Sanlam Limited
(Incorporated in the Republic of South Africa)
(Registration number 1959/001562/06)
("Sanlam", "Sanlam Group" or "the group")
JSE Share code: SLM
A2X share code: SLM
NSX share code: SLA
ISIN: ZAE000070660

Sanlam Life Insurance Limited
(Incorporated in the Republic of South Africa)
(Registration No. 1998/021121/06)
("Sanlam Life")
Bond Issuer Code: BISLI
LEI: 378900E10332DF012A23

Operational update for the nine months ended 30 September 2026

Organic growth	Earnings	Capital strength
New business volumes **+20%** Net client cash flows **+37%** to **R108 billion** Value of new covered business (VNB) of **R1,5 billion (-13%)** VNB margin of **1,7%**	Core earnings **+1%** Operating profit excluding investment variances **-1%** Operating profit **-5%**	Discretionary capital balance of **R1,9 billion** The group economic solvency cover remained within the target range of 150% to 190%.

Note: *Unless otherwise stated, all commentary relates to the nine months ended 30 September 2026 compared to the nine months ended 30 September 2025. Growth rates are normalised and provided on a comparable (constant currency and consistent group structure) basis. Absolute amounts are presented on an actual basis. References to the third quarter relate to July to September 2026. Core earnings and the other key performance indicators in this update are presented on the same basis as the 2026 interim results.*

Key messages

- Strong new business volumes and cash flow growth.
- Resilient core earnings, despite weather-related and large-loss claims, continued underperformance in Pan-Africa general insurance and ongoing investment in future growth.
- Strategic execution progressed through the proposed acquisition of the remaining minority interest in Santam.
- Capital, cash generation and liquidity remain strong, supporting an unchanged dividend outlook.

Sanlam delivered strong organic growth in the first nine months of 2026, while continuing to execute its strategy to accelerate quality growth.

Total new business volumes increased by 20% and net client cash inflows by 37% to R108 billion, with growth across all lines of business. Core earnings increased by 1%, despite a volatile operating environment. Sustained geopolitical conflict in the Middle East contributed to higher energy prices, elevated interest rates and market volatility across several of the group's key markets. Consumers remained under pressure, which weighed on early-duration persistency among mass market clients. Rand strength reduced the translated value of earnings from businesses outside South Africa.

Earnings growth was constrained by elevated weather-related and large-loss claims in South Africa in the first half of the year as well as underperformance in Pan-Africa general insurance over the nine-month period, reflecting further large-loss claims, reserving actions and worsening motor and health claims experience in Morocco.

Santam's claims experience improved in the third quarter, supported by more favourable weather and attritional claims experience.

The value of new covered business (VNB) continued to reflect the client-led shift in South Africa towards lower-margin market-linked annuities over life annuities. This was compounded by adverse economic basis effects from the higher interest rate environment. Notwithstanding these impacts, new business profitability remains strong.

Earnings

Core earnings amounted to R11 billion, 1% higher than the prior period on a comparable basis. Strong growth in life, investment management and credit and structuring was partly offset by weather-related and large loss claims in general insurance and continued underwriting pressure in Pan-Africa in the third quarter of 2026.

