



Sanlam

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Annual Results INVESTOR PRESENTATION

Financial Planning | Retirement | Insurance | Health | Investments | Wealth | Credit

2022

Disclaimer

In this presentation, Sanlam Ltd (“SLM” or “Sanlam”), its subsidiaries and, where applicable, its joint ventures and associates are referred to as “we”, “us”, “our”, “Sanlam” and the “Company”.

Forward-looking statements

In this presentation, we make certain statements (including oral statements made by members of Sanlam’s senior management during Sanlam’s investor conference) that are not historical facts and relate to analyses and other information based on forecasts of future results not yet determinable, relating, amongst others, to the impact of IFRS 17 on the financial results, 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”, “expect” and “project” and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. Forward-looking statements involve inherent risks and uncertainties and, if one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. Forward-looking statements apply only as of the date on which they are made, and Sanlam does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Any forward-looking information contained in this presentation has not been reviewed and reported on by Sanlam’s external auditors.

Information Regarding IFRS 17

The information presented reflects the current interpretation of Sanlam based on its individual facts and circumstances as of the date hereof. Such interpretation, or the underlying relevant facts and circumstances, may change and other companies may have different facts and circumstances that lead to other or different interpretations. This presentation, including the illustrations and interpretations contained herein along with any verbal statements made by Sanlam in relation hereto, are for informational purposes only and may change pending the final issuance of regulatory and industry guidance relating to IFRS 17. While reasonable care has been taken in preparing the presentation, Sanlam does not warrant the accuracy of the information in this presentation and shall not be responsible for reliance on such information. This presentation includes forward-looking statements about the current interpretation of Sanlam regarding its own earnings presentation and reporting under the new IFRS 17 accounting standard.

Non-IFRS financial measures

Sanlam prepares its financial statements in accordance with international financial reporting standards (“IFRS”). This presentation includes financial measures that are not based on IFRS (“non-IFRS financial measures”). Sanlam believes that these non-IFRS financial measures provide information that is useful to investors in understanding Sanlam’s performance and facilitate the comparison of the quarterly and full year results from period to period. These non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. These non-IFRS financial measures should not be viewed as alternatives to measures of financial performance determined in accordance with IFRS.

Currency

Unless otherwise noted, all amounts are in South African Rand.



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2022

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KEY MESSAGES

Paul Hanratty



2020 TO 2022 OVERVIEW

- Robust performance over past three years: Group has weathered a series of one-in-25/100-year events, emerging stronger and having proven great resilience at Group level
- Revised strategy implemented from 2020: Capital recycled from underperforming businesses to high growth opportunities, laying foundations for future growth
- Significantly improved competitive position in all areas of our business
- Anticipate global recovery in late 2023 or 2024: Group well placed to perform strongly when recovery takes place

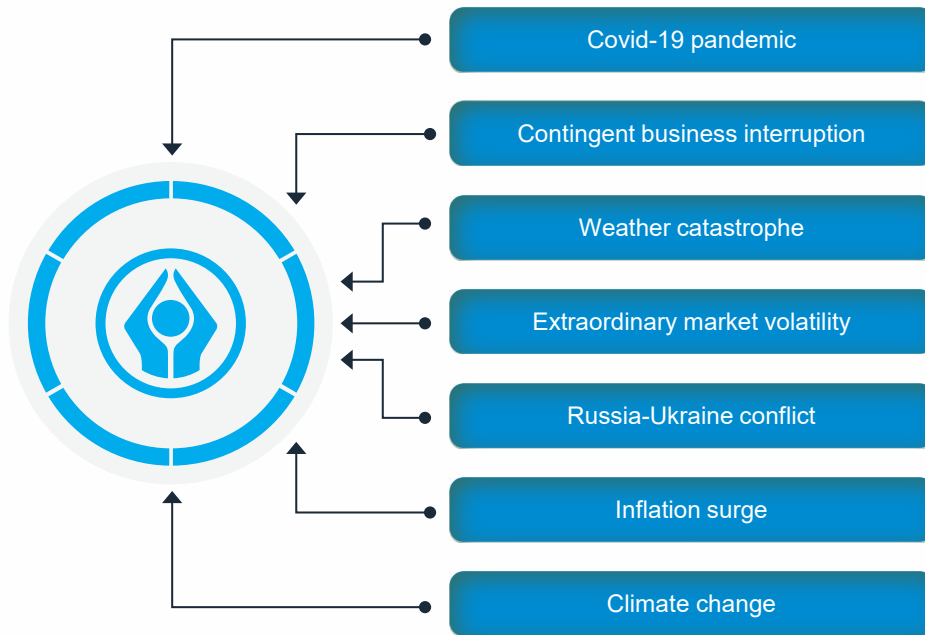
SANLAM ANNUAL RESULTS PRESENTATION 2022



4

SERIES OF ONE-IN-25/100-YEAR EVENTS

Extraordinary period over past three years

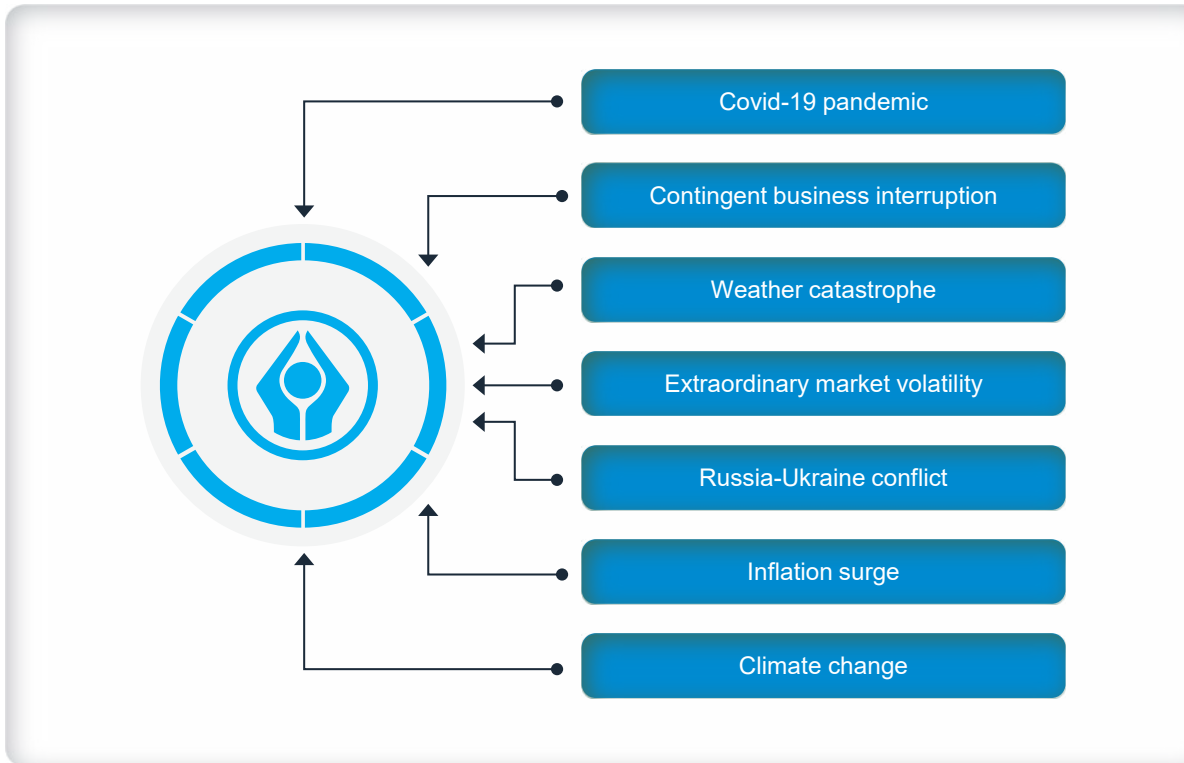


SANLAM ANNUAL RESULTS PRESENTATION 2022

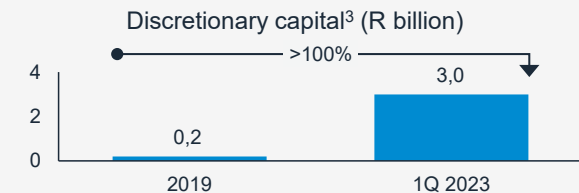
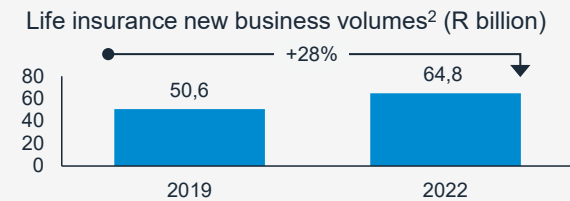
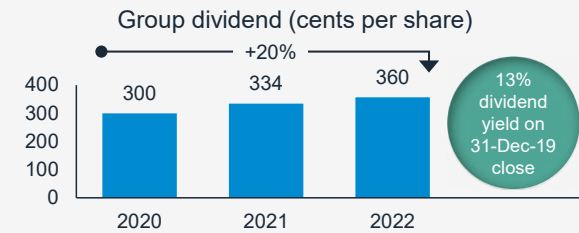
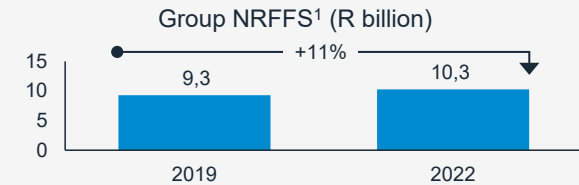


ROBUST OPERATING PERFORMANCE

Extraordinary period over past three years



SANLAM ANNUAL RESULTS PRESENTATION 2022



¹ On a comparable basis.

² New business volumes excluding UK disposals.

³ Post implementation of all announced transactions.

PROGRESSED STRATEGY LAYING FOUNDATIONS FOR GROWTH

- **Fortress South Africa**

- Created one of South Africa's largest black-owned asset managers: net new monies of R50,6 billion invested by clients; fourth largest to second largest asset manager by assets under management
- Moved to largest group risk underwriter
- Umbrella fund provider moved from fifth largest to fourth largest, and is expected to be third largest in 2023
- Moved from second to first position in the LISP (linked investment service provider) market
- Establishment of leading wills and trusts business with Capital Legacy (subject to regulatory approval)

- **African champion**

- Establishment of the largest insurance group on the African continent (excluding South Africa) in partnership with the world's largest insurer, Allianz (subject to regulatory approval)
- Completion of MTN aYo transaction, giving Sanlam access to the MTN Group's large and growing client base across Africa

- **Strengthening our position where we operate outside of Africa**

- Merger of the Shriram credit businesses in India created one of the largest non-banking financial institutions in India which bodes well for increased cross-sell and other synergies with the insurance operations



WHILE IMPROVING OUR COMPETITIVE POSITION SINCE 2020

- South African **life insurance** new business market share moved from **25% to 27%**¹
- Share of total **group risk** business moved from **22% to 27%**²
- **LISP** market share increased from **15% to 23%**³
- **Asset management** market share increased from **9,7% to 11%**⁴
- **General insurance** market share maintained at **23%**⁴
- Our **Pan-African** general insurance operations are in the **top three** market position in **13** countries, and life in **10** countries⁴

¹ UBS market share monitor June 2022.

² Swiss RE group volume survey 2021 (including Alexforbes Life).

³ Estimated market share including Alexforbes LISP and Absa LISP (subject to regulatory approval).

⁴ Management estimates based on latest available public disclosure.

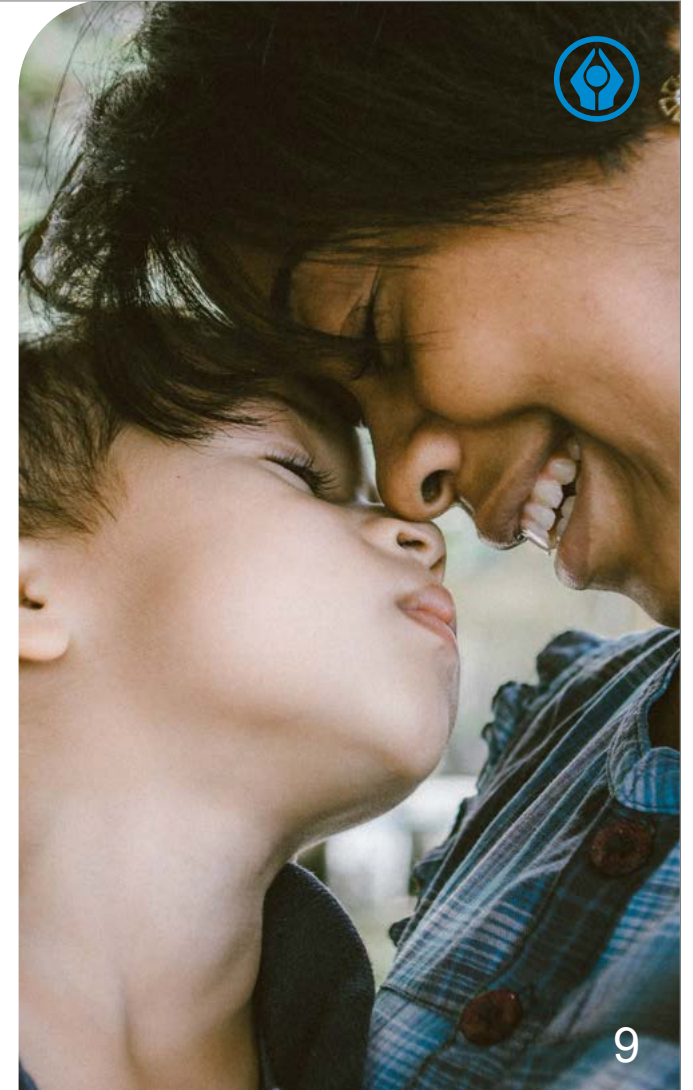


AND PERFORMING WELL ON A RELATIVE BASIS

Growth in key metrics over past three years	Sanlam	Industry average ¹
Life insurance new business volume growth	28%	19%
VNB growth ²	20%	(21%)
VNB margin (%) ²	3,06%	1,6%
NRFFS growth (R billion)	11%	4%
Dividend growth (cps)	20%	(20%)

¹ Industry average includes JSE listed insurance peers on comparable basis.

² Sanlam on constant economic basis.



MANAGED WELL THROUGH COVID-19 AND CATASTROPHIC WEATHER EVENT (2020 – 2022)



Life insurance

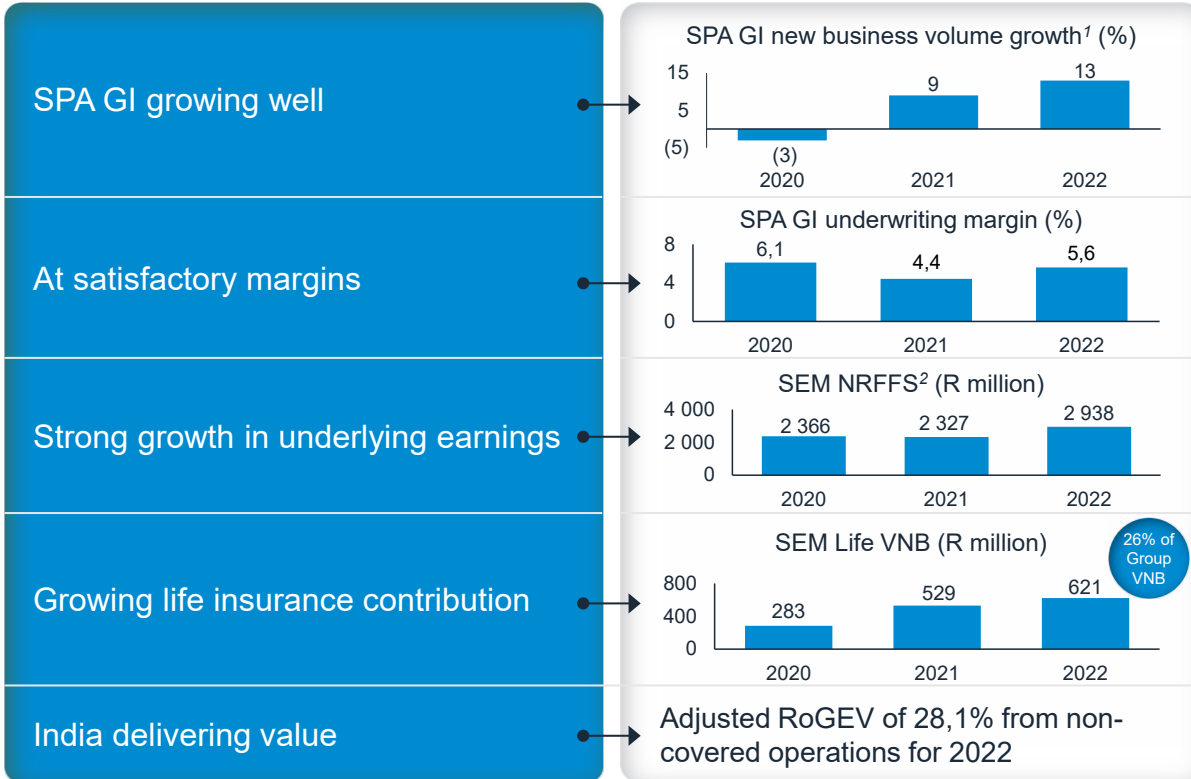
- Excess mortality claims of R4,6 billion¹
 - Impact on earnings and dividend largely neutralised through release of discretionary reserves
- Looking forward
 - Mortality basis strengthened in 2021 and 2022 to allow for likely future impacts of pandemics
 - Entered 2020 with pandemic reserve of R547 million (net of tax)
 - Have now restored reserves of some R2 billion (net of tax) for future pandemics, part of which is a retrospective reserve, impacting 2022 earnings

General insurance

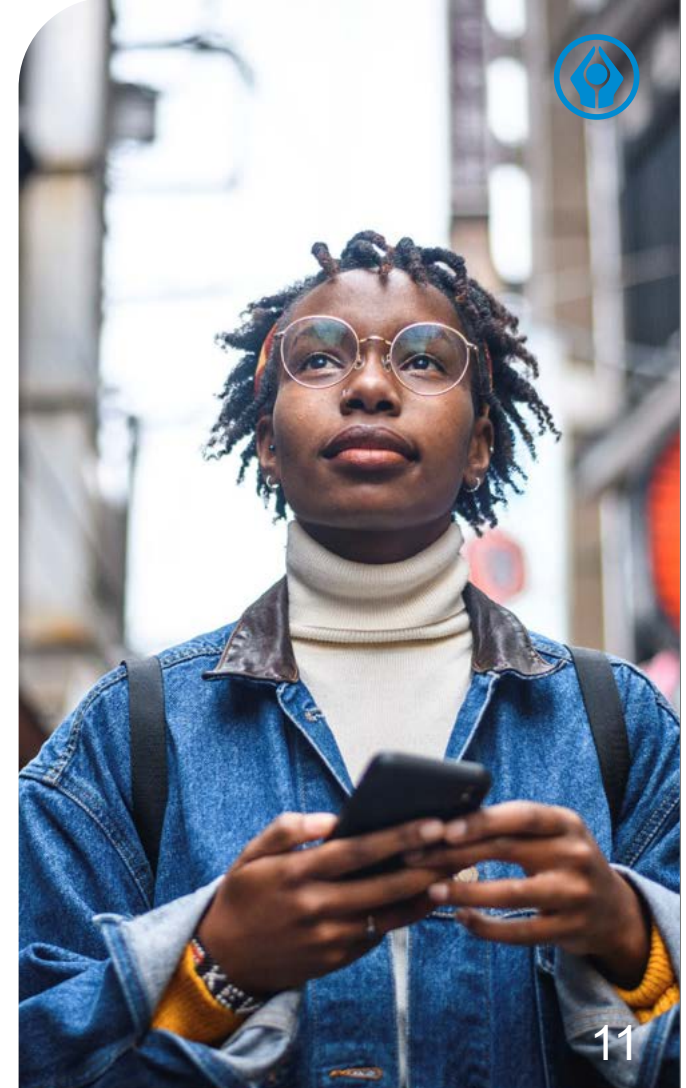
- Gross contingent business interruption (CBI) claims of R4,7 billion paid through the pandemic period, and Kwa-Zulu Natal catastrophe claims of R4,4 billion
- Sanlam earnings impact negative R1,1 billion (net of tax and reinsurance)
- Looking forward
 - 1-in-25/100-year events: policy wording clearer on what is included and excluded
 - Non-damage CBI: phasing this cover out over next two years
 - Geo-coding: knowing where risks are and what risk exposures we want
 - We are adapting to climate change very fast
 - Electricity grid failure no longer covered

¹ Net of tax, reinsurance and annuity and disability offsets.

EMERGING MARKETS PORTFOLIO CONTRIBUTING STRONGLY



¹ Constant currency, 2020 impacted by Covid-19 related lockdowns.
² Excluding Morocco float marked-to-market returns and excess mortality claims in 2021.



A photograph of two hands held palm-up against a blurred background of a beach. The left hand holds a collection of colorful, broken pieces of plastic, including a red and blue fragment and a yellow piece. The right hand holds several natural shells, including a large white spiral shell, a smaller green shell, and a white, porous shell. The image is overlaid with white, curved lines that separate the debris from the shells.

STRATEGY AND CAPITAL ALLOCATION

Paul Hanratty

REVIEW OF OUR STRATEGIC JOURNEY

Our vision

To become the most admired financial services group in Africa

Our Strategy

-  Becoming an African champion
-  Building a fortress position in South Africa
-  Accelerating growth outside of South Africa
-  Strengthening our position where we operate outside of Africa

Enabled by

- Data and digital transformation
- Continuous development of our culture
- Innovation
- Partnerships

Executed through our clusters



- Retail Affluent
- Retail Mass
- Corporate



How we are embedding strategy in our business

- **Integration** – expand product offering and improve cross-sell
- **Digitalisation** – improve client and intermediary experience and efficiency
- **Empowerment** – contribute to inclusive economic participation and support Fortress SA strategy
- **Culture** – readying our people and culture to operate differently ensures we remain a future-fit organisation
- **Partnerships** – exploit growth opportunities and gain access to underpenetrated market segments across the continent and where we operate outside Africa

CAPITAL DEPLOYMENT TO SUPPORT STRATEGY (2020 – Q1 2023)



Focus area	Key transactions	Discretionary capital impact	Key outcomes
Fortress SA	<ul style="list-style-type: none"> ARC FS buys into Sanlam Investments Sanlam buys into ARC FS Alexforbes Life, LISP and EB Afrocentric Absa Investments Brightrock Capital Legacy 	R1,5 billion outflow	<ul style="list-style-type: none"> One of SA's largest black-owned asset managers Leading group risk business Leading LISP business #1 health risk administrator, #2 medical scheme administrator Leading fiduciary business, strong VNB contribution, revenue synergies, capital synergies, expense efficiencies
African Champion	<ul style="list-style-type: none"> Sale of 12 sub-scale businesses Allianz JV 	Capital neutral	<ul style="list-style-type: none"> Enhanced growth potential and diversified risk Revenue, cost and capital synergies
India	<ul style="list-style-type: none"> Restructuring of Shriram – merger of two credit businesses Sell stake in Shriram General Insurance (SGI) to KKR 	Capital neutral	<ul style="list-style-type: none"> Simplified focus on India Synergies created Uplift to GEV
UK	<ul style="list-style-type: none"> Disposal of three businesses 	R3,7 billion inflow	<ul style="list-style-type: none"> Redeploy capital to strategic growth areas
Fintech	<ul style="list-style-type: none"> MTN aYo 	R0,8 billion outflow	<ul style="list-style-type: none"> Platform to take insurance digitally to continent with MTN as a partner to 200 million customers
Balance sheet and other	<ul style="list-style-type: none"> Capital release, share repurchase Other 	R1,4 billion inflow	<ul style="list-style-type: none"> Repurchase of 20 million shares at discount to GEV Smaller transactions, recapitalisations

POTENTIAL FUTURE CAPITAL DEPLOYMENT



Strategic pillar	Potential capital deployment
 Fortress SA	<ul style="list-style-type: none">• Organic growth focus to capitalise on existing acquisitions
 Africa	<ul style="list-style-type: none">• Allianz option: may lead to release of capital in a few years' time
 Asia	<ul style="list-style-type: none">• India: focus on enhanced cross-sell with the stronger credit business, funding synergies in the credit business
 Fintech	<ul style="list-style-type: none">• Organic growth of existing businesses supported by modest further investment
 Technology Renewal	<ul style="list-style-type: none">• Well provided for by means of specific reserves, no immediate cash impact anticipated

SUSTAINABILITY AND GOVERNANCE



Environment

- Launched inaugural Climate Change Resilience Report (TCFD)
- Working with South African municipalities and investing in projects to mitigate impacts of climate change
- Significant changes to underwriting



Social

- Sanlam Foundation driving financial education and social upliftment in partnership with Ubuntu-Botho, with activities being extended across African operations
- Financial inclusion takes a leap forward through the MTN JV
- Satrix Access Range enabling financial inclusion with no minimum investment amounts
- Sanlam Gauge and Sanlam ESG Barometer



Governance and people

- Board contains a broad range of skills and experience in all aspects appropriate to Sanlam, given its growth strategy and diverse footprint
- Board is 61% independent, has 33% female representation and majority black representation
- Focused on future-fit talent, succession and wellbeing
- We are developing a high-performance and agile culture, "Winning as One"
- Transformation, diversity, equity and inclusion remain critical



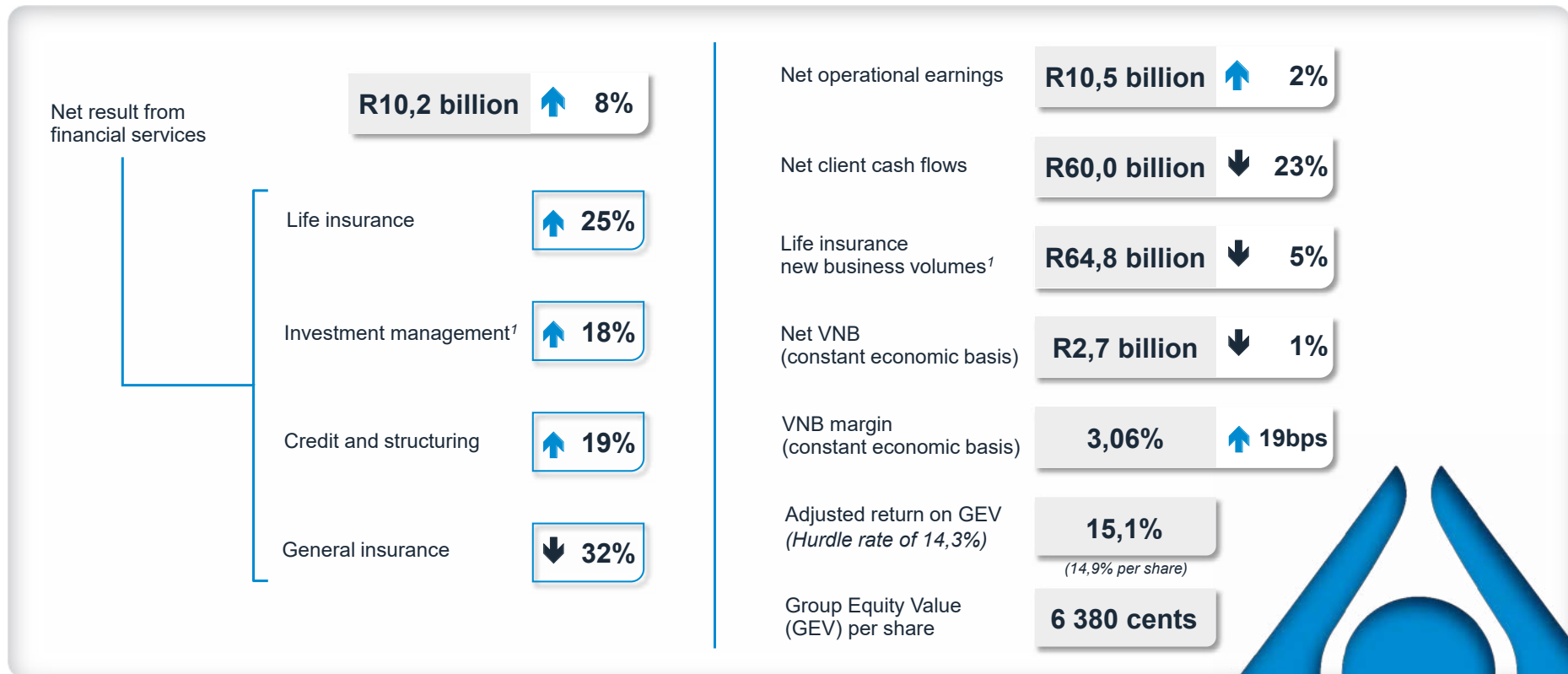
Investing for good

- Climate Investor Funds One and Two: US\$950 million and US\$855 million raised for projects in renewable energy, wind, solar, run-of-river hydro, water, sanitation and ocean sectors
- Sanlam Legacy Funds continues to support job creation
- South African SME Debt Fund continues to grow and invest in new enterprises. Sanlam has recently committed another R250 million to this fund
- ESG leader in asset management in Africa

FINANCIAL RESULTS

Abigail Mukhuba

2022 KEY PERFORMANCE INDICATORS

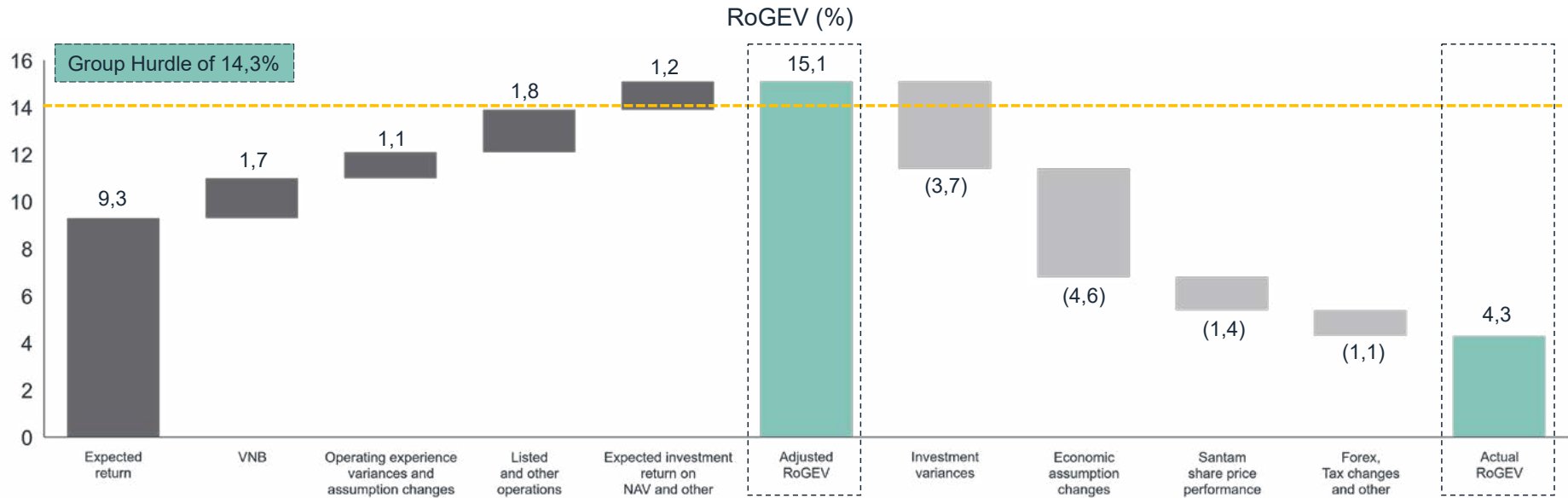


¹ Excluding UK disposals.





