2025 Analyst presentation

Interim financial results for the six months ended 30 June 2025

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Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and controlling company for its group companies.

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Robust performance while building a platform for accelerated value creation

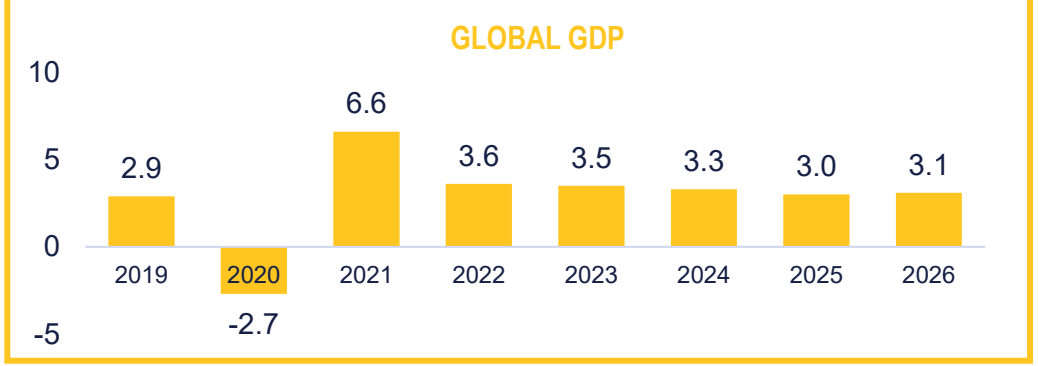
- Key performance metrics in excess of long-term targets
- Underwriting margin above the 5% to 10% target range. Combined ratio < 90%
- Broad based profitable growth with all business units achieving strong underwriting results
- We made significant progress in strategic growth vectors
  - Solid traction in scaling direct through MiWay and Santam Client Solutions
  - Maintained market share in traditional intermediated channels
  - Improved performance in our property portfolio
  - Announced the set up of the Santam Syndicate 1918 at Lloyd's to accelerate our international and diversification play
  - Acquired a majority stake in Avatar Holdings (an MGA) in the UK to complement our syndicate
  - Successful conclusion of MultiChoice general insurance transaction, adding 2 million clients to the base
  - MTN device insurance sales continues to exceed expectations
- Favourable investment returns and continued strong performance from the Alternative Risk Transfer businesses
- The group remains well-positioned for profitable growth and shareholder value creation
- Continued focus on disciplined underwriting and cost efficiency

Operating environment

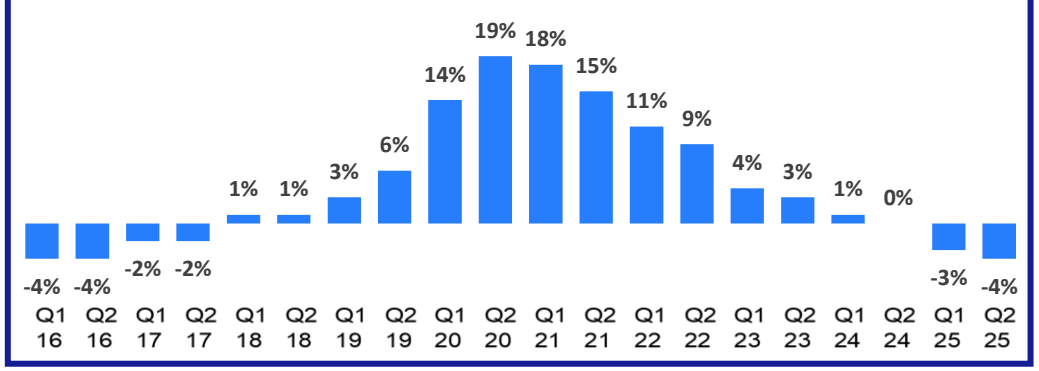
Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and controlling company for its group companies.

Global growth is facing headwinds, driven by trade policy uncertainty and heightened geopolitical tensions, with P&C rates softening

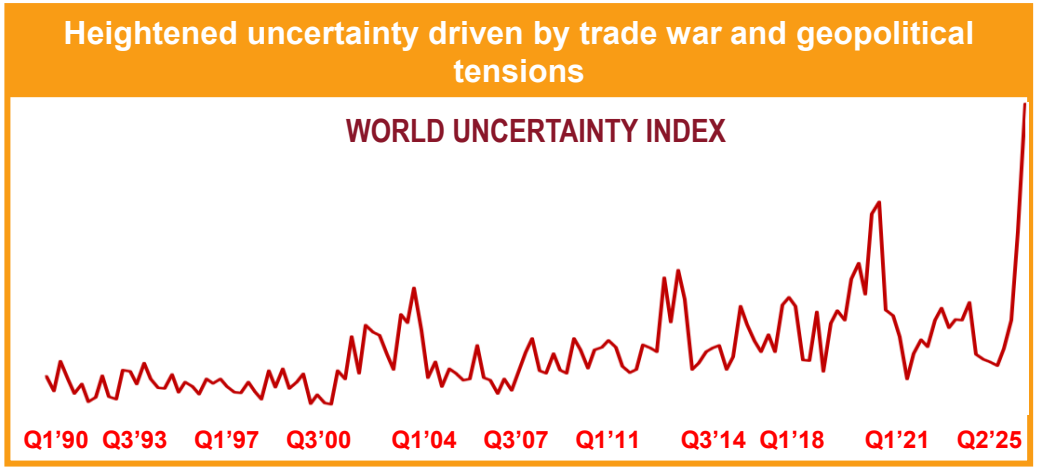
Global economy faces trade-related headwinds



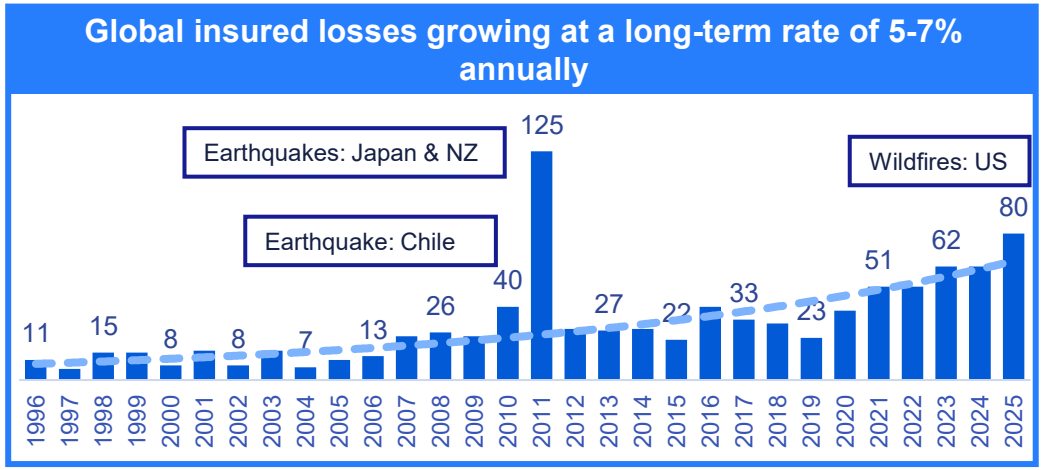
Global Commercial Pricing environment softening



Heightened uncertainty driven by trade war and geopolitical tensions



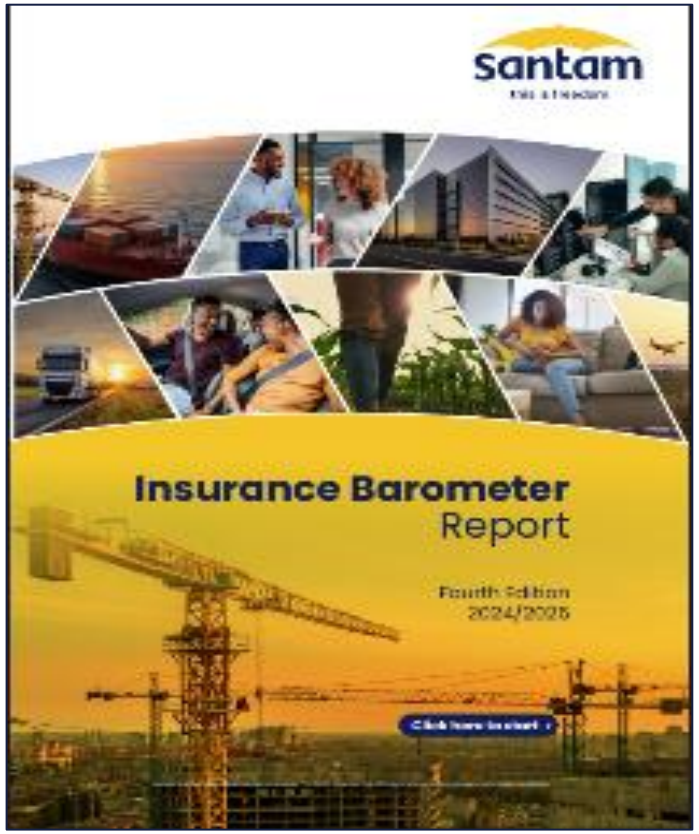
Global insured losses growing at a long-term rate of 5-7% annually



Source: IMF; Swiss Re Institute, Marsh Global Insurance Index, Ahir, H, N Bloom, and D Furceri (2022), "World Uncertainty Index", NBER Working Paper

SA economy remains constrained by structural and socioeconomic challenges. The US tariffs are expected to cause further strain

- Rising frequency and severity of weather events
- Crime and societal issues, including rising cyber attacks
- Widespread impacts of deteriorating infrastructure (Municipal infrastructure, road, rail, water)
- Economic pressures: Low economic growth in South Africa alongside persistent high unemployment and deteriorating business confidence



Source: Santam Insurance Barometer 2025, SARB

Operating highlights

Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and controlling company for its group companies.

Performance update: June 2025

GROWTH

Conventional insurance GWP growth of **10%** (2024: **8%**)

Conventional insurance NEP growth of **16%** (2024: **7%**)

EARNINGS

Underwriting margin for conventional insurance business of **11.3%** (2024: **6.5%**)

Alternative Risk Transfer earnings of **R417 million** (2024: **R326 million**)

Net income of **R2 045 million** (2024: **R1 718 million**)

Return on capital of **33.2%** (2024: **33.6%**)

FINANCIAL STRENGTH

Group economic capital coverage ratio of **170%** (Dec 2024: **166%**)

Interim dividend of **590 cps** (2024: **535 cps**), up **10.3%**

VALUE DRIVERS

Direct as % of GWP **22%** (2024: **19%**)

International as % of GWP **20%** (2024: **18%**)

Policy count: **3.7 million**

RESULTS AFFECTED BY:

Negatives: Weather-related events in March

Positives: Favourable attritional loss ratio, property portfolio improvement, ART performance, MTN & MultiChoice partnerships

Strategic update

Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and controlling company for its group companies.

