



Shareholders' information

Independent auditor's report on the Sanlam Limited Shareholders' Information

To the directors of Sanlam Limited

Opinion

We have audited the Sanlam Limited Shareholders' Information ("Shareholders' Information") set out on pages 148 to 204 for the year ended 31 December 2017, comprising Group Equity Value, Change in Group Equity Value, Analysis of Group Equity Value earnings, Analysis of Shareholders' fund at net asset value; Shareholders' fund income statement; Notes to the Shareholders' fund information and a summary of significant accounting policies and other explanatory information. In our opinion, the accompanying Shareholders' Information of Sanlam Limited for the year ended 31 December 2017 is prepared, in all material respects, in accordance with the basis of accounting described on pages 148 to 155 of the Shareholders' Information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Shareholders' Information* section of our report. We are independent of Sanlam Limited in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing the audit of Sanlam Limited. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code, the IESBA code, and in accordance with other ethical requirements applicable to performing the audit of Sanlam Limited. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to pages 148 to 155 of the Shareholders' Information which describes the basis of accounting. The Shareholders' Information is prepared to provide additional information in respect of the Group Shareholders' Fund in a format that corresponds with that used by management in evaluating the performance of the Group. As a result, the Shareholders' Information may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of the Shareholders' Information in accordance with the basis of accounting described on pages 148 to 155, for determining that the basis of accounting is acceptable in the circumstances and for such internal control as the directors determine is necessary to enable the preparation of the Shareholders' Information that is free from material misstatement, whether due to fraud or error.

In preparing the Shareholders' Information, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Shareholders' Information

Our objectives are to obtain reasonable assurance about whether the Shareholders' Information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Shareholders' Information.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Shareholders' Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Shareholders' Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

Sanlam Limited has prepared a separate set of consolidated and separate Annual Financial Statements for the year ended 31 December 2017, in accordance with International Financial Reporting Standards, on which we issued a separate auditor's report to the shareholders of Sanlam Limited, dated 7 March 2018.

Ernst & Young Inc.

Ernst & Young Inc.

Director: Johanna Cornelia de Villiers

Registered Auditor
Chartered Accountant (SA)

3rd floor, Waterway House
3 Dock Road
V&A Waterfront
Cape Town

7 March 2018

Basis of accounting – Shareholders' information

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

It includes analyses 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 annual 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 and capital management strategy.

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. In the directors' view GEV more accurately reflects the performance of the Group than results presented under IFRS and provides a more meaningful basis of reporting the underlying value of the Group's operations and the related performance drivers. This basis allows more explicitly for the impact of uncertainty in future investment returns and is consistent with the Group's operational management structure.

A glossary containing explanations of technical terms used in these financial statements is presented on page 205.

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, and is consistent with that applied in the 2016 Integrated Report.

The shareholders' fund information includes the following:

- Group Equity Value (refer page 157);
- Change in Group Equity Value (refer page 160);
- Analysis of Group Equity Value earnings (refer page 164);
- Shareholders' fund financial statements, consisting of the Shareholders fund at net asset value (refer page 168) and Shareholders' fund income statement (refer page 170); and
- Related notes.

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 asset value) 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 growth in existing operations and/or for acquisitions and/or be returned to shareholders. The fair value of discretionary and other capital also includes allowance for the present value of corporate expenses.

Appropriate allowance is made in GEV for share incentive schemes granted to Group employees.

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 analyses are provided for changes from the base estimates and assumptions within the Shareholders' information section.

Embedded value of covered business

The Group's embedded value of covered business information is prepared in accordance with APN107 (version 7), 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.

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, reversionary bonus business, group stable bonus business, annuity business and other non-participating business written by Sanlam Personal Finance, Sanlam Emerging Markets, Sanlam UK and Sanlam Employee Benefits.

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

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 assets (ANA); and
- The net value of in-force business.

Adjusted net assets

ANA 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 insurance businesses regulated under SAM (or similar regimes), the level of required capital for covered business is set to ensure that Own Funds attributable to in-force covered business maintains a SAM SCR ratio within a specific range, e.g. between 170% and 210% 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, e.g. 135% for Sanlam Life covered business, even after severe but plausible stress scenarios.

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 ANA on an annual basis for the following:

- Transfers of net result from financial services. 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.

Basis of accounting – Shareholders' information (continued)

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;
- 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 1 on page 172.

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.

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.

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 traditional participating business, 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 where appropriate.

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. Premiums on individual business are assumed to be rerated, where applicable, in line with deterioration in mortality, with a three-year delay from the point where mortality losses would be experienced.

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 2017.

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, 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 Investments, these margins are not included in the value

Basis of accounting – Shareholders' information (continued)

of in-force covered business and value of new business, as they are incorporated in the valuation of the Sanlam Investments 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. No allowance has been made for changes to South African tax legislation that will emanate from the recent budget speech by the Minister of Finance.

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 assets

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

Economic assumption changes

The impact of changes in external economic conditions, including the effect that changes in interest rates have on risk discount rates, future investment return and inflation 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 assets.
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.

Fair value of other Group operations

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.

Acquisitions, disposals and other movements

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

Risk discount rates and allowance for risk

The underlying risks within other Group operations are allowed for through a combination of the following:

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

The risk discount rates are set using a bottom-up approach based on prevailing risk-free interest rates and market-consistent risk premiums for similar operations.

Assumptions**Best estimate assumptions**

The calculation of fair values 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.

Economic assumptions

The assumed investment return on assets under management for the investment management operations is based on the assumed long-term asset mix for these assets.

Inflation assumptions are based on an assumed long term gap relative to fixed-interest securities.

Expense assumptions

Future expense assumptions reflect the expected level of expenses required to manage the other Group operations, including investment in systems required to support that business, and allow for future inflation.

Taxation

Projected taxation is based on the current tax basis that applies in each country. No allowance has been made for changes to South African tax legislation that will emanate from the recent budget speech by the Minister of Finance.

Present value of corporate expenses

The present value of corporate expenses is determined by applying a multiple to the after-tax net 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 GEV 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.

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

Basis of accounting – Shareholders’ information (continued)

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.

For embedded value of covered business, 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 foreign operations at the end of the financial year.

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 the 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. Similarly, IFRS requires the recognition of deferred tax assets in respect of assessed tax losses in certain policyholders’ funds, without a corresponding adjustment to the valuation of policy liabilities. This also results in an artificial mismatch between policy liabilities and policyholder assets. The consolidation reserve created in the Group financial statements for these mismatches is not recognised in the shareholders’ fund at net asset value as the related policyholder investments and other assets are recognised at fair 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.

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

Target shares

Participation in strategic general insurance investments outside of South Africa between Sanlam Emerging Markets (SEM) and Santam are structured through the issuance of target shares between SEM and Santam. These shares give the holder the right to participate in the growth of the underlying general insurance investments. For purposes of the Group’s shareholder fund income statement, the total return on these general insurance investments are therefore split between SEM and Santam, after consideration of the respective non-controlling interests. The presentation is therefore based on the individual segments’ rights to the returns.

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, Saham Finances, Shriram Capital (including the Group's direct interests in Shriram Transport Finance Company, Shriram General Insurance and Shriram Life Insurance), Pacific & Orient, Capricorn Investment Holdings, Letshego, NICO Holdings and the Group's life insurance associates in Africa. The equity-accounted earnings from operating associates and joint ventures are included in the net result from financial services.
- 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

As discussed under the policy note for 'Consolidation reserve' above, the IFRS prescribed accounting treatment of the policyholders' fund's investments in Sanlam shares and Group subsidiaries, as well as assessed tax losses, 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. This is in the Group's opinion not a true 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. The Group therefore calculates normalised diluted earnings per share that eliminates these impacts.

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. 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, 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. 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.

