

# How we create value

## INPUTS

### FINANCIAL AND OPERATIONAL

4

Core regions

£5.2bn

Capital employed

19

Thousand employees

### STRATEGIC

- Our brands
- Our strategic priorities
- Our corporate responsibility programme
- Our governance and risk management frameworks

## OUR CULTURE AND VALUES

### BRILLIANT SERVICE

Delivering memorable service that inspires people to recommend us.

### GETTING THE JOB DONE

Delivering on our promises and cutting out unnecessary processes to make things simpler.

### DOING THE RIGHT THING

Using common sense when dealing with people, gaining their trust by treating them as they want to be treated.

### BRIGHT IDEAS

Continually combining our technical expertise with a deep understanding of customers' needs to create and deliver solutions that people value.

### POSITIVE PEOPLE

Creating an environment where people want to do great work.

We make a difference by protecting people and businesses against the risks they face in their daily lives. We provide unrivalled expertise through our global network of providers to cover everything from houses and pets, to skyscrapers and tankers, across the world.



### UNDERSTANDING AND PRICING RISK

We are in the business of risk management. We strive hard to understand the risks our customers want us to insure and make sure that we price our products appropriately.



### EFFECTIVE PRODUCT/CUSTOMER DISTRIBUTION

We distribute our products through many different channels. Efficient access to customers is key if we are to continue to develop our business.

## VALUE FOR OUR SHAREHOLDERS

### Ensuring shareholders are adequately rewarded for the capital they provide

We aim to achieve acceptable returns by ensuring that underwriters understand the target price required to deliver target returns on capital.

### The most effective way to grow premium income

We strive to find the lowest cost route to the largest number of customers, tailoring our offering to meet the needs of specific markets.

## VALUE FOR OUR CUSTOMERS

### Enabling customers to manage their risk appetite

We work with our customers to ensure that they can reduce their risks, reducing premiums for them and claims costs for us.

### Accessing insurance products in the way customers want

The way in which customers want to buy insurance is changing. We are at the forefront of these changes, anticipating customers' evolving needs to provide easy access to our products.

## VALUE FOR SOCIETY

### Enabling society to grow and develop

By effectively enabling risk transfer across society, we encourage entrepreneurship and innovation in the societies we work in while ensuring that society is protected from extreme events.

### Playing our part in the digital world

As more business is transacted online, we are investing to improve our customers' online experience and encouraging customers to embrace digital distribution.



#### INTERNATIONAL EXPERTISE AND DIVERSIFICATION

As an international business we are seeking to maximise the benefits of our reach without losing touch with the differing needs of the many markets we operate in.

#### Lower volatility of earnings and lower capital requirements

The diversity of our business enables us to hold capital efficiently. Our geographical footprint diversifies our exposure to catastrophe events leading to lower volatility of earnings.

#### Access to best practice innovation and multinational risk coverage

We are always looking to share ideas and best practice across countries giving customers access to innovative products and services. We can provide multinational customers with global product coverage.

#### Spreading best practice

As markets evolve we can quickly export best practice from one country to another. This means that the best of RSA is available to all the societies we operate in.



#### PRUDENT INVESTMENTS

Our business generates significant assets which are prudently invested to deliver returns for shareholders.

#### Additional income without putting capital at undue risk

Shareholders benefit from the returns on our assets, in the knowledge that our prudent approach is unlikely to jeopardise their capital.

#### Confidence that a claim will be paid

Our substantial reserves are invested in low volatility assets. This means that customers can be confident that we will pay claims when they are due.

#### Enabling growth and providing capital

We invest in all the countries we operate in, providing capital to governments and companies to enable economic growth.



#### MANAGING CLAIMS AND SERVING OUR CUSTOMERS

Our customers' expectations are increasing. We aim to constantly improve the service we offer, and pay claims quickly and efficiently.

#### Lower claims costs and higher retention

Generally, claims that are settled quicker, settle for less, meaning claims ratios fall. Satisfied customers will stay with us for longer, reducing acquisition costs.

#### Access to ancillary services

Increasingly our customers are looking for more than just claims payment. For instance, access to our supply chain to enable lower costs of ancillary services allied to the core insurance product or risk management to prevent claims occurring.

#### Helping society recover from disasters

When catastrophes strike, we help society get back on track quickly, through settling claims fairly and efficiently.

#### OUTPUTS

£7.5bn

Net written premiums

£2.9bn

Tangible net asset value

£14.2bn

Investment assets

c.80%

Customer retention

12-15%

Target underlying return on tangible equity