We are executing our strategy, laying a strong foundation for accelerated value creation

Our purpose	**To safeguard what is important to our clients**			
Strategic intent	Leading South African insurer driven by data, with the client at the centre of everything we do			
Values	Care	Collaboration	Integrity	Innovation

Client and intermediary experience

Growth vectors:

Strengthen leadership position in South Africa

- Shift to a multi-channel model
- Maintain dominance in Broker
- Scale Direct and tied agency

Drive international expansion and diversification

- Leverage SanlamAllianz
- Specialist capability (via Lloyd's)
- Scale Reinsurance

Scale ecosystems and explore new markets through partnerships

- Ecosystem/platform play
- Cross-sell across the Sanlam Group
- Partnerships: MTN, MultiChoice

Unlock and develop data capabilities to solidify our competitive advantages

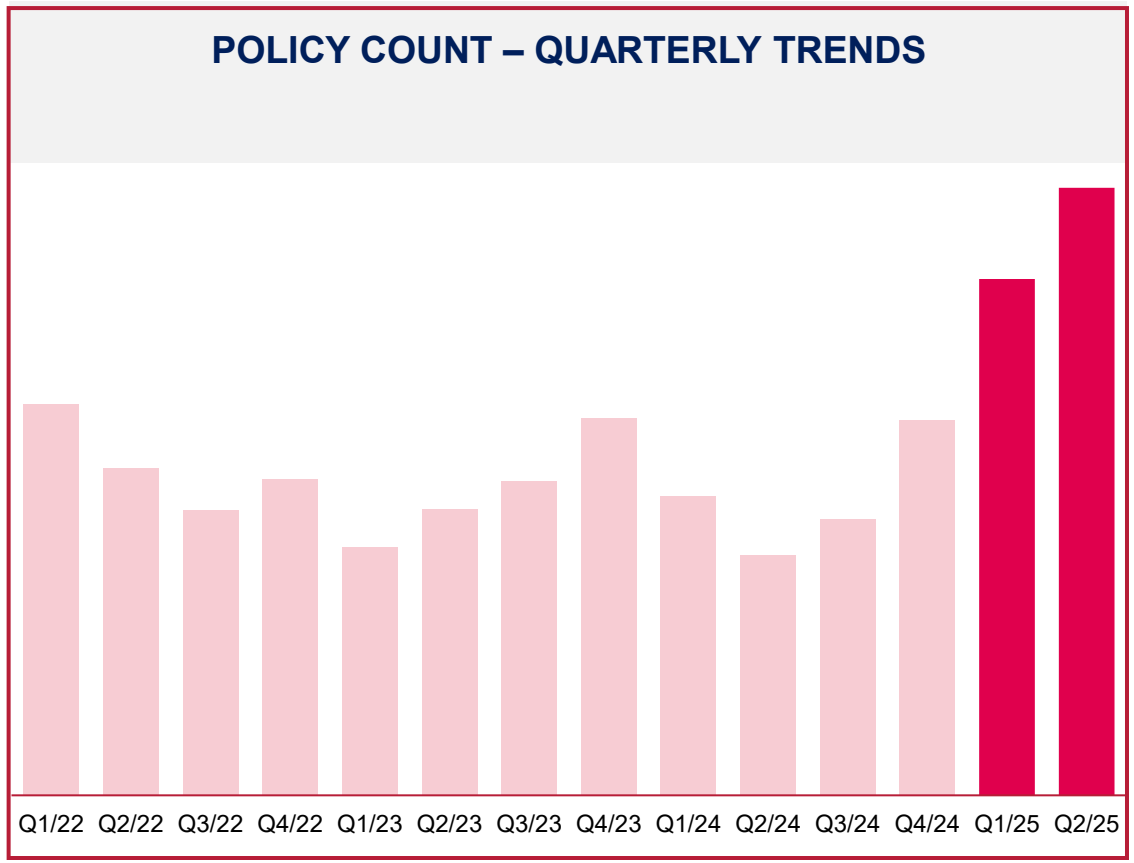
- Modernise IT and digital capabilities
- Digitise our E2E value chain and customer journey
- Leverage data and AI to enhance innovation and underwriting (pricing/risk selection)

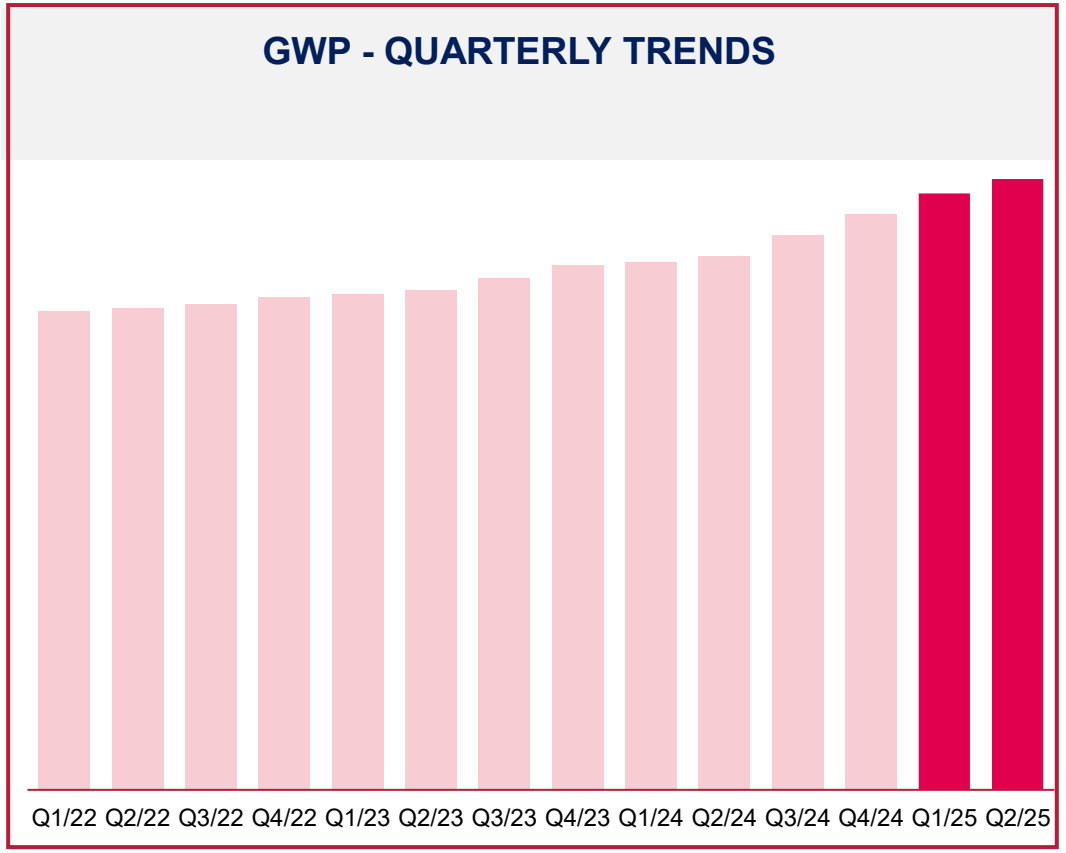
Good corporate citizen and drive transformation

- Win the war on talent (Talent mobility)
- Cost excellence
- Build resilient communities and establish leadership in sustainability

MiWay's path to accelerated growth gaining traction

Strategic initiatives contributed to double-digit growth in 1H2025, with personal lines growth more than doubling compared to prior period. Strong positive trend in policy count.



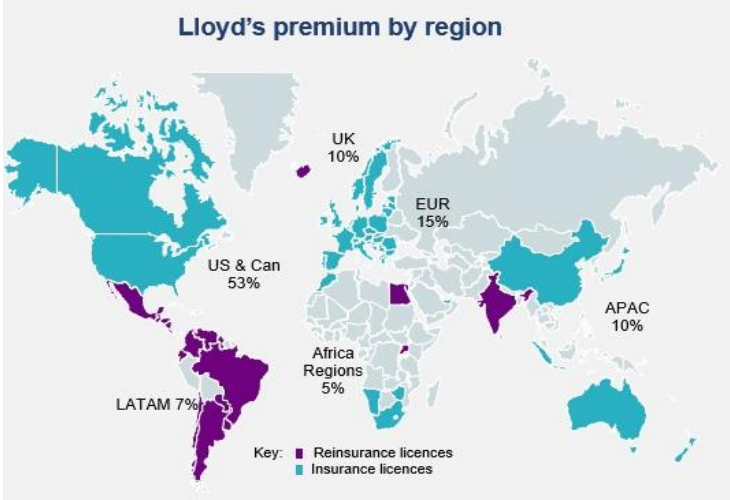


Source: Santam

We are accelerating our international strategy through the Santam Syndicate 1918 to transform our growth prospects and investment case

We have received in-principle approval from the Lloyd's council to set up a Santam Syndicate, with a planned gross written premium of approximately £300 - 400 million for 2026. This will be focused in higher margin specialist business.

Lloyd's opportunity



- ✓ **$55 billion GWP** – over 7x size of South Africa's P&C market, ~3x Africa P&C
- ✓ Access to licenses to trade in **77 insurance** and **200 reinsurance territories**

Expected impact

Increase the share of international business to GWP in 2030	**>20%** Currently 20%
Expected syndicate underwriting margin by 2030	**>10%**
Return on capital of syndicate in hard currency returns for 2030	**>24%** Current hurdle rate

- ✓ Access to Lloyd's **superior ratings** with **S&P, Fitch and A.M. Best**
- ✓ **Strong trusted brand**
- ✓ **Strong governance and performance oversight**

Execution through a London-based team

- ➢ Cede **existing specialist business** to the syndicate.
- ➢ Delivers immediate scale and relevance to the syndicate.
- ➢ Portfolio mix of 60/40 in 2026, gravitating towards more incremental international over the long term.
- ➢ Will **grow in specialist lines** of business that we understand.
- ➢ **Appointing high skilled, experienced team**, with strong underwriting and distribution experience
- ➢ Supported by **world-class governance and performance oversight**
- ➢ Partnered with **Asta, the leading Managing Agent**.

