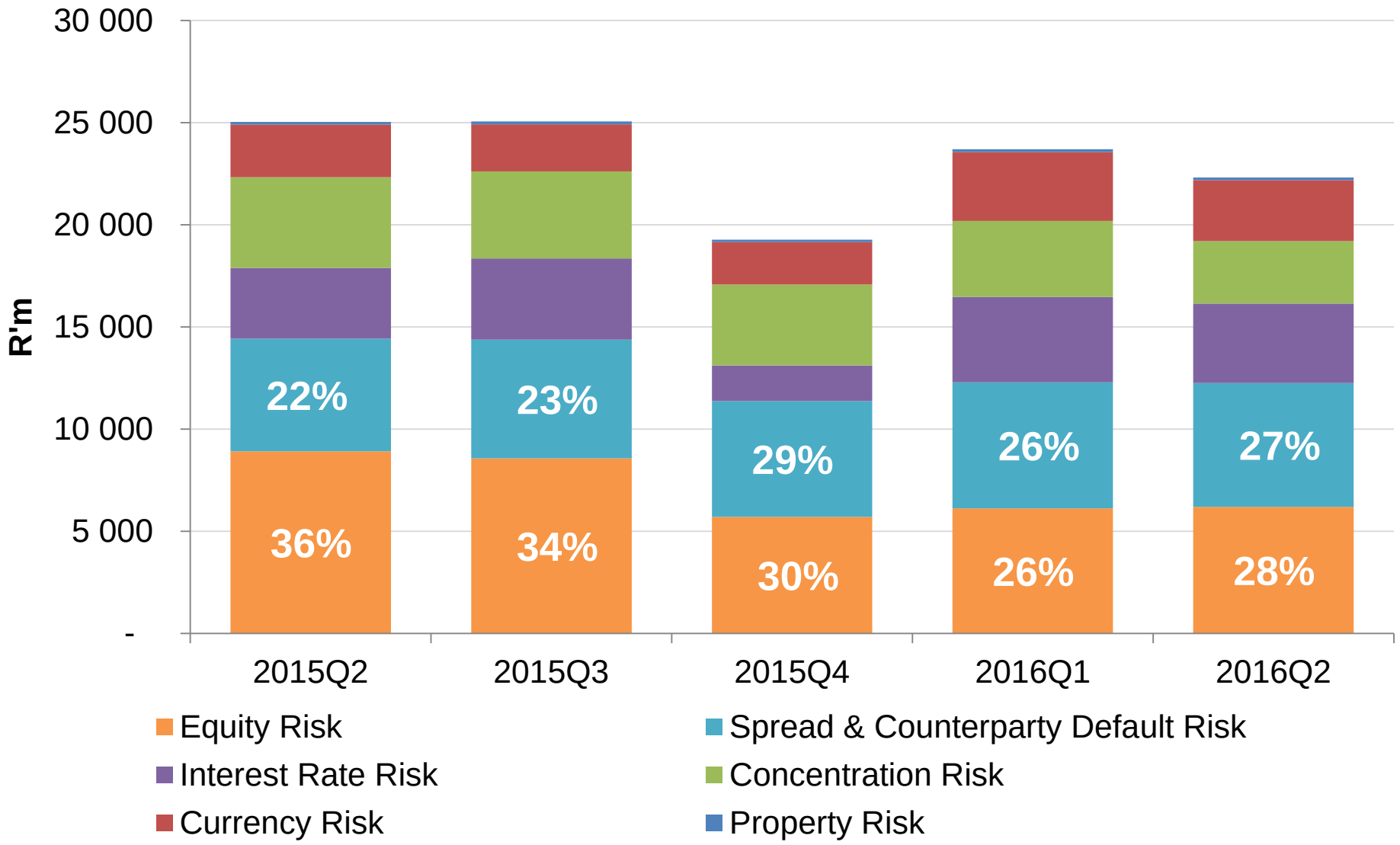
Non-Life NWP


40 000
35 000
30 000
25 000
20 000
15 000
10 000
5 000
-
R'm
2015Q2
2015Q3
2015Q4
2016Q1
2016Q2
36%
38%
30%
41%
22%
23%
18%
26%
31%
50%
35%
41%
Motor
Property
Engineering
Agriculture
Accident and Health
Liability
Miscellaneous
Trade Credit
Legal Expense
Transport
Marine
Guarantee
Consumer Credit
Terrorism
Travel
Aviation

