

2024

Analyst presentation

Financial results for the year ended
31 December 2024

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3 March 2025



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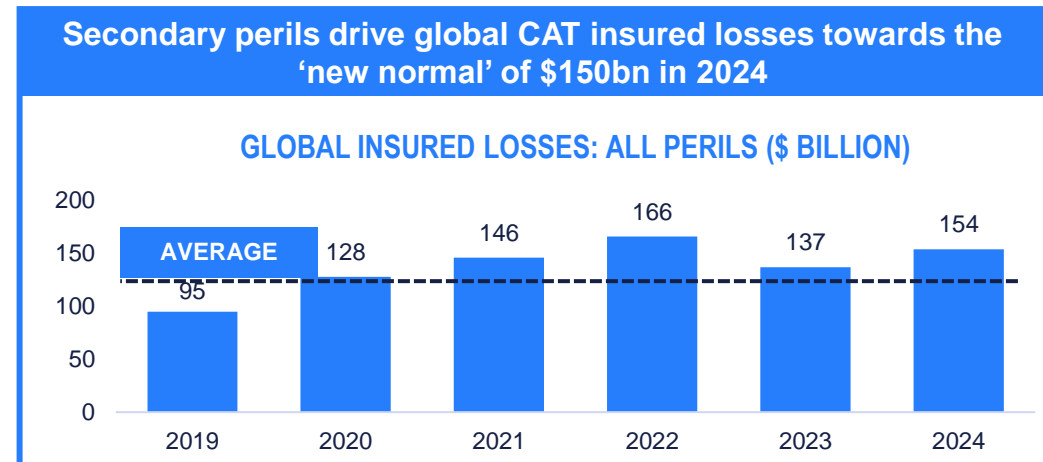
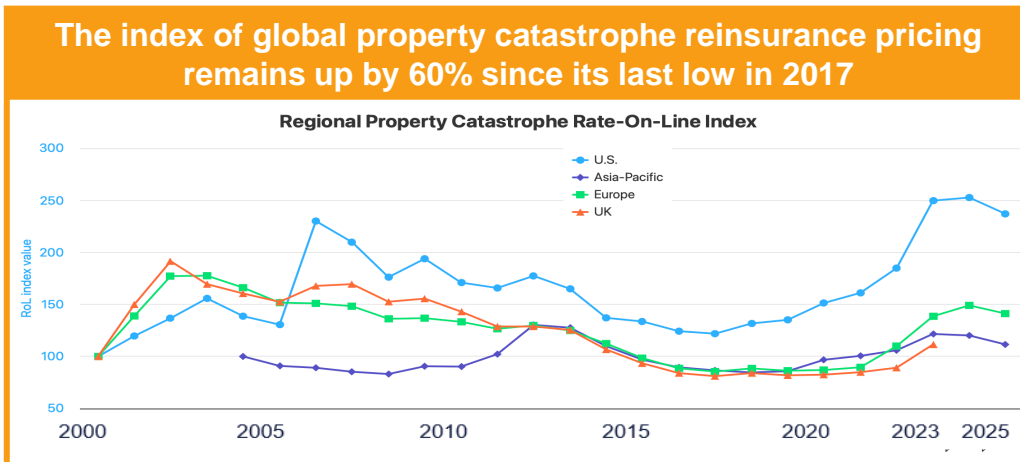
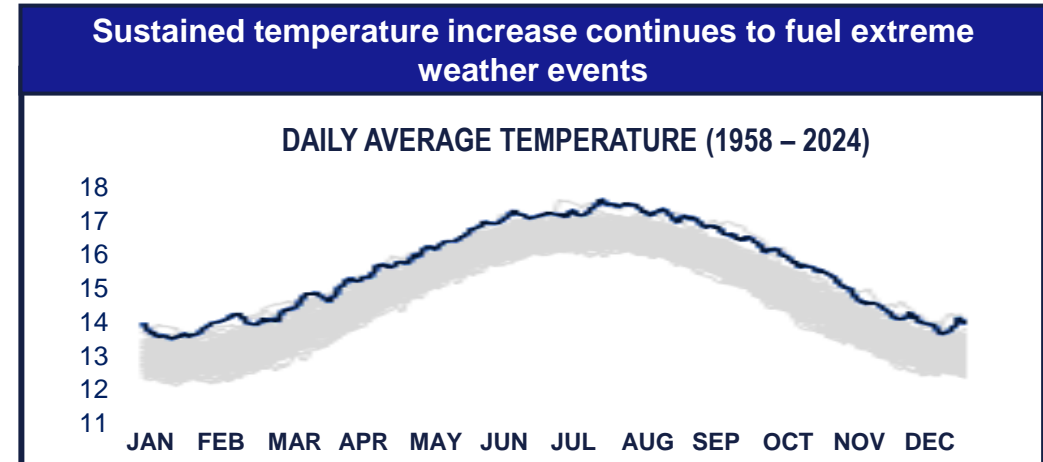
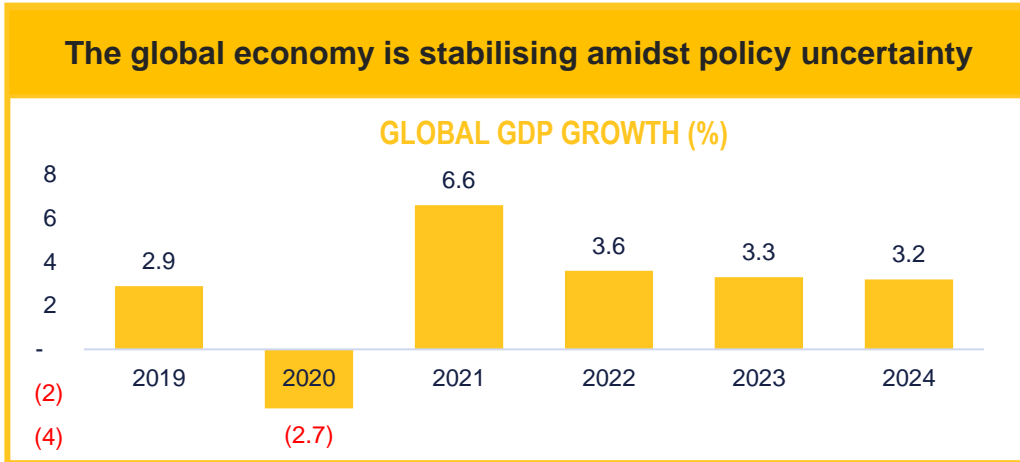
Key messages

- Improved performance despite significant headwinds in the operating environment
- Improvement in Conventional insurance underwriting margin despite weather-related and other large losses - within the 5% to 10% target range
- Progress with all strategic pillars, management actions continue to benefit performance:
 - MiWay achieving double-digit growth in 4Q24
 - Actions to address underperforming SA property book are underway, with book turning profitable in 2024 following periods of sizable losses
 - Significant improvement in Santam Re results
 - Growth in MTN device insurance continues to exceed expectations
- Broker partnerships strengthened to maintain dominance in intermediated segments
- Good progress with transformation of the direct engagement model in Client Solutions
- Favourable investment returns and continued strong performance from the Alternative Risk Transfer businesses
- Focus remains on driving profitable growth



Operating environment

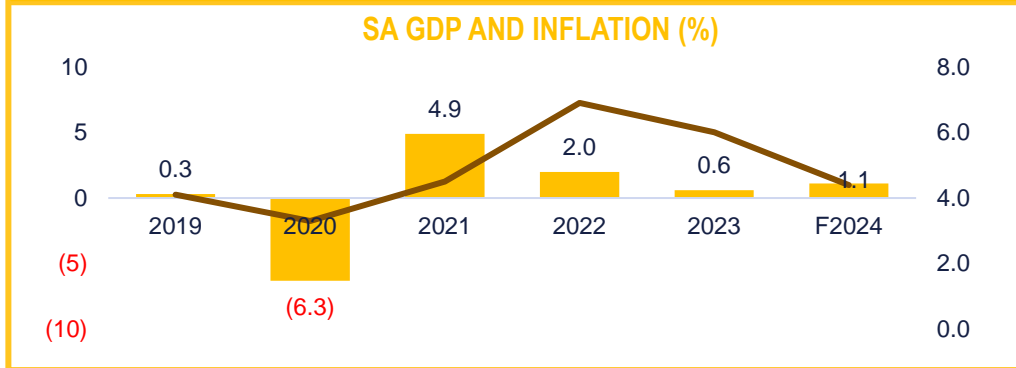
Resilient global growth amidst geopolitical tensions and extreme weather events



Source: IMF; StatsSA; SA Reserve Bank; Gallagher Re; Guy Carpenter; World Meteorological Organisation

SA personal lines market remains under pressure

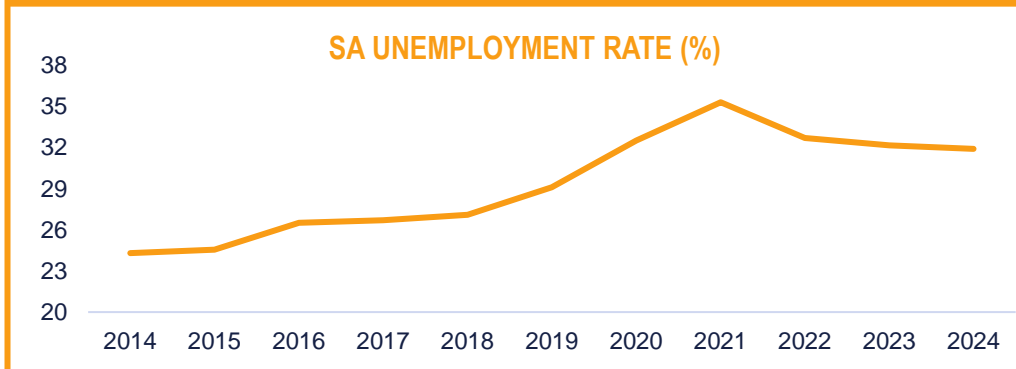
South Africa continues to face persistent structural challenges despite optimism surrounding the GNU



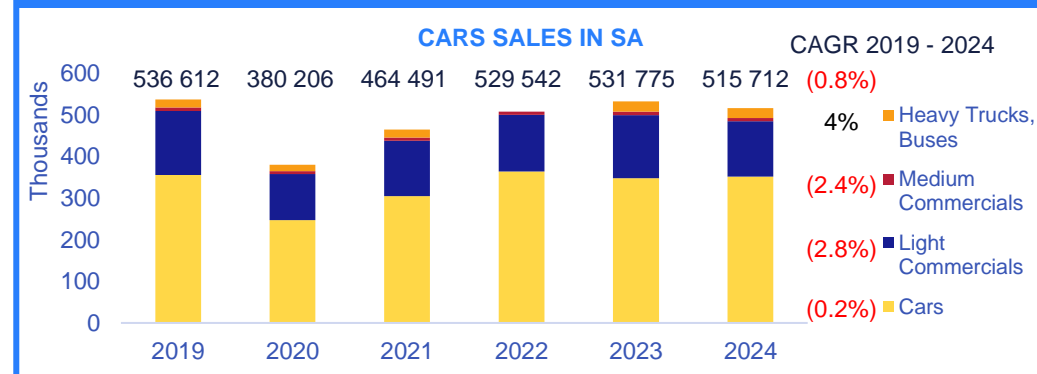
High debt ratios continue to significantly affect households' disposable income



The chronic high unemployment rate continues to hinder economic growth



Vehicle sales have been consistently declining for several years



A man in a dark suit is seen from the side, looking out of a large window. The window frames a city skyline at sunset, with the sun low on the horizon, casting a warm, golden glow. The city buildings are silhouetted against the bright sky. The overall mood is contemplative and professional.

