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Results

2021



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The Sanlam Group's International Financial Reporting Standards (IFRS) financial statements for the 12 months ended 31 December 2021 are presented based on and in compliance with IFRS. The basis of presentation and accounting policies for the IFRS financial statements and shareholders' information are, in all material respects, consistent with those applied in the 2020 Integrated Report and Annual Financial Statements.

The comparative shareholders' information has been adjusted to reflect the structural changes in the second half of 2020, where applicable.

All references to 2020 and 2019 relate to the full 12-month period for those years, unless otherwise stated.

Forward-looking statements

In this report 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, among others, to new business volumes, investment returns (including exchange rate fluctuations) and actuarial assumptions. These statements may also relate to our future 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", "endeavour" 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 announcement has not been reviewed and reported on by Sanlam's external auditors.

Constant currency information

The constant currency information included in this review has been presented to illustrate the impact of changes in the South African rand exchange rates and is the responsibility of the Group's Board of directors.

It is presented for illustrative purposes only and because of its nature may not fairly present the Group's financial position, changes in equity, result of operations or cash flows. All references to constant currency information are based on the translation of foreign currency results for the 12 months to 31 December 2021 at the weighted average exchange rate for the 12 months to 31 December 2020, which is also applied for the translation of comparative information.

The major currencies contributing to the exchange rate movements are the British pound, United States dollar, Indian rupee, Angolan kwanza, Nigerian naira and the Moroccan dirham.

Foreign currency/ZAR	Average 2021	Average 2020	Strengthening
United Kingdom	20,32	20,99	3,2%
USA	14,76	16,34	9,6%
India	0,20	0,22	9,9%
Angola	0,02	0,03	17,6%
Nigeria	0,04	0,04	14,6%
Morocco	1,64	1,73	5,1%

In respect of the Group's investment in the former Saham Group, the constant currency information only allows for the impact of the change in exchange rate between the South African rand and the Moroccan dirham on the consolidated former Saham Group results. No adjustment is made for exchange rate movements between the Moroccan dirham and the reporting currencies of the former Saham subsidiaries.

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Key performance indicators

Earnings

- **Operational performance has returned to pre-pandemic levels.** Net result from financial services increased by 13% on 2020 (18% in constant currency) and was 4% higher than 2019 excluding one-off items.
- Group **excess mortality claims** (claims above long-term actuarial assumptions, net of tax, reinsurance, annuity and disability offsets) in the life insurance businesses were **R4,2 billion** for 2021, with Sanlam Life and Savings (SLS) excess mortality claims of R3,6 billion and Sanlam Emerging Markets (SEM) excess mortality claims of R630 million.
- **SLS excess mortality claims were offset by a package of actuarial basis changes**, and premium increases on group risk business. **SEM released discretionary reserves of R148 million.** This release together with repricing of group risk business did not fully offset SEM excess mortality claims, leading to a net negative impact of R466 million on operating profits.
- **Net operational earnings increased by 23%** (28% in constant currency), reflecting higher investment income relative to 2020.

New business

- **New business volumes exceeded R350 billion for the first time**, up 14% on 2020 and 43% higher than 2019.
- **Volume growth bolstered by strong profitability and margins.** Net value of new covered business (VNB) increased by 44% on 2020 and 21% on 2019, with a new business margin of 2,87% (2,98% on a constant economic basis).
- **Net client cash flows improved substantially despite the increase in mortality claims**, supported by inflows into Sanlam Investments and Sanlam Glacier. Net fund inflows of R78,3 billion were 27% higher than 2020 and 38% higher than 2019.
- **The Sanlam Pan Africa (SPA) Life portfolio** increased new business volumes by 23% in constant currency and VNB increased by 88% in constant currency, to over R450 million.
- Overall **persistence trends** remained ahead of long-term actuarial assumptions.

Group Equity value

- **Group Equity Value** per share of **R64,44** and **Return on Group Equity Value (RoGEV)** per share of **13,9%**.
- Annual actuarial basis changes package implemented, which included the **release of discretionary reserves**, reversal of **half of the 5% mass lapse assumption**, **positive persistency assumption changes** and **strengthening of the mortality basis** to allow for future pandemics.
- **Adjusted RoGEV per share of 14,6% was above the Group's hurdle rate of 13,6%.** The non-covered businesses achieved an above hurdle return which offset underperformance from the covered business. Non-covered benefited from higher valuations of the credit, general insurance and investment businesses due to improved operational performance. Covered underperformance was largely driven by the impact of COVID-19 on risk experience, strengthening of the mortality basis and the write-down of Sanlam Life and Pensions UK (SLP) to the transaction price. This more than offset strong contributions from value of new business and positive persistency experience and assumption changes. The upward revaluation of the UK wealth and financial planning businesses to transaction price, offset the write-down of SLP, resulting in an aggregate positive impact on adjusted RoGEV from the UK entities being disposed of as part of the Group's strategy execution.

Dividend and capital

- The Group declared a normal **dividend of 334 cents per share**, up 11% on 2020.
- **Group solvency ratio remains strong at 173%**, well within the target range.
- **Discretionary capital increased to R2,9 billion.**

Sanlam Group salient results

For the 12 months ended 31 December

	Unit	2021	2020	△
Earnings				
Net result from financial services	R million	9 469	8 382	13%
Net operational earnings	R million	10 288	8 349	23%
Headline earnings ⁽¹⁾	R million	9 041	7 104	27%
Weighted average number of shares ⁽²⁾	million	2 087,8	2 087,8	
Adjusted weighted average number of shares ⁽²⁾	million	2 224,0	2 226,7	
Net result from financial services per share	cents	425,8	376,4	13%
Net operational earnings per share	cents	462,6	374,9	23%
Diluted headline earnings per share ⁽¹⁾	cents	433,0	340,3	27%
Business volumes				
New business volumes	R million	355 886	310 875	14%
Net fund inflows	R million	78 322	61 563	27%
Net new covered business				
Value of new covered business	R million	2 764	1 921	44%
Covered business PVNBP ⁽³⁾	R million	96 182	74 591	29%
New covered business margin ⁽⁴⁾	%	2,87	2,58	
Group Equity Value				
Group Equity Value	R million	142 390	131 812	
Group Equity Value per share	cents	6 444	5 920	
Return on Group Equity Value per share ⁽⁵⁾	%	13,9	(2,8)	
Adjusted Return on Group Equity Value per share ⁽⁶⁾	%	14,6	2,6	
Solvency cover				
Sanlam Group ⁽⁷⁾	%	173	186	
Sanlam Life Insurance Limited	%	214	257	
Sanlam Life Insurance Limited covered business ⁽⁸⁾	%	178	197	
Sanlam Group discretionary capital	R million	2 936	636	

Notes

- ⁽¹⁾ 2020 comparative information has been restated to correct a hyperinflation accounting error as reported in the Group's interim results announcement of 9 September 2021. Refer to note 36.1 on page 150 of the online Sanlam Annual Financial Statements. The restatement does not have an impact on the net asset value due to the offsetting impacts on foreign currency translation reserve in the statement of changes in equity at 31 December 2020.
- ⁽²⁾ Weighted average number of shares excludes Sanlam shares held directly or indirectly through consolidated investment funds in policyholder portfolios, as well as Sanlam shares held by the Group's broad-based black economic empowerment special purposes vehicle (B-BBEE SPV) that is consolidated in terms of International Financial Reporting Standards (IFRS). These shares are treated as shares in issue for purposes of adjusted weighted average number of shares in issue, which is the base to determine net result from financial services per share and net operational earnings per share. Diluted headline earnings per share is based on the weighted average number of shares.
- ⁽³⁾ PVNBP = present value of new business premiums and is equal to the present value of new recurring premiums, at the relevant risk discount rate for each business, plus single premiums.
- ⁽⁴⁾ New covered business margin = value of new covered business as a percentage of PVNBP.
- ⁽⁵⁾ Growth in Group Equity Value per share (with dividends paid, capital movements and cost of treasury shares acquired reversed) as a percentage of Group Equity Value per share at the beginning of the year.
- ⁽⁶⁾ Adjusted Return on Group Equity Value equals Return on Group Equity Value excluding investment market and currency volatility, changes in interest rates and other factors outside of management's control.
- ⁽⁷⁾ The reported Sanlam Group solvency position on 31 December 2020 of 191% has been restated to 186% to reflect the Prudential Authority's revised methodology in the treatment of certain Sanlam Emerging Markets entities in the calculation of Group solvency that was applied retrospectively. The Group also implemented methodology changes on 31 December 2021 for the calculation of Group solvency. The two main changes are the deduction of foreseeable dividends from Group own funds and the adoption of the accounting consolidation methodology for the South African insurance entities.
- ⁽⁸⁾ Excludes investments in subsidiaries and associated companies, discretionary capital, cash accumulated for dividend payments and the net asset value of non-covered operations.

Comments on the results

Introduction

In 2021 the Sanlam Group laid the foundations for future growth by strongly developing our platforms and at the same time delivering a strong performance in a difficult operating environment. We are building on our purpose-led strategy across the Sanlam Group as part of our ongoing sustainability journey to focus on shared value creation, deepening financial inclusion, driving sustainable investment decisions throughout our assets under management, value chains and ecosystems, and optimising value through our strategic partnerships.

Sanlam remains an extremely strong and well capitalised business. In 2021 we were able to use the strength of Sanlam to benefit all stakeholders, particularly those severely impacted by the COVID-19 pandemic. For our clients we paid gross mortality claims of R22 billion (76% higher than 2020), with SLS paying R17 billion and SEM paying R5 billion. Santam made good progress in finalising the open contingent business interruption (CBI) claims. Gross CBI claim payments of R3,2 billion were made to the end of December 2021, inclusive of the relief payments of R1 billion in August 2020, to businesses affected by the pandemic.

The pandemic also impacted our people, who remained resilient through this difficult period. Our sincere condolences go to the families of the 57 colleagues who succumbed to the pandemic since its onset. The Group remains committed to the health and safety of our people, clients and society, including the roll-out of vaccines as the most effective long-term approach to tackling the pandemic. We have implemented a mandatory vaccination policy for our employees to ensure a safe working environment as we transition to hybrid ways of working and continue to provide vaccine access points to the South African public in partnership with AfroCentric.

Strategy implementation progress

We continue to implement our strategy by developing our platform as we work towards building a leading non-banking financial services group in Africa. Our South African operations were strengthened by the development of the Sanlam Investments platform as the leading black-owned asset manager. The proposed merger with Absa Investments will further strengthen our market offering. Substantial net inflows over the period underline the improvement of the investment management platform. The Absa transaction also includes the intended acquisition of Absa's LISP by Sanlam Glacier as well as access to the distribution network of Absa. The intended acquisition of the Alexander Forbes LISP business will further develop the Sanlam Glacier platform.

Our corporate platform will be strengthened through the intended transactions with Alexander Forbes and the launch of a new set of health insurance offerings in partnership with AfroCentric. The intended sale of our standalone retirement fund administration business to Alexander Forbes will enable the Group to focus on providing the leading umbrella pension fund solution and a full range of investment and insurance products to the corporate benefits market. The Alexander Forbes Life transaction is expected to place us in a leading position in group risk underwriting. Our health offering allows us to provide a more holistic product offering to our clients and fulfil a market need for affordable health insurance.

The Group divested from the UK operations outside of asset management, informed by our capital allocation framework and strategic intent to focus on Africa and India. The package of transactions is expected to be completed at an aggregate amount greater than GEV (before write-up to transaction values). We continue to explore the optimisation of our Pan-Africa portfolio through strengthening our position in key markets and exiting sub-scale operations. In India, the Shriram Group will undertake a reorganisation that simplifies the Shriram group structure. As a shareholder in Shriram, Sanlam benefits by reducing one layer between it and the operating entities and allows for focused strategic planning for life and general insurance through the segregation of the credit and the insurance businesses.

We also announced the establishment of an InsurTech strategic alliance with MTN to take the benefits of our insurance and investment products to the African continent's consumers. This will significantly enhance the financial inclusion of consumers that are currently not reached through traditional distribution channels, aimed at helping Sanlam attain its goal of reaching 50 million customers by 2025.

Operational and financial performance

Economic conditions improved in 2021 from the depressed pandemic-induced base of 2020 in the economies in which we operate. After contracting 6,4% in 2020, South African real GDP increased by an estimated 4,8% in 2021, buoyed by a terms of trade bounce, which underpinned domestic purchasing power and consumer spending. Sub-Saharan Africa real GDP growth recorded an estimated 4% increase, following a contraction of 1,7% in 2020.

This growth recovery combined with altered spending patterns due to the pandemic, supported higher savings rates which had a positive impact on new business volumes in our operations.

Long-term interest rates increased relative to 31 December 2020 in most of the markets in which we operate. Overall economic assumptions changes had a 7% negative impact on VNB and 2,2% negative on GEV.

Equity markets generally recorded higher returns in 2021 relative to 2020 in the countries in which we operate, which benefited asset-based income. Investment return earned on the Group's capital portfolios commensurately improved. The improvement in equity markets supported positive investment variances of 1,5% on GEV.

The average South African rand exchange rate for 2021 strengthened against most of the operating country currencies relative to 2020. The closing rate was however weaker in most markets. The GEV valuations of the non-South African operations were positively impacted by the weaker closing rand exchange rate. However, foreign currency translation losses resulting from the stronger average rand exchange rate over the year had a negative impact on net result from financial services of 5%.

[Refer to annexure on page 16 for more detail on equity, interest rate and currency market movements for 2021.](#)

Group Equity Value

Group Equity Value on 31 December

R million	GEV		RoGEV	
	December 2021	December 2020	GEV earnings	%
Group operations	132 337	123 881	17 552	14,2
SA Retail Mass	11 761	10 596	1 637	15,4
SA Retail Affluent	36 168	36 078	6 057	16,8
Sanlam Corporate	6 230	5 604	219	3,9
Sanlam Emerging Markets	40 354	35 323	5 618	15,9
Sanlam Investment Group	19 583	19 003	2 764	14,6
Santam	18 241	17 277	1 257	7,3
Covered business	60 577	59 326	7 490	12,6
Value of in-force business	45 904	44 212	1 707	
Adjusted net worth	14 673	15 114	5 783	
Non-covered operations	71 760	64 555	10 062	15,6
Group operations	132 337	123 881	17 552	14,2
Discretionary capital and other	10 053	7 931	(344)	(4,3)
Group Equity Value	142 390	131 812	17 208	13,1
Per share (cents)	6 444	5 920	779	13,9

GEV amounted to R142,4 billion or 6 444 cents per share on 31 December 2021. RoGEV per share amounted to 13,9%, including the 2020 final dividend paid of 300 cents per share. RoGEV per share for the covered business was 13,5%, with non-covered business (including discretionary capital and other) at 14,3% per share.

Adjusted RoGEV per share, which excludes the impact of actual investment return higher than long-term assumptions, interest rate changes, other one-off effects not under management control, and currency exchange rate movements, amounted to 14,6%, above the 13,6% target for 2021. The covered business adjusted RoGEV was 13,4% per share and non-covered business (including discretionary capital and other) recorded an adjusted RoGEV per share of 15,5%.

Comments on the results continued

Analysis of RoGEV for the 12 months ended 31 December 2021

	Total	△	Covered	△	Non-covered	△
GEV at 31 December 2020	131 812		59 326		72 486	
Expected return	11 419	8,7%	5 538	9,3%	5 881	8,1%
Value of new covered business	2 764	2,1%	2 764	4,7%	-	0,0%
Operating experience variances	(3 137)	(2,4%)	(2 742)	(4,6%)	(395)	(0,5%)
Operating assumption changes	3 457	2,6%	1 540	2,6%	1 917	2,6%
Return on listed businesses	2 868	2,2%	-	0,0%	2 868	4,0%
Expected return on net asset value	1 115	0,8%	956	1,6%	159	0,2%
Other earnings (incl expected currency movements)	(441)	(0,3%)	(566)	(1,0%)	125	0,2%
Adjusted RoGEV	18 045	13,7%	7 490	12,6%	10 555	14,6%
cps		14,6%		13,4%		15,5%
Investment variances	1 990	1,5%	1 370	2,3%	620	0,9%
Economic assumption changes	(2 872)	(2,2%)	(1 310)	(2,2%)	(1 562)	(2,2%)
Foreign currency translation differences	1 711	1,3%	81	0,1%	1 630	2,2%
Santam return underperformance	(1 608)	(1,2%)	-	0,0%	(1 608)	(2,2%)
Other	(58)	-	(141)	(0,2%)	83	0,1%
Actual RoGEV	17 208	13,1%	7 490	12,6%	9 718	13,4%
cps		13,9%		13,5%		14,3%

The covered business recorded an adjusted return of 12,6% for 2021. The main components contributing to the return on covered business are:

- Expected return on covered business reflecting the unwind of the discount rate contributed 9,3%.
- VNB contributed 4,7% due to the healthy growth in new life business volumes and improved margins.
- Operating experience variances contributed negative 4,6% for 2021 mainly due to the impacts of COVID-19 on the following key items:
 - Risk experience was severely impacted by excess mortality due to COVID-19 which resulted in negative experience of R4,2 billion for 2021 relative to negative R125 million in 2020.
 - Persistency experience variances increased from R157 million in 2020 to R712 million for 2021, with improvement from all life businesses in South Africa. This includes the effect of the repricing of group risk business.
 - Maintenance expense experience profits improved to R150 million from R67 million in 2020.
 - Working capital management experience profits declined from R457 million in 2020 to R365 million in 2021, in line with the lower short-term interest rates.
 - The narrowing of credit spreads relative to 2020 resulted in positive credit spread variances of R295 million in 2021 relative to R129 million in 2020.
- Operating assumption changes were positive R1,5 billion (contributing 2,6%) for 2021, relative to negative R2,4 billion in 2020, which was impacted by the COVID-19 related mass lapse assumption change.
 - The Group strengthened the mortality basis across products to allow for the impact of future pandemics while also releasing discretionary reserves to offset excess mortality claims. The total impact of risk assumption changes on embedded value was negative R867 million (2020: positive R438 million). This consisted of a negative impact on value of in-force (net of costs of capital) of R2,1 billion and a positive adjusted net worth impact of R1,2 billion. The negative value of in-force impact includes the reduction in future profits arising from the release of discretionary reserves.
 - Persistency assumption changes contributed R1,5 billion (2020: negative R1,9 billion). Given the strong persistency experience across the business, half of the 5% mass lapse assumption created in 2020, was released, and lapse rate assumptions were also reduced in the SA Retail Affluent risk business. R1,7 billion of the assumption change impacted the value of in-force (net of cost of capital) with a negative impact of almost R200 million on the adjusted net worth.
 - Modelling and other assumption changes (including discretionary reserve releases and required capital modelling) amounted to a positive embedded value impact of R965 million (2020: negative R665 million). A negative amount of R415 million of this impacted the value of in-force (net of costs of capital) with a positive impact of R1,4 billion on the adjusted net worth.

- Investment variances and the expected return on the capital portfolio contributed 3.9% for 2021 reflecting improved market returns over the year.
- Economic assumption changes had a negative impact of 2,2% due to movements in long-term interest rates over the year.
- The negative 1,1% contribution from foreign currency translation differences and other in 2021 is substantially due to the R595 million revaluation of the UK life business in line with transaction value.

The non-covered operations, discretionary capital and other achieved a return of 13,4% for 2021. This is a combination of a 15,6% return for the non-covered operations and a negative 4,3% for discretionary capital and other. The negative return for discretionary capital and other is mainly due to a partial impairment of the funding to the B-BBEE SPV based on the current Sanlam share price and higher project expenses. The non-covered operations (including discretionary and other capital) achieved an adjusted return of 14,6%.

The main components contributing to the return on non-covered business are:

- Expected return on non-covered business reflects the unwind of the discount rate over the period.
- Operating experience variance reflects better than expected investment market performance and net fund flows in the investment businesses, partly offset by lower general insurance premium income in India.
- Operating assumption changes reflect improved valuations of the Indian credit businesses due to improved listed share price performances and higher valuation of the investment management businesses, including a write-up of the UK wealth and financial planning businesses to transaction value.
- The negative contribution from economic assumption changes is largely due to increases in reference yields.
- The impact from the currency translation differences is due to a weaker closing rand exchange rate against most of the valuation currencies on 31 December 2021.
- Santam's underperformance is due to the actual share price underperforming the expected returns.