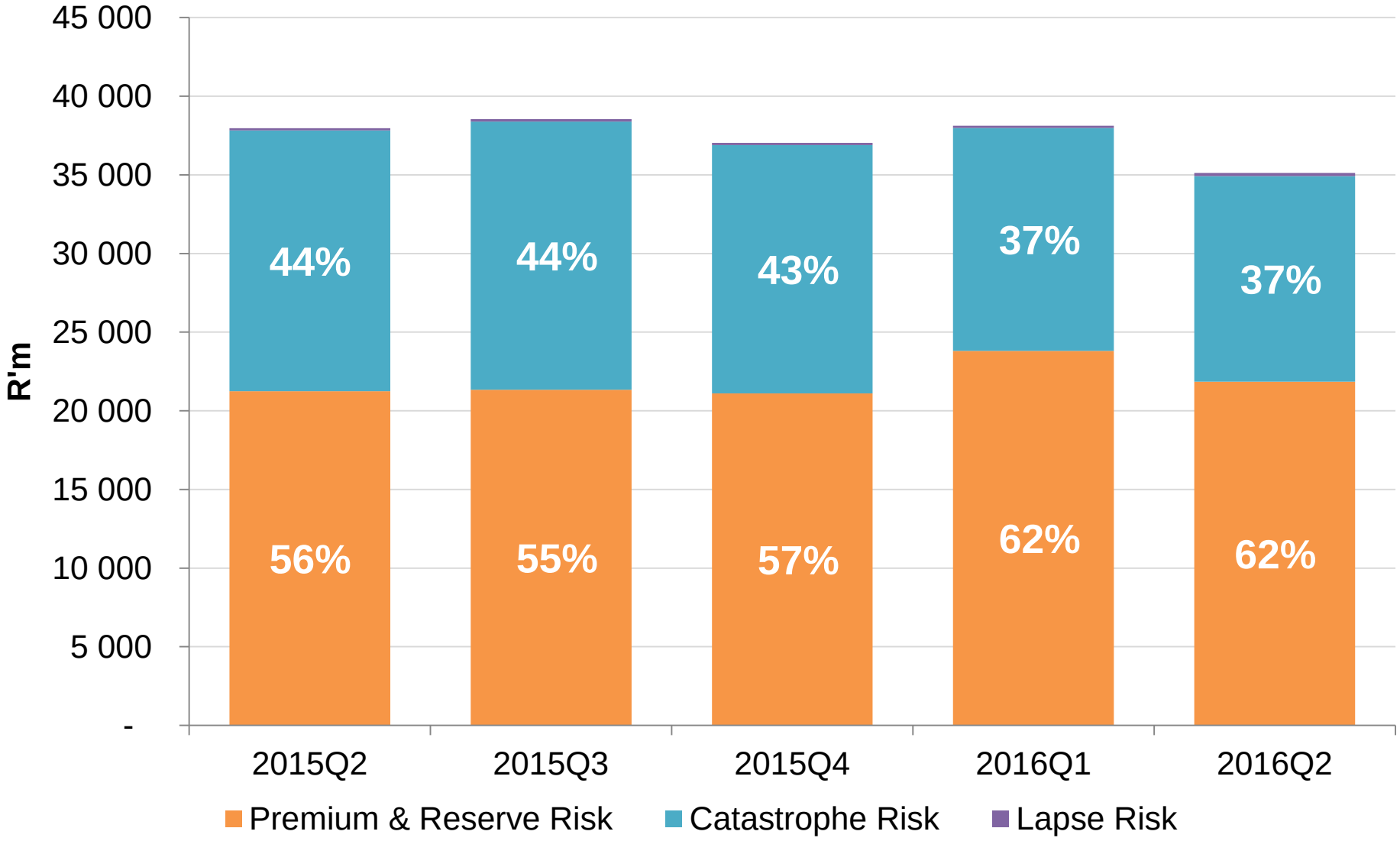
Non-Life BEL as % of Premium



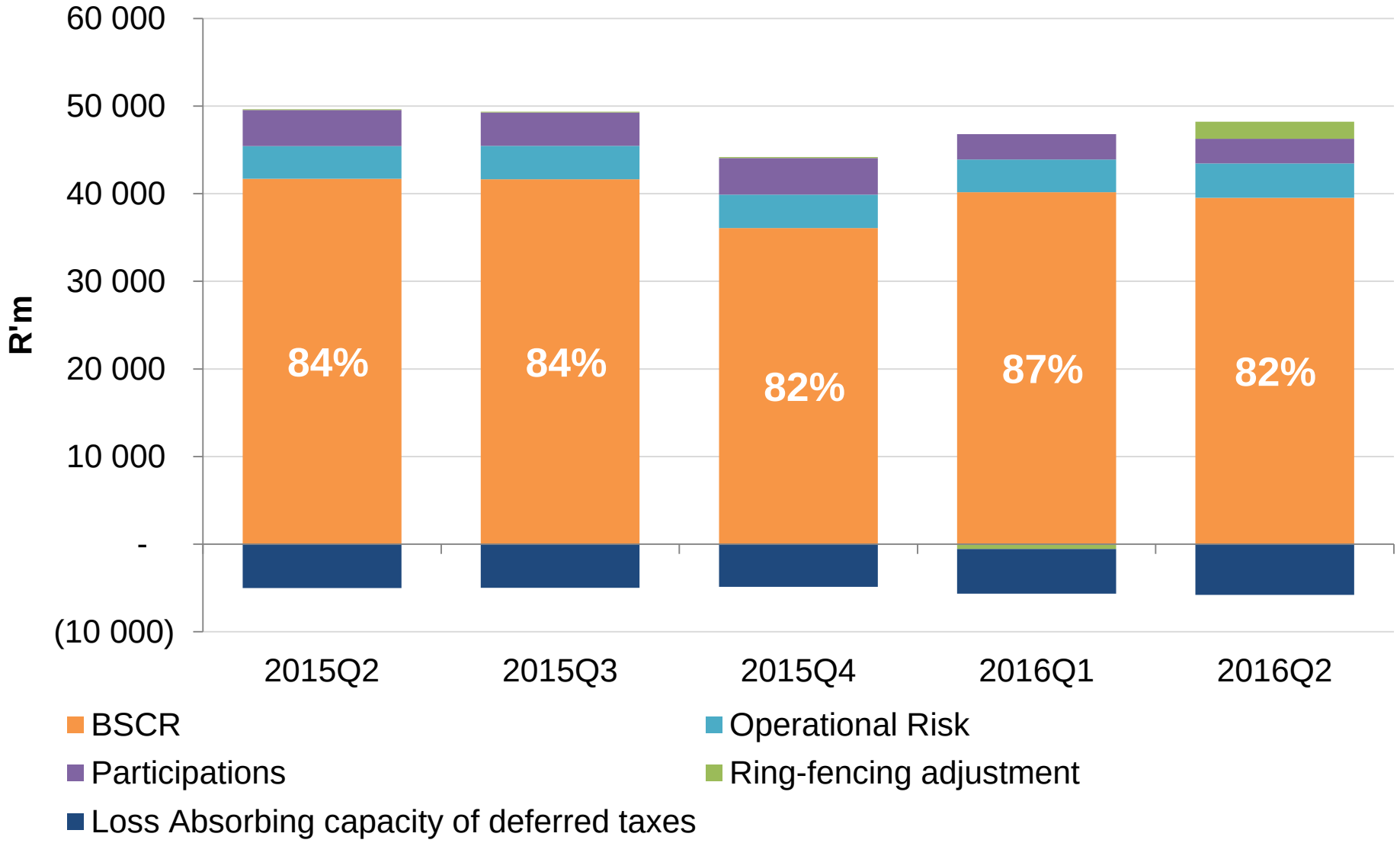
Non-Life: Market Risk



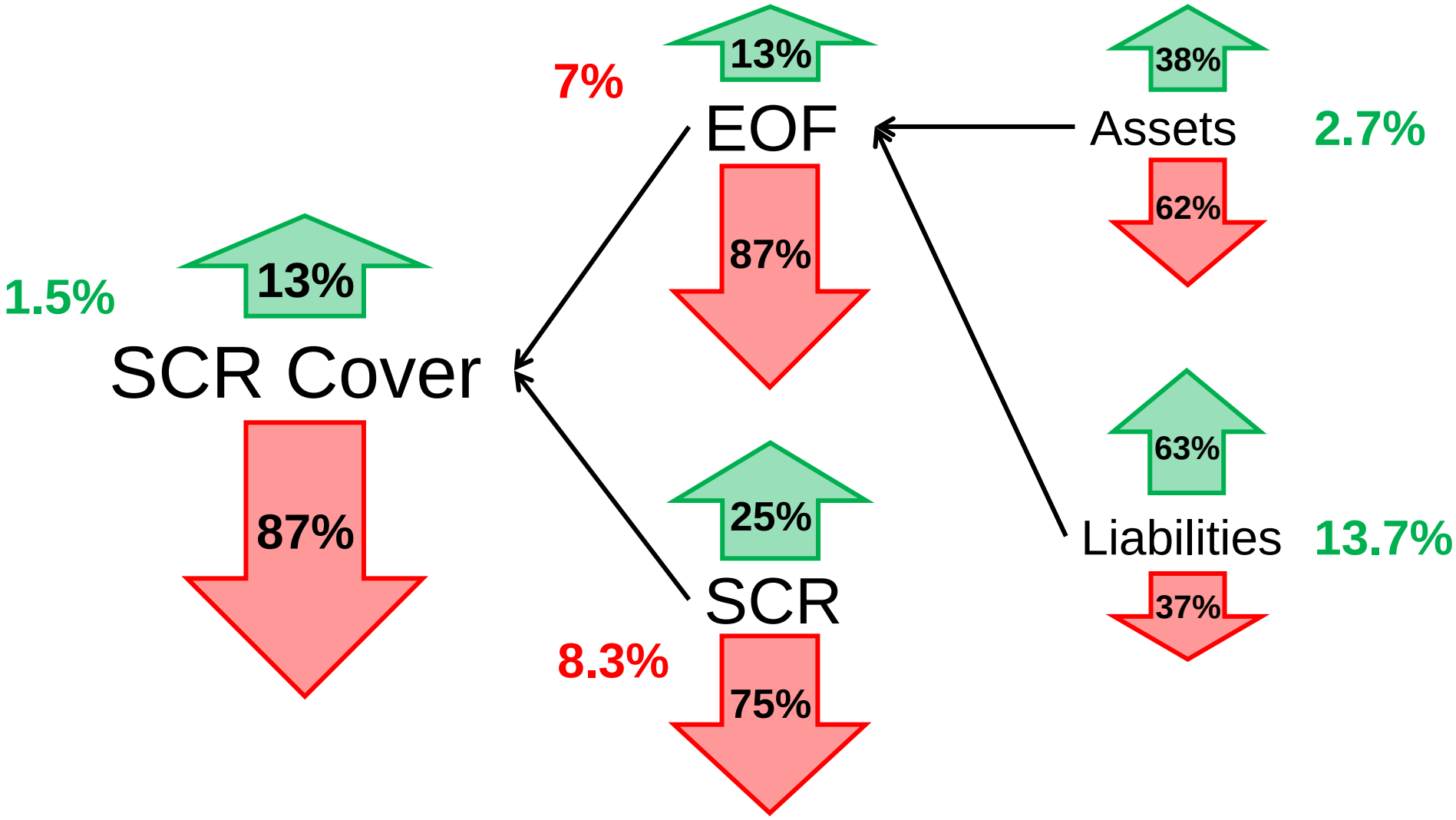
Non-Life: UW Risk



Non-Life: SCR


60 000
50 000
40 000
30 000
20 000
10 000
-
(10 000)
R'm
84%
84%
82%
87%
82%
2015Q2
2015Q3
2015Q4
2016Q1
2016Q2
BSCR
Operational Risk
Participations
Ring-fencing adjustment
Loss Absorbing capacity of deferred taxes

