Research Update:

# Ratings On Sanlam Ltd. And Subsidiaries Affirmed Following Proposed Acquisition Of Remaining Santam Shares

**October 8, 2026**

## Overview

- South Africa-based Sanlam Ltd. announced its intent to acquire the ordinary shares of Santam it does not already own in an all-cash offer of South African rand (ZAR) 505 per Santam share, amounting to approximately ZAR21 billion.
- We expect the transaction, once complete, to strengthen Sanlam's business risk profile. While the transaction will temporarily strain capital, we expect the financial risk profile to remain resilient, with capital and earnings within acceptable limits for the ratings.
- We revised the strategic importance of Santam and kept all group statuses of Santam's subsidiaries unchanged.
- We affirmed our 'zaAAA' national scale rating on the group's main operating entities, Sanlam Life Insurance Ltd. and Sanlam Capital Markets Pty Ltd., our 'zaAA+' national scale rating on the nonoperating holding company Sanlam Ltd., and our 'zaAA-' ratings on all debt instruments outstanding.
- Our national scale ratings typically do not carry outlooks.

### Primary Contact

**Tatiana Grineva**
London
44-20-7176-7061
tatiana.grineva
@spglobal.com

### Secondary Contact

**Sylvia Mhlanga**
Johannesburg
27-11-214-4825
sylvia.mhlanga
@spglobal.com

### Research Contributor

**Nadeem N Shaikh**
CRISIL Global Analytical Center, an S&P Global Ratings affiliate
Mumbai

## Rating Action

On Oct. 8, 2026, S&P Global Ratings affirmed its 'zaAAA' long-term South Africa national scale rating on Sanlam Life Insurance Ltd. and Sanlam Capital Markets Pty Ltd., its 'zaAA+' national scale rating on Sanlam Ltd., and its 'zaAA-' national scale ratings on all debt instruments outstanding.

## Rationale

**Upon the transaction's completion, Sanlam will solidify its strong competitive standing in the South African insurance market--the largest on the continent--by leveraging its leadership in both the life and property/casualty (P/C) sectors.** Sanlam has been highly acquisitive and

strategically transformative over the past few years, although the full impact of these moves is only now materializing. For example, the SanlamAllianz transaction required a complex structural reorganization, including the deconsolidation of some African subsidiaries into a new pan-African joint venture (JV), while recent expansions in India are just turning into meaningful profits. Simultaneously, the group's asset management division has undergone a period of portfolio optimization through divestments that are now actively contributing to bottom-line profitability.

**Against this backdrop of reorganization and optimization, the proposed acquisition of the Santam shares represents a significant shift in the group's consolidated profile.** Santam has historically been excluded from our business risk profile assessment due to its insulated and de-consolidated status. Consequently, its business risk profile assessment will benefit from a more diversified risk and earnings base, spanning multiple regions and sectors.

**Sanlam's financial risk profile could face tests after the transaction's completion in first-quarter 2027.** However, we expect it to remain resilient. We project under the S&P Global Ratings capital model a redundancy of 0%-10% at the 99.5% confidence interval for the combined group by 2028. We also expect Sanlam to maintain an economic solvency comfortably with its committed range of 150%-190%. We base our view of the resilience in capital adequacy over the next three years on our understanding that the company will be prudent in its organic growth and disciplined on managing its capital resources. Sanlam has been active in terms of acquisitions and JVs in recent years, and the group's overall solvency has decreased since 2018, reaching 177% as of June 30, 2026. We nevertheless expect that the company's focus toward capital-light products and inclusion of Santam in the capital assessment should bring additional diversification benefits. However, a notable proportion of traditional business liabilities with guarantees still has longevity risk, among other features, which consume a material proportion of capital.

**Sanlam's asset quality in our view is low and affected by the business' concentration in South Africa, which will increase further in our analysis with the acquisition of Santam.** The funding profile is neutral to our ratings despite an increase in leverage to finance the transaction. We will cap our ratings on Sanlam at the level of our local currency sovereign credit rating on South Africa (foreign currency rating: BB/Positive/B; local currency rating: BB+/Positive/B). This is because we believe Sanlam's asset and liability concentration in the domestic economy makes it vulnerable to the financial and economic stresses associated with a local currency sovereign default.

**In our view, Sanlam's intent to increase its ownership to 100% from approximately 62% of Sanlam further strengthen Sanlam's commitment to Santam, regardless of whether the transaction proceeds.** Therefore, we revised the status of Santam Ltd. to core from strategically important within Sanlam Group and removed the insulation factor from our analysis. Santam's subsidiaries will maintain their previously assigned group statuses to Santam with no impact on our ratings.

# Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025
- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions, Nov. 15, 2023
- General Criteria: National And Regional Scale Credit Ratings Methodology, June 8, 2023

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

# Related Research

- Sanlam Ltd., Dec. 9, 2025
- Santam Ltd., Dec. 19, 2024
- Various Rating Actions Taken On South Africa-Based Insurers Following South Africa Sovereign Upgrade, Nov. 18, 2025

# Ratings List

| **Ratings List** | |
|---|---|
| **Ratings Affirmed** | |
| Sanlam Ltd. | |
| Issuer Credit Rating | |
| South Africa National Scale | zaAA+/--/-- |
| Sanlam Life Insurance Ltd. | |
| Issuer Credit Rating | |
| South Africa National Scale | zaAAA/--/-- |
| Sanlam Capital Markets Pty Ltd. | |
| Issuer Credit Rating | |
| South Africa National Scale | zaAAA/--/zaA-1+ |
| Sanlam Life Insurance Ltd. | |
| Subordinated | zaAA- |

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.