Earnings

Impact of COVID-19 on mortality experience across the Group

The COVID-19 pandemic had a significant impact on mortality claims across the Group's operations, resulting in a significant increase in excess mortality claims (claims above long-term actuarial assumptions). The Group's South African operations have the largest life insurance exposure and commensurately reflect a much higher value of excess mortality claims. The Group recorded total excess mortality claims of R4,2 billion (net of tax, reinsurance and annuity and disability offsets) on an embedded value basis for 2021.

Excess mortality claims for the 12 months ended 31 December 2021 (net of tax, reinsurance and annuity and disability offsets)

R million	2021
Sanlam Group	4 197
SLS	3 567
SA Retail Mass	468
SA Retail Affluent	656
Sanlam Corporate	2 443
SEM	630
SPA Life	583
India	35
Malaysia	12

The package of basis changes and repricing offset the impact of excess mortality claims on the operating earnings of SLS.

SLS mortality trends reflected those of the broader South African experience, as published by the South African Medical Research Council. The impact of excess mortality claims was most severe in the second and third waves of COVID-19, in the first and third quarters of 2021. The fourth wave in the final quarter of 2021, had a softer impact on excess mortality claims relative to previous waves.

SLS's corporate business was impacted much more than the retail businesses. The Group believes that the group risk market has been consistently under-pricing premiums for pandemics and is hopeful that more rational pricing will prevail in the market in future.

As part of the annual review of the Group's actuarial basis, SLS implemented a package of basis changes which included further releases of discretionary reserves, positive persistency assumption changes and a strengthening of the mortality basis to allow for future pandemics.

SLS excess mortality claims were offset by a combination of the package of basis changes and the repricing of group risk business.

Comments on the results continued

SEM holds less discretionary reserves, resulting in a larger excess mortality claims impact on operating earnings.

SEM experienced an increase in mortality claims in the first and third quarters of 2021, with the third quarter impact being more severe than the first quarter. The largest impacts were recorded in the Southern Africa region and in India. Excess mortality claims of R630 million (net of tax, reinsurance and annuity and disability offsets) were recorded for 2021, with R583 million recorded in SPA Life. The overall impact on earnings was partially offset by discretionary reserve releases of R148 million (net of tax). This release together with repricing of group risk business did not fully offset SEM excess mortality claims, leading to a net negative impact of R466 million on operating earnings.

Shareholders' fund income statement for the 12 months ended 31 December

R million	2021	2020	△
Net result from financial services	9 469	8 382	13%
Sanlam Life and Savings	4 806	4 600	4%
Sanlam Emerging Markets	2 227	2 377	(6%)
Sanlam Investment Group	1 298	805	61%
Santam	1 378	686	>100%
Group office and other	(240)	(86)	(>100%)
Net investment return	1 310	271	>100%
Project expenses	(491)	(304)	(62%)
Net operational earnings	10 288	8 349	23%
Amortisation of intangible assets	(738)	(699)	(6%)
Profit on disposal of subsidiaries and associates	229	285	(20%)
Impairments	66	(8 638)	>100%
Net non-operational equity-accounted earnings & other	15	9	67%
Normalised attributable earnings	9 860	(694)	>100%

Net result from financial services increased by 13% (18% in constant currency) in 2021. Net result from financial services is 2% lower than 2019, but 4% higher excluding the impact of one-off gains in 2019 from third-party pool reserve releases in Shriram General Insurance, performance fees earned on the closure of the Climate One fund and higher interest on dividend pool.

SLS net result from financial services increased by 4% relative to 2020. Improved investment market performance over the year supported asset-based income, which was partly offset by higher new business strain and excess mortality claims net of repricing and reserve releases. Excluding the impact of new business strain, excess mortality claims, reserve releases and repricing, net result from financial services increased by 11%.

SLS net result from financial services for the 12 months ended 31 December

R million	2021	2020	△
SA Retail Mass	1 039	1 050	(1%)
SA Retail Affluent	3 226	4 059	(21%)
Recurring premium business	1 225	2 376	(48%)
Glacier	1 674	1 561	7%
Sanlam Personal Loans & other	327	122	>100%
Sanlam Corporate	(1 947)	836	(>100%)
Basis changes/pandemic reserve release	4 232	492	>100%
Gross result from financial services	6 550	6 437	2%
Tax on gross result from financial services	(1 771)	(1 882)	6%
Non-controlling interest	27	45	(40%)
Net result from financial services	4 806	4 600	4%

SA Retail Mass recorded strong performances from the Individual Life and Capitec Bank funeral businesses, however, was significantly impacted by a substantial decline in earnings from the group businesses due to excess mortality claims. The Individual Life and Capitec Bank funeral businesses were less impacted by excess mortality claims and recorded strong earnings growth which was supported by larger in-force books, expense savings, positive investment variances and economic basis changes.

SA Retail Affluent was impacted by the substantial decline in earnings from the risk business due to excess mortality claims. This more than offset higher asset-based fee income from Glacier and the savings business and an improved performance from Sanlam Personal Loans (SPL) due to lower bad debt charges.

Sanlam Corporate was also significantly impacted by excess mortality claims which more than offset higher asset-based fee income from the investment business. The health business continued to record a strong performance driven by the pharmacy and services clusters as well as increased efficiencies.

SEM net result from financial services declined by 6% but was 9% higher in constant currency. SPA GI recorded strong constant currency earnings growth while the Indian insurance operations detracted from growth.

SEM net result from financial services for the 12 months ended 31 December

R million	2021	2020	△	Constant currency △
SPA Life	1 765	1 812	(3%)	7%
Life Insurance	875	1 088	(20%)	(9%)
Investment management	183	160	15%	27%
Credit and structuring	591	447	32%	40%
Other	116	117	(1%)	3%
SPA GI	2 034	1 271	60%	74%
Other international	1 571	1 965	(20%)	(11%)
India	1 272	1 588	(20%)	(11%)
Life insurance	(34)	36	(>100%)	(>100%)
General insurance	431	676	(36%)	(29%)
Credit and structuring	875	876	0%	11%
Malaysia & other	299	377	(21%)	(11%)
Corporate costs	(203)	(379)	46%	45%
Gross result from financial services	5 167	4 669	11%	22%
Life insurance	939	1 261	(26%)	(16%)
General insurance	2 767	2 236	24%	34%
Investment management	182	159	14%	27%
Credit and structuring	1 466	1 323	11%	21%
Corporate costs and other	(187)	(310)	40%	(44%)
Tax on gross result from financial services	(1 839)	(1 254)	(47%)	(59%)
Non-controlling interest	(1 101)	(1 038)	(6%)	(5%)
Net result from financial services	2 227	2 377	(6%)	9%

Life insurance was impacted by an increase in COVID-19 related mortality claims across the portfolio. Higher claims in Southern Africa and Tanzania more than offset good growth in North and West Africa which was supported by higher equity and bond markets. India was impacted by higher mortality claims, while Malaysia improved on a constant currency basis.

General insurance benefited from a strong improvement in SPA GI due to higher investment return on insurance funds (float) which improved to 11,9% (as a percentage of net earned premiums) from 2,9% in 2020. The Moroccan business reported a float margin of 20,9% on the back of strong equity markets. Further progress was made in transitioning the float investment portfolio to a lower level of equity and property exposure and increased bond exposure. Good value was realised in reducing the equity weighting although it lowered the exposure to the strong equity market performance over the year.

SPA GI recorded a net underwriting margin of 4,4% (2020: 6,1%), below the 5% to 9% target range. The portfolio recorded adverse claims experience in Cote d'Ivoire, Continental Re and some of the smaller Eastern and Southern region countries, as well as a weaker performance from the health business. A net insurance margin of 16,3% was achieved for 2021 relative to 9,0% in 2020.

Comments on the results continued

In India, Shriram General Insurance's (SGI) earnings were impacted by the lack of regulated premium increases on third-party business for the past two years and limited ability to finalise claims due to courts in India continuing to operate at limited capacity, which impacts the ability to finalise claims. SGI's net insurance result however remained satisfactory at 25.2% of net earned premiums. The Malaysian general insurance operations recorded higher earnings largely driven by a lower claims ratio.

The investment management portfolio benefited from higher asset-based fees due to the increase in assets under management driven by strong recent net inflows in Botswana, Namibia and Kenya.

Credit and structuring benefited from increased disbursements and collections in India and lower bad debt provisions in the SPA Southern Africa region. Both Letshego and Capricorn Namibia contributed to the improved performance in SPA.

SIG's contribution to net result from financial services increased by 61% largely due to marked-to-market gains on local and offshore listed bonds at SanFin and higher asset-based fees from the improved investment market performance.

SIG net result from financial services for the 12 months ended 31 December

R million	2021	2020	△
Sanlam Investments	608	552	10%
Wealth Management	247	214	15%
International	413	282	46%
Corporate services	(51)	(40)	(28%)
Investment management	1 217	1 008	21%
Sanlam Specialised Finance	631	241	>100%
Gross result from financial services	1 848	1 249	48%
Tax on gross result from financial services	(427)	(378)	(13%)
Non-controlling interest	(123)	(66)	(86%)
Net result from financial services	1 298	805	61%

Sanlam Investments increase is primarily due to higher asset-based fees which was partly offset by lower performance fees in 2021. Excluding performance fees, gross result from financial services was up 14%. The **Wealth Management** business was supported by performance fee income, higher average assets under management and increased income from diversification initiatives. **International** was supported by an improved performance from Sanlam UK.

SanFin benefitted from marked-to-market gains on local and offshore listed bonds as spreads narrowed further relative to 31 December 2020. The preference shares and equity businesses also recorded improved performances while lower credit loss provisions were raised relative to the prior period.

Santam recorded strong operating results for 2021 with the net result from financial services more than doubling relative to 2020. The conventional business recorded a net underwriting margin of 8.0% (2020: 2.5%) of net earned premiums. Santam reviewed its provisions for CBI claims at year-end which resulted in the release of R450 million (R279 million Sanlam's share) from the net provision, contributing approximately 1.7% to the net underwriting margin. Shareholders are referred to Santam's annual results released on 2 March 2022 for more information on its performance.

Net operational earnings

Net operational earnings of R10.3 billion increased by 23%, the combined effect of the 13% increase in net result from financial services and a positive net investment return of R1.3 billion relative to R271 million in 2020. The prior period investment return included a net R726 million expected credit loss provision in Lebanon. Net investment return on capital benefited from the improvement in equity markets over the period but was also impacted by lower dividend income and interest earned on cash balances due to lower interest rates. Project expenses were 62% higher than 2020 largely due to the increased spend on initiatives supporting execution of the Group's strategy, including corporate transactions over the year.

Normalised attributable earnings

Normalised attributable earnings improved from a loss of R694 million in 2020 to a profit of R9.9 billion for 2021. The 2020 year included impairments of R8.6 billion due to the lower valuation of the Shriram and former Saham operations. In 2021 a net impairment reversal of R66 million was recognised, largely due to the reversal of R672 million in respect of Shriram Capital as a result of a recovery of the listed share prices, partly offset by the impairment of goodwill of R356 million in respect of Sanlam Life and Pensions UK (SLP) and R145 million in respect of the B-BBEE SPV.

Headline earnings and diluted headline earnings

Headline earnings and diluted headline earnings per share increased by 27%. The difference in growth between normalised attributable earnings and headline earnings relates primarily to the exclusion of impairments, impairment reversals and the inclusion of fund transfers¹ of negative R387 million (2020: positive R1.4 billion) in headline earnings.

New business volumes and net fund inflows

Business volumes for the 12 months ended 31 December

R million	New business			Net inflows		
	2021	2020	△	2021	2020	△
Cluster						
Sanlam Life and Savings	108 752	77 847	40%	15 257	11 351	34%
Sanlam Emerging Markets	48 799	46 898	4%	19 840	21 192	(6%)
Sanlam Investment Group	171 752	161 470	6%	33 047	21 130	56%
Santam	26 583	24 660	8%	10 178	7 890	29%
Total	355 886	310 875	14%	78 322	61 563	27%
Line of business						
Life insurance	71 747	56 111	28%	12 696	14 613	(13%)
Investment business	241 917	213 625	13%	49 671	32 485	53%
General insurance	42 222	41 139	3%	15 955	14 465	10%
Total	355 886	310 875	14%	78 322	61 563	27%

Overall new business volumes increased by 14% (16% in constant currency) supported by strong sales growth in SLS. All clusters reported significant growth relative to 2019. Overall life insurance new business volumes increased by 28%, investment business increased by 13% and general insurance earned premiums increased by 3%.

SLS new business volumes for the 12 months ended 31 December

R million	2021	2020	△
SA Retail Mass	3 850	2 558	51%
SA Retail Affluent	90 977	65 441	39%
Recurring premium and strategic business development	3 114	2 865	9%
Risk	1 217	1 189	2%
Savings	1 897	1 676	13%
Glacier	87 863	62 576	40%
Life business	42 240	31 681	33%
Investment business	45 623	30 895	48%
Sanlam Corporate	13 925	9 848	41%
Life business	8 235	6 500	27%
Investment business	5 690	3 348	70%
New business volumes	108 752	77 847	40%

¹ Fund transfers include:

- non-economic mismatch profits and losses recognised in terms of IFRS through the elimination of Sanlam shares held in policyholder portfolios as treasury shares (negative R5 million, 2020: positive R515 million);
- the recognition of deferred tax assets in respect of assessed losses in policyholder portfolios (R124 million, 2020: R176 million);
- the consolidation of the B-BBEE SPV which results in the recognition of interest paid on funding in the SPV, marked-to-market changes on the hedging instruments in the structure and administration costs incurred by the SPV (negative R600 million, 2020: negative R14 million);
- the impact of hyperinflation on the opening balance of monetary assets and liabilities (2020: negative R940 million); and
- the elimination of B-BBEE SPV impairments (R145 million, 2020: R1 673 million).

Comments on the results continued

Overall new business volumes at **SLS** were 40% higher than 2020 with robust performances from all businesses over the year.

SA Retail Mass recorded strong new business sales supported by improved agent productivity and increased use of digital tools. The Individual Life business recorded growth of 39%, group business sales increased by 81% and the Capitec Bank funeral business sales increased by 48%.

SA Retail Affluent achieved substantial new business sales growth driven by Glacier life and investment business. Recurring premium risk sales growth was more muted as improved growth from the individual life, Sanlam Indie and MiWay Life businesses, were partially offset by weaker sales of assistance and group risk business in BrightRock; and marginally lower credit life sales from SPL. Individual risk sales from traditional intermediated channels (including BrightRock) increased by 10% on 2020.

Sanlam Corporate's new business volume growth was driven by single premium investment and recurring premium life business. Quote activity in this segment has recovered to pre-pandemic levels but conversion rates remain lower.

SEM recorded overall new business growth of 4% (13% in constant currency) driven by strong volume growth in the life insurance businesses.

SEM new business volumes for the 12 months ended 31 December

R million	2021	2020	△	Constant currency △
SPA Life	31 331	29 096	8%	16%
Life insurance	9 042	7 918	14%	23%
Asset management	22 289	21 178	5%	14%
SPA GI	13 699	13 692	0%	9%
Other international	3 769	4 110	(8%)	1%
India	2 563	2 788	(8%)	2%
Life insurance	868	620	40%	56%
General insurance	1 695	2 168	(22%)	(13%)
Malaysia and other	1 206	1 322	(9%)	0%
New business volumes	48 799	46 898	4%	13%
Life insurance	10 871	9 241	18%	28%
General insurance	15 639	16 479	(5%)	4%
Asset management	22 289	21 178	5%	14%

Life insurance new business volume growth was supported by all regions. In SPA Life, Namibia recorded strong annuity sales and Botswana recorded improved individual life and bancassurance volumes which boosted growth in the Southern Africa region. A strong performance from the North and West Africa region was driven by group life and agency volumes in Morocco and growth in the CIMA region across business lines. In East Africa volume growth was largely due to improved sales of group business in Kenya and credit life volumes in Tanzania. Strong contributions from both India and Malaysia were mainly as a result of diversification in distribution channels.

Asset management new business grew off a high base from 2020 as further large mandates were awarded in Botswana, Namibia and Kenya.

General insurance new business volumes reflect improved constant currency growth from SPA but a weaker performance in India. SPA GI growth was driven by higher volumes in the motor and health business lines in Morocco and an improved performance from Continental Re. Weaker sales in the assistance business and the cancellation of loss-making health business in Cote d'Ivoire detracted from volume growth. Focus remains on protecting the quality of the health book. India new business volumes declined due to the lack of premium increases on third-party business as regulated by government and lower volumes from the credit businesses during the COVID-19 related lockdown periods. Malaysia volumes decreased in constant currency due to lower sales through agency channels as the businesses shifted focus to direct channels.

Net fund inflows at **SIG** improved by 56% to R33 billion, while new business volumes were 6% higher than 2020. Net fund inflows more than doubled in Sanlam Investments, with strong recoveries in both retail and institutional funds. Satrix, Sanlam Multi-Manager and the Retail Implemented Consulting initiative all performed well. Wealth Management and International net inflows were lower than 2020.

Santam achieved satisfactory gross written premium growth of 5% in the conventional insurance business. The Santam Commercial and Personal intermediated business reported low growth for the year, however, various growth initiatives are showing positive results, which should assist future growth. The Santam Specialist business achieved improved growth during the second half of 2021. MiWay achieved impressive growth of 9% in the current operating environment. Gross written premiums from outside South Africa grew by 6% and strong growth was achieved by Santam Re.

Group **net fund inflows** of R78,3 billion were 27% higher than 2020 (up 32% in constant currency) and 38% higher than 2019, despite the large mortality-related outflows in SLS. The significant improvement in net inflows at Sanlam Glacier and Sanlam Investments were key drivers of the improvement. SEM also contributed strongly compared to 2019.

Value of new covered business

Net VNB recorded strong improvements across the portfolio, with all businesses above 2019 levels. In SLS the Retail Mass VNB increased by 60%, Retail Affluent increased by 16% and Corporate VNB more than doubled. In SEM strong improvements in VNB were reported across the Pan-Africa portfolio as well as in India and Malaysia. SEM VNB increased 87% and up 115% in constant currency.

The Group covered business net VNB margin was higher than 2020 and slightly below 2019.

Value of new life business for the 12 months ended 31 December*

R million	2021	2020	△	Constant economic basis △
Net value of new covered business	2 764	1 921	44%	51%
SLS	2 235	1 638	36%	51%
SEM	529	283	87%	54%
Net present value of new business premiums	96 182	74 591	29%	31%
SLS	79 308	59 947	32%	34%
SEM	13 198	11 176	18%	19%
SIG	3 676	3 468	6%	6%
Net new covered business margin	2,87%	2,58%		2,98%
SLS	2,82%	2,73%		3,07%
SEM	4,01%	2,53%		3,27%

* See page 38 for more detailed disclosure.

Capital and solvency

The capital and solvency position of the Group and its main operating entities remained strong and within target ranges on 31 December 2021. The solvency cover ratio of Sanlam Life covered business was 178% (31 December 2020: 197%), the solvency position of Sanlam Life solo was 214% (31 December 2020: 257%) and the Group solvency cover ratio was 173% (31 December 2020: 186%).

The reported Sanlam Group solvency position on 31 December 2020 of 191% has been restated to 186% to reflect the Prudential Authority's revised methodology in the treatment of certain Sanlam Emerging Markets entities in the calculation of Group solvency that was applied retrospectively.

The reduction in the Group solvency cover ratio from 186% to 173% is attributable to the annual dividend payment, higher prescribed equity stresses and negative experience variances and assumptions changes that were partially offset by the positive impact from net unwind of in-force business, operating profits and value of new business.