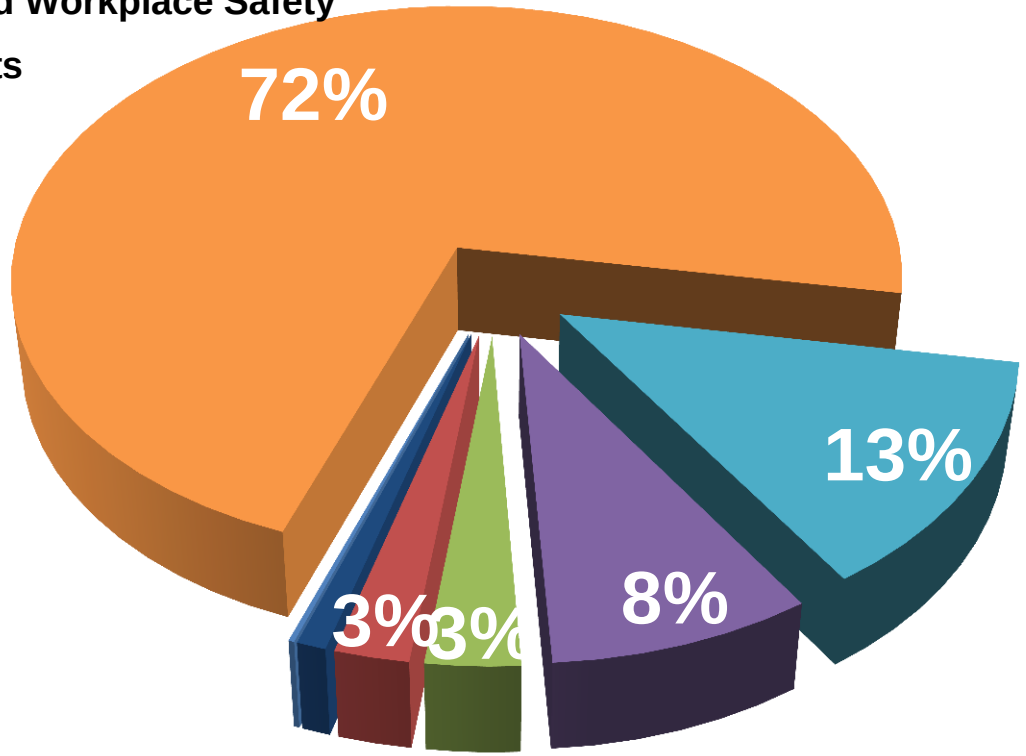
Non-Life: Annual vs Quarterly



Operational Losses

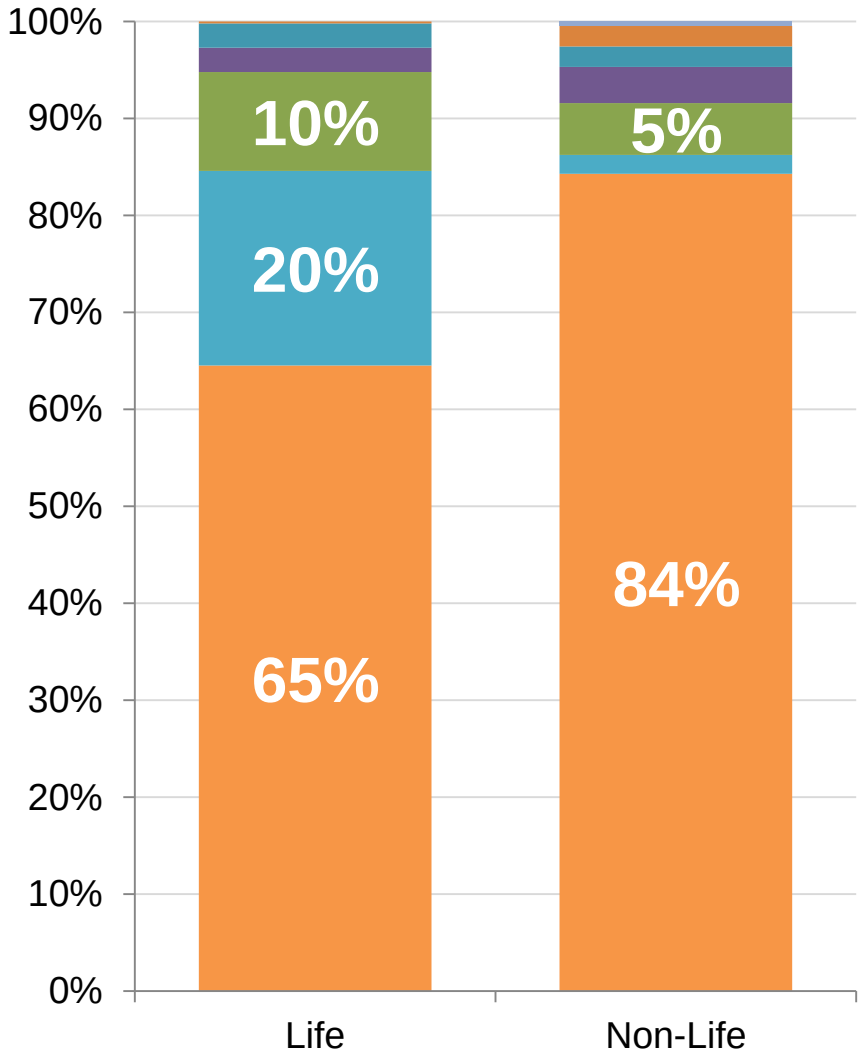
Operational Losses

- Execution, Delivery and Process Management
- Clients, Products and Business Practices
- External Fraud
- Internal Fraud
- Business Disruption and System Failures
- Employment Practices and Workplace Safety
- Damage to Physical Assets