- ✓ To be funded through surplus capital and additional debt
- ✓ To issue **an additional R1 billion in subordinated debt** to maintain SA regulatory capital ratios
- ✓ **Ordinary dividend growth philosophy remains**

We have also acquired a **51% stake in Avatar Holdings**, a new start-up with a unique technology platform that can underwrite and price mid-sized corporate risks much more efficiently than traditional methods. The investment in Avatar **amounted to GBP3 million and was funded from available cash resources**. Avatar is expected to be a source of future new business for the Santam Syndicate.

Source: Lloyd's Annual Report 2024; Lloyd's Capital Market Day Presentation, 12 June 2024; Lloyd's of London Syndicate analysis June 2025

Our long term targets to 2030

GWP GROWTH RATE
CPI + GDP + 1% to 2%

NET UNDERWRITING MARGIN
5% to 10%

DIVERSIFICATION
International GWP >20%
Direct GWP> 30%

RETURN ON CAPITAL
>24%

DIVIDEND GROWTH
Based on NEP growth

CAPITAL COVERAGE RATIO
145% to 165%

POLICY COUNT
>2 million

CUSTOMER EXPERIENCE (NPS SCORE)
>60

EMPLOYEE ENGAGEMENT SCORE
>75%

MARKET SHARE
>24%

TRANSFORMATION
Maintain B-BBEE Level 1

ESG
Maintain Top 30 JSE Responsible Investment Index

Financial results

Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and controlling company for its group companies.

Results at a glance

	For the period ended 30 June 2025	For the period ended 30 June 2024
NEP growth	16%	7%
Claims ratio	56.0%	62.3%
Acquisition costs ratio	32.7%	31.2%
Underwriting margin	11.3%	6.5%
Investment return on insurance funds	2.6%	2.3%
Net insurance result	13.9%	8.8%
Return on capital	33.2%	33.6%

Exchange rates

CLOSING RATES

Currency	Jun-25	Dec-24	Change
United States Dollar	17.77	18.87	5.8%
Euro	20.86	19.54	(6.8%)
Indian Rupee	0.21	0.22	5.8%

AVERAGE RATES

Currency	Jun-25	Jun-24	Change
United States Dollar	18.38	18.73	1.9%
Euro	20.05	20.25	1.0%
Indian Rupee	0.21	0.23	7.1%

Investment market performance

RETURN FOR THE PERIOD

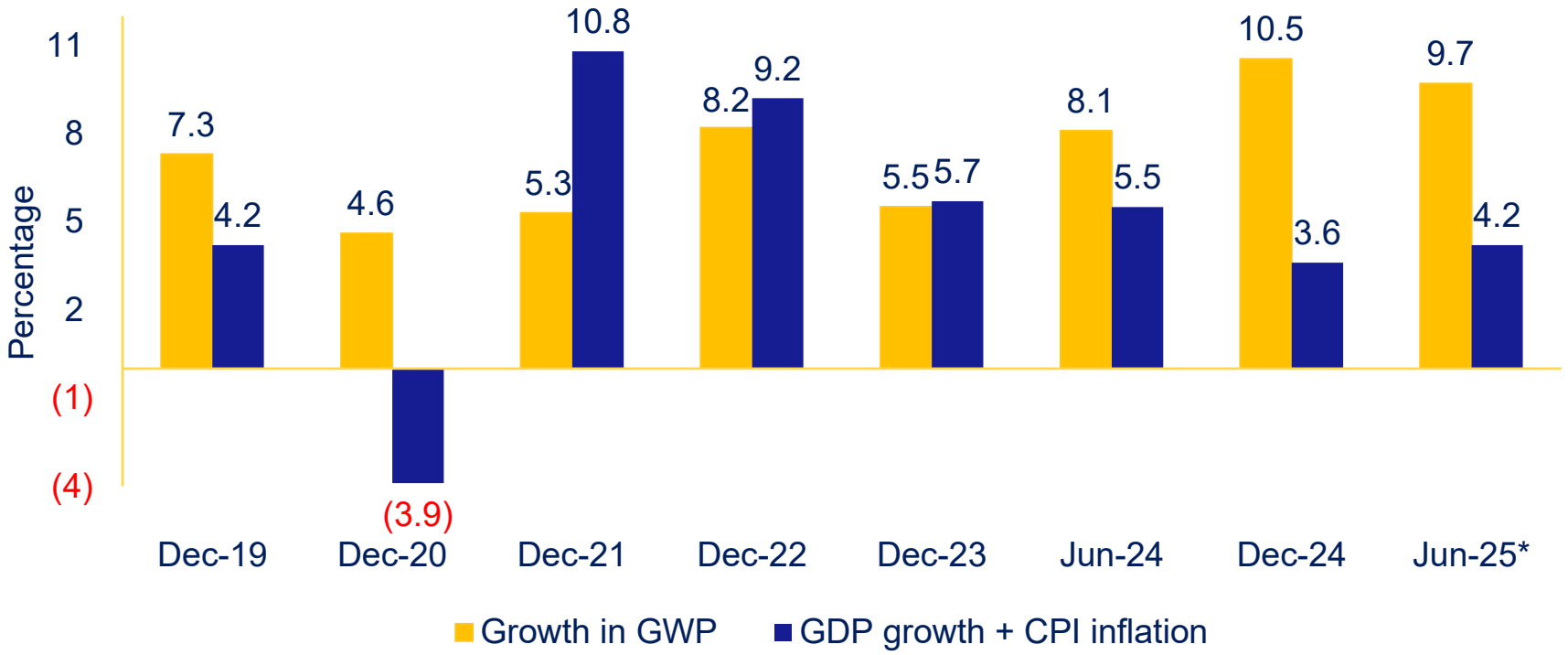
INDEX	Jun-25	Jun-24
JSE All Share	14.7%	5.3%
JSE Swix 40	17.7%	3.4%
JSE All Bond	6.6%	5.5%
SA Money Market (STeFI)	3.8%	4.6%
USD Money Market (SOFR)	2.2%	2.7%

Business volumes

Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and controlling company for its group companies.

Conventional insurance

GROSS WRITTEN PREMIUM VS CPI + GDP GROWTH



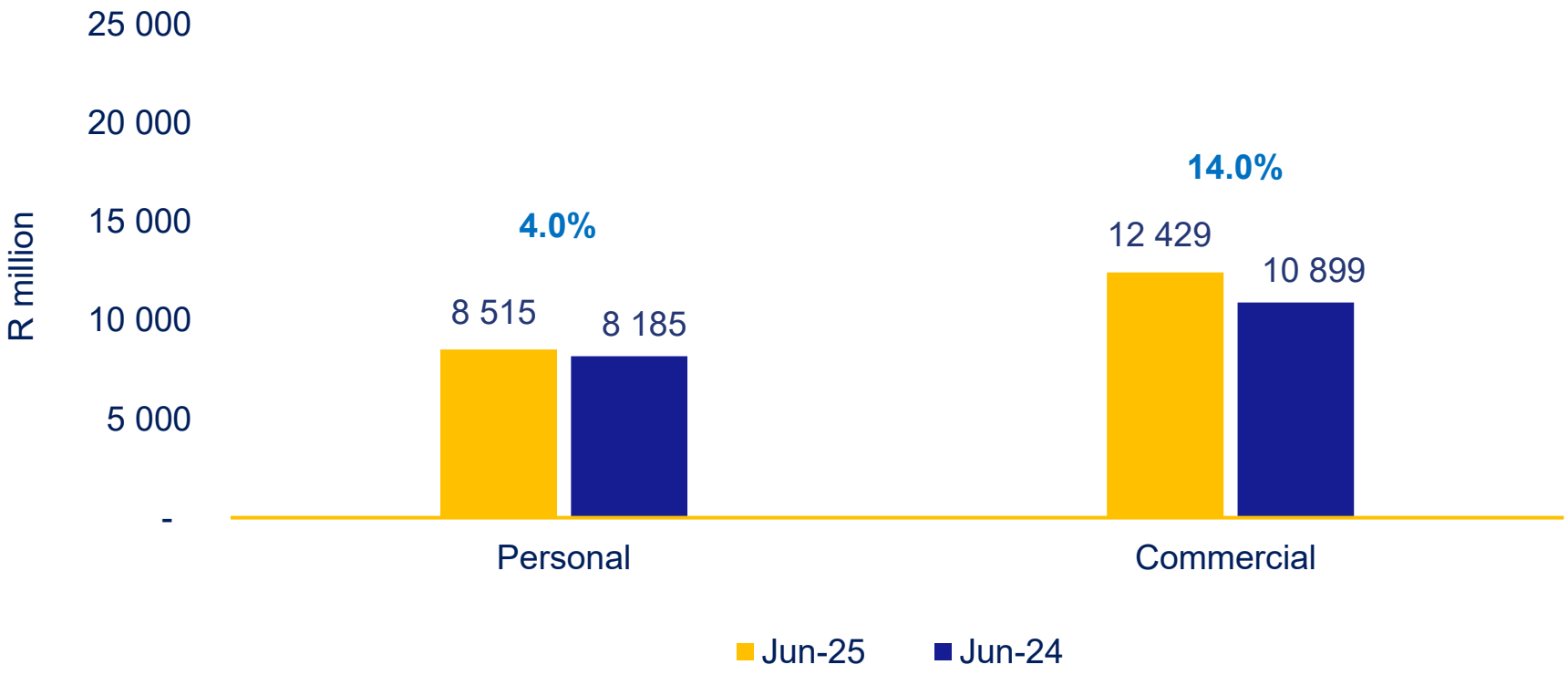
- Double-digit growth at MiWay, Partner Solutions and Santam Re
- First-time contribution of MultiChoice transaction
- Good growth at Broker and Client Solutions despite moderation in rate increases
- Specialist Solutions impacted by timing differences and soft market conditions in Casualty and Heavy Haulage
- Net earned premiums grew by 16%