Operating highlights

Performance update: Year ended 31 December 2024

GROWTH

Conventional insurance
GWP growth of **10.5%**
(2023: **5.5%**)

Conventional insurance
NEP growth of **9.7%**
(2023: **5.8%**)

EARNINGS

Underwriting margin for
conventional insurance business
of **7.6%** (2023: **3.5%**)

Alternative Risk Transfer
earnings of **R781 million** (2023:
R516 million)

Net income of **R3 679 million**
(2023: **R3 250 million**)

Return on capital of **31.9%**
(2023: **28.5%**)

FINANCIAL STRENGTH

Group economic capital
coverage ratio of **166%**
(2023: **155%**)

Final dividend of **985 cps**
(2023: **905 cps**), up **8.8%**

Total ordinary dividends of **1 520
cps**
(2023: **1 400 cps**), up **8.6%**

VALUE DRIVERS

Direct as % of GWP **17%**
(2023: **17%**)

International as % of GWP
18% (2023: **16%**)

Policy count: **1.7 million**

RESULTS AFFECTED BY:

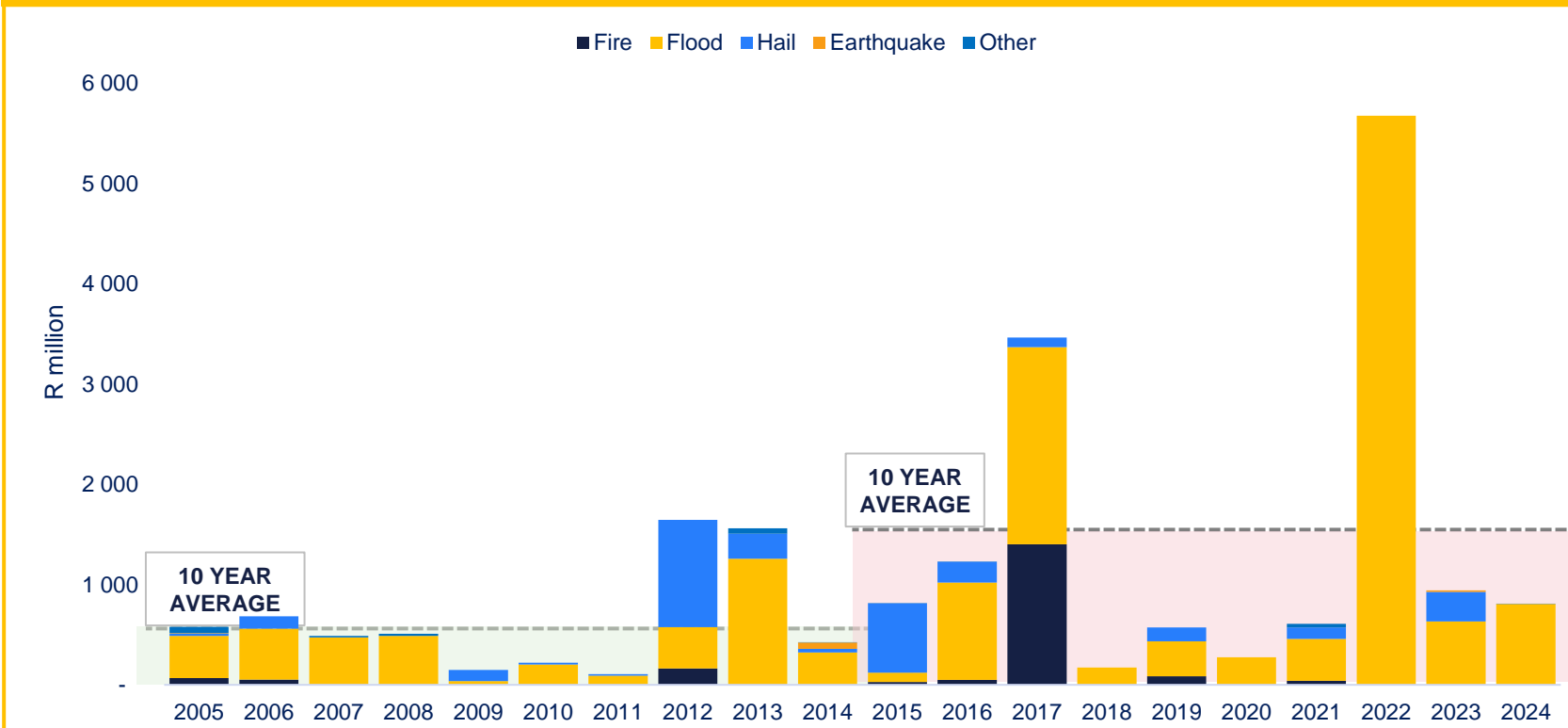
Negatives: KZN & EC flooding, WC windstorm and flooding, Large fire losses

Positives: Favourable attritional loss ratio, property portfolio turning positive, ART performance, MTN partnership, decline in churn

Catastrophe losses remain elevated

The average cost of natural catastrophe (NatCat) perils that Santam has paid over the past 10 years has increased compared to the preceding decade. The heightened NatCat claims for Santam now appear to be the “new normal” in line with global NatCat trends

SANTAM: GROSS TOTAL CATASTROPHE CLAIMS, ALL PERILS (R million)

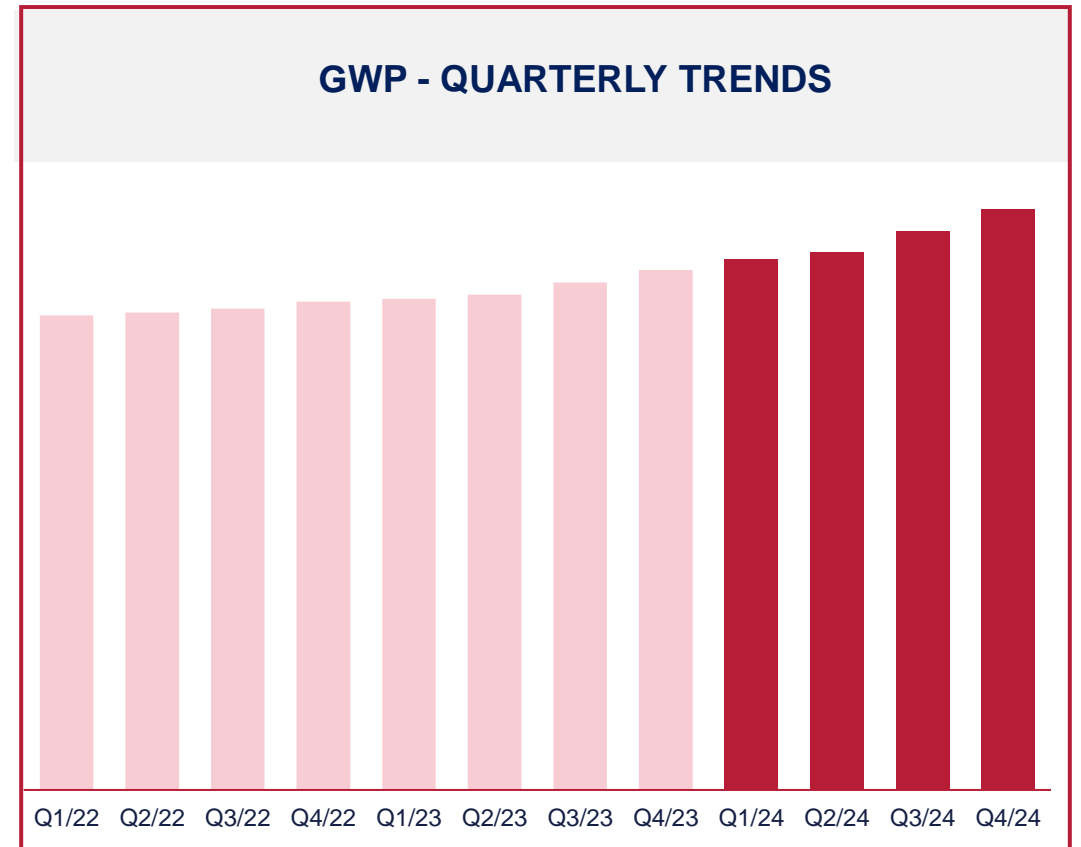
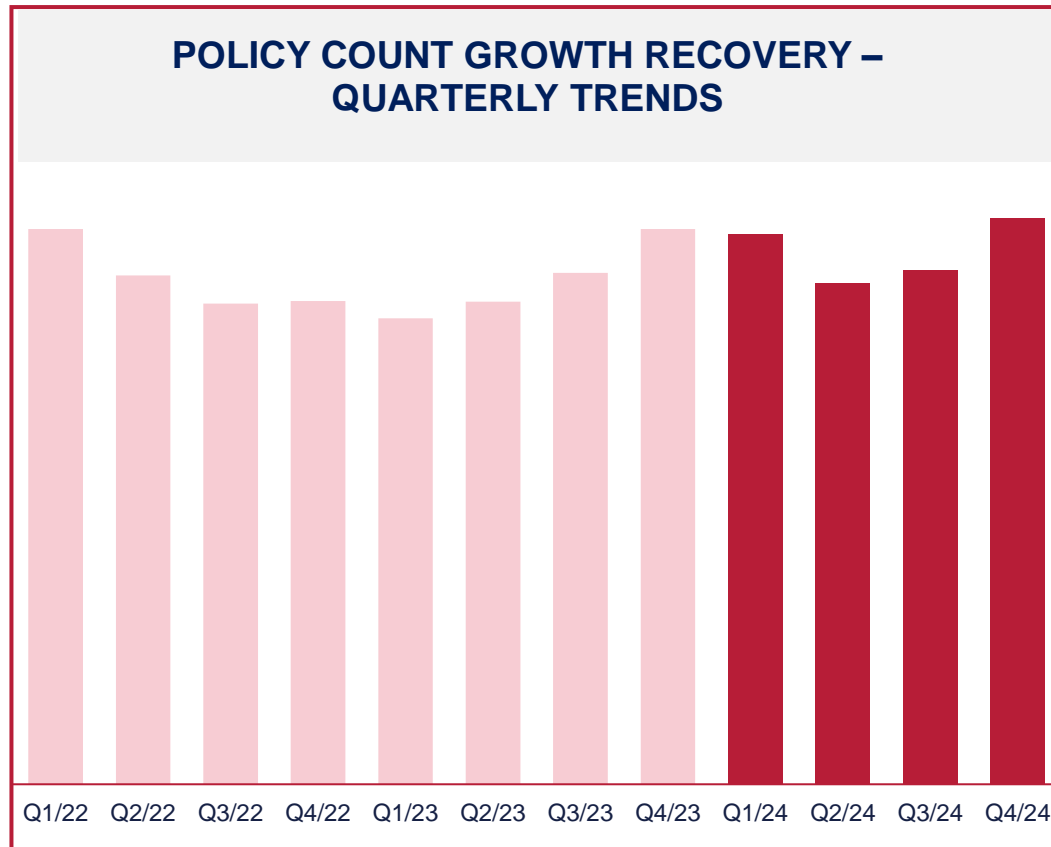