Group Equity Value

at 31 December 2017

R million	Note	Group Equity Value	
		2017	2016
Sanlam Personal Finance		43 401	41 878
Covered business ⁽¹⁾	7.1	39 546	38 216
Sanlam Sky		7 956	7 237
Other		31 590	30 979
Other operations		3 855	3 662
Glacier		2 321	2 192
Sanlam Personal Loans		1 052	999
Other operations		482	471
Sanlam Emerging Markets		27 621	22 097
Covered business	7.2	6 686	6 370
Namibia		1 816	1 709
Botswana		1 333	1 261
Rest of Africa (excluding Saham Finances)		1 050	1 509
Saham Finances ⁽²⁾		1 265	672
India		702	677
Malaysia		520	542
Other operations		20 935	15 727
Shriram Capital		9 524	7 963
Saham Finances		6 833	3 197
Letshego		991	1 190
Pacific & Orient		376	476
Capricorn Investment Holdings		1 022	1 077
Other operations		2 189	1 824
Sanlam Investments		18 331	15 807
Covered business	7.3	2 768	1 137
Sanlam UK		1 213	1 137
Central Credit Manager ⁽³⁾		1 555	-
Other operations		15 563	14 670
Investment Management SA		7 428	7 071
Wealth Management		2 242	2 155
International		5 643	4 844
Sanlam Capital Markets		250	600
Santam		18 108	15 868
Sanlam Corporate		6 368	6 385
Covered business ⁽¹⁾	7.5	5 283	5 523
Other operations		1 085	862
Afrocentric		1 001	775
Other		84	87

Value of in-force/fair value adjustment		Adjusted net asset value		Elimination of goodwill and VOBA		Shareholders' fund at net asset value	
2017	2016	2017	2016	2017	2016	2017	2016
35 786	32 446	7 615	9 432	(1 145)	(595)	8 760	10 027
33 290	29 858	6 256	8 358	(1 145)	(595)	7 401	8 953
7 352	6 152	604	1 085	(467)	(505)	1 071	1 590
25 938	23 706	5 652	7 273	(678)	(90)	6 330	7 363
2 496	2 588	1 359	1 074	-	-	1 359	1 074
1 867	1 788	454	404	-	-	454	404
252	376	800	623	-	-	800	623
377	424	105	47	-	-	105	47
6 319	5 335	21 302	16 762	(1 606)	(1 191)	22 908	17 953
3 665	3 513	3 021	2 857	(1 606)	(1 191)	4 627	4 048
1 318	1 219	498	490	-	-	498	490
980	924	353	337	(66)	(47)	419	384
247	635	803	874	(10)	(10)	813	884
707	321	558	351	(878)	(460)	1 436	811
206	182	496	495	(293)	(285)	789	780
207	232	313	310	(359)	(389)	672	699
2 654	1 822	18 281	13 905	-	-	18 281	13 905
2 585	1 526	6 939	6 437	-	-	6 939	6 437
363	321	6 470	2 876	-	-	6 470	2 876
8	124	983	1 066	-	-	983	1 066
-	-	376	476	-	-	376	476
8	168	1 014	909	-	-	1 014	909
(310)	(317)	2 499	2 141	-	-	2 499	2 141
11 495	10 918	6 836	4 889	(356)	(356)	7 192	5 245
124	671	2 644	466	(356)	(356)	3 000	822
679	671	534	466	(356)	(356)	890	822
(555)	-	2 110	-	-	-	2 110	-
11 371	10 247	4 192	4 423	-	-	4 192	4 423
7 129	6 793	299	278	-	-	299	278
1 936	1 684	306	471	-	-	306	471
2 306	1 770	3 337	3 074	-	-	3 337	3 074
-	-	250	600	-	-	250	600
13 278	11 332	4 830	4 536	-	-	4 830	4 536
2 423	1 930	3 945	4 455	-	-	3 945	4 455
2 166	1 803	3 117	3 720	-	-	3 117	3 720
257	127	828	735	-	-	828	735
223	104	778	671	-	-	778	671
34	23	50	64	-	-	50	64

Group Equity Value (continued)

at 31 December 2017

R million	Note	Group Equity Value	
		2017	2016
Group operations		113 829	102 035
Dividend pool		5 885	5 437
Discretionary capital ⁽⁴⁾		2 000	550
Other capital		1 665	4 479
Present value of holding company expenses		(1 616)	(1 784)
Total		121 763	110 717
Covered business	2	54 283	51 246
Other operations	5	59 546	50 789
Group operations		113 829	102 035
Discretionary and other capital		7 934	8 682
Total		121 763	110 717
Value per share	14	59,40	54,07

- ⁽¹⁾ Excludes subordinated debt funding of Sanlam Life. Capital allocated to Sanlam Personal Finance and Sanlam Employee Benefits covered business were reduced by the following amounts in 2017:
- Sanlam Personal Finance: R2 303 million and R(514) million cost of capital;
 - Sanlam Employee Benefits: R307 million and R(37) million cost of capital.
- These reductions relate to the reallocation of credit risk capital to the Central Credit Manager (refer note 3 below) and the release of R500 million from the capital base to discretionary capital. For Return on Group Equity Value, it was assumed that R2 360 million was released on 1 January 2017 and the remaining R250 million on 30 June 2017.
- ⁽²⁾ The Sanlam Group increased its stake in Saham Finances from 30% to 46,6%, effective 1 May 2017. The embedded value of Saham Finances is calculated using a risk discount rate inclusive of the cost of capital.
- ⁽³⁾ The Central Credit Manager was established during 2016 with a mandate to manage credit-related instruments on behalf of the Group's covered business operations. Credit risk capital of R2 110 million (and related cost of capital of R(551) million) in respect of the investments managed by the Central Credit Manager were transferred from Sanlam Personal Finance and Sanlam Employee Benefits to the Central Credit Manager (refer note 1 above). For Return on Group Equity Value, it was assumed that the transfer occurred on 1 January 2017.
- ⁽⁴⁾ Fair value adjustments relate to the reversal of marked-to-market changes on hedging instruments, to be recognised in the financial year that the hedge transactions become effective.

Value of in-force/fair value adjustment		<i>Adjusted net asset value</i>		Elimination of goodwill and VOBA		Shareholders' fund at net asset value	
2017	2016	2017	2016	2017	2016	2017	2016
69 301	61 961	44 528	40 074	(3 107)	(2 142)	47 635	42 216
-	-	5 885	5 437	-	-	5 885	5 437
562	(36)	1 438	586	-	-	1 438	586
-	-	1 665	4 479	(1 197)	(1 197)	2 862	5 676
(1 616)	(1 784)	-	-	-	-	-	-
68 247	60 141	53 516	50 576	(4 304)	(3 339)	57 820	53 915
39 245	35 845	15 038	15 401	(3 107)	(2 142)	18 145	17 543
30 056	26 116	29 490	24 673	-	-	29 490	24 673
69 301	61 961	44 528	40 074	(3 107)	(2 142)	47 635	42 216
(1 054)	(1 820)	8 988	10 502	(1 197)	(1 197)	10 185	11 699
68 247	60 141	53 516	50 576	(4 304)	(3 339)	57 820	53 915
						28,22	26,33

