

SANTAM LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1918/001680/06
JSE Share Code: SNT & ISIN: ZAE000093779
NSX share code: SNM
("Santam" or the "Company" or the "Group")

Update on insurance implications of current unrest and contingent business interruption claims

Insurance implications of current unrest

Santam is deeply saddened and concerned about the unrest that has broken out in South Africa over the last few days. We are particularly saddened by the loss of life and are also concerned about the destruction of property and its impact on livelihoods. It is unfortunate that these events could have long-term implications on investor confidence and the cost of insurance. Like all short-term insurers, Santam's policies do not provide cover for riots, strike actions and public disorder. Sasria, the state-owned insurer set up for this purpose, covers unrest-related claims. Santam will assist intermediaries and clients with channelling these claims to Sasria.

Santam Re has a small participation percentage on the Sasria reinsurance program. It is too early to quantify any potential exposure of this participation until loss estimates are received, however the participation is within the Group's risk appetite.

Update on contingent business interruption claims

We refer to our previous JSE Limited Stock Exchange News Service announcement, "Update on contingent business interruption claims" released on 25 January 2021. Santam is making good progress in handling contingent business interruption ("CBI") claims and has made payments to approximately 60% of policyholders that have submitted claims.

Since January 2021, Santam has paid R600 million to policyholders in addition to the R1 billion paid in interim relief to 2 500 policyholders in August 2020, bringing total CBI payments to date to R1.6 billion.

A number of the clients who received the R1 billion interim relief in August 2020, have subsequently received additional payments. Most of these beneficiaries were SMMEs in the hospitality, retail and leisure sectors.

A total of 3 252 policyholders notified Santam of their intention to formulate and submit claims, which represents 2% of the number of the Company's Commercial and Corporate clients.

To date, Santam has received formulated claims from 1 851 policyholders, who represent 57% of the number of clients who previously indicated their intentions to claim. Final or interim payments have been made to 1 094 of the 1 851 clients that have submitted claims.

The remaining 757 claims are currently going through the assessment and settlement processes with loss adjusters. Earlier this year Santam contracted more than 40 additional expert business interruption loss adjusters to strengthen its internal capacity and to enable faster processing of claims.

All claims where documents have been submitted, have been or are currently being attended to. Santam is concerned that 43% (1 401) of the clients who initially registered their intention to submit a CBI claim have still not done so. Since January 2021, the Company has communicated extensively with intermediaries and clients, urging them to submit their claim documentation. Santam has, on numerous occasions extended the deadline for the submission of the claim information. The final deadline for affected policyholders to provide documentation in support of their claims is now 31 August 2021.

The Company has made considerable efforts to simplify the claims process for businesses where the sum insured is less than or equal to R10 million per annum and the indemnity period is not greater than 9 months. This represents the majority of the clients who have notified Santam of their intention to formulate and submit claims.

Santam's appeal against the Ma-Afrika judgment with respect to the length of the indemnity period, is expected to be heard by the Supreme Court of Appeal of the Republic of South Africa on 27 August 2021.

Santam will provide a more detailed update of its performance when it releases its interim results for the six months ended 30 June 2021 on or about 2 September 2021.

Bellville, Cape Town

15 July 2021

Sponsor: Investec Bank Limited