

07 March 2024

Sanlam's superior performance demonstrates strategy execution and vision

Sanlam today reported a strong operating performance in its 2023 annual results after a series of adverse events impacted the global economy between 2020 and 2022, beginning with the Covid-19 pandemic.

FINANCIAL HIGHLIGHTS

The group achieved superior results across all the key metrics it uses to measure its performance.

Highlights included:

- Net result from financial services totalled R12,4 billion, a record achievement, and 21% higher on a per share basis;
- The life insurance portfolio grew earnings by 19%, general insurance by 21%, investment management by 14% and credit and structuring by 29%;
- New business volumes remained solid at just under R400 billion, also a record high, with robust sales growth across all lines of business; and
- Total net client cash flows remained solid despite the challenging consumer environment.

DIVIDEND

Sanlam declared a dividend of 400 cents per share (2022: 360 cents per share). The declared dividend did not hamper the group's ability to deal with further financial stresses and reflects the underlying strength of the business.

SOLVENCY

The Group's solvency position remained strong and well within the target range, with a group solvency cover ratio of 170% at 31 December 2023.

Sanlam group Chief Executive Officer, Mr Paul Hanratty, said: "This set of results reflects our focus over the past three years on improving the performance of existing operations, while investing in the group's long-term growth path. We remain optimistic about future growth and performance, with the group being well positioned to serve our customers across all our operations."

SUSTAINABILITY

Amid a world recovering from the pandemic, marked by geopolitical unrest and economic vulnerability, Sanlam continued to support the sustainability of the communities in which it operates by, among others:

- Establishing a USD1 billion green hydrogen fund, aiming to accelerate South Africa's decarbonisation efforts;
- Structuring a groundbreaking international funding deal for the Galapagos conservation area in Ecuador. The deal was based on a Nature Bond Swap with the benefit of reducing the country's debt. This is the largest Nature Bond Swap in history at USD 1,628 billion in Ecuadorian government bonds for a USD 656 million impact loan;
- Committing to financial inclusion meaning that Sanlam's products impacting the lives of 69 million clients in Africa and Asia;
- Sanlam Resilient Investment Fund invested assets over R403 million;
- Investing R139 million in CSI spend in 2023 globally;
- Investing R4,4 billion on Small Medium and Micro Enterprises in South Africa; and
- Investing R24,6 billion in empowerment financing.

Sanlam is broadening its range of diversified product offerings, reach and influence by using a holistic approach to create value and a positive impact. This approach enables the group to impact more lives, cater to changing societal needs and contribute to the economic empowerment and wellbeing of the communities where the company operates.

CHANGES TO THE BOARD

Sanlam also announced that it has appointed Mr Temba Mvusi as independent non-executive director to the board of Sanlam and Sanlam Life effective 7 March 2024, and chair of the board from 1 April 2024. Mr Mvusi will succeed current chair of the board, Mr Elias Masilela, who will step down as chair of the board on 31 March 2024. Mr Masilela will remain as an independent non-executive director of the board.

OUTLOOK

While ongoing geopolitical conflicts pose risk to the outlook for investment markets, interest rates and inflation, the group is positive about its growth prospects for 2024. Sanlam's earnings remain sensitive to significant moves in global investment markets, but the underlying businesses have good momentum and are resilient.

"Our strong capital position and cash generation as well the diversity of our operations by product, market segment and geography, position us well to navigate the current macroeconomic environment," concluded Mr Hanratty.

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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 – Sanlam Life and Savings, Sanlam Investment Group, Santam and the SanlamAllianz JV, 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