Change in Group Equity Value

for the year ended 31 December 2017

R million	GEV at the beginning of the period	Earnings	Net capital investment	Dividend paid	GEV at the end of the period	RoGEV %
Sanlam Personal Finance	41 878	7 070	(1 481)	(4 066)	43 401	17,5
Covered business	38 216	6 659	(1 481)	(3 848)	39 546	18,3
Sanlam Sky	7 237	2 087	(489)	(879)	7 956	28,8
Other	30 979	4 572	(992)	(2 969)	31 590	15,7
Other operations	3 662	411	-	(218)	3 855	11,2
Glacier	2 192	342	-	(213)	2 321	15,6
Sanlam Personal Loans	999	53	-	-	1 052	5,3
Other operations	471	16	-	(5)	482	3,4
Sanlam Emerging Markets	22 097	2 845	4 045	(1 366)	27 621	11,5
Covered business	6 370	1 476	(515)	(645)	6 686	23,2
Namibia	1 709	337	(53)	(177)	1 816	19,7
Botswana	1 261	247	13	(188)	1 333	19,6
Rest of Africa (excluding Saham Finances)	1 509	898	(1 173)	(184)	1 050	59,5
Saham Finances	672	(28)	669	(48)	1 265	(4,2)
India	677	21	42	(38)	702	3,1
Malaysia	542	1	(13)	(10)	520	0,2
Other operations	15 727	1 369	4 560	(721)	20 935	7,5
Shriram Capital	7 963	1 659	-	(98)	9 524	20,8
Saham Finances	3 197	(197)	3 909	(76)	6 833	(3,4)
Letshego	1 190	(168)	-	(31)	991	(14,1)
Pacific & Orient	476	(92)	-	(8)	376	(19,3)
Capricorn Investment Holdings	1 077	108	-	(163)	1 022	10,0
Other operations	1 824	59	651	(345)	2 189	3,2
Sanlam Investments	15 807	2 442	1 270	(1 188)	18 331	14,2
Covered business	1 137	403	1 451	(223)	2 768	14,9
Sanlam UK	1 137	76	85	(85)	1 213	6,7
Central Credit Manager	-	327	1 366	(138)	1 555	21,0
Other operations	14 670	2 039	(181)	(965)	15 563	14,1
Investment Management SA	7 071	718	84	(445)	7 428	10,1
Wealth Management	2 155	225	(44)	(94)	2 242	10,5
International	4 844	849	129	(179)	5 643	17,5
Sanlam Capital Markets	600	247	(350)	(247)	250	58,1
Santam	15 868	2 854	-	(614)	18 108	18,0
Sanlam Corporate	6 385	1 284	(822)	(479)	6 368	21,0
Covered business	5 523	1 070	(867)	(443)	5 283	20,4
Other operations	862	214	45	(36)	1 085	24,5
Afrocentric	775	211	38	(23)	1 001	26,9
Other	87	3	7	(13)	84	3,4

R million	GEV at the beginning of the period	Earnings	Net capital investment	Dividend paid	GEV at the end of the period	RoGEV %
Group operations	102 035	16 495	3 012	(7 713)	113 829	15,8
Discretionary capital	550	(129)	1 579	-	2 000	
Other capital	9 916	86	(4 613)	2 161	7 550	
Present value of holding company expenses	(1 784)	53	-	115	(1 616)	
Group Equity Value	110 717	16 505	(22)	(5 437)	121 763	14,9
Covered business	51 246	9 608	(1 412)	(5 159)	54 283	18,8
Other operations	50 789	6 887	4 424	(2 554)	59 546	12,9
Group operations	102 035	16 495	3 012	(7 713)	113 829	15,8
Discretionary and other capital	8 682	10	(3 034)	2 276	7 934	0,2
Group Equity Value	110 717	16 505	(22)*	(5 437)	121 763	14,9
RoGEV per share						14,8

* Movement in book value of treasury shares.

Change in Group Equity Value (continued)

for the year ended 31 December 2016

R million	GEV at the beginning of the period	Earnings	Net capital investment	Dividend paid	GEV at the end of the period	RoGEV %
Sanlam Personal Finance	37 472	8 503	(53)	(4 044)	41 878	22,7
Covered business	34 526	7 402	(32)	(3 680)	38 216	21,4
Sanlam Sky	6 362	1 725	3	(853)	7 237	28,0
Other	28 164	5 677	(35)	(2 827)	30 979	20,0
Other operations	2 946	1 101	(21)	(364)	3 662	37,4
Glacier	1 605	772	-	(185)	2 192	48,1
Sanlam Personal Loans	913	212	-	(126)	999	23,2
Other operations	428	117	(21)	(53)	471	27,3
Sanlam Emerging Markets	18 047	(491)	6 020	(1 479)	22 097	(2,3)
Covered business	5 486	37	1 446	(599)	6 370	0,7
Namibia	1 608	309	(57)	(151)	1 709	19,2
Botswana	1 229	165	98	(231)	1 261	13,4
Rest of Africa (excluding Saham Finances)	1 679	(97)	127	(200)	1 509	(5,0)
Saham Finances	-	(245)	935	(18)	672	-
India	302	7	354	14	677	2,4
Malaysia	668	(102)	(11)	(13)	542	(15,4)
Other operations	12 561	(528)	4 574	(880)	15 727	(3,4)
Shriram Capital	7 594	143	308	(82)	7 963	1,9
Saham Finances	-	(214)	3 411	-	3 197	(7,5)
Letshego	1 106	17	120	(53)	1 190	1,4
Pacific & Orient	812	(260)	-	(76)	476	(32,0)
Capricorn Investment Holdings	877	219	-	(19)	1 077	25,0
Other operations	2 172	(433)	735	(650)	1 824	(19,3)
Sanlam Investments	16 835	(322)	326	(1 032)	15 807	(1,9)
Covered business	1 633	(403)	(82)	(11)	1 137	(24,7)
Sanlam UK	1 633	(403)	(82)	(11)	1 137	(24,7)
Central Credit Manager	-	-	-	-	-	-
Other operations	15 202	81	408	(1 021)	14 670	0,5
Investment Management SA	6 287	1 030	296	(542)	7 071	16,4
Wealth Management	1 759	337	156	(97)	2 155	19,2
International	6 556	(1 567)	(44)	(101)	4 844	(23,9)
Sanlam Capital Markets	600	281	-	(281)	600	46,8
Santam	12 850	4 129	-	(1 111)	15 868	32,1
Sanlam Corporate	6 354	613	(64)	(518)	6 385	9,6
Covered business	5 577	437	(64)	(427)	5 523	7,8
Other operations	777	176	-	(91)	862	22,7
Afrocentric	703	156	-	(84)	775	22,2
Other	74	20	-	(7)	87	27,0

R million	GEV at the beginning of the period	Earnings	Net capital investment	Dividend paid	GEV at the end of the period	RoGEV %
Group operations	91 558	12 432	6 229	(8 184)	102 035	13,1
Discretionary capital	2 300	215	(1 965)	-	550	
Other capital	11 199	(37)	(4 356)	3 110	9 916	
Present value of holding company expenses	(1 551)	(340)	-	107	(1 784)	
Group Equity Value	103 506	12 270	(92)	(4 967)	110 717	11,9
Covered business	47 222	7 473	1 268	(4 717)	51 246	15,8
Other operations	44 336	4 959	4 961	(3 467)	50 789	10,5
Group operations	91 558	12 432	6 229	(8 184)	102 035	13,1
Discretionary and other capital	11 948	(162)	(6 321)	3 217	8 682	(1,8)
Group Equity Value	103 506	12 270	(92)*	(4 967)	110 717	11,9
RoGEV per share						11,8

* Movement in book value of treasury shares.