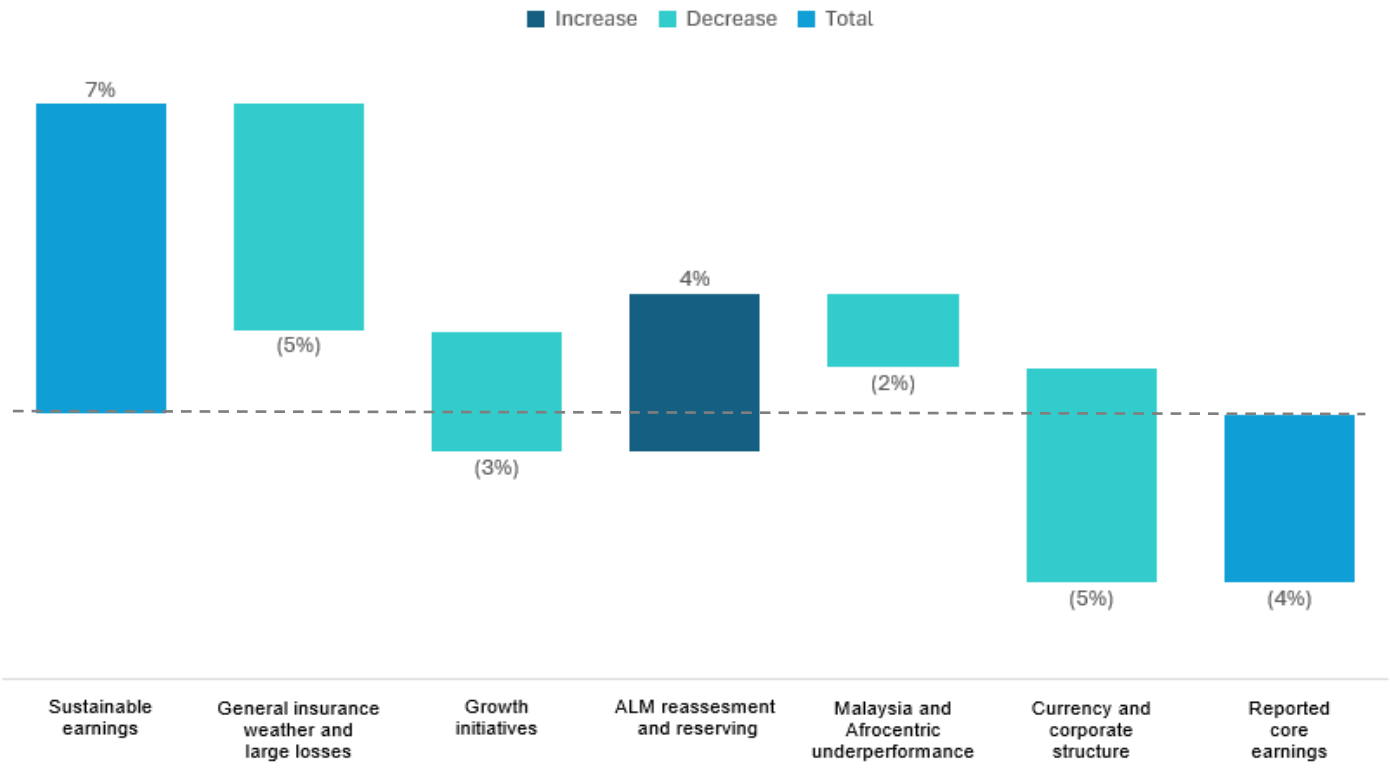
On a reported basis, core earnings were 4% lower. The result was adjusted up by 5% for comparability, mainly reflecting the impact of a stronger rand (3,5%) and changes to the group structure, including the sale of the South African active asset management business to Ninety One, the reduced holding in SanlamAllianz and changes in Sanlam's interests across the Shriram business in India.

Consistent with the approach adopted at half year, core earnings remain the group's primary measure for assessing underlying earnings performance, while IFRS-aligned operating profit provides a complementary view. The table below provides an overview of performance across the group's key earnings measures.

Growth / (decline) for the nine months ended 30 September 2026 (%)	**Comparable**	**Reported**
Core earnings	1	(4)
Operating profit excluding investment variances	(1)	(6)
Operating profit	(5)	(10)

Operating profit of R10,3 billion declined by 5% on a comparable basis, mainly reflecting a smaller positive contribution from investment variances relative to the prior period. Excluding investment variances, operating profit was 1% lower than the prior period.

Underlying core earnings performance benefited from an estimated 4% uplift from the refinement of the asset-liability management (ALM) approach and hedging strategy for the IFRS 17 risk adjustment for non-financial risk (RANFR). This benefit was more than offset by a 5% impact from elevated weather-related claims and weaker underwriting experience in parts of the African general insurance portfolio; 3% impact from growth initiatives, including Credit, Banking and Rewards, Santam Syndicate 1918 and India's distribution channel diversification; and a further 2% impact from the underperformance of the Malaysia life and Afrocentric health operations. These effects reduced core earnings growth from 7% on a sustainable basis to a 4% decline on a reported basis.



Adjusted headline earnings decreased by 20% on a reported basis, mainly due to lower shareholder investment returns relative to the prior period. Shareholder investment returns of R1,3 billion were below the R2,9 billion recorded in 2025, largely due to the exceptionally strong investment performance in the comparative period. The lower returns primarily related to weaker equity markets in Morocco, higher interest rates in India weighing on bond valuations, and adverse unrealised mark-to-market movements on the group's investment in Ninety One, following completion of the transaction in February 2026.

Performance by major line of business

Comparable growth / (decline) for the nine months ended 30 September 2026 (%)	Core earnings	Operating profit excluding investment variances
Life and health	6	3
General insurance	(28)	(28)
Investment management	36	39
Credit and structuring	12	12

Life and health earnings increased, supported by solid operational performance in South Africa and Pan-Africa, favourable risk experience and higher asset-based fee income.