RETURN ON GROUP EQUITY VALUE



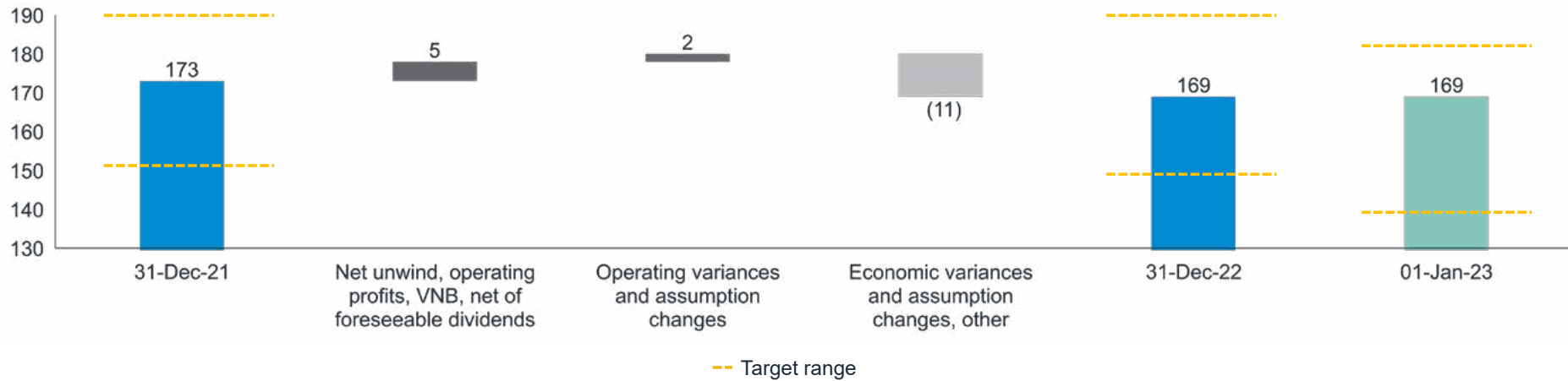
Adjusted RoGEV above hurdle rate

- Covered business adjusted RoGEV of 17,4%, non-covered business (including discretionary capital and other) of 13,3%
- Good contribution from new business and risk experience in covered business
- SPA GI new business volumes and India operations contributors to non-covered business performance
- Actual RoGEV significantly impacted by volatile movements in equity and bond markets



SOLVENCY POSITION

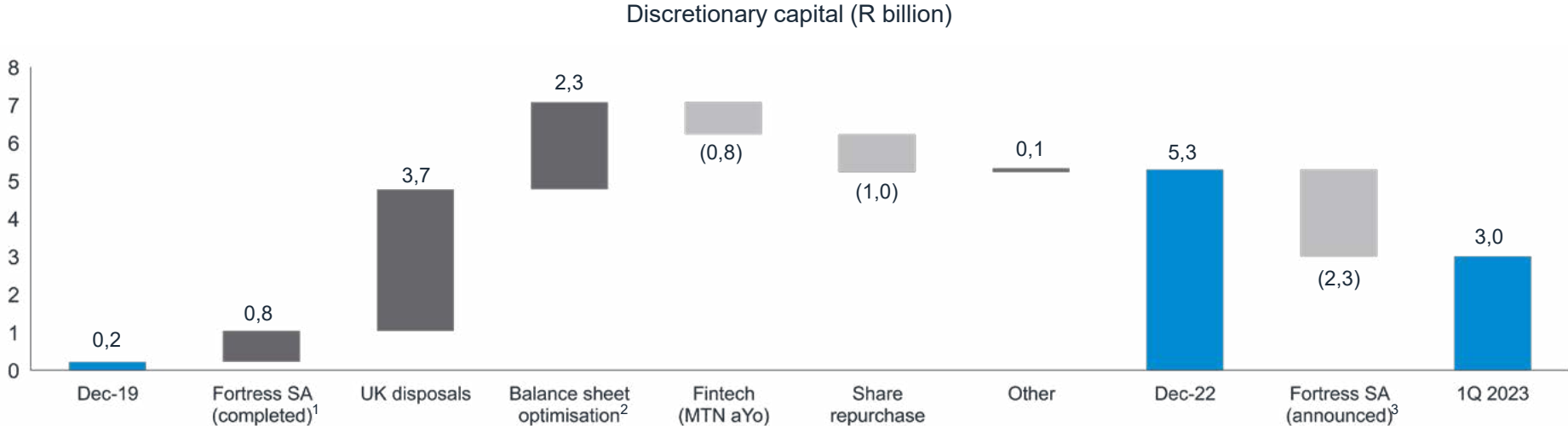
Sanlam Group SCR cover ratio change (%)



- Board has adopted new solvency target ranges
 - Sanlam Group: 140% to 180% from 150% to 190% with effect from 1 January 2023
 - Sanlam Life Insurance Limited covered business: 150% to 200% from 170% to 210%
- Solvency ratios remain well within target ranges



DISCRETIONARY CAPITAL BUILD-UP (2019 – 1Q 2023)



- Strategic implementation and balance sheet management released significant discretionary capital
- Immediate focus is on executing recent transactions
- Discretionary capital within normal range of R1,0 to 3,0 billion
- Unless new significant opportunities arise, Group plans to return a small amount of available discretionary capital to shareholders in due course

¹ Sanlam Investments share sale to ARC FS, Alexforbes transactions.
² Capital releases.
³ Capital Legacy, BrightRock, AfroCentric.

BUSINESS PERFORMANCE

Abigail Mukhuba

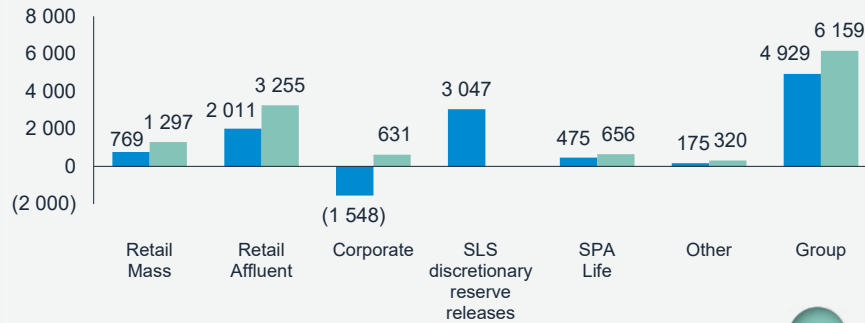


LIFE INSURANCE



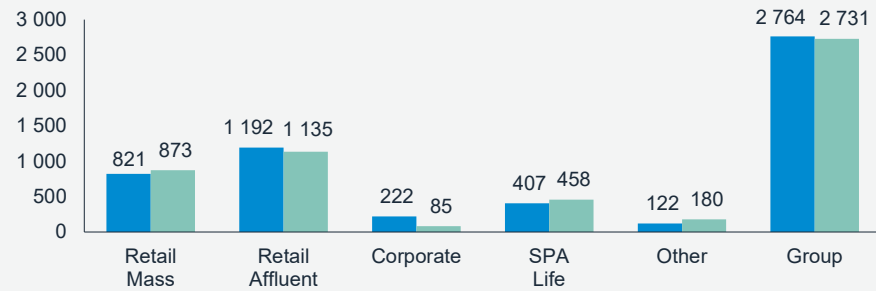
Net result from financial services (R million)

25%



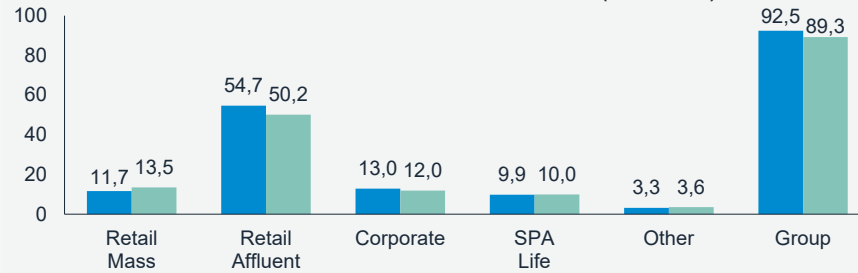
Net value of new business¹ (R million)

(1%)



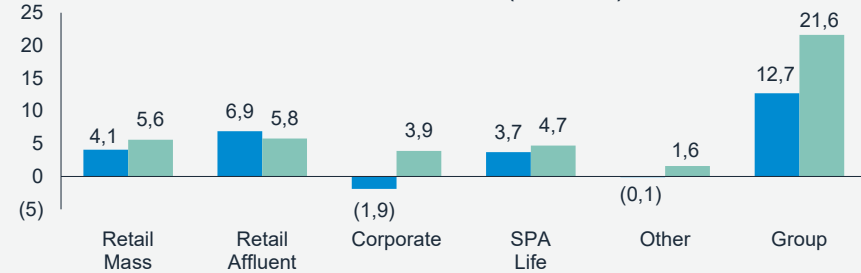
New business volumes PVNBP^{1,2,3} (R billion)

(3%)



Net client cash flows (R billion)

70%



¹ Constant economic basis.
² Present value of new business premiums.
³ Excluding UK disposals.

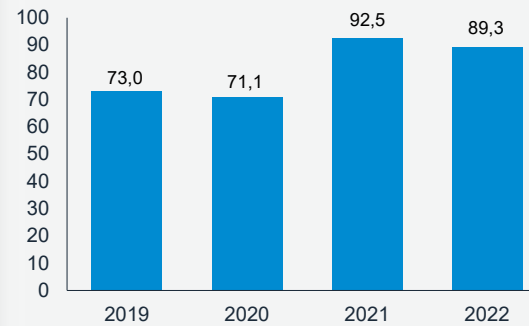
■ 2021 ■ 2022



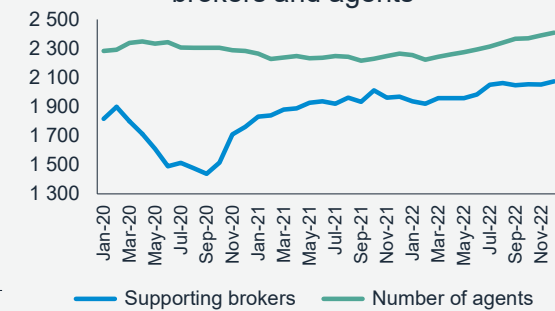
LIFE INSURANCE continued

- New business volumes remain well above pre-pandemic levels
- VNB also above pre-pandemic levels, SEM VNB contribution growing well
- Our distribution footprint in South Africa is in its strongest position ever
- Risk experience profits were strong in 2022, Covid-19 has become endemic
- Persistency assumptions strengthened in SA; release of remaining mass lapse provision; management actions to address persistency in SA Retail Mass
- Capitec remains a partner

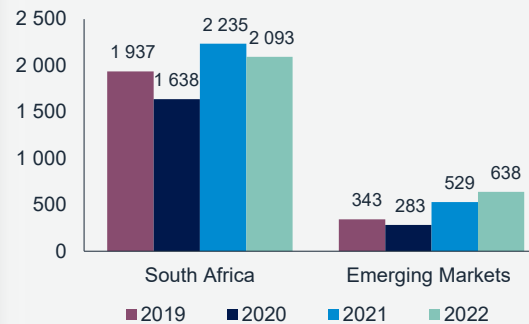
New business PVNBP^{1,2} (R billion)



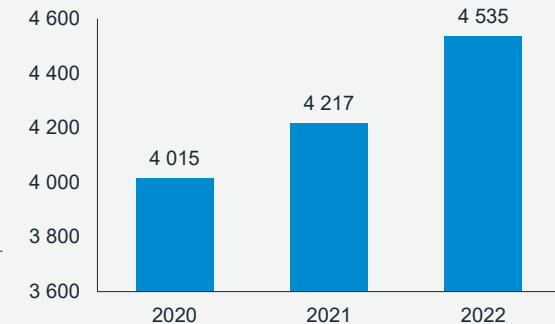
Number of SA Retail Affluent brokers and agents



Net VNB¹ (R million)



Number of SA Retail Mass agents

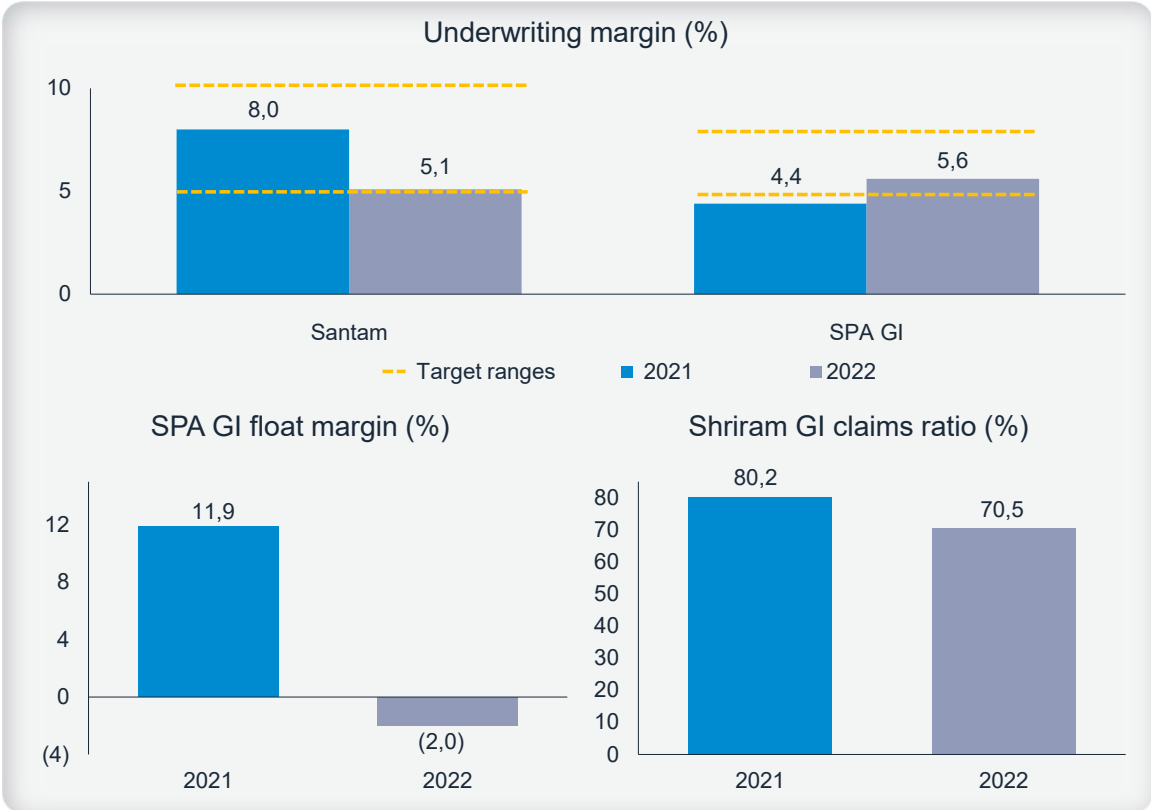


¹ 2022 on constant economic basis
² Excluding UK disposals.



GENERAL INSURANCE

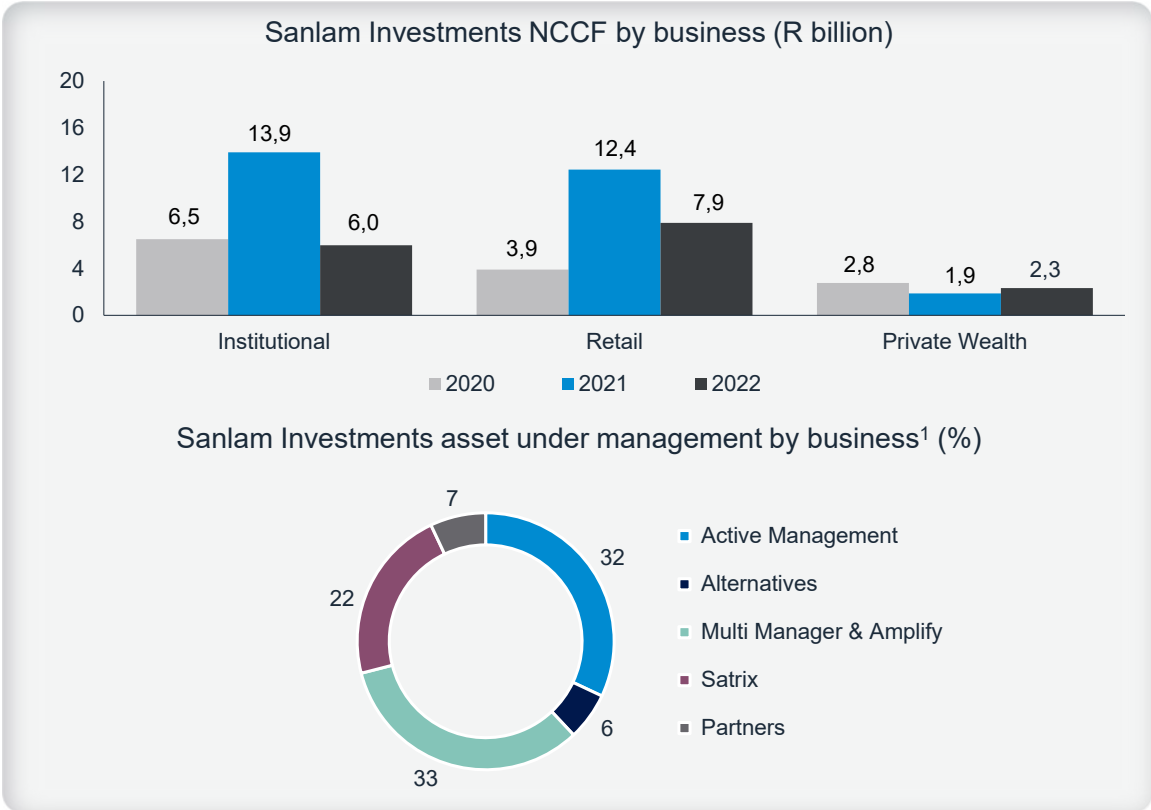
- SPA GI float returns the biggest negative impact – non-cash item
- Santam and SPA GI underwriting margins within target ranges
- Corrective management actions produced a positive outcome in 2H22
- India (Shriram General Insurance) claims ratio and sales trends improving





INVESTMENT MANAGEMENT

- Sanlam Investments alternatives business was a strong performer in the year: climate fund operations and private equity business
- Good investment performance in traditional asset management earned performance fees
- Strong net flows across the business: passive, active, alternatives, retail implemented consulting
- Strong growth in brokerage income in Sanlam Private Wealth
- Absa investment management business integration began in December 2022 – adds R131 billion of assets under management and unlocks significant synergy benefits

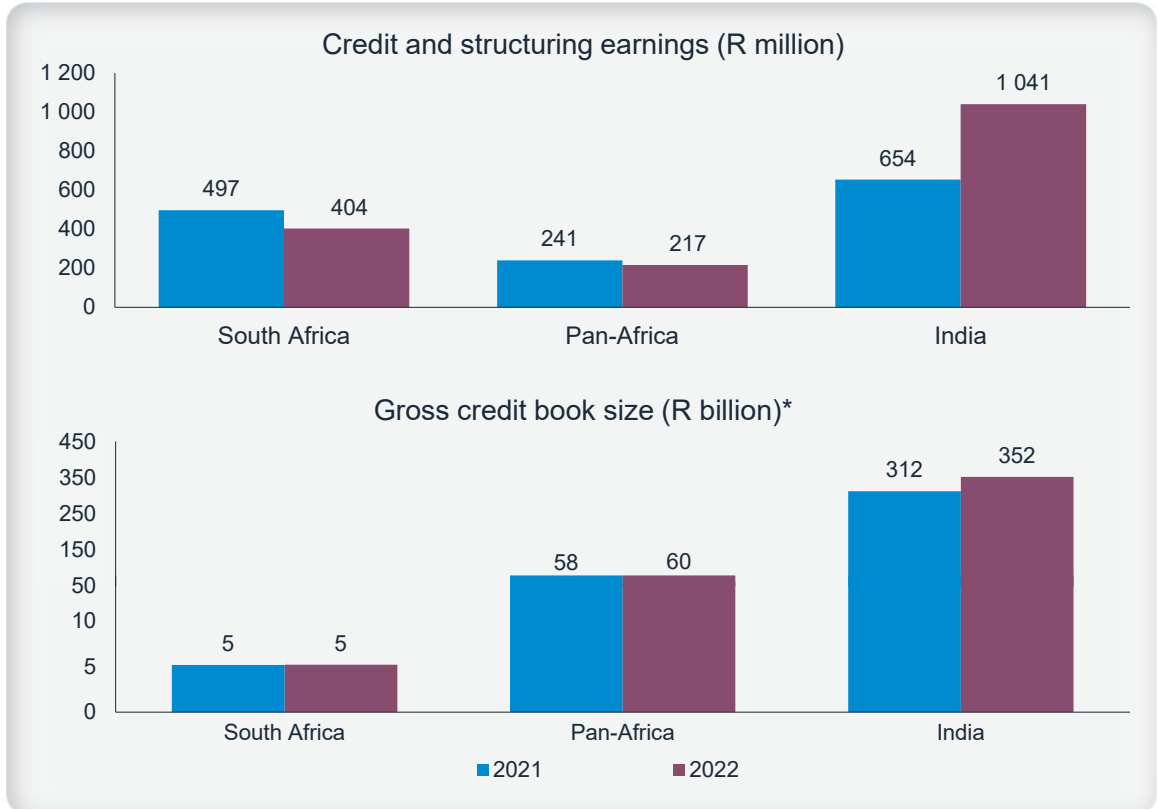


¹ Excluding Absa Investments.



CREDIT AND STRUCTURING

- South Africa earnings impacted by lower average loan book size in Sanlam Personal Loans, SanFin earnings weaker due to base effects from strong performance in 2021
- Sanlam Credit Solutions performing well; registered users more than doubled to 455 000, enabling cross-sell
- India performing well and benefiting from continued economic growth



* 100% gross loan book size.

IFRS 17 IMPACT

Abigail Mukhuba

SUMMARY OF EXPECTED IMPACT OF IFRS 17 ON SANLAM GROUP KPI's



The expected IFRS 17 (relative to IFRS 4) impact on the Group post the effective date 1 January 2023 is summarised below:

KPI's	Notes	Expected impact for the Group
Earnings <ul style="list-style-type: none"> Net result from financial services Net operational earnings Headline earnings 	<ul style="list-style-type: none"> Initial acceleration in earnings on new business expected (mainly due to deferral of acquisition costs) For the in-force book, future profits are reduced. Overall impact depends on the mix and volume of new business relative to the in-force book 	Marginal impact for life insurance (depends on new business growth rate) Limited impact is expected on general insurance net earnings Limited impact
Cash earnings	<ul style="list-style-type: none"> Cash generation will be very similar to the current experience 	No impact on earnings/dividends (accelerated tax payments funded from balance sheet)
Tax (South African businesses)	<ul style="list-style-type: none"> Tax payments will be accelerated in phasing-in period (six years) of transition amount for life insurance Not material for general insurance Tax is provided for in current reserves 	Value of new business: limited impact
Business volumes	<ul style="list-style-type: none"> New business volumes and net client cash flows not impacted 	Limited impact
Group Equity Value Return on Group Equity Value	<ul style="list-style-type: none"> GEV based on Discounted Cash Flows (DCF) of future cash flows 	Limited impact
Group dividend	<ul style="list-style-type: none"> Group dividend policy is unchanged 	Limited impact
Solvency cover	<ul style="list-style-type: none"> No change in own funds. Change in composition between net asset value and value of in-force Assets released from policyholder funds to be retained in shareholder funds for solvency purposes 	Limited impact



SUMMARY OF UNAUDITED IMPACT OF IFRS 17 ON SANLAM GROUP OPENING BALANCES: 1 JANUARY 2022

Statement of Financial Position

Increase in total IFRS shareholders' equity of between R12 billion and R15 billion (net of tax).

- Net reduction in policyholder liabilities (increase in equity) due to lower best estimate of future cash flows compared to IFRS 4, CSM and differences in calibration of compulsory margins
- Treatment of treasury shares held in specific policyholder portfolios (increase in equity)
- Derecognition of the value of business acquired (VOBA) that relates to existing insurance contracts (decrease in equity)
- This increase does not change total own funds under SAM, it is merely a transfer from value of in-force to net asset value.



PRIORITIES AND OUTLOOK

Paul Hanratty

PRIORITIES



Operational

- Focus on doing the basics well to maintain competitive advantage in each product line and market segment
- Continued focus on improving customer experience and outcomes, particularly through digitalisation
- Disciplined expenditure
- Sustainability and governance fully embedded in all operations



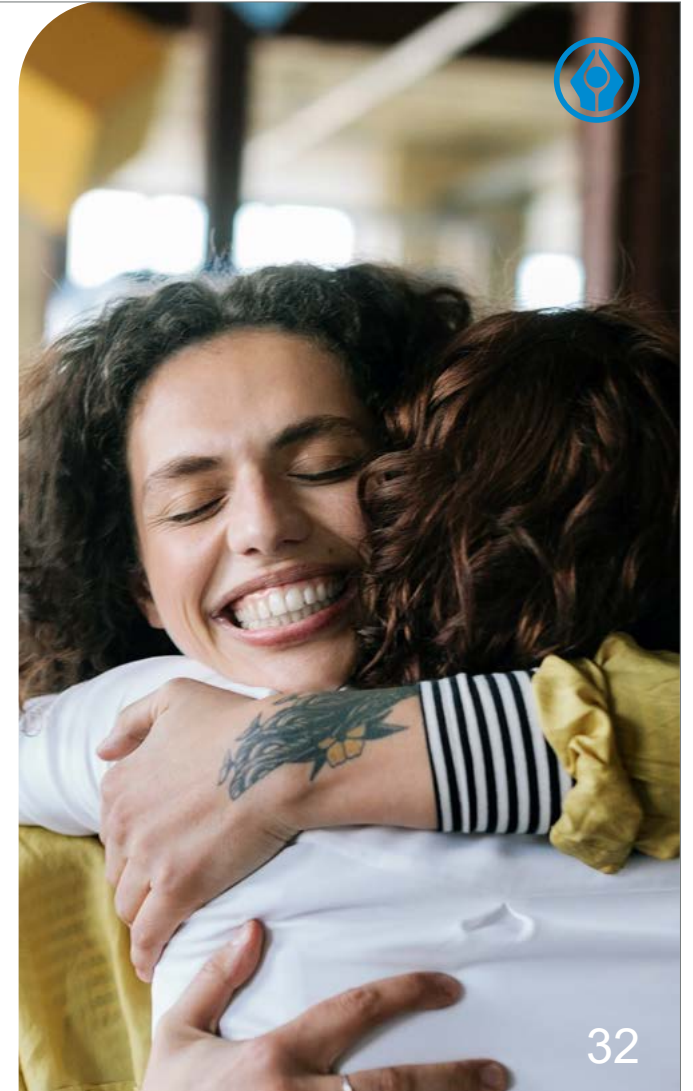
Strategic

- Fully executing on each transaction, integrating the operations fully and realising the synergies and growth potential created
- Approval processes for Allianz JV, AfroCentric, Capital Legacy and BrightRock
- Build our MTN partnership
- Continue investment in digital business models



People

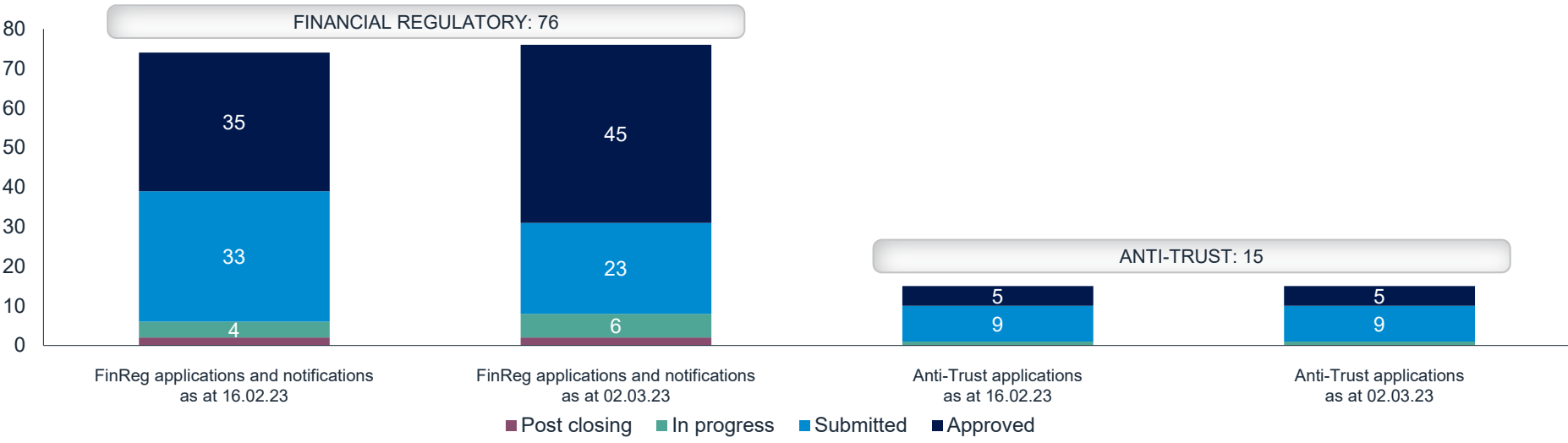
- Continually enhance our culture with particular emphasis on growing our talent and improving innovation
- Improving productivity through technology and flexibility



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ALLIANZ JV APPROVAL PROCESS



- Significant number of approvals required
- Progressing according to plan
- Approvals on track to complete mid-2023



OUTLOOK

Life and GI

- Restored reserves in our life insurance operations that position us well for any future adverse events impacting mortality, morbidity and other experience
- We expect risk profits to normalise in 2023 as the corporate pricing cycle softens as Covid-19 has become endemic
- We expect recovery in general insurance to continue in 2023

Markets

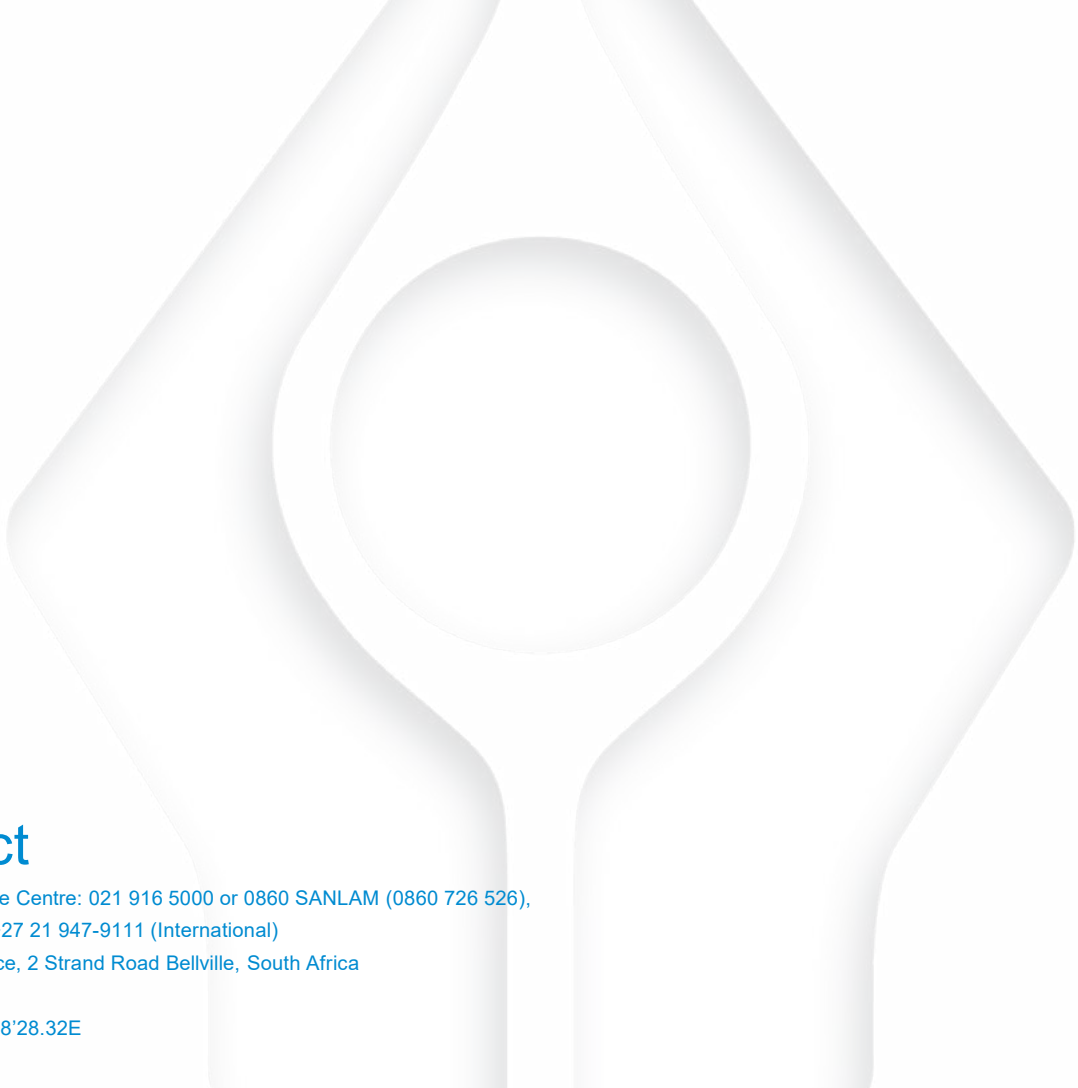
- Earnings sensitive to global market levels and potential recovery
- Further rises in long-term interest rates may negatively impact VNB and GEV

Positioning for new macro

- Sales growth and persistency under pressure in the short term
- We expect personal disposable incomes and insurance premiums to adjust to higher rates of inflation
- Predominance of real assets on balance sheet places Group in a strong position

Strategic flexibility

- Strong solvency and balance sheet, low leverage
- We anticipate a global recovery in late 2023 or 2024, and Group is well placed to perform strongly when this recovery takes place



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Sanlam

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Audited Annual RESULTS

2022

Financial Planning | Retirement | Insurance | Health | Investments | Wealth | Credit

Basis of preparation

The Sanlam Group's International Financial Reporting Standards (IFRS) financial statements for the 12 months ended 31 December 2022 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 2021 Integrated Report and Annual Financial Statements.