**Based on South African Reserve Bank forecasted GDP growth and CPI in June 2025*

Conventional insurance

GROSS WRITTEN PREMIUM

SEGMENTAL ANALYSIS – PERSONAL AND COMMERCIAL

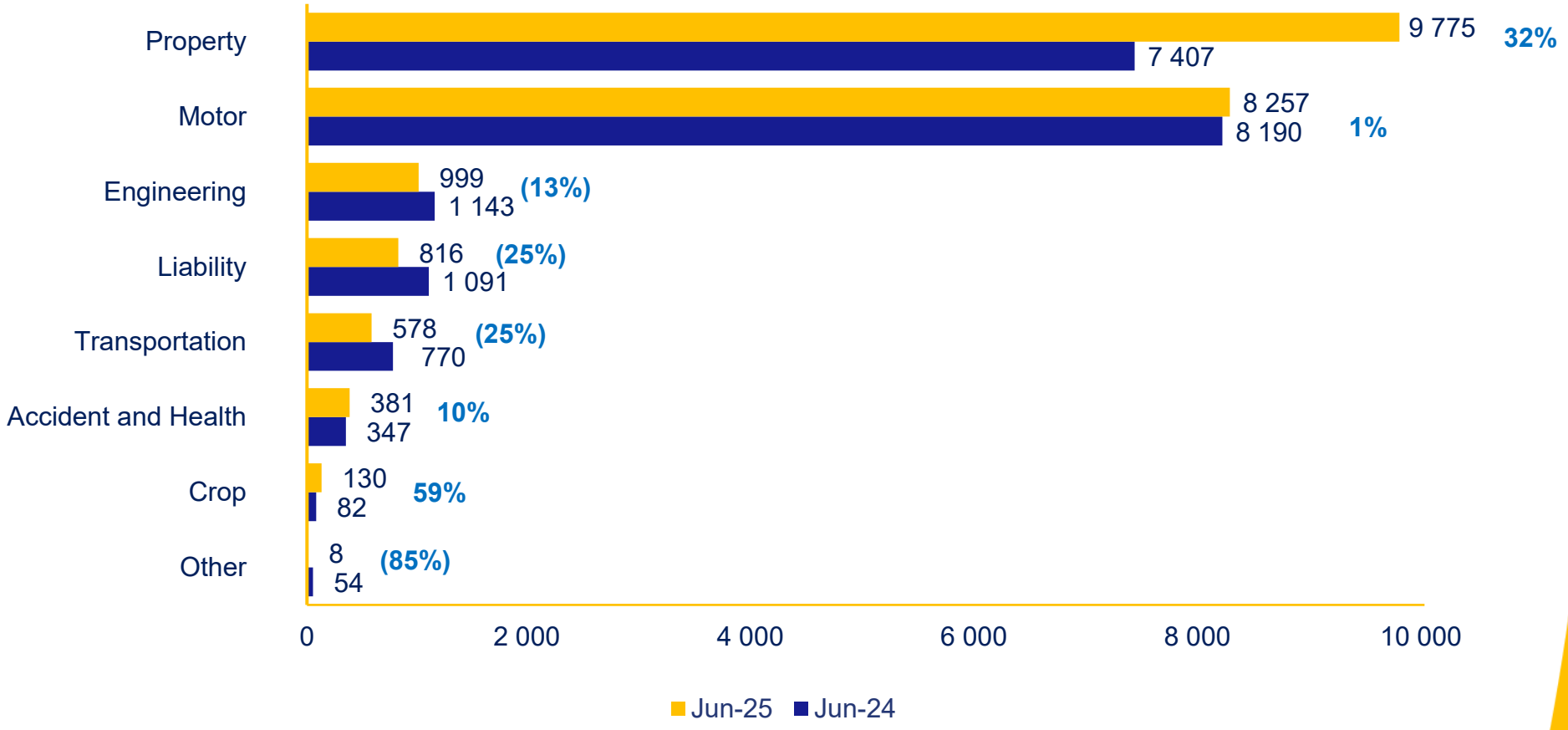


- Personal lines – softening in rate increases and change in mix of business at Santam Re
- Commercial lines – marginal decline at Specialist Solutions; change in mix at Santam Re; good growth at other business units

Conventional insurance

GROSS WRITTEN PREMIUM

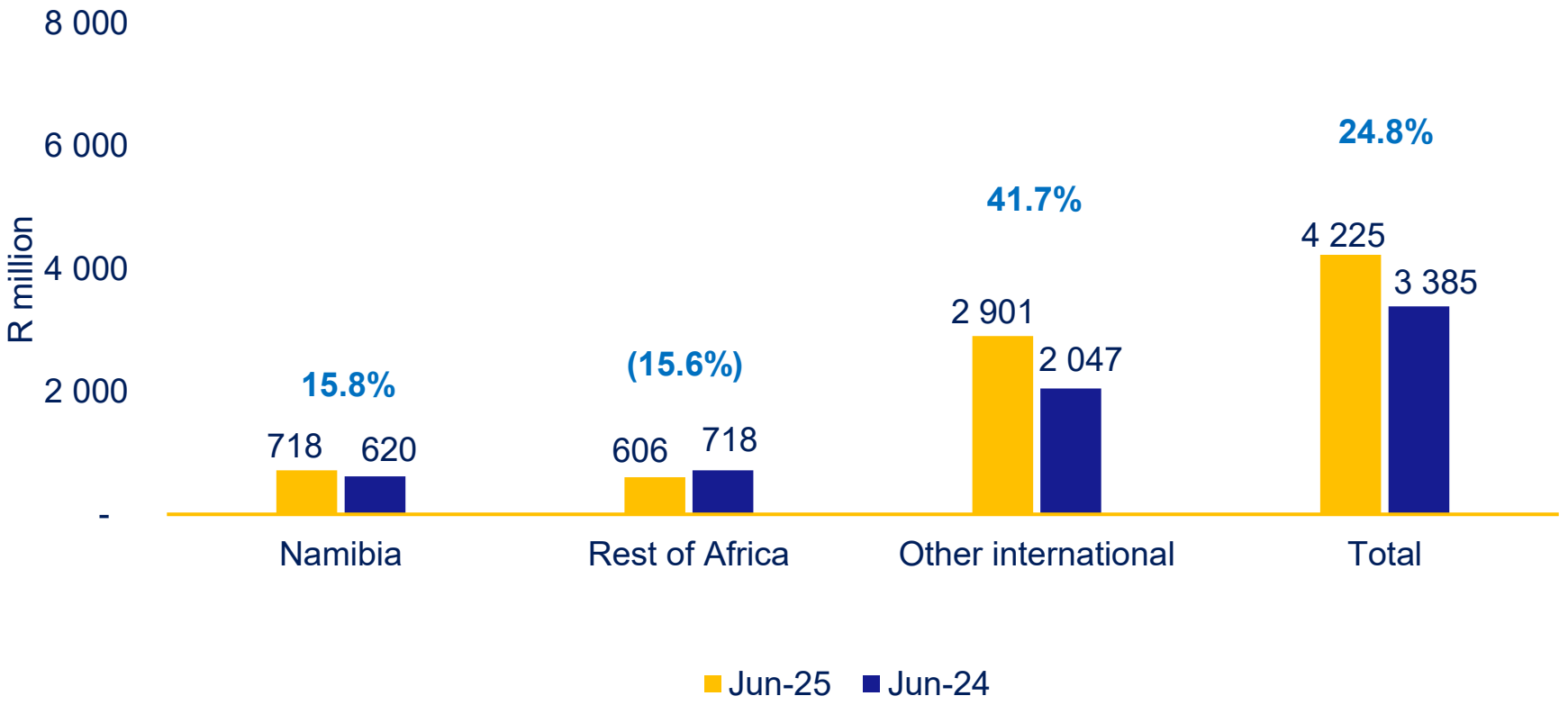
PER INSURANCE CLASS (R million)



- Change in mix of business at Santam Re
- Solid underlying growth across all insurance classes
- Property includes first-time contribution of MultiChoice transaction

Conventional insurance

GROSS WRITTEN PREMIUM FROM OUTSIDE SA

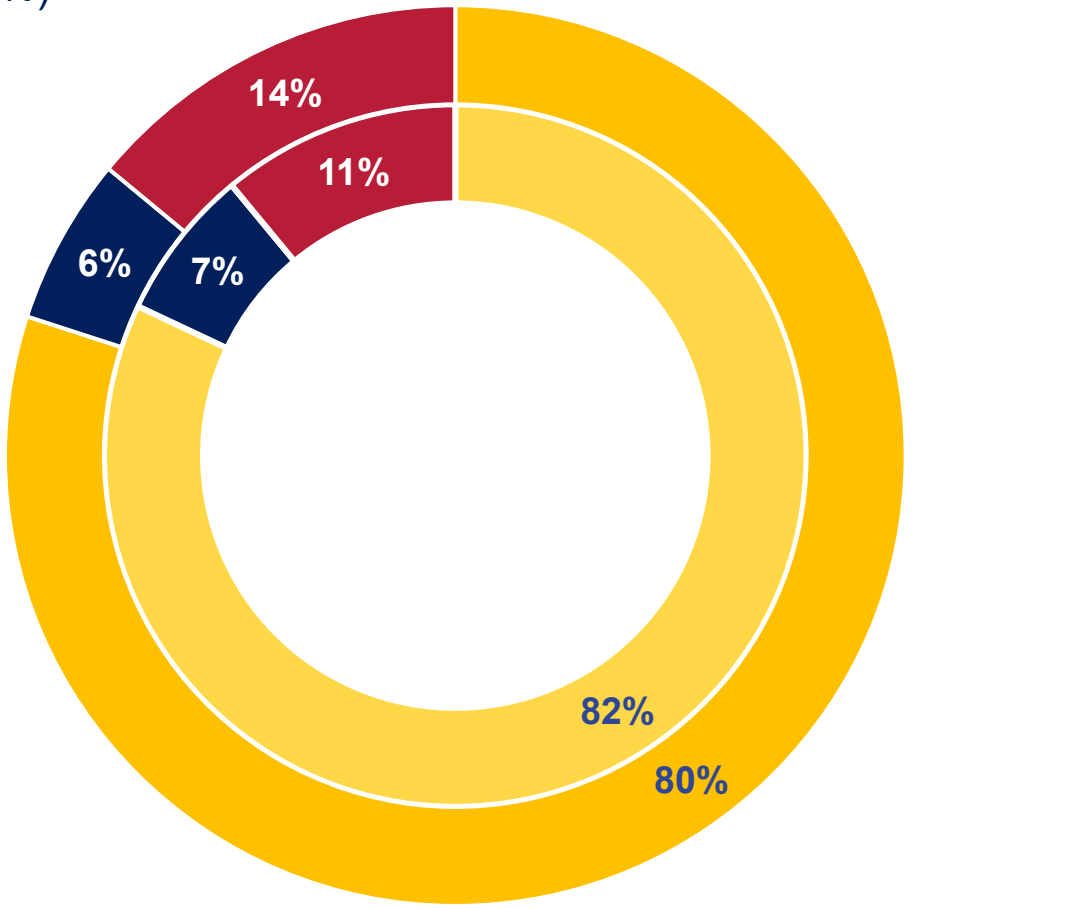


- Strong growth in Namibia across all classes of business
- Seasonality of business in Rest of Africa
- Other international includes Santam Re strategic partnerships