The Group implemented methodology changes on 31 December 2021 for the calculation of Group solvency. The two main changes are the deduction of foreseeable dividends from Group own funds and the adoption of the accounting consolidation methodology for the South African insurance entities.

The Group solvency ratio reduced further after allowing for the deduction for foreseeable dividends from the eligible own funds on 31 December 2021. Previously the published ratio did not allow for a deduction for foreseeable dividends from the eligible own funds. This reduction was partially offset by other methodology changes including the adoption of the accounting consolidation method, for the South African insurance entities, in the calculation of Group solvency.

Comments on the results continued

The Sanlam Life covered ratio also reduced for the same reasons as the Group ratio except for the annual dividend payment which is excluded from own funds for Life Covered business.

Discretionary capital increased from R636 million on 31 December 2020 to R2,9 billion on 31 December 2021. The increase is largely due to the net proceeds received from the sale of Nucleus Financial Group plc of some R1,2 billion and a release of capital from operations of R1,0 billion.

The conditions precedent relating to the proposed acquisition by SAN JV (RF) of an additional 22,8% in Saham Assurance Maroc, were not fulfilled. The proposed transaction accordingly lapsed. SAN JV's shareholding in Saham Assurance Maroc remains at 61,7%.

In September 2021 we announced the proposed sale of Sanlam UK's 100% shareholding in Sanlam Life and Pensions, Sanlam Private Investments and Sanlam Wealth Planning. The total net consideration for the transactions is £153 million. The transactions are subject to regulatory approval and are expected to close in the first half of 2022. These transactions will add to discretionary capital in 2022.

The Group has historically maintained discretionary capital of around R1,0 billion in normal circumstances in order to fund small and opportunistic acquisitions. However, the continuing uncertainty posed by the COVID-19 pandemic and the reduced discretionary reserves following the 2021 release of some of these reserves, has resulted in a change in the target level of our discretionary capital buffer.

The Group intends to hold a significantly higher discretionary buffer during the course of 2022, and, if necessary, for longer to provide protection against any further significant COVID-19 waves that may negatively impact mortality experience despite the premium increases implemented in respect of group risk business. The Board will actively monitor the position and may review this situation if it appears that the higher discretionary capital is not required. The Group's normal capital allocation policy will guide the use of such surplus capital.

Sanlam Life redeemed a tranche of R1 billion subordinated debt notes (SLI4) on the first call maturity date on 16 August 2021. Sanlam Life issued new subordinated debt notes (SLI5, SLI6 and SLI7) totalling R2 billion on 16 August 2021. The new notes were assigned a credit rating of zaA+ by S&P Global Ratings.

Governance, people and culture

Governance, people and culture are important areas that the Group continues to focus on. Three new independent Board members were appointed in 2021, bringing the Board to a majority of independent directors. New CEOs for Sanlam Investment Group and Santam were appointed and the Group's Chief Information Officer was appointed to the Group Executive Committee. These appointments underline Sanlam's commitment to sound corporate governance while ensuring an appropriate mix of skills, experience and corporate memory on our Board and Executive Committee.

We extend our gratitude and well wishes to Dr Rejoice Simelane, who retired from the Sanlam Board in March 2022. Dr Simelane has served the Sanlam Group, contributing to its growth and transformation, for the past 18 years, especially as an active member of the Social, Ethics and Sustainability committee.

The Group regrets to announce that Mr Jurie Strydom, current Chief Executive Officer (CEO) of the Sanlam Life and Savings cluster, has decided to step down from his role and will be leaving Sanlam at the end of June 2022. Jurie has been with the Group since 2016, previously as CEO of Sanlam Personal Finance. Under his leadership these clusters have achieved market-leading results and competitive positionings, most recently through the COVID-19 pandemic. Details regarding the appointment of a successor will be announced in due course.

Sanlam's culture journey, "Winning as One" signals our commitment to collaboration and leveraging synergies in supporting strategy execution. Our investment in developing our people and the culture journey brings leadership to life, involving employees in crafting solutions, being intentional about what we do and how we do things. We used an internationally recognised framework and methodology to understand and measure the Sanlam culture. Sanlam's culture score improved in 2021 and was significantly higher than the industry average. This will support our ambitions to drive a new phase of growth for the Group as we transform into a future-fit business.

As part of Sanlam's data security, to ensure sound data security practices are implemented, the information and data policy was refined and approved by the Sanlam Board. Data governance teams, and data stewardship are fully operational, looking at aspects such as data privacy and security. With POPIA coming into effect in 2021, Sanlam Group Technology has embedded the data privacy management capabilities. On the technical front, data protection and leakage prevention, and data activity monitoring continue to be deployed and provide increased levels of data security.

Outlook

The economies in Africa continue to recover from the economic damage caused by the pandemic. Despite this continued growth and recovery, the penetration of insurance and savings remains low across the continent. Sanlam is well-positioned to capture this growth opportunity by leveraging the reach of our broad platform and partnership model to drive financial inclusion through providing simple products, at scale, using increased digital capabilities.

The impact of the pandemic will however persist, and we believe there will be further waves of infection. The relevant local vaccination programmes will affect the impact that future waves have on mortality experience. COVID-19 will eventually become endemic, and vaccination will constitute the most significant means of controlling the disease.

As previously indicated, the Group expects to retain modest discretionary reserves to mitigate any mortality losses after 2021. The Group has implemented management actions, including risk-based repricing of all group schemes, redesign of retail risk products, implementation of new underwriting protocols and strengthening of the mortality basis. It however remains difficult to accurately forecast the extent and timing of future waves and their impact. These management actions are therefore likely to remain in place for the foreseeable future.

In addition to the management actions, the Group will maintain a higher level of discretionary capital than is normal for a period of time, to provide a buffer should the management actions taken prove to be inadequate. The Group will target a minimum of R3 billion of discretionary capital, which may be used to mitigate the impact of any unexpected COVID-19 mortality experience.

Our digital transformation journey has progressed well in 2021. We empowered our agents through digital tools which supported improved productivity, developed our portfolio of digital platforms further and enhanced our client experience. Sanlam will build on these foundations as we continue to modernise our business and invest in new capabilities, partnerships and assets to build disruptive, trusted platforms and ecosystems through scalable technology.

The Group's new business volumes are at elevated levels and have benefited from an increase in savings rates due to our clients response to the pandemic. As behaviour normalises and short-term interest rates gradually increase, new business growth rates are likely to moderate. We therefore do not expect the new business growth rates of 2021 to persist in 2022. Sanlam is however well-positioned to retain our strong market positioning and the gains attained in 2021.

The gains in equity markets in 2021 also had a positive impact on our South Africa and Africa operations. The SPA GI business recorded strong earnings growth due to higher float income. We expect a more normalised performance from equity markets in 2022 and therefore do not expect a repeat of these gains in 2022.

Dividends

Sanlam's dividend policy is based on cash operating earnings, which is equal to the portion of the business clusters reported operating earnings that are distributed to the Group as cash dividends. The level of cash earnings available for distribution to the Group is informed by several factors, including working capital requirements, as well as the solvency position of the various entities within a cluster. The key principle is that the entities within a cluster should be sufficiently capitalised after a dividend distribution to ensure compliance with internal risk appetites and local regulatory solvency requirements, taking cognisance of future growth plans. The same considerations apply in setting the Sanlam dividend, taking due cognisance of the Group solvency position under the South African regulations.

The dividend policy continues to align with the guidance issued by the Prudential Authority. At a secondary level, the Group's objective is to maintain a 1.0x - 1.2x times Group cash operating earnings cover in any year to manage a smooth dividend profile.

Sanlam Limited was able to declare a dividend of 334 cps (2020: 300 cps) within its normal dividend policy range without having significant impact on the ability of the Group to deal with further financial stresses. Furthermore, the Group's solvency position remains strong at 173% on 31 December 2021.

The declaration of a dividend by Sanlam reflects the continued resilience of the Group and the Board's confidence in the underlying strength of the business.

Shareholders are advised that a final gross cash dividend of 334 cents per share was declared for the year ended 31 December 2021, an increase of 11% on the prior year dividend. The dividend is payable on Monday, 11 April 2022 by way of electronic bank transfers to ordinary shareholders recorded in the register of Sanlam at close of business on Friday, 8 April 2022. The last date to trade to qualify for this dividend will be Tuesday, 5 April 2022, and Sanlam shares will trade ex-dividend from Wednesday, 6 April 2022. Share certificates may not be dematerialised or rematerialised between Wednesday, 6 April 2022 and Friday, 8 April 2022, both days included. Shareholders who have not yet provided their banking details for dividend payments are requested to do so by contacting Sanlam's transfer secretary, Computershare, at 0861 100 913 or +27 (0)11 370 5000.

The South African dividend withholding tax regime applies in respect of this dividend. The dividend in full will be subject to the 20% withholding tax, where applicable, which results in a net dividend, to the shareholders who are not exempt from paying dividend tax, of 267,2 cents per share. The number of ordinary shares in issue in the company's share capital as at the date of the declaration is 2 049 418 848 excluding treasury shares of 177 555 560. The company's tax reference number is 9536/346/84/5.

Annexure

Equity markets

	December 2021 (year-to-date)	December 2020 (year-to-date)
Equity markets - change in indices		
South Africa All Share	24,1%	4,1%
South Africa Swix	16,9%	0,0%
MSCI World (in rand)	32,4%	21,7%
India Sensex	23,0%	15,7%
Botswana All Share	1,9%	(8,2%)
Morocco All Share	18,0%	(7,3%)
Côte d'Ivoire BRVM COMP	39,1%	(8,7%)
United Kingdom FTSE 100	14,3%	(14,3%)

Long-term interest rates

	31 December 2021	31 December 2020
Interest rates - Sanlam reference government bond yield		
South Africa (nine-year)	10,3%	9,6%
South Africa (five-year)	8,2%	6,7%
Namibia	9,5%	8,1%
Botswana	6,8%	7,5%
Morocco	2,3%	2,4%
Côte d'Ivoire	5,9%	5,8%
India	6,6%	6,1%
Malaysia	3,7%	2,6%
United Kingdom	1,2%	0,5%
Nigeria	13,7%	7,4%

Foreign currency exchange rates

Foreign currency/ZAR	United Kingdom	USA	Botswana	India	Morocco	Angola	Malaysia
Closing 31/12/2020	20,08	14,69	1,36	0,20	1,65	0,02	3,64
Closing 31/12/2021	21,62	15,96	1,36	0,21	1,72	0,03	3,82
(Strengthening)/Weakening	7,7%	8,7%	(0,2%)	6,7%	4,4%	29,2%	5,0%
Average 2020	20,99	16,34	1,44	0,22	1,73	0,03	3,91
Average 2021	20,32	14,76	1,33	0,20	1,64	0,02	3,57
(Strengthening)	(3,2%)	(9,6%)	(7,2%)	(9,9%)	(5,1%)	(17,6%)	(8,7%)



Shareholders' information

Confidence Rule 60:

**IF YOU BELIEVE
IN IT INVEST IN IT.**

Group Equity Value

at 31 December

R million	Note	Group Equity Value		Value of in-force/ Fair value adjustment		Adjusted net asset value		Elimination of goodwill and VOBA		Shareholders' fund at net asset value	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Sanlam Life and Savings		54 159	52 278	45 942	43 137	8 217	9 141	(1 020)	(1 240)	9 237	10 381
Covered business ⁽¹⁾	7.1.1	48 937	47 597	42 997	40 619	5 940	6 978	(1 020)	(1 240)	6 960	8 218
SA Retail Affluent		31 849	32 043	28 998	28 024	2 851	4 019	(662)	(681)	3 513	4 700
SA Retail Mass		11 761	10 596	10 548	9 696	1 213	900	(189)	(371)	1 402	1 271
Sanlam Corporate		5 327	4 958	3 451	2 899	1 876	2 059	(169)	(188)	2 045	2 247
Non-Covered business		5 222	4 681	2 945	2 518	2 277	2 163	-	-	2 277	2 163
SA Retail Affluent		4 319	4 035	3 095	2 847	1 224	1 188	-	-	1 224	1 188
Glacier		2 736	2 553	2 321	2 139	415	414	-	-	415	414
Other operations		1 583	1 482	774	708	809	774	-	-	809	774
Sanlam Corporate: Health		903	646	(150)	(329)	1 053	975	-	-	1 053	975
Sanlam Emerging Markets		40 354	35 323	7 493	5 381	32 861	29 942	(3 089)	(3 154)	35 950	33 096
Covered business	7.2.8	9 026	8 638	3 801	3 775	5 225	4 863	(3 089)	(3 154)	8 314	8 017
SPA Life		6 923	6 793	2 947	3 029	3 976	3 764	(2 469)	(2 520)	6 445	6 284
Saham		1 533	1 548	22	92	1 511	1 456	(1 728)	(1 774)	3 239	3 230
Namibia		2 084	2 063	1 562	1 546	522	517	-	-	522	517
Botswana		1 540	1 588	1 153	1 216	387	372	-	(2)	387	374
Other African operations		1 766	1 594	210	175	1 556	1 419	(741)	(744)	2 297	2 163
India		1 092	1 002	491	393	601	609	(322)	(302)	923	911
Malaysia		1 011	843	363	353	648	490	(298)	(332)	946	822
Non-Covered business		31 328	26 685	3 692	1 606	27 636	25 079	-	-	27 636	25 079
SPA GI		18 612	16 877	3 610	2 081	15 002	14 796	-	-	15 002	14 796
Saham		17 474	15 827	3 719	2 241	13 755	13 586	-	-	13 755	13 586
Other general insurance operations		1 138	1 050	(109)	(160)	1 247	1 210	-	-	1 247	1 210
India		11 749	8 954	826	191	10 923	8 763	-	-	10 923	8 763
Other operations		967	854	(744)	(666)	1 711	1 520	-	-	1 711	1 520
Sanlam Investment Group ⁽²⁾		19 583	19 003	10 234	9 337	9 349	9 666	-	(356)	9 349	10 022
Covered business ⁽¹⁾	7.3.2	2 614	3 091	(894)	(182)	3 508	3 273	-	(356)	3 508	3 629
Non-Covered business		16 969	15 912	11 128	9 519	5 841	6 393	-	-	5 841	6 393
Sanlam Investments		3 209 ⁽³⁾	2 949 ⁽³⁾	1 844	1 639	1 365	1 310	-	-	1 365	1 310
Wealth Management		3 273	2 588	3 026	2 331	247	257	-	-	247	257
International ⁽⁴⁾		8 917	8 928	4 896	4 190	4 021	4 738	-	-	4 021	4 738
Sanlam Specialised Finance		1 570	1 447	1 362	1 359	208	88	-	-	208	88
Santam		18 241	17 277	10 587	10 923	7 654	6 354	-	-	7 654	6 354
Dividend pool		6 887	6 185	-	-	6 887	6 185	-	-	6 887	6 185
Discretionary capital		2 936	636	-	-	2 936	636	-	-	2 936	636
Other capital		2 718	3 597	-	-	2 718	3 597	(1 197)	(1 197)	3 915	4 794
Present value of holding company expenses	15	(2 488)	(2 487)	(2 488)	(2 487)	-	-	-	-	-	-
Group Equity Value		142 390	131 812	71 768	66 291	70 622	65 521	(5 306)	(5 947)	75 928	71 468
Covered business	2	60 577	59 326	45 904	44 212	14 673	15 114	(4 109)	(4 750)	18 782	19 864
Non-Covered business	5.1	71 760	64 555	28 352	24 566	43 408	39 989	-	-	43 408	39 989
Group operations		132 337	123 881	74 256	68 778	58 081	55 103	(4 109)	(4 750)	62 190	59 853
Discretionary and other capital		10 053	7 931	(2 488)	(2 487)	12 541	10 418	(1 197)	(1 197)	13 738	11 615
Group Equity Value		142 390	131 812	71 768	66 291	70 622	65 521	(5 306)	(5 947)	75 928	71 468
Value per share	14	64,44	59,20							34,36	32,10

⁽¹⁾ Excludes subordinated debt funding of Sanlam Life.⁽²⁾ Sanlam Investment Group includes Sanlam Life and Pensions in the UK at a disposal value of R804 million (2020 embedded value of R1 125 million).⁽³⁾ Includes Sanlam share (75%) of the third party asset management business of R3 763 million (31 December 2020: R3 379 million).⁽⁴⁾ Includes the UK Wealth and Financial Planning businesses at a net disposal value of R2 562 million (2020: Directors' valuation of R1 839 million).

Analysis of Group Equity Value by line of business

at 31 December

R million	Total		Life Business		General Insurance		Investment Management		Credit and Structuring		Administration, Health and Other	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Southern Africa	99 005	92 374	54 960	53 387	19 017	17 934	7 744	6 576	4 340	3 926	12 944	10 551
South Africa	90 577	84 590	50 747	49 263	18 241	17 277	6 975	5 881	2 196	2 090	12 418	10 079
Other	8 428	7 784	4 213	4 124	776	657	769	695	2 144	1 836	526	472
North and West Africa	18 277	16 639	2 197	2 068	17 414	15 871	-	-	-	-	(1 334)	(1 300)
East Africa	1 144	1 170	519	607	685	654	183	161	-	-	(243)	(252)
Other International	23 964	21 629	2 901	3 264	2 786	2 434	9 046	9 060	9 231	6 794	-	77
Total	142 390	131 812	60 577	59 326	39 902	36 893	16 973	15 797	13 571	10 720	11 367	9 076

Change in Group Equity Value

at 31 December 2021

R million	GEV at the beginning of the period	Earnings	Net capital investment	Dividend paid	GEV at the end of the period
Sanlam Life and Savings	52 278	7 913	(1 339)	(4 693)	54 159
Covered business	47 597	6 958	(1 339)	(4 279)	48 937
SA Retail Affluent ⁽¹⁾	32 043	5 434	(1 360)	(4 268)	31 849
SA Retail Mass	10 596	1 637	297	(769)	11 761
Sanlam Corporate	4 958	(113)	(276)	758	5 327
Non-Covered business	4 681	955	-	(414)	5 222
SA Retail Affluent	4 035	623	-	(339)	4 319
Glacier	2 553	362	-	(179)	2 736
Other operations	1 482	261	-	(160)	1 583
Sanlam Corporate: Health	646	332	-	(75)	903
Sanlam Emerging Markets	35 323	5 618	638	(1 225)	40 354
Covered business	8 638	906	(40)	(478)	9 026
SPA Life	6 793	646	(44)	(472)	6 923
Saham	1 548	26	(6)	(35)	1 533
Namibia	2 063	157	(37)	(99)	2 084
Botswana	1 588	22	3	(73)	1 540
Other African operations	1 594	441	(4)	(265)	1 766
India	1 002	156	(97)	31	1 092
Malaysia	843	104	101	(37)	1 011
Non-Covered business	26 685	4 712	678	(747)	31 328
SPA GI	16 877	1 727	224	(216)	18 612
Saham	15 827	1 562	198	(113)	17 474
Other general insurance operations	1 050	165	26	(103)	1 138
India	8 954	2 856	64	(125)	11 749
Other operations	854	129	390	(406)	967
Sanlam Investment Group	19 003	2 764	(1 034)	(1 150)	19 583
Covered business	3 091	(374)	69	(172)	2 614
Non-Covered business	15 912	3 138	(1 103)	(978)	16 969
Sanlam Investments	2 949	553	-	(293)	3 209
Wealth Management	2 588	847	3	(165)	3 273
International	8 928	1 292	(1 106)	(197)	8 917
Sanlam Specialised Finance	1 447	446	-	(323)	1 570
Santam	17 277	1 257	-	(293)	18 241
Discretionary capital	636	109	2 191	-	2 936
Other capital	9 782	(452)	6 890	(6 615)	9 605
Present value of holding company expenses	(2 487)	(1)	-	-	(2 488)
Elimination of intergroup dividends	-	-	(7 361)	7 361	-
Group Equity Value	131 812	17 208	(15)	(6 615)	142 390
Covered business	59 326	7 490	(1 310)	(4 929)	60 577
Non-Covered business	64 555	10 062	(425)	(2 432)	71 760
Group operations	123 881	17 552	(1 735)	(7 361)	132 337
Discretionary and other capital	7 931	(344)	9 081	(6 615)	10 053
Elimination of intergroup dividends	-	-	(7 361)	7 361	-
Group Equity Value	131 812	17 208	(15)	(6 615)	142 390