Source: Santam

- Despite high weather-related claims costs, Santam remains in a strong position due to management and underwriting actions
- Geocoding is progressing well across product lines and has now been extended to the Specialist Solutions businesses
- Enhanced surveying implemented
- Reinsurance optimisation
- New business strength in line with change in weather-related events
- Property portfolio turning positive following implementation of underwriting actions

MiWay turnaround on track

Traction from new initiatives are contributing to growth, with GWP recording double-digit growth in Q4. Personal lines growth also accelerating towards the desired level.



Source: Santam


A man with short dark hair, wearing an orange t-shirt and blue overalls, is leaning over a wooden workbench in a workshop. He is focused on his work, with his hands on a piece of wood. The background is a warm, blurred workshop environment with wooden walls and various tools and materials.

Strategy overview

We have made progress in implementing our refreshed strategy and enhanced our ability to withstand the headwinds




Our long term targets to 2030



FINANCIAL

▲43,332
▲10,435
▲163,654
▲7,165

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 In line with NEP growth	CAPITAL COVERAGE RATIO 145% to 165%



NON-FINANCIAL

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

Results at a glance

	For the year ended 31 December 2024	For the year ended 31 December 2023
NEP growth	9.7%	5.8%
Claims ratio	61.1%	66.2%
Acquisition costs ratio	31.3%	30.3%
Underwriting margin	7.6%	3.5%
Investment return on insurance funds	2.6%	2.6%
Net insurance result	10.2%	6.1%
Return on capital	31.9%	28.5%

Exchange rate volatility

CLOSING RATES

Currency	Dec-24	Dec-23	Change
United States Dollar	18.87	18.29	(3.2%)
Euro	19.54	20.20	3.3%
Indian Rupee	0.22	0.22	0.7%

AVERAGE RATES

Currency	Dec-24	Dec-23	Change
United States Dollar	18.32	18.44	0.7%
Euro	19.81	19.93	0.6%
Indian Rupee	0.22	0.22	2.0%

Investment market performance

RETURN FOR THE YEAR

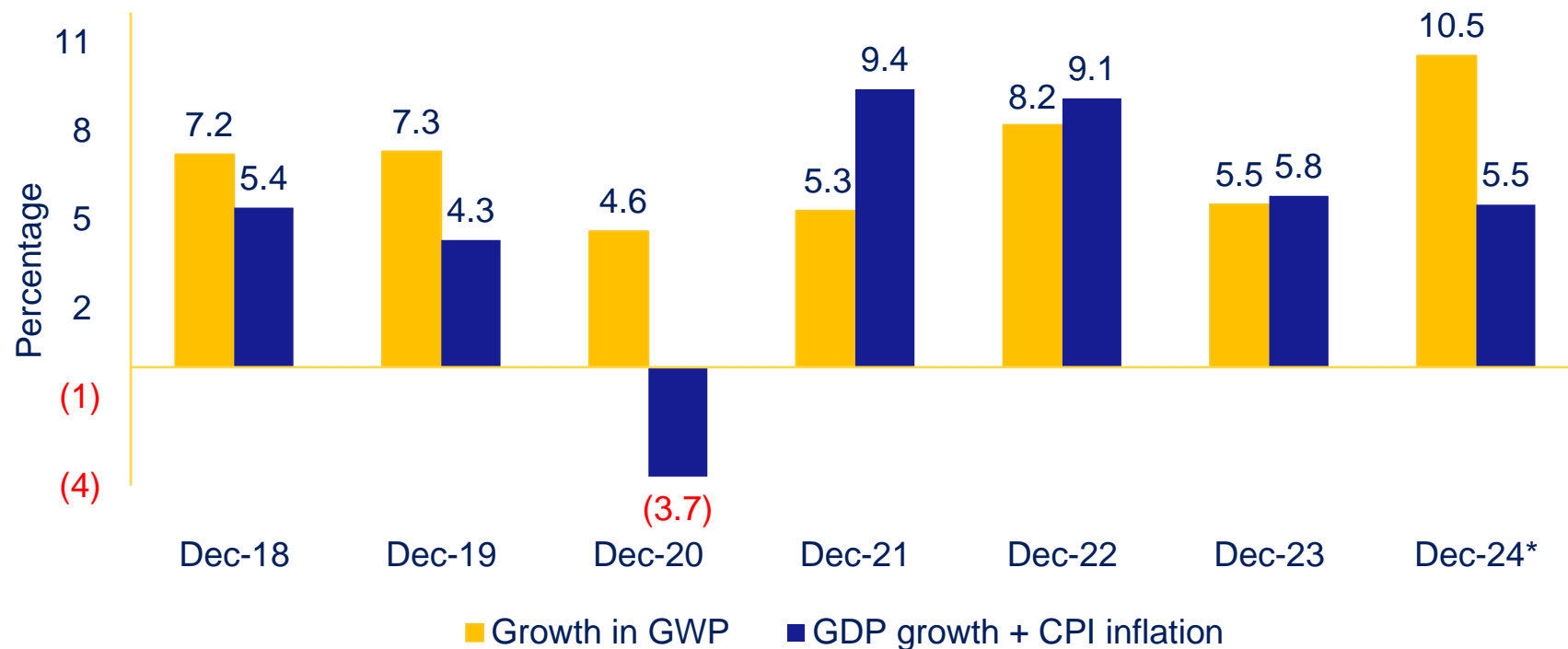
INDEX	Dec-24	Dec-23
JSE All Share	13.4%	9.3%
JSE Swix 40	10.7%	7.3%
JSE All Bond	17.2%	9.7%
SA Money Market (STeFI)	8.5%	8.0%
USD Money Market (SOFR)	5.4%	5.6%

A man with glasses and a woman with curly hair are looking at a laptop screen in a bright, sunlit office. The man is on the left, wearing glasses and a light-colored shirt. The woman is on the right, wearing a light blue button-down shirt. The scene is illuminated by a strong light source from the left, creating a warm, golden glow. The background is a blurred office environment.

Business volumes

Conventional insurance

GROSS WRITTEN PREMIUM VS CPI + GDP GROWTH



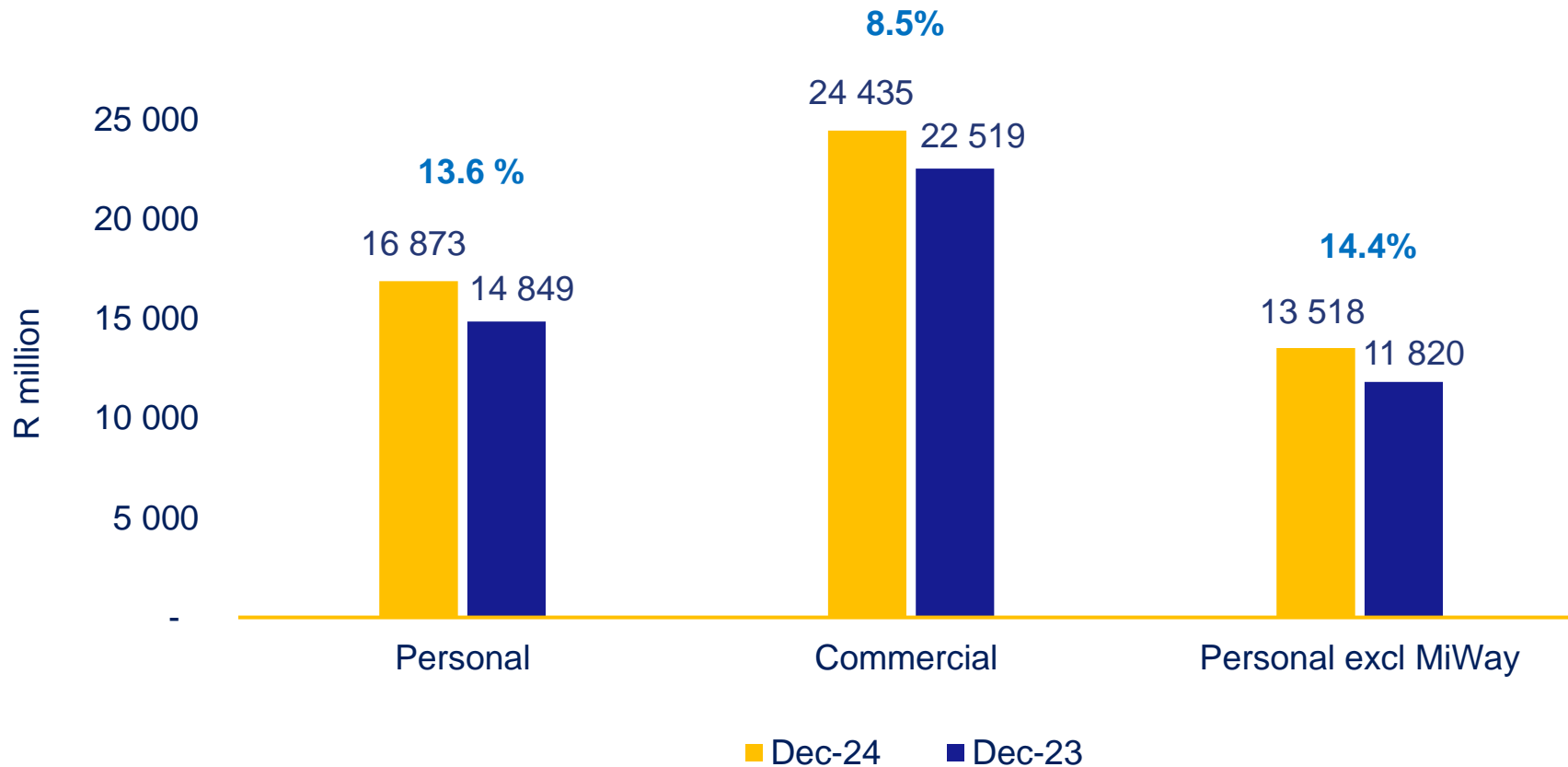
- Double-digit growth from Santam Re despite cancelled business
- Partner Solutions benefitting from MTN partnership
- New initiatives at MiWay driving double-digit growth in 4Q24 – overall growth accelerating to 8% from 5% in 2023
- Specialist Solutions impacted by deployment of international capacity in Corporate Property and Casualty lines at unsustainable rates; lower Crop volumes
- Continued rate strengthening in Broker Solutions and Client Solutions
- Net earned premiums grew by 9.7%