Analysis of GEV earnings

for the year ended 31 December 2017

Covered business⁽¹⁾

R million	Total		Value of in-force		Cost of capital		Adjusted net asset value	
	2017	2016	2017	2016	2017	2016	2017	2016
Operational earnings	7 612	7 647	2 568	3 097	132	(85)	4 912	4 635
Value of new life insurance business ⁽²⁾	1 841	1 605	4 324	3 818	(195)	(224)	(2 288)	(1 989)
Unwinding of discount rate	4 620	4 634	4 427	4 468	193	166	-	-
Expected profit	-	-	(6 061)	(5 723)	-	-	6 061	5 723
Operating experience variances	1 558	983	77	(33)	187	10	1 294	1 006
Risk experience	447	438	(6)	52	7	3	446	383
Persistence	67	(11)	178	66	16	10	(127)	(87)
Maintenance expenses	(9)	30	(5)	(3)	1	(4)	(5)	37
Working capital management	452	354	5	5	-	-	447	349
Credit spread	396	89	-	-	-	-	396	89
Other	205	83	(95)	(153)	163	1	137	235
Operating assumption changes	(407)	425	(199)	567	(53)	(37)	(155)	(105)
Risk experience	183	122	147	54	(3)	(6)	39	74
Persistence	(115)	54	(86)	125	(3)	(35)	(26)	(36)
Maintenance expenses	(239)	99	(110)	50	(1)	1	(128)	48
Modelling changes and other	(236)	150	(150)	338	(46)	3	(40)	(191)
Net investment return	930	(113)	-	-	-	-	930	(113)
Expected return on adjusted net asset value	1 020	1 199	-	-	-	-	1 020	1 199
Investment variances on adjusted net asset value	(90)	(1 312)	-	-	-	-	(90)	(1 312)
Valuation and economic basis	762	(300)	489	(421)	26	65	247	56
Investment variances on in-force business	691	(159)	413	(217)	19	3	259	55
Economic assumption changes	234	485	253	509	(7)	(25)	(12)	1
Investment yields	260	552	253	524	19	28	(12)	-
Long-term asset mix assumptions and other	(26)	(67)	-	(15)	(26)	(53)	-	1
Foreign currency translation differences	(163)	(626)	(177)	(713)	14	87	-	-

Covered business⁽¹⁾ (continued)

R million	Total		Value of in-force		Cost of capital		Adjusted net asset value	
	2017	2016	2017	2016	2017	2016	2017	2016
Change in tax basis	-	422	-	679	-	(118)	-	(139)
Risk Policy Fund	-	674	-	674	-	-	-	-
Capital Gains Tax inclusion rate	-	(257)	-	1	-	(119)	-	(139)
Other	-	5	-	4	-	1	-	-
Profit on disposal of subsidiaries and associated companies	789	-	-	-	-	-	789	-
Goodwill and VOBA from business combinations	(485)	(183)	(485)	(183)	-	-	-	-
GEV earnings: covered business	9 608	7 473	2 572	3 172	158	(138)	6 878	4 439
Acquired value of in-force	1 443	1 247	1 026	655	(8)	(4)	425	596
Disposal of businesses	(1 331)	-	(357)	-	9	-	(983)	-
Transfers from/(to) other Group operations	-	(13)	-	46	-	-	-	(59)
Transfers from covered business	(6 683)	(4 683)	-	-	-	-	(6 683)	(4 683)
Embedded value of covered business at the beginning of the year	51 246	47 222	39 379	35 506	(3 534)	(3 392)	15 401	15 108
Embedded value of covered business at the end of the year	54 283	51 246	42 620	39 379	(3 375)	(3 534)	15 038	15 401

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

⁽²⁾ Refer to note 1 for additional information.

Analysis of **GEV** earnings (continued)

for the year ended 31 December 2017

Other operations

R million	Total		Sanlam Personal Finance	
	2017	2016	2017	2016
Earnings from operations valued at listed share prices	2 854	4 129	-	-
Earnings from operations valued at net asset value	323	32	-	-
Earnings from operations valued based on discounted cash flows	3 710	798	411	1 101
Unwinding of discount rate	4 957	4 951	654	537
Operating experience variances	350	109	44	67
General insurance	32	58	-	-
Investment management	133	88	-	-
Credit and banking	231	(106)	22	(4)
Administration, health and other	(46)	69	22	71
Assumption changes	(210)	(3 566)	(376)	264
General insurance	(383)	(211)	-	-
Investment management	(257)	(1 990)	-	-
Credit and banking	698	(1 394)	(175)	(23)
Administration, health and other	(268)	29	(201)	287
Economic assumption changes	(409)	2 695	89	233
Foreign currency translation differences	(978)	(3 391)	-	-
GEV earnings: other operations	6 887	4 959	411	1 101

Discretionary and other capital

R million	Total	
	2017	2016
Investment return	(129)	215
Corporate expenses	53	(340)
Net corporate expenses	(115)	(107)
Change in present value of holding company expenses	168	(233)
Share-based payment transactions	86	(37)
GEV earnings: discretionary and other capital	10	(162)

Reconciliation of Group Equity Value earnings

IFRS earnings	9 411	3 573
Normalised attributable earnings	11 001	8 123
Earnings recognised directly in equity		
Foreign currency translation differences	(1 044)	(3 902)
Net cost of treasury shares delivered	(216)	(298)
Share-based payments	340	325
Change in ownership of subsidiaries	(63)	(95)
Other comprehensive income	(607)	(580)
Fair value adjustments	7 268	8 721
Change in fair value adjustments: non-life	4 538	5 687
Earnings from covered business: VIF	2 730	3 034
Adjustments to net worth	(174)	(24)
Present value of holding company expenses	168	(233)
Movement in book value of treasury shares: non-life subsidiaries	(47)	(61)
Change in goodwill/VOBA less VIF acquired	(295)	270
Group Equity Value earnings	16 505	12 270

Sanlam Emerging Markets		Sanlam Investments		Santam		Sanlam Corporate	
2017	2016	2017	2016	2017	2016	2017	2016
-	-	-	-	2 854	4 129	-	-
(131)	(200)	454	232	-	-	-	-
1 500	(328)	1 585	(151)	-	-	214	176
2 310	2 351	1 842	1 914	-	-	151	149
285	(14)	84	61	-	-	(63)	(5)
32	58	-	-	-	-	-	-
49	27	84	61	-	-	-	-
209	(102)	-	-	-	-	-	-
(5)	3	-	-	-	-	(63)	(5)
295	(1 886)	(241)	(1 971)	-	-	112	27
(383)	(211)	-	-	-	-	-	-
(16)	(19)	(241)	(1 971)	-	-	-	-
873	(1 371)	-	-	-	-	-	-
(179)	(285)	-	-	-	-	112	27
(677)	1 446	165	1 011	-	-	14	5
(713)	(2 225)	(265)	(1 166)	-	-	-	-
1 369	(528)	2 039	81	2 854	4 129	214	176

Analysis of shareholders' fund at net asset value

at 31 December 2017

R million	Note	Sanlam Life ⁽¹⁾		Sanlam Emerging Markets ⁽²⁾	
		2017	2016	2017	2016
Assets					
Equipment		302	303	135	146
Owner-occupied properties		470	470	224	238
Goodwill		714	244	323	178
Value of business acquired		845	500	658	547
Other intangible assets		60	17	212	267
Deferred acquisition costs		3 012	2 949	13	16
Investments	8.3	17 699	22 054	27 953	22 722
Properties		10	143	843	821
Associated companies	8.1	882	760	23 157	18 636
Joint ventures	8.2	870	817	-	-
Equities and similar securities		424	1 055	357	536
Interest-bearing investments		3 918	5 134	1 878	1 060
Structured transactions		316	812	22	5
Investment funds		9 390	9 414	424	301
Cash, deposits and similar securities		1 889	3 919	1 272	1 363
Deferred tax		394	175	196	185
Assets of disposal groups classified as held for sale		-	-	-	-
General insurance technical assets		-	-	152	124
Working capital assets		9 149	8 856	2 575	2 427
Trade and other receivables		2 565	2 450	1 809	1 863
Cash, deposits and similar securities		6 584	6 406	766	564
Total assets		32 645	35 568	32 441	26 850
Equity and liabilities					
Shareholders' fund		19 562	24 347	23 672	18 385
Non-controlling interest		233	-	5 072	5 238
Total equity		19 795	24 347	28 744	23 623
Term finance		2 167	2 159	111	115
Structured transactions liabilities		1 156	16	-	-
Cell owners' interest		-	-	-	-
Deferred tax		943	775	301	249
General insurance technical provisions		-	-	552	523
Working capital liabilities		8 584	8 271	2 733	2 340
Trade and other payables		7 489	6 872	2 733	2 340
Provisions		127	131	-	-
Taxation		968	1 268	-	-
Total equity and liabilities		32 645	35 568	32 441	26 850
Analysis of shareholders' fund					
Covered business		10 518	12 673	4 627	4 048
Other operations		2 187	1 809	18 281	13 905
Discretionary and other capital		6 857	9 865	764	432
Shareholders' fund at net asset value		19 562	24 347	23 672	18 385
Consolidation reserve		1 200	1 253	-	-
Shareholders' fund per Group statement of financial position on page 74 of the Annual Financial Statements online		20 762	25 600	23 672	18 385

⁽¹⁾ Includes the operations of Sanlam Personal Finance and Sanlam Corporate (which includes Sanlam Health and Sanlam Employee Benefits) as well as discretionary capital held by Sanlam Life. Previously, equities and similar securities included the investment in Sanlam Limited shares that was eliminated in the consolidation column. From 2017, the elimination is done within the cluster with comparative information being adjusted accordingly.