Conventional insurance

GROSS WRITTEN PREMIUM

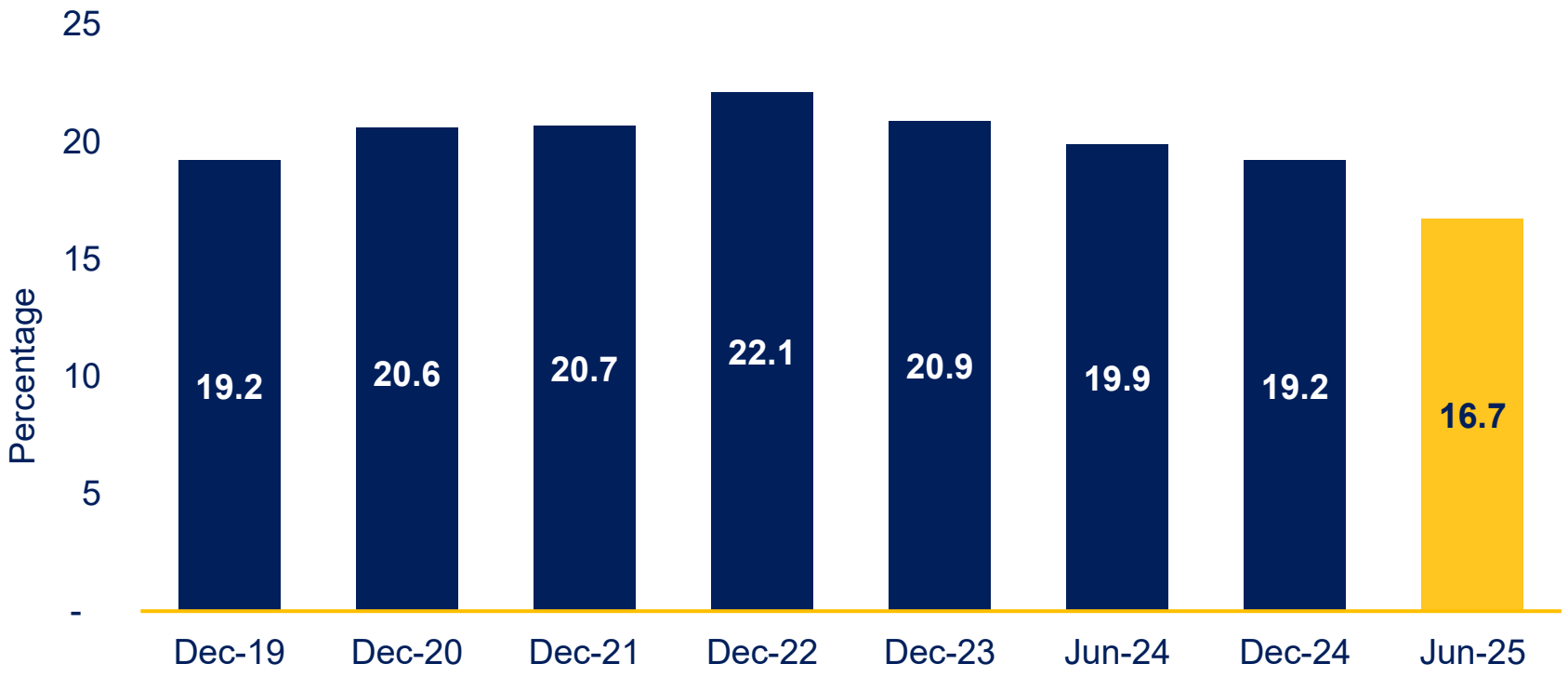
GEOGRAPHIC ANALYSIS (%)



- Gross written premium remains mostly from South Africa
- Positive momentum at Santam Re outside SA
- Focus remains on exporting proven capabilities
- Launch of Lloyd's Syndicate to drive accelerated change in profile

Conventional insurance

REINSURANCE AS % OF GROSS EARNED PREMIUM



- Optimisation of reinsurance programmes
- Change in mix of business at Santam Re
- Relative contribution of specialist lines of business

Percentages disclosed for periods prior to Dec-22 not restated for IFRS17, but impact is immaterial

Earnings

Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and controlling company for its group companies.

Analysis of earnings

R million	Jun-25	Jun-24	Variance
Conventional	2 526	2 050	23%
Net insurance result	2 491	1 352	84%
Investment return on capital	35	698	(95%)
ART profit before tax	417	326	28%
Other	(87)	(60)	(45%)
Associates	59	39	51%
Amortisation & other	(146)	(99)	(47%)
Income before tax & non-controlling interest	2 856	2 316	23%
Tax & non-controlling interest	(811)	(598)	(36%)
Net income	**2 045**	**1 718**	**19%**

- Strong growth in net insurance result – improved underwriting performance and return on insurance funds
- Investment return on capital impacted by unrealised foreign currency translation differences
- Strong growth across most of the ART revenue lines
- Annualised return on capital of 33.2%, well in excess of the 24% target

Operating earnings

Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and controlling company for its group companies.

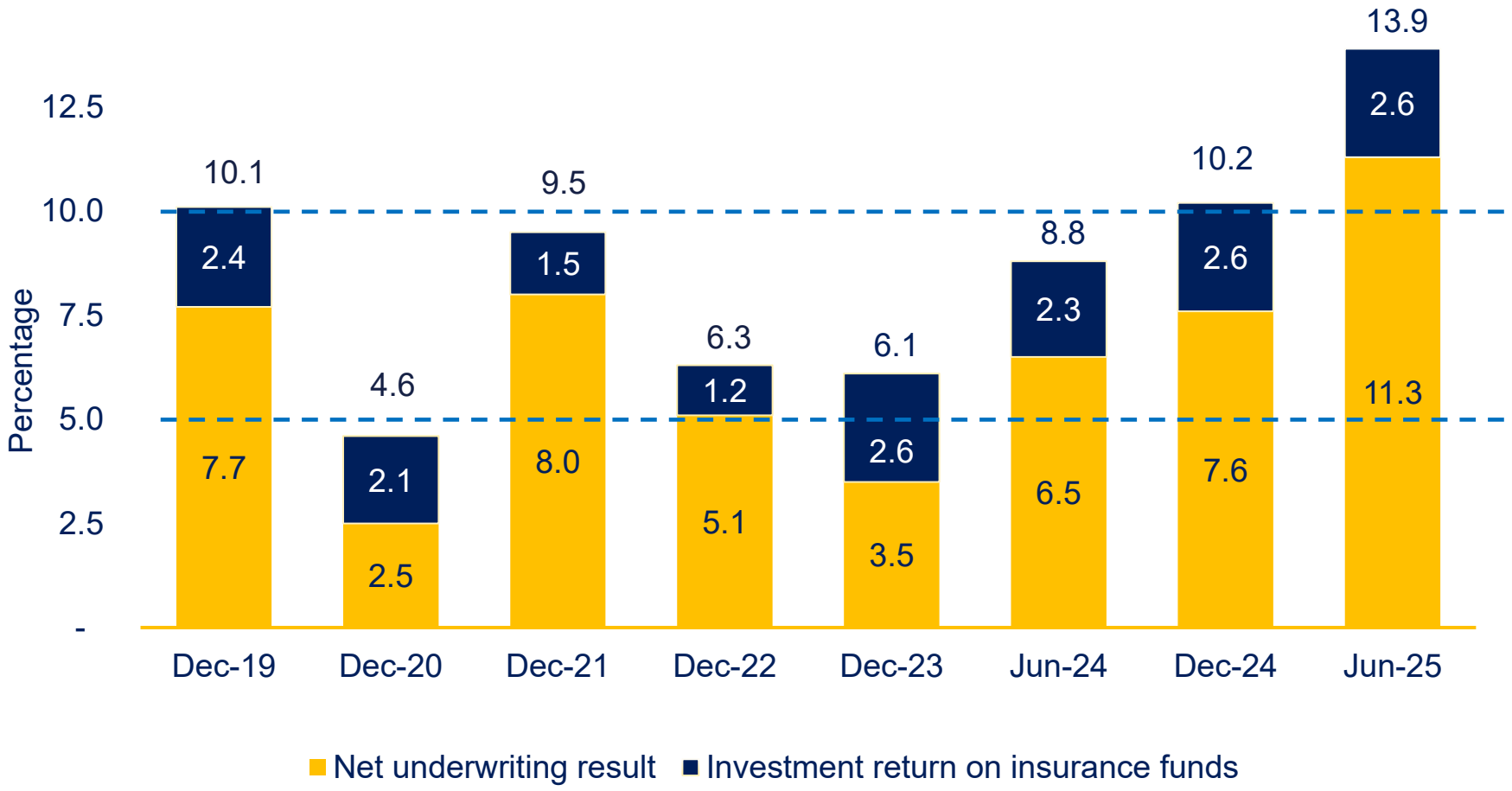
Net insurance result: Conventional

	Jun-25 R million	% of NEP	Jun-24 R million	% of NEP	% change
Gross written premium	20 944		19 084		9.7%
Net earned premium	17 920	100.0%	15 395	100.0%	16.4%
Claims incurred	10 029	56.0%	9 595	62.3%	4.5%
Acquisition cost	5 866	32.7%	4 807	31.2%	22.0%
Commission	2 493	13.9%	1 997	12.9%	24.8%
Management expenses	3 373	18.8%	2 810	18.3%	20.0%
Underwriting result	**2 025**	**11.3%**	**993**	**6.5%**	**103.9%**
Investment return on insurance funds	466	2.6%	359	2.3%	29.8%
Net insurance result	**2 491**	**13.9%**	**1 352**	**8.8%**	84.2%
Combined ratio		88.7%		93.5%	

- Improvement in profitability of in-force book
- Turnaround in property portfolio
- Lack of weather-related catastrophe claims and lower attritional claims experience
- Favourable float returns