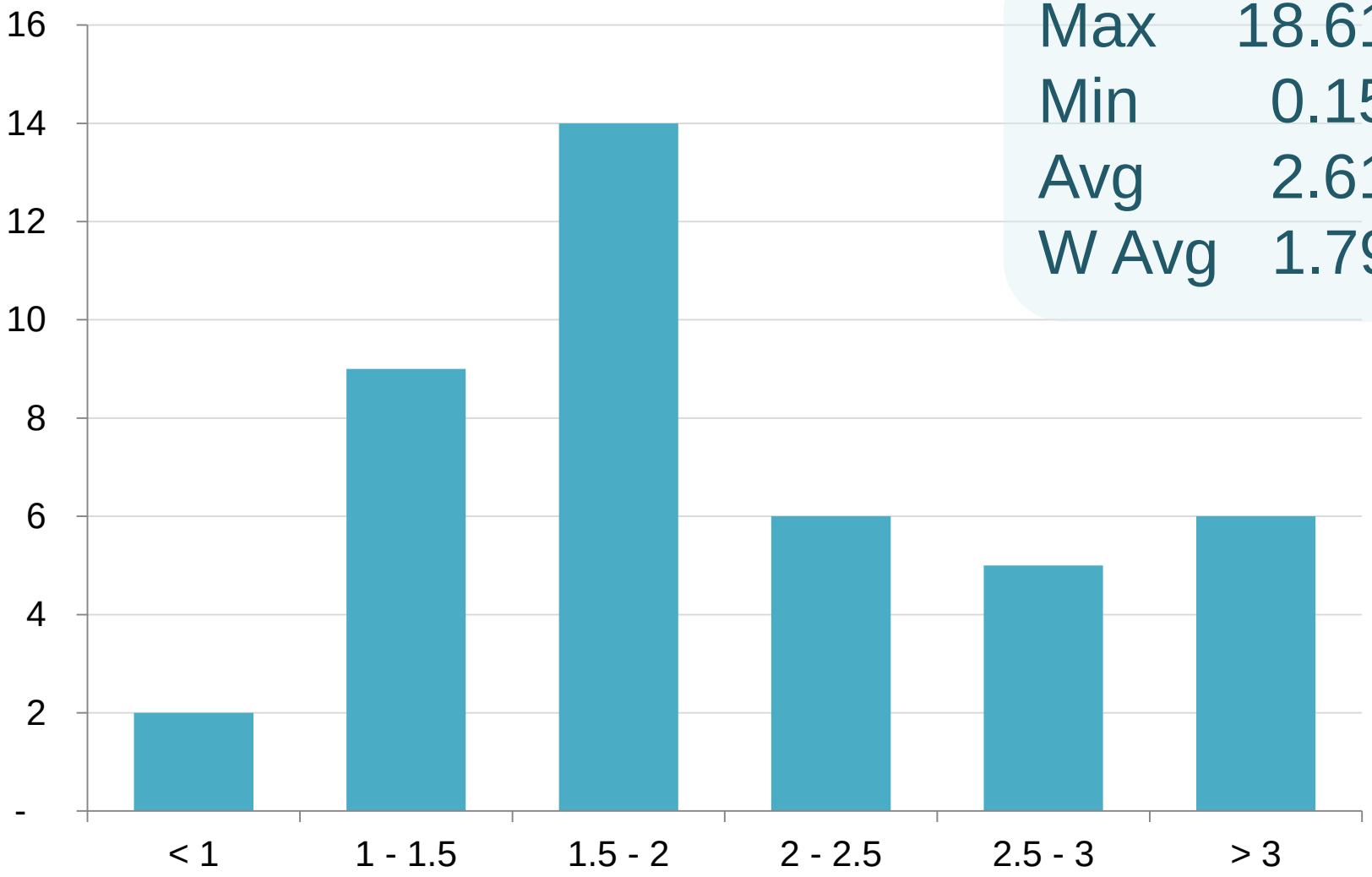
Operational Losses

- Damage to Physical Assets
- Employment Practices and Workplace Safety
- Business Disruption and System Failures
- Internal Fraud
- External Fraud
- Clients, Products and Business Practices
- Execution, Delivery and Process Management