In **South Africa,** earnings were supported by solid performance across the life insurance and savings businesses, higher contractual service margin recognition and the benefit of aligning the IFRS 17 RANFR in Sanlam Life and Savings more closely with how the group manages asset-liability risk. These refinements are expected to reduce sensitivity to interest-rate and yield-curve movements. Retail Mass benefited from favourable mortality experience and continued expense efficiencies. While overall persistency in Retail Mass remains broadly resilient, the deterioration in early-duration lapse experience is a concern given ongoing economic pressure on clients. Management remains focused on sales growth, improving lapse experience and maintaining cost discipline. Retail Affluent earnings were supported by higher savings fee income from a larger book of business and by favourable mortality experience. Sanlam Corporate earnings were underpinned by growth in asset-based fee income from a larger book of business, favourable mortality experience and higher employee benefits platform fee income relative to the prior period. Losses in the South Africa health business (Afrocentric) partly offset the positive life business performance, following the loss of a major health administration client.

In **Pan-Africa**, earnings grew strongly across product lines, supported by favourable mortality experience and cost efficiencies across the portfolio.

In **India**, earnings remained constrained by regulatory changes, the loss of two large group credit life schemes and ongoing investment in open-market distribution. **Malaysia** earnings were negatively impacted by elevated medical claims, higher reinsurance costs and regulatory limits on repricing.

Excluding Afrocentric and Malaysia, life and health core earnings increased by 9% on a comparable basis.

General insurance earnings were negatively affected by weather-related and large-loss claims. **Santam's** results reflected floods and fire losses in the first half of the year, as well as expected initial operating losses in Santam Syndicate 1918. Performance improved in the third quarter, supported by persisting favourable attritional claims experience and an absence of weather-related catastrophe and other large losses. Year-to-date underwriting margin has improved since the end of June 2026 and remains above the mid-point of the 5% to 10% target range. Weaker investment market conditions in the third quarter weighed on investment returns on Santam’s insurance funds relative to the comparable period.

Pan-Africa general insurance results remained below the group’s target, deteriorating in the third quarter. Third quarter earnings were affected by further large-loss claims, an alignment of reserving practices in Morocco following the merger of the Sanlam and Allianz businesses, which were subject to hold-separate requirements before the merger, and the worsening motor (including bodily injury) and health claims experience in Morrocco. Investment returns on insurance funds were also weaker as equity markets in Morocco deteriorated further in the third quarter. By contrast, **India**'s earnings benefited from favourable claims experience and improved cost efficiency.

Investment management earnings grew strongly, supported by higher assets under management and the related fee income in the South African multi-manager and indexation asset management businesses. More than 70% of the approximately R770 million (before tax and minorities) of the

costs stranded as a result of the sale of the active asset management business have now been addressed. The wealth management business benefited from favourable offshore brokerage income, while the international business delivered strong fee income in its platform business. In **Pan-Africa**, earnings were underpinned by income from retail flows.

Credit and structuring earnings growth was supported by a strong India performance, which benefited from 15% loan book growth and improved net interest margin as excess liquidity normalised relative to the prior period. This growth was partly offset by weaker performance in South Africa, where higher technology development costs and deliberately lower loan production ahead of the migration to SanlamGoTyme weighed on earnings. Loan production in the retail credit joint operation has shown early signs of recovery since the migration in June 2026, although it remains below the prior period.

Business volumes

Net client cash inflows grew by 37% on a comparable basis, mainly driven by strong net inflows in investment management and life insurance. In **investment management**, the South African asset management business recorded robust net flows in its multi-manager and indexation businesses. Glacier benefited from strong retirement annuity and discretionary sales and from improved retention. **Life insurance** net client cash flows increased by 36%, driven by strong new business volumes and better claims experience across Sanlam Corporate, Retail Mass and Pan-Africa.

Total new business volumes grew by 20% on a comparable basis, with broad-based growth across the group. Strong investment management inflows in the South African asset management business and robust discretionary savings and partnership sales at Glacier were augmented by strong contributions from Sanlam Corporate and Pan-Africa life insurance. On a reported basis, new business volumes declined modestly, reflecting the sale of the Sanlam Investments active asset management business in South Africa and the UK to Ninety One.

Growth / (decline) for the nine months ended 30 September 2026 (%)	**Comparable**	**Reported**
Total new business volumes	20	(4)
Total net client cash inflows	37	48
Present value of new business premiums (PVNBP)	14	14
VNB	(13)	(16)
VNB margin	(52bps)	(59bps)
General insurance new business	7	4
Investment management	24	(9)

Life insurance new business volumes grew by 14% on a present value of new business premiums (PVNBP) basis, with strong contributions from all regions. In **South Africa**, PVNBP benefited from robust sales of single premium products in Sanlam Corporate. Retail Mass PVNBP was supported by higher sales through the individual life branch network and by Assupol group business sales. Retail Affluent continued to grow market-linked annuity sales.

In **Pan-Africa**, PVNBP continued to perform satisfactorily. In **India**, PVNBP growth was underpinned by strong retail sales.

