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## Sanlam reports strong performance in first quarter of 2024

Sanlam today announced its operational update for the three-months period ending 31 March 2024, maintaining a strong performance across the group.

Performance highlights included:

- Net result from financial services and cash net result from financial services increased by 14%;
- Net operational earnings increased by 16%, benefiting from improved investment return;
- Life insurance new business volumes were 15% higher;
- Life insurance net value of new business increased by 10% on a constant economic basis;
- Group net client cash inflows improved by 14% to R8,8 billion;
- Solvency position of the group remained strong and within target ranges; and
- The group's discretionary capital balance increased to R3,7 billion.

Sanlam group CEO, Mr Paul Hanratty said: "We are pleased with the positive performance across our business, despite a challenging backdrop. The performance is underpinned by the commitment of our people and the diversity of our operations by product, market segment and geography, coupled with excellent cash generation and the group's solid capital base."

The **group progressed further on its strategy** in the first quarter of 2024. In February, Sanlam announced an offer to acquire all the issued ordinary shares in Assupol for R6,5 billion, subject to requisite approvals, one of which was the Assupol shareholders' approval, which has been granted. The transaction will strengthen the Sanlam's position in the South African entry-level market segment in the long term.

The final step in integrating the Absa asset management business into Sanlam's investment operations took place with the merger of the Absa Fund Managers platform into the Sanlam Collective Investments platform in March 2024.

In line with the group's strategy to strengthen its position in the fast-growing Indian insurance sector, in April, Sanlam announced the proposed transaction to increase its effective shareholding to more than 50% in the Shriram life and general insurance entities, subject to requisite approvals.

**Life and health** net result from financial services benefited from mortality profits earned off a larger book of business, higher asset-based fee income because of overall book growth and improved credit spread earnings due to the contraction of credit spreads in international bond portfolios. Life insurance new business volumes recorded satisfactory growth, boosted by strong sales in South Africa and Asia. South Africa recorded good growth in retail mass sales as well as strong single premium sales in the retail affluent and corporate businesses, with Asia benefiting from robust sales in India and Malaysia. On a comparable basis, Pan Africa showed good growth driven by improved performance in Namibia, Tanzania, and Egypt.

**General insurance** reported a decline in net result from financial services as strong performance from the South Africa and Asia operations was offset by slightly weaker Pan-Africa performance, due to a change in accounting policy for the general insurance business in Pan-Africa. On a comparable basis, general insurance profits were strongly up, benefiting from good underwriting results and growth in premiums. General insurance gross written premiums increased by 5%. Santam recorded a 7% increase in net earned premium for the conventional insurance business and Asia recorded very strong growth of 37%. In Pan-Africa, SanlamAllianz Re and most other markets recorded good growth, though dampened by underperformance in Côte d'Ivoire.

Santam further recorded an underwriting margin within its target range of 5% to 10%. Asia recorded strong growth in net result from financial services from improved claims experience and strong book growth in India. The Pan-Africa operations recorded a net insurance margin at the lower end of the 10% to 15% target range, with the underwriting margin at 6,6%.

**Investment management** net result from financial services increased by 4% as satisfactory growth in the South African operations was dampened by lower earnings in the international operations due to lower assets under management from significant net outflows in previous periods.

**Credit and structuring** net result from financial services increased by 12% with India recording good growth on the back of increased advances, coupled with improved collections. South Africa recorded higher earnings, benefiting from improved collections in addition to the increased ownership in Sanlam Personal Loans from 70% to 100% in the fourth quarter of 2023.

## OUTLOOK

Concluding, Mr Hanratty said: "Globally, inflation and interest rates remain stubbornly high but we remain insulated from the effect of this and will benefit from the eventual normalisation of these macro variables. While we remain concerned about the risks posed by global geopolitics, our balance sheet is resilient against macro shocks and our people show the greatest commitment to deliver results. Our group earnings, however, remain sensitive to significant moves in global investment market levels."

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### **About Sanlam**

Sanlam is a pan-African financial services group listed on the Johannesburg, Namibian and A2X stock exchanges. Headquartered in South Africa and established in 1918 as a life insurance company, Sanlam has evolved into the largest non-banking financial services group in Africa through its diversification strategy. Through its diverse geographical footprint covering South Africa, Pan Africa, Asia, and the United Kingdom, the group provides comprehensive and bespoke financial solutions to institutional clients and consumers across all market segments. Sanlam's areas of expertise include life and general insurance, health, financial planning, retirement, investments and wealth management.

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