

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 three months ended 31 March 2026

Sanlam delivered strong operational momentum and experienced resilient client activity in the first quarter of 2026. Strong new business volume growth, exceptional net client cash flows and good persistency across the group reflected the benefits of its diversified business model and continued execution of its strategy to accelerate quality growth.

During the quarter, the operating environment became increasingly volatile as conflict escalated in the Middle East, which contributed to higher energy prices, elevated interest rates and weaker equity market performance across several of the group's key markets. Severe weather-related events across parts of Southern Africa and Pan-Africa resulted in elevated catastrophe claims in the group's general insurance operations.

Against this backdrop, the group maintained strong capital levels, delivered positive operating profit growth and continued to execute key strategic transactions. These include the completion of the Ninety One transaction and increased ownership in the Shriram insurance businesses in India.

Key features of the group's operating performance in the first quarter are summarised below.

For the period ended 31 March	2026 ¹
Organic growth	
New business volumes increase	29%
Net client cash flows	R38,6 billion
Earnings	
Operating profit increase	8%
Capital strength	
Discretionary capital	R3,2 billion

Note: Unless otherwise stated, all commentary relates to the three months ended 31 March 2026 compared to the three months ended 31 March 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.

Strategic update

The group's strategic aspiration to **accelerate quality growth** leverages its diversified platform to deliver long-term growth in high-potential emerging markets. Execution is prioritised, focusing on five growth vectors: winning as 'one Sanlam' in South Africa; building a solutions-led asset manager focused on emerging markets; unlocking the Pan-African insurance frontier; scaling the Shriram financial services ecosystem in India; and building an international specialist capability via Lloyds.

In **South Africa**, the Assupol integration is progressing well, with over 115 retail branches now operational, on track to reach 200 by year-end. With the Ninety One transaction completed in both the United Kingdom and South Africa, Sanlam's effective economic interest has risen to approximately 9,1% on a dual listed basis, excluding minority interests. Work continues to prepare for the launch of banking services in the South African market, in partnership with GoTyme, subject to pending regulatory approval.

In the **Pan-Africa** reinsurance business, good progress has been made in strengthening controls. This remains a key focus for management alongside the completion of the Morocco integration.

In **India**, the group concluded the acquisition of additional interests in Shriram Life and Shriram General Insurance, further strengthening its position in the fast-growing Indian insurance market. Mitsubishi UFJ Financial Group (MUFG) completed its capital injection of USD 4,2 billion into Shriram Finance Limited

¹ In constant currency with adjustments for corporate activity, in line with the basis of normalisation.

(SFL) on 8 April 2026. This investment materially enhances SFL's capital base and supports its ability to accelerate growth across its core business segments.

The **Santam 1918 Syndicate** is operating successfully, with recruitment momentum deepening underwriting and actuarial capabilities. The Syndicate is expected to drive strong premium growth for the remainder of the year and is forecast to deliver an operational loss of approximately R300 million in 2026, depending on the timing and scale of new business.

The group's migration of computing to the **cloud is progressing** according to plan and its **drive to embed AI throughout in its processes to drive efficiency** is well under way.

These strategic developments are expected to support medium-term earnings growth through new income streams, improved client retention and lower operating costs, aligning performance with the group's 2030 targets.

Discretionary capital and corporate activity

The group's **discretionary capital** decreased from R8,1 billion at 31 December 2025 to R3,2 billion at 31 March 2026, due to the acquisition of additional interests in the India insurance operations for a combined consideration of R4,8 billion.

The South Africa leg of the Ninety One transaction was completed on 2 February 2026, increasing Sanlam's effective economic interest in Ninety One to approximately 9,1% on a dual-listed company basis, excluding minority interests.

On 10 February 2026, the acquisition of additional interests in Shriram General Insurance Company (SGIC) became effective, increasing Sanlam's effective economic holding from 40,25% to 50,99%. The Shriram Life Insurance Company (SLIC) transaction became effective on 6 March 2026, increasing Sanlam's effective holding from 41,83% to 53,7%. Total consideration for both transactions amounted to R3,7 billion.