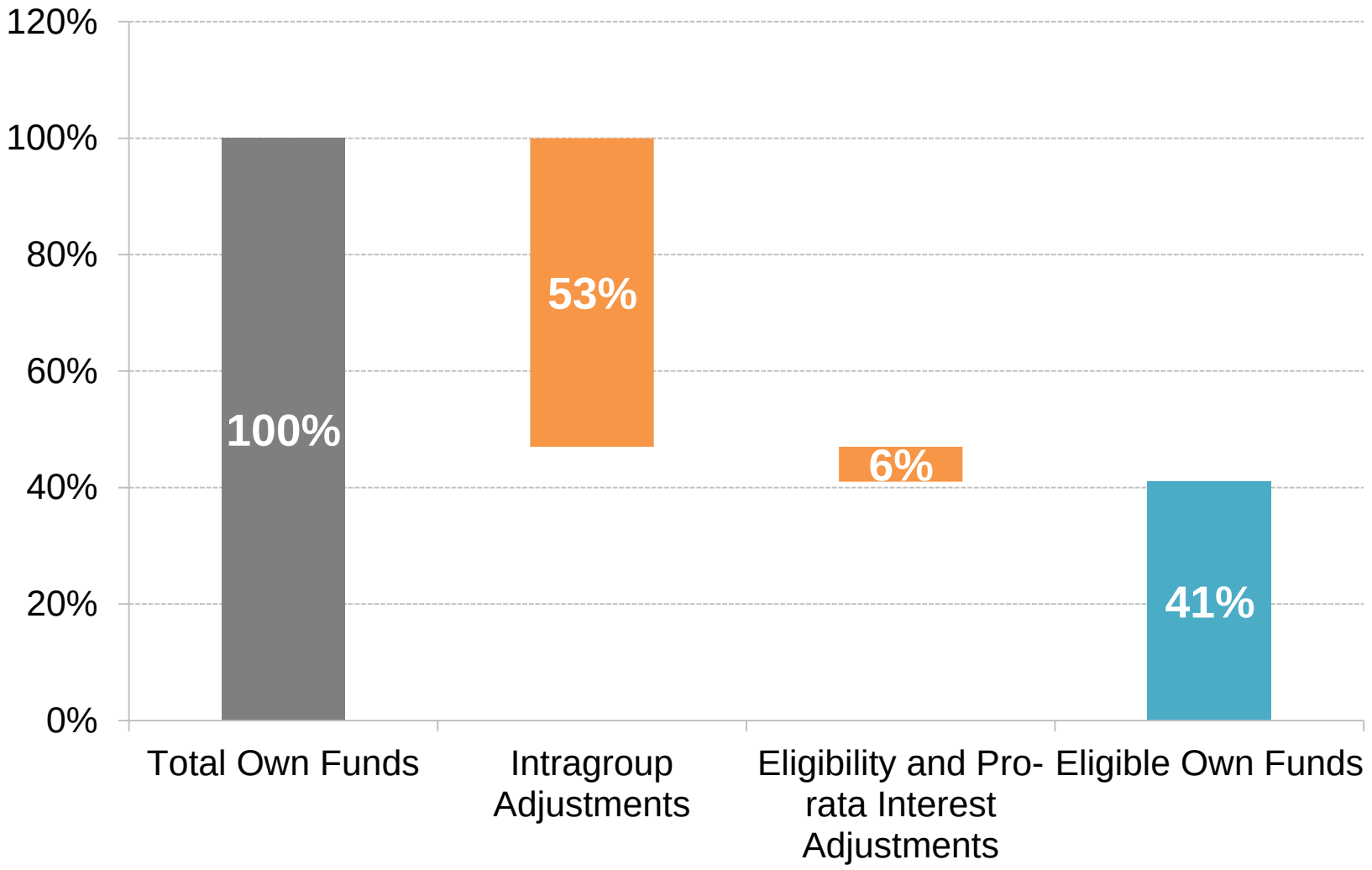
Groups

Groups – SCR Cover

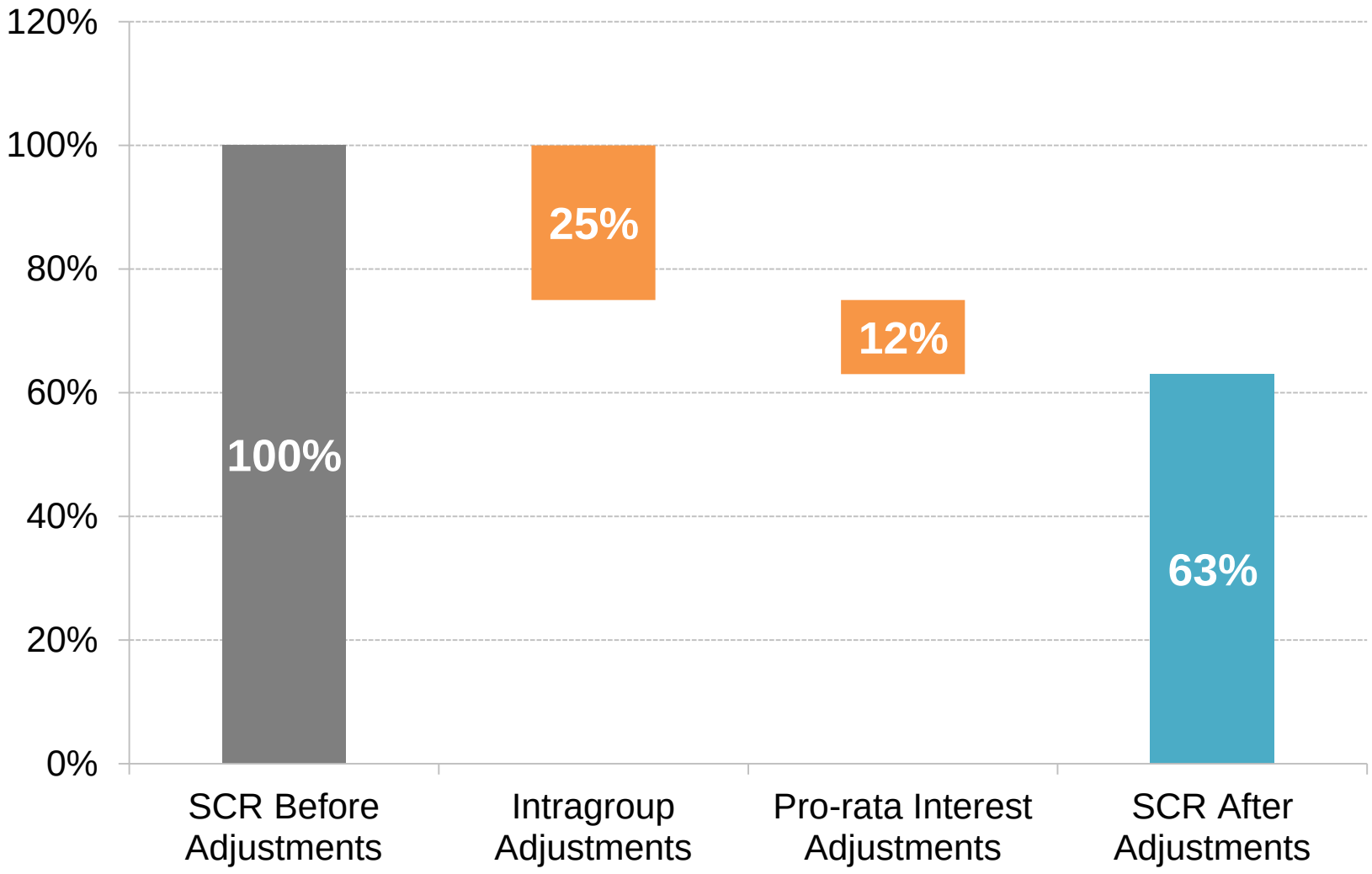


Max	18.61
Min	0.15
Avg	2.61