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

Sanlam Investments ⁽³⁾		Santam		Group Office ⁽⁴⁾		Consolidation entries ⁽⁵⁾		Shareholders' fund at net asset value	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
66	70	319	321	-	-	-	-	822	840
113	115	19	1	-	-	-	-	826	824
1 159	1 203	765	774	-	-	1 197	1 197	4 158	3 596
427	559	-	-	-	-	-	-	1 930	1 606
161	179	58	81	-	-	-	-	491	544
-	-	-	-	-	-	-	-	3 025	2 965
4 622	1 927	17 099	11 987	2 219	1 660	(3 039)	(3 262)	66 553	57 088
-	-	-	-	-	-	-	-	853	964
549	418	2 763	2 624	-	-	(2 691)	(2 733)	24 660	19 705
-	-	66	65	-	-	-	-	936	882
252	222	2 956	1 404	481	493	(430)	(568)	4 040	3 142
341	109	8 315	5 892	1 736	1 165	(38)	74	16 150	13 434
-	-	588	714	-	-	-	(35)	926	1 496
2 968	594	1 351	388	-	-	120	-	14 253	10 697
512	584	1 060	900	2	2	-	-	4 735	6 768
129	146	157	144	-	-	7	3	883	653
-	-	-	8	-	-	-	-	-	8
-	-	6 248	4 898	-	-	-	-	6 400	5 022
20 009	22 660	12 334	10 998	3 655	3 378	(5 108)	(4 522)	42 614	43 797
13 827	19 076	5 415	3 720	3 319	3 000	(5 134)	(4 418)	21 801	25 691
6 182	3 584	6 919	7 278	336	378	26	(104)	20 813	18 106
26 686	26 859	36 999	29 212	5 874	5 038	(6 943)	(6 584)	127 702	116 943
8 506	6 376	4 830	4 536	136	(509)	1 114	780	57 820	53 915
42	54	3 281	3 062	-	-	(2 697)	(2 749)	5 931	5 605
8 548	6 430	8 111	7 598	136	(509)	(1 583)	(1 969)	63 751	59 520
17	239	2 056	2 054	1 917	1 651	-	-	6 268	6 218
-	-	-	-	-	-	-	-	1 156	16
-	-	3 217	1 153	-	-	-	-	3 217	1 153
22	13	121	119	-	-	43	7	1 430	1 163
-	-	18 116	14 034	-	-	-	-	18 668	14 557
18 099	20 177	5 378	4 254	3 821	3 896	(5 403)	(4 622)	33 212	34 316
17 874	19 863	5 116	4 065	3 791	3 856	(5 402)	(4 632)	31 601	32 364
82	123	68	41	20	20	17	17	314	332
143	191	194	148	10	20	(18)	(7)	1 297	1 620
26 686	26 859	36 999	29 212	5 874	5 038	(6 943)	(6 584)	127 702	116 943
3 000	822	-	-	-	-	-	-	18 145	17 543
4 192	4 423	4 830	4 536	-	-	-	-	29 490	24 673
1 314	1 131	-	-	136	(509)	1 114	780	10 185	11 699
8 506	6 376	4 830	4 536	136	(509)	1 114	780	57 820	53 915
-	-	-	-	-	-	(1 600)	(1 778)	(400)	(525)
8 506	6 376	4 830	4 536	136	(509)	(486)	(998)	57 420	53 390

⁽³⁾ Includes Sanlam Investment Management and Sanlam Capital Markets previously disclosed separately.

⁽⁴⁾ Group Office and Other includes the assets of Genbel Securities and Sanlam Limited Corporate on a consolidated basis.

⁽⁵⁾ Elimination of intercompany balances, other investments and term finance between companies within the Group.

Shareholders' fund income statement

for the year ended 31 December 2017

R million	Note	Sanlam Personal Finance ⁽¹⁾		Sanlam Emerging Markets	
		2017	2016	2017	2016
Financial services income	9	17 823	16 421	7 978	7 462
Sales remuneration	10	(3 332)	(2 955)	(1 118)	(1 177)
Income after sales remuneration		14 491	13 466	6 860	6 285
Underwriting policy benefits		(3 822)	(3 492)	(1 709)	(1 574)
Administration costs	11	(4 769)	(4 283)	(1 840)	(1 815)
Result from financial services before tax		5 900	5 691	3 311	2 896
Tax on result from financial services		(1 679)	(1 590)	(936)	(800)
Result from financial services after tax		4 221	4 101	2 375	2 096
Non-controlling interest		14	(2)	(582)	(539)
Net result from financial services		4 235	4 099	1 793	1 557
Net investment income		223	506	201	198
Investment income	12	293	658	383	345
Tax on investment income		(67)	(152)	(138)	(98)
Non-controlling interest		(3)	-	(44)	(49)
Project expenses		-	-	(99)	(28)
Net amortisation of value of business acquired and other intangibles		(45)	(39)	(44)	(45)
Equity participation costs		-	-	-	-
Net equity-accounted headline earnings		-	-	10	31
Equity-accounted headline earnings		-	-	18	59
Tax on equity-accounted headline earnings		-	-	(1)	(2)
Non-controlling interest		-	-	(7)	(26)
Net investment surpluses		267	(165)	127	18
Investment surpluses		370	(92)	283	87
Tax on investment surpluses		(103)	(73)	(89)	(52)
Non-controlling interest		-	-	(67)	(17)
Normalised headline earnings		4 680	4 401	1 988	1 731
Net profit on disposal of subsidiaries and associated companies		-	15	1 159	16
Profit on disposal of subsidiaries and associated companies		-	18	1 189	16
Tax on profit on disposal of subsidiaries and associated companies		-	(3)	(22)	-
Non-controlling interest		-	-	(8)	-
Impairments		-	(5)	(230)	(230)
Net equity-accounted non-headline earnings		-	-	140	-
Normalised attributable earnings		4 680	4 411	3 057	1 517
Fund transfers		(53)	1 259	-	-
Attributable earnings per Group statement of comprehensive income		4 627	5 670	3 057	1 517
Diluted earnings per share	13				
Adjusted weighted average number of shares (million)		206,7	200,3	87,5	76,1
Net result from financial services (cents)		206,7	200,3	87,5	76,1

⁽¹⁾ Previously, investment return included returns on the investment in Sanlam Limited shares that were eliminated in the Group Office & Other column. From 2017, the elimination is done within the cluster with comparative information being adjusted accordingly.

