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Shaping
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24



UBS SA

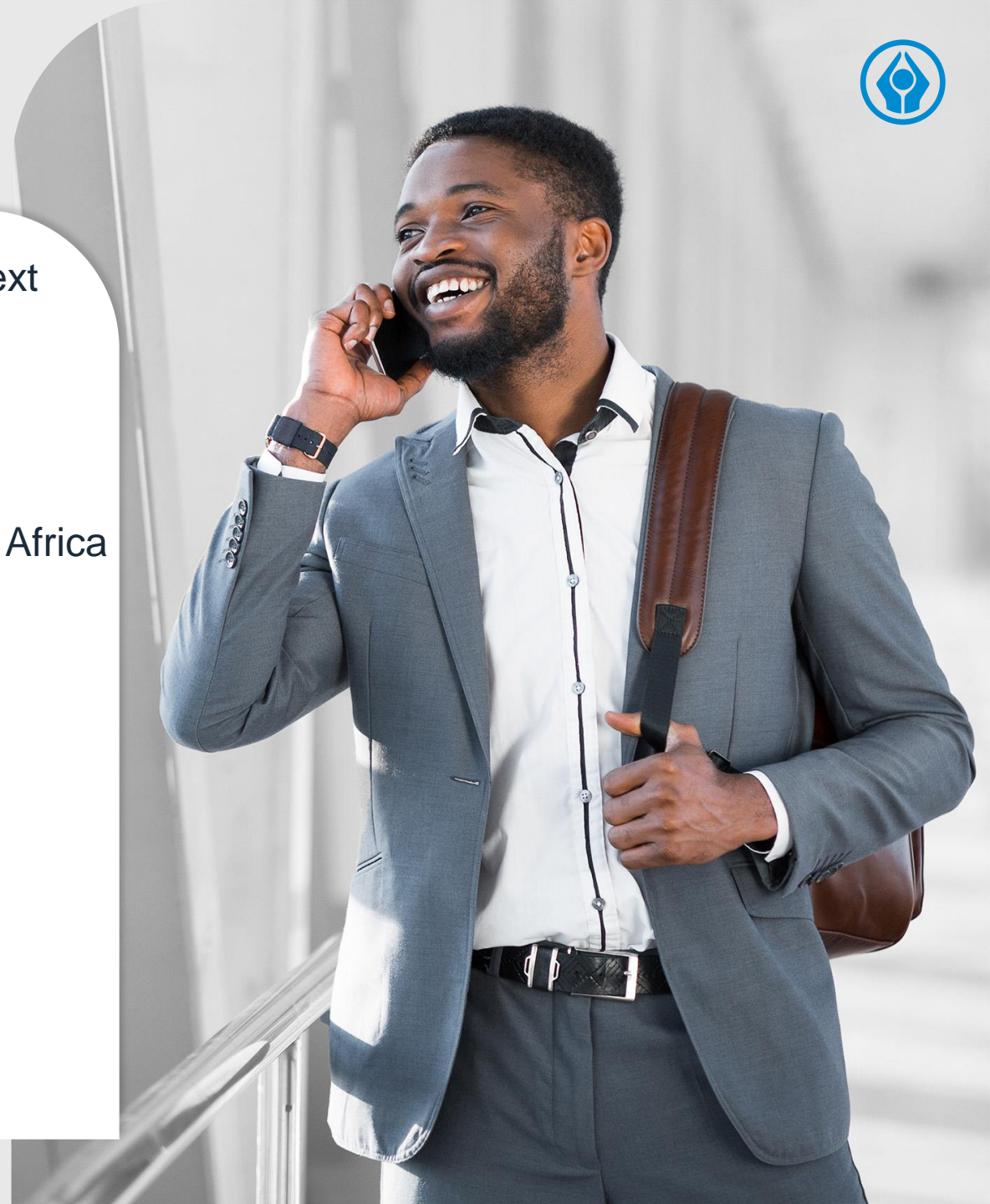
Financial Services Conference

Capitalising on the GNU opportunity

Content



- ④ Government of national unity (GNU) macroeconomic context
- ④ Economic growth and insurance premium correlation
- ④ Sanlam poised for growth
- ④ Positioned to capture growth across all segments in South Africa
- ④ Outlook in successful GNU environment



What does a GNU success story look like?



