

17 November 2023

Sanlam continues to perform well in the nine-months ended 30 September

Sanlam today announced its operational update for the nine-months ended 30 September 2023, maintaining positive momentum across all its businesses.

Salient features include:

- Net result from financial services and cash net result from financial services both increased by 19%.
- Net operational earnings increased by 35%.
- Group new business volumes increased by 13%.
- Life insurance new business volumes are 8% higher on a present value of new business premiums basis.
- Life insurance new business was written at improved profitability with value of new life insurance business (VNB) increasing by 28% and VNB margin improving to 2,90%, both on a constant economic basis.

Sanlam Group CEO, Mr Paul Hanratty, said: “We are pleased with the relative positive performance across our business. This pleasing impetus is underpinned by the commitment of our people and focus on efficiently implementing our strategy and capital allocation.”

The Group continued to perform and execute its strategy well.

OPERATIONAL PERFORMANCE

Net result from financial services in the life insurance, credit and structuring and investment management operations remained solid and broadly in line with trends for the first half of 2023. General insurance had a weaker third quarter due to weather and fire events impacting performance. The health operations recorded improved performance trends relative to the first half of 2023.

Investment return on the shareholder capital portfolio was much stronger for the nine-month period compared to 2022, because of higher market levels.

New business trends in the life insurance operations improved in the third quarter of 2023, with growth in new business profitability, as measured by VNB, improving from the first half.

General insurance new business trends remained robust across the portfolio, as strong premium increases in response to high claims inflation and frequency were dampened by management actions to remove unprofitable business.

Net inflows into the South African asset management business improved strongly in the third quarter, supporting the reduction in overall investment management net outflows reported in the first half.

Group net client cash inflows of R18,5 billion were recorded for the nine-month period, a satisfactory performance in a challenging operating environment.

STRATEGY

The successfully completed Sanlam Allianz Joint Venture (SanlamAllianz) started operations in September 2023. The JV will be reported on in Sanlam's accounts from 1 October 2023. SanlamAllianz heralds the creation of a new force on the African continent and solidifies the group's long-term growth profile. Management focus is on integrating the business and realising both revenue and cost synergies.

Strategy execution progressed with the Absa LISP transaction closing on 1 November 2023, adding R66 billion of assets under administration to the market leading Glacier platform.

CAPITAL AND SOLVENCY

In August, the group acquired for R2,4 billion the Standard Bank senior ranking preference shares issued by the broad-based black economic empowerment special purpose vehicle. The group also concluded the Capital Legacy transaction at a cash outflow of R904 million. These outflows were partly offset by the special dividend received from Santam on 9 October 2023 of R1,2 billion.

As a result of these transactions, the group's discretionary capital position decreased from R3,2 billion on 30 June 2023 to R1,1 billion. The capital and solvency position of the group and its main operating entities remained strong and within target ranges on 30 September 2023.

OUTLOOK

Concluding, Mr Hanratty said: "The group is well positioned to successfully navigate the ongoing challenging operating environment. Our dedicated staff, strong capital position, diversification across line of business, market segment and geography, continued strategy execution and successful integration remain key strengths. Our strong performance for the first nine months of 2023 reinforces our confidence in the prospects for the group despite a continuing challenging economic backdrop."

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About Sanlam

Sanlam is a pan-African financial services group listed on the Johannesburg, Namibian and A2X stock exchanges. Through its clusters - Retail Mass, Retail Affluent, Sanlam Corporate, Sanlam Emerging Markets, Sanlam Investment Group and Santam, 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, financial planning, retirement, investments, and wealth management.

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.

Headquartered in South Africa, Sanlam has a direct stake in financial services entities in Botswana, Kenya, Namibia, Nigeria, Malawi, Mauritius, Mozambique, Rwanda, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.

The group has a footprint of insurance operations in Angola, Benin, Burkina Faso, Cameroon, Cote D'Ivoire, Gabon, Ghana, Madagascar, Mali, Morocco, Niger, Lesotho, Senegal, and Togo. Sanlam also has business interests in India, Malaysia, and the United Kingdom.

For more information on Sanlam, visit www.sanlam.com