Sanlam Investments		Santam		Sanlam Corporate		Group Office & Other		Total	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
5 581 (218)	5 546 (193)	22 327 (2 424)	20 608 (2 379)	4 825 (58)	4 217 (54)	166 -	128 -	58 700 (7 150)	54 382 (6 758)
5 363 - (3 786)	5 353 - (3 848)	19 903 (14 170) (3 560)	18 229 (12 911) (3 268)	4 767 (2 798) (1 190)	4 163 (2 355) (1 096)	166 - (348)	128 - (304)	51 550 (22 499) (15 493)	47 624 (20 332) (14 614)
1 577 (336)	1 505 (388)	2 173 (621)	2 050 (582)	779 (221)	712 (202)	(182) 67	(176) 69	13 558 (3 726)	12 678 (3 493)
1 241 (14)	1 117 (21)	1 552 (701)	1 468 (654)	558 -	510 -	(115) -	(107) -	9 832 (1 283)	9 185 (1 216)
1 227 154	1 096 15	851 83	814 49	558 110	510 154	(115) 37	(107) 18	8 549 808	7 969 940
167 (13) -	18 - (3)	173 (31) (59)	107 (20) (38)	124 (14) -	174 (20) -	58 (21) -	10 8 -	1 198 (284) (106)	1 312 (282) (90)
(8)	(1)	-	-	-	-	(7)	-	(114)	(29)
(160) - 10	(153) - (3)	(10) (2) 25	(9) (5) 17	(2) - (7)	(5) - (9)	- - -	- - -	(261) (2) 38	(251) (5) 36
10 - -	(3) - -	58 (17) (16)	28 - (11)	(7) - -	(9) - -	- - -	- - -	79 (18) (23)	75 (2) (37)
178	(41)	72	10	192	(93)	(19)	(29)	817	(300)
194 (17) 1	(48) 7 -	78 62 (68)	65 (32) (23)	247 (55) -	(42) (51) -	(19) - -	(29) - -	1 153 (202) (134)	(59) (201) (40)
1 401	913	1 019	876	851	557	(104)	(118)	9 835	8 360
32	-	144	-	-	-	-	-	1 335	31
32	-	180	-	-	-	-	-	1 401	34
- - (32) -	- - - -	(2) (34) (41) -	- - (30) -	- - (6)	- - (3)	- - -	- - -	(24) (42) (303) 134	(3) - (265) (3)
1 401 -	913 -	1 122 -	846 -	845 -	554 -	(104) (25)	(118) 241	11 001 (78)	8 123 1 500
1 401	913	1 122	846	845	554	(129)	123	10 923	9 623
59,9	53,6	41,5	39,7	27,2	24,9	(5,6)	(5,2)	2 049,1 417,2	2 046,5 389,4

Notes to the shareholders' fund information

for the year ended 31 December 2017

1. Value of new covered business

R million	Note	Total		Sanlam Personal Finance		Sanlam Emerging Markets		Sanlam Investments		Sanlam Corporate	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Value of new covered business (at point of sale)											
Gross value of new covered business ⁽¹⁾		2 217	2 026	1 512	1 291	550	589	7	12	148	134
Cost of capital ⁽¹⁾		(209)	(247)	(96)	(128)	(45)	(56)	(7)	(5)	(61)	(58)
Value of new covered business		2 008	1 779	1 416	1 163	505	533	-	7	87	76
Value of new covered business attributable to											
Shareholders' fund	3	1 841	1 605	1 407	1 163	347	359	-	7	87	76
Non-controlling interest		167	174	9	-	158	174	-	-	-	-
Value of new covered business		2 008	1 779	1 416	1 163	505	533	-	7	87	76
Analysis of new business profitability											
<i>Before non-controlling interest:</i>											
Present value of new business premiums		65 377	62 383	44 101	41 507	9 758	9 654	3 259	3 411	8 259	7 811
New business margin		3,07%	2,85%	3,21%	2,80%	5,18%	5,52%	-	0,21%	1,05%	0,97%
<i>After non-controlling interest:</i>											
Present value of new business premiums		62 604	59 556	43 940	41 507	7 146	6 827	3 259	3 411	8 259	7 811
New business margin		2,94%	2,69%	3,20%	2,80%	4,86%	5,26%	-	0,21%	1,05%	0,97%
Capitalisation factor – recurring premiums		4,5	4,4	4,9	4,8	3,1	3,2	4,5	4,9	7,0	6,5

⁽¹⁾ As a result of improved modelling, R24 million was shifted between Sanlam Personal Finance's gross value of new business and cost of capital for 2016.

Geographical analysis

R million	Value of new covered business		Present value of new business premiums		New business margin	
	2017	2016	2017	2016	2017	2016
Before non-controlling interest						
South Africa	1 503	1 239	52 360	49 318	2,87%	2,51%
Sanlam Sky	521	358	5 867	5 030	8,88%	7,12%
Glacier	490	526	26 918	26 215	1,82%	2,01%
SPF Other	405	279	11 316	10 262	3,58%	2,72%
Sanlam Corporate	87	76	8 259	7 811	1,05%	0,97%
Namibia	122	123	2 000	1 918	6,10%	6,41%
Botswana	187	216	2 895	2 849	6,46%	7,58%
Rest of Africa	115	122	2 518	2 502	4,61%	4,88%
Saham Finances	20	16	324	155	6,17%	10,32%
Other	95	106	2 194	2 347	4,33%	4,52%
India	38	13	1 178	752	3,23%	1,73%
Malaysia	43	59	1 167	1 633	3,68%	3,61%
Other international	-	7	3 259	3 411	-	0,21%
Total	2 008	1 779	65 377	62 383	3,07%	2,85%
After non-controlling interest						
South Africa	1 494	1 239	52 199	49 318	2,86%	2,51%
Sanlam Sky	521	358	5 867	5 030	8,88%	7,12%
Glacier	490	526	26 918	26 215	1,82%	2,01%
SPF Other	396	279	11 155	10 262	3,55%	2,72%
Sanlam Corporate	87	76	8 259	7 811	1,05%	0,97%
Namibia	75	75	1 507	1 418	4,98%	5,29%
Botswana	111	129	1 750	1 722	6,34%	7,49%
Rest of Africa	105	113	2 116	2 102	4,96%	5,38%
Saham Finances	20	16	324	155	6,17%	10,32%
Other	85	97	1 792	1 947	4,74%	4,98%
India	38	13	1 178	752	3,23%	1,73%
Malaysia	18	29	595	833	3,03%	3,48%
Other international	-	7	3 259	3 411	-	0,21%
Total	1 841	1 605	62 604	59 556	2,94%	2,69%

Notes to the shareholders' fund information

(continued)

for the year ended 31 December 2017

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 %	
	2017	2016	2017	2016	2017	2016	2017	2016
Base value	42 620	39 379	(3 375)	(3 534)	39 245	35 845		
→ Risk discount rate increase by 1%	40 330	37 204	(3 854)	(4 094)	36 476	33 110	(7)	(8)
→ Investment return and inflation decrease by 1%, coupled with a 1% decrease in risk discount rates, and with bonus rates changing commensurately	43 737	40 394	(3 368)	(3 358)	40 369	37 036	3	3
→ Equity and property values decrease by 10%, without a corresponding change in dividend and rental yields	41 273	38 007	(3 307)	(3 455)	37 966	34 552	(3)	(4)
→ Expected return on equity and property investments increase by 1%, without a corresponding change in discount rates	43 207	39 949	(3 188)	(3 223)	40 019	36 726	2	2
→ Rand exchange rate depreciates by 10%	42 967	39 717	(3 474)	(3 575)	39 493	36 142	1	1
<i>Expenses and persistency</i>								
→ Non-commission maintenance expenses (excluding investment expenses) decrease by 10%	44 122	40 777	(3 405)	(3 526)	40 717	37 251	4	4
→ Discontinuance rates decrease by 10%	43 914	40 540	(3 463)	(3 644)	40 451	36 896	3	3
<i>Insurance risk</i>								
→ Mortality and morbidity decrease by 5% for life assurance business	44 374	40 927	(3 372)	(3 516)	41 002	37 411	4	4
→ Mortality and morbidity decrease by 5% for annuity business	42 324	39 054	(3 378)	(3 530)	38 946	35 524	(1)	(1)
Gross value of in-force business profile								
Year 1 - 5	55%	54%						
Year 1	17%	15%						
Year 2	12%	12%						
Year 3	10%	10%						
Year 4	9%	9%						
Year 5	7%	8%						
Year 6 - 10	24%	25%						
Year 11 - 20	17%	18%						
Year 20+	4%	3%						