On 30 March 2026, Sanlam completed the acquisition of the 14,7% stake in SLIC from Piramal Finance Limited for a consideration of R1,1 billion. This increased Sanlam's overall economic interest in SLIC to 68,4%.

The MUFG acquisition of a 20% interest in Shriram Finance Limited (SFL) was completed on 8 April 2026, resulting in the dilution of Sanlam's effective shareholding from 9,53% to 7,62%.

In Pan-Africa, final regulatory approvals for the integration of the Morocco entities are expected in mid-2026, with integration expected to be completed in the first quarter of 2027.

Earnings

Underlying earnings reflected elevated catastrophe claims, strategic investment spend and temporary market impacts during the quarter. Excluding these effects, core client activity, asset-based revenues and operational trends remained supportive.

Operating profit	Change ²
Actual operating profit	2%
- Prior period adjustment for currency and restructuring of group earnings	(6%)
- Comparable first quarter 2026	8%
Comparable operating profit	
<i>By line of business</i>	
Life insurance and health ³	57%
General insurance ⁴	(61%)
Investment management	7%
Credit and structuring	8%

To enable comparability with 2026, 2025 operating profit was adjusted down by 6%, reflecting changes to the group structure over the past 12 months and a stronger rand. Of this adjustment, rand strength contributed 3,2%, the sale of the Sanlam active asset management business to Ninety One contributed 0,6%, with the balance reflecting the lower earnings profile of the India insurance businesses relative to SanlamAllianz. The group's equity stake in Ninety One does not contribute to operating profit, although dividends received from this stake will be available for dividend distribution.

On a comparable basis to 2025, **operating profit** increased by 8% in the first quarter of 2026, compared to a 2% increase on an actual reported basis. This included a positive investment variance arising from asset liability management of R467 million compared to negative R67 million in the prior period. Positive investment variances resulted from higher bond yields and the narrowing of long-dated (R2053/R2048) bond spreads, which were partially offset by negative investment variances from weaker equity market performance in Morocco general insurance and wider credit spreads in the credit portfolio.

Earnings growth was achieved across the life insurance, asset management and credit and structuring businesses. However, extreme adverse weather conditions across Africa reduced earnings and underwriting profits at Santam and SanlamAllianz. Despite these impacts, Santam's underwriting margin remained above the midpoint of its target range. Underwriting margins at SanlamAllianz were below target range during the period.

Life insurance and health earnings increased on the back of favourable mortality experience, higher asset-based fee income in **South Africa** and good premium growth and expense efficiencies in the **Pan-Africa portfolio**. This was partly offset by regulatory impacts and continued investment in open market sales channels in **India**. Earnings were further negatively impacted by the widening of the credit spreads in the credit portfolio backing life insurance liabilities, which resulted in mark-to-market losses. Investment variances boosted operating profits considerably during the period.

General insurance earnings growth was adversely impacted by elevated weather-related and large loss claims. In **Santam**, these included flooding in the northern parts of South Africa and wildfires in the Western Cape, which together amounted to R195 million net of reinsurance (Sanlam's share after tax and non-controlling interests). Despite this, Santam's underwriting margin remained above the midpoint of the 5% to 10% target range. **Pan-Africa** earnings were affected by large losses including natural catastrophes (floods in Morocco and a cyclone in Madagascar). Pan-Africa earnings were further impacted by weaker investment returns on insurance funds, following a decline in the Moroccan equity market. **India** earnings grew by 33% on a comparable basis, underpinned by favourable claims experience and cost efficiency.

Investment management earnings increased due to higher asset-based fee income from elevated assets under management in the first quarter. The Ninety One transaction was successfully implemented without loss of assets under management, and management is on track to address the associated residual stranded costs. The equity stake in Ninety One does not impact operating profit.

² Percentage increase / (decrease) for the three months ended 31 March 2026 relative to the three months ended 31 March 2025.

³ +5% excluding investment variances.

⁴ -37% excluding investment variances.

Pan-Africa earnings grew by 59% on a comparable basis, benefiting from higher retail-flow fee income in Kenya and Namibia.

