

Sanlam has its own R49bn umbrella

Sanlam said on Wednesday (5 June) that for the four months ended April 2013, its new business volumes were up 30% at R49bn.



Releasing an operational update, it said the personal finance division recorded a 28% increase in new business sales. Entry level new business in South Africa increased by 28%, supported by a more than doubling the group life business as well as good growth in agency channel individual life sales.

Middle income volumes increased by some 18%, attributable to strong growth in single premium business and sales in the affluent market rose by more than 30%.

In the emerging markets division results were affected by the volatility of single premium business, in particular the Namibian investment business, which contributed to new business being 12% lower this year.

New life recurring premium sales remained strong and increased by about 26%.

The investments cluster increased its new business volumes by 48%, with wealth management, investment services and international operations achieving strong growth.

Net business flows of R3.6bn were significantly up on the R1.4bn achieved in 2012, despite withdrawals of R4bn by two institutional clients as part of the restructuring of their portfolios.

Value of new business

Net value of new life business increased by 27% reflecting strong growth in new life insurance business but also the benefit of a lower risk discount rate in 2013.

Net fund inflows of R9.4bn were achieved compared with R7.6bn in the comparable 4-month period of 2012.

All business clusters apart from Santam reported strong earnings growth.

The increase in operating profit is in general supported by a relatively higher level of assets under management as well as a maiden contribution from the increased investment in the Shriram group made in 2012. Excluding the latter, the net result

from financial services increased by 22%.

Santam experienced a continuing high level of claims frequency and severity in its traditional intermediated business. This was aggravated by flood related claims and an increase in commercial fire claims, as well as significant hail and drought claims in its agriculture business, causing a substantially lower insurance result relative to the same period in the previous year.

Normalised headline earnings per share up 23%.

Looking ahead, Sanlam said it does not anticipate any material improvement in the economic environment for the remainder of the year. General operating conditions are expected to remain challenging, impacting on the group's key operational performance indicators.

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