All references to 2022 and 2021, and commentary relate to the full 12 months period, 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, amongst 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 report has been presented to illustrate the impact of changes in the South African rand exchange rates and is the responsibility of the 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 2022 at the weighted average exchange rate for the 12 months to 31 December 2021, 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, Malaysian ringgit and the Moroccan dirham.

Foreign currency/ZAR	United Kingdom	USA	Botswana	India	Morocco	Angola	Malaysia
31/12/2021	21,62	15,96	1,36	0,21	1,72	0,03	3,82
31/12/2022	20,47	17,02	1,31	0,21	1,60	0,03	3,85
(Strengthening)/Weakening	(5,3%)	6,6%	(3,3%)	(4,2%)	(6,9%)	16,5%	0,8%
Average 2021	20,32	14,76	1,33	0,20	1,64	0,02	3,57
Average 2022	20,16	16,31	1,32	0,21	1,60	0,04	3,72
(Strengthening)/Weakening	(0,8%)	10,5%	(1,3%)	4,2%	(2,6%)	50,7%	4,2%

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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STRATEGIC AND FINANCIAL REVIEW

Overview 2020 to 2022

The Board and management team is delighted with the Group's performance over the last three years, the strength with which the Group has emerged from this period, and the strategic platform developed for future growth.

The period 2020 to 2022 has been one of the most challenging ever in the Group's history. The Covid-19 pandemic had very significant impacts on life insurance claims over the period, while first the pandemic, and then the global economic turmoil resulting from the Russia-Ukraine conflict, has had a very negative impact on the value of assets managed by the Group. The global economy has seen a surge in inflation and interest rates not seen for many years.

The pandemics impact on many of our clients' businesses, which resulted in material contingent business interruption (CBI) claims at our South African general insurance operations (Santam), followed by disastrous floods in KwaZulu-Natal, South Africa, meant that Santam experienced its two largest catastrophes in history in consecutive periods, resulting in a scale of impact that we would typify as a one-in-25/100 years impact.

In line with its mandate of ensuring that clients live a life of confidence, the Group was uncompromisingly focused on servicing clients and delivering value to clients and all other stakeholders throughout this very difficult three-year period. At the same time the Group has been successfully focusing on the delivery of its new ambitious strategy, which was adopted in 2020, despite the external challenges posed during the period.

The Group's financial strength, prudent financial management, diversity and strong competitive positioning across all key product lines and market segments, meant that despite the most challenging period in our Group's history, we were able to deliver value to clients and shareholders over the period. Some highlights from this period are:

For clients:

- Death claims paid of R50 billion.
- Contingent business interruption claims of R4,7 billion.
- KwaZulu-Natal flood claims of R4,4 billion.

All gross of reinsurance

For shareholders:

- Dividends over the three years representing a total return of 13% on the value of a share on 1 January 2020.
- Growth in net result from financial services of 11% from 2019 to 2022 on a consistent basis of comparison.
- Growth in Group Equity Value on an adjusted basis of R43 billion over the three years.
- Growth in the value of new business⁽¹⁾ by 20% and life insurance new business volumes by 28% from 2019 to 2022 on a consistent basis of comparison.
- 2022 new business margins at 3,06%⁽¹⁾ vs 2,98% in 2019.

In the most recent of these last three years, Sanlam again produced excellent results for 2022 in a challenging environment. Although the worst of the pandemic receded, the year was characterised by significant investment market volatility, the far-reaching impacts of the Russia-Ukraine conflict, surging inflation and energy prices, supply chain disruptions and hardship for consumers. Our operational performance again proved the robustness of our business and our ability to deliver value for all our stakeholders even in the most complex of environments. The Group delivered positively against our key value creation metric, adjusted Return on Group Equity Value and we are on track to deliver within our long-term dividend target of real growth of 2% to 4% over a rolling three-year period, from the base set in 2020.

During 2022, the Group recorded growth of 8% in our key earnings metric, net results from financial services (NRFFS), with dividend growth of 8% and adjusted Return on Group Equity Value of 15,1%, above our hurdle rate of 14,3% for 2022. We also sharpened our focus on the Group's impact on the communities in which we operate, with an emphasis on financial inclusion and education; and ensuring our vast capital resources are invested for the good of our continent and its people.

The Group made excellent progress on our "Winning as One" culture journey, and we are seeing the business results of achieving a more united set of values and aspirations. Our Group-wide culture assessment showed a culture score in line with 2021 and significantly higher than the industry average.

When the Group entered 2020 it carried a specific pandemic reserve of R547 million (net of tax) to provide support in the event of a pandemic. The Group weathered the pandemic storm, releasing the pandemic and other discretionary reserves to mitigate the impact of the pandemic on the Group's earnings. By the end of 2022 the Group restored reserves of some R2 billion (net of tax) for future pandemics, part of which is a retrospective reserve, impacting 2022 earnings. This strengthening of the balance sheet for the future is in the interest of both our clients who need Sanlam to be secure under all conditions, and for our shareholders.

⁽¹⁾ 2022 on constant economic basis.

The Group has made considerable progress in implementing the next phase of our strategy during the last three years. The Group has redeployed its capital in the process of implementing the strategy announced in 2020. Capital has been redeployed from the UK to strengthen the South African businesses through a series of investments. Our partners have been important in the achievement of much of the strategic progress within South Africa.

Capital has also been released from the exit from a number of smaller businesses across the African continent. The African portfolio will be considerably expanded and diversified, with reasonable cost, capital and revenue synergies, through the creation of a joint venture (JV) with Allianz SE (Allianz) (subject to regulatory approvals). The creation of this JV has not required any further capital deployment by the Group.

The Group's capital has been redeployed over the last three years to areas where the Group has competitive advantage and where we believe future returns will be superior to the returns achieved on previously deployed capital, and above our hurdle rates. Although the Group has executed transactions over the three years, we have been careful to ensure that the operational focus of the business has remained strong. Indeed, the competitive performance of our businesses has improved over the three years, so that the demands of the strategic restructuring have not affected our underlying performance.

The Group remains focused on disciplined and value enhancing deployment of capital, in line with our capital allocation framework. *See more in our capital and solvency section on page 51.*

Strategic development highlights since 2020:

- Created one of South Africa's largest black-owned asset managers, with net new monies of R50,6 billion invested by clients from 2020 to 2022.
- Asset management business moved from fourth largest South African asset manager by assets under management to second largest.
- Moved to largest group risk underwriter in South Africa.
- Umbrella fund provider moved from fifth largest to fourth largest and is expected to be third largest in 2023.
- Establishment of leading wills and trusts business with Capital Legacy (subject to regulatory approval).
- Moved from second to first position in the (linked investment service provider) LISP market.
- Establishment of the largest insurance group on the African continent (excluding South Africa) in partnership with the world's largest insurer Allianz (subject to regulatory approvals).
- Merger of the Shriram credit businesses in India created one of the largest non-banking financial institutions in India which bodes well for increased cross-selling and other synergies with the insurance operations.
- Completion of the MTN aYo transaction giving Sanlam access to the MTN Group's large and growing client base across Africa.

Despite the focus on strategic reallocation of capital, the Group has not lost its focus on serving clients and our South African market position has improved or remained steady in most lines of business and market segments.

Market competitiveness improvements since 2020:

- South African life insurance new business market share moved from 25% to 27%.⁽²⁾
- Share of total group risk business moved from 22% to 27%.⁽³⁾
- LISP market share increased from 15% to 23%.⁽⁴⁾
- Asset management market share increased from 9,7% to 11%.⁽⁵⁾
- General insurance market share maintained at 23%.⁽⁵⁾
- Our Pan-African general insurance operations are in the top three market position in 13 countries and life in 10 countries across our portfolio.⁽⁵⁾

Having made good strategic progress over 2020 to 2022, weathered the incredibly tough conditions and having maintained or improved our competitive position in all business lines and market segments, the Group will have a slightly different focus over the next few years. We will focus on:

- Fully executing on each transaction, integrating the operations concerned fully into the Sanlam Group and realising the synergies and growth potential created.
- Sticking to doing the basics well so that we continue to maintain or improve our competitive position.

As a result of the actions taken to reallocate our capital strategically, we have a small amount of surplus capital, over and above the capital required to fund organic growth and small complementary business development. The Group has sufficient resources set aside to fund the modernisation of our technology, to develop our fintech businesses and to finance small capital demands which may arise in South Africa or Pan-Africa. In the absence of any compelling new significant opportunities, the Group will look to return this small excess capital in due course in the most efficient manner.

⁽²⁾ UBS market share monitor June 2022.

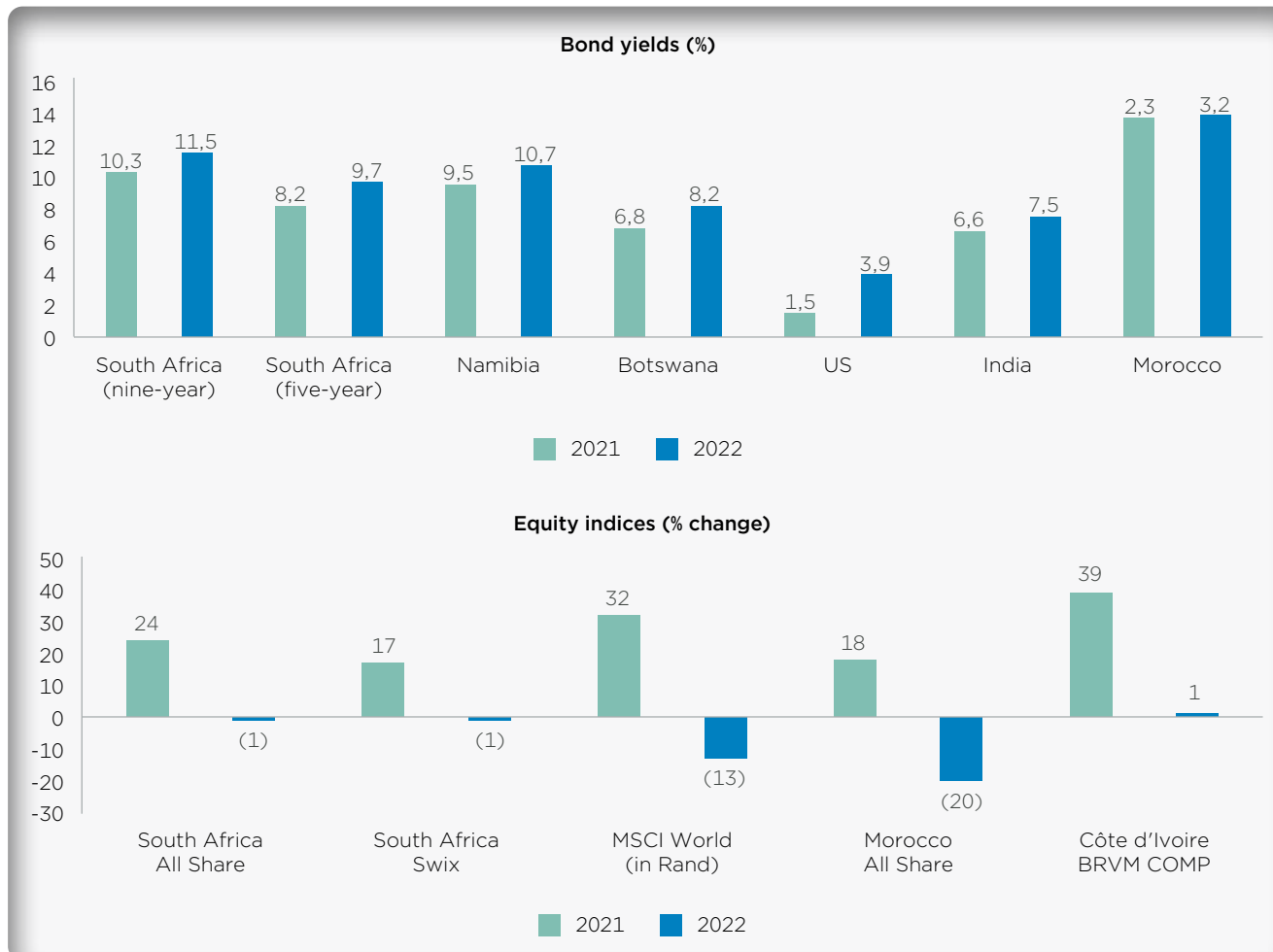
⁽³⁾ Swiss RE group volume survey 2021 (including Alexforbes Life).

⁽⁴⁾ Estimated market share including Alexforbes and Absa LISP (subject to regulatory approval).

⁽⁵⁾ Management estimates based on available public disclosure.

Review of key performance indicators

Market and interest rate information



Operating context

South African equity markets ended the year marginally lower than where they started, but performance through the year was volatile. The JSE Swix index recorded gains in the first quarter of the year but then declined rapidly, bottoming in October, and subsequently recovering strongly into year-end. International markets ended the year at weaker levels, with the MSCI world index declining 13% in rand terms. Moroccan equity markets declined significantly, with the market index recording a 20% decline for 2022, relative to a gain of 18% in 2021. Equity market weakness suppressed asset-based fee income and shareholder investment returns across our portfolio, while the decline in Moroccan equity markets had a large negative impact on the investment return earned on insurance funds in our Pan-African general insurance operations (SPA GI).

Bond markets were also volatile over the period, impacting not only investment income, but also the valuation of our operations on 31 December 2022. Higher bond yields, which result in discounting future cash flows at a higher rate, negatively impacted valuations and the value of new life insurance business written. The rand strengthened against most major currencies in our portfolio, which had a negative impact on our earnings and the valuations of our non-South African operations.

Although the South African economy remained relatively resilient for 2022, supported by buoyant commodity prices, economic activity was impacted by the significant KwaZulu-Natal flooding in April and the most severe electricity supply disruptions on record. The surge in inflation over the period had a more severe impact on clients with lower incomes, who spend a larger proportion of their incomes on food and transport, impacting their ability to retain payments on existing policies.

The economies in our emerging markets portfolio experienced similar economic headwinds, but the diversity of the Group's portfolio assisted, with resource producing countries across our portfolio, including Nigeria, Angola and some of the Southern African countries benefiting from higher commodity prices. Morocco's economy expanded at a modest pace in 2022, while the Indian economy recorded robust growth.

Key performance indicators

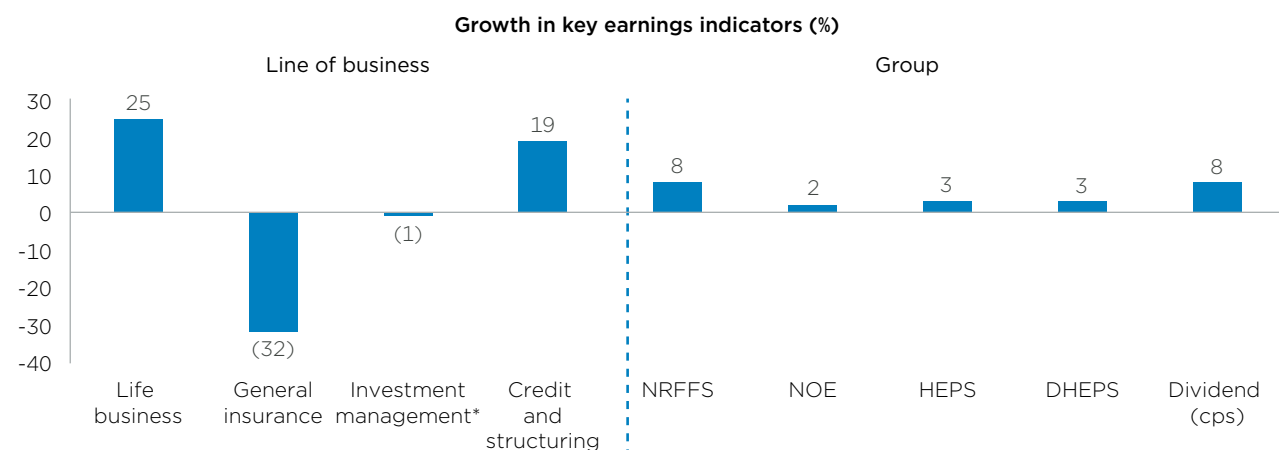
Against a difficult backdrop, the Group's performance was positive across most key metrics. Where new business volumes and net client cash flows were lower than 2021, this was due to elevated bases from the exceptional 2021 performance which was supported by increased savings. Absolute new business volumes remained satisfactory in 2022.

Earnings

Performance indicator for the year ended 31 December	Unit	2022	2021	Δ	Δcc
Earnings and dividend					
Net result from financial services	R million	10 191	9 469	8%	6%
Net operational earnings	R million	10 532	10 288	2%	1%
Headline earnings	R million	9 294	9 041	3%	1%
Weighted average number of shares	million	2 078	2 088		
Adjusted weighted average number of shares	million	2 210	2 224		
Net result from financial services per share	cents	461	426	8%	7%
Net operational earnings per share	cents	477	463	3%	2%
Diluted headline earnings per share	cents	447	433	3%	2%
Dividend per share	cents	360	334	8%	

CC = constant currency.

The Group's net results from financial services reached a new historic high, exceeding R10 billion for the first time. The excellent performance of our life insurance, investment management and credit and structuring operations contributed to Group performance. Our general insurance operations detracted from earnings growth, including the negative impact of weaker unrealised investment returns on insurance funds in SPA GI of negative (losses) R362 million in 2022, relative to a positive (gains) of R325 million in 2021. Life insurance earnings were strong despite the creation of reserves to mitigate the impact of any future material adverse mortality, morbidity and other experience.



* Investment management business is 18% higher excluding UK disposals.

Life insurance earnings rebounded strongly due to lower mortality claims relative to 2021, as the impacts of Covid-19 diminished. *Credit and structuring* earnings growth was driven by our Indian operations where performance was underpinned by continued healthy economic recovery in that country. Our *investment management* operations performed well despite significant investment market volatility, supported by a diverse business model that includes revenue streams that benefit from market volatility (retail brokerage) and that are not correlated to investment market returns (alternatives), as well as satisfactory performance from traditional asset management.

Our *general insurance* operations were impacted by weaker underwriting performance from Santam and negative investment return on insurance funds in SPA GI. The latter is a marked-to-market impact and not reflective of the underlying operational performance and does not impact cash operating earnings. SPA GI recorded good performance of net earned premiums which increased 13%. The underwriting margin of SPA GI was satisfactory at 5.6%, within the target range of 5% to 9%, despite the impacts of claims inflation, benefiting from consistent management actions.

Strategic and financial review *continued*

Santam's performance was impacted by claims inflation, investment market volatility, elevated levels of electrical power-surge and vehicle theft-related claims, in addition to the adverse weather conditions and the catastrophic floods in KwaZulu-Natal. The corrective and mitigating actions implemented are having a positive impact, with underwriting results improving in the second half of the year. The 2022 results were also supported by the release of CBI reserves. The improved second half performance resulted in Santam's conventional insurance business recording an underwriting margin of 5,1% for 2022 (target range of 5% to 10%), from 2,3% for the first half of the year.

Net operational earnings (NOE) of R10,5 billion increased by 2%. The lower growth relative to net result from financial services is due to reduced investment return of R882 million, from R1,3 billion in 2021, and increased investment into the future growth of our business. The Group is currently undergoing a period of significant investment in strategic initiatives and our net project expenses have consequently increased by 10%. The Group expects an elevated level of project expenses in the short-term which will reduce in due course as transactions complete.

Headline earnings (HEPS) and diluted headline earnings per share (DHEPS) increased by 3%, in line with the performance from net operational earnings. **Attributable earnings** increased by 25% to R11,9 billion from R9,5 billion in the comparative period. The increase is mainly due to the inclusion of profit on disposal of the UK businesses of R1,4 billion net of costs, the partial disposal of Shriram General Insurance (SGI) to a third party (KKR) contributing R629 million and the inclusion of fund transfers of positive R699 million (2021: negative R387 million).

The Board has declared a **final gross cash dividend of 360 cents per share** (2021: 334 cents per share) 1,0 times cover of cash operating earnings (2021: 1,0) for the financial year ended 31 December 2022. The Group maintains 1,0 to 1,2 times cash operating earnings cover.

New business volumes and net client cash flows

Performance indicator for the year ended 31 December	Unit	2022	2021	Δ	ΔCC
Business volumes and NCCF					
Life insurance new business volumes	R million	64 812	71 747	(10%)	(10%)
Net new covered business					
Value of new covered business	R million	2 388	2 764	(14%)	(14%)
Covered business PVNBP	R million	87 814	96 182	(9%)	(9%)
New covered business margin	%	2,72	2,87		(16bps)
New covered business margin (CEB*)	%	3,06	2,87		19bps
Life insurance net client cash flows	R million	21 615	12 696	70%	69%
General insurance new business volumes	R million	45 250	42 222	7%	7%
General insurance net client cash flows	R million	16 384	15 955	3%	3%
Investment management net client cash flows	R million	21 976	49 671	(56%)	(56%)

CC = constant currency.
* Constant economic basis.

Life insurance new business volumes remained at satisfactory levels, albeit slightly lower than the comparative period. The R64,8 billion written in 2022 was 5% below 2021 adjusting for the UK disposals. The 2021 year was exceptional due to high savings rates as a result of Covid-19 lockdowns, and the business has done well to broadly sustain this performance in 2022. Not only have our life insurance operations retained strong volumes, but the profitability of new business written (as measured by the net value of new business (VNB)) has remained solid at R2,4 billion, with SEM's contribution growing more than 20% on a constant economic basis. On a like-for-like or constant economic basis (excluding the impact of higher interest rates), our net value of new business was only 1% lower than 2021, with the business written at a margin of 3,06%, higher than 2,87% in 2021, also on a constant economic basis. Life insurance net client cash inflows (NCCF) of R21,6 billion, increased 70% due to lower mortality claims and continued strong absolute levels of new business.

General insurance new business volume growth was also robust, with Santam recording growth of 7% (ex-reinstatement premiums) and SPA GI growing 13%. India recorded relatively weaker performance mainly as a result of lower sales through Shriram channels and lower prescribed tariff increases on its third party portfolio relative to the historical average. General insurance net client cash inflows were 3% higher, despite the significant claim payments related to the KwaZulu-Natal flooding.

Investment management net client cash inflows were R22,0 billion over the year, albeit lower than 2021 which was an exceptional year. The South African investment management, retail affluent and corporate operations recorded strong inflows, while the international business recorded outflows.

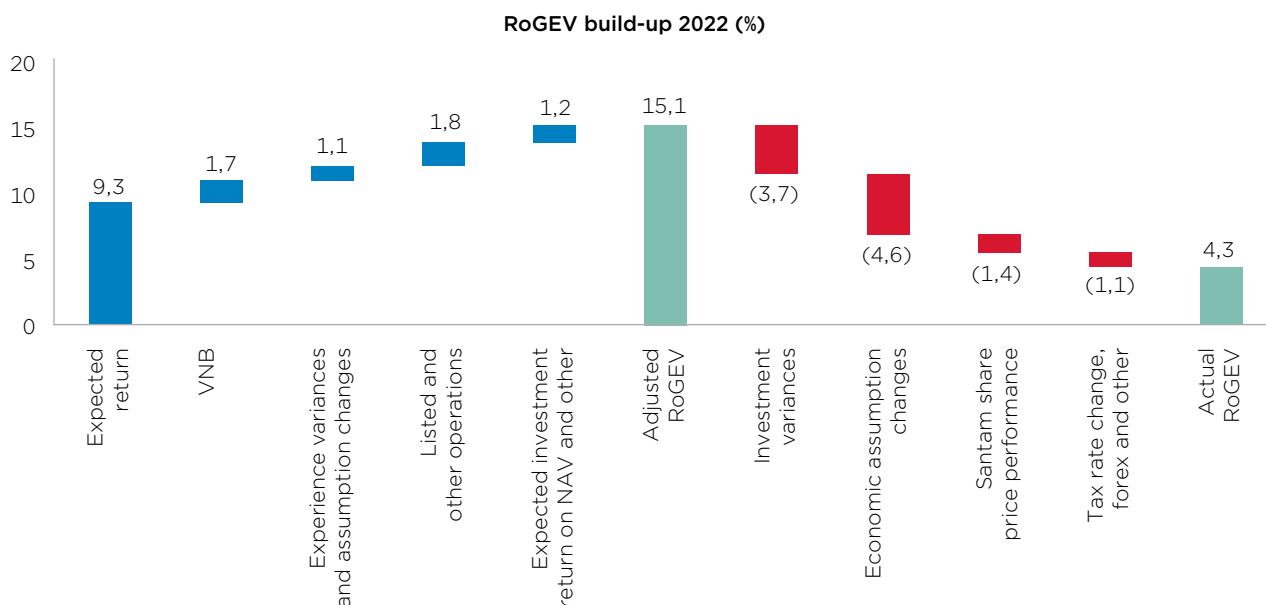
Group Equity Value

Performance indicator for the year ended 31 December

	Unit	2022	2021
Group Equity Value			
Group Equity Value	R million	140 776	142 390
Group Equity Value per share	cents	6 380	6 444
Return on Group Equity Value per share	%	4,2	13,9
Adjusted Return on Group Equity Value per share	%	14,9	14,6

Group Equity Value (GEV) amounted to R141 billion or 6 380 cents per share on 31 December 2022, with a RoGEV of 4,3% for the year (4,2% per share). RoGEV for the covered business was 11,6%, with non-covered business (including discretionary capital and other) at negative 0,9%.

Adjusted RoGEV, which excludes the impact of actual investment return relative to long-term assumptions, interest rate changes, other one-off effects not under management control, tax changes and currency exchange rate movements, amounted to 15,1% (14,9% per share), above the 14,3% hurdle for 2022. The covered business adjusted RoGEV was 17,4%, and the non-covered business (including discretionary capital and other) recorded an adjusted RoGEV of 13,3%.



The main components contributing to RoGEV are:

- VNB contributed 1,7% as the absolute level of VNB remained strong. The emerging markets operations recorded solid VNB growth partially offset by weaker contributions from the Southern African operations. The retail affluent and corporate businesses in South Africa had relatively weaker contributions due to lower volumes from the single premium business and product mix changes respectively (*refer to page 82 for more information*).
- Operating experience variances and assumption changes contributed 1,1% driven by the following key items:
 - *Experience variances*
 - Positive risk experience variances of R1,7 billion in the covered business relative to negative R4,2 billion in 2021 which was significantly impacted by Covid-19 related excess mortality claims. All clusters contributed positively to risk experience.
 - Persistency in the covered business weakened over the year as the economic environment deteriorated, with negative experience variances of R596 million relative to positive R712 million in 2021. The difficult consumer environment from higher food and transport inflation was more evident in the lower income market segments, impacting retail mass most severely. Corporate was impacted by the loss of two large group risk schemes. Persistency experience in retail affluent was positive and continues to benefit from data analytics and client engagement.
 - In the non-covered business, the general insurance and credit operations both reported positive experience variances, benefiting from better performance on SPA GI new business volumes and the credit businesses in India respectively.
 - Uplift from the proceeds from the SGI and KKR transaction at higher than GEV which were reinvested in the Shriram credit businesses, as well as the synergy benefits from the merger of the Shriram credit entities, contributing to a return of more than 20% from the non-life businesses in India.