W Avg	1.79

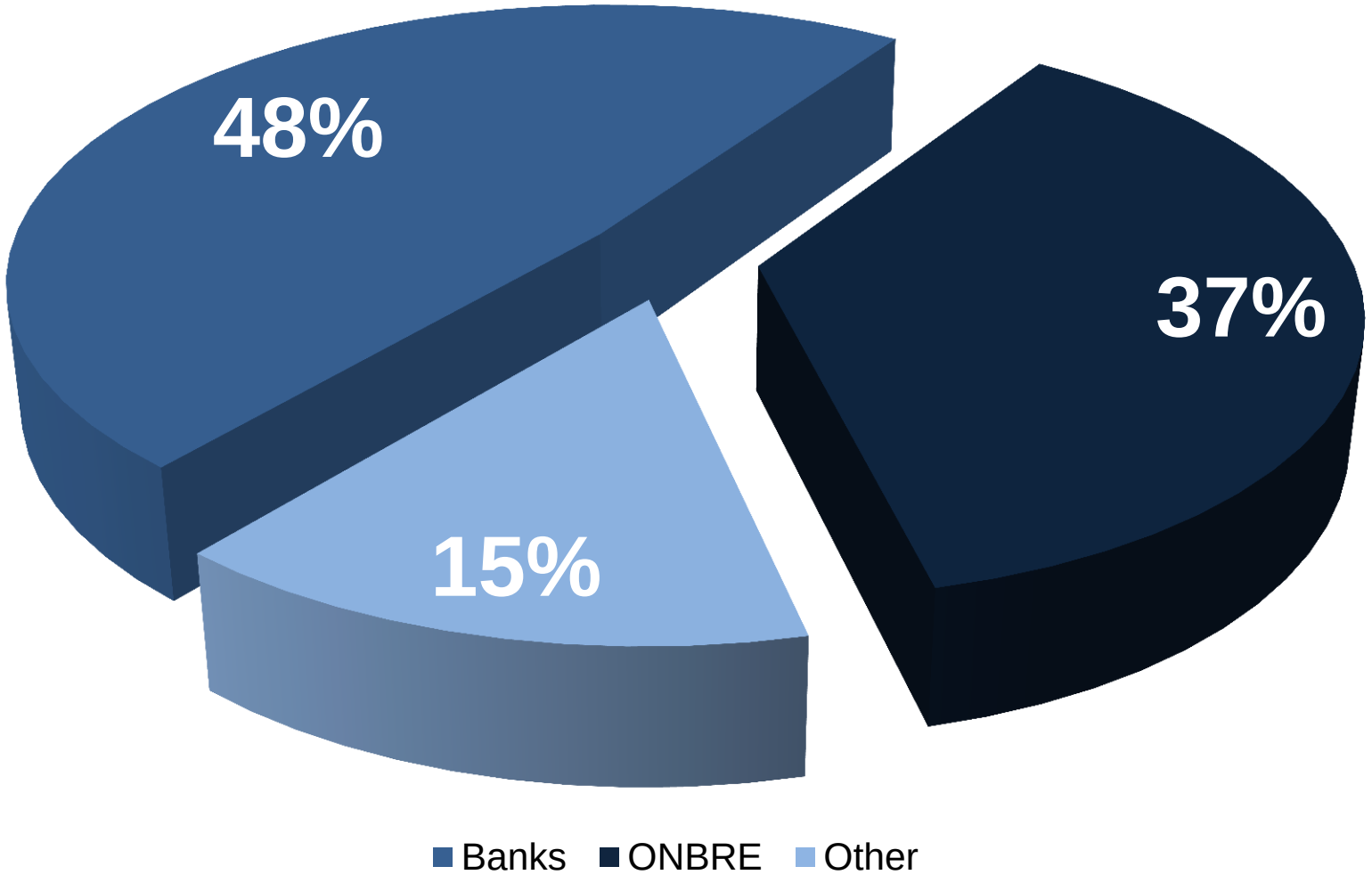
Groups – Available Capital



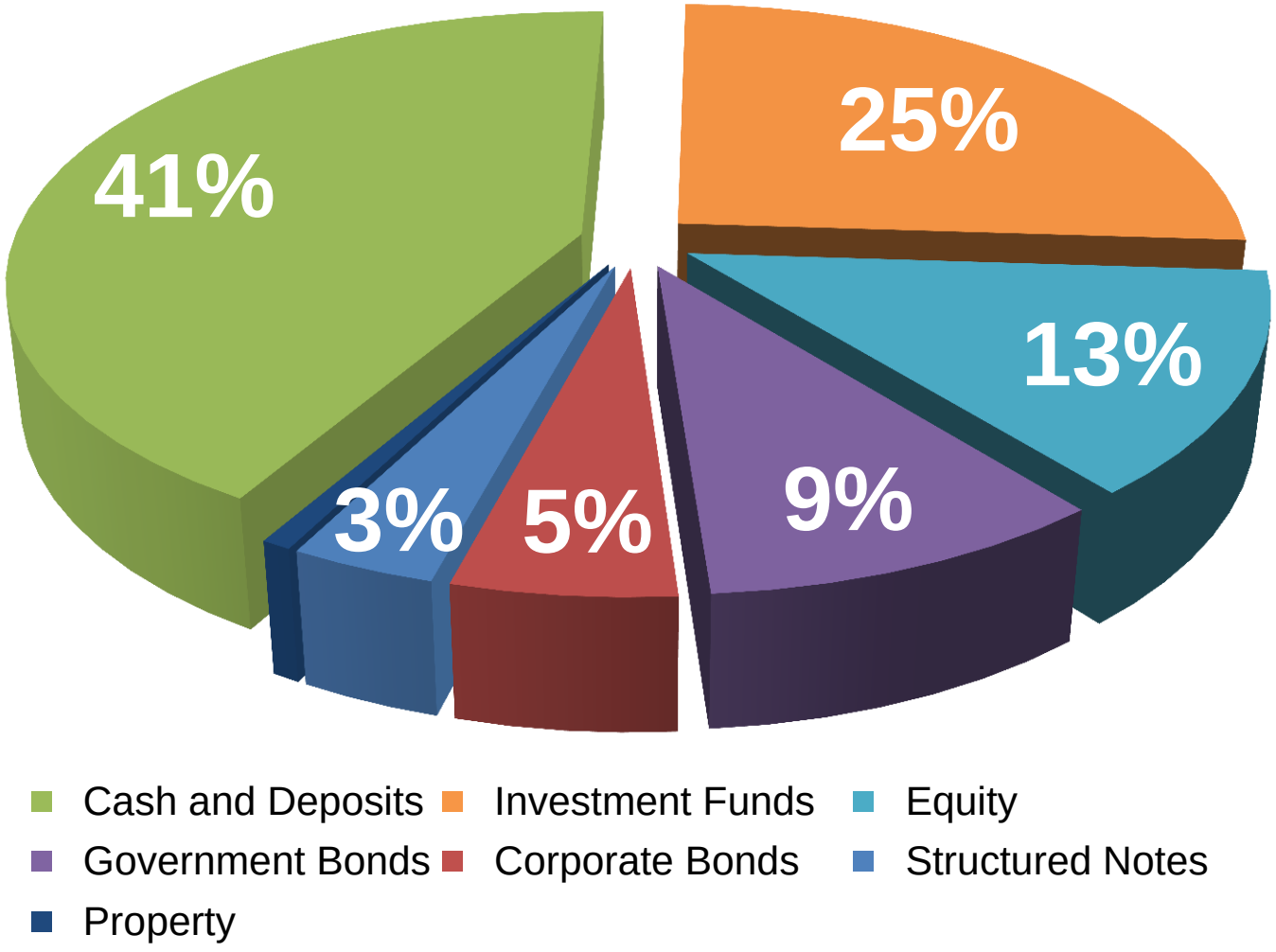