*Year-on-year SARB forecasted GDP of 1.1%, CPI of 4.4%

Conventional insurance

GROSS WRITTEN PREMIUM

SEGMENTAL ANALYSIS – PERSONAL AND COMMERCIAL

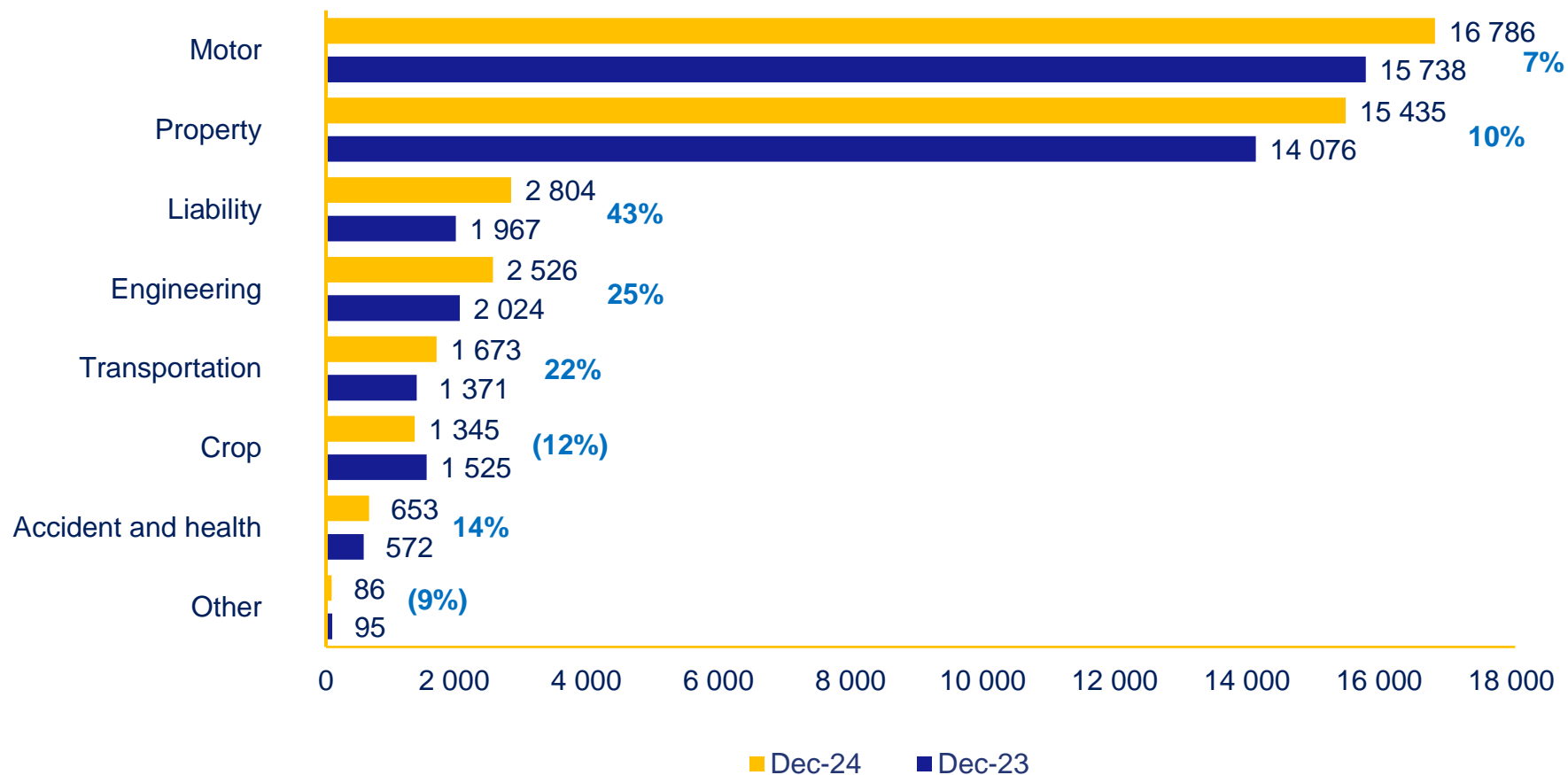


- Personal lines – good growth from all business units, reflecting rate strengthening and MTN contribution
- Commercial lines supported by strong growth at Broker Solutions, Client Solutions and MiWay, partly offset by decline in Casualty, Agri and Corporate Property at Specialist Solutions

Conventional insurance

GROSS WRITTEN PREMIUM

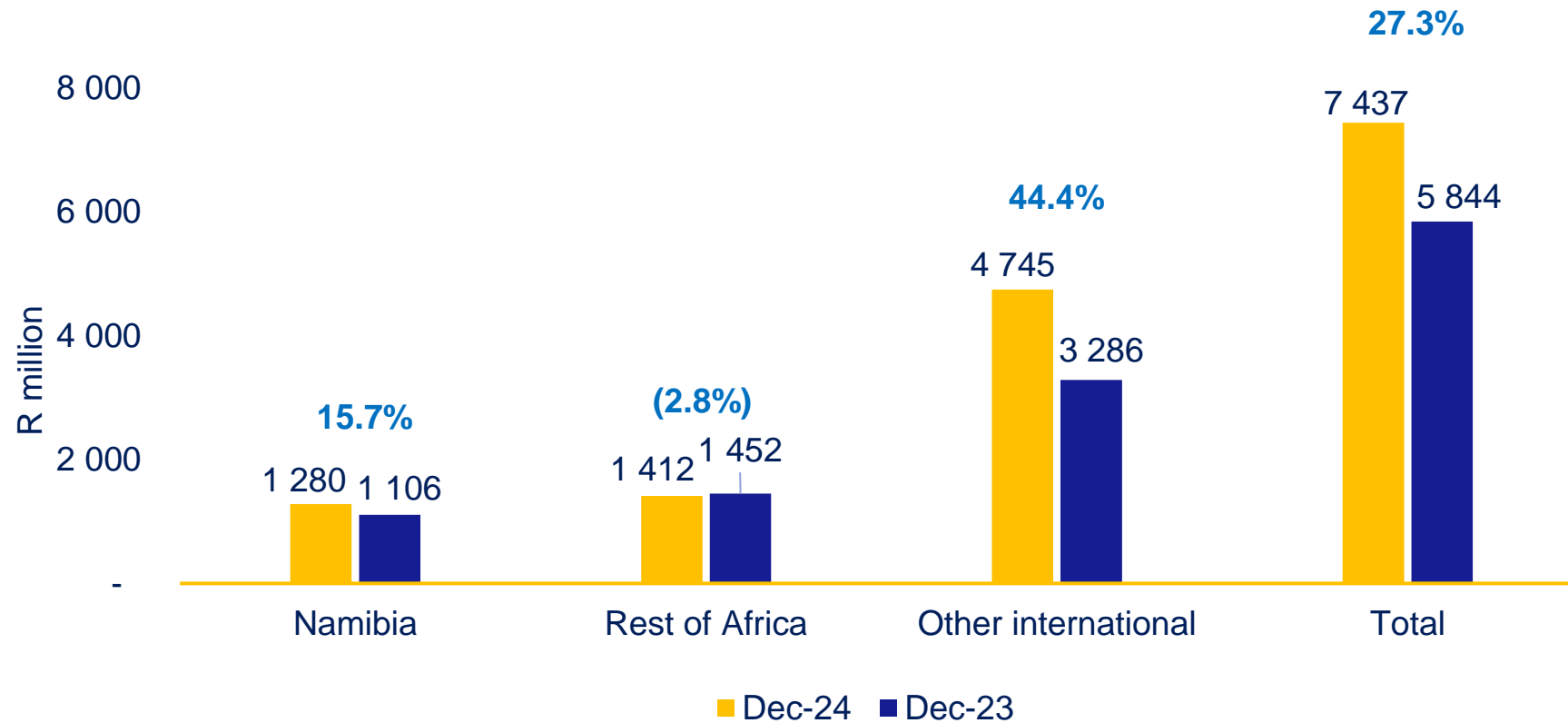
PER INSURANCE CLASS (R'M)



- Good growth in Motor at Broker Solutions, Client Solutions and MiWay; more muted growth at Specialist Solutions
- Property benefitting from rate strengthening, augmented by MTN partnership
- Solid Engineering growth at Broker Solutions and Specialist Solutions; augmented by Santam Re
- Santam Re growth offset lower Liability volumes at Specialist Solutions

