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## FOR IMMEDIATE RELEASE

**CONTACTS: Ben Diaz-Clegg**  
Associate Director, Analytics  
+44 20 7397 0293  
[ben.diaz-clegg@ambest.com](mailto:ben.diaz-clegg@ambest.com)

**Jessica Botelho-Young, CA**  
Associate Director, Analytics  
+44 20 7397 0310  
[jessica.botelho-young@ambest.com](mailto:jessica.botelho-young@ambest.com)

**Christopher Sharkey**  
Associate Director, Public Relations  
+1 908 882 2310  
[christopher.sharkey@ambest.com](mailto:christopher.sharkey@ambest.com)

**Al Slavin**  
Senior Public Relations Specialist  
+1 908 882 2318  
[al.slavin@ambest.com](mailto:al.slavin@ambest.com)

### **AM Best Assigns Credit Ratings to Sanlam Life Insurance Limited**

**LONDON, 4 December 2024**—AM Best has assigned a Financial Strength Rating of A- (Excellent) and a Long-Term Issuer Credit Rating (Long-Term ICR) of “a-” (Excellent) to Sanlam Life Insurance Limited (Sanlam Life) (South Africa). Sanlam Life is a wholly owned subsidiary of Sanlam Limited (Sanlam) (South Africa), the non-operating holding company of the Sanlam group. The outlook assigned to these Credit Ratings (ratings) is stable.

The ratings reflect Sanlam’s consolidated balance sheet strength, which AM Best assesses as strong, as well as the group’s strong operating performance, favorable business profile and appropriate enterprise risk management. The ratings of Sanlam Life factor in its strategic importance to and integration within the Sanlam group.

Sanlam’s balance sheet strength is underpinned by its consolidated risk-adjusted capitalisation at the strongest level, as measured by Best’s Capital Adequacy Ratio (BCAR). AM Best’s assessment of the group’s risk-adjusted capitalisation includes credit for economic capital embedded in long-term business and equity credit for hybrid debt. The assessment also considers Sanlam’s low financial leverage, good financial flexibility and solid regulatory solvency position. Sanlam reported a Solvency Assessment and Management (SAM) solvency coverage ratio of 166% as at the end of June 2024 (year-end 2023: 167%). Despite the group's conservative

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investment portfolio by asset class, AM Best considers the quality of Sanlam’s assets to be an offsetting factor to the balance sheet strength assessment given its concentration in domestic securities.

Sanlam has a track record of strong operating performance through the business cycle. For year-end 2023, the group reported profit after tax of ZAR 17.0 billion (circa USD 930 million), equivalent to a return-on-equity ratio of 17.4%, benefitting from a well-diversified portfolio by product across life, non-life and asset management segments. Earnings have been supported by strong growth across protection, annuities and savings products, evidenced by growth in life present value of new business premium of 14% in 2023. Non-life underwriting performance remains a strong and stable contributor to group profitability, despite adverse South African retail market conditions and elevated weather-related events in recent years.

Sanlam is the leading pan-African financial services provider, with its largest market being South Africa. Sanlam's business profile assessment considers the group's well-established and strong brand in key markets across Africa, as well as its diversification across lines of business and distribution channels. Sanlam's growing geographical diversification through its recently established joint venture (JV) with Allianz SE has further strengthened the group’s business profile. The JV has a highly diversified portfolio across 27 African countries, and a strong presence in both life and non-life insurance.

**This press release relates to Credit Ratings that have been published on AM Best’s website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best’s Credit Ratings](#). For information on the proper use of Best’s Credit Ratings, Best’s Performance Assessments, Best’s Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best’s Ratings & Assessments](#).**

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