Strategic and financial review *continued*

Assumption changes

- Risk assumption changes in the covered business were negative R178 million (2021: negative R867 million) relating largely to strengthening the retail mass mortality basis to align with the retail affluent mortality basis which was strengthened in 2021.
- Persistency assumption changes were positive R133 million relative to positive R1,5 billion in 2021. The 2021 amount reflected the release of half of the 5% mass lapse assumption created in 2020. The 2022 amount reflects the net impact of the release of the remaining mass lapse provision and the strengthening of lapse assumptions in the South African retail businesses. The larger portion of the assumption change relates to the retail affluent business that strengthened assumptions relating to long-duration persistency which has improved. The retail mass change also reflects strengthening of lapse rates due to the weaker economic environment but is relatively smaller due to management actions that are expected to positively impact future persistency.
- Modelling and other assumption changes amounted to negative R218 million (2021: positive R965 million). The 2021 amount was boosted by the release of discretionary reserves to offset the impact of Covid-19 on risk experience. The 2022 experience relates to the net impact of the creation of reserves to mitigate the impact of any future material adverse mortality, morbidity and other experience, as well as other basis changes.
- In the non-covered business, operating assumption changes relate mostly to higher maintenance expenses and other modelling changes in certain emerging markets general insurance operations.
- Investment variances contributed negative 3,7% for 2022 reflecting weak market returns for 2022.
- Economic assumption changes had a negative impact of 4,6% due to increases in long-term interest rates over 2022. Increases in reference yields impacted the valuations of most non-covered entities, particularly the Pan-African operations. Certain of the Pan-African operations are valued using reference yields that are linked to the US dollar risk-free rate, which increased substantially over the year. The Moroccan risk-free rate also increased over the year.
- The remaining items relate mainly to the impact of currency translation differences from a stronger closing rand exchange rate against the significant valuation currencies, weaker share price performance from Santam over the period and the incremental increase of the corporate tax rate in Morocco from 37% in 2022 to 40% by 2026, partly offset by the lowering of the corporate tax rate in South Africa from 28% to 27%.

Line of business analysis

Life insurance

Earnings

Life insurance net result from financial services increased strongly as a result of a rebound in all operations.

Net result from financial services for the year ended 31 December
(R million)

	2022	2021	Δ	Δcc
Life insurance line of business	6 159	4 929	25%	25%
South Africa	5 390	4 453	21%	21%
Retail Mass	1 297	769	69%	69%
Retail Affluent	3 255	2 011	62%	62%
Corporate*	631	(1 548)		
Discretionary reserve release*	-	3 047		
SanFin	207	174	19%	19%
Emerging markets	769	478	61%	56%
SPA Life	656	475	38%	35%
India*	67	(31)		
Malaysia	46	34	35%	26%
International (Sanlam UK)*	-	(2)		

* Percentage changes are greater than plus or minus 100%.

South Africa refers to the Sanlam Life and Savings and Sanlam Investment Group businesses in South Africa. Emerging markets refers to Sanlam Emerging Markets.

South Africa recorded a solid performance relative to 2021 with lower mortality claims resulting in a rebound in risk experience profits in the retail and corporate businesses, augmented by overall book growth. This more than offset the dampening impacts of weak equity markets, higher new business strain and net negative assumption changes relating mostly to creation of reserves to mitigate any future material adverse mortality, morbidity and other experience. Risk experience profits were positive in 2022 relative to close to zero in 2021 (net of discretionary reserve releases) which was significantly impacted by Covid-19 related excess mortality claims.

Weaker persistency had a negative impact on earnings from the individual life business in retail mass as the tough economic environment continues to impact clients with lower incomes more severely. Management actions are expected to have a more meaningful impact in 2023. Persistency trends in retail affluent remained positive and continue to benefit from data analytics and client engagement initiatives.

SanFin benefited from the contraction of the credit spreads on offshore and international listed bonds during November and December 2022, as a result the full year spread loss was reduced. This was augmented by higher margin income, lower bad debt provisions relative to 2021, and strong management of operational costs.

Emerging Markets also recorded solid growth with SPA life benefiting from lower mortality claims in the Southern and East Africa regions which more than offset lower earnings in Morocco due to weaker investment market returns. India's earnings were supported by lower mortality claims as well as overall book growth. Malaysia benefited from overall book growth as well as positive mortality basis changes.

New business volumes, value of new business and net client cash flows

Life insurance new business volumes declined by 10% (5% lower excluding UK disposals) due to lower single premium sales in the South African retail affluent business and lower recurring premium sales in the corporate business.

New business volumes for the year ended 31 December
(R million)

	2022	2021	Δ	ΔCC
Life insurance line of business	64 812	71 747	(10%)	(10%)
South Africa	53 640	57 337	(6%)	(6%)
Retail Mass – recurring premiums	3 983	3 850	3%	3%
Retail Affluent	40 269	45 252	(11%)	(11%)
recurring premiums	2 080	2 069	0%	0%
single premiums	38 189	43 183	(12%)	(12%)
Corporate	9 388	8 235	14%	14%
recurring premiums	480	883	(46%)	(46%)
single premiums	8 908	7 352	21%	21%
Emerging markets	11 172	10 871	3%	1%
SPA Life	9 258	9 042	2%	1%
India	1 031	868	19%	14%
Malaysia	883	961	(8%)	(12%)
International (Sanlam UK)	-	3 539	(100%)	(100%)

In **South Africa**, the retail mass business continued its strong new business growth trajectory, with the individual life business performing particularly well, recording growth of 29%, despite the strong focus on the quality of new business. Capitec Bank funeral sales increased by 7%, while the group businesses recorded lower sales due to the ZCC scheme benefit increase in 2021 which did not repeat in 2022. Excluding the ZCC scheme, retail mass new business volumes increased by 8%.

In the retail affluent segment, new business volumes were dampened by lower single premium sales of international products on the Glacier platform. Sales of guaranteed annuities however improved in the second half of 2022 and ended the year in line with 2021, while guaranteed plan sales also recorded robust growth.

Strategic and financial review *continued*

Recurring premium sales were in line with 2021 due to growth of retirement annuity and endowment sales in the savings business, which offset lower risk sales in BrightRock and the direct channels. The direct channels come off a period of rapid growth over the past few years. Individual life risk sales were in line with 2021, with sales trends improving in the second half of 2022. Sales in broker channels showed solid growth while the tough economic environment reflected in agency channel sales, where lower average premium sizes were recorded.

Corporate's new business volumes increased due to good sales of single premium investment products while recurring premium volumes were lower, on the back of lower group risk sales. The hardening of pricing in the group risk business in 2021 resulted in lower new recurring sales in the first half of 2022. A pickup in sales was experienced in the second half of the year. The 2021 year also benefited from the take-on of a single large group risk scheme.

In the **emerging markets** business, SPA life insurance sales improved as growth across the portfolio compensated for muted performances from Botswana due to lower sales of group business and Morocco due to lower group and single premium bancassurance sales. India benefited from stronger performance through direct channels, while Malaysia was impacted by underperformance of individual life business in the second half of the year.

Net VNB decreased by 14% due to the rise in long bond yields used to value the new business but was only 1% lower on a constant economic basis, reflecting continued solid sales volumes at profitable margins.

South Africa VNB was 21% lower (down 6% on a constant economic basis). Retail affluent was impacted by lower single premium volumes, with corporate impacted by mix changes to lower margin products. Retail mass VNB was 8% lower but increased 6% on a constant economic basis due to volume growth.

Emerging markets VNB increased by 17% (up 21% on a constant economic basis), with strong contributions across the portfolio. Botswana and Morocco, due to lower volumes and Nigeria, due to product mix changes, were the only notable detractors.

The Group covered business net VNB margin of 2,72% was lower than the 2,87% recorded in 2021 due to the rise in long bond yields. VNB margin was 3,06% on a constant economic basis, ahead of 2021.

South Africa recorded a margin of 2,38% (2,77% on a constant economic basis) relative to 2,82% in 2021. Emerging market's margin improved strongly to 4,59% (4,66% on a constant economic basis) from 4,01% in 2021.

Net client cash inflows improved by 70% due to lower mortality claim payments and continued strong levels of new business inflows, at both South Africa and emerging markets businesses.

General insurance

Earnings

General insurance net result from financial services was impacted by lower earnings from Santam, SPA GI and India.

Net result from financial services for the year ended 31 December
(R million)

	2022	2021	Δ	Δcc
General insurance line of business	1 728	2 538	(32%)	(33%)
South Africa	1 026	1 378	(26%)	(26%)
Santam	1 026	1 378	(26%)	(26%)
Emerging markets	702	1 160	(39%)	(41%)
SPA GI	525	918	(43%)	(45%)
India	182	220	(17%)	(20%)
Other*	(5)	22		

* Percentage changes are less than or greater than 100%.

In **South Africa**, Santam was impacted by adverse weather conditions and the devastating floods in the KwaZulu-Natal province. The underwriting result was additionally impacted by increased claims inflation, which escalated ahead of premium increases, some large fire losses and an increase in power surge and motor theft related claims. These were offset to some extent by a reduction in the Covid-19 related CBI claims provisions. Following the implementation of focused underwriting actions, the underwriting results for the second half of 2022 showed a significant improvement. The conventional insurance business net underwriting margin ended at 5,1% for 2022 (2021: 8,0%), within Santam's target range of 5% to 10%.

The investment return on insurance funds was adversely impacted by local and global bond market volatility, particularly during the first half of 2022. The second half of the year showed a marked improvement compared to the first half as actions taken to reduce volatility had a positive impact. Santam recorded an overall float margin of positive 1,3% (2021: positive 1,5%). Shareholders are referred to Santam's annual results released on 2 March 2023 for more information (www.santam.com).

Emerging markets general insurance net result from financial services decreased 39%. The Pan-Africa portfolio was impacted by lower investment return on insurance funds which softened to negative 2,0% for the year from positive 11,9% for 2021 (as a percentage of net earned premiums).

The net underwriting margin of the Pan-African portfolio was 5,6% (2021: 4,4%), within the target range of 5% to 9%. The underwriting performance benefited from management actions over the past few years, focused on improving the quality of the underlying book, as well as repricing in response to inflationary pressures.

India's net result from financial services decreased due to lower sales volumes through Shriram channels and lower prescribed tariff increases relative to the historical average. Although the business benefited from an improved claims ratio and higher investment returns on insurance funds, higher distribution costs from non-Shriram channels detracted from the result. Malaysia recorded a weaker performance due to higher claims frequencies, lower volumes and lower investment return on insurance funds.

New business volumes and net client cash flows

General insurance new business volumes increased by 7% (8% excluding reinstatement premiums at Santam).

In **South Africa**, Santam achieved strong gross written premium growth of 8% (2021: 5%) in the conventional insurance business. The commercial and personal intermediated business reported good growth while the specialist business benefited from strong contributions from the crop, travel, liability, marine and corporate property insurance businesses. MiWay recorded subdued growth following deliberate focus on profitability while Santam Re achieved acceptable growth in its third party business and a general increase in reinsurance premium rates globally. Growth in net earned premiums was impacted by reinsurance reinstatement premiums due to the impact of catastrophe events over the period.

Emerging markets new business volumes (net earned premiums) increased by 10%. The Pan-Africa portfolio recorded solid performance, increasing by 13%, supported by good growth in motor business. In India, SGI was impacted by lower sales through Shriram channels as well as lower prescribed tariff increases on its third party portfolio relative to the historical average. New business sales trends did however improve through the year, driven by group and broker distribution channels. Malaysia recorded weaker growth in gross premiums which were impacted by significant competitive pricing in the market.

Net client cash flows increased due to good premium growth which compensated for the impact of the significant claim payments at Santam due to the adverse weather conditions and KwaZulu-Natal floods.

Strategic and financial review *continued*

Investment management

Earnings

Investment management earnings improved strongly excluding UK disposals, a satisfactory outcome in the context of significant volatility in global investment markets, driven by solid performance from the South African operations.

Net result from financial services for the year ended 31 December (R million)	2022	2021	Δ	Δcc
Investment management line of business	869	875	(1%)	(6%)
South Africa	585	446	31%	28%
Sanlam Investments	375	266	41%	36%
Wealth Management	210	180	17%	16%
International	213	362	(41%)	(49%)
Emerging Markets (SPA)	71	67	6%	(1%)

The **South African** operations benefited from robust performance from Sanlam Investments where the diversity of revenue streams, including alternatives, passive and retail implemented consulting, as well as strong recent net client cash inflows contributed to earnings growth.

Performance fees in the active asset management business as well as fund-establishment and private-equity carry fees in the alternatives business supported the growth. Wealth management was buoyed by robust growth in brokerage income which benefited from increased market volatility.

International recorded a 7% decline, excluding the impact of UK disposals. Lower fee income as a result of weaker international equity markets was the main reason for the decline.

Emerging markets (Pan-Africa operations) net result from financial services from the investment management portfolio increased due to higher fee income from increased assets under management, supported by strong net fund inflows in 2021.

Net client cash flows

Net client cash flows reduced off a high base from 2021. South Africa recorded net client cash inflows of R28,3 billion, 18% lower than 2021. Investment business in the South African life and savings business increased by 96% driven by the strong performance in the corporate business.

Sanlam Investments recorded net client cash inflows of R13,9 billion, which was lower than 2021 as a result of institutional clients rebalancing of portfolios and the unusually good experience of 2021. Institutional business, experienced lower inflows at Satrix and Sanlam Multi-Manager, which more than offset strong inflows in the Alternatives business. Wealth net flows were 25% higher than 2021.

The emerging markets and international business recorded net outflows due to fewer mandates awarded over the period and the impact of investment market volatility respectively.

Credit and structuring

Earnings

Credit and structuring net result from financial services increased due to improved earnings in India.

Net result from financial services for the year ended 31 December
(R million)

	2022	2021	Δ	Δcc
Credit and structuring line of business	1 660	1 392	19%	16%
South Africa	404	497	(19%)	(19%)
SanFin	234	318	(26%)	(26%)
Sanlam Personal Loans (SPL)	170	179	(5%)	(5%)
Emerging markets	1 256	895	40%	36%
India	1 039	654	59%	53%
SPA	217	241	(10%)	(10%)

In **South Africa**, SanFin's net result from financial services from the credit and structuring businesses declined off a high base, as a result of the impact of exceptional equity market returns on equity-linked financing structures coupled with recovery from the listed preference share prices in the comparative period. The current year was also impacted by lower transaction volumes. SPL net result from financial services decreased due to a reduced average gross loan book size as a result of lower repeat business from the existing clients on book.

Emerging markets net result from financial services from the credit and structuring businesses increased strongly due to an improved performance in **India** where higher net interest income was supported by the stronger loan book growth and good collections. However, Pan-Africa earnings decreased due to lower earnings contribution from Botswana which was impacted by lower loan book growth.

Capital and solvency

Discretionary capital

The Group held additional discretionary capital as a temporary measure to provide a buffer against potential future Covid-19 impacts and market volatility. With the creation of reserves to mitigate any future material adverse mortality, morbidity and other experience and an additional margin provided for long-term Covid-19 mortality impacts, the Group will revert to a discretionary capital level of between R1 billion and R3 billion. This provides the Group with flexibility to deal with small potential investments that may arise.

The Group's discretionary capital increased from R2,9 billion on 31 December 2021 to R5,3 billion on 31 December 2022. The increase is due to R2,6 billion in net proceeds from the UK disposals, some R900 million from the return of seed capital investments in our international asset management operations, Sanlam's share of the Santam special dividend of R542 million and positive investment return on Sanlam Life capital.

This was reduced by a share repurchase of R1 billion during the fourth quarter of 2022 at an average price of 4 962 cents per share, R845 million paid to finalise the aYo transaction and smaller transactions across the portfolio.

Capital allocation

Looking forward, the Group has announced a further three transactions that in aggregate are likely to utilise around R2,3 billion of discretionary capital in 2023.

(R million)

Discretionary capital balance on 31 December 2022	5 274
AfroCentric (indicative cash funding)	(1 200)
Capital Legacy and BrightRock	(1 119)
Discretionary capital balance post announced transactions	2 955

Strategic and financial review *continued*

The Group continues to apply its capital allocation framework. The Group will continue to seek opportunities to grow and develop the business but will only deploy new capital if such investment is likely to achieve risk adjusted returns ahead of our hurdle. The Group will continue to consider both discretionary capital levels and solvency levels in determining whether further capital can be deployed or returned to shareholders.

The Group has made significant progress with its strategic development. The current focus is on bedding down recent transactions. As a result of this execution focus, within both South Africa and across our Pan-African operations we do not anticipate significant further investment in the short term. The Group has sufficient capital to fund the organic growth and information technology (IT) investment that is planned. Our IT modernisation programme has been fully reserved for and will not impact discretionary capital.

This means that unless new significant opportunities arise, the Group will return a small amount of available discretionary capital to shareholders in due course including implementing an odd-lot offer to shareholders.

Solvency

The capital and solvency position of the Group and its main operating entities remained strong and within target ranges on 31 December 2022.

Solvency cover	Unit	2022	2021	Δ
Sanlam Group	%	169	173	
Sanlam Life Insurance Limited	%	230	214	
Sanlam Life Insurance Limited covered business	%	176	178	

The Group solvency cover ratio decreased slightly from 31 December 2021 due to the impact of higher bond yields and poor investment market performance which was partly offset by lower prescribed equity stresses, operating experience and assumption changes together with the unwind of the discount rate, profits net of foreseeable dividends and VNB.

The Group's solvency target range has served the Group well, demonstrating the Group's resilience through the Covid-19 pandemic, as well as current and historic economic and market volatility. Sanlam has traditionally pursued prudent policies for reserving and earnings recognition for life insurance products. This resulted in the build-up of significant reserves over time, as part of assets backing policyholder liabilities.

Under the new accounting standard, IFRS 17, implemented from 1 January 2023, some of these reserves will be recognised as part of IFRS shareholder capital. The regulatory solvency position of the Group and its insurance regulated entities will continue to be assessed under the Prudential Authority's Solvency Assessment and Management (SAM) regime prudential standards.

As part of the preparation for the introduction of the new insurance accounting standard, the Group has reassessed its various capital targets as well as the composition of its capital base considering the resilience of the balance sheet to shocks. Under the new standard the Group's shareholder capital base will consist of more tangible, and consequently higher quality, capital assets than under the previous standard.

The make-up of the Group's capital base is prudent, with low levels of debt.

The current solvency range was set by the Board at a time when the Group was less diversified and the South African life insurance operations were a more significant part of the overall Group balance sheet. The historic experience of the Group in the light of the current solvency assessment regime, the progressive diversification of the Group balance sheet, the changes under IFRS 17 and the capital structure and reserving, have been considered by the Board. In the light of these changes the Board has adopted new solvency target ranges.

Solvency cover	New target range	Previous target range
Sanlam Group	140% to 180%	150% to 190%
Sanlam Life Insurance Limited covered business	150% to 200%	170% to 210%

Summary of the impact of IFRS 17 on the Group

The expected IFRS 17 impact on the Group is summarised below post effective date:

Statement of Financial Position	Increase in total IFRS shareholders' equity of between R12 billion and R15 billion (net of tax) on 1 January 2022. This increase does not change total own funds under SAM, it is merely a transfer from value of in-force to net asset value.
Statement of Comprehensive Income	Profit after tax attributable to Shareholders is expected to accelerate marginally for life insurance businesses. The overall impact will depend on the mix and volume of future new business relative to the in-force book. Limited impact is expected for general insurance businesses.
Shareholders' fund income statement	Attributable earnings in the Shareholders' fund income statement will continue to be equal to profit after tax attributable to Shareholders in the IFRS income statement. There will be new adjustments between the IFRS financial statements and Shareholders' Information.
Tax changes for South African insurers	Limited impact on earnings – the accelerated tax payments for life insurance businesses will be funded from the balance sheet.

For more detailed information on the impacts of IFRS 17, please refer to the Annual Financial Statements.

Dividend

The Group declared a dividend of 360 cents per share (2021:334 cents per share) within its normal dividend policy range of real growth of 2% to 4% over a rolling three-year period, without having significant impact on the ability of the Group to deal with further financial stresses.

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 360 cents per share was declared for the year ended 31 December 2022, an increase of 8% on the prior year dividend. The dividend is payable on Tuesday, 11 April 2023 by way of electronic bank transfers to ordinary shareholders recorded in the register of Sanlam at close of business on Thursday, 6 April 2023. The last date to trade to qualify for this dividend will be Monday, 3 April 2023, and Sanlam shares will trade ex-dividend from Tuesday, 4 April 2023. Share certificates may not be dematerialised or rematerialised between Tuesday, 4 April 2023 and Thursday, 6 April 2023, 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 result in a net dividend, to the shareholders who are not exempt from paying dividend tax, of 288 cents per share. The number of ordinary shares in issue in the company's share capital as at the date of the declaration is 2 042 914 874 excluding treasury shares of 184 059 534. The company's tax reference number is 9536/346/84/5.

Outlook

As we look forward to 2023, we remain focused on the successful integration of the completed transactions, while ensuring the outstanding transactions progress smoothly through their respective approval processes. Approvals for the Allianz JV remain on track, and we expect implementation around mid-2023. The AfroCentric, BrightRock and Capital Legacy transactions are also expected to close around this time.

The Absa and Alexforbes transactions that closed in 2022 and 2023 are contributing positively and are expected to continue to contribute positively to the Group's earnings and RoGEV in 2023.

The Group expects the consumer environment to remain challenging, however, historically, personal disposable income growth has usually exceeded inflation, especially once wage demands lift in response to higher prices. The Group therefore expects personal disposable incomes as well as insurance premiums to adjust to higher rates of inflation. Clients are therefore likely to restore levels of cover which will support premium growth in the medium term. We expect corrective actions implemented in 2022 to have more positive impacts on persistency in 2023.

Strategic and financial review *continued*

We have restored reserves in our life insurance operations that position us well for any future adverse events impacting mortality, morbidity and other experience. Life insurance earnings in 2022 benefited from strong experience in the corporate business in South Africa. We expect this to normalise in 2023 as the pricing cycle softens as Covid-19 has become endemic.

Our general insurance operations have shown an improved performance in the second half of 2022, as the corrective actions implemented take effect. We expect this to continue into 2023.

We expect continued robust performance from our Indian operations, benefiting from strong economic growth in that country and the vesting of synergy benefits after the merger of the credit businesses.

The general economic uncertainty and the impact it has on market volatility remain the largest variable in the outlook for 2023. The positive start to the year bodes well for our performance but we remain susceptible to any weakness in these markets.

The Group will continue to invest strongly as we are positive about the outlook for the Group, but there is also a great deal of focus on efficiency within existing operations. Some of the acquisitions to create scale will take several years to fully yield efficiency benefit, but these are receiving focus from management.

We believe that the Sanlam Group has proven its strength and resilience during volatile and challenging times. The Group has expanded its platform for growth during this difficult period, as well as improving its competitive position. Although the global economic conditions, high inflation and volatile markets are still a concern at the start of 2023, we do anticipate a global recovery in late 2023 or 2024. The Group is particularly well placed to perform strongly when this recovery takes place.

SHAREHOLDERS' INFORMATION

Confidence Rule 55:

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TO BE A FINANCIAL
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Basis of accounting – shareholders' information

The purpose of this section is to provide additional information to users in respect of the Group shareholders' fund in a format that corresponds to that used by management in evaluating the performance of the Group and is additional information to the financial statements prepared in terms of IFRS.

It includes analysis of the Group shareholders' fund's consolidated financial position and results in a similar format to that used by the Group for internal management purposes. The Group financial statements are prepared in accordance with IFRS and include the consolidated results and financial position of both the shareholder and policyholder activities. The IFRS financial statements also do not distinguish between the shareholders' operational and investment activities, which are separate areas of management focus and an important distinction in evaluating the Sanlam Group's financial performance. Information is presented in this section to provide this additional shareholders' fund information to users of Sanlam's financial information.

The Group also discloses Group Equity Value (GEV) information. The Group's key strategic objective is to maximise returns to shareholders. GEV has been identified by management as the primary measure of value, and return on GEV (RoGEV) is used by the Group as the main performance measure to evaluate the success of its strategies towards sustainable value creation in excess of its cost of capital. For the purpose of internal monitoring, the directors make use of GEV to reflect the performance of the Group. This is considered to provide meaningful basis of reporting the underlying value of the Group's operations and the related performance drivers. This basis allows explicitly for the impact of uncertainty in future investment returns and is consistent with the Group's operational management structure.

The shareholders' information also includes the embedded value of covered business (EV), change in EV and value of new business.

A glossary containing explanations of technical terms used in these financial statements is presented on page 264 in the Annual Financial Statements.

Basis of accounting – shareholders' information

The basis of accounting and accounting policies in respect of the financial information of the shareholders' fund are the same as those set out in the online IFRS Annual Financial Statements, apart from the specific items described under separate headings in this section. Management considers this basis of accounting applied for the shareholders' information to be suitable for the intended users of this financial information.

The application of the basis of accounting of the shareholders' information is also consistent with that applied in the 2021 annual report apart from the following:

- Disposal related transaction costs are allocated to the proceeds of the sale
- The relevant per line of business disclosures have been expanded from administration, health & other into two categories namely, administration & health and corporate & other (GEV is split between administration & health and discretionary capital & other)
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Annual Improvements to IFRS Standards 2018-2020, pertaining to IFRS 9 and IFRS 16.

These amendments did not have a significant impact on the shareholders information and no further disclosures have therefore been made.

The shareholders' fund information includes the following:

- Group Equity Value (refer page 64)
- Change in Group Equity Value (refer page 67)
- Return on Group Equity Value (refer page 69)
- Analysis of Group Equity Value earnings (refer page 70)
- Shareholders' fund financial statements consisting of:
 - Shareholders fund at net asset value (refer page 76)
 - Shareholders' fund income statement (refer page 78)
 - Related notes, including embedded value of covered business related disclosures.

Group Equity Value

GEV is the aggregate of the following components:

- The embedded value of covered business, which comprises the required capital supporting these operations (also referred to as adjusted net worth) and their net value of in-force business;
- The fair value of other Group operations based on longer-term assumptions, which includes the investment management, capital markets, general insurance and the non-covered wealth management operations of the Group; and
- The fair value of discretionary and other capital. Discretionary capital represents management's assessment of capital in excess of that required for current operations of the Group. Such capital may be used to fund future operations and acquisitions or be returned to shareholders.

GEV is calculated by adjusting the shareholders' fund at fair value with the following:

- Adjustments to net worth; and
- Goodwill and the value of business acquired intangible assets relating to covered business are replaced by the value of the in-force book of covered business.

Although being a measure of value, GEV is not equivalent to the economic value of the Group as the embedded value of covered business does not allow for the value of future new business. An economic value may be derived by adding to the GEV an estimate of the value of the future sales of new covered business, often calculated as a multiple of the value of new covered business written during the past year.

The GEV is inherently based on estimates and assumptions, as set out in this basis of preparation and as also disclosed under critical accounting estimates and judgements in the annual financial statements. It is reasonably possible that outcomes in future financial years will be different to the current assumptions and estimates, possibly significantly, impacting on the reported GEV. Accordingly, sensitivity analysis are provided for changes from the base estimates and assumptions (refer to note 2 for covered operations and note 5 for non-covered operations).

Fair value of businesses included in GEV

Fair values for listed businesses are determined by using stock exchange prices or directors' valuations and for unlisted businesses by using directors' valuations. Where directors' valuations are used for listed businesses, the listed values of these businesses are disclosed for information purposes.

The valuation of businesses is based on generally accepted and applied investment valuation techniques, but is subject to judgement to allow for perceived risks. Estimates and assumptions are an integral part of business valuations and as such have an impact on the amounts reported. Management applies judgement in determining the appropriate valuation technique to be used. In addition, in applying the valuation techniques judgement is utilised in setting assumptions of future events and experience, and where applicable, risk adjusted discount rates.

Estimates and judgements are regularly updated to reflect latest experience. Actual outcomes in future financial years may differ from current estimates and assumptions, possibly significantly, which could require a material adjustment to the business valuations.

The appropriateness of the valuations is regularly tested through the Group's approval framework, in terms of which the valuations of investments is reviewed and recommended for approval by the Audit, Actuarial and Finance Committee and Board by the Sanlam Non-Listed Asset Controlling Body.

Businesses may comprise legal entities or components of legal entities as determined by the directors.

Adjustments to net worth

Present value of corporate expenses

GEV is determined by deducting the present value of corporate expenses, by applying a multiple to the after-tax corporate expenses. This adjustment is made as the embedded value of covered business and the fair value of other Group operations do not allow for an allocation of corporate expenses.

Share incentive schemes granted on subsidiaries' own shares

Where Group subsidiaries grant share incentives to staff on the entities' own shares, the fair value of the outstanding incentives at year-end is deducted in determining GEV. The expected cost of future grants in respect of these incentive schemes is allowed for in the calculation of the value of in-force covered business and the fair value of other Group operations as appropriate.

Share incentive schemes granted on Sanlam shares

Long-term incentives granted by the Group on Sanlam shares are accounted for as dilutive instruments. The GEV is accordingly not adjusted for the fair value of these outstanding shares, but the number of issued shares used to calculate GEV per share is adjusted for the dilutionary effect of the outstanding instruments at year-end. The expected cost of future grants in respect of these incentive schemes is allowed for in the calculation of the value of in-force covered business and the fair value of other Group operations.

Change in Group Equity Value

The Change in Group Equity Value consists of the embedded value earnings from covered business, earnings from other Group operations on a fair value basis, earnings on discretionary and other capital and capital transactions with shareholders.

Return on Group Equity Value

The RoGEV is equal to the change in GEV during the reporting period, after adjustment for dividends paid and changes in issued share capital, as a percentage of GEV at the beginning of the period, weighted for changes in issued share capital during the year.

Basis of accounting – Shareholders' information *continued*

Shareholders' fund at net asset value, income statement and related information

The analysis of the shareholders' fund at net asset value and the related shareholders' fund income statement reflects the consolidated financial position and earnings of the shareholders' fund, based on accounting policies consistent with those contained in IFRS Financial Statements online, apart from the following:

Basis of consolidation

The shareholders' funds of Group companies are consolidated in the analysis of the Sanlam Group shareholders' fund at net asset value. The policyholders' and outside shareholders' interests in these companies are treated as non-controlling shareholders' interest on consolidation.

The segmental analysis of the shareholders' fund at net asset value is consistent with the Group's operational management structure.