Conventional insurance

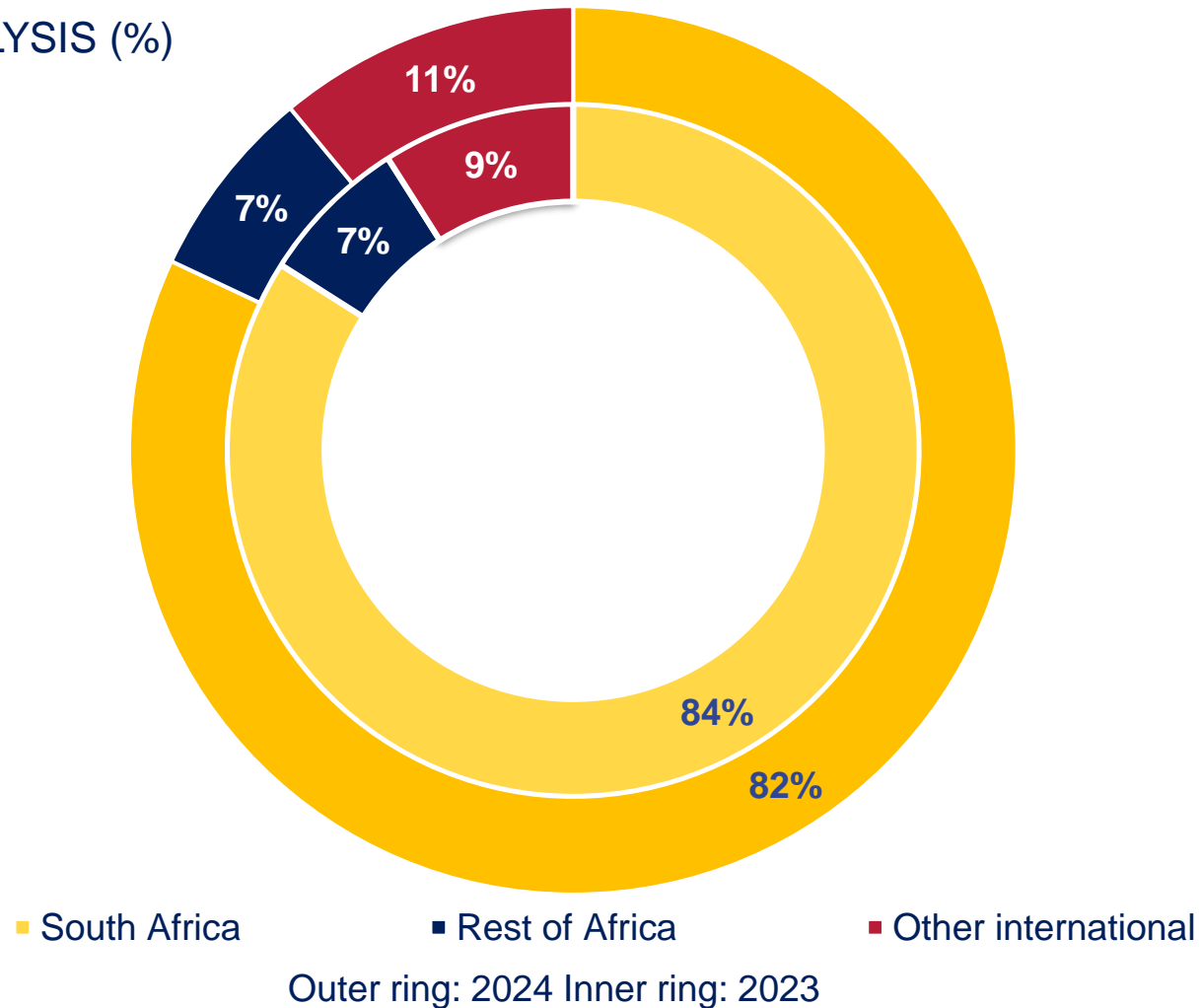
GROSS WRITTEN PREMIUM FROM OUTSIDE SA



- Strong growth in Namibia niche classes
- Business gained through SanlamAllianz partnership declined due to seasonality
- Other international reflects strong growth at Santam Re and shift at Specialist Solutions from Africa

Conventional insurance

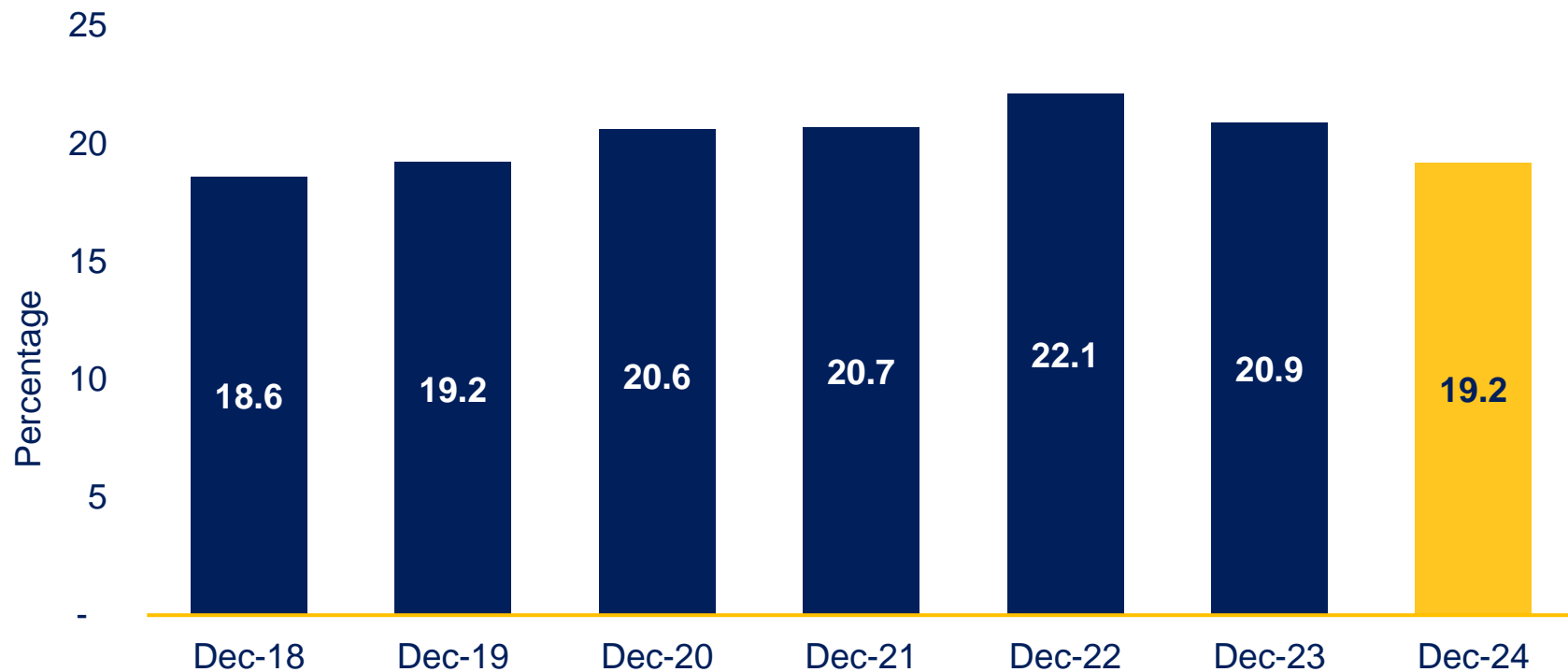
GROSS WRITTEN PREMIUM GEOGRAPHIC ANALYSIS (%)



- Positive momentum at Santam Re and Specialist Solutions outside of South Africa
- Focus remains on exporting proven capabilities in Santam Re and Specialist Solutions to drive international diversification
- Supported by AM Best A- credit rating in 2025

Conventional insurance

REINSURANCE AS % OF GROSS EARNED PREMIUM



- Single-digit rate increases in January 2024 renewal for excess-of-loss and catastrophe programmes
- Optimisation of programme reduced reinsurance cost
- Reduction in rates achieved for 2025 programme

Percentages disclosed for periods prior to Dec 2022 not restated for IFRS17, but impact is immaterial

A young woman with curly hair, wearing a dark green button-down shirt, is smiling and looking down at a tablet device she is holding. The background is bright and out of focus, suggesting an indoor setting with large windows. The word "Earnings" is overlaid in large, bold, yellow text across the center of the image.

Earnings

Analysis of earnings

R million	Dec-24	Dec-23	Variance
Conventional	4 604	2 910	58%
Net insurance result	3 264	1 790	82%
Investment return on capital	1 340	1 120	20%
Net income ART	781	516	51%
Other	(244)	673	>(100%)
Associates	88	786	(89%)
Amortisation & other	(332)	(113)	>(100%)
Income before tax & non-controlling interest	5 141	4 099	25%
Tax & non-controlling interest	(1 462)	(849)	(72%)
Net income	3 679	3 250	13%

- Marked improvement in profitability of in-force book following underwriting actions
- Favourable investment market performance supported investment return on float portfolios
- Investment return on capital includes forex gains of R111 million (2023: R254 million) and R552 million (2023: R460 million) return on investments in India/Malaysia
- Associates included one-off profit on disposal of investment in SAN JV of R705 million in 2023
- Return on capital of 31.9%, well in excess of the 24% target

A group of business professionals in suits are walking down a set of wide, light-colored stone steps. The focus is on their lower bodies and legs, showing various styles of trousers and shoes. The scene is brightly lit, suggesting an outdoor setting during the day. The overall mood is professional and active.