Credit and structuring earnings growth benefited from continued strong loan book growth and an improved net interest margin in **India**. This was partly offset by a weaker performance in **South Africa**, reflecting a high base of structuring activity in the prior period and increased technology investments associated with moving onto the GoTyme technology stack. In **Pan-Africa**, earnings growth was muted due to constrained operating conditions in Botswana.

Investment return on shareholders' fund capital declined relative to the prior period as weaker market conditions weighed on performance, driven mainly by higher interest rates that affected bonds and equity market weakness, particularly in Morocco. Investment returns were further impacted by adverse unrealised mark-to-market movements on the group's investment in Ninety One following the close of the transaction, as well as losses on the Indian rupee hedge for the India insurance transactions. The latter expired at unfavourable exchange rates on the conclusion of the Indian transactions in the first quarter. The losses on the Indian rupee hedge were offset by a lower rand purchase price for the transactions.

Adjusted headline earnings were lower than the prior period, reflecting lower investment returns on shareholder capital as well as weather-related claims.

The change in the value of the Ninety One stake between transaction signing and closing does not impact adjusted headline earnings.

Capital

The group's capital position remains strong, with the solvency cover within target ranges and a solid liquidity position. This will support resilience through the current volatile operating environment and continued strategy execution.

New business volumes

The group's strategy to accelerate quality growth supported **good underlying organic new business growth in the first quarter**. Life insurance and investment management delivered strong new business flows, with more modest growth seen in general insurance. In India, Shriram Finance Limited recorded good credit book growth of 15%. Life insurance new business premiums were 13% higher, with strong contributions across the South Africa and Pan-Africa portfolios.

The continued shift in South Africa toward capital-light savings and investment products accelerated during the quarter, supporting strong cash generation, lower balance sheet strain and improved long-term capital efficiency. While this moderated reported value of new covered business (VNB) margins in the short term, the group believes the evolving business mix improves long-term shareholder returns.

Net client cash flows were up 45% to a pleasing R38,6 billion.

	Change ⁵
Total new business volumes	29%
Total net client cash inflows	45%
Present value of new business premiums (PVNBP)	13%
Value of new covered business (VNB)	(22%)
VNB margin	1,5%

Total new business volumes increased by 29% compared to the prior period on a comparable basis, driven by strong asset management inflows into the restructured asset management business, higher

⁵ Percentage increase / (decrease) for the three months ended 31 March 2026 relative to the three months ended 31 March 2025. In constant currency with adjustments for corporate activity, in line with the basis of normalisation.

discretionary savings and partnership sales in Glacier, and robust life insurance sales in South Africa and Pan-Africa.

Life new business volumes increased by 13%, supported by strong performances across South Africa and Pan-Africa. Growth remained particularly strong in corporate, retail affluent savings and market-linked annuity business.

The quarter reflected a continued shift in client demand toward capital-light savings and investment solutions, particularly market-linked annuities. While this moderates the group's reported VNB margin to 1,5%, it supports lower capital intensity, strong cash generation and greater balance sheet flexibility over time. In addition, the first quarter largely has front-ended costs which put further strain on VNB margins. The future asset management profits that arise on the sale of market-linked annuities are not included in the VNB margin as these profits arise within the asset management business.

Management has implemented targeted initiatives to optimise product and channel mix, which are expected to support an improvement in VNB momentum over the remainder of the year. While VNB margins are anticipated to remain constrained in the first half of 2026, the group expects a progressive recovery by year-end.

Increased **Pan-Africa** new business volumes were driven by single premium unit-linked business in Morocco, in addition to deposit administration and credit life business flows in Kenya. Pan-Africa delivered an encouraging 20% increase in VNB (on a comparable basis), reflecting higher volumes and continued focus on higher-margin risk products.

India continued the strong growth trajectory on retail new business volumes but recorded muted growth following the loss of a large group credit life scheme. However, India recorded negative VNB for the period due to regulatory impacts, lower group credit life volumes and continued investment in retail channel growth, which we are confident will support stronger growth over the medium term.