Consolidation reserve

In terms of IFRS, the policyholders' fund's investments in Sanlam shares and Group subsidiaries are not reflected as equity investments in the Sanlam Group IFRS statement of financial position, but deducted in full from equity on consolidation (in respect of Sanlam shares) or reflected at net asset value (in respect of subsidiaries). The valuation of the related policy liabilities however includes the fair value of these investments, creating an artificial mismatch between policy liabilities and policyholder investments, with a consequential impact on the Group's shareholders' fund and earnings. The consolidation reserve created in the Group financial statements for these mismatches is not recognised in the shareholders' fund at net asset value. The fund transfers between the shareholders' and policyholders' fund relating to movements in the consolidation reserve are commensurately also not recognised in the shareholders' fund's normalised earnings. Similar mismatches are created by the recognition of deferred tax assets in respect of assessed losses in policyholder funds. These deferred tax assets, and movements therein, are also recognised in the consolidation reserve and fund transfers, respectively.

In addition, the consolidation of the Broad-Based Black Economic Empowerment (B-BBEE) special purpose vehicle (SPV) to which 111 349 999 shares were issued, is treated similarly and is also recognised in the consolidation reserve and fund transfers, respectively. The SPV was funded 50% by a loan issued by Sanlam to the SPV, and 50% by external debt. For IFRS purposes:

- the SPV is consolidated,
- the shares held within the SPV are treated as treasury shares
- the loan to the SPV is eliminated, and
- the external debt is shown on the balance sheet

Given that the shares will be sold in the market should the SPV not be able to repay the loan, management has for Shareholders Information purposes recognised the full share issue in the Shareholders' Fund and has not consolidated the SPV. Given the close relationship between the valuation of the loan and the Sanlam share price, this balance is classified as equities in the Shareholders' Fund at NAV. Management tests the recoverability of this loan semi-annually and has, as a result of this recoverability assessment, recognised a further impairment of R1.1 billion for the year ended 31 December 2022 (31 December 2021: R145 million). As this is not necessarily reflective of the longer-term value of the SPV, this impairment can continue to reverse in future periods based on the movement in the Sanlam share price.

This policy is applied, as these accounting mismatches do not represent economic profits and losses for the shareholders' fund.

Target shares

Strategic diversification activities between Sanlam Emerging Markets (SEM) and Santam consist of the investment in target shares issued by SEM to Santam and vice versa. These shares give the holder the right to participate in the growth of the underlying short-term insurance investments. For purposes of the Group's shareholder fund income statement, the total return on these short-term insurance investments are therefore split between SEM and Santam, after consideration of the respective non-controlling interests.

Segregated funds

Sanlam also manages and administers assets in terms of third-party mandates, which are for the account of and at the risk of the clients. As these are not the assets of the Sanlam Group, they are not recognised in the Sanlam Group statement of financial position in terms of IFRS and are also excluded from the shareholders' fund at net asset value and fair value. Fund flows relating to segregated funds are however included in the notes to the shareholders' fund information to reflect all fund flows relating to the Group's assets under management.

Equity-accounted earnings

Equity-accounted earnings are presented in the shareholders' fund income statement based on the allocation of the Group's investments in associates and joint ventures between operating and non-operating entities:

- Operating associates and joint ventures include investments in strategic operational businesses, namely Sanlam Personal Loans, aYo Holdings Group, Shriram Capital (including the Group's direct interest in Shriram Transport Finance Company), Shriram General Insurance and Shriram Life Insurance direct investments, Pacific & Orient, Capricorn Investment Holdings, Letshego, Nico Holdings and the Group's life insurance associates in Africa. The equity-accounted operating earnings and investment return on capital from operating associates and joint ventures are included in the net result from financial services and net investment return respectively.
- Non-operating associates and joint ventures include investments held as part of the Group's balanced investment portfolio. The Santam Group's equity-accounted investments are the main non-operating associates and joint ventures. The Group's shares of earnings from these entities are reflected as equity-accounted earnings.

Normalised earnings per share

In accordance with the JSE Listings Requirement the Group Annual Financial Statements set out, fairly present in all material respects the financial position, financial performance and cash flows of Sanlam in terms of IFRS.

As discussed under the policy note for 'Consolidation reserve' above, the IFRS prescribed accounting treatment of the B-BBEE SPV, policyholders' fund's investments in Sanlam shares and Group subsidiaries creates artificial accounting mismatches with a consequential impact on the Group's IFRS earnings. In addition, the number of shares in issue used for the calculation of IFRS basic and diluted earnings per share must also be reduced with the treasury shares held by the policyholders' fund and B-BBEE SPV. However, the Group calculates normalised diluted earnings per share (a non-IFRS measure) to eliminate fund transfers relating to the investments in Sanlam shares Group subsidiaries held by the policyholders' fund, as well as consolidated vehicles, including B-BBEE SPV. This is in the Group's opinion a better representation of the earnings attributable to the Group's shareholders, specifically in instances where the share prices and/or the number of shares held by the policyholders' fund change significantly during the reporting period.

Fund flows

The notes to the shareholders' fund information also provide information in respect of fund flows relating to the Group's assets under management. These fund flows have been prepared in terms of the following bases:

Funds received from clients

Funds received from clients include single and recurring life and general insurance premium income from insurance and investment policy contracts, which are recognised in the financial statements. It also includes contributions to collective investment schemes and non-life insurance linked products as well as inflows of segregated funds, which are not otherwise recognised in the financial statements as they are funds held on behalf of and at the risk of clients. Funds received in respect of non-annuity assets under administration are excluded from funds received from clients. Transfers between the various types of business, other than those resulting from a specific client instruction, are eliminated. Funds received from clients include the Group's effective share of funds received from clients by strategic operational associates and joint ventures.

New business

In the case of long-term insurance business the annualised value of all new policies (insurance and investment contracts) that have been issued during the financial year and have not subsequently been refunded, is regarded as new business.

All segregated fund inflows (excluding those related to assets under administration), inflows to collective investment schemes and short-term insurance premiums are regarded as new business.

New business includes the Group's share of new business written by strategic operational associates and joint ventures.

Payments to clients

Payments to clients include policy benefits paid in respect of life and general insurance and investment policy contracts, which are recognised in the financial statements. It also includes withdrawals from collective investment schemes and non-life insurance linked products as well as outflows of segregated funds, which are not otherwise recognised in the financial statements as they relate to funds held on behalf of and at the risk of clients. Withdrawals of non-annuity funds under administration are excluded. Transfers between the various types of business, other than those resulting from a specific client instruction, are eliminated.

Payments to clients include the Group's effective share of payments to clients by strategic operational associates and joint ventures.

Basis of accounting – Shareholders' information *continued*

Embedded value of covered business

The Group's embedded value of covered business information is prepared in accordance with APN107 (version 8), the guidance note on embedded value financial disclosures of South African long-term insurers issued by the Actuarial Society of South Africa (Actuarial Society). Covered business represents the Group's long-term insurance business for which the value of new and in-force contracts is attributable to shareholders.

The embedded value results of the Group's covered business are included in the shareholders' information as it forms an integral part of GEV and the information used by management in evaluating the performance of the Group. The embedded value of covered business does not include the contribution to GEV relating to other Group operations or discretionary and other capital, which are included separately in the analysis of GEV.

The basis of presentation for the embedded value of covered business is consistent with that applied in the 2021 financial statements.

Covered business

Covered business includes all material long-term insurance business that is recognised in the Sanlam Group financial statements. This business includes individual stable bonus, linked and market-related business, group stable bonus business, annuity business and other non-participating business written by Sanlam Retail Affluent, Sanlam Retail Mass, Sanlam Corporate, Sanlam Emerging Markets and Sanlam UK.

Acquisitions, disposals and other movements

The embedded value of covered business results are prepared taking cognisance of changes in the Group's effective shareholding in covered business operations.

Methodology

Embedded value of covered business

The embedded value of covered business is the present value of earnings from covered business attributable to shareholders, excluding any value that may be attributed to future new business. It is calculated on an after-tax basis taking into account current legislation and known future changes.

The embedded value of covered business comprises the following components:

- Adjusted net worth (ANW); and
- The net value of in-force business.

Adjusted net worth

ANW comprises the required capital supporting the covered business and is equal to the net value of assets allocated to covered business that does not back policy liabilities.

The required capital allocated to covered business reflects the level of capital considered sufficient to support the covered business, allowing for an assessment of the market, credit, insurance and operational risks inherent in the underlying products, subject to a minimum level of the local statutory solvency requirement for each business.

For South African insurance businesses (and businesses with similar regulatory regimes) the level of required capital for covered business is set to ensure that Own Funds attributable to in-force covered business maintains a solvency cover ratio within a specific range, e.g. between 150% and 200% for Sanlam Life, over the next 10 years. In addition, these businesses may also need to maintain statutory cover ratios above a lower minimum level.

The capital allocated to covered business is funded from a balanced investment portfolio, comprising investments in equities, hedged equities, fixed interest securities, cash and subordinated debt funding. The subordinated debt funding liability is matched by ring-fenced bonds and other liquid assets held as part of the balanced investment portfolio.

Transfers are made to or from adjusted net worth on an annual basis for the following:

- Transfers of net operating profit. These transfers relate to dividends paid from covered business in terms of the Group's internal dividend policy to fund the dividend payable to Sanlam Limited shareholders; and
- Transfers to or from the balanced investment portfolio. Any capital in the portfolio that is in excess of the requirements of the covered business is transferred to discretionary capital in terms of the Group's capital management framework.

Net value of in-force business

The net value of in-force business consists of the present value of future shareholder profits from in-force covered business (PVIF), after allowance for the cost of required capital supporting the covered business.

Present value of future shareholder profits from in-force covered business

The long-term policy liabilities in respect of covered business in the financial statements are valued based on the applicable statutory valuation method for insurance contracts and fair value for investment contracts. These liabilities include profit margins, which can be expected to emerge as profits in the future. The discounted value, using a risk-adjusted discount rate, placed on these expected future profits, after taxation, is the PVIF.

The PVIF excludes the cost of required capital, which is separately disclosed.

Cost of required capital

A charge is deducted from the embedded value of covered business for the cost of required capital supporting the Group's existing covered business. The cost is the difference between the carrying value of the required capital at the valuation date and the discounted value, using a risk-adjusted discount rate, of the projected releases of the capital allowing for the assumed after-tax investment return on the assets deemed to back the required capital over the life of the in-force business.

Value of new business

The value of new business is calculated as the discounted value, at point of sale, using a risk-adjusted discount rate, of the projected stream of after-tax profits for new covered business issued during the financial year under review. The value of new business is also reduced by the cost of required capital for new covered business.

In determining the value of new business:

- A policy is only taken into account if at least one premium, that is not subsequently refunded, is recognised in the financial statements;
- Premium increases that have been allowed for in the value of in-force covered business are not counted again as new business at inception;
- Increases in recurring premiums associated with indexation arrangements are not included, but instead allowed for in the value of in-force covered business;
- The expected value of future premium increases resulting from premium indexation on the new recurring premium business written during the financial year under review is included in the value of new business;
- Continuations of individual policies and deferrals of retirement annuity policies after the maturity dates in the contract are treated as new business if they have been included in policy benefit payments at their respective maturity dates;
- For employee benefits, increases in business from new schemes or new benefits on existing schemes are included and new members or salary-related increases under existing schemes are excluded and form part of the in-force value;
- Annuities purchased by retirement fund members using in-fund options are treated as new business; Renewable recurring premiums under Group insurance contracts are treated as in-force business; and
- Assumptions are consistent with those used for the calculation of the value of in-force covered business at the end of the reporting period.

Profitability of new covered business is measured by the ratio of the net value of new business to the present value of new business premiums (PVNBP). The PVNBP is defined as new single premiums plus the discounted value, using a risk-adjusted discount rate, of expected future premiums on new recurring premium business. The premiums used for the calculation of PVNBP are based on the life insurance new business premiums disclosed in note 6 on page 92, excluding white label new business.

Risk discount rates and allowance for risk

In accordance with the actuarial guidance, the underlying risks within the covered business are allowed for within the embedded value calculations through a combination of the following:

- Explicit allowances within the projected shareholder cash flows;
- The level of required capital and the impact on cost of required capital; and
- The risk discount rates, intended to cover all residual risks not allowed for elsewhere in the valuation.

The risk margins are set using a top-down approach based on Sanlam Limited's weighted average cost of capital (WACC), which is calculated based on a gross risk-free interest rate, an assumed equity risk premium, a market assessed risk factor (beta), and an allowance for subordinated debt on a market value basis. The beta provides an assessment of the market's view of the effect of all types of risk on the Group's operations, including operational and other non-economic risk.

To derive the risk discount rate assumptions for covered business, an adjusted WACC is calculated to exclude the non-covered Group operations included in Sanlam Limited's WACC and to allow for future new covered business. The covered business operations of the Group use risk margins of between 2,5% and 7,0% and the local gross risk-free rate at the valuation date.

Minimum investment guarantees to policyholders

An investment guarantee reserve is included in the reserving basis for policy liabilities, which makes explicit allowance for the best estimate cost of all material investment guarantees. This reserve is determined on a market consistent basis in accordance with actuarial guidance from the Actuarial Society (APN110). No further deduction from the embedded value of covered business is therefore required.

Basis of accounting – Shareholders' information *continued*

Share incentive schemes

The embedded value of covered business assumes the payment of long-term incentives in the future and allows for the expected cost of future grants within the value of in-force covered business and value of new business.

Sensitivity analysis

Sensitivities are determined at the risk discount rates used to determine the base values, unless stated otherwise. For each of the sensitivities, all other assumptions are left unchanged. The different sensitivities do not imply that they have a similar chance of occurring.

The risk discount rate appropriate to an investor will depend on the investor's own requirements, tax position and perception of the risk associated with the realisation of the future profits from the covered business. The disclosed sensitivities to changes in the risk discount rate provide an indication of the impact of changes in the applied risk discount rate.

Risk premiums relating to mortality and morbidity are assumed to be increased consistent with mortality and morbidity experience respectively, where appropriate.

Foreign currencies

Changes in the embedded value of covered business, as well as the present value of new business premiums, of foreign operations are converted to South African rand at the weighted average exchange rates for the financial year, except where the average exchange rate is not representative of the timing of specific changes in the embedded value of covered business, in which instances the exchange rate on transaction date is used. The closing rate is used for the conversion of the embedded value of covered business at the end of the financial year.

Assumptions

Best estimate assumptions

The embedded value calculation is based on best estimate assumptions. The assumptions are reviewed actively and changed when evidence exists that material changes in the expected future experience are reasonably certain. The best estimate assumptions are also used as basis for the statutory valuation method, to which compulsory and discretionary margins are added for the determination of policy liabilities in the financial statements.

It is reasonably possible that outcomes in future financial years will be different to these current best estimate assumptions, possibly significantly, impacting on the reported embedded value of covered business. Accordingly, sensitivity analyses are provided for the value of in-force and value of new business.

Economic assumptions

The assumed investment return on assets supporting the policy liabilities and required capital is based on the assumed long-term asset mix for these funds.

Inflation assumptions for unit cost, policy premium indexation and employee benefits salary inflation are based on an assumed long term gap relative to fixed-interest securities.

Future rates of bonuses for stable bonus business and participating annuities are set at levels that are supportable by the assets backing the respective product asset funds at each valuation date.

Assets backing required capital

The assumed composition of the assets backing the required capital is consistent with Sanlam's practice and with the assumed long-term asset distribution used to calculate the statutory capital requirements and internal required capital assessments of the Group's covered business.

Demographic assumptions

Future mortality, morbidity and discontinuance rates are based on recent experience, adjusted for expected future trends where appropriate. The mortality experience since the onset of the coronavirus pandemic has been excluded when considering future expected experience.

HIV/Aids

Allowance is made, where appropriate, for the impact of expected HIV/Aids-related claims, using models developed by the Actuarial Society, adjusted for Sanlam's practice and product design.

Expense assumptions

Future expense assumptions reflect the expected level of expenses required to manage the in-force covered business, including investment in systems required to support that business, and allow for future inflation. The rate of inflation is higher for business written on legacy systems. The allocation between acquisition and maintenance expenses is based on functional cost analyses and reflects actual expenses incurred in 2021.

Project expenses

A best estimate of future project expenses is allowed for in the embedded value of covered business, in addition to the expense assumptions outlined above, in both the value of policy liabilities and the PVIF as applicable. These projects relate to regulatory compliance, digital transformation, administration and existing distribution platforms of the life insurance business and are deemed to be business imperatives by management. No allowance is made for the expected positive impact these projects may have on the future operating experience of the Group.

Investment management fees

Future investment expenses are based on the current scale of fees payable by the Group's life insurance businesses to the relevant asset managers. To the extent that this scale of fees includes profit margins for Sanlam Investment Group, these margins are not included in the value of in-force covered business and value of new business, as they are incorporated in the valuation of the Sanlam Investment Group businesses at fair value.

Taxation

Projected taxation is based on the current tax basis that applies in each country.

Allowance has been made for the impact of capital gains tax on investments in South Africa, assuming a five-year roll-over period.

Earnings from covered business

The embedded value earnings from covered business for the period are equal to the change in embedded value, after adjustment for any transfers to or from discretionary capital, and are analysed into the following main components:

Value of new business

The value of new business is calculated at point of sale using assumptions applicable at the end of the reporting period.

Net earnings from existing covered business

Expected return on value of covered business

The expected return on value of covered business comprises the expected return on the starting value of in-force covered business and the accumulation of value of new business from point of sale to the valuation date.

Operating experience variances

The calculation of embedded values is based on assumptions regarding future experiences including discontinuance rates (how long policies will stay in force), risk (mortality and morbidity) and future expenses. Actual experience may differ from these assumptions. The impact of the difference between actual and assumed experience for the period is reported as operating experience variances.

Operating assumption changes

Operating assumption changes consist of the impact of changes in assumptions at the end of the reporting period (compared to those used at the end of the previous reporting period) for operating experience, excluding economic or taxation assumptions. It also includes certain model refinements.

Expected investment return on adjusted net worth

The expected investment return on adjusted net worth attributable to shareholders is calculated using the future investment return assumed at the start of the reporting period.

The total embedded value earnings from covered business include two further main items:

Economic assumption changes

The impact of changes in external economic conditions, including the effect that changes in interest rates have on risk discount rates and future investment return assumptions, on the embedded value of covered business.

Investment variances

Investment variances – value of in-force

The impact on the value of in-force business caused by differences between the actual investment return earned on policyholder fund assets during the reporting period and the expected return based on the economic assumptions used at the start of the reporting period.

Investment variances – investment return on adjusted net worth

Investment return variances caused by differences between the actual investment return earned on shareholders' fund assets during the reporting period and the expected return based on economic assumptions used at the start of the reporting period.

Group Equity Value

at 31 December

R million	Note	Group Equity Value		Value of in-force/Fair value adjustment	
		2022	2021	2022	2021
Sanlam Life and Savings		54 415	54 159	46 172	45 942
Covered business ⁽¹⁾	7.1.3	49 386	48 937	43 296	42 997
SA Retail Affluent		31 863	31 849	29 078	28 998
SA Retail Mass		11 682	11 761	10 253	10 548
Sanlam Corporate		5 841	5 327	3 965	3 451
Non-Covered business		5 029	5 222	2 876	2 945
SA Retail Affluent		4 163	4 319	3 125	3 095
Glacier		2 647	2 736	2 294	2 321
Other operations		1 516	1 583	831	774
Sanlam Corporate: Health		866	903	(249)	(150)
Sanlam Emerging Markets ⁽²⁾		42 302	40 354	7 342	7 493
Covered business	7.2.8	9 025	9 026	4 039	3 801
SPA Life		6 777	6 923	3 123	2 947
India		1 203	1 092	534	491
Malaysia		1 045	1 011	382	363
Non-Covered business		33 277	31 328	3 303	3 692
SPA GI ⁽³⁾		18 088	18 875	1 770	3 570
India		14 200	11 749	2 464	826
Other operations ⁽³⁾		989	704	(931)	(704)
Sanlam Investment Group		13 752	19 583	7 506	10 234
Covered business ⁽⁴⁾	7.3.2	1 747	2 614	(957)	(894)
Non-Covered business		12 005	16 969	8 463	11 128
Sanlam Investments		3 137 ⁽⁵⁾	3 209	1 010	1 844
Wealth Management		3 138	3 273	2 909	3 026
International ⁽⁶⁾		4 201	8 917	3 205	4 896
Sanlam Specialised Finance		1 529	1 570	1 339	1 362
Santam		17 391	18 241	10 436	10 587
Dividend pool		7 315	6 887	-	-
Discretionary capital		5 274	2 936	-	-
Other capital		2 855	2 718	-	-
Present value of holding company expenses	15	(2 528)	(2 488)	(2 528)	(2 488)
Group Equity Value		140 776	142 390	68 928	71 768
Covered business	2	60 158	60 577	46 378	45 904
Non-Covered business	5	67 702	71 760	25 078	28 352
Group operations		127 860	132 337	71 456	74 256
Discretionary and other capital		12 916	10 053	(2 528)	(2 488)
Group Equity Value		140 776	142 390	68 928	71 768
Value per share	14	63,80	64,44		

⁽¹⁾ Excludes subordinated debt funding of Sanlam Life.

⁽²⁾ Sanlam Emerging Markets is disclosed on the current structure before taking into account the proposed joint venture transaction with Allianz.

⁽³⁾ Santam Namibia has been reclassified from other operations to SPA GI.

⁽⁴⁾ Sanlam disposed of its interest in Sanlam Life and Pensions in the UK in April 2022 (2021: R804 million).

⁽⁵⁾ Includes Sanlam share (66%; 31 December 2021: 75%) of the third party asset management business of R3 466 million (31 December 2021: R3 763 million).

⁽⁶⁾ Sanlam disposed of its stake in UK Wealth and Financial Planning businesses in May 2022 (2021: R2 562 million).

<i>Adjusted net asset value</i>		Elimination of goodwill and VOBA		Shareholders' fund at net asset value	
2022	2021	2022	2021	2022	2021
8 243	8 217	(1 033)	(1 020)	9 276	9 237
6 090	5 940	(1 033)	(1 020)	7 123	6 960
2 785	2 851	(628)	(662)	3 413	3 513
1 429	1 213	(165)	(189)	1 594	1 402
1 876	1 876	(240)	(169)	2 116	2 045
2 153	2 277	-	-	2 153	2 277
1 038	1 224	-	-	1 038	1 224
353	415	-	-	353	415
685	809	-	-	685	809
1 115	1 053	-	-	1 115	1 053
34 960	32 861	(2 893)	(3 089)	37 853	35 950
4 986	5 225	(2 893)	(3 089)	7 879	8 314
3 654	3 976	(2 321)	(2 469)	5 975	6 445
669	601	(308)	(322)	977	923
663	648	(264)	(298)	927	946
29 974	27 636	-	-	29 974	27 636
16 318	15 305	-	-	16 318	15 305
11 736	10 923	-	-	11 736	10 923
1 920	1 408	-	-	1 920	1 408
6 246	9 349	-	-	6 246	9 349
2 704	3 508	-	-	2 704	3 508
3 542	5 841	-	-	3 542	5 841
2 127	1 365	-	-	2 127	1 365
229	247	-	-	229	247
996	4 021	-	-	996	4 021
190	208	-	-	190	208
6 955	7 654	-	-	6 955	7 654
7 315	6 887	-	-	7 315	6 887
5 274	2 936	-	-	5 274	2 936
2 855	2 718	(1 197)	(1 197)	4 052	3 915
-	-	-	-	-	-
71 848	70 622	(5 123)	(5 306)	76 971	75 928
13 780	14 673	(3 926)	(4 109)	17 706	18 782
42 624	43 408	-	-	42 624	43 408
56 404	58 081	(3 926)	(4 109)	60 330	62 190
15 444	12 541	(1 197)	(1 197)	16 641	13 738
71 848	70 622	(5 123)	(5 306)	76 971	75 928
				34,88	34,36

Analysis of Group Equity Value by line of business

at 31 December

R million	Total		Life Business		General Insurance	
	2022	2021	2022	2021	2022	2021
Southern Africa	102 304	99 005	55 474	54 960	19 053	19 017
South Africa	92 503	90 577	51 133	50 747	17 391	18 241
Other	9 801	8 428	4 341	4 213	1 662	776
North and West Africa	15 752	18 277	1 682	2 197	15 467	17 414
East Africa	1 701	1 144	753	519	959	685
Other International	21 019	23 964	2 249	2 901	2 914	2 786
Total	140 776	142 390	60 158	60 577	38 393	39 902

R million	Investment Management		Credit and Structuring		Administration and Health	
	2022	2021	2022	2021	2022	2021
Southern Africa	7 533	7 744	4 491	4 340	3 967	4 134
South Africa	6 777	6 975	2 177	2 196	3 810	3 974
Other	756	769	2 314	2 144	157	160
East Africa	160	183	-	-	-	-
Other International	4 270	9 046	11 586	9 231	-	-
Total	11 963	16 973	16 077	13 571	3 967	4 134

Discretionary capital and Other		
R million	2022	2021
Southern Africa	11 786	8 810
South Africa	11 215	8 444
Other	571	366
North and West Africa	(1 397)	(1 334)
East Africa	(171)	(243)
Total	10 218	7 233

Change in Group Equity Value

at 31 December 2022

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	54 159	5 932	(115)	(5 561)	54 415
Covered business	48 937	5 676	(44)	(5 183)	49 386
SA Retail Affluent	31 849	3 453	(184)	(3 255)	31 863
SA Retail Mass	11 761	1 080	138	(1 297)	11 682
Sanlam Corporate	5 327	1 143	2	(631)	5 841
Non-Covered business	5 222	256	(71)	(378)	5 029
SA Retail Affluent	4 319	274	(71)	(359)	4 163
Glacier	2 736	120	(30)	(179)	2 647
Other operations	1 583	154	(41)	(180)	1 516
Sanlam Corporate: Health	903	(18)	-	(19)	866
Sanlam Emerging Markets	40 354	1 431	2 272	(1 755)	42 302
Covered business	9 026	1 016	(248)	(769)	9 025
SPA Life	6 923	837	(330)	(653)	6 777
India	1 092	110	68	(67)	1 203
Malaysia	1 011	69	14	(49)	1 045
Non-Covered business	31 328	415	2 520	(986)	33 277
SPA GI ⁽¹⁾	18 875	(2 072)	1 350	(65)	18 088
India	11 749	2 501	217	(267)	14 200
Other operations ⁽¹⁾	704	(14)	953	(654)	989
Sanlam Investment Group	19 583	(1 067)	(3 611)	(1 153)	13 752
Covered business	2 614	256	(916)	(207)	1 747
Non-Covered business	16 969	(1 323)	(2 695)	(946)	12 005
Sanlam Investments	3 209	369	4	(445)	3 137
Wealth Management	3 273	70	-	(205)	3 138
International	8 917	(1 848)	(2 699)	(169)	4 201
Sanlam Specialised Finance	1 570	86	-	(127)	1 529
Santam	18 241	542	-	(1 392)	17 391
Discretionary capital	2 936	237	2 101	-	5 274
Other capital	9 605	(844)	8 783	(7 374)	10 170
Present value of holding company expenses	(2 488)	(40)	-	-	(2 528)
Elimination of intergroup dividends	-	-	(9 861)	9 861	-
Group Equity Value	142 390	6 191	(431)	(7 374)	140 776
Covered business	60 577	6 948	(1 208)	(6 159)	60 158
Non-Covered business	71 760	(110)	(246)	(3 702)	67 702
Group operations	132 337	6 838	(1 454)	(9 861)	127 860
Discretionary and other capital	10 053	(647)	10 884	(7 374)	12 916
Elimination of intergroup dividends	-	-	(9 861)	9 861	-
Group Equity Value	142 390	6 191	(431)	(7 374)	140 776

⁽¹⁾ Santam Namibia has been reclassified from other operations to SPA GI.

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
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 ⁽²⁾	17 182	1 761	224	(292)	18 875
India	8 954	2 856	64	(125)	11 749
Other operations ⁽²⁾	549	95	390	(330)	704
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 96.

⁽²⁾ Santam Namibia has been reclassified from other operations to SPA GI.

Return on Group Equity Value

at 31 December

%	2022	2021
Sanlam Life and Savings	11,0	15,1
Covered business	11,6	14,6
SA Retail Affluent	10,8	17,0
SA Retail Mass	9,2	15,4
Sanlam Corporate	21,5	(2,3)
Non-Covered business	4,9	20,4
SA Retail Affluent	6,3	15,4
Glacier	4,4	14,2
Other operations	9,9	17,6
Sanlam Corporate: Health	(2,0)	51,4
Sanlam Emerging Markets	3,5	15,9
Covered business	11,3	10,4
SPA Life	12,1	9,5
India	10,1	15,6
Malaysia	6,8	12,3
Non-Covered business	1,3	17,6
SPA GI ⁽¹⁾	(10,9)	10,2
India	21,3	31,9
Other operations ⁽¹⁾	(2,0)	17,3
Sanlam Investment Group	(6,0)	14,6
Covered business	12,2	(12,1)
Non-Covered business	(8,4)	19,7
Sanlam Investments	11,5	18,8
Wealth Management	2,1	32,7
International	(24,0)	14,5
Sanlam Specialised Finance	5,5	30,8
Santam	3,0	7,3
Discretionary capital and other	(5,6)	(4,3)
Group Equity Value⁽²⁾	4,3	13,1
Covered business	11,6	12,6
Non-Covered business	(0,2)	15,6
Group operations	5,2	14,2
Discretionary and other capital	(5,6)	(4,3)
Group Equity Value	4,3	13,1
RoGEV per share	4,2	13,9
Sanlam Group hurdle rate	14,3	13,6
South African risk free rate (9 year bond yield)	10,3	9,6
Plus margin	4,0	4,0

⁽¹⁾ Santam Namibia has been reclassified from other operations to SPA GI.

⁽²⁾ Refer to the financial review on page 45 for adjusted RoGEV information.

Analysis of Group Equity Value Earnings

for the year ended 31 December

Covered business⁽¹⁾

R million	Total		Gross value of in-force	
	2022	2021	2022	2021
Operational earnings	9 548	7 100	3 283	2 672
Value of new life insurance business ⁽²⁾	2 388	2 764	5 718	5 836
Unwinding of discount rate	6 129	5 538	5 935	5 296
Expected profit	-	-	(8 268)	(7 677)
Operating experience variances	1 504	(2 742)	(496)	107
Risk experience	1 695	(4 205)	246	(232)
Persistency	(596)	712	(251)	908
Maintenance expenses	(13)	150	-	(4)
Working capital management	432	365	-	-
Credit spread	347	295	-	-
Other	(361)	(59)	(491)	(565)
Operating assumption changes	(473)	1 540	394	(890)
Risk experience	(178)	(867)	(319)	(2 072)
Persistency	133	1 533	1 255	1 769
Maintenance expenses	(210)	(91)	(171)	77
Modelling changes and other	(218)	965	(371)	(664)
Net investment return	476	925	-	-
Expected return on adjusted net asset value	1 007	956	-	-
Investment variances on adjusted net asset value	(531)	(31)	-	-
Valuation and economic basis	(3 588)	211	(3 389)	(240)
Investment variances on in-force business	(1 910)	1 402	(1 485)	999
Economic assumption changes	(1 615)	(1 310)	(1 820)	(1 399)
Investment yields	(1 631)	(1 303)	(1 837)	(1 399)
Long-term asset mix assumptions and other	16	(7)	17	-
Foreign currency translation differences	(63)	119	(84)	160
Change in tax basis	551	(80)	545	(78)
Net project expenses	(8)	(10)	-	-
Revaluation of business held for sale	-	(595)	-	(804)
Net loss on disposal of subsidiaries	(31)	(61)	-	-
GEV earnings: covered business	6 948	7 490	439	1 550
Acquired value of in-force	268	84	175	19
Disposal of businesses	(798)	-	(23)	-
Transfers to other Group operations	(127)	(920)	-	(29)
Transfers from covered business	(6 710)	(5 403)	-	-
Embedded value of covered business at the beginning of the period	60 577	59 326	49 427	47 887
Embedded value of covered business at the end of the period	60 158	60 577	50 018	49 427

⁽¹⁾ Refer to note 7 for an analysis per cluster.