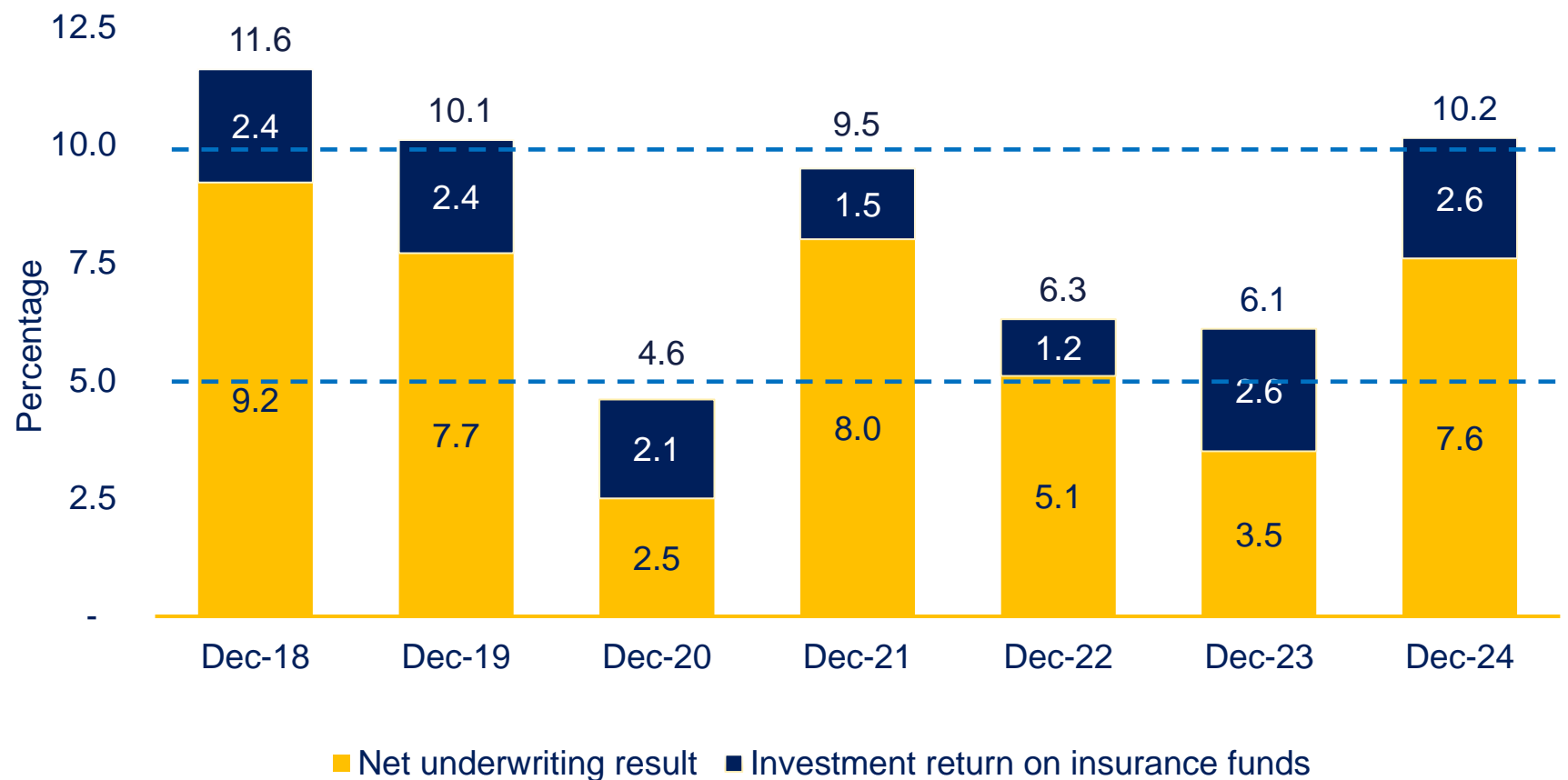
Operating earnings

Net insurance result: Conventional

	Dec-24 R million	% of NEP	Dec-23 R million	% of NEP	% change
Gross written premium	41 308		37 368		10.5%
Net earned premium	32 192	100.0%	29 335	100.0%	9.7%
Claims incurred	19 657	61.1%	19 420	66.2%	1.2%
Acquisition cost	10 094	31.3%	8 884	30.3%	13.6%
Commission	4 270	13.2%	4 049	13.8%	5.5%
Management expenses	5 824	18.1%	4 835	16.5%	20.5%
Underwriting result	2 441	7.6%	1 031	3.5%	136.8%
Investment return on insurance funds	823	2.6%	759	2.6%	8.4%
Net insurance result	3 264	10.2%	1 790	6.1%	82.3%
Combined ratio		92.4%		96.5%	

Conventional insurance

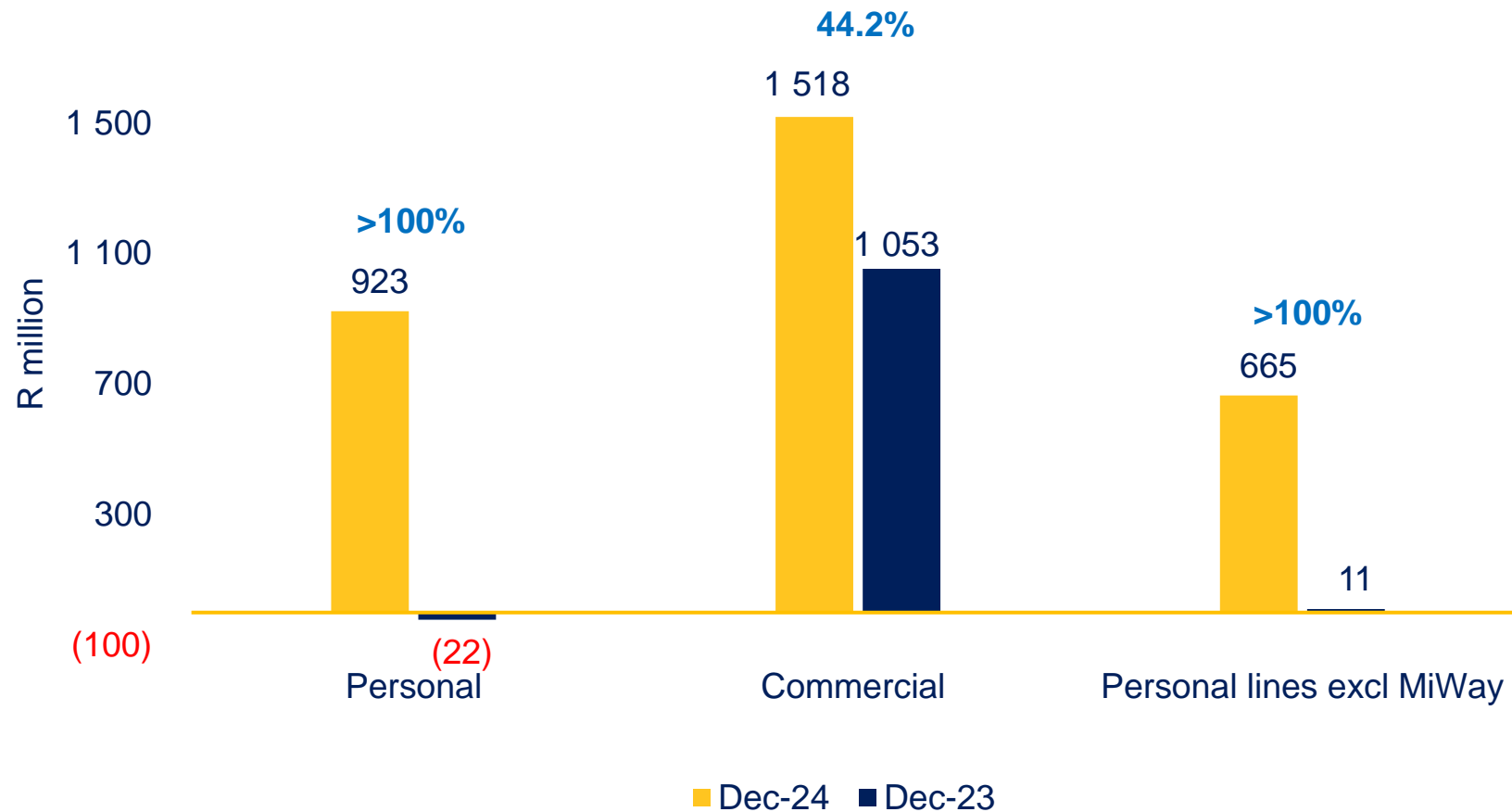
NET INSURANCE RESULT: AS A % OF NET EARNED PREMIUM



- Underwriting margin within 5% - 10% target range
- Catastrophe claims and large losses of R953 million (2023: R1.2 billion) in Broker Solutions and Client Solutions
- 2024: KZN flooding, Western Cape windstorm and flooding, Eastern Cape flooding, Shelley Point fire claim
- 2023: Western Cape floods, fire claims
- CBI release of R155 million in 2023

Conventional insurance

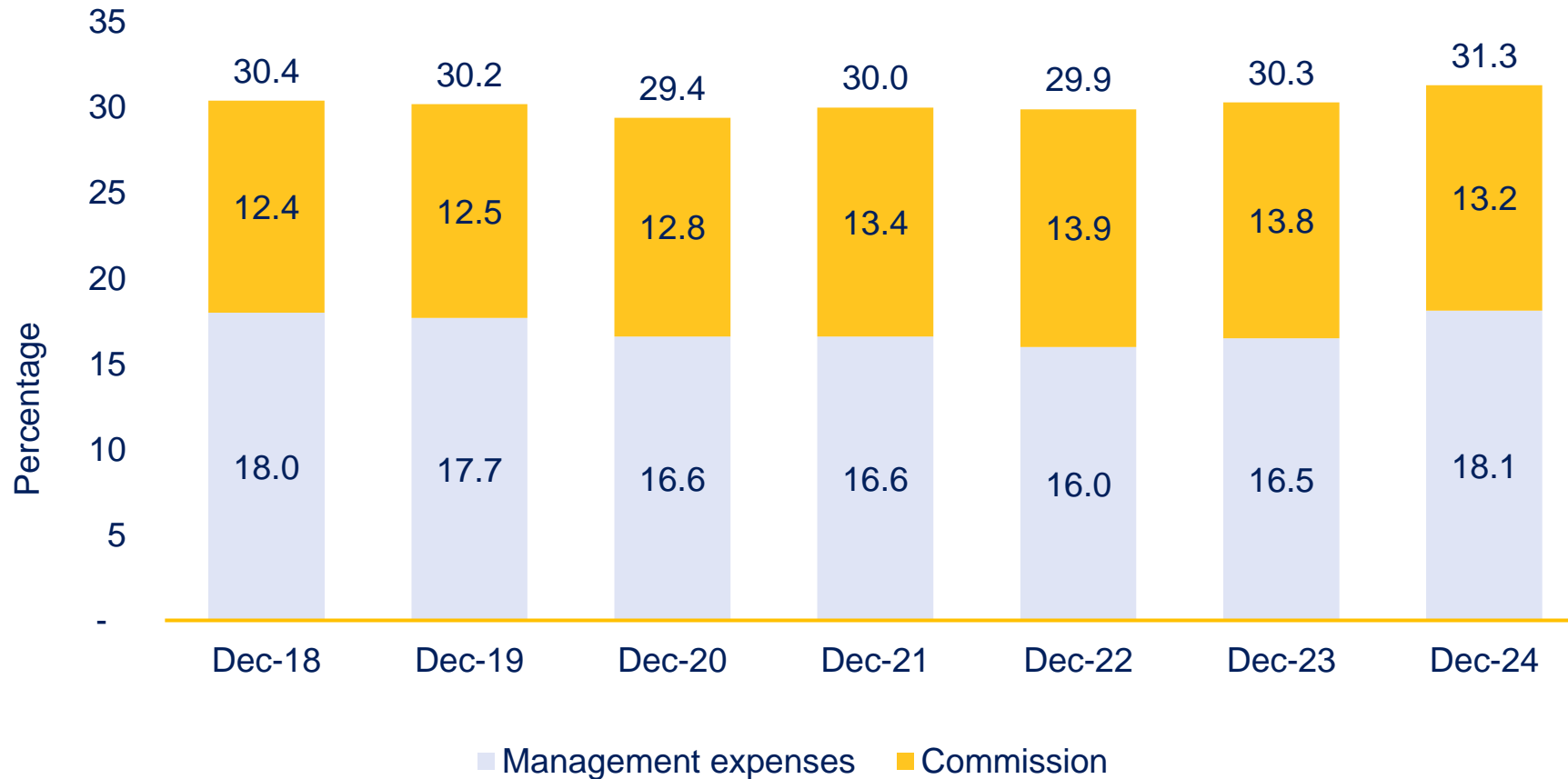
NET UNDERWRITING RESULT: PERSONAL AND COMMERCIAL