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 %	
	2017	2016	2017	2016	2017	2016	2017	2016
Base value	2 036	1 829	(195)	(224)	1 841	1 605		
→ Risk discount rate increase by 1%	1 803	1 598	(217)	(265)	1 586	1 333	(14)	(17)
→ Investment return and inflation decrease by 1%, coupled with a 1% decrease in risk discount rates, and with bonus rates changing commensurately	2 150	1 900	(193)	(224)	1 957	1 676	6	4
<i>Expenses and persistency</i>								
→ Non-commission maintenance expenses (excluding investment expenses) decrease by 10%	2 224	1 990	(197)	(228)	2 027	1 762	10	10
→ Acquisition expenses (excluding commission and commission-related expenses) decrease by 10%	2 227	1 991	(193)	(227)	2 034	1 764	10	10
→ Discontinuance rates decrease by 10%	2 303	2 065	(206)	(242)	2 097	1 823	14	14
<i>Insurance risk</i>								
→ Mortality and morbidity decrease by 5% for life assurance business	2 220	1 974	(194)	(226)	2 026	1 748	10	9
→ Mortality and morbidity decrease by 5% for annuity business	2 022	1 824	(192)	(227)	1 830	1 597	(1)	-

Notes to the shareholders' fund information (continued)

for the year ended 31 December 2017

4. Economic assumptions – covered business Gross investment return, risk discount rate and inflation

	Sanlam Life	
	2017	2016
Point used on the relevant yield curve	9 year	9 year
Fixed-interest securities	9,0%	9,2%
Equities and offshore investments	12,5%	12,7%
Hedged equities	8,4%	8,6%
Property	10,0%	10,2%
Cash	8,0%	8,2%
Inflation rate ⁽¹⁾	7,0%	7,2%
Risk discount rate	11,5%	11,7%

⁽¹⁾ Expense inflation of 11,0% (2016: 11,2%) assumed for retail business administered on old platforms.

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 generally amount to between 25bps and 60bps (2016: 25bps and 60bps) for non-participating annuities, between 25bps and 75bps (2016: 25bps to 75bps) for inflation-linked annuities and capped at 120bps (2016: 120bps) reflecting both illiquidity premiums and credit risk premium for guarantee plans.

Asset mix for assets supporting adjusted net asset value – covered business

%	R million		Fixed-interest securities		Equities	
	2017	2016	2017	2016	2017	2016
Required capital						
South Africa	11 375	12 069	-	-	2	3
Namibia	498	490	6	6	36	36
Botswana Life	353	337	-	-	-	-
Enterprise Life (Ghana)	-	47	-	35	-	40
Sanlam Life Insurance (Kenya)	108	76	35	35	40	40
Other Africa	760	563	59	82	6	-
Shriram Life Insurance (India)	192	171	30	36	66	63
MCIS (Malaysia)	285	188	73	76	19	17
Sanlam Investments and Pensions (UK)	428	438	-	-	-	-
Total required capital	13 999	14 379				
Free surplus	1 039	1 022				
Adjusted net asset value	15 038	15 401				

Sanlam Developing Markets		Botswana Life Insurance		Sanlam Investments and Pensions	
2017	2016	2017	2016	2017	2016
5 year	5 year	n/a	n/a	15 year	15 year
8,0%	8,6%	6,5%	7,0%	1,6%	1,7%
11,5%	12,1%	10,0%	10,5%	4,8%	4,9%
7,0%	7,6%	n/a	n/a	n/a	n/a
9,0%	9,6%	7,5%	8,0%	4,8%	4,9%
7,0%	7,6%	5,5%	6,0%	1,6%	1,7%
6,0%	6,6%	3,5%	4,0%	3,3%	3,4%
10,5%	11,1%	10,0%	10,5%	5,3%	5,4%

Offshore		Hedged Equities		Property		Cash		Total	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
7	7	78	78	-	-	13	12	100	100
-	-	-	-	-	-	58	58	100	100
-	-	-	-	50	50	50	50	100	100
-	-	-	-	-	20	-	5	-	100
-	-	-	-	15	15	10	10	100	100
-	-	-	-	6	-	29	18	100	100
-	-	-	-	-	-	4	1	100	100
-	-	-	-	-	-	8	7	100	100
-	-	-	-	-	-	100	100	100	100

Notes to the shareholders' fund information (continued)

for the year ended 31 December 2017

4. Economic assumptions – covered business (continued)

Assumed long-term expected return on required capital

%	Gross return on required capital		Net return on required capital	
	2017	2016	2017	2016
Sanlam Life	8,7	8,9	7,0	7,2
Sanlam Developing Markets	7,9	8,5	6,1	6,6
Sanlam Life Namibia	9,9	10,1	8,8	8,9
Sanlam Namibia	8,5	8,9	7,4	7,8
Botswana Life Insurance	6,5	6,9	4,9	5,2
Sanlam Life Insurance (Kenya)	12,5	12,8	8,8	9,0
Shriram Life Insurance (India)	10,0	10,1	8,6	8,6
MCIS (Malaysia)	5,0	5,3	4,6	4,9
Sanlam Investments and Pensions (UK)	1,6	1,7	1,3	1,4

5. Value of other Group operations sensitivity analysis

5.1 Valuation methodology

R million	Total	
	2017	2016
Listed share price	18 108	15 868
Discounted cash flows	39 130	32 559
Sanlam Personal Finance	3 855	3 662
Glacier	2 321	2 192
Sanlam Personal Loans	1 052	999
Other operations	482	471
Sanlam Emerging Markets	19 885	14 795
Shriram Capital	9 524	7 963
Saham Finances	6 833	3 197
Letshego	991	1 190
Pacific & Orient	376	476
Capricorn Investment Holdings	1 022	1 077
Other operations	1 139	892
Sanlam Investments	14 305	13 240
Investment Management SA	6 613	6 514
Wealth Management	2 192	2 066
International	5 500	4 660
Sanlam Corporate	1 085	862
Afrocentric	1 001	775
Other	84	87
Net asset value	2 308	2 362
Sanlam Investments	1 258	1 430
Investment Management SA	815	557
Wealth Management	50	89
International	143	184
Sanlam Capital Markets	250	600
Sanlam Emerging Markets	1 050	932
Total	59 546	50 789

5.2 Sensitivity analysis: businesses valued at discounted cash flows

R million	Base value		Risk discount rate +1%		Perpetuity growth rate +1%	
	2017	2016	2017	2016	2017	2016
	Sanlam Personal Finance	3 855	3 662	3 529	3 355	4 003
Glacier	2 321	2 192	2 106	1 990	2 426	2 290
Sanlam Personal Loans	1 052	999	982	933	1 078	1 023
Other operations	482	471	441	432	499	488
Sanlam Emerging Markets	19 885	14 795	17 186	13 041	21 874	16 160
Shriram Capital	9 524	7 963	8 267	7 052	10 469	8 647
Saham Finances	6 833	3 197	5 696	2 707	7 655	3 652
Letshego	991	1 190	872	1 073	1 065	1 255
Pacific & Orient	376	476	342	428	406	513
Capricorn Investment Holdings	1 022	1 077	942	972	1 083	1 155
Other operations	1 139	892	1 067	809	1 196	938
Sanlam Investments	14 305	13 240	12 746	11 739	15 267	14 102
Investment Management SA	6 613	6 514	5 936	5 842	6 983	6 885
Wealth Management	2 192	2 066	2 020	1 868	2 362	2 203
International	5 500	4 660	4 790	4 029	5 922	5 014
Sanlam Corporate	1 085	862	995	795	1 122	891
Afrocentric	1 001	775	923	714	1 036	802
Other	84	87	72	81	86	89
	39 130	32 559	34 456	28 930	42 266	34 954
Weighted average assumption			14,9%	14,5%	2-5%	2-5%