⁽²⁾ Refer to note 1 for additional information.

Covered business by cluster at 31 December

R million	Total		Gross value of in-force	
	2022	2021	2022	2021
Sanlam Life and Savings	49 386	48 937	45 135	44 697
Sanlam Emerging Markets	9 025	9 026	4 881	4 705
Sanlam Investment Group	1 747	2 614	2	25
Sanlam Group	60 158	60 577	50 018	49 427

Cost of capital		Adjusted net asset value	
2022	2021	2022	2021
(276)	69	6 541	4 359
(267)	(282)	(3 063)	(2 790)
194	242	-	-
-	-	8 268	7 677
(91)	(94)	2 091	(2 755)
(43)	1	1 492	(3 974)
(23)	(68)	(322)	(128)
(2)	(3)	(11)	157
-	-	432	365
-	-	347	295
(23)	(24)	153	530
(112)	203	(755)	2 227
(7)	8	148	1 197
(80)	(54)	(1 042)	(182)
4	-	(43)	(168)
(29)	249	182	1 380
-	-	476	925
-	-	1 007	956
-	-	(531)	(31)
173	(119)	(372)	570
69	(85)	(494)	488
83	7	122	82
84	11	122	85
(1)	(4)	-	(3)
21	(41)	-	-
16	(2)	(10)	-
-	-	(8)	(10)
-	209	-	-
-	-	(31)	(61)
(87)	157	6 596	5 783
(39)	(5)	132	70
9	-	(784)	-
-	-	(127)	(891)
-	-	(6 710)	(5 403)
(3 523)	(3 675)	14 673	15 114
(3 640)	(3 523)	13 780	14 673

Cost of capital		Adjusted net asset value	
2022	2021	2022	2021
(1 839)	(1 700)	6 090	5 940
(842)	(904)	4 986	5 225
(959)	(919)	2 704	3 508
(3 640)	(3 523)	13 780	14 673

Analysis of Group Equity Value Earnings *continued*

Non-covered business

R million	Total		Sanlam Life and Savings	
	2022	2021	2022	2021
Earnings from operations valued at listed share prices	542	1 260	-	-
Earnings from operations valued at net asset value	16	159	45	-
Earnings from operations valued based on discounted cash flows	(668)	8 643	211	955
Unwinding of discount rate	7 071	5 881	980	912
Operating experience and investment variances ⁽¹⁾	(1 912)	225	(439)	160
General insurance	514	(313)	-	-
Investment management	(3 655)	227	-	-
Credit and banking	1 591	18	(59)	(88)
Administration, health and other	(362)	293	(380)	248
Operating assumption changes ⁽²⁾	(396)	1 917	(71)	130
General insurance	(826)	53	-	-
Investment management	471	760	-	-
Credit and banking	50	1 204	10	210
Administration, health and other	(91)	(100)	(81)	(80)
Economic assumption changes	(4 757)	(1 562)	(342)	(247)
Change in tax basis	(122)	-	83	-
Foreign currency translation differences	(552)	2 182	-	-
GEV earnings: non-covered operations	(110)	10 062	256	955

R million	Total		Sanlam Life and Savings	
	2022	2021	2022	2021
⁽¹⁾ Operating experience and investment variances	(1 912)	225	(439)	160
General insurance business	514	(313)	-	-
Risk experience	(181)	(111)	-	-
Premium income	1 189	(133)	-	-
Investment return	(20)	130	-	-
Maintenance expenses	(206)	(380)	-	-
Other	(268)	181	-	-
Investment management	(3 655)	227	-	-
Investment return and net fund flows	(2 567)	175	-	-
Other	(1 088)	52	-	-
Credit business	1 591	18	(59)	(88)
Income	118	(264)	32	(153)
Other	1 473	282	(91)	65
Administration, health and other	(362)	293	(380)	248
Income	(356)	380	(349)	346
Other	(6)	(87)	(31)	(98)
⁽²⁾ Operating assumption changes	(396)	1 917	(71)	130
General insurance business	(826)	53	-	-
Risk experience	(142)	(756)	-	-
Premium income	(65)	544	-	-
Maintenance expenses	(463)	70	-	-
Modelling and other assumption changes	(156)	195	-	-
Investment management	471	760	-	-
Net fund flows	(786)	(66)	-	-
Other	1 257	826	-	-
Credit business	50	1 204	10	210
Income	298	321	32	474
Bad debts	(497)	5	23	(227)
Other	249	878	(45)	(37)
Administration, health and other	(91)	(100)	(81)	(80)
Maintenance expenses	62	(43)	64	(56)
Other	(153)	(57)	(145)	(24)

Sanlam Emerging Markets		Sanlam Investment Group		Santam	
2022	2021	2022	2021	2022	2021
-	-	-	3	542	1 257
(151)	(53)	122	212	-	-
566	4 765	(1 445)	2 923	-	-
4 090	3 096	2 001	1 873	-	-
2 230	(127)	(3 703)	192	-	-
514	(313)	-	-	-	-
48	35	(3 703)	192	-	-
1 650	106	-	-	-	-
18	45	-	-	-	-
(784)	1 042	459	745	-	-
(826)	53	-	-	-	-
12	15	459	745	-	-
40	994	-	-	-	-
(10)	(20)	-	-	-	-
(3 933)	(938)	(482)	(377)	-	-
(295)	-	90	-	-	-
(742)	1 692	190	490	-	-
415	4 712	(1 323)	3 138	542	1 257

Sanlam Emerging Markets		Sanlam Investment Group	
2022	2021	2022	2021
2 230	(127)	(3 703)	192
514	(313)	-	-
(181)	(111)	-	-
1 189	(133)	-	-
(20)	130	-	-
(206)	(380)	-	-
(268)	181	-	-
48	35	(3 703)	192
(2)	5	(2 565)	170
50	30	(1 138)	22
1 650	106	-	-
86	(111)	-	-
1 564	217	-	-
18	45	-	-
(7)	34	-	-
25	11	-	-
(784)	1 042	459	745
(826)	53	-	-
(142)	(756)	-	-
(65)	544	-	-
(463)	70	-	-
(156)	195	-	-
12	15	459	745
1	38	(787)	(104)
11	(23)	1 246	849
40	994	-	-
266	(153)	-	-
(520)	232	-	-
294	915	-	-
(10)	(20)	-	-
(2)	13	-	-
(8)	(33)	-	-

Analysis of Group Equity Value Earnings *continued*

Discretionary and other capital

R million	Note	2022	2021
Investment return and other		594	(11)
B-BBEE SPV Impairment		(1 105)	(145)
Corporate expenses		(339)	(241)
Net group office expenses		(299)	(240)
Change in present value of holding company expenses	15	(40)	(1)
Share-based payment transactions		203	53
GEV earnings: discretionary and other capital		(647)	(344)

Reconciliation of Group Equity Value earnings

R million	2022	2021
Earnings (excluding fund transfers)	8 937	11 164
Normalised attributable earnings per shareholders' fund income statement	11 164	9 860
Earnings recognised directly in equity		
Foreign currency translation differences	(1 964)	1 495
Net cost of treasury shares delivered	(282)	(415)
Share-based payments	485	468
Change in ownership of subsidiaries	-	(127)
Other comprehensive income and other	(466)	(117)
Fair value adjustments	(2 922)	5 493
Change in fair value adjustments: non-life	(3 274)	3 786
Earnings from covered business: VIF	352	1 707
Adjustments to net worth	176	551
Present value of holding company expenses	(40)	(1)
Movement in book value of treasury shares: non-life subsidiaries	(89)	(74)
Change in goodwill/VOBA less VIF acquired	305	626
Group Equity Value earnings	6 191	17 208

Analysis of Shareholders' Fund Net Asset Value

at 31 December

R million	Note	Sanlam Life ⁽¹⁾		Sanlam Emerging Markets ⁽²⁾⁽³⁾		Sanlam Investment Group	
		2022	2021	2022	2021	2022	2021
Assets							
Equipment		491	454	601	660	82	59
Rights-of-use assets		277	366	171	204	161	258
Owner-occupied properties		453	453	1 887	1 906	139	125
Goodwill		718	718	11 539	12 399	1 976	1 171
Value of business acquired		563	533	3 459	3 947	213	238
Other intangible assets		229	15	517	444	203	232
Deferred acquisition costs		2 326	2 362	277	249	21	22
Investments		19 925	20 330	47 347	48 020	4 825	5 210
Properties		19	19	5 836	6 138	-	-
Associated companies	8.1	1 183	1 144	20 242	18 501	364	356
Joint ventures	8.2	844	976	-	-	146	47
Equities and similar securities		489	481	6 925	7 888	102	348
Interest-bearing investments		5 511	5 460	7 474	5 842	588	143
Structured transactions		232	162	5	5	4	-
Investment funds		7 057	9 059	5 642	7 570	3 310	3 972
Cash, deposits and similar securities		4 590	3 029	1 223	2 076	311	344
Deferred tax		585	1 195	918	761	259	206
Assets of disposal groups classified as held for sale		-	-	878	715	-	2 439
General insurance technical assets		-	-	4 436	3 685	-	-
Working capital assets		7 668	7 289	21 396	18 997	25 160	25 674
Trade and other receivables		60	1 334	14 292	12 417	20 883	21 717
Taxation receivable		13	318	804	822	5	20
Cash, deposits and similar securities		7 595	5 637	6 300	5 758	4 272	3 937
Total assets		33 235	33 715	93 426	91 987	33 039	35 634
Equity and liabilities							
Shareholders' fund		17 310	18 044	39 658	37 410	7 280	10 291
Non-controlling interest		15	49	11 873	12 431	1 139	472
Total equity		17 325	18 093	51 531	49 841	8 419	10 763
Term finance		2 031	1 992	2 947	2 925	1 050	560
Lease liabilities		344	446	188	216	249	298
Structured transactions liabilities		187	220	-	-	7	49
Cell owners' interest		-	-	-	-	-	-
Deferred tax		1 011	107	3 001	3 346	12	117
Liabilities of disposal groups classified as held for sale		-	-	266	465	-	558
General insurance technical provisions		-	-	21 727	21 088	-	-
Working capital liabilities		12 337	12 857	13 766	14 106	23 302	23 289
Trade and other payables		11 273	11 973	12 285	13 100	22 751	22 789
Provisions		41	43	600	332	1	27
Taxation payable		1 023	841	881	674	550	473
Total equity and liabilities		33 235	33 715	93 426	91 987	33 039	35 634
Analysis of shareholders' fund							
Covered business		7 123	6 960	7 879	8 314	2 704	3 508
Non-covered business		2 153	2 277	29 974	27 636	3 542	5 841
Discretionary and other capital		8 034	8 807	1 805	1 460	1 034	942
Shareholders' fund at net asset value							
Consolidation reserve		700	941	62	62	-	-
Shareholders' fund per Group statement of financial position in the Annual Financial Statements		18 010	18 985	39 720	37 472	7 280	10 291

⁽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⁾ In line with how we manage the business, individual line items include the assets and liabilities held for sale that differs from the statement of financial position in the Annual Financial Statements. Upon the successful completion of the Allianz transaction, the investment in the joint venture will be equity accounted.

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

Santam		Group Office		Consolidation adjustments ⁽⁴⁾		Shareholders' fund at net asset value	
2022	2021	2022	2021	2022	2021	2022	2021
373	363	-	-	-	-	1 547	1 536
505	569	-	-	-	-	1 114	1 397
17	19	-	-	-	-	2 496	2 503
1 004	946	-	-	1 197	1 197	16 434	16 431
-	-	-	-	-	-	4 235	4 718
82	40	-	-	-	-	1 031	731
-	-	-	-	-	-	2 624	2 633
33 643	29 377	9 548	6 955	(6 339)	(5 519)	108 949	104 373
-	-	-	-	-	-	5 855	6 157
3 537	4 294	-	-	(3 378)	(4 196)	21 948	20 099
-	35	-	-	-	-	990	1 058
2 296	2 702	-	-	1 904	3 115	11 716	14 534
17 817	16 875	6 965	6 955	(4 985)	(4 558)	33 370	30 717
238	215	-	-	-	-	479	382
7 707	4 923	-	-	120	120	23 836	25 644
2 048	333	2 583	-	-	-	10 755	5 782
84	84	-	-	(40)	(33)	1 806	2 213
-	-	-	-	-	-	878	3 154
14 672	15 840	-	-	-	-	19 108	19 525
19 760	16 783	3 115	2 950	(3 112)	(2 562)	73 987	69 131
11 170	8 328	2 937	2 760	(3 302)	(2 754)	46 040	43 802
96	5	-	-	-	-	918	1 165
8 494	8 450	178	190	190	192	27 029	24 164
70 140	64 021	12 663	9 905	(8 294)	(6 917)	234 209	228 345
6 955	7 654	7 847	5 241	(2 079)	(2 712)	76 971	75 928
4 504	5 234	-	-	(4 227)	(4 724)	13 304	13 462
11 459	12 888	7 847	5 241	(6 306)	(7 436)	90 275	89 390
2 539	2 552	3 350	3 470	-	-	11 917	11 499
677	744	-	-	-	-	1 458	1 704
35	1	-	-	-	-	229	270
7 123	4 900	-	-	-	-	7 123	4 900
72	63	-	-	-	-	4 096	3 633
-	-	-	-	-	-	266	1 023
40 383	36 471	-	-	-	-	62 110	57 559
7 852	6 402	1 466	1 194	(1 988)	519	56 735	58 367
7 467	5 837	1 254	1 190	(2 005)	502	53 025	55 391
138	174	3	4	17	17	800	597
247	391	209	-	-	-	2 910	2 379
70 140	64 021	12 663	9 905	(8 294)	(6 917)	234 209	228 345
-	-	-	-	-	-	17 706	18 782
6 955	7 654	-	-	-	-	42 624	43 408
-	-	7 847	5 241	(2 079)	(2 712)	16 641	13 738
6 955	7 654	7 847	5 241	(2 079)	(2 712)	76 971	75 928
-	-	-	-	(6 200)	(7 552)	(5 438)	(6 549)
6 955	7 654	7 847	5 241	(8 279)	(10 264)	71 533	69 379

Shareholders' Fund Income Statement

for the year ended 31 December

Sanlam Life and Savings

R million	Note	SA Retail Affluent ⁽¹⁾		SA Retail Mass		Sanlam Corporate	
		2022	2021	2022	2021	2022	2021
Financial services income	9	16 359	19 635	11 655	10 509	6 938	7 285
Sales remuneration	10	(2 512)	(2 463)	(1 806)	(1 645)	(103)	(80)
Income after sales remuneration		13 847	17 172	9 849	8 864	6 835	7 205
Underwriting policy benefits		(3 532)	(4 928)	(6 172)	(6 162)	(3 810)	(7 385)
Administration costs	11	(5 433)	(4 786)	(1 878)	(1 663)	(1 991)	(1 767)
Result from financial services before tax		4 882	7 458	1 799	1 039	1 034	(1 947)
Tax on result from financial services		(1 285)	(2 051)	(502)	(276)	(286)	556
Result from financial services after tax		3 597	5 407	1 297	763	748	(1 391)
Non-controlling interest		48	21	-	6	-	-
Net result from financial services		3 645	5 428	1 297	769	748	(1 391)
Net investment income		249	83	64	46	79	44
Investment income	12	305	92	72	52	81	45
Tax on investment income		(56)	(9)	(8)	(6)	(2)	(1)
Non-controlling interest		-	-	-	-	-	-
Net investment surpluses		51	111	10	54	24	57
Investment surpluses		54	149	8	75	17	77
Tax on investment surpluses		(3)	(38)	2	(21)	7	(20)
Non-controlling interest		-	-	-	-	-	-
Project expenses		(14)	(58)	-	-	(1)	(4)
Net operational earnings		3 931	5 564	1 371	869	850	(1 294)
Net amortisation of value of business acquired and other intangibles		(53)	(191)	(6)	(7)	(20)	(11)
Equity participation costs		-	-	-	-	-	-
Net non-operational equity-accounted earnings		-	-	-	-	(20)	(32)
Non-operational equity-accounted earnings		-	-	-	-	(20)	(32)
Tax		-	-	-	-	-	-
Non-controlling interest		-	-	-	-	-	-
Net profit on disposal of subsidiaries, associated companies and operations		-	16	-	-	85	-
Profit on disposal of subsidiaries, associated companies and operations		-	21	-	-	85	-
Tax		-	(5)	-	-	-	-
Non-controlling interest		-	-	-	-	-	-
(Impairment charges)/reversals		(31)	(5)	(18)	-	-	(8)
Normalised attributable earnings		3 847	5 384	1 347	862	895	(1 345)
Fund transfers		14	(9)	(240)	120	(5)	(11)
Attributable earnings per Group statement of comprehensive income		3 861	5 375	1 107	982	890	(1 356)
Net profit on disposal of subsidiaries and associated companies and operations ⁽³⁾		-	(16)	-	-	(85)	-
Impairments		31	5	18	-	-	8
Net equity-accounted non-headline earnings		-	-	-	-	(2)	8
Headline earnings		3 892	5 364	1 125	982	803	(1 340)
Diluted earnings per share	13						
Weighted average number of shares for operational earnings per share (million)		165	244	59	35	34	(63)
Net result from financial services (cents)							

⁽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 71.

⁽²⁾ Includes discontinued operations.

⁽³⁾ For shareholder fund purposes only, wind-down and transaction related costs are set off against the proceeds on disposal which is not taken into account for headline earnings.

Sanlam Emerging Markets ⁽²⁾		Sanlam Investment Group		Santam		Group office and other		Total	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
27 569 (4 441)	27 370 (3 893)	6 350 (114)	7 558 (327)	28 789 (3 678)	27 549 (3 473)	(54) -	(274) -	97 606 (12 654)	99 632 (11 881)
23 128 (12 179) (6 473)	23 477 (11 791) (6 519)	6 236 - (4 376)	7 231 - (5 383)	25 111 (18 034) (4 679)	24 076 (16 405) (4 481)	(54) - (556)	(274) - (458)	84 952 (43 727) (25 386)	87 751 (46 671) (25 057)
4 476 (1 161)	5 167 (1 839)	1 860 (431)	1 848 (427)	2 398 (670)	3 190 (836)	(610) 168	(732) 229	15 839 (4 167)	16 023 (4 644)
3 315 (780)	3 328 (1 101)	1 429 (190)	1 421 (123)	1 728 (702)	2 354 (976)	(442) 143	(503) 263	11 672 (1 481)	11 379 (1 910)
2 535 120	2 227 186	1 239 111	1 298 76	1 026 140	1 378 96	(299) 436	(240) 235	10 191 1 199	9 469 766
421 (249) (52)	400 (153) (61)	119 (11) 3	78 - (2)	345 (90) (115)	230 (54) (80)	366 38 32	175 27 33	1 709 (378) (132)	1 072 (196) (110)
(237)	(56)	(98)	280	(69)	180	2	(82)	(317)	544
(432) 119 76	(159) 45 58	(130) 46 (14)	365 (85) -	(152) 41 42	397 (102) (115)	155 (36) (117)	(31) (10) (41)	(480) 176 (13)	873 (231) (98)
(255)	(189)	(61)	(100)	(46)	(28)	(164)	(112)	(541)	(491)
2 163 (181) -	2 168 (394) -	1 191 (55) -	1 554 (97) -	1 051 (31) (1)	1 626 (38) (1)	(25) - -	(199) - -	10 532 (346) (1)	10 288 (738) (1)
635	3	-	-	42	45	-	-	657	16
856 (218) (3)	8 (2) (3)	- - -	- - -	68 - (26)	73 - (28)	- - -	- - -	904 (218) (29)	49 (2) (31)
4	10	1 411	206	-	(3)	-	-	1 500	229
4 - -	10 - -	1 411 - -	206 - -	- - -	(4) - 1	- - -	- - -	1 500 - -	233 (5) 1
-	616	(6)	(386)	(18)	(6)	(1 105)	(145)	(1 178)	66
2 621 (41)	2 403 (13)	2 541 (5)	1 277 (2)	1 043 (12)	1 623 1	(1 130) 988	(344) (473)	11 164 699	9 860 (387)
2 580	2 390	2 536	1 275	1 031	1 624	(142)	(817)	11 863	9 473
(4) -	(10) (616)	(1 924) 6	(206) 386	- 18	3 6	- -	- -	(2 013) 73	(229) (211)
(627)	-	-	-	-	-	-	-	(629)	8
1 949	1 764	618	1 455	1 049	1 633	(142)	(817)	9 294	9 041
115	100	56	58	46	62	(14)	(11)	2 210,4 461	2 224,0 426

Net Result from Financial Services

for the year ended 31 December

Geographical analysis by line of business⁽¹⁾

R million	Life Business		General Insurance		Investment Management	
	2022	2021	2022	2021	2022	2021
Southern Africa	5 916	4 674	770	1 598	648	503
South Africa	5 390	4 453	883	1 230	585	446
Other	526	221	(113)	368	63	57
North and West Africa	45	246	708	619	(2)	(2)
East Africa	85	8	(8)	(3)	11	13
Other International	113	1	258	324	212	361
Emerging Markets	113	3	258	324	(1)	(1)
Developed Markets	-	(2)	-	-	213	362
Total	6 159	4 929	1 728	2 538	869	875

⁽¹⁾ Refer to Note 7 for an analysis per cluster.

Credit and Structuring		Administration and Health		Corporate expenses and Other		Total	
2022	2021	2022	2021	2022	2021	2022	2021
621	738	337	348	(471)	(695)	7 821	7 166
404	497	337	348	(299)	(240)	7 300	6 734
217	241	-	-	(172)	(455)	521	432
-	-	-	-	(195)	44	556	907
-	-	-	-	(9)	(15)	79	3
1 039	654	-	-	113	53	1 735	1 393
1 039	654	-	-	113	53	1 522	1 033
-	-	-	-	-	-	213	360
1 660	1 392	337	348	(562)	(613)	10 191	9 469

Notes to the Shareholders' Fund Information

for the year ended 31 December

1 Value of new covered business

R million	Note	Total	
		2022	2021
Value of new covered business (at point of sale)			
Gross value of new covered business		3 046	3 416
Cost of capital		(317)	(339)
Value of new covered business			
<hr/>			
Value of new business attributable to Shareholders' fund	3	2 388	2 764
Non-controlling interest		341	313
Value of new covered business			
<hr/>			
Analysis of new business profitability			
<i>Before non-controlling interest</i>			
Present value of new business premiums		93 726	102 285
New business margin		2,91%	3,01%
<i>After non-controlling interest:</i>			
Present value of new business premiums		87 814	96 182
New business margin		2,72%	2,87%
Capitalisation factor - recurring premiums			
		3,7	3,8

⁽¹⁾ Sanlam Life and Pensions was disposed of in April 2022

Sanlam Life and Savings

SA Retail Affluent		SA Retail Mass		Corporate		Sanlam Emerging Markets		Sanlam Investment Group	
2022	2021	2022	2021	2022	2021	2022	2021	2022 ⁽¹⁾	2021
995 (71)	1 312 (90)	798 (43)	863 (39)	135 (46)	272 (50)	1 118 (157)	961 (152)	- -	8 (8)
924	1 222	755	824	89	222	961	809	-	-
923 1	1 192 30	755 -	821 3	89 -	222 -	621 340	529 280	- -	- -
924	1 222	755	824	89	222	961	809	-	-
50 041 1,85%	55 437 2,20%	12 764 5,92%	11 705 7,04%	11 971 0,74%	12 965 1,71%	18 950 5,07%	18 502 4,37%	- -	3 676 -
49 538 1,86%	54 675 2,18%	12 764 5,92%	11 668 7,04%	11 971 0,74%	12 965 1,71%	13 541 4,59%	13 198 4,01%	- -	3 676 -
5,7	5,9	3,2	3,1	6,4	6,4	2,9	2,8	-	4,3

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	
	2022	2021	2022	2021	2022	2021
Before non-controlling interest						
Southern Africa	2 292	2 733	82 350	87 604	2,78%	3,12%
South Africa	1 768	2 268	74 776	80 107	2,36%	2,83%
SA Retail Affluent	924	1 222	50 041	55 437	1,85%	2,20%
SA Retail Mass	755	824	12 764	11 705	5,92%	7,04%
Sanlam Corporate	89	222	11 971	12 965	0,74%	1,71%
Other Southern Africa	524	465	7 574	7 497	6,92%	6,20%
North and West Africa	90	155	4 135	4 527	2,18%	3,42%
East Africa	87	3	2 235	1 680	3,89%	0,18%
Other International	260	186	5 006	8 474	5,19%	2,19%
Total	2 729	3 077	93 726	102 285	2,91%	3,01%
After non-controlling interest						
Southern Africa	2 091	2 524	79 366	84 410	2,63%	2,99%
South Africa	1 767	2 235	74 273	79 308	2,38%	2,82%
SA Retail Affluent	923	1 192	49 538	54 675	1,86%	2,18%
SA Retail Mass	755	821	12 764	11 668	5,92%	7,04%
Sanlam Corporate	89	222	11 971	12 965	0,74%	1,71%
Other Southern Africa	324	289	5 093	5 102	6,36%	5,66%
North and West Africa	65	124	3 360	3 660	1,93%	3,39%
East Africa	47	(6)	1 475	1 088	3,19%	(0,55%)
Other International	185	122	3 613	7 024	5,12%	1,74%
Total	2 388	2 764	87 814	96 182	2,72%	2,87%

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 %	
	2022	2021	2022	2021	2022	2021	2022	2021
Base value	50 018	49 427	(3 640)	(3 523)	46 378	45 904	-	-
Risk discount rate increase by 1%	47 510	47 000	(4 078)	(3 951)	43 432	43 049	(6)	(6)
Investment return and inflation decrease by 1%, coupled with a 1% decrease in risk discount rates, and with bonus rates changing commensurately	51 215	50 647	(3 735)	(3 613)	47 480	47 034	2	2
Equity and property values decrease by 10%, without a corresponding change in dividend and rental yields	48 522	48 150	(3 599)	(3 492)	44 923	44 658	(3)	(3)
Expected return on equity and property investments increase by 1%, without a corresponding change in discount rates	50 568	50 078	(3 266)	(3 162)	47 302	46 916	2	2
Rand exchange rate depreciates by 10%	50 333	49 733	(3 716)	(3 605)	46 617	46 128	1	-
<i>Expenses and persistency</i>								
Non-commission maintenance expenses (excluding investment expenses) decrease by 10%	52 122	51 450	(3 648)	(3 531)	48 474	47 919	5	4
Discontinuance rates decrease by 10%	51 685	51 170	(3 739)	(3 603)	47 946	47 567	3	4
<i>Insurance risk</i>								
Mortality and morbidity decrease by 5% for life assurance business	52 693	52 230	(3 640)	(3 516)	49 053	48 714	6	6
Mortality and morbidity decrease by 5% for annuity business	49 773	49 232	(3 652)	(3 535)	46 121	45 697	(1)	-
Gross value of in-force business profile								
Year 1-5	59%	58%						
Year 1	17%	18%						
Year 2	14%	13%						
Year 3	11%	11%						
Year 4	9%	9%						
Year 5	8%	7%						
Year 6 - 10	23%	23%						
Year 11 - 20	15%	16%						
Year 20+	3%	3%						

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 %	
	2022	2021	2022	2021	2022	2021	2022	2021
Base value	2 655	3 046	(267)	(282)	2 388	2 764		
Risk discount rate increase by 1%	2 382	2 751	(300)	(319)	2 082	2 432	(13)	(12)
Investment return and inflation decrease by 1%, coupled with a 1% decrease in risk discount rates, and with bonus rates changing commensurately	2 770	3 230	(270)	(293)	2 500	2 937	5	6
<i>Expenses and persistency</i>								
Non-commission maintenance expenses (excluding investment expenses) decrease by 10%	2 900	3 297	(273)	(291)	2 627	3 006	10	9
Acquisition expenses (excluding commission and commission related expenses) decrease by 10%	2 942	3 285	(273)	(292)	2 669	2 993	12	8
Discontinuance rates decrease by 10%	2 984	3 361	(281)	(302)	2 703	3 059	13	11
<i>Insurance risk</i>								
Mortality and morbidity decrease by 5% for life assurance business	2 952	3 408	(271)	(290)	2 681	3 118	12	13
Mortality and morbidity decrease by 5% for annuity business	2 626	3 005	(273)	(291)	2 353	2 714	(1)	(2)

4 Economic assumptions – covered business

4.1 Gross investment return, risk discount rate and inflation

%	2022	2021
Sanlam Life⁽¹⁾		
Point used on the relevant yield curve	9 year	9 year
Fixed-interest securities	11,5%	10,3%
Equities	15,0%	13,8%
Offshore investments	14,0%	12,8%
Hedged equity	10,5%	9,3%
Property	12,5%	11,3%
Cash	10,5%	9,3%
Inflation rate ⁽¹⁾	9,5%	8,3%
Risk discount rate	14,0%	12,8%
Sanlam Developing Markets⁽²⁾		
Point used on the relevant yield curve	5 year	5 year
Fixed-interest securities	9,7%	8,1%
Equities and offshore investments	13,2%	11,6%
Hedged equities	8,7%	7,1%
Property	10,7%	9,1%
Cash	8,7%	7,1%
Inflation rate	7,7%	6,1%
Risk discount rate	12,2%	10,6%
Botswana Life Insurance		
Fixed-interest securities	8,2%	6,8%
Equities and offshore investments	11,7%	10,3%
Hedged equities	n/a	n/a
Property	9,2%	7,8%
Cash	7,2%	5,8%
Inflation rate	5,2%	3,8%
Risk discount rate	11,7%	10,3%

⁽¹⁾ Expense inflation of 13,5% (2021: 11,8%) assumed for retail business administered on old platforms.

⁽²⁾ Excludes the Sanlam Life products written on the SDM licence.