- Personal lines supported by reduced attritional losses and non-recurrence of run-off losses from cancelled business in 2023
- Commercial benefitted in 2023 from CBI reserve release
- Weather-related claims in 2024 in line with 2023, offset by decline in large commercial fire losses

Conventional Insurance

NET ACQUISITION COST: AS A % OF NET EARNED PREMIUM



- Stringent focus on expense management and driving efficiencies
- Roll out of new initiatives at MiWay started towards end of 1H23 – base effect in 2024
- Strategic IT investment at Client Solutions and Group
- Increase in variable remuneration

Conventional insurance

MIWAY

	Dec-24	Dec-23	Variance
Gross written premium (R million)	3 713	3 441	8%
Underwriting result (R million)	303	168	80%
Claims ratio	53.0%	58.8%	
Acquisition cost ratio	38.7%	36.3%	
Underwriting margin	8.3%	4.9%	
Number of clients ¹	347 000	345 000	1%

¹ Excluding value-added products

- Traction from new Inbound and Tied Agency initiatives
- Strong growth in Business insurance and VAPS
- Personal lines growth improved on 2023, accelerating towards desired level
- Double-digit overall growth in Q4
- Acquisition cost ratio includes expenditure on new initiatives, which launched in the latter part of 1H23
- Double-digit underwriting margin excluding new initiatives

Alternative risk transfer insurance

	Dec-24 R million	Dec-23 R million	Variance
Fee income	487	379	28%
Investment margin	399	324	23%
Underwriting income	197	85	>100%
Expenses	(389)	(345)	(13%)
Operating result	694	443	57%
Investment income	87	73	19%
Net profit before tax and NCI	781	516	51%

- Growth in size of book and new deals supporting fee income at Centriq and Santam Structured Insurance
- Favourable underwriting experience in both businesses
- Investment margin benefitting from favourable investment market performance

India/Malaysia target shares

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

	Dec 2024 R million	% of NEP	Dec 2023 R million	% of NEP
Gross written premium	1 127		937	
Net earned premium	927	100.0%	728	100.0%
Net claims incurred	561	60.5%	443	60.9%
Net acquisition cost	376	40.6%	311	42.7%
Net underwriting result	(10)	(1.1%)	(26)	(3.6%)
Investment return on insurance funds	199	21.5%	221	30.4%
Net insurance result	189	20.4%	195	26.8%

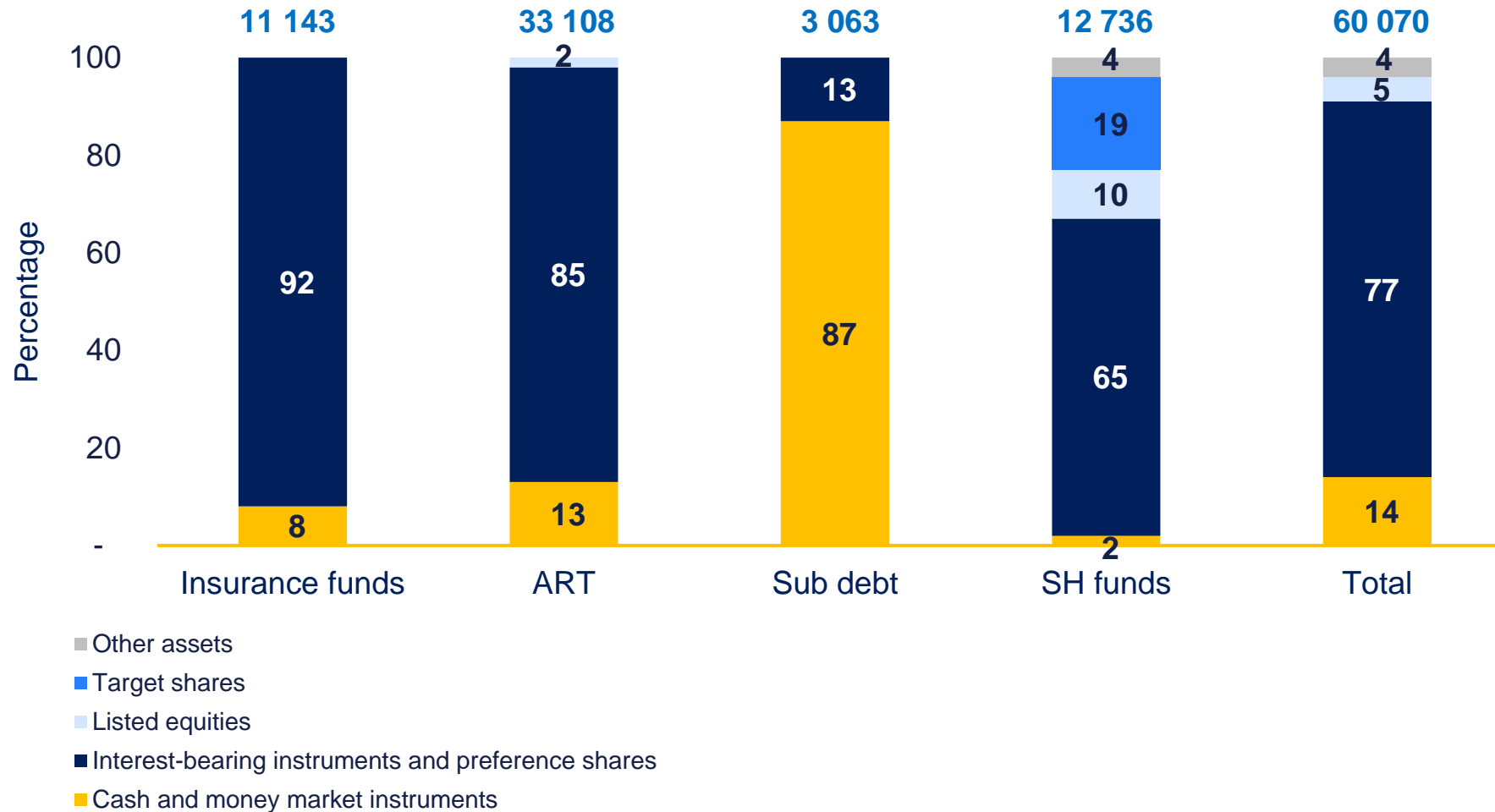
- SGI achieved GWP growth of 19.6%, with strong contributions from the Shriram ecosystem and own channels
- Net insurance result down 3.1% on 2023 from a high investment return base
- Revaluation of SGI by R457 million in line with strong performance



Investment results

Asset liability matching

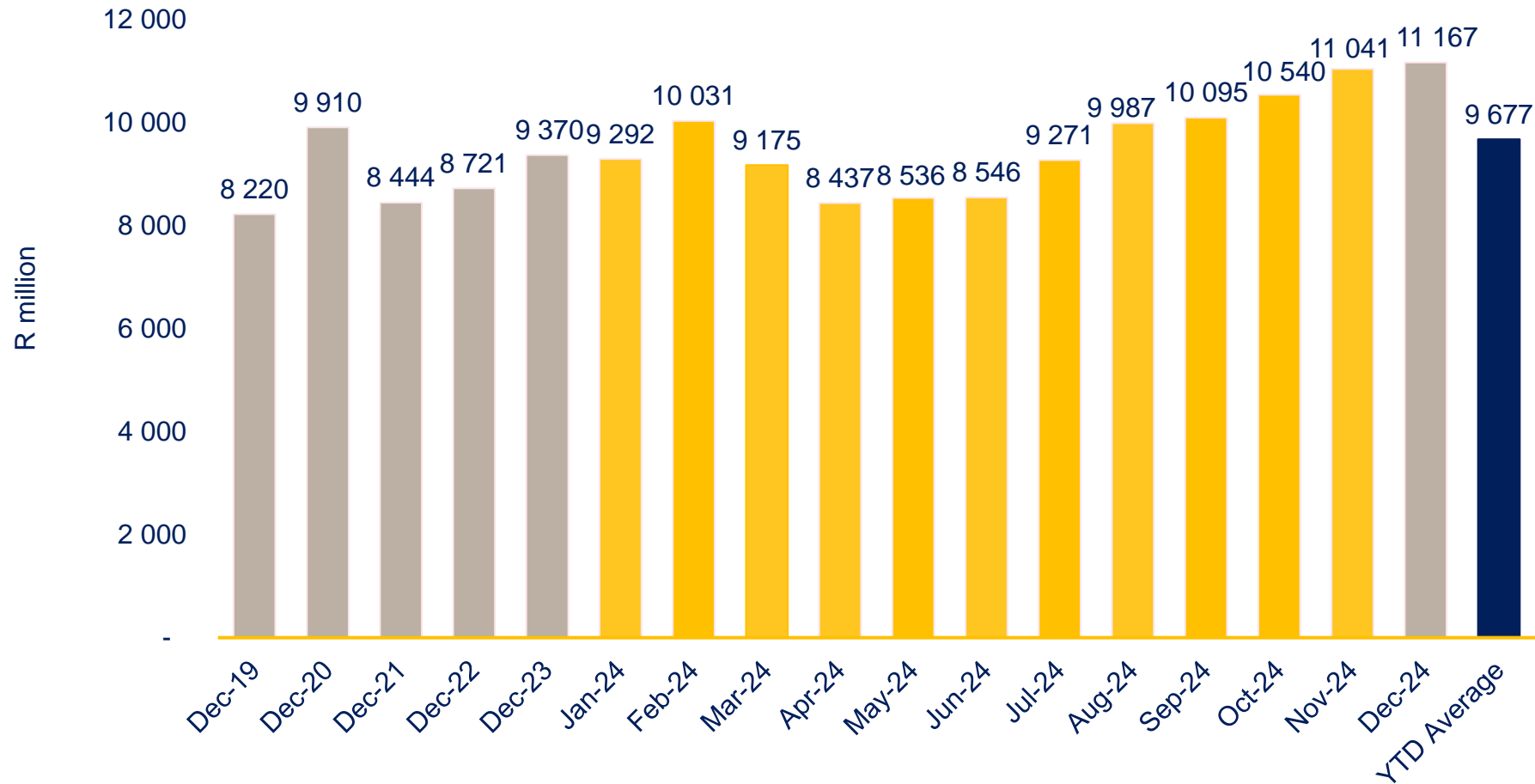
GROUP CONSOLIDATED NET ASSETS AT 31 DECEMBER 2024