⁽¹⁾ The release of discretionary reserves against excess risk claims experience is reported under SA Retail Affluent in Change in Group Equity Value, but shown separately in the detailed information as reported in note 7.1 on page 52.

at 31 December 2020

R million	GEV at the beginning of the period	Earnings	Net capital investment	Dividend paid	GEV at the end of the period
Sanlam Life and Savings	53 061	4 045	(397)	(4 431)	52 278
Covered business	48 306	4 032	(454)	(4 287)	47 597
SA Retail Affluent	32 894	2 679	(434)	(3 096)	32 043
SA Retail Mass	10 076	1 170	53	(703)	10 596
Sanlam Corporate	5 336	183	(73)	(488)	4 958
Non-Covered business	4 755	13	57	(144)	4 681
SA Retail Affluent	4 171	(93)	55	(98)	4 035
Glacier	2 501	208	-	(156)	2 553
Other operations	1 670	(301)	55	58	1 482
Sanlam Corporate: Health	584	106	2	(46)	646
Sanlam Emerging Markets	40 731	(4 106)	701	(2 003)	35 323
Covered business	8 794	(446)	979	(689)	8 638
SPA Life	7 171	(666)	906	(618)	6 923
Saham	2 306	(677)	(139)	58	1 548
Namibia	1 997	261	(21)	(174)	2 063
Botswana	1 575	213	36	(236)	1 588
Other African operations	1 293	(463)	1 030	(266)	1 594
India	935	89	9	(31)	1 002
Malaysia	688	131	64	(40)	843
Non-Covered business	31 937	(3 660)	(278)	(1 314)	26 685
SPA GI	20 142	(3 161)	443	(547)	16 877
Saham	19 400	(3 177)	146	(542)	15 827
Other general insurance operations	742	16	297	(5)	1 050
India	9 282	(315)	105	(118)	8 954
Other operations	2 513	(184)	(826)	(649)	854
Sanlam Investment Group	20 050	8	(510)	(545)	19 003
Covered business	3 056	138	(65)	(38)	3 091
Non-Covered business	16 994	(130)	(445)	(507)	15 912
Sanlam Investments	5 058	(1 174)	(790)	(145)	2 949
Wealth Management	2 275	450	-	(137)	2 588
International	7 997	820	345	(234)	8 928
Sanlam Specialised Finance	1 664	(226)	-	9	1 447
Santam	19 675	(1 911)	-	(487)	17 277
Discretionary capital	220	98	318	-	636
Other capital	11 504	(1 491)	7 134	(7 365)	9 782
Present value of holding company expenses	(1 970)	(517)	-	-	(2 487)
Elimination of intergroup dividends	-	-	(7 466)	7 466	-
Group Equity Value	143 271	(3 874)	(220)	(7 365)	131 812
Covered business	60 156	3 724	460	(5 014)	59 326
Non-Covered business	73 361	(5 688)	(666)	(2 452)	64 555
Group operations	133 517	(1 964)	(206)	(7 466)	123 881
Discretionary and other capital	9 754	(1 910)	7 452	(7 365)	7 931
Elimination of intergroup dividends	-	-	(7 466)	7 466	-
Group Equity Value	143 271	(3 874)	(220)	(7 365)	131 812

Return on Group Equity Value

at 31 December

%	2021	2020
Sanlam Life and Savings	15,1	7,6
Covered business	14,6	8,3
SA Retail Affluent ⁽¹⁾	17,0	8,1
SA Retail Mass	15,4	11,6
Sanlam Corporate	(2,3)	3,4
Non-Covered business	20,4	0,3
SA Retail Affluent	15,4	(2,2)
Glacier	14,2	8,3
Other operations	17,6	(17,8)
Sanlam Corporate: Health	51,4	18,1
Sanlam Emerging Markets	15,9	(10,2)
Covered business	10,4	(5,2)
SPA Life	9,5	(8,9)
Saham	1,7	(31,3)
Namibia	7,6	13,1
Botswana	1,4	13,5
Other African operations	27,8	(27,6)
India	15,6	9,5
Malaysia	12,3	19,0
Non-Covered business	17,6	(11,6)
SPA GI	10,2	15,5
Saham	9,9	(16,3)
Other general insurance operations	15,5	1,2
India	31,9	(3,3)
Other operations	15,1	(9,7)
Sanlam Investment Group	14,6	-
Covered business	(12,1)	4,5
Non-Covered business	19,7	(0,8)
Sanlam Investments	18,8	(23,3)
Wealth Management	32,7	19,8
International	14,5	10,2
Sanlam Specialised Finance	30,8	(13,6)
Santam	7,3	(9,7)
Discretionary capital and other	(4,3)	(18,8)
Group Equity Value	13,1	(2,7)
Covered business	12,6	6,2
Non-Covered business	15,6	(7,8)
Group operations	14,2	(1,5)
Discretionary and other capital	(4,3)	(18,8)
Group Equity Value	13,1	(2,7)
RoGEV per share	13,9	(2,8)
<i>Sanlam Group hurdle rate</i>	<i>13,6</i>	<i>13,3</i>

⁽¹⁾ The release of discretionary reserves against excess risk claims experience is reported under SA Retail Affluent in Change in Group Equity Value, but shown separately in the detailed information as reported in note 7.1 on page 52.

Cumulative RoGEV average growth rate

up to 31 December 2021

%	3 years	4 years	5 years
Sanlam Life and Savings	13,9%	13,3%	14,2%
Sanlam Emerging Markets	(1,1%)	2,7%	4,4%
Sanlam Investment Group	7,2%	6,3%	7,8%
Santam	(0,6%)	3,0%	5,9%
Sanlam Group RoGEV	5,2%	6,5%	8,1%

Analysis of GEV Earnings

for the year ended 31 December

Covered business⁽¹⁾

R million	Total		Value of in-force		Cost of capital		Adjusted net asset value	
	2021	2020	2021	2020	2021	2020	2021	2020
Operational earnings	7 100	5 428	2 672	119	69	(161)	4 359	5 470
Value of new life insurance business ⁽²⁾	2 764	1 921	5 836	4 835	(282)	(247)	(2 790)	(2 667)
Unwinding of discount rate	5 538	5 576	5 296	5 360	242	216	-	-
Expected profit	-	-	(7 677)	(7 831)	-	-	7 677	7 831
Operating experience variances	(2 742)	367	107	347	(94)	(59)	(2 755)	79
Risk experience	(4 205)	(125)	(232)	(47)	1	9	(3 974)	(87)
Persistence	712	157	908	358	(68)	(28)	(128)	(173)
Maintenance expenses	150	67	(4)	15	(3)	-	157	52
Working capital management	365	457	-	-	-	-	365	457
Credit spread	295	129	-	-	-	-	295	129
Other	(59)	(318)	(565)	21	(24)	(40)	530	(299)
Operating assumption changes	1 540	(2 436)	(890)	(2 592)	203	(71)	2 227	227
Risk experience	(867)	438	(2 072)	(218)	8	1	1 197	655
Persistence	1 533	(1 856)	1 769	(1 514)	(54)	(12)	(182)	(330)
Maintenance expenses	(91)	(353)	77	(267)	-	(3)	(168)	(83)
Modelling changes and other	965	(665)	(664)	(593)	249	(57)	1 380	(15)
Net investment return	925	184	-	-	-	-	925	184
Expected return on adjusted net asset value	956	1 006	-	-	-	-	956	1 006
Investment variances on adjusted net asset value	(31)	(822)	-	-	-	-	(31)	(822)
Valuation and economic basis	211	(1 279)	(240)	(850)	(119)	27	570	(456)
Investment variances on in-force business	1 402	(1 599)	999	(1 202)	(85)	23	488	(420)
Economic assumption changes	(1 310)	125	(1 399)	148	7	13	82	(36)
Investment yields	(1 303)	104	(1 399)	141	11	(2)	85	(35)
Long-term asset mix assumptions and other	(7)	21	-	7	(4)	15	(3)	(1)
Foreign currency translation differences	119	195	160	204	(41)	(9)	-	-
Change in tax basis	(80)	19	(78)	20	(2)	(1)	-	-
Net project expenses	(10)	(18)	-	-	-	-	(10)	(18)
Revaluation of business held for sale	(595)	-	(804)	-	209	-	-	-
Loss on change in ownership	(61)	-	-	-	-	-	(61)	-
Goodwill and VOBA from business combinations	-	(610)	-	(610)	-	-	-	-
GEV earnings: covered business	7 490	3 724	1 550	(1 321)	157	(135)	5 783	5 180
Acquired value of in-force	84	907	19	724	(5)	(89)	70	272
Transfers (to) other Group operations	(920)	(146)	(29)	(146)	-	-	(891)	-
Transfers from covered business	(5 403)	(5 315)	-	-	-	-	(5 403)	(5 315)
Embedded value of covered business at the beginning of the period	59 326	60 156	47 887	48 630	(3 675)	(3 451)	15 114	14 977
Embedded value of covered business at the end of the period	60 577	59 326	49 427	47 887	(3 523)	(3 675)	14 673	15 114

⁽¹⁾ Refer to note 7.1 for an analysis per cluster.

⁽²⁾ Refer to note 1 for further information.

Covered business by cluster

at 31 December

R million	Total		Value of in-force		Cost of capital		Adjusted net asset value	
	2021	2020	2021	2020	2021	2020	2021	2020
Sanlam Life and Savings	48 937	47 597	44 697	42 476	(1 700)	(1 857)	5 940	6 978
Sanlam Emerging Markets	9 026	8 638	4 705	4 613	(904)	(838)	5 225	4 863
Sanlam Investment Group	2 614	3 091	25	798	(919)	(980)	3 508	3 273
Sanlam Group	60 577	59 326	49 427	47 887	(3 523)	(3 675)	14 673	15 114

Analysis of GEV Earnings continued

Non-Covered business

R million	Total		Sanlam Life and Savings		Sanlam Emerging Markets		Sanlam Investment Group		Santam	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Earnings from operations valued at listed share prices	1 260	(1 798)	-	-	-	-	3	113	1 257	(1 911)
Earnings from operations valued at net asset value	159	(5)	-	-	(53)	(80)	212	75	-	-
Earnings from operations valued based on discounted cash flows	8 643	(3 885)	955	13	4 765	(3 580)	2 923	(318)	-	-
Unwinding of discount rate	5 881	6 231	912	977	3 096	3 051	1 873	2 203	-	-
Operating experience and investment variances ⁽¹⁾	225	(5 168)	160	(963)	(127)	(1 395)	192	(2 810)	-	-
General insurance	(313)	(1 429)	-	-	(313)	(1 429)	-	-	-	-
Investment management	227	(2 725)	-	-	35	85	192	(2 810)	-	-
Credit and banking	18	(393)	(88)	(331)	106	(62)	-	-	-	-
Administration, health and other	293	(621)	248	(632)	45	11	-	-	-	-
Operating assumption changes ⁽²⁾	1 917	(8 604)	130	(81)	1 042	(7 751)	745	(772)	-	-
General insurance	53	(5 029)	-	-	53	(5 029)	-	-	-	-
Investment management	760	(825)	-	-	15	(53)	745	(772)	-	-
Credit and banking	1 204	(2 861)	210	(197)	994	(2 664)	-	-	-	-
Administration, health and other	(100)	111	(80)	116	(20)	(5)	-	-	-	-
Economic assumption changes	(1 562)	2 215	(247)	80	(938)	1 444	(377)	691	-	-
Foreign currency translation differences	2 182	1 441	-	-	1 692	1 071	490	370	-	-
GEV earnings: non-covered operations	10 062	(5 688)	955	13	4 712	(3 660)	3 138	(130)	1 257	(1 911)

R million	Total		Sanlam Life and Savings		Sanlam Emerging Markets		Sanlam Investment Group	
	2021	2020	2021	2020	2021	2020	2021	2020
⁽¹⁾ Operating experience and investment variances	225	(5 168)	160	(963)	(127)	(1 395)	192	(2 810)
General insurance business	(313)	(1 429)	-	-	(313)	(1 429)	-	-
Risk experience	(111)	(206)	-	-	(111)	(206)	-	-
Premium income	(133)	(1 829)	-	-	(133)	(1 829)	-	-
Investment return and net fund flows	130	(252)	-	-	130	(252)	-	-
Maintenance expenses	(380)	195	-	-	(380)	195	-	-
Other	181	663	-	-	181	663	-	-
Investment management	227	(2 725)	-	-	35	85	192	(2 810)
Investment return and net fund flows	175	(1 922)	-	-	5	40	170	(1 962)
Other	52	(803)	-	-	30	45	22	(848)
Credit business	18	(393)	(88)	(331)	106	(62)	-	-
Income	(264)	4	(153)	(66)	(111)	70	-	-
Other	282	(397)	65	(265)	217	(132)	-	-
Administration, health and other	293	(621)	248	(632)	45	11	-	-
Income	380	(489)	346	(491)	34	2	-	-
Other	(87)	(132)	(98)	(141)	11	9	-	-
⁽²⁾ Operating assumption changes	1 917	(8 604)	130	(81)	1 042	(7 751)	745	(772)
General insurance business	53	(5 029)	-	-	53	(5 029)	-	-
Risk experience	(756)	1 041	-	-	(756)	1 041	-	-
Premium income	544	(1 689)	-	-	544	(1 689)	-	-
Maintenance expenses	70	145	-	-	70	145	-	-
Modelling and other assumption changes	195	(4 526)	-	-	195	(4 526)	-	-
Investment management	760	(825)	-	-	15	(53)	745	(772)
Net fund flows	(66)	(337)	-	-	38	(69)	(104)	(268)
Other	826	(488)	-	-	(23)	16	849	(504)
Credit business	1 204	(2 861)	210	(197)	994	(2 664)	-	-
Income	321	(2 900)	474	72	(153)	(2 972)	-	-
Bad debts	5	272	(227)	(144)	232	416	-	-
Other	878	(233)	(37)	(125)	915	(108)	-	-
Administration, health and other	(100)	111	(80)	116	(20)	(5)	-	-
Maintenance expenses	(43)	260	(56)	247	13	13	-	-
Other	(57)	(149)	(24)	(131)	(33)	(18)	-	-

Analysis of GEV Earnings continued

Discretionary and other capital

R million	Note	Total	
		2021	2020
Investment return and other ⁽¹⁾		(156)	(1 561)
Corporate expenses		(241)	(603)
Net group office expenses		(240)	(86)
Change in present value of holding company expenses	15	(1)	(517)
Share-based payment transactions		53	254
GEV earnings: discretionary and other capital		(344)	(1 910)

⁽¹⁾ Includes impairment of R145 million (December 2020: R1,7 billion) as described on page 67.

Reconciliation of Group Equity Value earnings

R million	2021	2020
Earnings (excluding fund transfers)	11 164	2 572
Normalised attributable earnings	9 860	(694)
Earnings recognised directly in equity		
Foreign currency translation differences	1 495	2 813
Net cost of treasury shares delivered	(415)	(578)
Share-based payments	468	474
Change in ownership of subsidiaries	(127)	595
Other comprehensive income	(117)	(38)
Fair value adjustments	5 493	(6 613)
Change in fair value adjustments: non-life	3 786	(5 157)
Earnings from covered business: VIF	1 707	(1 456)
Adjustments to net worth	551	167
Present value of holding company expenses	(1)	(517)
Movement in book value of treasury shares: non-life subsidiaries	(74)	(30)
Change in goodwill/VOBA less VIF acquired	626	714
Group Equity Value earnings	17 208	(3 874)

Analysis of Shareholders' Fund Net Asset Value

at 31 December

R million	Note	Sanlam Life ⁽¹⁾		Sanlam Emerging Markets ⁽²⁾		Sanlam Investment Group		Santam		Group office ⁽³⁾		Consolidation entries ⁽⁴⁾		Shareholders' fund at net asset value	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Assets															
Equipment		454	445	660	610	59	90	363	342	-	-	-	-	1 536	1 487
Rights-of-use assets		366	420	204	205	258	311	569	624	-	-	-	-	1 397	1 560
Owner-occupied properties		453	477	1 906	1 999	125	123	19	25	-	-	-	-	2 503	2 624
Goodwill		718	725	12 399	11 875	1 171	1 960	946	946	-	-	1 197	1 197	16 431	16 703
Value of business acquired		533	766	3 947	4 526	238	837	-	-	-	-	-	-	4 718	6 129
Other intangible assets		15	23	444	548	232	159	40	58	-	-	-	-	731	788
Deferred acquisition costs		2 362	2 436	249	331	22	18	-	-	-	-	-	-	2 633	2 785
Investments		20 330	14 645	48 020	40 534	5 210	5 021	29 377	26 677	6 955	7 267	(5 519)	(5 719)	104 373	88 425
Properties		19	-	6 138	5 869	-	-	-	-	-	-	-	-	6 157	5 869
Associated companies	8.1	1 144	1 086	18 501	15 527	356	335	4 294	4 086	-	-	(4 196)	(4 079)	20 099	16 955
Joint ventures	8.2	976	796	-	-	47	42	35	35	-	-	-	-	1 058	873
Equities and similar securities		481	493	7 888	6 588	348	263	2 702	2 314	-	-	3 115	3 161	14 534	12 819
Interest-bearing investments		5 460	4 992	5 842	5 115	143	366	16 875	15 196	6 955	7 267	(4 558)	(4 922)	30 717	28 014
Structured transactions		162	160	5	111	-	-	215	264	-	-	-	-	382	535
Investment funds		9 059	6 453	7 570	6 131	3 972	3 481	4 923	4 433	-	-	120	121	25 644	20 619
Cash, deposits and similar securities		3 029	665	2 076	1 193	344	534	333	349	-	-	-	-	5 782	2 741
Deferred tax		1 195	529	761	1 204	206	207	84	102	-	-	(33)	(23)	2 213	2 019
Assets of disposal groups classified as held for sale		-	-	715	9	2 439	2 187	-	-	-	-	-	-	3 154	2 196
General insurance technical assets		-	-	3 685	4 089	-	-	15 840	9 758	-	-	-	-	19 525	13 847
Working capital assets		7 289	7 765	18 997	19 085	25 674	16 109	16 783	16 445	2 950	3 579	(2 562)	(1 773)	69 131	61 210
Trade and other receivables		1 334	1 266	12 417	12 161	21 717	12 155	8 328	7 015	2 760	3 509	(2 754)	(2 153)	43 802	33 953
Taxation		318	24	822	849	20	23	5	15	-	1	-	-	1 165	912
Cash, deposits and similar securities		5 637	6 475	5 758	6 075	3 937	3 931	8 450	9 415	190	69	192	380	24 164	26 345
Total assets		33 715	28 231	91 987	85 015	35 634	27 022	64 021	54 977	9 905	10 846	(6 917)	(6 318)	228 345	199 773
Equity and liabilities															
Shareholders' fund		18 044	19 473	37 410	34 345	10 291	10 934	7 654	6 354	5 241	5 451	(2 712)	(5 089)	75 928	71 468
Non-controlling interest		49	101	12 431	11 222	472	1 137	5 234	4 547	-	-	(4 724)	(4 507)	13 462	12 500
Total equity		18 093	19 574	49 841	45 567	10 763	12 071	12 888	10 901	5 241	5 451	(7 436)	(9 596)	89 390	83 968
Term finance		1 992	1 004	2 925	1 973	560	607	2 552	3 089	3 470	3 470	-	-	11 499	10 143
Lease liabilities		446	472	216	221	298	347	744	782	-	-	-	-	1 704	1 822
Structured transactions liabilities		220	183	-	-	49	57	1	80	-	-	-	-	270	320
Cell owners' interest		-	-	-	-	-	-	4 900	4 226	-	-	-	-	4 900	4 226
Deferred tax		107	732	3 346	3 218	117	107	63	82	-	-	-	-	3 633	4 139
Liabilities of disposal groups classified as held for sale		-	-	465	-	558	454	-	-	-	-	-	-	1 023	454
General insurance technical provisions		-	-	21 088	20 443	-	-	36 471	29 309	-	-	-	-	57 559	49 752
Working capital liabilities		12 857	6 266	14 106	13 593	23 289	13 379	6 402	6 508	1 194	1 925	519	3 278	58 367	44 949
Trade and other payables		11 973	6 218	13 100	12 614	22 789	12 729	5 837	6 164	1 190	1 915	502	3 224	55 391	42 864
Provisions		43	48	332	170	27	77	174	153	4	10	17	18	597	476
Taxation		841	-	674	809	473	573	391	191	-	-	-	36	2 379	1 609
Total equity and liabilities		33 715	28 231	91 987	85 015	35 634	27 022	64 021	54 977	9 905	10 846	(6 917)	(6 318)	228 345	199 773
Analysis of shareholders' fund															
Covered business		6 960	8 218	8 314	8 017	3 508	3 629	-	-	-	-	-	-	18 782	19 864
Other operations		2 277	2 163	27 636	25 079	5 841	6 393	7 654	6 354	-	-	-	-	43 408	39 989
Discretionary and other capital		8 807	9 092	1 460	1 249	942	912	-	-	5 241	5 451	(2 712)	(5 089)	13 738	11 615
Shareholders' fund at net asset value		18 044	19 473	37 410	34 345	10 291	10 934	7 654	6 354	5 241	5 451	(2 712)	(5 089)	75 928	71 468
Consolidation reserve		941	817	62	62	-	-	-	-	-	-	(7 552)	(7 635)	(6 549)	(6 756)
Shareholders' fund per Group statement of financial position on page 74		18 985	20 290	37 472	34 407	10 291	10 934	7 654	6 354	5 241	5 451	(10 264)	(12 724)	69 379	64 712

⁽¹⁾ Includes the operations of SA Retail Affluent, SA Retail Mass, Sanlam Corporate and discretionary capital held by Sanlam Life.