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 2022 and 2021 generally amount to between 25bps and 70bps for non-participating annuities, between 0bps and 70bps (2021: zero bps) for individual risk business, between 25bps and 75bps (2021: 25bps and 75bps) for inflation-linked annuities and capped at 120bps (2021: 120bps), reflecting both illiquidity premiums and credit risk premium for guarantee plans.

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

4 Economic assumptions – covered business *continued*

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

	R million		Fixed-interest securities %		Equities %	
	2022	2021	2022	2021	2022	2021
Required capital						
South Africa ⁽¹⁾	8 812	8 660	-	-	3	3
Namibia	496	522	7	6	35	36
Botswana Life	351	387	-	-	-	-
Morocco	898	1 111	93	95	7	5
Sanlam Life insurance (Kenya)	101	100	85	85	-	-
Other African operations	873	1 131	72	74	3	3
Shriram Life Insurance (India)	459	416	100	90	-	10
MCIS (Malaysia)	632	619	67	68	18	17
Sanlam Investments and Pensions (UK)	-	620	-	80	-	-
Total required capital	12 622	13 566				
Free Surplus	1 158	1 107				
Adjusted net asset value	13 780	14 673				

⁽¹⁾ The 31 December 2022 asset mix backing the Sanlam Life required capital is 96% hedged (31 December 2021: 98%).

4.3 Assumed long-term expected return on required capital

	Gross %		Net %	
	2022	2021	2022	2021
Sanlam Life	10,5	9,3	8,8	7,8
Sanlam Developing Markets	9,6	8,0	7,5	6,7
Sanlam Namibia	12,5	11,3	11,3	10,2
Sanlam Namibia Holdings	10,5	9,4	9,2	8,2
Botswana Life Insurance	8,2	6,8	6,3	5,1
Saham Assurance Maroc	4,1	2,3	4,1	2,3
Sanlam Life insurance (Kenya)	14,2	11,9	9,9	8,3
Shriram Life Insurance (India)	7,7	7,3	6,6	6,2
MCIS (Malaysia)	4,8	4,4	4,5	4,1
Sanlam Investments and Pensions (UK)	1,6	1,6	1,2	1,2

Hedged Equities %		Property %		Cash %		Total %	
2022	2021	2022	2021	2022	2021	2022	2021
90	91	-	-	7	6	100	100
-	-	-	-	58	58	100	100
-	-	50	50	50	50	100	100
-	-	-	-	-	-	100	100
-	-	-	-	15	15	100	100
-	-	3	3	22	20	100	100
-	-	-	-	-	-	100	100
-	-	-	-	15	15	100	100
-	-	-	-	-	20	-	100

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	
	2022	2021
Listed share price – Santam	17 391	18 241
Discounted cash flows	49 041	53 091
Sanlam Life and Savings	4 984	5 222
Glacier	2 647	2 736
Sanlam Personal Loans	1 219	1 248
Sanlam Corporate: Health	821	903
Other operations	297	335
Sanlam Emerging Markets	32 622	32 325
SPA GI	18 088	18 875
SPA Life	3 387	3 256
India	12 699	11 749
Other operations	(1 552)	(1 555)
Sanlam Investment Group	11 435	15 544
Sanlam Investments	3 064	3 114
Wealth Management	3 138	3 273
International	4 094	7 977
Sanlam Specialised Finance	1 139	1 180
Net asset value	1 270	428
Sanlam Investment Group	570	1 425
Sanlam Investments	73	95
International	107	940
Sanlam Specialised Finance	390	390
Sanlam Emerging Markets	655	(997)
Sanlam Life and Savings	45	-
Total	67 702	71 760

5.2 Sensitivity analysis: businesses valued at discounted cash flows

R million	Base value		Risk discount rate +1%		Perpetuity growth rate +1%	
	2022	2021	2022	2021	2022	2021
Sanlam Life and Savings	4 984	5 222	4 605	4 800	5 132	5 397
Glacier	2 647	2 736	2 425	2 496	2 740	2 844
Sanlam Personal Loans	1 219	1 248	1 143	1 165	1 243	1 275
Sanlam Corporate: Health	821	903	760	828	845	934
Other operations	297	335	277	311	304	344
Sanlam Emerging Markets	32 622	32 325	28 611	27 867	35 815	36 479
SPA GI	18 088	18 875	16 410	16 555	19 187	20 967
SPA Life	3 387	3 256	3 099	2 945	3 545	3 447
India	12 699	11 749	10 654	9 922	14 635	13 620
Other operations	(1 552)	(1 555)	(1 552)	(1 555)	(1 552)	(1 555)
Sanlam Investment Group	11 435	15 544	10 208	14 038	11 666	16 507
Sanlam Investments ⁽¹⁾	3 064	3 114	2 827	2 802	3 165	3 258
Wealth Management	3 138	3 273	2 876	3 005	3 249	3 400
International	4 094	7 977	3 446	7 139	4 081	8 630
Sanlam Specialised Finance	1 139	1 180	1 059	1 092	1 171	1 219
	49 041	53 091	43 424	46 705	52 613	58 383
Weighted average assumption			16,0%	14,5%	2-7%	2-7%

R million	Equities and properties -10%		Risk discount rate -1%		Rand exchange rate depreciation +10%	
	2022	2021	2022	2021	2022	2021
Sanlam Life and Savings	4 725	4 977	5 421	5 712	4 984	5 222
Glacier	2 388	2 491	2 905	3 017	2 647	2 736
Sanlam Personal Loans	1 219	1 248	1 305	1 342	1 219	1 248
Sanlam Corporate: Health	821	903	891	990	821	903
Other operations	297	335	320	363	297	335
Sanlam Emerging Markets	32 622	32 325	38 177	38 873	35 765	35 446
SPA GI	18 088	18 875	20 371	22 306	19 897	20 762
SPA Life	3 387	3 256	3 739	3 645	3 606	3 471
India	12 699	11 749	15 619	14 477	13 969	12 924
Other operations	(1 552)	(1 555)	(1 552)	(1 555)	(1 707)	(1 711)
Sanlam Investment Group	9 739	13 825	12 355	17 482	11 510	16 078
Sanlam Investments ⁽¹⁾	2 690	2 711	3 344	3 487	3 094	3 137
Wealth Management	2 779	2 911	3 443	3 591	3 066	3 286
International	3 212	7 109	4 335	9 119	4 211	8 475
Sanlam Specialised Finance	1 058	1 094	1 233	1 285	1 139	1 180
	47 086	51 127	55 953	62 067	52 259	56 746

⁽¹⁾ Includes third party asset management business based on the following main assumptions:
- Weighted average discount rate: 18,7% (2021: 17,8%)
- Weighted average perpetuity growth rate: 5% (December 2021: 5,0%)

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	
	2022	2021	2022	2021	2022	2021	2022	2021
Sanlam Life and Savings	53 640	57 337	-	-	56 300	51 415	109 940	108 752
SA Retail Affluent	40 269	45 252	-	-	43 912	45 725	84 181	90 977
Recurring	2 080	2 069	-	-	13	14	2 093	2 083
Single	38 189	43 183	-	-	43 899	45 711	82 088	88 894
SA Retail Mass - Recurring	3 983	3 850	-	-	-	-	3 983	3 850
Sanlam Corporate	9 388	8 235	-	-	12 388	5 690	21 776	13 925
Recurring	480	883	-	-	165	7	645	890
Single	8 908	7 352	-	-	12 223	5 683	21 131	13 035
Sanlam Emerging Markets	11 172	10 871	17 174	15 639	15 762	22 289	44 108	48 799
Southern Africa	4 686	4 978	981	1 769	10 328	15 137	15 995	21 884
Recurring	984	1 083	981	1 769	-	-	1 965	2 852
Single	3 702	3 895	-	-	10 328	15 137	14 030	19 032
North and West Africa	2 809	2 771	13 536	11 055	-	-	16 345	13 826
Recurring	1 667	1 664	13 536	11 055	-	-	15 203	12 719
Single	1 142	1 107	-	-	-	-	1 142	1 107
East Africa	1 763	1 293	903	875	5 434	7 152	8 100	9 320
Recurring	256	380	903	875	-	-	1 159	1 255
Single	1 507	913	-	-	5 434	7 152	6 941	8 065
Other International	1 914	1 829	1 754	1 940	-	-	3 668	3 769
Recurring	1 274	1 169	1 754	1 940	-	-	3 028	3 109
Single	640	660	-	-	-	-	640	660
Sanlam Investment Group	-	3 539	-	-	153 077	168 213	153 077	171 752
Investment Management SA	-	-	-	-	125 846	120 156	125 846	120 156
Wealth Management	-	-	-	-	9 558	9 795	9 558	9 795
International	-	3 539	-	-	17 673	38 262	17 673	41 801
Recurring	-	43	-	-	-	2	-	45
Single	-	3 496	-	-	17 673	38 260	17 673	41 756
Santam	-	-	28 076	26 583	-	-	28 076	26 583
Total new business	64 812	71 747	45 250	42 222	225 139	241 917	335 201	355 886

⁽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 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		General insurance		Investment business ⁽²⁾		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Recurring premiums on existing business:								
Sanlam Life and Savings	35 047	31 418	-	-	4 242	4 415	39 289	35 833
SA Retail Affluent	16 140	15 490	-	-	145	142	16 285	15 632
SA Retail Mass	9 080	7 809	-	-	-	-	9 080	7 809
Sanlam Corporate	9 827	8 119	-	-	4 097	4 273	13 924	12 392
Sanlam Emerging Markets	9 036	8 313	-	-	-	597	9 036	8 910
Southern Africa	3 897	3 551	-	-	-	-	3 897	3 551
North and West Africa	1 802	1 578	-	-	-	-	1 802	1 578
East Africa	643	652	-	-	-	597	643	1 249
Other International	2 694	2 532	-	-	-	-	2 694	2 532
Sanlam Investment Group	-	375	-	-	-	27	-	402
Total funds received	108 895	111 853	45 250	42 222	229 381	246 956	383 526	401 031

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	
	2022	2021	2022	2021	2022	2021	2022	2021
Sanlam Life and Savings	73 354	79 680	-	-	48 401	49 648	121 755	129 328
SA Retail Affluent	50 595	53 828	-	-	38 491	37 351	89 086	91 179
Surrenders	8 939	8 952	-	-	-	-	8 939	8 952
Other	41 656	44 876	-	-	38 491	37 351	80 147	82 227
SA Retail Mass	7 492	7 562	-	-	-	-	7 492	7 562
Surrenders	516	467	-	-	-	-	516	467
Other	6 976	7 095	-	-	-	-	6 976	7 095
Sanlam Corporate	15 267	18 290	-	-	9 910	12 297	25 177	30 587
Surrenders	3 305	2 945	-	-	1 724	1 149	5 029	4 094
Other	11 962	15 345	-	-	8 186	11 148	20 148	26 493
Sanlam Emerging Markets	13 926	13 752	10 832	9 862	16 568	14 255	41 326	37 869
Southern Africa	6 579	7 240	600	741	11 698	11 571	18 877	19 552
Surrenders	1 188	800	-	-	-	-	1 188	800
Other	5 391	6 440	600	741	11 698	11 571	17 689	18 752
North and West Africa	3 137	2 745	8 419	7 115	-	-	11 556	9 860
Surrenders	2 103	1 593	-	-	-	-	2 103	1 593
Other	1 034	1 152	8 419	7 115	-	-	9 453	8 267
East Africa	1 158	1 101	597	531	4 870	2 684	6 625	4 316
Surrenders	130	162	-	-	-	-	130	162
Other	1 028	939	597	531	4 870	2 684	6 495	4 154
Other International	3 052	2 666	1 216	1 475	-	-	4 268	4 141
Surrenders	735	569	-	-	-	-	735	569
Other	2 317	2 097	1 216	1 475	-	-	3 533	3 572
Sanlam Investment Group	-	5 725	-	-	142 436	133 382	142 436	139 107
Investment Management SA	-	-	-	-	111 993	93 804	111 993	93 804
Wealth Management	-	-	-	-	7 226	7 933	7 226	7 933
International	-	5 725	-	-	23 217	31 645	23 217	37 370
Santam	-	-	18 034	16 405	-	-	18 034	16 405
Total payments to clients	87 280	99 157	28 866	26 267	207 405	197 285	323 551	322 709

⁽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 excluded from the calculation of embedded value of covered business.

6.3 Analysis of net inflow/(outflow) of funds

R million	Life business		General insurance		Investment business		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Sanlam Life and Savings	15 333	9 075	-	-	12 141	6 182	27 474	15 257
SA Retail Affluent	5 814	6 914	-	-	5 566	8 516	11 380	15 430
SA Retail Mass	5 571	4 097	-	-	-	-	5 571	4 097
Sanlam Corporate	3 948	(1 936)	-	-	6 575	(2 334)	10 523	(4 270)
Sanlam Emerging Markets	6 282	5 432	6 342	5 777	(806)	8 631	11 818	19 840
Southern Africa	2 004	1 289	381	1 028	(1 370)	3 566	1 015	5 883
North and West Africa	1 474	1 604	5 117	3 940	-	-	6 591	5 544
East Africa	1 248	844	306	344	564	5 065	2 118	6 253
Other International	1 556	1 695	538	465	-	-	2 094	2 160
Sanlam Investment Group	-	(1 811)	-	-	10 641	34 858	10 641	33 047
Investment Management SA	-	-	-	-	13 853	26 352	13 853	26 352
Wealth Management International	-	-	-	-	2 332	1 862	2 332	1 862
	-	(1 811)	-	-	(5 544)	6 644	(5 544)	4 833
Santam	-	-	10 042	10 178	-	-	10 042	10 178
Total net fund inflows	21 615	12 696	16 384	15 955	21 976	49 671	59 975	78 322

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

7 Cluster Information

7.1 Sanlam Life and Savings

7.1.1 Analysis of earnings

R million	Life business		Credit and Structuring		Administration and Health		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Net result from financial services	5 183	4 279	170	179	337	348	5 690	4 806
SA Retail Affluent	3 255	2 011	170	179	220	191	3 645	2 381
Recurring premium business	2 308	950	-	-	18	(2)	2 326	948
Glacier	916	1 029	-	-	171	169	1 087	1 198
Other	31	32	170	179	31	24	232	235
SA Retail Mass	1 297	769	-	-	-	-	1 297	769
Sanlam Corporate	631	(1 548)	-	-	117	157	748	(1 391)
Reserve release	-	3 047	-	-	-	-	-	3 047
Net investment return	323	385	-	-	154	10	477	395
Net other earnings	(12)	(277)	-	-	(66)	(23)	(78)	(300)
Normalised attributable earnings	5 494	4 387	170	179	425	335	6 089	4 901

7.1.2 Assets under management

R million	SA Retail Affluent									
	Recurring premium business		Glacier		SA Retail Mass		Sanlam Corporate		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Life business	168 074	176 529	257 512	253 490	5 518	5 630	139 225	127 385	570 329	563 034
Investment operations	1 697	1 859	201 485	194 189	-	-	-	-	203 182	196 048
Total assets under management	169 771	178 388	458 997	447 679	5 518	5 630	139 225	127 385	773 511	759 082

Credit business

R million	Gross size of loan book (R million)		Interest margin		Bad debt ratio		Administration cost as % of net interest	
	2022	2021	2022	2021	2022	2021	2022	2021
Sanlam Personal Loans	5 198	5 173	15,3%	15,5%	3,6%	4,3%	39,1%	35,5%

7.1.3 Analysis of change in GEV – covered business

R million	Total		Value of in-force		Cost of capital		Net asset value	
	2022	2021	2022	2021	2022	2021	2022	2021
Operational earnings	8 237	6 737	2 827	2 577	(198)	246	5 608	3 914
Value of new life insurance business	1 767	2 235	4 673	4 833	(158)	(169)	(2 748)	(2 429)
Unwinding of discount rate	5 385	4 818	5 330	4 726	55	92	-	-
Expected profit	-	-	(7 325)	(6 579)	-	-	7 325	6 579
Operating experience variances	1 212	(2 269)	(495)	130	(39)	(21)	1 746	(2 378)
Risk experience	1 551	(3 560)	251	(200)	(41)	5	1 341	(3 365)
Persistency	(557)	742	(257)	890	17	(22)	(317)	(126)
Maintenance expenses	44	131	-	-	-	-	44	131
Working capital management	396	318	-	-	-	-	396	318
Credit spread	97	113	-	-	-	-	97	113
Other	(319)	(13)	(489)	(560)	(15)	(4)	185	551
Operating assumption changes	(127)	1 953	644	(533)	(56)	344	(715)	2 142
Risk experience	(153)	(764)	(305)	(2 019)	(7)	18	159	1 237
Persistency	211	1 626	1 316	1 796	(77)	(47)	(1 028)	(123)
Maintenance expenses	(80)	35	(59)	111	-	(1)	(21)	(75)
Modelling changes and other	(105)	1 056	(308)	(421)	28	374	175	1 103
Net investment return	323	385	-	-	-	-	323	385
Expected return on adjusted net asset value	441	480	-	-	-	-	441	480
Investment variances on adjusted net asset value	(118)	(95)	-	-	-	-	(118)	(95)
Valuation and economic basis	(3 456)	(103)	(3 105)	(385)	74	(83)	(425)	365
Investment variances on in-force business	(1 897)	1 159	(1 422)	946	54	(70)	(529)	283
Economic assumption changes	(1 559)	(1 262)	(1 683)	(1 331)	20	(13)	104	82
Investment yields	(1 562)	(1 261)	(1 687)	(1 331)	21	(12)	104	82
Long-term asset mix assumptions and other	3	(1)	4	-	(1)	(1)	-	-
Change in tax basis	572	-	556	-	16	-	-	-
Goodwill and VOBA from business combinations	-	(61)	-	-	-	-	-	(61)
GEV earnings: covered business	5 676	6 958	278	2 192	(108)	163	5 506	4 603
Acquired value of in-force	268	96	175	29	(39)	(6)	132	73
Disposal of businesses	(7)	-	(15)	-	8	-	-	-
Transfers to other Group operations	-	(1 200)	-	-	-	-	-	(1 200)
Transfers from covered business	(5 488)	(4 514)	-	-	-	-	(5 488)	(4 514)
Embedded value of covered business at the beginning of the period	48 937	47 597	44 697	42 476	(1 700)	(1 857)	5 940	6 978
Embedded value of covered business at the end of the period	49 386	48 937	45 135	44 697	(1 839)	(1 700)	6 090	5 940

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	
	2022	2021	2022	2021
SPA Life	1 155	875	-	-
SPA GI	-	-	764	2 287
Other International	211	64	365	480
Corporate costs	-	-	-	-
Gross result from financial services	1 366	939	1 129	2 767
Tax on result from financial services	(311)	(257)	(120)	(902)
Non-controlling interests	(286)	(204)	(307)	(705)
Net result from financial services	769	478	702	1 160
SPA Life	656	475	-	-
SPA GI	-	-	525	918
Other International ⁽¹⁾	113	3	177	242
Corporate costs	-	-	-	-

⁽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⁾	
	2022	2021	2022	2021
SPA GI	23 900	21 123	15 442	13 699
Southern Africa	4 461	3 905	2 040	1 794
North and West Africa	17 970	15 775	12 479	11 055
East Africa	1 469	1 443	923	850
Other International	2 180	2 149	1 754	1 945
Total General insurance and reinsurance	26 080	23 272	17 196	15 644

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

Investment Management		Credit and Structuring		Corporate and other		Total	
2022	2021	2022	2021	2022	2021	2022	2021
202	183	492	591	135	116	1 984	1 765
-	-	-	-	(169)	(253)	595	2 034
(1)	(1)	1 382	875	168	153	2 125	1 571
-	-	-	-	(228)	(203)	(228)	(203)
201	182	1 874	1 466	(94)	(187)	4 476	5 167
(62)	(52)	(521)	(445)	(147)	(183)	(1 161)	(1 839)
(68)	(63)	(97)	(126)	(22)	(3)	(780)	(1 101)
71	67	1 256	895	(263)	(373)	2 535	2 227
72	68	217	241	19	11	964	795
-	-	-	-	(179)	(236)	346	682
(1)	(1)	1 039	654	113	53	1 441	951
-	-	-	-	(216)	(201)	(216)	(201)

Claims ratio (%)		Underwriting margin (%)		Investment return on insurance funds (%)		Net insurance result (%)	
2022	2021	2022	2021	2022	2021	2022	2021
61,6	61,1	5,6	4,4	(2,0)	11,9	3,6	16,3
40,8	43,3	19,7	17,9	1,6	2,6	21,3	20,5
65,1	63,9	4,0	3,8	(3,5)	14,5	0,5	18,3
60,3	61,8	(4,6)	(14,3)	10,1	(1,5)	5,5	(15,8)
69,4	76,1	(9,9)	(5,1)	30,8	29,9	20,9	24,8
62,4	63,0	4,0	3,2	1,3	14,2	5,3	17,4

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	
	2022	2021
SPA GI	13 663	13 785
Other International	8 141	9 120
Total insurance funds	21 804	22 905
Total Subsidiaries	13 375	13 545
Associated companies ⁽¹⁾	8 429	9 360
Total insurance funds	21 804	22 905

⁽¹⁾ Sanlam's effective share.

7.2.4 Analysis of net investment return

R million	Life business		General Insurance	
	2022	2021	2022	2021
SPA Life	258	180	-	-
SPA GI	-	-	210	(54)
Other International	40	63	(333)	10
Corporate	-	-	-	-
Gross investment return	298	243	(123)	(44)
Tax on investment return	(58)	(38)	(25)	9
Non-controlling interests	(33)	(24)	54	(9)
Net investment return	207	181	(94)	(44)

Asset allocation (%)

Equities and similar securities		Investment properties		Interest-bearing securities		Cash, deposits and similar securities	
2022	2021	2022	2021	2022	2021	2022	2021
43	44	31	36	20	15	6	5
4	6	-	-	95	92	1	2
28	29	20	22	48	46	4	3
44	45	32	37	20	15	4	3
4	6	-	-	92	90	4	4
28	29	20	22	48	46	4	3

Investment Management		Credit and Structuring		Corporate and other		Total	
2022	2021	2022	2021	2022	2021	2022	2021
85	5	(5)	14	(110)	(72)	228	127
-	-	-	-	(122)	(147)	88	(201)
-	-	(70)	21	4	(12)	(359)	82
-	-	-	-	32	233	32	233
85	5	(75)	35	(196)	2	(11)	241
(3)	(4)	19	6	(63)	(81)	(130)	(108)
(35)	-	-	-	38	30	24	(3)
47	1	(56)	41	(221)	(49)	(117)	130

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	
	2022	2021
SPA Life	4 392	4 714
SPA GI	16 068	16 038
Other International	12 321	13 691
Total capital portfolio⁽¹⁾	32 781	34 443
Total subsidiaries	21 450	21 733
Associated companies ⁽²⁾	11 331	12 710
Total capital portfolio⁽¹⁾	32 781	34 443

⁽¹⁾ Includes float assets

⁽²⁾ Sanlam's effective share.

7.2.6 Assets under management

R million	Southern Africa	
	2022	2021
Life business	34 446	34 588
Investment operations	48 328	49 977
Total assets under management	82 774	84 565

7.2.7 Credit and structuring

R million	Size of loan books (Sanlam share)	
	2022	2021
Shriram Transport Finance Company ⁽¹⁾	28 873	24 599
Shriram City Union Finance ⁽¹⁾	6 984	5 729
Capricorn Investment Holdings	10 099	9 807
Letshego	2 762	2 683

⁽¹⁾ During December 2022, Shriram Transport Finance Company, Shriram City Union Finance Limited and Shriram Capital Limited were merged into one entity, Shriram Finance Limited. Due to lag reporting, the new structure will be reflected in the 2023 results.

Asset allocation (%)

Equities and similar securities		Investment properties		Interest-bearing securities		Cash, deposits and similar securities	
2022	2021	2022	2021	2022	2021	2022	2021
13	14	18	18	50	51	19	17
41	45	32	33	25	19	2	3
8	8	-	-	88	81	4	11
24	26	18	18	52	48	6	8
32	36	27	28	35	27	6	9
10	8	-	-	85	85	5	7
24	26	18	18	52	48	6	8

North and West Africa		East Africa		Other International		Total	
2022	2021	2022	2021	2022	2021	2022	2021
21 600	21 053	5 161	4 611	13 946	14 818	75 153	75 070
-	-	53 534	54 740	-	-	101 862	104 717
21 600	21 053	58 695	59 351	13 946	14 818	177 015	179 787

Net interest margin		Bad debt ratio		Administration cost as % of net interest margin	
2022	2021	2022	2021	2022	2021
7,3%	6,9%	2,4%	2,9%	23,6%	25,3%
12,0%	12,3%	2,4%	2,7%	45,0%	39,5%
6,1%	5,7%	0,7%	1,0%	89,4%	84,6%
13,3%	17,6%	0,4%	0,2%	80,5%	54,7%

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

R million	Total	
	2022	2021
Operational earnings	1 162	365
Value of new life insurance business	621	529
Unwinding of discount rate	732	648
Expected profit	-	-
Operating experience variances	84	(571)
Risk experience	144	(656)
Persistency	(39)	(26)
Maintenance expenses	(57)	22
Working capital management	36	47
Credit spread	32	8
Other	(32)	34
Operating assumption changes	(275)	(241)
Risk experience	(25)	(103)
Persistency	(78)	(109)
Maintenance expenses	(130)	(91)
Modelling changes and other	(42)	62
Net investment return	11	374
Expected return on adjusted net asset value	372	299
Investment variances on adjusted net asset value	(361)	75
Valuation and economic basis	(127)	203
Investment variances on in-force business	23	152
Economic assumption changes	(87)	(25)
Investment yields	(100)	(22)
Long-term asset mix assumptions and other	13	(3)
Foreign currency translation differences	(63)	76
Change in tax basis	(21)	(26)
Net loss on disposal of subsidiaries	(1)	-
Net project expenses	(8)	(10)
GEV earnings: covered business	1 016	906
Acquired value of in-force	-	(12)
Disposal of businesses	(17)	-
Transfers (to)/from non-covered Group business	(127)	95
Transfers from covered business	(873)	(601)
Embedded value of covered business at the beginning of the period	9 026	8 638
Embedded value of covered business at the end of the period	9 025	9 026

Value of in-force		Cost of capital		Net asset value	
2022	2021	2022	2021	2022	2021
458	139	(7)	(53)	711	279
1 045	944	(109)	(105)	(315)	(310)
602	532	130	116	-	-
(938)	(982)	-	-	938	982
(1)	(16)	(43)	(51)	128	(504)
(5)	(32)	(2)	(4)	151	(620)
6	21	(40)	(45)	(5)	(2)
-	(4)	(2)	(3)	(55)	29
-	-	-	-	36	47
-	-	-	-	32	8
(2)	(1)	1	1	(31)	34
(250)	(339)	15	(13)	(40)	111
(14)	(53)	-	(10)	(11)	(40)
(61)	(48)	(3)	(2)	(14)	(59)
(112)	(13)	4	1	(22)	(79)
(63)	(225)	14	(2)	7	289
-	-	-	-	11	374
-	-	-	-	372	299
-	-	-	-	(361)	75
(263)	18	68	(14)	68	199
(42)	(31)	15	(15)	50	198
(137)	(53)	32	27	18	1
(150)	(53)	32	30	18	1
13	-	-	(3)	-	-
(84)	102	21	(26)	-	-
(11)	(26)	-	-	(10)	-
-	-	-	-	(1)	-
-	-	-	-	(8)	(10)
184	131	61	(67)	771	842
-	(10)	-	1	-	(3)
(8)	-	1	-	(10)	-
-	(29)	-	-	(127)	124
-	-	-	-	(873)	(601)
4 705	4 613	(904)	(838)	5 225	4 863
4 881	4 705	(842)	(904)	4 986	5 225

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	
	2022	2021	2022	2021	2022	2021
Financial services income ⁽¹⁾	2 557	2 135	1 197	1 050	1 306	2 920
Sales remuneration	-	-	-	-	(114)	(327)
Income after sales remuneration	2 557	2 135	1 197	1 050	1 192	2 593
Administration cost ⁽¹⁾	(1 893)	(1 618)	(907)	(820)	(957)	(2 166)
Gross result from financial services before performance fees	664	517	290	230	235	427
Net performance fees ⁽¹⁾	128	91	12	17	-	(14)
Gross result from financial services	792	608	302	247	235	413
Tax on result from financial services	(196)	(186)	(92)	(67)	(20)	(50)
Non-controlling interest	(188)	(120)	-	-	(2)	(3)
Net result from financial services	408	302	210	180	213	360
Life	-	-	-	-	-	(2)
Investment management	408	302	210	180	213	362
Credit and structuring	-	-	-	-	-	-
Net investment return	9	(21)	3	3	(161)	262
Life	-	-	-	-	-	(3)
Investment management	9	(21)	3	3	(161)	265
Project expenses	(39)	(28)	-	-	(18)	(72)
Net operational earnings	378	253	213	183	34	550
Amortisation of intangible assets	-	(19)	(19)	(19)	(11)	(54)
Profit on disposal of subsidiaries and associate companies	-	-	-	-	1 411	206
Impairments and other	-	-	-	-	(6)	(386)
Normalised attributable earnings	378	234	194	164	1 428	316

⁽¹⁾ Financial services income and administration costs on page 78 includes performance fees and the related administration costs.