Group VNB remained impacted by the change in business mix in South Africa, particularly in Retail Affluent, where client demand continued to favour lower-margin market-linked annuities over higher-margin life annuities. Weaker guaranteed product sales and adverse economic basis effects, mainly reflecting movements in interest rates also weighed on VNB**.** This contributed to the lower group **VNB margin** of 1,7%. In **South Africa**, Retail Mass VNB increased, supported by individual life and group business sales. Sanlam Corporate VNB growth was underpinned by strong new business volumes. In **Pan-Africa**, VNB growth was supported by solid new business growth across most regions. In **India**, strong retail volumes and improved productivity supported VNB growth.

General insurance net earned premiums increased by 7%, mainly driven by a healthy 7% growth in both **Santam**'s conventional insurance business and **Pan-Africa**. **India's** net earned premiums grew by 22% from strong motor business sales in both the open-market channel and the Shriram ecosystem.

Discretionary capital

The group's discretionary capital balance decreased from R2,3 billion at 30 June 2026 to R1,9 billion at 30 September 2026, following additional regulatory capital allocated to the Pan-Africa business to meet its capital requirements. Discretionary capital remains within the R1 billion to R3 billion target range.

Strategic execution

On 5 October 2026, the group announced a firm intention to acquire all the issued ordinary shares of Santam not already owned (38,1% interest). The proposed transaction will simplify the group structure and enable Sanlam and Santam to better leverage their combined capabilities and pursue emerging-market opportunities. The transaction remains subject to Santam shareholder, together with regulatory approval. The notice convening the general meeting to consider the Scheme Resolution ("circular") was posted on 3 November 2026 to be voted on by 3 December 2026, with a longstop date of 31 March 2027.

Retail Mass is making good progress on the roll-out of its branch network, with 168 branches operational. In November 2026, the SanlamGoTyme banking and Sanlam's BOOOST™ rewards applications were made available on app stores as part of the planned soft launch. The commercial launch remains on track for the first quarter of 2027.

In South African health, the group continues to implement measures to right-size the business following the loss of a major health administration client.

SanlamAllianz appointed a new CEO, Hennie Nel, on 1 September 2026. Following the completion of the final integration in Morocco and a review of the business, actions have been agreed to further strengthen underwriting and financial controls, improve profitability through a review of the general insurance portfolio (including unprofitable health insurance business), and to grow corporate and commercial profitability by working more closely with the Santam Specialist business. As noted at the Capital Markets Day in October 2026, these actions will take time to vest.

The group continues to apply disciplined capital allocation across its portfolio, assessing each business against strategic fit, returns and cash generation. Where businesses do not meet these requirements, management is reviewing options to protect value and limit further capital exposure, while retaining the capabilities needed to serve clients in the group's chosen markets.

Outlook

Despite continued pressure on clients and the challenging operating environment, the group's diversified portfolio, underlying business activity and cash generation provide a solid foundation for future growth. Performance across the group's businesses remains broadly in line with the full-year 2026 earnings growth guidance, except for Pan-Africa general insurance, where continued pressure in the third quarter has weakened the outlook. A persisting challenging operating environment for the remainder of the year, particularly in Pan-Africa general insurance, is likely to negatively impact on delivery against Sanlam's previous full-year core earnings and adjusted return on equity guidance.

The weaker outlook for Pan-Africa general insurance reflects additional reserve strengthening at SanlamAllianz Re after further adverse large-loss claims, the alignment of reserving practices following the merger of the Sanlam and Allianz businesses and worsening motor and health claims experience in Morocco. Management is taking underwriting and repricing actions to address these developments.

The following factors were reflected in previous guidance and are expected to continue to affect performance:

- Elevated weather-related and large-loss claims.
- Earnings pressure in South African health operations following the loss of a major health administration client, and elevated health insurance claims in Malaysia.
- Continued investment in future growth platforms, including expected full-year start-up losses of R450 – R550 million from Santam's Syndicate 1918.
- Lower shareholder investment returns.

Investment markets, currencies and weather-related claims experience remain uncertain. Management remains focused on profitable growth, underwriting discipline, expenditure control and cash generation.

The dividend outlook remains unchanged and in line with the medium-term target, supported by improving cash conversion and remittances, together with the group's capital and liquidity position. Any dividend declaration remains subject to the board's assessment at year-end.

Conference call
Abigail Mukhuba, group Finance Director, will host a conference call for shareholders, analysts, and the media at 17h30 South African time (UTC+2) on 19 November 2026.

Those wishing to participate in the conference call should navigate to: https://diamondpass.live/2456647

Registered participants will receive their dial-in number on registration. Recorded playback will be available until 24 November 2026.

Access code for recorded playback: 23382#
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Cape Town
19 November 2026

Equity sponsor: The Standard Bank of South Africa Limited
Debt sponsor: The Standard Bank of South Africa Limited
NSX sponsor: Simonis Storm Securities (Pty) Ltd

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