⁽²⁾ Includes discretionary capital held by Sanlam Emerging Markets.

⁽³⁾ Group Office and Other includes the assets of Genbel Securities and Sanlam Limited Corporate on a consolidated basis.

⁽⁴⁾ Elimination of intercompany balances, other investments and term finance between companies within the Group.

Shareholders' Fund Income Statement

for the year ended 31 December

		Sanlam Life and Savings															
		SA Retail Affluent ⁽¹⁾		SA Retail Mass		Sanlam Corporate		Sanlam Emerging Markets		Sanlam Investment Group		Santam		Group office and other		Total	
R million	Note	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial services income		19 635	14 166	10 509	8 799	7 285	6 230	27 370	25 335	7 558	7 133	27 549	25 673	(274)	(175)	99 632	87 161
Sales remuneration	10	(2 463)	(2 144)	(1 645)	(1 605)	(80)	(80)	(3 893)	(3 650)	(327)	(751)	(3 473)	(3 035)	-	-	(11 881)	(11 265)
Income after sales remuneration		17 172	12 022	8 864	7 194	7 205	6 150	23 477	21 685	7 231	6 382	24 076	22 638	(274)	(175)	87 751	75 896
Underwriting policy benefits		(4 928)	(2 814)	(6 162)	(4 476)	(7 385)	(3 707)	(11 791)	(10 098)	-	-	(16 405)	(16 770)	-	-	(46 671)	(37 865)
Administration costs	11	(4 786)	(4 657)	(1 663)	(1 668)	(1 767)	(1 607)	(6 519)	(6 918)	(5 383)	(5 133)	(4 481)	(4 154)	(458)	(327)	(25 057)	(24 464)
Result from financial services before tax		7 458	4 551	1 039	1 050	(1 947)	836	5 167	4 669	1 848	1 249	3 190	1 714	(732)	(502)	16 023	13 567
Tax on result from financial services		(2 051)	(1 266)	(276)	(392)	556	(224)	(1 839)	(1 254)	(427)	(378)	(836)	(456)	229	137	(4 644)	(3 833)
Result from financial services after tax		5 407	3 285	763	658	(1 391)	612	3 328	3 415	1 421	871	2 354	1 258	(503)	(365)	11 379	9 734
Non-controlling interest		21	-	6	45	-	-	(1 101)	(1 038)	(123)	(66)	(976)	(572)	263	279	(1 910)	(1 352)
Net result from financial services		5 428	3 285	769	703	(1 391)	612	2 227	2 377	1 298	805	1 378	686	(240)	(86)	9 469	8 382
Net investment income		83	201	46	65	44	75	186	244	76	99	96	211	235	186	766	1 081
Investment income	12	92	240	52	76	45	80	400	473	78	120	230	455	175	97	1 072	1 541
Tax on investment income		(9)	(37)	(6)	(11)	(1)	(5)	(153)	(152)	-	(21)	(54)	(109)	27	39	(196)	(296)
Non-controlling interest		-	(2)	-	-	-	-	(61)	(77)	(2)	-	(80)	(135)	33	50	(110)	(164)
Net investment surpluses		111	(30)	54	(12)	57	(1)	(56)	(674)	280	(6)	180	(118)	(82)	31	544	(810)
Investment surpluses		149	(45)	75	(7)	77	(5)	(159)	(720)	365	7	397	(246)	(31)	22	873	(994)
Tax on investment surpluses		(38)	13	(21)	(5)	(20)	4	45	11	(85)	(11)	(102)	48	(10)	4	(231)	64
Non-controlling interest		-	2	-	-	-	-	58	35	-	(2)	(115)	80	(41)	5	(98)	120
Project expenses		(58)	(21)	-	(1)	(4)	(10)	(189)	(178)	(100)	(41)	(28)	(40)	(112)	(13)	(491)	(304)
Net operational earnings		5 564	3 435	869	755	(1 294)	676	2 168	1 769	1 554	857	1 626	739	(199)	118	10 288	8 349
Net amortisation of value of business acquired and other intangibles		(191)	(51)	(7)	(8)	(11)	(5)	(394)	(353)	(97)	(254)	(38)	(28)	-	-	(738)	(699)
Equity participation costs		-	-	-	-	-	-	-	-	-	-	(1)	(1)	-	-	(1)	(1)
Net non-operational equity-accounted earnings		-	-	-	-	(32)	(21)	3	1	-	-	45	30	-	-	16	10
Non-operational equity-accounted earnings		-	-	-	-	(32)	(21)	8	3	-	-	73	49	-	-	49	31
Tax on non-operational equity-accounted headline earnings		-	-	-	-	-	-	(2)	(1)	-	-	-	-	-	-	(2)	(1)
Non-controlling interest		-	-	-	-	-	-	(3)	(1)	-	-	(28)	(19)	-	-	(31)	(20)
Net profit on disposal of subsidiaries and associated companies		16	-	-	-	-	-	10	285	206	-	(3)	-	-	-	229	285
Profit on disposal of subsidiaries and associated companies		21	-	-	-	-	-	10	288	206	-	(4)	-	-	-	233	288
Tax on profit on disposal of subsidiaries and associated companies		(5)	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)	-
Non-controlling interest		-	-	-	-	-	-	-	(3)	-	-	1	-	-	-	1	(3)
Impairments		(5)	-	-	(3)	(8)	(44)	616	(6 370)	(386)	(100)	(6)	(448)	(145)	(1 673)	66	(8 638)
Normalised attributable earnings		5 384	3 384	862	744	(1 345)	606	2 403	(4 668)	1 277	503	1 623	292	(344)	(1 555)	9 860	(694)
Fund transfers ⁽²⁾		(9)	1	120	176	(11)	-	(13)	(873)	(2)	(23)	1	(55)	(473)	2 186	(387)	1 412
Attributable earnings per Group statement of comprehensive income⁽²⁾		5 375	3 385	982	920	(1 356)	606	2 390	(5 541)	1 275	480	1 624	237	(817)	631	9 473	718
Net profit on disposal of subsidiaries and associated companies		(16)	-	-	-	-	-	(10)	(285)	(206)	-	3	-	-	-	(229)	(285)
Expected credit losses included in impairments		-	-	-	-	-	-	-	(279)	-	-	-	(19)	-	-	-	(298)
Impairments		5	-	-	3	8	44	(616)	6 370	386	100	6	448	-	-	(211)	6 965
Net equity-accounted non-headline earnings		-	-	-	-	8	4	-	-	-	-	-	-	-	-	8	4
Headline earnings⁽²⁾		5 364	3 385	982	923	(1 340)	654	1 764	265	1 455	580	1 633	666	(817)	631	9 041	7 104
Diluted earnings per share																	
Weighted average number of shares for operational earnings per share (million)	13															2 224,0	2 226,7
Net result from financial services (cents)		244,0	147,5	34,6	31,6	(62,5)	27,5	100,1	106,7	58,4	36,2	62,0	30,8	(10,8)	(3,8)	425,8	376,4

⁽¹⁾ The release of discretionary reserves against excess risk claims experience is reported under SA Retail Affluent in the income statement but shown separately in the detailed information as reported in note 7.1.

⁽²⁾ 2020 comparative information has been restated to correct a hyperinflation accounting error as reported in the Group's interim results announcement of 9 September 2021. Refer to note 36.1 on page 150 of the online Sanlam Annual Financial Statements.

Net Result from Financial Services

for the year ended 31 December

Analysis by line of business

R million	Life Business		General Insurance		Investment Management		Credit and Structuring		Administration, Health Management and Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Southern Africa	4 674	4 733	1 598	804	503	535	738	305	(347)	(98)	7 166	6 279
South Africa	4 453	4 303	1 230	519	446	495	497	118	108	228	6 734	5 663
Other	221	430	368	285	57	40	241	187	(455)	(326)	432	616
North and West Africa	246	130	619	610	(2)	-	-	(21)	44	(128)	907	591
East Africa	8	37	(3)	9	13	14	-	-	(15)	(17)	3	43
Other International	1	114	324	497	361	152	654	642	53	64	1 393	1 469
Emerging Markets	3	92	324	497	(1)	(1)	654	642	53	64	1 033	1 294
Developed Markets	(2)	22	-	-	362	153	-	-	-	-	360	175
Total	4 929	5 014	2 538	1 920	875	701	1 392	926	(265)	(179)	9 469	8 382

Notes to the Shareholders' Fund Information

for the year ended 31 December

1 Value of new covered business

R million	Note	Sanlam Life and Savings											
		Total		SA Retail Affluent		SA Retail Mass		Corporate		Sanlam Emerging Markets		Sanlam Investment Group	
		2021	2020	2021 ⁽¹⁾	2020	2021	2020	2021	2020	2021	2020	2021	2020
Value of new covered business (at point of sale)													
Gross value of new covered business		3 416	2 507	1 312	1 165	863	524	272	138	961	672	8	8
Cost of capital		(339)	(305)	(90)	(83)	(39)	(7)	(50)	(44)	(152)	(163)	(8)	(8)
Value of new covered business		3 077	2 202	1 222	1 082	824	517	222	94	809	509	-	-
Value of new business attributable to Shareholders' fund	3	2 764	1 921	1 192	1 032	821	512	222	94	529	283	-	-
Non-controlling interest		313	281	30	50	3	5	-	-	280	226	-	-
Value of new covered business		3 077	2 202	1 222	1 082	824	517	222	94	809	509	-	-
Analysis of new business profitability													
<i>Before non-controlling interest</i>													
Present value of new business premiums		102 285	80 239	55 437	44 044	11 705	7 844	12 965	9 047	18 502	15 836	3 676	3 468
New business margin		3,01%	2,74%	2,20%	2,46%	7,04%	6,59%	1,71%	1,04%	4,37%	3,21%	0,00%	0,00%
<i>After non-controlling interest</i>													
Present value of new business premiums		96 182	74 591	54 675	43 112	11 668	7 788	12 965	9 047	13 198	11 176	3 676	3 468
New business margin		2,87%	2,58%	2,18%	2,39%	7,04%	6,57%	1,71%	1,04%	4,01%	2,53%	0,00%	0,00%
Capitalisation factor - recurring premiums		3,8	3,8	5,9	6,0	3,1	3,2	6,4	6,1	2,8	2,8	4,3	4,3

⁽¹⁾ The full yield curve was used to calculate the 2021 VNB of Retail Affluent's core individual risk product (Matrix), in order to ensure a better reflection of the economic value added given the large changes in the yield curve over the year. The impact of the change on the 2021 group VNB is not material.

Notes to the Shareholders' Fund Information for the year ended 31 December continued

1 Value of new covered business (continued)

Geographical analysis

R million	Value of new covered business		Present value of new business premiums		New business margin	
	2021	2020	2021	2020	2021	2020
Before non-controlling interest						
Southern Africa	2 733	2 073	87 604	67 276	3,12%	3,08%
South Africa	2 268	1 693	80 107	60 935	2,83%	2,78%
SA Retail Affluent	1 222	1 082	55 437	44 044	2,20%	2,46%
SA Retail Mass	824	517	11 705	7 844	7,04%	6,59%
Sanlam Corporate	222	94	12 965	9 047	1,71%	1,04%
Other Southern Africa	465	380	7 497	6 341	6,20%	5,99%
North and West Africa	155	16	4 527	3 464	3,42%	0,46%
East Africa	3	26	1 680	1 532	0,18%	1,70%
Other International	186	87	8 474	7 967	2,19%	1,09%
Total	3 077	2 202	102 285	80 239	3,01%	2,74%
After non-controlling interest						
Southern Africa	2 524	1 866	84 410	64 221	2,99%	2,91%
South Africa	2 235	1 638	79 308	59 947	2,82%	2,73%
SA Retail Affluent	1 192	1 032	54 675	43 112	2,18%	2,39%
SA Retail Mass	821	512	11 668	7 788	7,04%	6,57%
Sanlam Corporate	222	94	12 965	9 047	1,71%	1,04%
Other Southern Africa	289	228	5 102	4 274	5,66%	5,33%
North and West Africa	124	1	3 660	2 774	3,39%	0,04%
East Africa	(6)	16	1 088	998	(0,55%)	1,60%
Other International	122	38	7 024	6 598	1,74%	0,58%
Total	2 764	1 921	96 182	74 591	2,87%	2,58%

2 Value of in-force covered business sensitivity analysis

R million	Gross value of in-force business		Cost of capital		Net value of in-force business		Change from base value (%)	
	2021	2020	2021	2020	2021	2020	2021	2020
Base value	49 427	47 887	(3 523)	(3 675)	45 904	44 212		
Risk discount rate increase by 1%	47 000	45 186	(3 951)	(4 147)	43 049	41 039	(6)	(7)
Investment return and inflation decrease by 1%, coupled with a 1% decrease in risk discount rates, and with bonus rates changing commensurately	50 647	48 971	(3 613)	(3 740)	47 034	45 231	2	2
Equity and property values decrease by 10%, without a corresponding change in dividend and rental yields	48 150	46 650	(3 492)	(3 624)	44 658	43 026	(3)	(3)
Expected return on equity and property investments increase by 1%, without a corresponding change in discount rates	50 078	48 577	(3 162)	(3 276)	46 916	45 301	2	2
Rand exchange rate depreciates by 10%	49 733	48 269	(3 605)	(3 769)	46 128	44 500	-	1
Expenses and persistency								
Non-commission maintenance expenses (excluding investment expenses) decrease by 10%	51 450	49 901	(3 531)	(3 680)	47 919	46 221	4	5
Discontinuance rates decrease by 10%	51 170	49 712	(3 603)	(3 777)	47 567	45 935	4	4
Insurance risk								
Mortality and morbidity decrease by 5% for life assurance business	52 230	50 237	(3 516)	(3 673)	48 714	46 564	6	5
Mortality and morbidity decrease by 5% for annuity business	49 232	47 600	(3 535)	(3 683)	45 697	43 917	-	(1)
Gross value of in-force business profile								
Year 1 - 5	58%	53%						
Year 1	18%	15%						
Year 2	13%	12%						
Year 3	11%	10%						
Year 4	9%	9%						
Year 5	7%	7%						
Year 6 - 10	23%	25%						
Year 11 - 20	16%	18%						
Year 20+	3%	4%						

Notes to the Shareholders' Fund Information for the year ended 31 December continued

3 Value of new covered business sensitivity analysis

R million	Gross value of new business		Cost of capital		Net value of new business		Change from base value (%)	
	2021	2020	2021	2020	2021	2020	2021	2020
Base value	3 046	2 168	(282)	(247)	2 764	1 921		
Risk discount rate increase by 1%	2 751	1 918	(319)	(278)	2 432	1 640	(12)	(15)
Investment return and inflation decrease by 1%, coupled with a 1% decrease in risk discount rates, and with bonus rates changing commensurately	3 230	2 312	(293)	(256)	2 937	2 056	6	7
Expenses and persistency								
Non-commission maintenance expenses (excluding investment expenses) decrease by 10%	3 297	2 351	(291)	(271)	3 006	2 080	9	8
Acquisition expenses (excluding commission and commission related expenses) decrease by 10%	3 285	2 403	(292)	(253)	2 993	2 150	8	12
Discontinuance rates decrease by 10%	3 361	2 456	(302)	(269)	3 059	2 187	11	14
Insurance risk								
Mortality and morbidity decrease by 5% for life assurance business	3 408	2 393	(290)	(253)	3 118	2 140	13	11
Mortality and morbidity decrease by 5% for annuity business	3 005	2 154	(291)	(254)	2 714	1 900	(2)	(1)

4 Economic assumptions – covered business

4.1 Gross investment return, risk discount rate and inflation

%	2021	2020
Sanlam Life⁽¹⁾		
Point used on the relevant yield curve	9 year	9 year
Fixed-interest securities	10,3%	9,6%
Equities	13,8%	13,1%
Offshore investments	12,8%	12,1%
Hedged equity	9,3%	8,6%
Property	11,3%	10,6%
Cash	9,3%	8,6%
Inflation rate ⁽¹⁾	8,3%	7,6%
Risk discount rate	12,8%	12,1%
⁽¹⁾ Expense inflation of 11,8% (2020: 11,6%) assumed for retail business administered on old platforms.		
Sanlam Developing Markets⁽¹⁾		
Point used on the relevant yield curve	5 year	5 year
Fixed-interest securities	8,1%	6,7%
Equities and offshore investments	11,6%	10,2%
Hedged equities	7,1%	5,7%
Property	9,1%	7,7%
Cash	7,1%	5,7%
Inflation rate	6,1%	4,7%
Risk discount rate	10,6%	9,2%
⁽¹⁾ Excludes the Sanlam Life products written on the SDM licence.		
Botswana Life Insurance		
Point used on the relevant yield curve	n/a	n/a
Fixed-interest securities	6,8%	7,5%
Equities and offshore investments	10,3%	11,0%
Hedged equities	n/a	n/a
Property	7,8%	8,5%
Cash	5,8%	6,5%
Inflation rate	3,8%	4,5%
Risk discount rate	10,3%	11,0%
Saham Assurance Maroc		
Point used on the relevant yield curve	n/a	n/a
Fixed-interest securities	2,3%	2,4%
Equities and offshore investments	5,8%	5,9%
Hedged equities	n/a	n/a
Property	3,3%	3,4%
Cash	1,3%	1,4%
Inflation rate	0,0%	0,0%
Risk discount rate	6,3%	6,4%
Sanlam Investments and Pensions		
Point used on the relevant yield curve	15 year	15 year
Fixed-interest securities	1,2%	0,5%
Equities and offshore investments	4,4%	3,8%
Hedged equities	n/a	n/a
Property	4,4%	3,8%
Cash	1,2%	0,5%
Inflation rate	3,5%	2,9%
Risk discount rate	4,9%	4,3%

Notes to the Shareholders' Fund Information for the year ended 31 December continued

4 Economic assumptions – covered business (continued)

Illiquidity premiums

Investment returns on non-participating and inflation-linked annuities, as well as guarantee plans include assumed illiquidity premiums due to matching assets being held to maturity.