SanFin		Corporate Services		Consolidation		Total	
2022	2021	2022	2021	2022	2021	2022	2021
1 186	1 289	-	-	(140)	(42)	6 106	7 352
-	-	-	-	-	-	(114)	(327)
1 186	1 289	-	-	(140)	(42)	5 992	7 025
(602)	(660)	(51)	(51)	140	42	(4 270)	(5 273)
584	629	(51)	(51)	-	-	1 722	1 752
(2)	2	-	-	-	-	138	96
582	631	(51)	(51)	-	-	1 860	1 848
(141)	(139)	18	15	-	-	(431)	(427)
-	-	-	-	-	-	(190)	(123)
441	492	(33)	(36)	-	-	1 239	1 298
207	174	-	-	-	-	207	172
-	-	(33)	(36)	-	-	798	808
234	318	-	-	-	-	234	318
142	112	20	-	-	-	13	356
142	112	-	-	-	-	142	109
-	-	20	-	-	-	(129)	247
-	-	(4)	-	-	-	(61)	(100)
583	604	(17)	(36)	-	-	1 191	1 554
-	-	(25)	(5)	-	-	(55)	(97)
-	-	-	-	-	-	1 411	206
-	-	-	-	-	-	(6)	(386)
583	604	(42)	(41)	-	-	2 541	1 277

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	
	2022	2021	2022	2021	2022	2021	2022	2021
Operational earnings	149	(2)	(2)	(44)	(71)	(124)	222	166
Value of new life insurance business	-	-	-	59	-	(8)	-	(51)
Unwinding of discount rate	12	72	3	38	9	34	-	-
Expected profit	-	-	(5)	(116)	-	-	5	116
Operating experience variances	208	98	-	(7)	(9)	(22)	217	127
Risk experience	-	11	-	-	-	-	-	11
Persistency	-	(4)	-	(3)	-	(1)	-	-
Maintenance expenses	-	(3)	-	-	-	-	-	(3)
Credit spread	218	174	-	-	-	-	218	174
Other	(10)	(80)	-	(4)	(9)	(21)	(1)	(55)
Operating assumption changes	(71)	(172)	-	(18)	(71)	(128)	-	(26)
Persistency	-	16	-	21	-	(5)	-	-
Maintenance expenses	-	(35)	-	(21)	-	-	-	(14)
Modelling changes and other	(71)	(153)	-	(18)	(71)	(123)	-	(12)
Net investment return	142	166	-	-	-	-	142	166
Expected return on adjusted net asset value	194	177	-	-	-	-	194	177
Investment variances on adjusted net asset value	(52)	(11)	-	-	-	-	(52)	(11)
Valuation and economic basis	(5)	111	(21)	127	31	(22)	(15)	6
Investment variances on in-force business	(36)	91	(21)	84	-	-	(15)	7
Economic assumption changes	31	(23)	-	(15)	31	(7)	-	(1)
Investment yields	31	(20)	-	(15)	31	(7)	-	2
Long-term asset mix assumptions and other	-	(3)	-	-	-	-	-	(3)
Foreign currency translation differences	-	43	-	58	-	(15)	-	-
Change in tax basis	-	(54)	-	(52)	-	(2)	-	-
Net loss on disposal of subsidiaries	(30)	-	-	-	-	-	(30)	-
Revaluation of business held for sale	-	(595)	-	(804)	-	209	-	-
GEV earnings: covered business	256	(374)	(23)	(773)	(40)	61	319	338
Disposal value of in-force	(774)	-	-	-	-	-	(774)	-
Transfers from non-covered Group business	-	185	-	-	-	-	-	185
Transfers from covered business	(349)	(288)	-	-	-	-	(349)	(288)
Embedded value of covered business at the beginning of the period	2 614	3 091	25	798	(919)	(980)	3 508	3 273
Embedded value of covered business at the end of the period	1 747	2 614	2	25	(959)	(919)	2 704	3 508

7.3.3 Assets under management

	Assets under management		Fee Income		Administration cost	
	2022 R million	2021 R million	2022 %	2021 %	2022 %	2021 %
Sanlam Investments ⁽¹⁾⁽²⁾	763 481	748 968	0,31	0,30	0,21	0,21
Wealth Management	109 830	109 253	1,09	1,05	0,83	0,82
International ⁽³⁾	160 006	282 002	0,49	0,91	0,39	0,73
Intra-cluster eliminations	(30 887)	(33 938)				
Asset management operations	1 002 430	1 106 285				
Covered business	60 809	117 575				
Sanlam UK	-	62 418				
SanFin	60 809	55 157				
Assets under management	1 063 239	1 223 860				

⁽¹⁾ Includes Sanlam assets of R187 billion (2021: R183 billion).

⁽²⁾ Excludes the Absa investment management businesses acquired on 1 December 2022 of R131bn on 31 December 2022.

⁽³⁾ Includes Sanlam assets of R70 billion (2021: R75 billion).

7.3.4 Asset mix of assets under management

R million	Fixed Interest	Equities	Offshore	Properties	Cash	Total
2022						
Sanlam Investments	141 031	327 355	159 461	27 712	107 922	763 481
Wealth Management	-	55 512	50 578	-	3 740	109 830
International	-	-	160 006	-	-	160 006
Intra-cluster consolidation						(30 887)
Assets under management - Asset management operations	141 031	382 867	370 045	27 712	111 662	1 002 430
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

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

7 Cluster Information *continued*

7.4 Santam

7.4.1 Business volumes

R million	2022	2021
Gross written premiums	49 627	42 129
Net earned premiums	28 076	26 583
Net fund flows	10 042	10 178

7.4.2 Insurance activities

R million	Gross written premiums		Underwriting Result	
	2022	2021	2022	2021
Conventional insurance	35 418	32 745	1 549	2 129
Motor	15 124	14 412	452	1 216
Property	13 194	12 177	(232)	259
Engineering	1 759	1 730	526	316
Liability	1 743	1 550	383	255
Transportation	1 174	994	23	96
Accident and health	719	572	90	61
Guarantee	50	127	25	(5)
Crop	1 556	1 130	301	(89)
Other	99	53	(19)	20
Alternative risk transfer (ART)	14 209	9 384	136	95
Total	49 627	42 129	1 685	2 224

Ratios ⁽¹⁾	2022	2021
Administration cost ratio	16,8%	16,6%
Claims ratio	64,6%	62,0%
Underwriting margin	5,1%	8,0%
Investment return on insurance funds margin	1,3%	1,5%

R million	2022	2021
Conventional Insurance		
Net earned premiums	27 221	25 858
Net claims incurred	(17 588)	(16 023)
Net commission	(3 661)	(3 458)
Management expenses (excluding BEE costs)	(4 423)	(4 248)
Underwriting result: Conventional insurance	1 549	2 129
Investment return on insurance funds	341	400
Net insurance result	1 890	2 529
Net Other Income	354	307
Alternative Risk ⁽²⁾	355	306
Other	(1)	1
Strategic participations	154	356
Saham	28	204
SEM target shares	126	152
Santam BEE cost	-	(2)
Gross result from financial services	2 398	3 190
Tax and Non-controlling interest	(1 372)	(1 812)
Net result from financial services	1 026	1 378

⁽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.

7.5 Group Office analysis of earnings

R million	Corporate expenses and Other		Consolidation ⁽¹⁾		Total	
	2022	2021	2022	2021	2022	2021
Financial services income	132	115	(186)	(389)	(54)	(274)
Administration cost	(556)	(458)	-	-	(556)	(458)
Results from financial services	(424)	(343)	(186)	(389)	(610)	(732)
Tax on result from financial services	125	103	43	126	168	229
Non-controlling interest	-	-	143	263	143	263
Net result from financial services	(299)	(240)	-	-	(299)	(240)
Net investment income	436	235	-	-	436	235
Net investment surpluses	2	(82)	-	-	2	(82)
Project expenses	(164)	(112)	-	-	(164)	(112)
Net operational earnings	(25)	(199)	-	-	(25)	(199)
Impairment ⁽²⁾	(1 105)	(145)	-	-	(1 105)	(145)
Normalised attributable earnings	(1 130)	(344)	-	-	(1 130)	(344)

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

⁽²⁾ An impairment charge of R1 105 million in respect of the Broad-Based Black Economic Empowerment Special Purpose Vehicle (B-BBEE SPV) has been recognised in 2022 (2021: R145 million). The impairment charge in 2022 is mainly due to the impact of the decrease in the Sanlam share price from 31 December 2021, higher interest rates and inflation assumptions applied in the recoverability assessment.

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

8 Investments

8.1 Investment in associated companies

R million	2022	2021
Shriram Capital ⁽¹⁾	10 496	9 571
Shriram Transport Finance Company ⁽¹⁾	2 075	1 955
Shriram General Insurance	1 210	1 442
Shriram Life Insurance	571	542
Pacific & Orient	437	439
Capricorn Investment Holdings	1 162	1 079
Letshego	1 898	1 806
Afrocentric	1 185	1 210
aYo Holdings	750	-
Other associated companies	2 164	2 055
Total investment in associated companies	21 948	20 099

⁽¹⁾ During December 2022, Shriram Transport Finance Company, Shriram City Union Finance Limited and Shriram Capital Limited were merged into one entity, Shriram Finance Limited. Due to lag reporting, the new structure will be reflected in the 2023 results.

Details of the investments in the material associated companies are reflected in note 9.2.3 on page 83 in the Annual Financial Statements.

8.2 Investment in joint ventures

R million	2022	2021
Sanlam Personal Loans	754	815
Other joint ventures	236	243
Total investment in joint ventures	990	1 058

Details of the investments in the material joint ventures are reflected in note 9.2.4 on page 86 in the Annual Financial Statements.

8.3 Investments include the following offshore investments

R million	2022	2021
Investment properties	5 830	6 166
Equities	9 139	10 277
Structured transactions	55	49
Interest-bearing investments	10 199	8 544
Investment funds	6 329	10 318
Cash, deposits and similar securities	2 228	2 978
Total offshore investments	33 780	38 332

9 Equity-accounted earnings included in financial services income

R million	2022	2021
Equity-accounted earnings included in financial services income		
Sanlam Life and Savings	432	482
SA Retail Affluent	240	255
Sanlam Corporate	192	227
Sanlam Emerging Markets	2 932	2 475
Santam	154	356
Sanlam Investment Group	181	126
	3 699	3 439

10 Sales remuneration

Life business	6 802	6 398
Non-life operations	5 852	5 483
	12 654	11 881

11 Administration costs

Life business	11 072	10 289
Non-life operations	14 314	14 768
	25 386	25 057

Depreciation included in administration costs:

Sanlam Life and Savings	81	167
SA Retail Affluent ⁽¹⁾	36	124
SA Retail Mass	41	43
Sanlam Corporate	4	-
Sanlam Emerging Markets	225	221
Santam	108	99
Sanlam Investment Group	18	48
Group Office ⁽¹⁾	91	2
	523	537

⁽¹⁾ Sanlam Group Technology was moved from SA Retail Affluent to Group Office during the year. The comparative information has not been adjusted.

12 Investment Income

Equities and similar securities	1 409	1 018
Interest-bearing, preference shares and similar securities	270	22
Properties	30	32
Rental income	41	42
Rental-related expenses	(11)	(10)
Total investment income	1 709	1 072
Interest expense netted off against investment income	771	622

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

13 Normalised diluted earnings per share

Cents	2022	2021
Normalised diluted earnings per share:		
Net result from financial services	461,0	425,8
Operational earnings	476,5	462,6
Profit attributable to shareholders' fund	505,1	443,3
R million		
Analysis of operational earnings (refer to shareholders' fund income statement on page 78):		
Net result from financial services	10 191	9 469
Operational earnings	10 532	10 288
Normalised Profit attributable to shareholders' fund	11 164	9 860
Reconciliation of operational earnings:		
Headline earnings per note 23 in the Annual Financial Statements	9 294	9 041
Add:	1 238	1 247
<i>Fund transfers</i>	(699)	387
<i>B-BBEE SPV Impairment</i>	1 105	145
<i>Net equity-accounted earnings</i>	(28)	(24)
<i>Net amortisation of value of business acquired and other intangibles</i>	346	738
<i>Cost included in profit on disposal of subsidiaries⁽¹⁾</i>	513	-
<i>Equity participation costs</i>	1	1
Operational earnings	10 532	10 288
Adjusted number of shares:		
Weighted average number of shares for diluted earnings per share (refer to note 23 in the Annual Financial Statements)	2 077,9	2 087,8
Add: Weighted average Sanlam shares held by policyholders and B-BBEE SPV	132,5	136,2
Adjusted weighted average number of shares for normalised diluted earnings per share	2 210,4	2 224,0

⁽¹⁾ For shareholder fund purposes only, wind-down and transaction related costs are set off against the proceeds on disposal, as indicated in the strategic and financial review on page 77 of the Integrated Report.

14 Value per share

	2022	2021
	R million	R million
Net asset value per share is calculated on the Group shareholders' fund at net asset value	76 971	75 928
Equity value per share is calculated based on the Group Equity Value	140 776	142 390
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	(49,1)	(43,0)
Outstanding shares in respect of Sanlam Limited long-term incentive schemes	28,8	25,7
Adjusted number of shares for value per share	2 206,6	2 209,6

15 Present value of holding company expenses

The present value of holding company expenses has been calculated by applying a multiple of 7,7 (2021: 8,2) to the after tax recurring corporate expenses.

16 Share transactions

16.1 Forfeited shares

Seventeen (17) million Sanlam shares were forfeited because the holders of the demutualised shares of 1998 were unknown and untraceable. These shares were transferred to the Sanlam Share Account nominee company (SSA) and were sold during November and December 2022.

16.2 Share repurchase

Sanlam shareholders granted general authorities to the Group at the 2022 and 2021 annual general meetings to repurchase Sanlam shares in the market.

Twenty (20) million shares were repurchased in the market during December 2022.

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	2022			
	Total	Shareholder activities	Policyholder activities ⁽²⁾	IFRS adjustments ⁽³⁾
Continuing operations				
Net income	89 034	100 964	8 254	(20 184)
Financial services income	91 270	97 606	-	(6 336)
Reinsurance premiums paid	(17 373)	-	-	(17 373)
Reinsurance commission received	2 336	-	-	2 336
Investment income	32 965	1 709	25 129	6 127
Investment surpluses	(16 142)	1 649	(16 875)	(916)
Finance cost - margin business	(305)	-	-	(305)
Change in fair value of external investors liability	(3 717)	-	-	(3 717)
Net insurance and investment contract benefits and claims	(39 851)	(43 727)	(7 297)	11 173
Long-term insurance contract benefits	(18 833)	(16 990)	(735)	(1 108)
Long-term investment contract benefits	(6 562)	-	(6 562)	-
General insurance claims	(29 294)	(26 737)	-	(2 557)
Reinsurance claims received	14 838	-	-	14 838
Expenses	(35 498)	(38 582)	-	3 084
Sales remuneration	(11 235)	(12 654)	-	1 419
Administration costs	(24 263)	(25 928)	-	1 665
Impairments	(16)	(1 178)	(43)	1 205
Amortisation of intangibles	(311)	(346)	-	35
Net operating result	13 358	17 131	914	(4 687)
Equity-accounted earnings	2 642	275	-	2 367
Finance cost - other	(821)	-	-	(821)
Net monetary loss	-	-	-	-
Profit before tax	15 179	17 406	914	(3 141)
Taxation	(3 297)	(4 587)	(914)	2 204
Shareholders' fund	(3 022)	(4 587)	-	1 565
Policyholders' fund	(275)	-	(914)	639
Profit for the year from continuing operations	11 882	12 819	-	(937)
Profit for the year from discontinued operations	1 399	-	-	1 399
Profit for the year	13 281	12 819	-	462
Attributable to:				
Shareholders' fund	11 863	11 164	-	699
Non-controlling interest	1 418	1 655	-	(237)
	13 281	12 819	-	462

⁽¹⁾ Prior year re-presented due to discontinued operations. Refer to note 32.3 for additional information.

⁽²⁾ 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.

⁽³⁾ 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.

	Re-represented ⁽¹⁾ 2021			
Total	Shareholder activities	Policyholder activities ⁽²⁾	IFRS adjustments ⁽³⁾	
177 807	101 802	94 564	(18 559)	
91 322	99 632	-	(8 310)	
(14 704)	-	-	(14 704)	
2 085	-	-	2 085	
28 701	1 072	22 516	5 113	
86 238	1 098	72 048	13 092	
(249)	-	-	(249)	
(15 586)	-	-	(15 586)	
(128 883)	(46 671)	(92 876)	10 664	
(42 059)	(22 634)	(19 109)	(316)	
(73 224)	-	(73 767)	543	
(31 810)	(24 037)	-	(7 773)	
18 210	-	-	18 210	
(34 340)	(37 430)	-	3 090	
(10 790)	(11 881)	-	1 091	
(23 550)	(25 549)	-	1 999	
213	66	45	102	
(470)	(738)	-	268	
14 327	17 029	1 733	(4 435)	
1 727	57	-	1 670	
(714)	-	-	(714)	
(2)	-	-	(2)	
15 338	17 086	1 733	(3 481)	
(5 352)	(5 078)	(1 733)	1 459	
(2 907)	(5 078)	-	2 171	
(2 445)	-	(1 733)	(712)	
9 986	12 008	-	(2 022)	
1 364	-	-	1 364	
11 350	12 008	-	(658)	
9 473	9 860	-	(387)	
1 877	2 148	-	(271)	
11 350	12 008	-	(658)	

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	2022			
	Total	Shareholder activities	Policyholder activities ⁽¹⁾	Consolidation reserve
Assets				
Equipment	1 090	1 547	(457)	-
Rights-of-use assets	1 036	1 114	(78)	-
Owner-occupied properties	686	2 496	(1 810)	-
Goodwill	5 001	16 434	(11 433)	-
Value of business acquired	876	4 235	(3 359)	-
Other intangible assets	612	1 031	(419)	-
Deferred acquisition costs	2 984	2 624	360	-
Long-term reinsurance assets	2 469	-	2 469	-
Investments	787 100	108 949	684 289	(6 138)
Investment property	10 436	5 855	4 581	-
Investment in associates and joint ventures	20 721	22 938	(2 217)	-
Equities and similar securities	184 358	11 716	178 780	(6 138)
Interest-bearing investments	242 176	33 370	208 806	-
Structured transactions	17 991	479	17 512	-
Investment funds	264 490	23 836	240 654	-
Cash, deposits and similar securities	46 928	10 755	36 173	-
Deferred tax	1 600	1 806	(906)	700
Non-current assets classified as held for sale	119 073	878	118 195	-
General insurance technical assets	14 672	19 108	(4 436)	-
Working capital assets	69 387	73 987	(4 600)	-
Trade and other receivables	45 256	46 040	(784)	-
Tax receivable	574	918	(344)	-
Cash, deposits and similar securities	23 557	27 029	(3 472)	-
Total assets	1 006 586	234 209	777 815	(5 438)
Equity and liabilities				
Shareholders' fund	71 533	76 971	-	(5 438)
Non-controlling interest	13 409	13 304	105	-
Long-term policy liabilities	607 380	-	607 380	-
Insurance contracts	150 642	-	150 642	-
Investment contracts	456 738	-	456 738	-
Term finance	14 654	11 917	2 737	-
Lease liabilities	1 371	1 458	(87)	-
Structured transactions liabilities	10 972	229	10 743	-
External investors in consolidated funds	89 214	-	89 214	-
Cell owners' interest (third party)	7 123	7 123	-	-
Deferred tax	2 185	4 096	(1 911)	-
Non-current liabilities classified as held for sale	83 420	266	83 154	-
General insurance technical provisions	40 383	62 110	(21 727)	-
Working capital liabilities	64 942	56 735	8 207	-
Trade and other payables	62 866	53 025	9 841	-
Provisions	232	800	(568)	-
Tax payable	1 844	2 910	(1 066)	-
Total equity and liabilities	1 006 586	234 209	777 815	(5 438)

⁽¹⁾ Includes the impact of IFRS adjustments.

2021			
Total	Shareholder activities	Policyholder activities ⁽¹⁾	Consolidation reserve
1 730	1 536	194	-
1 481	1 397	84	-
2 582	2 503	79	-
16 431	16 431	-	-
4 718	4 718	-	-
746	731	15	-
3 225	2 633	592	-
2 188	-	2 188	-
834 287	104 373	737 404	(7 490)
17 980	6 157	11 823	-
22 755	21 157	1 598	-
191 958	14 534	184 914	(7 490)
271 840	30 717	241 123	-
12 434	382	12 052	-
278 145	25 644	252 501	-
39 175	5 782	33 393	-
3 154	2 213	-	941
81 386	3 154	78 232	-
19 525	19 525	-	-
84 725	69 131	15 594	-
55 806	43 802	12 004	-
1 218	1 165	53	-
27 701	24 164	3 537	-
1 056 178	228 345	834 382	(6 549)
69 379	75 928	-	(6 549)
13 517	13 462	55	-
641 196	-	641 196	-
186 658	-	186 658	-
454 538	-	454 538	-
15 116	11 499	3 617	-
1 789	1 704	85	-
8 898	270	8 628	-
85 506	-	85 506	-
4 900	4 900	-	-
7 311	3 633	3 678	-
78 700	1 023	77 677	-
57 559	57 559	-	-
72 307	58 367	13 940	-
69 123	55 391	13 732	-
628	597	31	-
2 556	2 379	177	-
1 056 178	228 345	834 382	(6 549)

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

18 Geographical analysis

R million	Per analysis of shareholders' fund on page 76	Policyholders' fund	Total
Non-current assets⁽¹⁾			
2022			
South Africa	30 359	100 999	131 358
Other African operations	21 708	262	21 970
Other international ⁽²⁾	7 572	100 425	107 997
	1 079	312	1 391
2021			
South Africa	33 103	79 195	112 298
Other African operations	18 663	397	19 060
Other international ⁽²⁾	10 282	318	10 600
	4 158	78 480	82 638
R million		2022	2021
Attributable earnings (per shareholders' fund income statement on page 78)		11 863	9 473
South Africa		8 904	7 545
Other African operations		1 525	1 432
Other international ⁽²⁾		1 434	496

⁽¹⁾ 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.

⁽²⁾ Other international comprises of business in Europe, the United Kingdom, Australia, India, Malaysia and Lebanon.

SHAREHOLDERS' DIARY

Financial year end	31 December
Annual general meeting	7 June 2023

Reports

Interim report for 30 June 2023	8 September 2023
Announcement of the results for the year ended 31 December 2023	9 March 2024
Integrated report for the year ended 31 December 2023	31 March 2024

Dividends

Dividend for 2022 declared	9 March 2023
Last date to trade for 2022 dividend	3 April 2023
Shares will trade ex dividend from	4 April 2023
Record date for 2022 dividend	6 April 2023
Payment of dividend for 2022	11 April 2023
Declaration of dividend for 2023	7 March 2024
Payment of dividend for 2023	April 2024

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 Tuesday, 4 April 2023 and Thursday, 6 April 2023, both dates included.

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

GLOSSARY OF TERMS, DEFINITIONS AND MAJOR BUSINESSES

Technical terms and definitions	
adjusted Return on Group Equity Value or adjusted RoGEV	The Return on Group Equity Value, excluding the impact of investment market volatility. Adjusted RoGEV is based on the actuarial investment return assumptions at the beginning of the reporting period.
Annualised Premium Equivalent or APE	Annual premium equivalent. A measure of new business calculated as new recurring premiums + 10% of new single premiums.
B-BBEE	Broad-based black economic empowerment
capital adequacy	Capital adequacy implies that there are sufficient capital resources to meet the regulatory solvency capital requirement (SCR). Capital resources are referred to as eligible Own Funds (OF). SCR and OF are determined in accordance with the Insurance Act and relevant Prudential Standards.
capital portfolio or balanced portfolio	The consolidated capital of the Group, excluding working capital held by Group businesses. The capital portfolio includes the required capital of covered business and discretionary and other capital.
constant economic basis	Applying the same economic condition assumptions experienced in the prior year into the current year.
cost of capital	Cost of capital is calculated as the required capital at the valuation date less the discounted value, using a risk-adjusted discount rate of the expected annual release of the capital over the life of the in-force business, allowing for the after-tax investment return on the expected level of capital held in each year.
covered business	Long-term insurance business written by Sanlam Life and Savings and Sanlam Emerging Markets.
embedded value of covered business or EV	embedded value of covered business is an actuarially determined estimate of the Value of covered business, excluding any value attributable to future new business. Embedded value of covered business consists of the required capital supporting the covered business, or adjusted net worth, plus the value of the in-force covered business less the cost of capital.
FSCA	The Financial Sector Conduct Authority (FSCA), the regulator of insurance companies in South Africa.
Group equity value or GEV	The aggregate of the following components: <ul style="list-style-type: none"> • The embedded value of covered business; • The fair value of other Group operations based on longer-term assumptions, which includes the investment management, • capital markets, general insurance, retail credit and the non-covered wealth management operations of the Group; and • The fair value of discretionary and other capital. Discretionary capital represents management's assessment of capital in • excess of that required for current operations of the Group. Such capital may be used to fund future operations and acquisitions or be returned to shareholders.
life business	The aggregate of life insurance business and life licence business.
life insurance business	Products provided by the Group's long-term insurance businesses in terms of insurance and investment contracts included in the Group financial statements, but excluding life licence business.
life licence business	Investment products provided by Sanlam Life and Savings, Sanlam Investments and Sanlam Emerging Markets by means of a life insurance policy where there is very little or no insurance risk.

linked policy	A non-participating policy that is allotted units in an investment portfolio. The value of the policy at any stage is equal to the number of units multiplied by the unit price at that stage, less the value of unrecouped expenses.
market-related policy or contract with discretionary participating feature	A participating policy that participates in non-vesting investment growth. This growth reflects the volatility of the market value of the underlying assets of the policy.
net client cash flows or NCCF	New business volumes net of surrenders and other payments to clients.
net operating profit	Profit after tax earned by the Group from operating activities and includes investment return earned on the capital portfolio and project expenditure.
net results from financial Services or NRFFS	Profit after tax earned by the Group from operating activities and excludes investment return earned on the capital portfolio.
new business margin	VNB as a percentage of PVNBP.
non-life business	Financial services and products provided by the Group, excluding life insurance business.
non-life linked business	Non-life-linked business comprises investment products provided by Sanlam Life and Savings's Glacier business, which is not written under a life licence.
non-participating annuity	A non-participating annuity is a policy that provides, in consideration for a single premium, a series of guaranteed regular-benefit payments for a defined period.
non-participating policy	A policy that provides benefits that are fixed contractually, either in monetary terms or by linking them to the return of a particular investment portfolio, e.g. a linked or fixed-benefit policy.
normalised headline earnings	<p>Normalised headline earnings measure the Group's earnings, exclusive of earnings of a capital nature and fund transfers relating to the policyholders' fund's investment in Sanlam shares and Group subsidiaries. For Sanlam Group, the only differences between normalised attributable earnings and normalised headline earnings are:</p> <ul style="list-style-type: none"> • Profits and losses on the disposal of subsidiaries, associated companies and joint ventures • Impairment of investments, value of business acquired and goodwill • The Group's share of associates' and joint ventures' non-headline earnings. <p>Normalised headline earnings exclude the above items that are of a capital nature. Given that the Group's operations are of a financial nature, normalised headline earnings include investment surpluses earned on the investments held by the shareholders' fund, resulting in volatility in normalised headline earnings.</p>
participating annuity	A participating annuity is a policy that provides, in consideration for a single premium, a series of regular-benefit payments for a defined period, the benefits of which are increased annually with bonuses declared.
participating policy	A policy that provides guaranteed benefits as well as discretionary bonuses. The declaration of such bonuses will take into account the return of a particular investment portfolio. Reversionary bonus, stable bonus, market-related and participating annuity policies are participating policies.
persistence	The rate at which policies remain in force (i.e. do not lapse).
policy	Unless the context indicates otherwise, a reference to a policy in this report means a long-term insurance or investment contract issued by the Group's life insurance subsidiaries in accordance with the applicable legislation.

Glossary of terms, definitions and major businesses *continued*

PVNB	Present value of new business premiums from covered business.
required capital	The required level of capital supporting the covered business, based on the minimum regulatory capital requirements, plus an internal assessment of adjustments required for market, operational and insurance risk, as well as economic and growth considerations.
result from financial services	Profit earned by the Group from operating activities, excluding investment return earned on the capital portfolio.
Return on Group Equity Value or RoGEV	Change in Group Equity Value, excluding dividends and changes in issued share capital, as a percentage of Group Equity Value at the beginning of the period.
reversionary bonus policy	A conventional participating policy that participates in reversionary bonuses, i.e. bonuses of which the face amounts are only payable at maturity or on earlier death or disability. The present value of such bonuses is less than their face amounts.
SCR	The solvency capital requirement under SAM is a risk-based measure of capital required to maintain solvency, subject to a confidence level of 99,5% over a one-year period (which is equivalent to a 1-in-200 year event).
SMME	Small, medium and micro enterprises.
stable bonus policy	A participating policy under which bonuses tend to stabilise short-term volatility in investment performance.
statutory valuation method or SVM	Valuation requirements as laid out in a Board notice issued by the FSB, entitled "Prescribed requirements for the calculation of the value of the assets, liabilities and Capital Adequacy Requirement of long-term insurers" or the equivalent valuation requirements of the regulators of the Group's insurance subsidiaries outside of South Africa.
surrender value	The surrender value of a policy is the cash value, if any, payable in respect of that policy upon cancellation by the policyholder.
Task Force on Climate-related Financial Disclosures or TCFD	The TCFD provides information to investors about what companies are doing to mitigate the risks of climate change. The TCFD recommendations on climate-related financial disclosures are widely adopted and applicable to organisations across sectors and jurisdictions.
value of in-force covered business or VIF	The value of in-force covered business is calculated as the discounted value, using a risk-adjusted discount rate, of the projected stream of future after-tax profits expected to be earned over the life of the in-force book.
value of new business or VNB	The value of new business is calculated as the discounted value at point of sale, using a risk-adjusted discount rate of the projected stream of after-tax profits for new covered business issued, net of the cost of capital over the life of this business.
VNB margin	Profit margin of new life insurance business written, calculated by dividing value of new business by PVNB.

Major businesses and regions of the Group

anglophone	Countries belonging to an English-speaking population especially in a country where two or more languages are spoken, e.g. Kenya and Zimbabwe.
francophone	A population using French as its first or sometimes second language.
lusophone	Countries where Portuguese is the common language: Angola, Brazil, Cape Verde, Guinea-Bissau, Mozambique, Portugal, Sao-Tome and Principe.
Saham	Saham Finances (the insurance arm of the Saham Group) refers to the Group's 100% interest held by SAN JV, a wholly owned subsidiary of the Group (90% held by SEM and 10% held by Santam). Saham Finances operates predominantly across Africa with a presence in the Middle East.
Sanlam Investments and Pensions	Sanlam Life and Pensions Limited, a wholly owned subsidiary of Sanlam UK Limited, conducting mainly life insurance business in the United Kingdom.

Sanlam Life	Sanlam Life Insurance Limited, a wholly owned subsidiary of Sanlam Limited, conducting mainly life insurance business.
Sanlam Limited	The holding company listed on JSE Limited and Namibian Stock Exchange.
Sanlam, Sanlam Group or the Group	Sanlam Limited and its subsidiaries, associated companies and joint ventures.
Sanlam Namibia	Sanlam Life Namibia, a wholly owned subsidiary of Sanlam Life, conducting mainly life insurance business in Namibia.
SDM Limited	Sanlam Developing Markets Limited, a wholly owned subsidiary of Sanlam Life, conducting mainly life insurance business in South Africa and through its subsidiaries in Africa.
SEM Proprietary Limited	Sanlam Emerging Markets Proprietary Limited, a wholly owned subsidiary of Sanlam Life, conducting mainly insurance and credit business through its subsidiaries and associated companies in Africa, India and South-East Asia.
Shriram Capital	Shriram Capital refers to the Group's 36,85% holding in Shriram Financial Ventures (Chennai) Pvt Limited, an Indian-based company that holds 70,56% of Shriram Capital Limited, resulting in a 26% effective holding by Sanlam. It also includes the Group's direct holding in Shriram Transport Finance Company, a listed business in the Shriram Capital group.

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

Executive Head: Investor Relations

Grant Davids

Company Secretary

Adela Fortune

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Equity sponsor to Sanlam

The Standard Bank of South Africa Limited

Debt sponsor to Sanlam Life Insurance Limited

Absa Bank Limited, acting through its Corporate and Investment Banking division

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Mathukana Mokoka, Kobus Möller, Dr Patrice Motsepe
(Deputy Chair), Abigail Mukhuba (Group Finance Director),
Sipho Nkosi, Karabo Nondumo, Thembisa Skweyiya,
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