General insurance net earned premiums grew by 4% (on a comparable basis), with notable contributions from **South Africa** and **India**. **Santam** recorded muted growth in the conventional insurance business, reflecting the impact of softer gross written premium growth in specialist lines in the second half of 2025 and a once-off positive base effect in 2025 in Santam Re relating to the partnership business. **India** grew by 16% (on a comparable basis) on the back of strong third-party motor business. In the **Pan-Africa** portfolio, new business growth was impacted by tighter underwriting requirements implemented towards the end of 2025.

Actual reported group net client cash inflows increased by 92% to over R38,6 billion compared to prior period, mainly due to strong investment management and life insurance net inflows. Investment management recorded robust net inflows, particularly into the indexation (via Satrix) and wealth management businesses in **South Africa**, while life insurance delivered 11% growth with strong contributions from **South Africa** and **Pan-Africa**.

Outlook

The group expects resilient cash generation to continue throughout the year, with traction across its growth vectors supporting long-term underlying organic growth.

While the external operating environment is expected to remain volatile over the remainder of 2026, the group enters the period from a position of strength, supported by resilient client activity, strong capitalisation, diversified earnings streams and disciplined risk management.

Management is taking targeted actions to mitigate the near-term pressures caused by weather-related claims in the general insurance business: improving business mix, managing claims experience, optimising costs and using AI and procurement initiatives to reduce delivery costs. Earnings momentum is expected to strengthen as weather-related claims normalise and these actions gain traction, supporting full-year earnings and dividend guidance.

The group's lower VNB margin in the first quarter reflects the significant shift in South Africa business mix and negative VNB in India. The group expects a higher proportion of risk business in South Africa and gradual improvement in India as product redesign and repricing take effect, supporting margin

recovery over the year. While overall performance remains resilient, the group is cautious about persistency in the second half of the year.

The completion of the capital injection into Shriram Finance in April 2026 is expected to dampen short-term earnings growth until the new capital is deployed, but it should support strong medium-term growth across the Shriram ecosystem. Santam's investment in Syndicate 1918 at Lloyd's will continue to weigh on earnings in 2026 but is expected to support long-term growth from international business.

Investment in banking and rewards integration, together with the group-wide migration to the cloud, will continue to put pressure on near-term earnings. However, over the medium-term these initiatives are expected to support growth in the South African retail market.

The group's strong balance sheet, solvency position and asset-liability management approach provide resilience in volatile conditions. Management remains focused on disciplined cost control and strong operational delivery.

Sanlam remains confident in the long-term growth opportunities across its core markets and continues to expect to deliver on the 2026 full-year earnings and dividend guidance communicated at the 2025 annual results announcement, supported by a strong balance sheet and robust liquidity position. This notwithstanding, the outlook for the remainder of the year remains subject to uncertainty relating to economic conditions, market volatility, and the potential impact of adverse weather and other external events.

The information in this operational update has not been reviewed or reported on by Sanlam's external auditors. Shareholders are advised that this is not a trading statement as per paragraph 3.4(b) of the JSE Limited Listings Requirements.

Conference call

Paul Hanratty, group CEO, will host a conference call for shareholders, analysts, and the media at 17h30 South African time (UTC+2) on 21 May 2026.

Those wishing to participate in the conference call should navigate to: <https://www.diamondpass.net/3989564>
Registered participants will receive their dial-in number on registration. Recorded playback will be available until 27 May 2026.

Access code for recorded playback: 48505#

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Cape Town

21 May 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

Disclaimer

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Forward-looking statements

In this document, we make certain statements that are not historical facts and relate to analyses and other information based on forecasts of future results not yet determinable, relating, amongst others, to financial results, to new business volumes, investment returns (including exchange rate fluctuations) and actuarial assumptions. These statements may also relate to our prospects, developments, and business strategies. These are forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "expect" and "project" and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements involve inherent risks and uncertainties and, if one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. Forward-looking statements apply only as of the date on which they are made, and Sanlam does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Any forward-looking information contained in this document has not been reviewed and reported on by Sanlam's external auditors.