Assumed illiquidity premiums for 2021 and 2020 generally range between 25bps and 70bps for non-participating annuities, between 25bps and 75bps for inflation-linked annuities and capped at 120bps (2020: 120bps) reflecting both illiquidity premiums and credit risk premium for guarantee plans.

4.2 Asset mix of the assets supporting adjusted net asset value – covered business

%	R million		Fixed-interest securities		Equities		Hedged Equities		Property		Cash		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Required capital														
South Africa ⁽¹⁾	8 660	9 447	-	-	3	2	91	93	-	-	6	5	100	100
Namibia	522	517	6	6	36	36	-	-	-	-	58	58	100	100
Botswana Life	387	372	-	-	-	-	-	-	50	50	50	50	100	100
Saham	1 111	986	95	95	5	5	-	-	-	-	-	-	100	100
Sanlam Life insurance (Kenya)	100	96	85	85	-	-	-	-	-	-	15	15	100	100
Other African operations	1 131	946	74	74	3	3	-	-	3	3	20	20	100	100
Shriram Life Insurance (India)	416	308	90	85	10	10	-	-	-	-	-	5	100	100
MCIS (Malaysia)	619	490	68	69	17	18	-	-	-	-	15	13	100	100
Sanlam Investments and Pensions (UK)	620	612	80	80	-	-	-	-	-	-	20	20	100	100
Total required capital	13 566	13 774												
Free Surplus	1 107	1 340												
Adjusted net asset value	14 673	15 114												

⁽¹⁾ The 31 December 2021 asset mix backing the Sanlam Life required capital is 98% hedged (31 December 2020: 94%).

4.3 Assumed long-term expected return on required capital

%	Gross		Net	
	2021	2020	2021	2020
Sanlam Life	9,3%	8,6%	7,8%	7,2%
Sanlam Developing Markets	8,0%	6,6%	6,7%	5,1%
Sanlam Namibia	11,3%	10,6%	10,2%	9,5%
Sanlam Namibia Holdings	9,4%	8,0%	8,2%	7,0%
Botswana Life Insurance	6,8%	7,5%	5,1%	5,6%
Saham Assurance Maroc	2,3%	2,4%	2,3%	2,4%
Sanlam Life insurance (Kenya)	11,9%	10,8%	8,3%	7,6%
Shriram Life Insurance (India)	7,3%	7,1%	6,2%	6,1%
MCIS (Malaysia)	4,4%	3,4%	4,1%	3,1%
Sanlam Investments and Pensions (UK)	1,6%	0,9%	1,2%	0,8%

Notes to the Shareholders' Fund Information for the year ended 31 December continued

5 Value of non-covered operations sensitivity analysis

5.1 Valuation methodology

R million	Total	
	2021	2020
Listed share price		
Sanlam	18 241	18 688
Sanlam Investment Group: Nucleus ⁽¹⁾	-	1 411
Discounted cash flows		
Sanlam Life and Savings	53 091	45 346
Glacier	2 736	2 553
Sanlam Personal Loans	1 248	1 119
Sanlam Corporate: Health	903	646
Other operations	335	363
Sanlam Emerging Markets	32 325	27 700
Saham	17 474	15 827
India	11 749	8 954
Letshego	1 108	937
Capricorn Investment Holdings	926	825
Other operations	1 068	1 157
Sanlam Investment Group	15 544	12 965
Sanlam Investments	3 114	2 862
Wealth Management	3 273	2 588
International	7 977	6 458
Sanlam Specialised Finance	1 180	1 057
Net asset value		
Sanlam Investment Group	1 425	1 536
Sanlam Investments	95	87
International	940	1 059
Sanlam Specialised Finance	390	390
Sanlam Emerging Markets	(997)	(1 015)
Total	71 760	64 555

⁽¹⁾ Sanlam disposed of its stake in Nucleus in August 2021.

5.2 Sensitivity analysis: businesses valued at discounted cash flows

R million	Base value		Risk discount rate +1%		Perpetuity growth rate +1%	
	2021	2020	2021	2020	2021	2020
Sanlam Life and Savings	5 222	4 681	4 800	4 291	5 397	4 855
Glacier	2 736	2 553	2 496	2 324	2 844	2 662
Sanlam Personal Loans	1 248	1 119	1 165	1 036	1 275	1 150
Sanlam Corporate: Health	903	646	828	594	934	669
Other operations	335	363	311	337	344	374
Sanlam Emerging Markets	32 325	27 700	27 867	24 218	36 479	30 561
Saham	17 474	15 827	15 281	14 155	19 503	17 005
India	11 749	8 954	9 922	7 575	13 620	10 380
Letshego	1 108	937	956	807	1 221	1 034
Capricorn Investment Holdings	926	825	835	738	980	877
Other operations	1 068	1 157	873	943	1 155	1 265
Sanlam Investment Group	15 544	12 965	14 038	11 352	16 507	14 019
Sanlam Investments ⁽¹⁾	3 114	2 862	2 802	2 566	3 258	3 007
Wealth Management	3 273	2 588	3 005	2 356	3 400	2 709
International	7 977	6 458	7 139	5 454	8 630	7 210
Sanlam Specialised Finance	1 180	1 057	1 092	976	1 219	1 093
	53 091	45 346	46 705	39 861	58 383	49 435
Weighted average assumption			14,5%	14,7%	2-7%	2-6%

⁽¹⁾ Includes third party asset management business based on the following main assumptions:

- Weighted average discount rate: 17,8% (2020: 16,9%)
- Weighted average perpetuity growth rate: 5,0% (2020: 5,0%)

R million	Equities and properties -10%		Risk discount rate -1%		Rand exchange rate depreciation +10%	
	2021	2020	2021	2020	2021	2020
Sanlam Life and Savings	4 977	4 467	5 712	5 142	5 222	4 681
Glacier	2 491	2 339	3 017	2 825	2 736	2 553
Sanlam Personal Loans	1 248	1 119	1 342	1 215	1 248	1 119
Sanlam Corporate: Health	903	646	990	708	903	646
Other operations	335	363	363	394	335	363
Sanlam Emerging Markets	32 325	27 700	38 873	32 755	35 446	30 368
Saham	17 474	15 827	20 760	18 286	19 221	17 410
India	11 749	8 954	14 477	11 009	12 924	9 848
Letshego	1 108	937	1 308	1 108	1 219	1 031
Capricorn Investment Holdings	926	825	1 038	932	926	825
Other operations	1 068	1 157	1 290	1 420	1 156	1 254
Sanlam Investment Group	13 825	11 713	17 482	15 042	16 078	13 640
Sanlam Investments ⁽¹⁾	2 711	2 556	3 487	3 219	3 137	2 879
Wealth Management	2 911	2 278	3 591	2 867	3 286	2 601
International	7 109	5 905	9 119	7 803	8 475	7 103
Sanlam Specialised Finance	1 094	974	1 285	1 153	1 180	1 057
	51 127	43 880	62 067	52 939	56 746	48 689

Notes to the Shareholders' Fund Information for the year ended 31 December continued

6 Business volumes

6.1 Analysis of new business and total funds received

R million	Life business ⁽¹⁾		General insurance		Investment business ⁽²⁾		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Sanlam Life and Savings	57 337	43 517	-	-	51 415	34 330	108 752	77 847
SA Retail Affluent	45 252	34 459	-	-	45 725	30 982	90 977	65 441
Recurring	2 069	1 906	-	-	14	15	2 083	1 921
Single	43 183	32 553	-	-	45 711	30 967	88 894	63 520
SA Retail Mass	3 850	2 558	-	-	-	-	3 850	2 558
Sanlam Corporate	8 235	6 500	-	-	5 690	3 348	13 925	9 848
Recurring	883	504	-	-	7	108	890	612
Single	7 352	5 996	-	-	5 683	3 240	13 035	9 236
Sanlam Emerging Markets	10 871	9 241	15 639	16 479	22 289	21 178	48 799	46 898
Southern Africa	4 978	4 268	1 769	1 091	15 137	15 481	21 884	20 840
Recurring	1 083	852	1 769	1 091	-	-	2 852	1 943
Single	3 895	3 416	-	-	15 137	15 481	19 032	18 897
North and West Africa	2 771	2 524	11 055	11 696	-	-	13 826	14 220
Recurring	1 664	1 419	11 055	11 696	-	-	12 719	13 115
Single	1 107	1 105	-	-	-	-	1 107	1 105
East Africa	1 293	1 126	875	905	7 152	5 697	9 320	7 728
Recurring	380	338	875	905	-	-	1 255	1 243
Single	913	788	-	-	7 152	5 697	8 065	6 485
Other International	1 829	1 323	1 940	2 787	-	-	3 769	4 110
Recurring	1 169	1 005	1 940	2 787	-	-	3 109	3 792
Single	660	318	-	-	-	-	660	318
Sanlam Investment Group	3 539	3 353	-	-	168 213	158 117	171 752	161 470
Investment Management SA	-	-	-	-	120 156	120 006	120 156	120 006
Wealth Management	-	-	-	-	9 795	10 403	9 795	10 403
International	3 539	3 353	-	-	38 262	27 708	41 801	31 061
Recurring	43	35	-	-	2	1	45	36
Single	3 496	3 318	-	-	38 260	27 707	41 756	31 025
Santam	-	-	26 583	24 660	-	-	26 583	24 660
Total new business	71 747	56 111	42 222	41 139	241 917	213 625	355 886	310 875

⁽¹⁾ Life business relates to business written under a life licence that is included in the calculation of embedded value of covered business.
⁽²⁾ Includes life licence and investment business. Life licence business relates to investment products provided by means of a policy where there is very little or no insurance risk which is excluded from the calculation of embedded value of covered business.

6.1 Analysis of new business and total funds received (continued)

R million	Life business ⁽¹⁾		General insurance		Investment business ⁽²⁾		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Total new business	71 747	56 111	42 222	41 139	241 917	213 625	355 886	310 875
Recurring premiums on existing business:								
Sanlam Life and Savings	31 418	30 285	-	-	4 415	3 982	35 833	34 267
SA Retail Affluent	15 490	15 090	-	-	142	139	15 632	15 229
SA Retail Mass	7 809	7 709	-	-	-	-	7 809	7 709
Sanlam Corporate	8 119	7 486	-	-	4 273	3 843	12 392	11 329
Sanlam Emerging Markets	8 313	8 453	-	-	597	2 278	8 910	10 731
Southern Africa	3 551	3 616	-	-	-	-	3 551	3 616
North and West Africa	1 578	1 382	-	-	-	-	1 578	1 382
East Africa	652	659	-	-	597	2 278	1 249	2 937
Other International	2 532	2 796	-	-	-	-	2 532	2 796
Sanlam Investment Group	375	365	-	-	27	41	402	406
Total funds received	111 853	95 214	42 222	41 139	246 956	219 926	401 031	356 279

Notes to the Shareholders' Fund Information for the year ended 31 December continued

6 Business volumes (continued)

6.2 Analysis of payments to clients

R million	Life business ⁽¹⁾		General insurance		Investment business ⁽²⁾		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Sanlam Life and Savings	79 680	64 438	-	-	49 648	36 325	129 328	100 763
SA Retail Affluent	53 828	45 858	-	-	37 351	28 167	91 179	74 025
Surrenders	8 952	8 057	-	-	-	-	8 952	8 057
Other	44 876	37 801	-	-	37 351	28 167	82 227	65 968
SA Retail Mass	7 562	5 905	-	-	-	-	7 562	5 905
Surrenders	467	586	-	-	-	-	467	586
Other	7 095	5 319	-	-	-	-	7 095	5 319
Sanlam Corporate	18 290	12 675	-	-	12 297	8 158	30 587	20 833
Surrenders	2 945	2 659	-	-	1 149	1 129	4 094	3 788
Other	15 345	10 016	-	-	11 148	7 029	26 493	17 045
Sanlam Emerging Markets	13 752	11 327	9 862	9 904	14 255	15 206	37 869	36 437
Southern Africa	7 240	5 133	741	384	11 571	11 123	19 552	16 640
Surrenders	800	755	-	-	-	-	800	755
Other	6 440	4 378	741	384	11 571	11 123	18 752	15 885
North and West Africa	2 745	2 109	7 115	7 257	-	-	9 860	9 366
Surrenders	1 593	1 167	-	-	-	-	1 593	1 167
Other	1 152	942	7 115	7 257	-	-	8 267	8 199
East Africa	1 101	1 051	531	487	2 684	4 083	4 316	5 621
Surrenders	162	173	-	-	-	-	162	173
Other	939	878	531	487	2 684	4 083	4 154	5 448
Other International	2 666	3 034	1 475	1 776	-	-	4 141	4 810
Surrenders	569	795	-	-	-	-	569	795
Other	2 097	2 239	1 475	1 776	-	-	3 572	4 015
Sanlam Investment Group	5 725	4 836	-	-	133 382	135 910	139 107	140 746
Investment Management SA	-	-	-	-	93 804	109 647	93 804	109 647
Wealth Management	-	-	-	-	7 933	7 648	7 933	7 648
International	5 725	4 836	-	-	31 645	18 615	37 370	23 451
Santam	-	-	16 405	16 770	-	-	16 405	16 770
Total payments to clients	99 157	80 601	26 267	26 674	197 285	187 441	322 709	294 716

⁽¹⁾ Life business relates to business written under a life licence that is included in the calculation of embedded value of covered business.
⁽²⁾ Includes life licence and investment business. Life licence business relates to investment products provided by means of a policy where there is very little or no insurance risk which is excluded from the calculation of embedded value of covered business.

6.3 Analysis of net inflow/(outflow) of funds

R million	Life business ⁽¹⁾		General insurance		Investment business ⁽²⁾		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Sanlam Life and Savings	9 075	9 364	-	-	6 182	1 987	15 257	11 351
SA Retail Affluent	6 914	3 691	-	-	8 516	2 954	15 430	6 645
SA Retail Mass	4 097	4 362	-	-	-	-	4 097	4 362
Sanlam Corporate	(1 936)	1 311	-	-	(2 334)	(967)	(4 270)	344
Sanlam Emerging Markets	5 432	6 367	5 777	6 575	8 631	8 250	19 840	21 192
Southern Africa	1 289	2 751	1 028	707	3 566	4 358	5 883	7 816
North and West Africa	1 604	1 797	3 940	4 439	-	-	5 544	6 236
East Africa	844	734	344	418	5 065	3 892	6 253	5 044
Other International	1 695	1 085	465	1 011	-	-	2 160	2 096
Sanlam Investment Group	(1 811)	(1 118)	-	-	34 858	22 248	33 047	21 130
Investment Management SA	-	-	-	-	26 352	10 359	26 352	10 359
Wealth Management	-	-	-	-	1 862	2 755	1 862	2 755
International	(1 811)	(1 118)	-	-	6 644	9 134	4 833	8 016
Santam	-	-	10 178	7 890	-	-	10 178	7 890
Total net fund inflows	12 696	14 613	15 955	14 465	49 671	32 485	78 322	61 563

⁽¹⁾ Life business relates to business written under a life licence that is included in the calculation of embedded value of covered business.
⁽²⁾ Includes life licence and investment business. Life licence business relates to investment products provided by means of a policy where there is very little or no insurance risk which is excluded from the calculation of embedded value of covered business.

7 Cluster Information

7.1 Sanlam Life and Savings

7.1.1 Analysis of earnings

R million	Life Business		Credit and Structuring		Administration, Health Management and Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Net result from financial services	4 279	4 287	179	(1)	348	314	4 806	4 600
SA Retail Affluent	2 011	2 742	179	(1)	191	190	2 381	2 931
Recurring premium business	950	1 712	-	-	(2)	7	948	1 719
Glacier	1 029	970	-	-	169	152	1 198	1 122
Other	32	60	179	(1)	24	31	235	90
SA Retail Mass	769	703	-	-	-	-	769	703
Sanlam Corporate	(1 548)	488	-	-	157	124	(1 391)	612
Reserve release	3 047	354	-	-	-	-	3 047	354
Net investment return	385	219	-	-	10	79	395	298
Net other earnings	(277)	(122)	-	-	(23)	(42)	(300)	(164)
Normalised attributable earnings	4 387	4 384	179	(1)	335	351	4 901	4 734

Notes to the Shareholders' Fund Information for the year ended 31 December continued

7 Cluster Information (continued)

7.1 Sanlam Life and Savings (continued)

7.1.2 Analysis of change in GEV – covered business

R million	Total		Value of in-force		Cost of capital		Net asset value	
	2021	2020	2021	2020	2021	2020	2021	2020
Operational earnings	6 737	4 982	2 577	328	246	(43)	3 914	4 697
Value of new life insurance business	2 235	1 638	4 833	3 986	(169)	(125)	(2 429)	(2 223)
Unwinding of discount rate	4 818	4 828	4 726	4 731	92	97	-	-
Expected profit	-	-	(6 579)	(6 591)	-	-	6 579	6 591
Operating experience variances	(2 269)	322	130	231	(21)	(7)	(2 378)	98
Risk experience	(3 560)	(203)	(200)	(64)	5	7	(3 365)	(146)
Persistence	742	140	890	289	(22)	7	(126)	(156)
Maintenance expenses	131	110	-	-	-	-	131	110
Working capital management	318	391	-	-	-	-	318	391
Credit spread	113	103	-	-	-	-	113	103
Other	(13)	(219)	(560)	6	(4)	(21)	551	(204)
Operating assumption changes	1 953	(1 806)	(533)	(2 029)	344	(8)	2 142	231
Risk experience	(764)	306	(2 019)	(292)	18	(5)	1 237	603
Persistence	1 626	(1 764)	1 796	(1 458)	(47)	(1)	(123)	(305)
Maintenance expenses	35	(148)	111	(136)	(1)	(3)	(75)	(9)
Modelling changes and other	1 056	(200)	(421)	(143)	374	1	1 103	(58)
Net investment return	385	219	-	-	-	-	385	219
Expected return on adjusted net asset value	480	490	-	-	-	-	480	490
Investment variances on adjusted net asset value	(95)	(271)	-	-	-	-	(95)	(271)
Valuation and economic basis	(103)	(1 160)	(385)	(801)	(83)	51	365	(410)
Investment variances on in-force business	1 159	(1 509)	946	(1 165)	(70)	23	283	(367)
Economic assumption changes	(1 262)	349	(1 331)	364	(13)	28	82	(43)
Investment yields	(1 261)	349	(1 331)	364	(12)	28	82	(43)
Long-term asset mix assumptions and other	(1)	-	-	-	(1)	-	-	-
Foreign currency translation differences	-	-	-	-	-	-	-	-
Revaluation of business held for sale	-	-	-	-	-	-	-	-
Goodwill and VOBA from business combinations	(61)	(9)	-	(9)	-	-	(61)	-
GEV earnings: covered business	6 958	4 032	2 192	(482)	163	8	4 603	4 506
Acquired value of in-force	96	16	29	15	(6)	-	73	1
Transfers from/(to) non-covered Group business	(1 200)	-	-	-	-	-	(1 200)	-
Transfers from covered business	(4 514)	(4 757)	-	-	-	-	(4 514)	(4 757)
Embedded value of covered business at the beginning of the period	47 597	48 306	42 476	42 943	(1 857)	(1 865)	6 978	7 228
Embedded value of covered business at the end of the period	48 937	47 597	44 697	42 476	(1 700)	(1 857)	5 940	6 978

7.1.3 Assets under management

R million	SA Retail Affluent									
	Recurring premium business		Glacier		SA Retail Mass		Sanlam Corporate		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Life business	176 529	154 613	253 490	215 877	5 630	5 329	127 385	111 563	563 034	487 382
Investment operations	1 859	1 728	194 189	158 977	-	-	-	-	196 048	160 705
Total assets under management	178 388	156 341	447 679	374 854	5 630	5 329	127 385	111 563	759 082	648 087

Credit business

R million	Gross size of loan book		Interest margin		Bad debt ratio		Administration cost as % of net interest	
	2021	2020	2021	2020	2021	2020	2021	2020
Sanlam Personal Loans	5 173	5 605	15,5%	15,9%	4,3%	12,4%	35,5%	27,6%

Notes to the Shareholders' Fund Information for the year ended 31 December continued

7 Cluster Information (continued)

7.2 Sanlam Emerging Markets

7.2.1 Analysis of net result from financial services

R million	Life Business		General Insurance		Investment Management		Credit and Structuring		Corporate and Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
SPA Life	875	1 088	-	-	183	160	591	447	116	117	1 765	1 812
SPA GI	-	-	2 287	1 460	-	-	-	-	(253)	(189)	2 034	1 271
Other International	64	173	480	776	(1)	(1)	875	876	153	141	1 571	1 965
Corporate costs	-	-	-	-	-	-	-	-	(203)	(379)	(203)	(379)
Gross result from financial services	939	1 261	2 767	2 236	182	159	1 466	1 323	(187)	(310)	5 167	4 669
Tax on result from financial services	(257)	(260)	(902)	(474)	(52)	(49)	(445)	(414)	(183)	(57)	(1 839)	(1 254)
Non-controlling interests	(204)	(312)	(705)	(528)	(63)	(57)	(126)	(101)	(3)	(40)	(1 101)	(1 038)
Net result from financial services	478	689	1 160	1 234	67	53	895	808	(373)	(407)	2 227	2 377
SPA Life	475	597	-	-	68	54	241	166	11	6	795	823
SPA GI	-	-	918	847	-	-	-	-	(236)	(151)	682	696
Other International	3	92	242	387	(1)	(1)	654	642	53	64	951	1 184
Corporate costs	-	-	-	-	-	-	-	-	(201)	(326)	(201)	(326)
Saham ⁽¹⁾	78	(81)	875	808	-	-	-	-	(365)	(333)	588	394
Other	400	770	285	426	67	53	895	808	(8)	(74)	1 639	1 983
Net result from financial services	478	689	1 160	1 234	67	53	895	808	(373)	(407)	2 227	2 377

⁽¹⁾ Earnings exclude cost allocation.