Economic growth



Job creation



Stable inflation and reduced real interest rates



Increased household disposable income



Insurance premium growth





Government reform

- ⌚ Energy
 - ⌚ Improved energy generation capacity
 - ⌚ Power outage reduction
 - ⌚ Improved Eskom performance
 - ⌚ Integration of Independent Power Producers
 - ⌚ Legislative environment conducive for private sector investment
- ⌚ Transport
 - ⌚ Private sector access to freight rail
 - ⌚ Transnet restructure – clear line of sight in pricing policy and increased competition for all lines of business across South Africa
 - ⌚ Enabling private sector investment in ports
- ⌚ Telecommunication
 - ⌚ Data price reduction and improved download speeds
- ⌚ Corporatisation of ports
 - ⌚ Investment in Durban Pier 2

Foundation for economic growth

Medium-term GDP growth improving below 2%

Long-term GDP growth +2%

Enablers




- ⌚ Public-private partnership
- ⌚ Operation Vulindlela
- ⌚ Policies enabling economic growth
- ⌚ Increased foreign direct investment

Risks

- ⌚ Aging water infrastructure
- ⌚ Policy disagreement amongst GNU members
- ⌚ 2026 municipal elections
- ⌚ ANC 56th elective conference – coexistence of new ANC president and country president
- ⌚ Global growth recession and commodity downturn



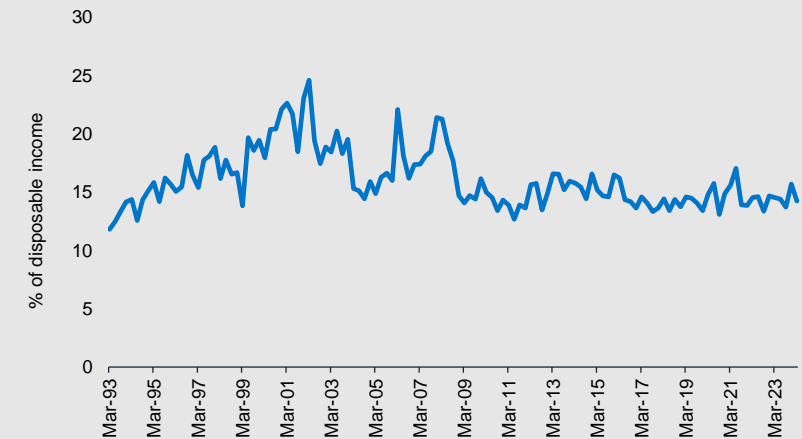
Economic growth and life insurance premium correlation

	South Africa	Pan-Africa ¹	India
Working age population ² (million) 	40	810	983
Insurance penetration 	Life: 9.1%	Life: 0.4%	Life: 3.0%
GDP growth (average 2024-2030F) 	2.0%	4.0%	6.3%

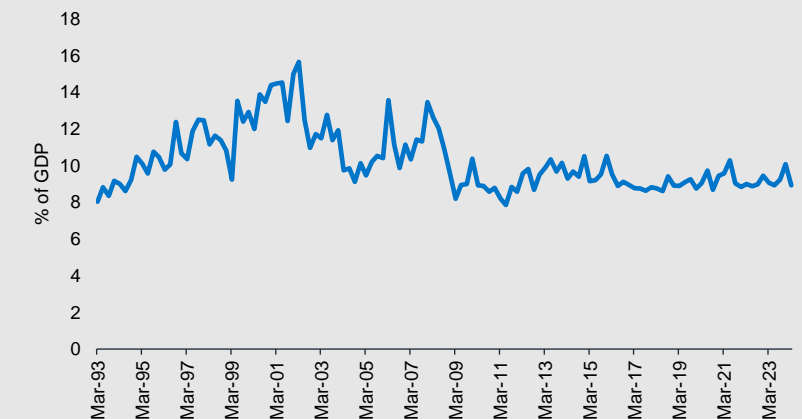
South Africa has a high insurance penetration rate. Consequently, the most effective way to grow insurance premiums is through fostering economic growth.



Life insurance premiums relative to disposable income



Life insurance premiums relative GDP



Source: IHS Markit, United Nation Population Division, Swiss Re, Omdia, Informa Tech