Conventional insurance

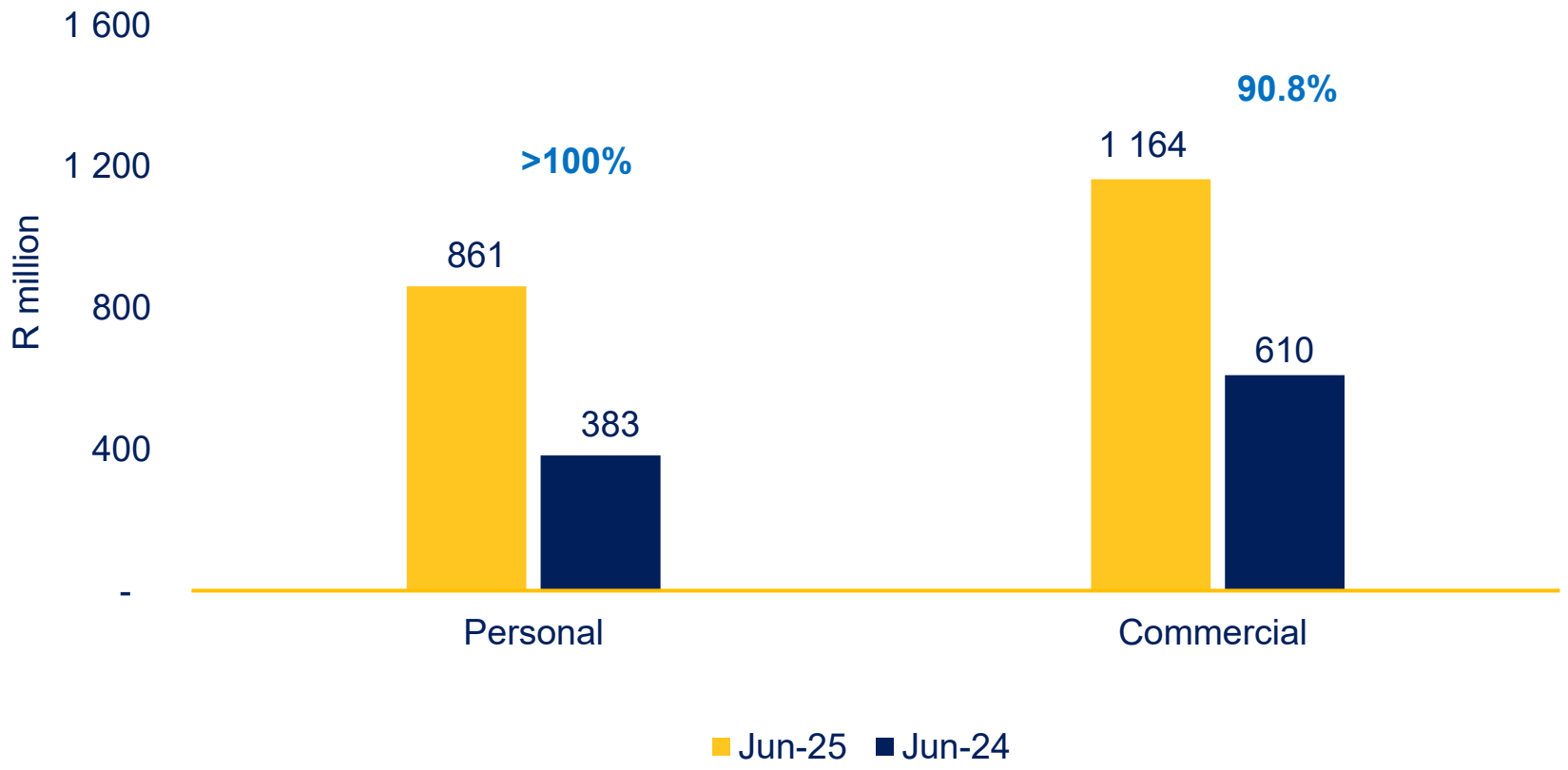
NET INSURANCE RESULT: AS A % OF NET EARNED PREMIUM



- Underwriting margin above the 5% - 10% target range
- Catastrophe claims and large losses of R705 million in 2024 compared to R144 million in 2025
- Current favourable claims experience not sustainable over the long term

Conventional insurance

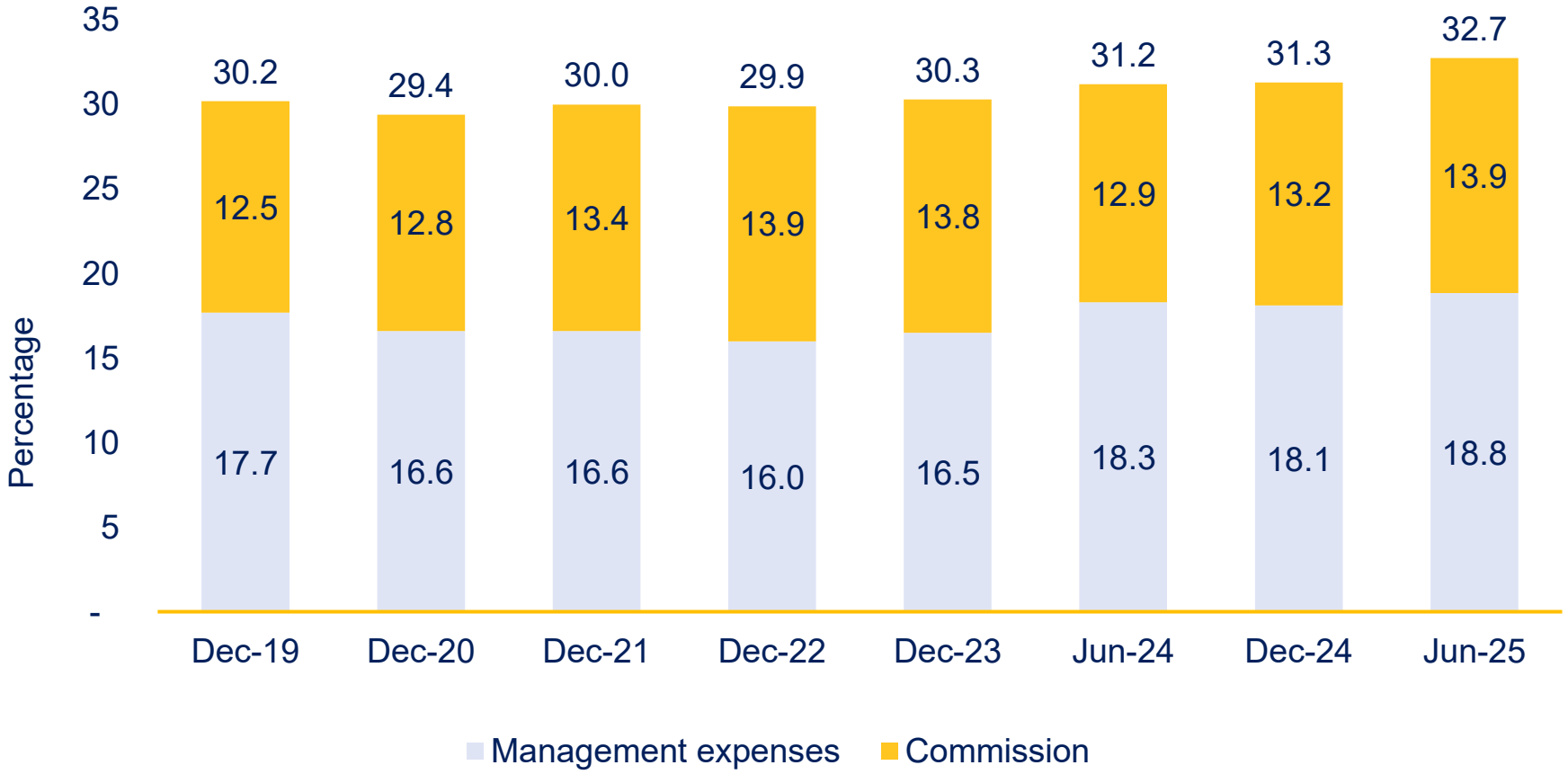
NET UNDERWRITING RESULT: PERSONAL AND COMMERCIAL



- Favourable claims experience benefiting personal and commercial lines
- Strong contribution from property, but not yet at required rate strength

Conventional Insurance

NET ACQUISITION COST: AS A % OF NET EARNED PREMIUM



- Stringent focus on driving efficiencies
- Investment in strategic initiatives at MiWay and Client Solutions
- Upfront acquisition costs in direct businesses
- Commission affected by mix of business

Conventional insurance

MIWAY

	Jun-25	Jun-24	Variance
Gross written premium (R million)	2 043	1 798	14%
Underwriting result (R million)	219	145	51%
Claims ratio	49.6%	53.9%	
Acquisition cost ratio	39.5%	37.9%	
Underwriting margin	10.9%	8.2%	
Number of clients[1]	353 406	339 000	4%

[1] Excluding value-added products

- Record new business sales
- Traction from Inbound and Tied Agency initiatives
- Augmented by launch of MiCashback
- Strong growth in Business insurance and VAPS
- Personal lines growth doubled on 1H24
- Acquisition cost ratio includes spend on strategic initiatives and upfront acquisition cost from strong sales growth

Alternative risk transfer insurance

	Jun-25 R million	Jun-24 R million	Variance
Fee income	270	222	22%
Investment margin	222	171	30%
Underwriting income	92	100	(8%)
Expenses	(194)	(181)	(7%)
Operating result	**390**	**312**	**25%**
Investment income	27	14	93%
Net profit before tax and NCI	**417**	**326**	**28%**

- Growth in size of book and new deals supporting fee income
- Favourable underwriting experience at most partners
- Investment margin benefitting from favourable investment market performance

India/Malaysia target shares

ANALYSIS OF SANTAM'S SHARE OF NIR FOR P&O AND SGI

	Jun 2025 R million	% of NEP	Jun 2024 R million	% of NEP
Gross written premium	750		653	
Net earned premium	540	100.0%	444	100.0%
Net claims incurred	329	60.9%	248	55.9%
Net acquisition cost	214	39.6%	200	45.0%
Net underwriting result	(3)	(0.5%)	(4)	(0.9%)
Investment return on insurance funds	123	22.8%	106	23.9%
Net insurance result	120	22.2%	102	23.0%