7.2.2 Analysis of General insurance and reinsurance gross result from financial services

R million	Gross written premiums		Net earned premiums ⁽¹⁾		Claims ratio (%)		Underwriting margin (%)		Investment return on insurance funds (%)		Net insurance result (%)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
SPA GI	21 123	20 011	13 699	13 645	61,1	59,6	4,4	6,1	11,9	2,9	16,3	9,0
Southern Africa	3 905	3 485	1 794	1 691	43,3	49,8	17,9	13,2	2,6	3,6	20,5	16,8
North and West Africa	15 775	14 953	11 055	11 058	63,9	61,7	3,8	6,0	14,5	2,7	18,3	8,7
East Africa	1 443	1 573	850	896	61,8	54,5	(14,3)	(5,4)	(1,5)	4,8	(15,8)	(0,6)
Other International	2 149	3 181	1 945	2 785	76,1	63,9	(5,1)	7,4	29,9	21,7	24,8	29,1
Total General insurance and reinsurance	23 272	23 192	15 644	16 430	63,0	60,3	3,2	6,3	14,2	6,1	17,4	12,4
Saham	18 202	17 853	12 206	12 577	62,1	60,2	5,8	7,3	13,5	3,0	19,3	10,3
Other	5 070	5 339	3 438	3 853	65,9	60,8	(5,4)	3,6	16,7	16,5	11,3	20,1
Total General insurance and reinsurance	23 272	23 192	15 644	16 430	63,0	60,3	3,2	6,3	14,2	6,1	17,4	12,4

⁽¹⁾ Net earned premiums consists of General insurance, Reinsurance and Health business before consolidation.

Notes to the Shareholders' Fund Information for the year ended 31 December continued

7 Cluster Information (continued)

7.2 Sanlam Emerging Markets (continued)

7.2.3 Analysis of insurance funds

	R million		Asset allocation (%)							
	2021	2020 ⁽²⁾	Equities and similar securities		Investment properties		Interest-bearing securities		Cash, deposits and similar securities	
			2021	2020 ⁽²⁾	2021	2020 ⁽²⁾	2021	2020 ⁽²⁾	2021	2020 ⁽²⁾
SPA GI	13 785	12 954	44	42	36	39	15	17	5	2
Other International	9 120	8 343	6	7	-	-	92	92	2	1
Total insurance funds	22 905	21 297	29	28	22	24	46	46	3	2
Saham	13 007	12 061	47	45	38	41	15	14	-	-
Other subsidiaries	538	843	-	9	-	11	31	58	69	22
Total Subsidiaries	13 545	12 904	45	42	37	39	15	17	3	2
Associated companies ⁽¹⁾	9 360	8 393	6	6	-	-	90	92	4	2
Total insurance funds	22 905	21 297	29	28	22	24	46	46	3	2

⁽¹⁾ Sanlam's effective share.

⁽²⁾ Comparatives have been restated from R14,6 billion to R21,3 billion to include float assets of associates in Other International.

7.2.4 Analysis of net investment return

R million	Life Business		General Insurance		Investment Management		Credit and Banking		Corporate and Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
SPA Life	180	192	-	-	5	11	14	(3)	(72)	(73)	127	127
SPA GI	-	-	(54)	(201)	-	-	-	-	(147)	(83)	(201)	(284)
Other International	63	(559)	10	415	-	-	21	(36)	(12)	12	82	(168)
Corporate	-	-	-	-	-	-	-	-	233	78	233	78
Gross investment return	243	(367)	(44)	214	5	11	35	(39)	2	(66)	241	(247)
Tax on investment return	(38)	(45)	9	(16)	(4)	(3)	6	(1)	(81)	(76)	(108)	(141)
Non-controlling interests	(24)	23	(9)	(23)	-	(3)	-	-	30	(39)	(3)	(42)
Net investment return	181	(389)	(44)	175	1	5	41	(40)	(49)	(181)	130	(430)
Saham	15	(565)	(39)	(207)	-	-	-	-	(133)	(158)	(157)	(930)
Other	166	176	(5)	382	1	5	41	(40)	84	(23)	287	500
Net investment return	181	(389)	(44)	175	1	5	41	(40)	(49)	(181)	130	(430)

Notes to the Shareholders' Fund Information for the year ended 31 December continued

7 Cluster Information (continued)

7.2 Sanlam Emerging Markets (continued)

7.2.5 Analysis of capital portfolio

	R million		Asset allocation (%)							
	2021	2020 ⁽³⁾	Equities and similar securities		Investment properties		Interest-bearing securities		Cash, deposits and similar securities	
			2021	2020 ⁽³⁾	2021	2020 ⁽³⁾	2021	2020 ⁽³⁾	2021	2020 ⁽³⁾
SPA Life	4 714	3 551	14	10	18	19	51	45	17	26
SPA GI	16 038	14 691	45	42	33	36	19	20	3	2
Other International	13 691	11 718	8	11	-	-	81	86	11	3
Total capital portfolio⁽¹⁾	34 443	29 960	26	26	18	20	48	49	8	5
Saham	15 737	13 926	47	46	35	37	17	16	1	1
Other subsidiaries	5 996	4 771	7	4	11	14	53	60	29	22
Total subsidiaries	21 733	18 697	36	35	28	31	27	27	9	7
Associated companies ⁽²⁾	12 710	11 263	8	11	-	1	85	84	7	4
Total capital portfolio⁽¹⁾	34 443	29 960	26	26	18	20	48	49	8	5

⁽¹⁾ Includes float assets.

⁽²⁾ Sanlam's effective share.

⁽³⁾ Comparatives have been restated from R21 billion to R30 billion to include float assets of associates in Other International.

7.2.6 Assets under management

R million	Southern Africa		North and West Africa		East Africa		Other International		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Life business	34 588	33 335	21 053	20 716	4 611	3 738	14 818	16 726	75 070	74 515
Investment operations	49 977	44 486	-	-	54 740	43 530	-	-	104 717	88 016
Total assets under management	84 565	77 821	21 053	20 716	59 351	47 268	14 818	16 726	179 787	162 531

7.2.7 Credit and structuring

R million	Size of loan books (Sanlam share)		Net interest margin		Bad debt ratio		Administration cost as % of net interest margin	
	2021	2020	2021	2020	2021	2020	2021	2020
Shriram Transport Finance Company	24 599	22 301	6,9%	6,9%	2,9%	2,9%	25,3%	23,8%
Shriram City Union Finance	5 729	4 860	12,3%	13,1%	2,7%	3,7%	39,5%	38,6%
Capricorn Investment Holdings	9 807	9 931	5,7%	4,7%	1,0%	0,9%	84,6%	95,9%
Letshego	2 683	2 432	17,6%	17,6%	0,2%	0,3%	54,7%	59,7%

Notes to the Shareholders' Fund Information for the year ended 31 December continued

7 Cluster Information (continued)

7.2 Sanlam Emerging Markets (continued)

7.2.8 Analysis of change in GEV – covered business

	Total		Value of in-force		Cost of capital		Net asset value	
	2021	2020	2021	2020	2021	2020	2021	2020
Operational earnings	365	554	139	(163)	(53)	(63)	279	780
Value of new life insurance business	529	283	944	794	(105)	(114)	(310)	(397)
Unwinding of discount rate	648	669	532	582	116	87	-	-
Expected profit	-	-	(982)	(1 110)	-	-	982	1 110
Operating experience variances	(571)	125	(16)	101	(51)	(31)	(504)	55
Risk experience	(656)	73	(32)	20	(4)	2	(620)	51
Persistence	(26)	13	21	63	(45)	(33)	(2)	(17)
Maintenance expenses	22	(34)	(4)	15	(3)	-	29	(49)
Working capital management	47	66	-	-	-	-	47	66
Credit spread	8	12	-	-	-	-	8	12
Other	34	(5)	(1)	3	1	-	34	(8)
Operating assumption changes	(241)	(523)	(339)	(530)	(13)	(5)	111	12
Risk experience	(103)	102	(53)	81	(10)	5	(40)	16
Persistence	(109)	(97)	(48)	(63)	(2)	(9)	(59)	(25)
Maintenance expenses	(91)	(155)	(13)	(94)	1	-	(79)	(61)
Modelling changes and other	62	(373)	(225)	(454)	(2)	(1)	289	82
Net investment return	374	(164)	-	-	-	-	374	(164)
Expected return on adjusted net asset value	299	343	-	-	-	-	299	343
Investment variances on adjusted net asset value	75	(507)	-	-	-	-	75	(507)
Valuation and economic basis	203	(258)	18	(98)	(14)	(69)	199	(91)
Investment variances on in-force business	152	(107)	(31)	(11)	(15)	-	198	(96)
Economic assumption changes	(25)	(287)	(53)	(220)	27	(72)	1	5
Investment yields	(22)	(308)	(53)	(227)	30	(87)	1	6
Long-term asset mix assumptions and other	(3)	21	-	7	(3)	15	-	(1)
Foreign currency translation differences	76	136	102	133	(26)	3	-	-
Change in tax basis	(26)	41	(26)	41	-	-	-	-
Goodwill and VOBA from business combinations	-	(601)	-	(601)	-	-	-	-
Net project expenses	(10)	(18)	-	-	-	-	(10)	(18)
GEV earnings: covered business	906	(446)	131	(821)	(67)	(132)	842	507
Acquired value of in-force	(12)	891	(10)	709	1	(89)	(3)	271
Transfers from/(to) non-covered Group business	95	(146)	(29)	(146)	-	-	124	-
Transfers from covered business	(601)	(455)	-	-	-	-	(601)	(455)
Embedded value of covered business at the beginning of the period	8 638	8 794	4 613	4 871	(838)	(617)	4 863	4 540
Embedded value of covered business at the end of the period	9 026	8 638	4 705	4 613	(904)	(838)	5 225	4 863

Notes to the Shareholders' Fund Information for the year ended 31 December continued

7 Cluster Information (continued)

7.3 Sanlam Investment Group

7.3.1 Analysis of net result from financial services

R million	Sanlam Investments		Wealth Management		International		Sanfin		Corporate Services		Consolidation		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial services income ⁽¹⁾	2 135	2 053	1 050	921	2 920	3 222	1 289	773	-	-	(42)	(45)	7 352	6 924
Sales remuneration	-	-	-	-	(327)	(751)	-	-	-	-	-	-	(327)	(751)
Income after sales remuneration	2 135	2 053	1 050	921	2 593	2 471	1 289	773	-	-	(42)	(45)	7 025	6 173
Administration cost ⁽¹⁾	(1 618)	(1 605)	(820)	(721)	(2 166)	(2 179)	(660)	(534)	(51)	(40)	42	45	(5 273)	(5 034)
Results from financial services before performance fees	517	448	230	200	427	292	629	239	(51)	(40)	-	-	1 752	1 139
Net performance fees ⁽¹⁾	91	104	17	14	(14)	(10)	2	2	-	-	-	-	96	110
Results from financial services	608	552	247	214	413	282	631	241	(51)	(40)	-	-	1 848	1 249
Tax on result from financial services	(186)	(147)	(67)	(57)	(50)	(75)	(139)	(106)	15	7	-	-	(427)	(378)
Non-controlling interest	(120)	(34)	-	-	(3)	(32)	-	-	-	-	-	-	(123)	(66)
Net result from financial services	302	371	180	157	360	175	492	135	(36)	(33)	-	-	1 298	805
<i>Covered</i>	-	-	-	-	(2)	22	174	16	-	-	-	-	172	38
<i>Non-covered</i>	302	371	180	157	362	153	318	119	(36)	(33)	-	-	1 126	767
Net investment return	(21)	(71)	3	1	262	66	112	86	-	11	-	-	356	93
<i>Covered</i>	-	-	-	-	(3)	(16)	112	87	-	-	-	-	109	71
<i>Non-covered</i>	(21)	(71)	3	1	265	82	-	(1)	-	11	-	-	247	22
Project expenses	(28)	(14)	-	-	(72)	(14)	-	-	-	(13)	-	-	(100)	(41)
Net operational earnings	253	286	183	158	550	227	604	221	(36)	(35)	-	-	1 554	857
Amortisation of intangible assets	(19)	(19)	(19)	(19)	(54)	(210)	-	-	(5)	(6)	-	-	(97)	(254)
Profit on disposal of associates	-	-	-	-	206	-	-	-	-	-	-	-	206	-
Other	-	(41)	-	-	(386)	(52)	-	-	-	(7)	-	-	(386)	(100)
Normalised attributable earnings	234	226	164	139	316	(35)	604	221	(41)	(48)	-	-	1 277	503

⁽¹⁾ Financial services income and administration costs on page 34 includes performance fees and the related administration costs.

Notes to the Shareholders' Fund Information for the year ended 31 December continued

7 Cluster Information (continued)

7.3 Sanlam Investment Group (continued)

7.3.2 Analysis of change in GEV – covered business

R million	Total		Value of in-force		Cost of capital		Net asset value	
	2021	2020	2021	2020	2021	2020	2021	2020
Operational earnings	(2)	(108)	(44)	(46)	(124)	(55)	166	(7)
Value of new life insurance business	-	-	59	55	(8)	(8)	(51)	(47)
Unwinding of discount rate	72	79	38	47	34	32	-	-
Expected profit	-	-	(116)	(130)	-	-	116	130
Operating experience variances	98	(80)	(7)	15	(22)	(21)	127	(74)
Risk experience	11	5	-	(3)	-	-	11	8
Persistence	(4)	4	(3)	6	(1)	(2)	-	-
Maintenance expenses	(3)	(9)	-	-	-	-	(3)	(9)
Working capital management	-	-	-	-	-	-	-	-
Credit spread	174	14	-	-	-	-	174	14
Other	(80)	(94)	(4)	12	(21)	(19)	(55)	(87)
Operating assumption changes	(172)	(107)	(18)	(33)	(128)	(58)	(26)	(16)
Risk experience	-	30	-	(7)	-	1	-	36
Persistence	16	5	21	7	(5)	(2)	-	-
Maintenance expenses	(35)	(50)	(21)	(37)	-	-	(14)	(13)
Modelling changes and other	(153)	(92)	(18)	4	(123)	(57)	(12)	(39)
Net investment return	166	129	-	-	-	-	166	129
Expected return on adjusted net asset value	177	173	-	-	-	-	177	173
Investment variances on adjusted net asset value	(11)	(44)	-	-	-	-	(11)	(44)
Valuation and economic basis	111	139	127	49	(22)	45	6	45
Investment variances on in-force business	91	17	84	(26)	-	-	7	43
Economic assumption changes	(23)	63	(15)	4	(7)	57	(1)	2
Investment yields	(20)	63	(15)	4	(7)	57	2	2
Long-term asset mix assumptions and other	(3)	-	-	-	-	-	(3)	-
Foreign currency translation differences	43	59	58	71	(15)	(12)	-	-
Change in tax basis	(54)	(22)	(52)	(21)	(2)	(1)	-	-
Revaluation of business held for sale	(595)	-	(804)	-	209	-	-	-
GEV earnings: covered business	(374)	138	(773)	(18)	61	(11)	338	167
Transfers from/(to) non-covered Group business	185	-	-	-	-	-	185	-
Transfers from covered business	(288)	(103)	-	-	-	-	(288)	(103)
Embedded value of covered business at the beginning of the period	3 091	3 056	798	816	(980)	(969)	3 273	3 209
Embedded value of covered business at the end of the period	2 614	3 091	25	798	(919)	(980)	3 508	3 273

7.3.3 Assets under management

R million	Assets under management		Fee income (%)		Administration cost (%)	
	2021	2020	2021	2020	2021	2020
Sanlam Investments ⁽¹⁾	748 968	648 805	0,30	0,30	0,21	0,22
Wealth Management	109 253	90 446	1,05	1,08	0,82	0,82
International ⁽²⁾	282 002	211 166	0,91	1,19	0,73	1,03
Intra-cluster eliminations	(33 938)	(33 858)				
Asset management operations	1 106 285	916 559				
Covered business	117 575	104 879				
Sanlam UK	62 418	57 732				
Sanfin	55 157	47 147				
Assets under management	1 223 860	1 021 438				

⁽¹⁾ Includes Sanlam assets of R183 billion (2020: R179 billion).

⁽²⁾ Includes Sanlam assets of R75 billion (2020: R63 billion).

7.3.4 Asset mix of assets under management

R million	Fixed interest	Equities	Offshore	Properties	Cash	Total
2021						
Sanlam Investments	149 215	326 844	149 594	31 232	92 083	748 968
Wealth Management	-	53 230	54 011	-	2 012	109 253
International	-	-	282 002	-	-	282 002
Intra-cluster consolidation						(33 938)
Assets under management – Asset management operations	149 215	380 074	485 607	31 232	94 095	1 106 285
2020						
Sanlam Investments	127 513	273 173	112 274	26 633	109 212	648 805
Wealth Management	-	45 101	42 280	-	3 065	90 446
International	-	-	211 166	-	-	211 166
Intra-cluster consolidation						(33 858)
Assets under management – Asset management operations	127 513	318 274	365 720	26 633	112 277	916 559

Notes to the Shareholders' Fund Information for the year ended 31 December continued

7 Cluster Information (continued)

7.4 Santam

R million	2021	2020
Business volumes		
Gross written premiums	42 129	38 273
Net earned premiums	26 583	24 660
Net fund flows	10 178	7 890

Insurance activities

R million	Gross written premiums		Underwriting Result	
	2021	2020	2021	2020
Conventional Insurance	32 745	31 098	2 129	699
Motor	14 412	13 430	1 216	2 141
Property	12 177	11 798	259	(2 375)
Engineering	1 730	1 651	316	439
Liability	1 550	1 362	255	153
Transportation	994	799	96	125
Accident and health	572	641	61	96
Guarantee	127	117	(5)	(14)
Crop	1 130	1 262	(89)	151
Other	53	38	20	(17)
Alternative risk transfer (ART)	9 384	7 175	95	2
Total	42 129	38 273	2 224	701

Ratios	2021	2020
Administration cost ratio ⁽¹⁾	16,6%	16,6%
Claims ratio ⁽¹⁾	62,0%	68,2%
Underwriting margin ⁽¹⁾	8,0%	2,5%
Investment return on insurance funds margin ⁽¹⁾	1,5%	2,1%

R million	2021	2020
Conventional Insurance		
Net earned premiums	25 858	24 320
Net claims incurred	(16 023)	(16 593)
Net commission	(3 458)	(3 083)
Management expenses (excluding BEE costs)	(4 248)	(3 945)
Underwriting result: Conventional insurance	2 129	699
Investment return on insurance funds	400	501
Net insurance result	2 529	1 200
Net other income	307	166
Alternative Risk ⁽²⁾	306	165
Other	1	1
Strategic participations	356	350
Saham ⁽³⁾	204	97
SEM target shares	152	253
BEE cost	(2)	(2)
Gross result from financial services	3 190	1 714
Tax and non-controlling interest	(1 812)	(1 028)
Net result from financial services	1 378	686

⁽¹⁾ Ratios are calculated as a percentage of net earned premiums for the conventional business.