Groups – Required Capital



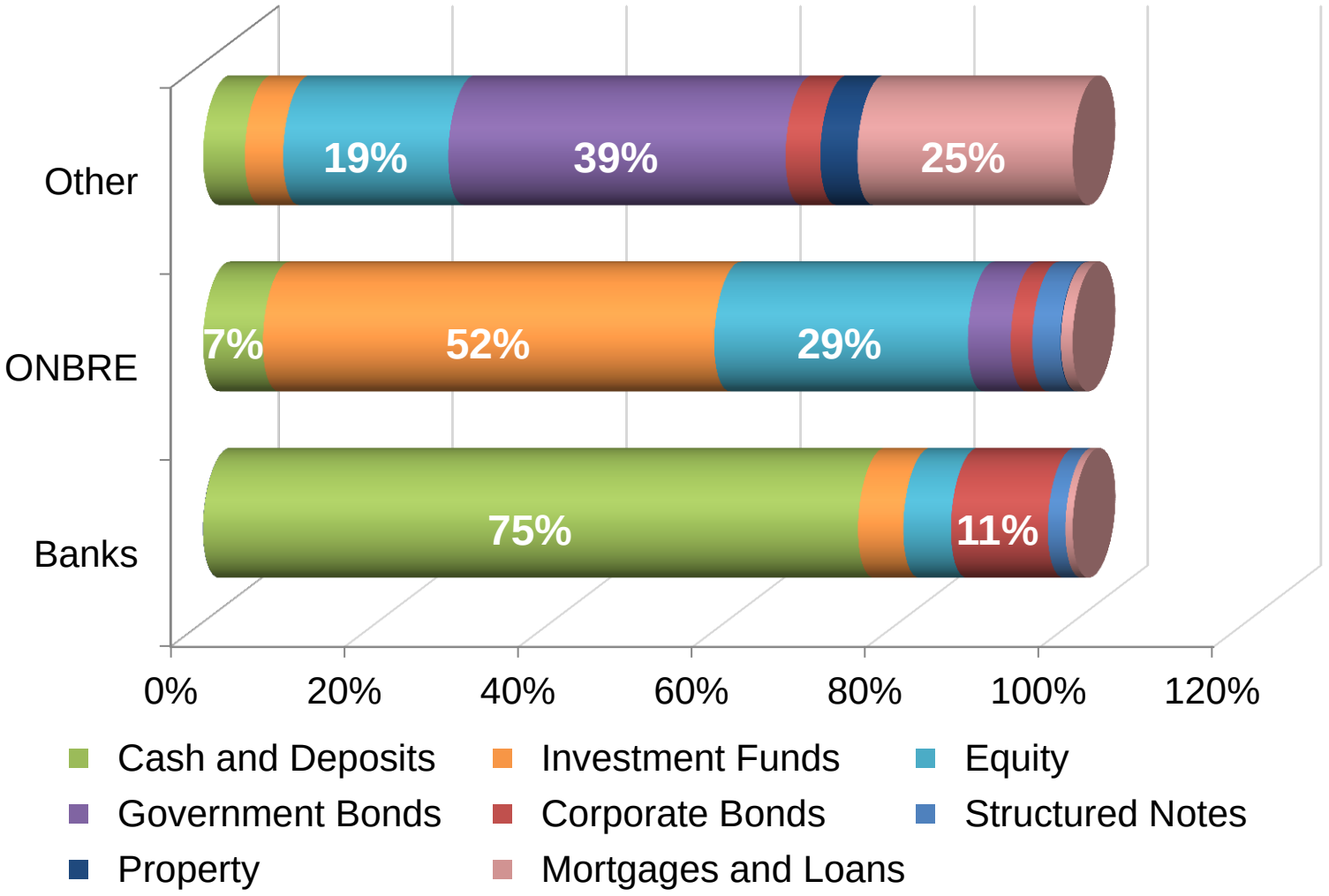
Groups - Exposure



Groups - Exposure



Groups - Exposure



Questions?