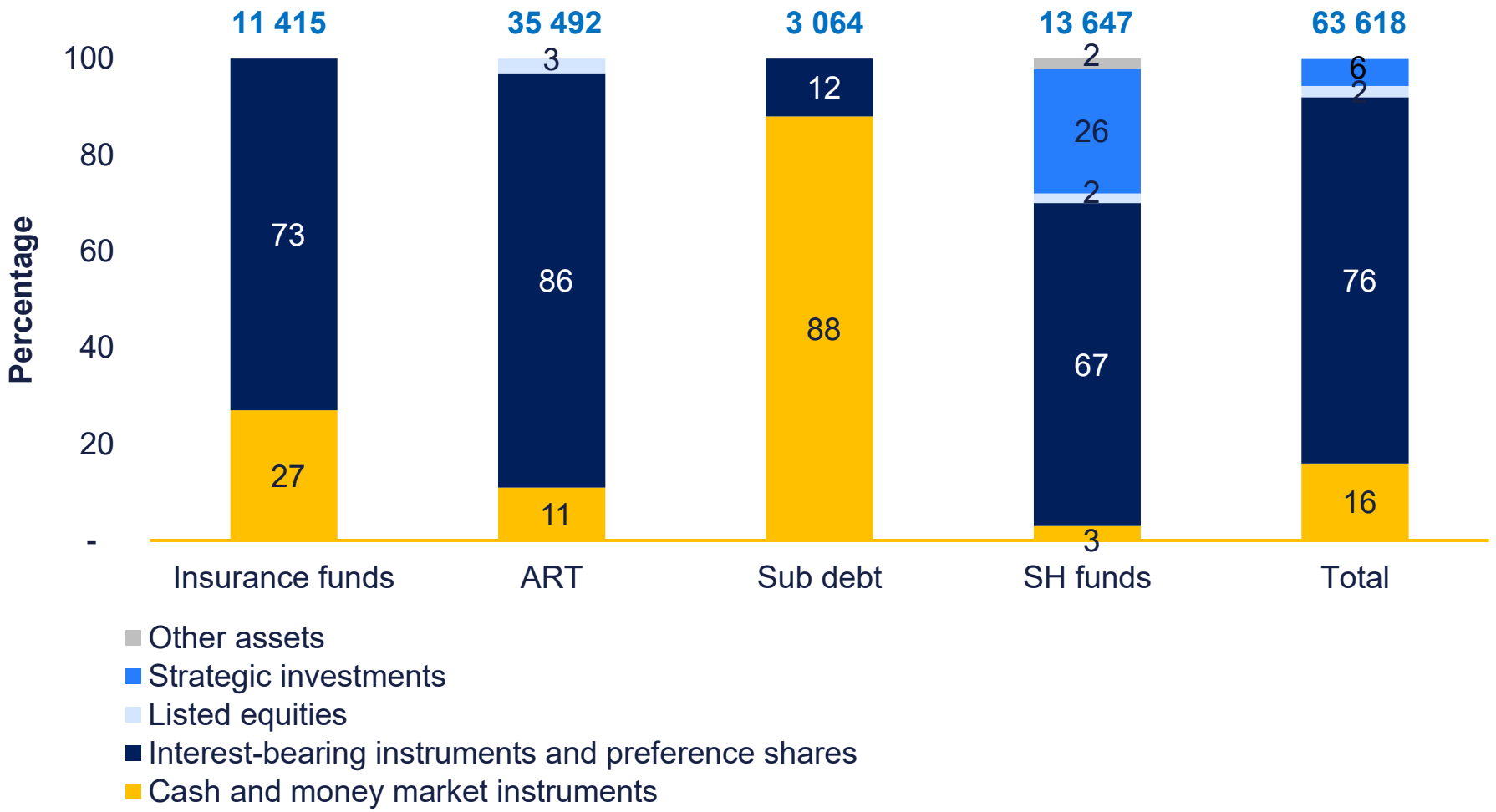
- SGI achieved GWP growth of 18.8%, with strong contributions from the Shriram ecosystem and own channels
- Net insurance result up 17.6% on 2024 from higher investment returns
- Revaluation of SGI by R145 million in line with strong performance, net of R144 million negative foreign currency translation difference

Investment results

Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and controlling company for its group companies.

Asset liability matching

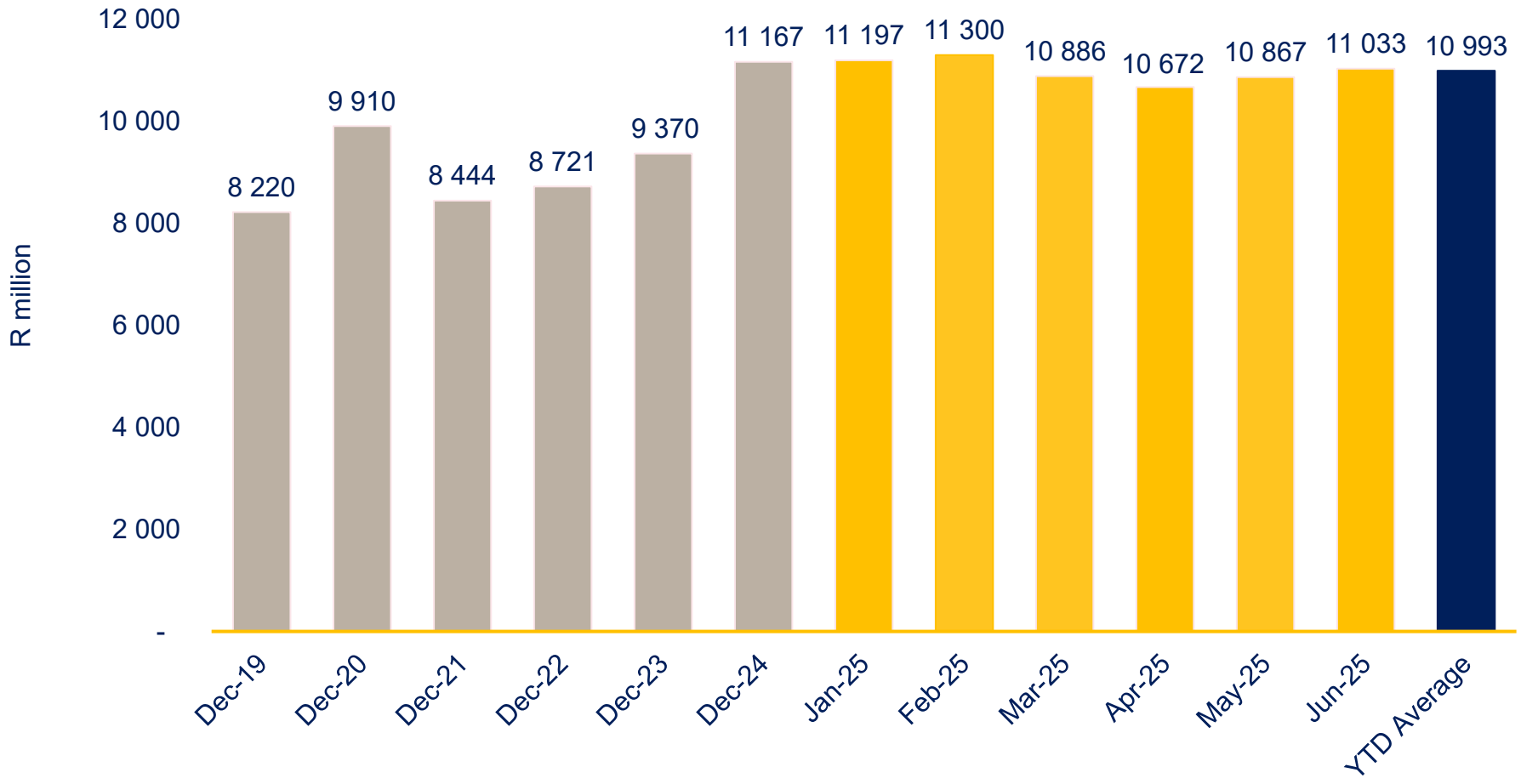
GROUP CONSOLIDATED NET ASSETS AT 30 JUNE 2025



- Disposal of listed equities to fund MultiChoice transaction and to position capital for launch of Lloyd's Syndicate
- Strategic investments mostly reflect economic interest in SGI and NMSIS

Conventional insurance

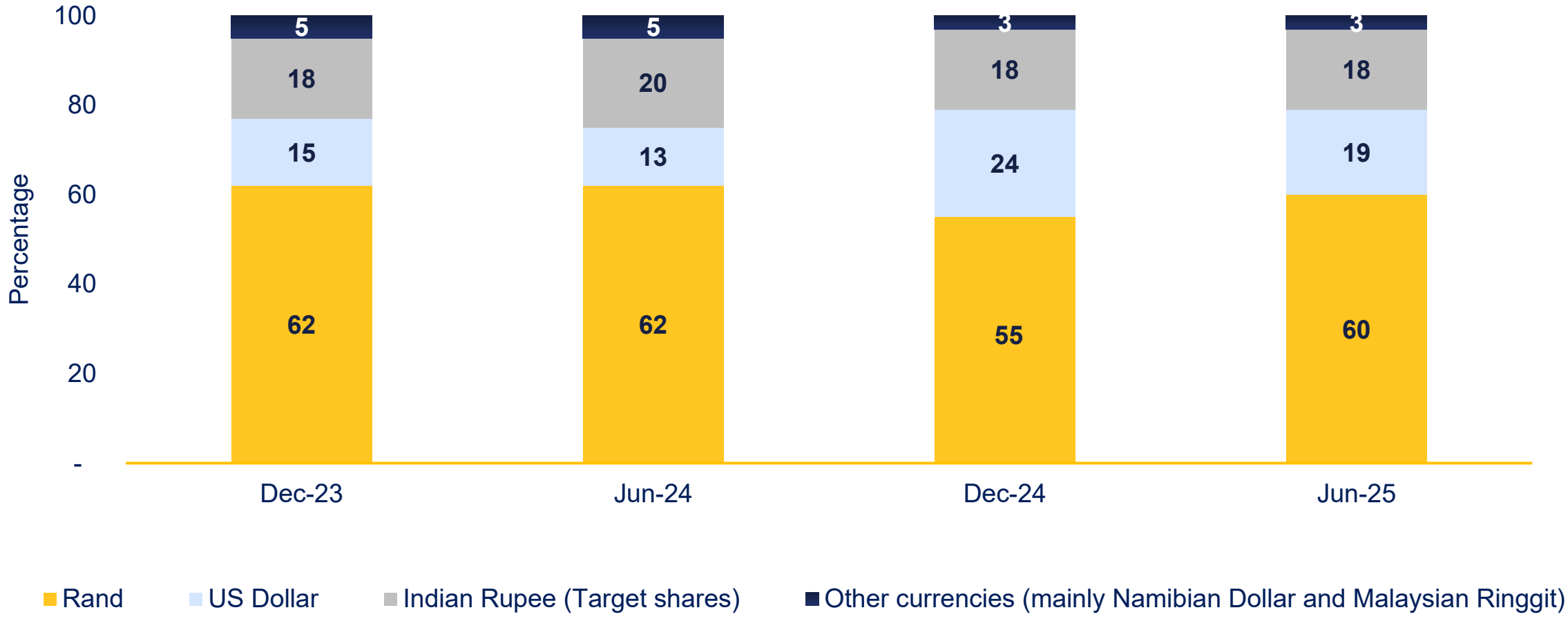
SIZE OF NET INSURANCE FUNDS



- Average float balance up 22% on Jun 2024

Shareholder funds

CURRENCY EXPOSURE



Investment return

Investment return on insurance funds	Jun-25 R million	Jun-24 R million	Variance
Conventional	466	359	30%
Alternative Risk Transfer	222	171	30%
Santam group	688	530	30%