- No significant change in investment mandates of key portfolios – continue to apply strict matching policy for insurance funds and subordinated debt
- Target shares mostly reflect economic interest in SGI

Conventional insurance

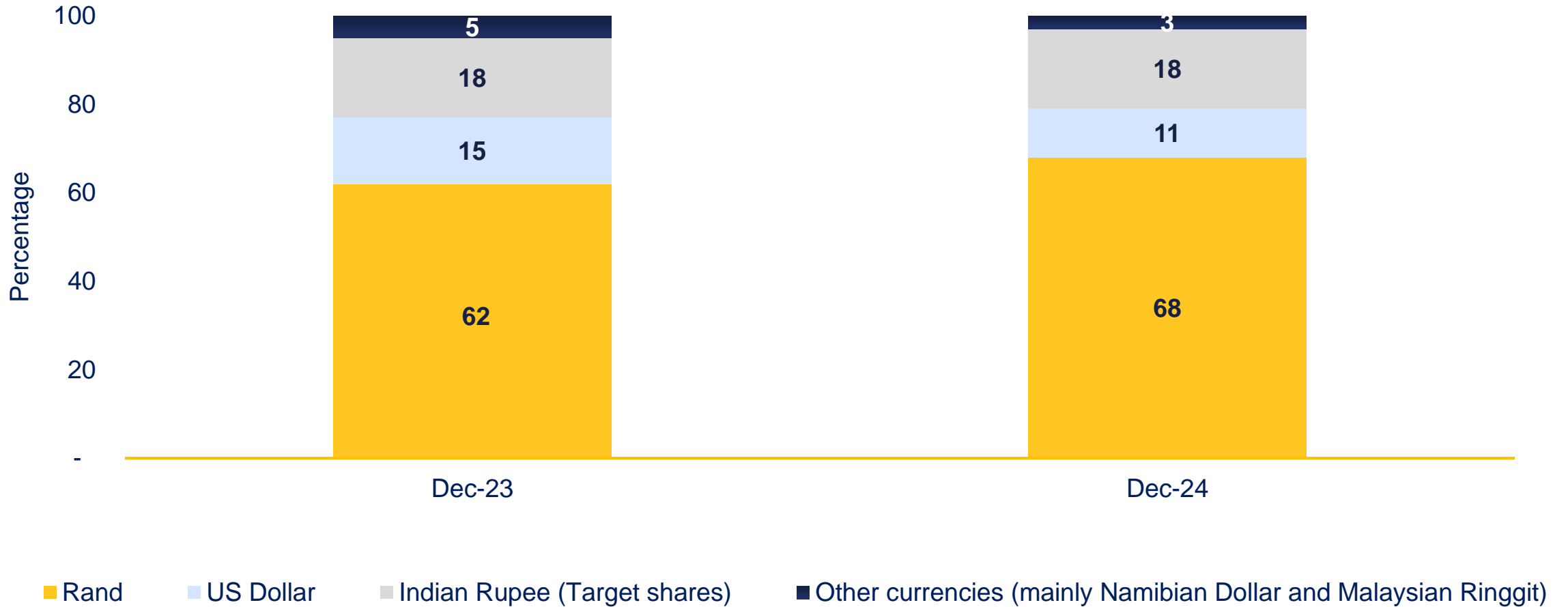
SIZE OF NET INSURANCE FUNDS



- Average float balance up 7.1% on Dec 2023 compared to 9.7% growth in NEP
- Increase since December 2023 due to decrease in net other working capital balances and increases in UPP

Shareholder funds

CURRENCY EXPOSURE



Investment return

Investment return on insurance funds	Dec-24 R million	Dec-23 R million	Variance
Conventional	823	759	8%
Alternative Risk Transfer	399	324	23%
Santam group	1 222	1 083	13%

Shareholder investment return	Dec-24 R million	Dec-23 R million	Variance
Conventional	1 340	1 120	20%
Alternative Risk Transfer	87	73	19%
Santam group	1 427	1 193	20%

- Improved investment return on all portfolios
- Performance exceeded benchmarks in general

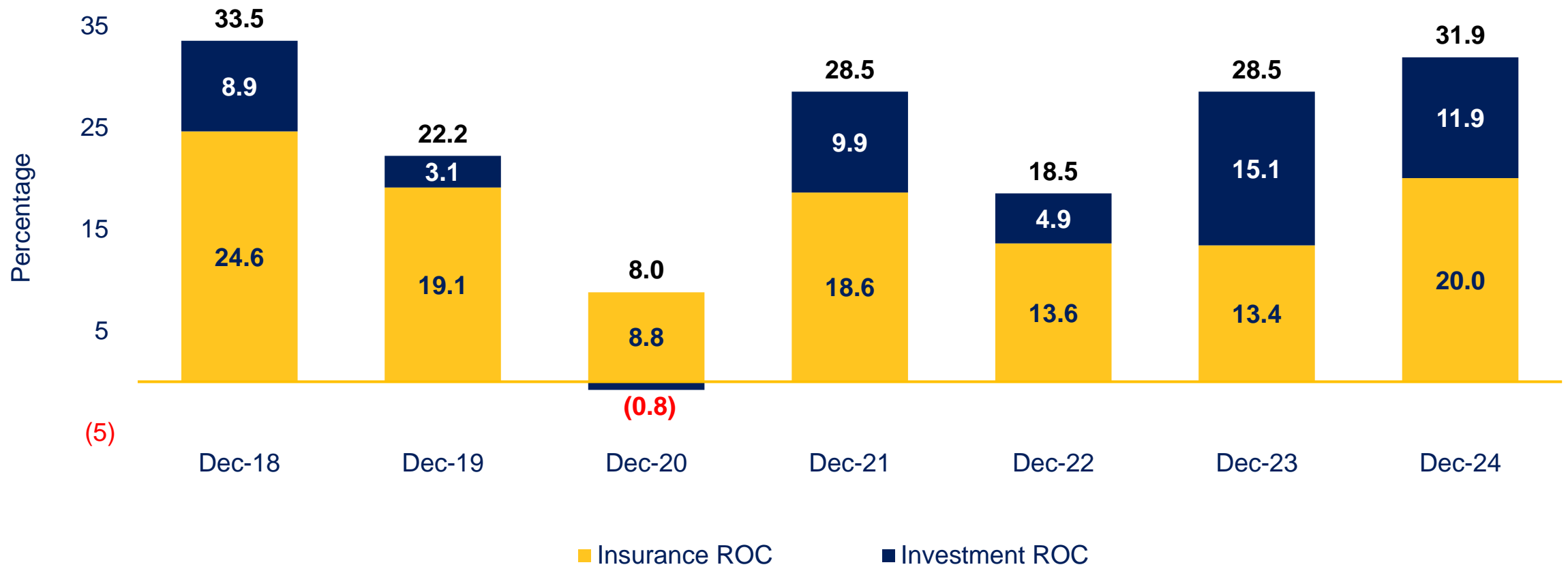
A man in a grey suit and white shirt is sitting on a balcony, looking out a large window at a sunset. The scene is bathed in warm, golden light. The text 'Capital management' is overlaid on the image.

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





Capital management

- Group economic capital requirement based on the internal model **R9.5 billion** (Dec 2023: **R8.8 billion**)
- Group economic capital coverage ratio of **166%** at 31 December 2024 (Dec 2023: **155%**)
- Target economic capital coverage ratio band maintained at between **145%** and **165%**
- Considering the capital position, a final ordinary dividend of **985 cps** was declared, up 8.8% on 2023
- Total ordinary dividends of **1 520 cps** paid in respect of the 2024 financial year
- Final dividend will reduce the economic capital coverage ratio to a level that remains well within the target band



Closing remarks

Our ESG commitments

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**
- Conducted an ESG **supply chain materiality assessment**
- Continued with the **ClimateWise membership**



FTSE4Good

Supporting community resilience

- We now support 102 municipalities through **Partnership for Risk and Resilience (P4RR)**
- Contributions worth R190 million to the Santam **Resilient Investment Fund** which focuses on social impact
- MTN partnership **increasing reach** to new markets across South Africa
- We support 690 intermediaries through the **Black Broker Development programme**



Culture and customer experience

- Continued commitment to **excellent customer experience and fair treatment**
 - Consistent NPS improvement
 - Ranked 5th in the Top Employer Survey and 1st in the insurance sector
 - Recognised by intermediaries as the **Best Personal Insurer** and **Best Corporate Insurer**
- Maintained **our B-BBEE level 1** status since 2018



Priorities for 2025

Focused on delivering profitable growth



Continue to scale direct



Enhance profitability of the property portfolio



Drive growth through cross-sell and partnerships



Drive diversification play through scaling Santam Re and Specialist Business



Best broker enabler



Strong focus on improving efficiencies and accelerating our digital capabilities



Drive client and employee experience



Maintain brand visibility

Questions?

Thank you