¹ Africa excluding South Africa; ² Age 15 to 64

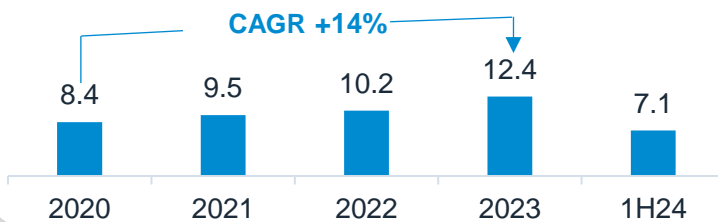
Sanlam poised for growth: 2020 - 2024



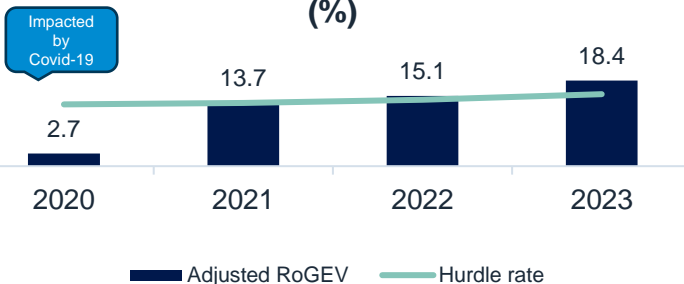
Emerging stronger after a series of one-in-25/100-year events

- Ⓞ Covid-19 pandemic
- Ⓞ Contingent business interruption
- Ⓞ Weather catastrophes
- Ⓞ Extraordinary market volatility
- Ⓞ Geopolitical conflict
- Ⓞ Inflation surge
- Ⓞ Climate change

Net result from financial services (R billion)



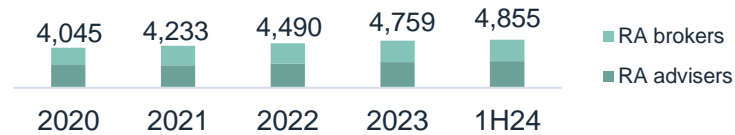
Adjusted return on group equity value (%)



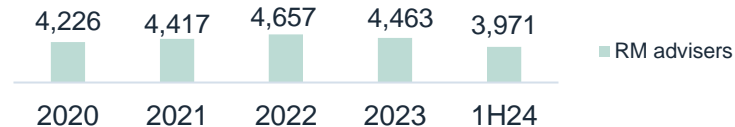
Investing for growth

- Ⓞ Released R4,6 billion from the UK and asset management operations
- Ⓞ R12,9¹ billion in capital allocation for corporate activity in South Africa
- Ⓞ Increased distribution capability

Growing affluent distribution force



Robust mass market distribution



South African market share	2020	2024
Individual underwritten risk business ²	20%	21%
Group risk business ³	22%	25%
LISP ⁴	15%	22%
Umbrella funds position ⁵	4th	3rd

1 Including Assupol, 2 NMG SA Risk Distribution Monitor 2024 (including BrightRock), 3 Swiss RE group volume survey 2023, 4 NMG Savings survey June 2024, 5 FSCA database by assets under administration



Positioned to capture growth across all segments in South Africa



Corporate activity

- ⌚ **Assupol:** Increased scale and market share
- ⌚ **ARC FSH:** Explore further collaboration opportunities across both client bases as well as using TymeBank technology
- ⌚ **BrightRock:** Less than 10% overlap with Sanlam branded support
- ⌚ **Capital Legacy:** Partnered with SA's leading fiduciary business
- ⌚ **Alexforbes and Absa LISPs:** Enhanced scale & enforcing Glacier's position as leading retail savings business in South Africa
- ⌚ **Afrocentric:** Integrated healthcare offering into the Sanlam fold

Holistic client engagement

- ⌚ Comprehensive offerings to meet diverse client needs
- ⌚ Cross-selling opportunity
- ⌚ One view of Sanlam, one view of the client
- ⌚ Elimination of duplication
- ⌚ Intermediary service and innovation for enhanced client experience
- ⌚ AI integration and robotic process automation in client servicing
- ⌚ Improved persistency

