

6 March 2025

Sanlam reports strong growth in 2024

Sanlam today reported strong growth in its 2024 annual results. Strong earnings growth, robust new business volumes and excellent investment returns underpin the increase in the Sanlam dividend declaration. The strong operational performance stemmed from continued support for the Group's businesses by customers.

The group's earnings growth, shareholder value creation and new business was driven by all its three growth pillars: South Africa, African economies beyond South Africa and India.

Operational earnings per share increased by 26%, the group's Return on Equity was 19.8% for 2024 (both of these figures excluding a one-off profit on closure of the Capitec relationship) and the dividend was increased by 11% to 445 cps.

FINANCIAL HIGHLIGHTS

- Return on the group's equity value was 20.3% per share, driven by strong new business value added and good experience variances across the life and general insurance lines. The group's return on equity (ROE) was 19.8%.
- **Cash Net result from financial services** (NRFFS) increased by 17% per share.
- **Net operational earnings** increased by 26% per share, benefiting from higher investment returns on the shareholder capital portfolio, coupled with reduced corporate project expenses.
- **Group new business volumes** increased to R420 billion, driven by ongoing customer support for the group's leading businesses in the markets in which the group operates.
- **Dividend** increased by 11% to 445 cents per share, delivering three-year inflation adjusted average growth of 4,5%, which compares favourably against the group target range of South Africa CPI plus 2% to 4%.

Sanlam Group CEO Mr Paul Hanratty said, “The group remains focused on excellent customer outcomes, and this means that in most markets the group is the leading provider. This customer focus has underpinned our organic growth in 2024. Our strategic corporate activity has contributed to lifting the 2024 results, and we expect the contribution from this source to further enhance our performance in future periods.”

STRATEGY

Sanlam has had a long and enormously fruitful partnership with Ubuntu-Botho for 20 years, creating value for Sanlam shareholders and benefitting millions of beneficiaries in South Africa. The partnership has become very strategic over time and supported the development of the Sanlam franchise in the South African market. Sanlam has been strengthened through extension of its strategic partnership for a further 10 years to 31 December 2034. There are no capital impacts from the renewal of this partnership. Sanlam is delighted to have a strategic partner in Ubuntu-Botho for the future development of the group’s business and to support our transformation of South African financial services.

Sanlam further deepened its strategic partnership with Ubuntu-Botho during 2024, after swapping its 25% shareholding in the investment arm of Ubuntu-Botho, African Rainbow Capital Financial Services Investments (ARC FSI) for a 25% stake in ARC Financial Services Holdings (ARC FSH). Sanlam has benefited significantly from its holding in ARC FSI over recent years, both through strong growth in value of the investments as well as strategic leverage of assets such as Capital Legacy. This transaction allows Sanlam to leverage the capabilities of Tyme Bank to deliver services to the group’s customers in future years.

In 2023 the group announced the formation of a joint venture with Allianz to create the largest insurance group on the continent outside of South Africa. During 2024 SanlamAllianz made substantive progress in its first year of operation, completing several major integrations and delivering strong financial performance and growth. Sanlam transferred its Namibian business into the joint venture and Allianz has decided to exercise their option to increase its shareholding in the joint venture to 49%.

Following Sanlam’s R6,6 billion acquisition of Assupol in September 2024, Sanlam has started integrating Assupol fully into the group and in early 2025 the executive team of Assupol became part of Sanlam’s retail mass executive team. The group has focused on preserving customer value and is confident that during 2025 the integration of the business and its people will be complete.

In February 2025, Sanlam announced an agreement to partner with Fedhealth as its single open medical scheme provider. This follows Sanlam’s investment in Afrocentric in May 2023 which forms part of the group’s strategy to provide a holistic and differentiated healthcare offering in South Africa.

The group will support the development of affordable and high-quality health solutions as part of our offering to the South African consumer.

OUTLOOK

All the group's businesses are currently enjoying good momentum and economic conditions are improving in most of the markets in which the group operates. For this reason, the Sanlam group is positive about the outlook for the 2025 financial year.

South Africa is hosting the G20 and B20 in 2025 on behalf of the African continent. Sanlam is supporting this initiative and believes that the growth focus brought by the G20 and B20, which will be influenced by Africa's own economic characteristics, will add further impetus to growth prospects for the group's businesses.

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About Sanlam

Sanlam is the largest non-banking pan-African financial services group headquartered in South Africa, focused on emerging markets economies, covering 31 countries in Africa, Asia and the UK. The company is present in eight of the top 10 largest economies in Africa. It is listed on the Johannesburg Stock Exchange, Namibian Stock Exchange, and the A2X.

Sanlam's purpose is to empower generations to be financially confident, secure and prosperous. This guides the group's strategies, operations, and culture and to think for the long term, creating solutions for clients and opportunities for diverse stakeholders today, that will unlock potential and create value across societies for generations. Committed to meaningful social impact and financial inclusion, Sanlam touches over 92 million lives across Africa and Asia.

The group operates through its five business clusters: Sanlam Life and Savings, Sanlam Investment Group; the financial services joint venture with Allianz in Africa, the Asia operations, as well as Santam. It is a market leader in life insurance, general insurance, asset and wealth management, wills and trusts administration, healthcare, retail credit and financial planning. With a history spanning over 100 years, Sanlam has a trusted brand and leading industry expertise.

For more information on Sanlam visit www.sanlam.com