⁽²⁾ Includes operating income and expenses relating to ART business and other operating income and expenses not related to underwriting results.

⁽³⁾ Includes SEM cluster cost allocation of R11 million (2020: R7 million).

7.5 Group Office analysis of earnings

R million	Group Office and Other		Consolidation ⁽¹⁾		Total	
	2021	2020	2021	2020	2021	2020
Financial services income	115	206	(389)	(381)	(274)	(175)
Administration cost	(458)	(327)	-	-	(458)	(327)
Results from financial services	(343)	(121)	(389)	(381)	(732)	(502)
Tax on result from financial services	103	35	126	102	229	137
Non-controlling interest	-	-	263	279	263	279
Net result from financial services	(240)	(86)	-	-	(240)	(86)
Net investment income	235	186	-	-	235	186
Net investment surpluses	(82)	31	-	-	(82)	31
Project expenses	(112)	(13)	-	-	(112)	(13)
Net operational earnings	(199)	118	-	-	(199)	118
Impairment ⁽²⁾	(145)	(1 673)	-	-	(145)	(1 673)
Normalised attributable earnings	(344)	(1 555)	-	-	(344)	(1 555)

⁽¹⁾ Includes the consolidation entries relating to SEM target shares and Saham included within the Santam results.

⁽²⁾ An impairment of R145 million in respect of the Broad-Based Black Economic Empowerment Special Purpose Vehicle (B-BBEE SPV) has been recognised in 2021 (2020: R1 673 million) as described on page 192 of the online Sanlam Annual Financial Statements.

Notes to the Shareholders' Fund Information for the year ended 31 December continued

8 Investments

8.1 Investment in associated companies

R million	2021	2020
Shriram Capital	9 571	7 671
Shriram Transport Finance Company	1 955	1 571
Shriram General Insurance	1 442	1 351
Shriram Life Insurance	542	531
Pacific & Orient	439	426
Capricorn Investment Holdings	1 079	1 000
Letshego	1 806	1 571
Afrocentric	1 210	1 109
Other associated companies	2 055	1 725
Total investment in associated companies	20 099	16 955

Details of the investments in the material associated companies are reflected in note 8.2.3 on page 84 of the online Sanlam Annual Financial Statements.

8.2 Investment in joint ventures

R million	2021	2020
Sanlam Personal Loans	815	665
Other joint ventures	243	208
Total investment in joint ventures	1 058	873

Details of the investments in the material joint ventures are reflected in note 8.2.4 on page 87 of the online Sanlam Annual Financial Statements.

8.3 Investments include the following offshore investments

R million	2021	2020
Investment properties	6 166	5 897
Equities	10 277	8 612
Structured transactions	49	-
Interest-bearing investments	8 544	7 583
Investment funds	10 318	6 939
Cash, deposits and similar securities	2 978	2 582
Total offshore investments	38 332	31 613

9 Equity-accounted earnings included in financial services income

R million	2021	2020
Sanlam Life and Savings	482	208
SA Retail Affluent	255	6
Sanlam Corporate	227	202
Sanlam Emerging Markets	2 475	2 710
Santam	356	350
Sanlam Investment Group	126	143
	3 439	3 411

10 Sales remuneration

Life business	6 398	5 639
Non-life operations	5 483	5 626
	11 881	11 265

11 Administration costs

Life business	10 289	9 559
Non-life operations	14 768	14 905
	25 057	24 464

Depreciation included in administration costs:

Sanlam Life and Savings	167	189
SA Retail Affluent	124	127
SA Retail Mass	43	43
Sanlam Corporate	-	19
Sanlam Emerging Markets	221	257
Santam	99	144
Sanlam Investment Group	48	50
Group Office	2	-
	537	640

12 Investment Income

Equities and similar securities	1 018	1 043
Interest-bearing, preference shares and similar securities	22	486
Properties	32	12
Rental income	42	30
Rental-related expenses	(10)	(18)
Total investment income	1 072	1 541
Interest expense netted off against investment income	622	578

Notes to the Shareholders' Fund Information for the year ended 31 December continued

13 Normalised diluted earnings per share

Cents	2021	2020 ⁽¹⁾
Normalised diluted earnings per share:		
Net result from financial services	425,8	376,4
Operational earnings	462,6	374,9
Profit/(loss) attributable to shareholders' fund	443,3	(31,2)
R million		
Analysis of operational earnings (refer shareholders' fund income statement on page 34):		
Net result from financial services	9 469	8 382
Operational earnings	10 288	8 349
Normalised profit/(loss) attributable to shareholders' fund	9 860	(694)
Reconciliation of operational earnings:		
Headline earnings per note 23 on page 119 of the online Sanlam Annual Financial Statements	9 041	7 104
Add/(Less):	1 247	1 245
<i>Fund transfers</i>	387	(1 412)
<i>B-BBEE SPV Impairment</i>	145	1 673
<i>Net equity-accounted earnings</i>	(24)	(14)
<i>Net amortisation of value of business acquired and other intangibles</i>	738	699
<i>Expected credit losses</i>	-	298
<i>Equity participation costs</i>	1	1
Operational earnings	10 288	8 349
Adjusted number of shares (million):		
Weighted average number of shares for diluted earnings per share (refer note 23 on page 120 of the online Sanlam Annual Financial Statements)	2 087,8	2 087,8
Add: Weighted average Sanlam shares held by policyholders and B-BBEE SPV	136,2	138,9
Adjusted weighted average number of shares for normalised diluted earnings per share	2 224,0	2 226,7

⁽¹⁾ 2020 comparative information has been restated to correct a hyperinflation accounting error as reported in the Group's interim results announcement of 9 September 2021. Refer to note 36.1 on page 150 of the online Sanlam Annual Financial Statements.

14 Value per share

	2021	2020
	R million	R million
Net asset value per share is calculated on the Group shareholders' fund at net asset value.	75 928	71 468
Equity value per share is calculated based on the Group Equity Value.	142 390	131 812
Number of shares for value per share		
	Million	Million
Number of ordinary shares in issue	2 226,9	2 226,9
Shares held by subsidiaries in shareholders' fund	(43,0)	(26,2)
Outstanding shares in respect of Sanlam Limited long-term incentive schemes	25,7	25,8
Adjusted number of shares for value per share	2 209,6	2 226,5

15 Present value of holding company expenses

The present value of holding company expenses has been calculated by applying a multiple of 8.2 (2020: 8.1) to the after tax recurring corporate expenses.

16 Shares repurchased and cancelled

Sanlam shareholders granted general authorities to the Group at the 2021 and 2020 annual general meetings to repurchase Sanlam shares in the market. The Group acquired 17 million Sanlam Limited shares acquired at zero value as a result of qualifying Sanlam Life Insurance Limited's policyholders who became shareholders on demutualisation forfeiting their rights due to being untraceable.

Notes to the Shareholders' Fund Information for the year ended 31 December continued

17 Reconciliations

17.1 Reconciliation between Group statement of comprehensive income and shareholders' fund income statement

R million	2021				2020			
	Total	Shareholder activities	Policyholder activities ⁽¹⁾	IFRS adjustments ⁽²⁾	Total	Shareholder activities	Policyholder activities ⁽¹⁾	IFRS adjustments ⁽²⁾
Net income	200 125	101 802	94 564	3 759	132 866	87 992	38 768	6 106
Financial services income	116 887	99 632	-	17 255	104 701	87 161	-	17 540
Reinsurance premiums paid	(20 081)	-	-	(20 081)	(18 794)	-	-	(18 794)
Reinsurance commission received	2 815	-	-	2 815	2 929	-	-	2 929
Investment income	31 804	1 072	22 516	8 216	31 879	1 541	23 785	6 553
Investment surpluses	84 717	1 098	72 048	11 571	11 001	(710)	14 983	(3 272)
Finance cost - margin business	(249)	-	-	(249)	(216)	-	-	(216)
Change in fair value of external investors liability	(15 768)	-	-	(15 768)	1 366	-	-	1 366
Net insurance and investment contract benefits and claims	(139 592)	(46 671)	(92 876)	(45)	(75 896)	(37 865)	(37 577)	(454)
Long-term insurance contract benefits	(44 340)	(22 634)	(19 109)	(2 597)	(25 596)	(13 547)	(10 931)	(1 118)
Long-term investment contract benefits	(73 767)	-	(73 767)	-	(26 646)	-	(26 646)	-
General insurance claims	(41 048)	(24 037)	-	(17 011)	(37 593)	(24 318)	-	(13 275)
Reinsurance claims received	19 563	-	-	19 563	13 939	-	-	13 939
Expenses	(43 170)	(37 430)	-	(5 740)	(42 201)	(36 034)	-	(6 167)
Sales remuneration	(14 724)	(11 881)	-	(2 843)	(14 319)	(11 265)	-	(3 054)
Administration costs	(28 446)	(25 549)	-	(2 897)	(27 882)	(24 769)	-	(3 113)
Impairments	(88)	66	45	(199)	(9 275)	(8 638)	(158)	(479)
Amortisation of intangibles	(1 248)	(738)	-	(510)	(1 323)	(699)	-	(624)
Net operating result	16 027	17 029	1 733	(2 735)	4 171	4 756	1 033	(1 618)
Equity-accounted earnings	2 240	57	-	2 183	2 568	35	-	2 533
Finance cost - other	(763)	-	-	(763)	(835)	-	-	(835)
Net monetary gain (Lebanon hyperinflation) ⁽³⁾	(2)	-	-	(2)	(697)	-	-	(697)
Profit before tax	17 502	17 086	1 733	(1 317)	5 207	4 791	1 033	(617)
Tax expense	(6 152)	(5 078)	(1 733)	659	(3 805)	(4 066)	(1 033)	1 294
Shareholders' fund	(3 694)	(5 078)	-	1 384	(2 154)	(4 066)	-	1 912
Policyholders' fund	(2 458)	-	(1 733)	(725)	(1 651)	-	(1 033)	(618)
Profit for the year⁽⁴⁾	11 350	12 008	-	(658)	1 402	725	-	677
Attributable to:								
Shareholders' fund ⁽³⁾	9 473	9 860	-	(387)	718	(694)	-	1 412
Non-controlling interest	1 877	2 148	-	(271)	684	1 419	-	(735)
	11 350	12 008	-	(658)	1 402	725	-	677

⁽¹⁾ Policyholder activities relate to the inclusion of policyholders' after-tax investment return, and the allocation thereof to policy liabilities, in the Group Statement of Comprehensive Income.

⁽²⁾ IFRS adjustments relate to amounts that have been set-off in the shareholders' fund income statement that is not permitted in terms of IFRS, and fund transfers relating to investments in treasury shares and subsidiaries held by the policyholders' fund.

⁽³⁾ 2020 comparative information has been restated to correct a hyperinflation accounting error as reported in the Group's interim results announcement of 9 September 2021. Refer to note 36.1 on page 150 of the online Sanlam Annual Financial Statements.

⁽⁴⁾ All profits are from continuing operations. The Group does not have discontinued operations.

Notes to the Shareholders' Fund Information for the year ended 31 December continued

17 Reconciliations (continued)

17.2 Reconciliation between Group statement of financial position and shareholders' fund at net asset value

R million	2021				2020			
	Total	Shareholder activities	Policyholder activities ⁽¹⁾	Consolidation reserve	Total	Shareholder activities	Policyholder activities ⁽¹⁾	Consolidation reserve
Assets								
Equipment	1 730	1 536	194	-	1 652	1 487	165	-
Rights-of-use assets	1 481	1 397	84	-	1 614	1 560	54	-
Owner-occupied properties	2 582	2 503	79	-	2 692	2 624	68	-
Goodwill	16 431	16 431	-	-	16 703	16 703	-	-
Value of business acquired	4 718	4 718	-	-	6 129	6 129	-	-
Other intangible assets	746	731	15	-	788	788	-	-
Deferred acquisition costs	3 225	2 633	592	-	3 374	2 785	589	-
Long-term reinsurance assets	2 188	-	2 188	-	2 258	-	2 258	-
Investments	834 287	104 373	737 404	(7 490)	812 948	88 425	732 096	(7 573)
Properties	17 980	6 157	11 823	-	20 302	5 869	14 433	-
Associated companies	20 919	20 099	820	-	16 955	16 955	-	-
Joint ventures	1 836	1 058	778	-	1 818	873	945	-
Equities and similar securities ⁽²⁾	191 958	14 534	184 914	(7 490)	185 864	12 819	180 618	(7 573)
Interest-bearing investments	271 840	30 717	241 123	-	261 434	28 014	233 420	-
Structured transactions	12 434	382	12 052	-	29 566	535	29 031	-
Investment funds	278 145	25 644	252 501	-	252 026	20 619	231 407	-
Cash, deposits and similar securities	39 175	5 782	33 393	-	44 983	2 741	42 242	-
Deferred tax	3 154	2 213	-	941	2 843	2 019	7	817
Assets of disposal groups classified as held for sale	81 386	3 154	78 232	-	2 218	2 196	22	-
General insurance technical assets	19 525	19 525	-	-	13 847	13 847	-	-
Working capital assets	84 725	69 131	15 594	-	75 604	61 210	14 394	-
Trade and other receivables	55 806	43 802	12 004	-	44 568	33 953	10 615	-
Taxation	1 218	1 165	53	-	942	912	30	-
Cash, deposits and similar securities	27 701	24 164	3 537	-	30 094	26 345	3 749	-
Total assets	1 056 178	228 345	834 382	(6 549)	942 670	199 773	749 653	(6 756)
Equity and liabilities								
Shareholders' fund	69 379	75 928	-	(6 549)	64 712	71 468	-	(6 756)
Non-controlling interest	13 517	13 462	55	-	12 512	12 500	12	-
Long-term policy liabilities	641 196	-	641 196	-	625 527	-	625 527	-
Insurance contracts	186 658	-	186 658	-	190 943	-	190 943	-
Investment contracts	454 538	-	454 538	-	434 584	-	434 584	-
Term finance	15 116	11 499	3 617	-	13 837	10 143	3 694	-
Lease liabilities	1 789	1 704	85	-	1 878	1 822	56	-
Structured transactions liabilities	8 898	270	8 628	-	22 970	320	22 650	-
External investors in consolidated funds ⁽²⁾	85 506	-	85 506	-	82 588	-	82 588	-
Cell owners' interest	4 900	4 900	-	-	4 226	4 226	-	-
Deferred tax	7 311	3 633	3 678	-	5 810	4 139	1 671	-
Liabilities of disposal groups classified as held for sale	78 700	1 023	77 677	-	454	454	-	-
General insurance technical provisions	57 559	57 559	-	-	49 752	49 752	-	-
Working capital liabilities	72 307	58 367	13 940	-	58 404	44 949	13 455	-
Trade and other payables	69 123	55 391	13 732	-	55 356	42 864	12 492	-
Provisions	628	597	31	-	506	476	30	-
Taxation	2 556	2 379	177	-	2 542	1 609	933	-
Total equity and liabilities	1 056 178	228 345	834 832	(6 549)	942 670	199 773	749 653	(6 756)

⁽¹⁾ Includes the impact of IFRS adjustments.

⁽²⁾ Prior year has been restated for the overstatement of IFRS 10 consolidated vehicles. Refer to note 36.3 of the online Sanlam Annual Financial Statements.

Notes to the Shareholders' Fund Information for the year ended 31 December continued

18 Geographical analysis

R million	Per shareholders' fund income statement on page 34	IFRS adjustments (refer note 17.1)	Total
Financial services income			
Financial services income is attributed to individual countries, based on where the holding company or subsidiaries are located.			
2021	99 632	17 255	116 887
South Africa	68 268	15 015	83 283
Other African operations	25 400	3 410	28 810
Other international ⁽¹⁾	5 964	(1 170)	4 794
2020	87 161	17 540	104 701
South Africa	57 259	13 727	70 986
Other African operations	23 237	5 419	28 656
Other international ⁽¹⁾	6 665	(1 606)	5 059

R million	Per analysis of shareholders' fund on page 32	Policyholders' fund	Total
Non-current assets⁽²⁾			
2021	33 103	79 195	112 298
South Africa ⁽³⁾	18 663	397	19 060
Other African operations	10 282	318	10 600
Other international ⁽¹⁾	4 158	78 480	82 638
2020⁽⁴⁾	34 272	898	35 170
South Africa ⁽³⁾	20 190	431	20 621
Other African operations	9 743	201	9 944
Other international ⁽¹⁾	4 339	266	4 605

R million	2021	2020 ⁽⁴⁾
Attributable earnings (per shareholders' fund income statement on page 34)	9 473	718
South Africa	7 545	5 721
Other African operations	1 432	(3 088)
Other international ⁽¹⁾	496	(1 915)

⁽¹⁾ Other international comprises business in Europe, United Kingdom, Australia, India, Malaysia and Lebanon.

⁽²⁾ Non-current assets include property and equipment, right-of-use assets, owner-occupied properties, goodwill, value of business acquired, other intangible assets, non-current assets held for sale and deferred acquisition costs.

⁽³⁾ Includes R11 billion Goodwill recognised on consolidation of Saham.

⁽⁴⁾ 2020 comparative information has been restated to correct a hyperinflation accounting error as reported in the Group's interim results announcement of 9 September 2021. Refer to note 36.1 on page 150 of the online Sanlam Annual Financial Statements.

Shareholders' diary

Financial year-end	31 December
Annual general meeting	8 June 2022

REPORTS

Interim report for 30 June 2022	8 September 2022
Announcement of the results for the year ended 31 December 2022	9 March 2023
Integrated Report for the year ended 31 December 2022	31 March 2023

DIVIDENDS

Dividend for 2021 declared	10 March 2022
Last date to trade for 2021 dividend	5 April 2022
Shares will trade ex-dividend from	6 April 2022
Record date for 2021 dividend	8 April 2022
Payment of dividend for 2021	11 April 2022
Declaration of dividend for 2022	March 2023
Payment of dividend for 2022	April 2023

To allow for the dividend calculation, Sanlam's share register (including Sanlam's two nominee companies, namely Sanlam Share Account Nominee (Pty) Ltd and Sanlam Fundshares Nominee (Pty) Ltd), will be closed for all transfers, off-market transactions and dematerialisations or rematerialisations between Wednesday, 6 April 2022 and Friday, 8 April 2022, both dates included.

Transactions on the JSE via Strate are not affected by this arrangement.

Administration

Registered name

Sanlam Limited
(Registration number 1959/001562/06)
(Tax reference number: 9536/346/84/5)
JSE share code (primary listing): SLM
NSX share code: SLA
A2X share code: SLM ISIN: ZAE000070660
Incorporated in South Africa

Company Secretary

Sana-Ullah Bray

Executive Head: Investor Relations

Grant Davids

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JSE sponsor

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Directors

Andrew Birrell, Anton Botha, Ebenezer Essoka, Paul Hanratty (Group Chief Executive), Nicolaas Kruger, Ndivhuwo Manyonga, Elias Masilela (Chair), Jeanett Modise, Mathukana Mokoka, Kobus Möller, Dr Patrice Motsepe (Deputy Chair), Abigail Mukhuba (Group Finance Director), Siphon Nkosi, Karabo Nondumo, Willem van Biljon, Dr Johan van Zyl, Heinie Werth and Dr Shirley Zinn

Contact

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