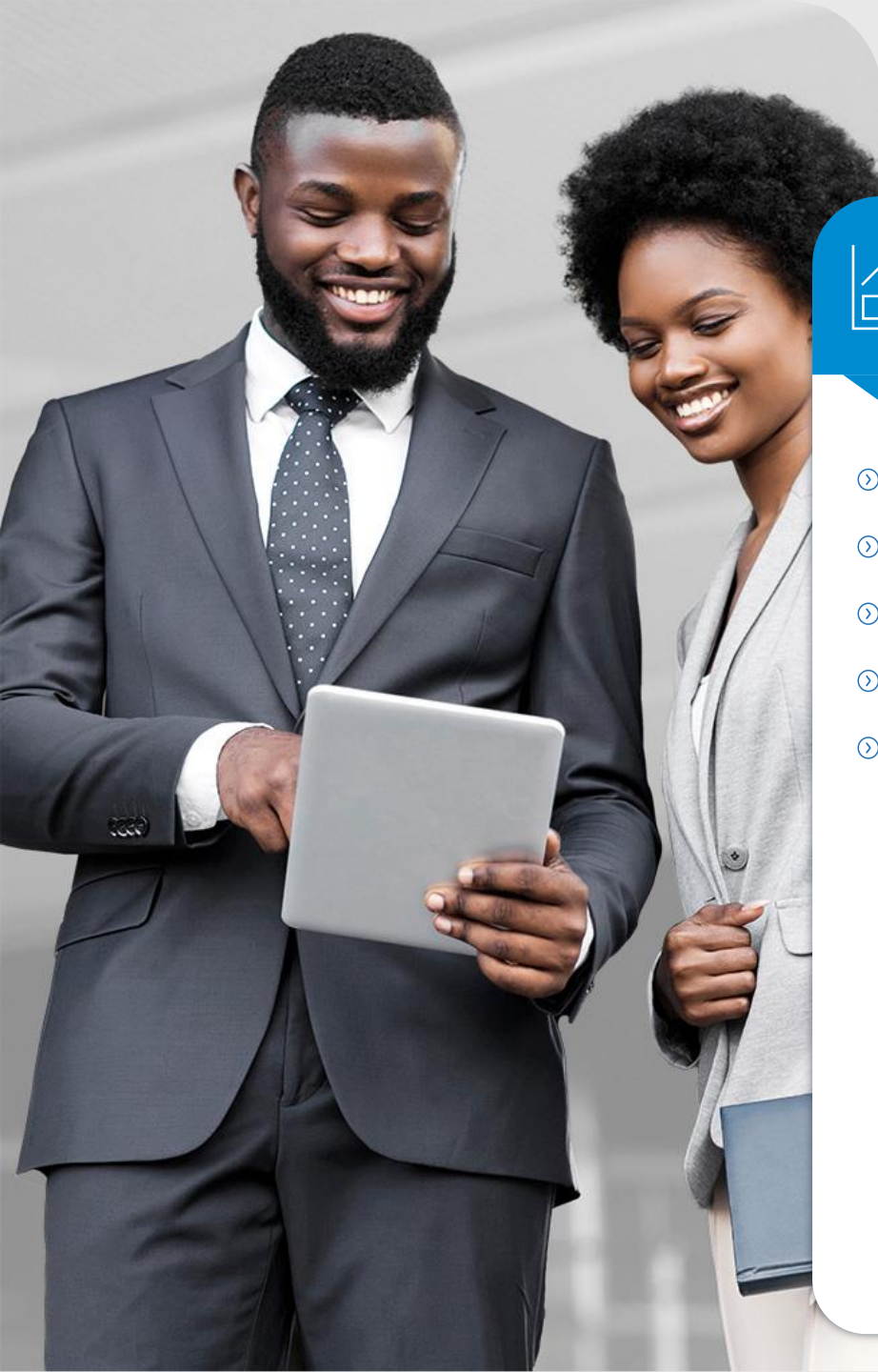
Technology and rewards

- ⌚ Enabling holistic client engagement
 - ⌚ Integration layer
 - ⌚ Started with data strategy and architecture – single digital ID
- ⌚ Simplifying and consolidating our systems to scale benefits
- ⌚ Product conversion strategy
- ⌚ Revamping rewards offering for enhanced customer value proposition
 - ⌚ Hub of client engagement
 - ⌚ Improved persistency
 - ⌚ Enhanced cross-selling

Omnichannel distribution

- ⌚ Branch network and distribution expansion: increasing client reach and servicing capability
- ⌚ Robust distribution in the mass segment
 - ⌚ Extensive branch network (incl. Assupol)
 - ⌚ Significant face-to-face distribution (Sanlam + Assupol advisers)
- ⌚ Strong affluent distribution
 - ⌚ Close to 5,000 advisors and supporting brokers
- ⌚ Robust Umbrella fund offering with increased market traction (3rd place)

Outlook in successful GNU environment



Successful GNU outcome

- ① Economic growth
- ① Job creation
- ① Interest rate reduction
- ① Stable inflation
- ① Increased household disposable income and savings



Sanlam outlook

- ① Robust track record and investment in SA positions Sanlam for future growth across market segments
 - ① Expanded solution set through corporate activity
 - ① Holistic client offering
 - ① Technology integration
 - ① Rewards
 - ① Robust omnichannel distribution
- ① Overall organic premium growth outlook across all segments
- ① Strong persistency in middle and affluent market, improving persistency in the mass market
- ① Delivering attractive value for shareholders

