



APERTURE

INSIGHTFUL AND RELEVANT RESEARCH UPDATES

Sanlam Group HY 2026 Results

Share Price	R82.35
Date	11 September 2026

RESULTS SUMMARY

Insurance group, Sanlam delivered a mixed set of interim results, with reported growth muted but underlying operational performance remaining resilient. Core earnings, the group's primary performance measure, rose 1% over the period. However, excluding some period specific impacts, growth was 7%, with most business lines delivering solid growth. Adjusted Return on Equity remained strong at 18.4%, in line with previous guidance and above the group's hurdle rate.

New business volumes increased 22% to R224bn, while net client cash flow rose 42% to R78bn. Life Insurance and Investment Management delivered the strongest new business growth, while General Insurance, particularly in Africa, remained more challenging.

Sanlam has completed its multi-year portfolio repositioning, simplifying the group and increasing its exposure to higher-growth markets such as India. With the portfolio now better positioned for organic growth, we expect progress towards its medium-term targets. Overall, Sanlam's diversified exposure across South Africa, Pan-Africa and India provides a solid platform for continued growth.

OUR LONG-TERM INVESTMENT VIEW

- We view Sanlam as an attractive African insurer with the largest foothold in growth markets such as Morocco, Nigeria and Kenya. The joint venture with Allianz has increased scale in certain markets, such as Egypt, which will drive group growth. We expect the rest of Africa segment to be a key growth driver within the group.
- Within South Africa, the group is growing and competing well relative to its peers. Recently concluded acquisitions and partnerships (e.g. Absa Investment Management, Afrocentric and Capital Legacy) highlight the group's ability to supplement organic growth with inorganic growth.
- The group remains well-capitalised, as evidenced by its solvency ratios and strong balance sheet. We expect the group to weather the current economic environment, balancing dividend growth and investing in its faster-growing market segments.

UNPACKING THE HY 2026 RESULTS

High-level numbers

- **Life Insurance new business volumes** increased by 14% to R58.1bn, with strong growth across all regions. South Africa volumes grew 13%, supported by solid single-premium and recurring-premium growth in Sanlam Corporate and Retail Mass. Pan-Africa delivered strong comparable growth, with new business volumes up 27% in the first half, and most regions reporting strong growth. Asia's net earned premium growth was strong, primarily driven by India's 16% growth, supported by strong retail business sales.
- New business volumes in **short-term insurance** increased by 7%. Santam delivered good volume growth, with net earned premiums growing 6%. Pan Africa premium growth was
- **The General insurance** segment was impacted by elevated weather-related claims in SA and the rest of the Pan-African operations. The impact of floods and large wildfire related claims amounted to R680m net of reinsurance, which was elevated compared to the prior year. Earnings were also impacted by increased investment in new business ventures that are in the initial stages and, as such, are reporting operating losses. Notwithstanding the higher claims and investments, Santam's underwriting margin remained solid at 8.1%. This is in line with the group's target range of 5% to 10%.
- **Investment management earnings** (on a comparable basis) increased 48%, driven by higher income across both SA and Pan-Africa. In SA, the asset management business benefited

more muted at 3%, which management attributed to tighter underwriting discipline as the business aims to improve the quality of its book.

- **The investment management business** reported strong volumes. Excluding the impact of the sale of Salman Investments to Ninety-One, new business volumes grew 29%. This was driven by strong retail asset management and multi-manager inflows. Inflows further benefited from increased Glacier savings.
- **Adjusted return on group equity value (RoGEV)** was 18.4%, supported by strong new business contributions, a revaluation of the Indian business, and operational performance. Actual RoGEV was lower, impacted by a stronger rand and lower share prices for Ninety One and Santam.
- **Dividends guidance was maintained** in line with the medium-term target of CPI plus 4%, paid annually after the full year results.

Segment Performance

- **The Life and Health** segment reported earnings of R4.8bn, up 9% on a comparable basis, supported by favourable mortality experience and increased client activity. SA's life insurance segment showed strong underlying earnings (+14%) across the life and savings businesses. Earnings in this segment were also supported by narrowing of credit spreads on assets backing some liabilities. Pan-Africa experienced strong growth (+19%) across most product lines and continued expense efficiencies throughout the portfolio. India's life insurance earnings were impacted by regulatory changes, and the loss of two large life schemes.

from AuM growth, with particularly strong contributions from the multi-manager and indexation businesses. Disciplined cost management further supported earnings. This strong performance was partially offset by weaker Glacier earnings, reflecting pricing adjustments implemented at the end of the first quarter of 2025 and heightened market volatility.

- **The Credit and Structuring segment** reported a 6% increase in earnings, driven by strong performance in India and partly offset by increased technology investment in South Africa. The Indian segment delivered robust earnings growth, supported by 15% loan book growth and an improvement in net interest margin to 8.8%. In SA, earnings growth was moderated by slower expansion of the Sanlam Personal Loans book and higher technology development expenditure to support the digital ecosystem.

Looking ahead

Management remains confident in the medium-term outlook, although 2026 earnings growth is expected to remain below the group's medium-term target due to investment in growth initiatives, weaker investment returns and elevated weather-related claims. The group remains on track to meet its full-year guidance.

Beyond 2026, we expect earnings growth to strengthen as investment spending moderates and growth initiatives mature. With a strong balance sheet, robust solvency position and attractive opportunities across South Africa, Pan-Africa and India, Sanlam is well placed to deliver stronger growth over the medium term.

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