Shareholder investment return	Jun-25 R million	Jun-24 R million	Variance
Conventional	35	698	(95%)
Alternative Risk Transfer	27	14	93%
Santam group	62	712	(91%)

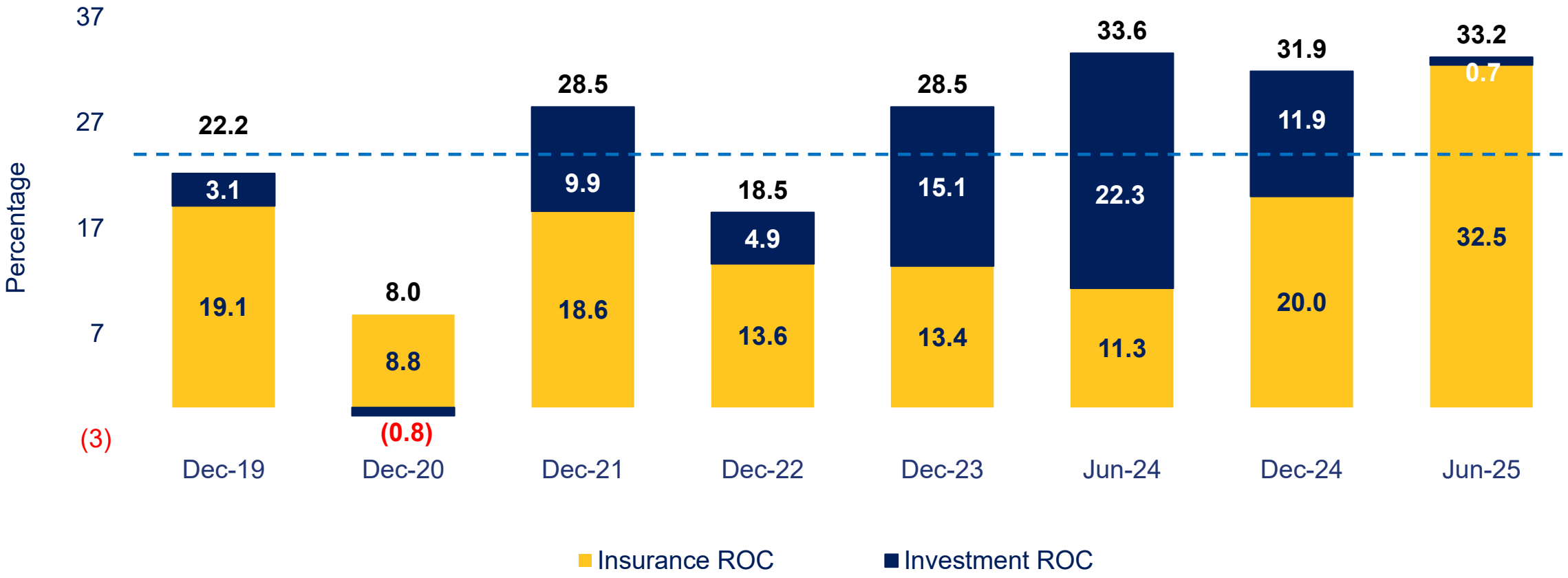
- Improved investment return on all managed portfolios
- Performance exceeded benchmarks in general
- Shareholder investment return impacted by foreign currency translation differences

Capital management

Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and controlling company for its group companies.

Return on capital

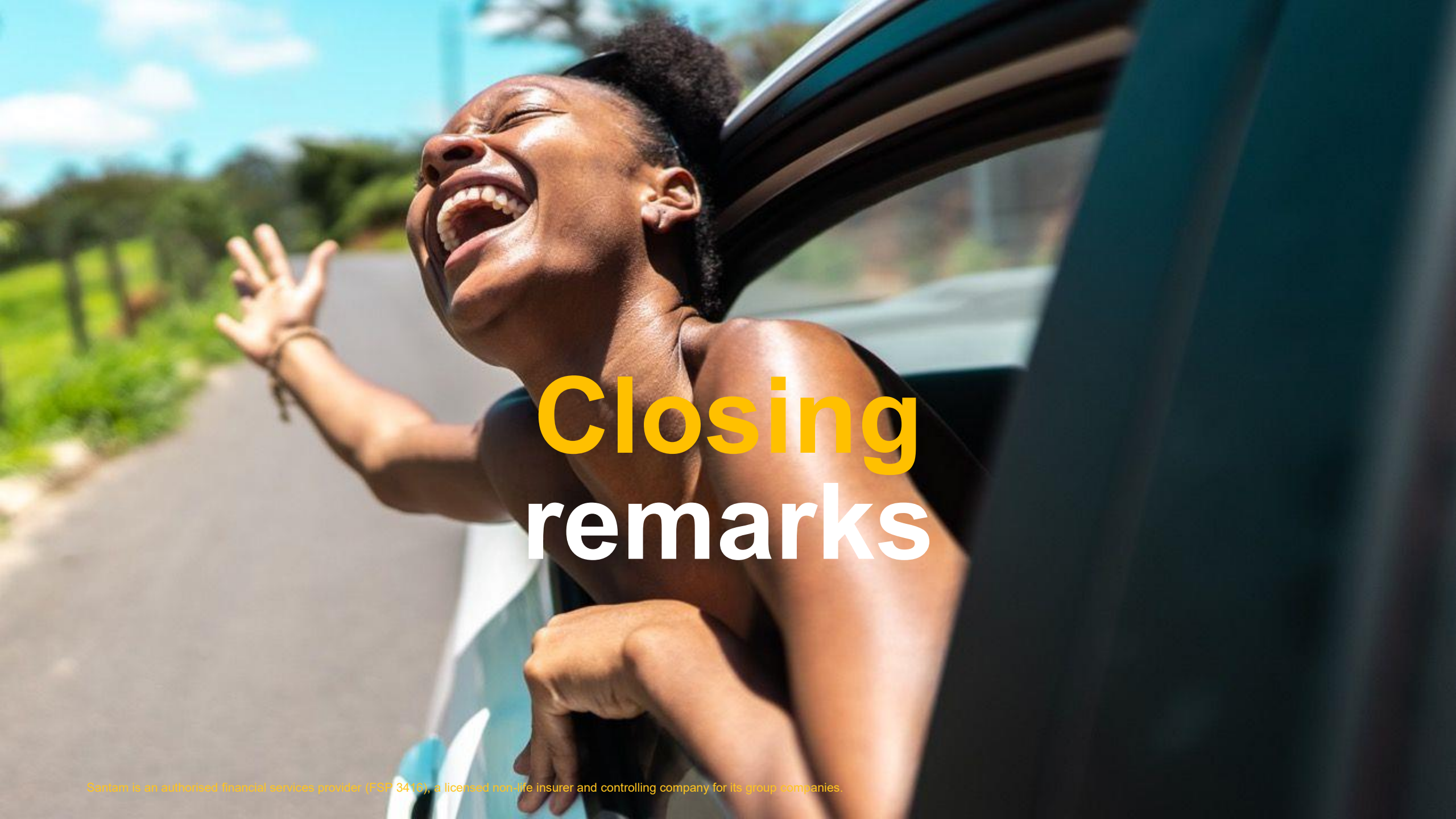
TOTAL COMPREHENSIVE INCOME EXPRESSED AS % OF WEIGHTED AVERAGE SHAREHOLDERS' FUNDS



Dotted line represents the targeted return on capital of 24%

Capital management

- Group economic capital requirement based on the internal model **R9.8 billion** (December 2024: **R9.5 billion**)
- Group economic capital coverage ratio of **170%** at 30 June 2025 (December 2024: **166%**)
- Target economic capital coverage ratio band maintained at between **145%** and **165%**
- Considering the capital position, an interim ordinary dividend of **590 cps** was declared, up **10.3%** on 2024
- Interim dividend will reduce the economic capital coverage ratio to a level that remains at the upper end of the target band
- Surplus capital above mid-point allocated to fund growth through Lloyd's Syndicate
- Additional R1 billion subordinated debt issuance in 2H25 in support of Lloyd's initiative



Closing remarks

Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and controlling company for its group companies.

Sustainability in action

Positive impact on society and nature

- Continued as a constituent of the **FTSE 4 Good index series** and **FTSE/JSE Responsible Investment Top 30 Index**
- **Risk reduction:** 82% of properties geocoded
- Continued with the **ClimateWise membership**

FTSE Russell

FTSE4Good

Supporting community resilience

- We continue to support 102 municipalities through **Partnership for Risk and Resilience (P4RR),** additional partners identified
- Contributions worth R199 million to the Santam **Resilient Investment Fund** which focuses on social impact
- MTN and MultiChoice partnerships **increasing reach** to new markets across South Africa

Culture and customer experience

- Continued commitment to **excellent customer experience and fair treatment**
  - Consistent customer NPS improvement
- Ranked **5th in the Top Employer Survey and 1st in the insurance sector**
  - Positive workforce with the employee engagement score of 88%
  - Launched underwriting academy
  - Establishment of Culture Council
- Maintained **our B-BBEE level 1** status since 2018

Priorities for the rest of the year

Strong H1 performance a springboard for sustainable profitable growth and value creation

Remain steadfast in scaling direct

Scale international diversification: prepare for the launch of Santam Syndicate 1918

Drive growth through cross-sell and partnerships

Continued focus on disciplined underwriting and cost efficiency

Best broker enabler, improve ease of doing business

Maintain focus on improving efficiencies and accelerating our digital capabilities

Continue to enhance client and employee experience

Finalise social impact and climate response plan

Questions?

Thank you