R million	Equities and properties -10%		Interest rates -1%		Rand exchange rate depreciation +10%	
	2017	2016	2017	2016	2017	2016
	Sanlam Personal Finance	3 683	3 486	4 235	4 022	3 855
Glacier	2 149	2 016	2 576	2 432	2 321	2 192
Sanlam Personal Loans	1 052	999	1 130	1 074	1 052	999
Other operations	482	471	529	516	482	471
Sanlam Emerging Markets	19 716	14 636	23 656	17 191	21 781	16 167
Shriram Capital	9 524	7 963	11 166	9 169	10 476	8 759
Saham Finances	6 833	3 197	8 558	3 938	7 516	3 517
Letshego	991	1 190	1 139	1 334	1 090	1 309
Pacific & Orient	376	476	419	536	414	524
Capricorn Investment Holdings	920	969	1 127	1 213	1 022	1 077
Other operations	1 072	841	1 247	1 001	1 263	981
Sanlam Investments	13 307	12 326	16 286	15 060	14 885	13 786
Investment Management SA	6 279	6 099	7 440	7 345	6 637	6 540
Wealth Management	1 911	1 835	2 513	2 349	2 198	2 120
International	5 117	4 392	6 333	5 366	6 050	5 126
Sanlam Corporate	1 085	862	1 180	940	1 085	862
Afrocentric	1 001	775	1 092	847	1 001	775
Other	84	87	88	93	84	87
	37 791	31 310	45 357	37 213	41 606	34 477

Notes to the shareholders' fund information

(continued)

for the year ended 31 December 2017

6. Business volumes

6.1 Analysis of new business and total funds received

Analysed per business, reflecting the split between life insurance, general insurance and investment business

R million	Life insurance ⁽¹⁾		General insurance		Investment business ⁽²⁾		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Sanlam Personal Finance⁽³⁾	31 182	30 175	-	-	27 433	31 573	58 615	61 748
Recurring premium sub cluster	2 592	2 318	-	-	246	254	2 838	2 572
Sanlam Sky	1 455	1 295	-	-	-	-	1 455	1 295
Glacier	27 135	26 562	-	-	27 187	31 319	54 322	57 881
Sanlam Emerging Markets	5 468	5 208	6 122	4 013	10 313	14 475	21 903	23 696
Namibia	1 336	1 188	-	-	4 257	4 461	5 593	5 649
Recurring	179	191	-	-	-	-	179	191
Single	1 157	997	-	-	4 257	4 461	5 414	5 458
Botswana	1 770	1 700	158	162	5 209	8 854	7 137	10 716
Recurring	364	356	158	162	-	-	522	518
Single	1 406	1 344	-	-	5 209	8 854	6 615	10 198
Rest of Africa (excluding Saham Finances)	1 301	1 446	827	758	847	1 160	2 975	3 364
Recurring	765	832	827	758	-	-	1 592	1 590
Single	536	614	-	-	847	1 160	1 383	1 774
Saham Finances	87	23	3 298	1 833	-	-	3 385	1 856
Recurring	87	23	3 298	1 833	-	-	3 385	1 856
Single	-	-	-	-	-	-	-	-
India	659	435	1 565	902	-	-	2 224	1 337
Recurring	427	260	1 565	902	-	-	1 992	1 162
Single	232	175	-	-	-	-	232	175
Malaysia	315	416	274	358	-	-	589	774
Recurring	249	357	274	358	-	-	523	715
Single	66	59	-	-	-	-	66	59
Sanlam Investments	3 137	3 187	-	-	120 270	119 692	123 407	122 879
Investment Management	3 137	3 187	-	-	120 270	119 692	123 407	122 879
Investment Management SA	-	-	-	-	91 492	89 917	91 492	89 917
Wealth Management	-	-	-	-	15 384	15 993	15 384	15 993
International	3 137	3 187	-	-	13 394	13 782	16 531	16 969
Recurring	36	58	-	-	8	22	44	80
Single	3 101	3 129	-	-	13 386	13 760	16 487	16 889
Santam	-	-	21 435	19 826	-	-	21 435	19 826
Sanlam Corporate	4 828	5 029	-	-	-	-	4 828	5 029
Recurring	570	504	-	-	-	-	570	504
Single	4 258	4 525	-	-	-	-	4 258	4 525
Total new business	44 615	43 599	27 557	23 839	158 016	165 740	230 188	233 178

R million	Life insurance ⁽¹⁾		General insurance		Investment business ⁽²⁾		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Recurring premiums on existing funds:								
Sanlam Personal Finance	17 627	16 094	-	-	194	197	17 821	16 291
Recurring premium sub cluster	12 579	11 709	-	-	194	197	12 773	11 906
Sanlam Sky	4 998	4 338	-	-	-	-	4 998	4 338
Glacier	50	47	-	-	-	-	50	47
Sanlam Emerging Markets	5 295	5 040	-	-	-	-	5 295	5 040
Namibia	1 117	1 011	-	-	-	-	1 117	1 011
Botswana	1 247	1 126	-	-	-	-	1 247	1 126
Rest of Africa (excluding Saham Finances)	830	907	-	-	-	-	830	907
Saham Finances	261	166	-	-	-	-	261	166
India	494	199	-	-	-	-	494	199
Malaysia	1 346	1 631	-	-	-	-	1 346	1 631
Sanlam Investments	351	407	-	-	2 737	2 332	3 088	2 739
Investment Management SA	-	-	-	-	2 681	2 272	2 681	2 272
International	351	407	-	-	56	60	407	467
Sanlam Corporate	5 367	5 169	-	-	-	-	5 367	5 169
Total funds received	73 255	70 309	27 557	23 839	160 947	168 269	261 759	262 417

⁽¹⁾ Life insurance 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 life insurance policy where there is very little or no insurance risk. Life licence business is excluded from the calculation of embedded value of covered business.

⁽³⁾ The disclosure relating to Sanlam Personal Finance has been adjusted to reflect the revised management structure. Comparatives have been restated.

Notes to the shareholders' fund information

(continued)

for the year ended 31 December 2017

6. Business volumes (continued)

6.2 Analysis of payments to clients

R million	Life insurance ⁽¹⁾		General insurance		Investment business ⁽²⁾		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Sanlam Personal Finance⁽³⁾	41 969	38 971	-	-	26 013	22 575	67 982	61 546
Recurring premium sub cluster	19 048	19 193	-	-	637	481	19 685	19 674
Surrenders	2 573	841	-	-	-	-	2 573	841
Other	16 475	18 352	-	-	637	481	17 112	18 833
Sanlam Sky	2 830	2 460	-	-	-	-	2 830	2 460
Surrenders	448	433	-	-	-	-	448	433
Other	2 382	2 027	-	-	-	-	2 382	2 027
Glacier	20 091	17 318	-	-	25 376	22 094	45 467	39 412
Surrenders	3 479	3 170	-	-	-	-	3 479	3 170
Other	16 612	14 148	-	-	25 376	22 094	41 988	36 242
Sanlam Emerging Markets	7 617	7 307	3 970	2 532	13 471	7 968	25 058	17 807
Namibia	2 317	1 678	-	-	7 498	5 115	9 815	6 793
Surrenders	504	169	-	-	-	-	504	169
Other	1 813	1 509	-	-	7 498	5 115	9 311	6 624
Botswana	1 789	2 098	70	78	5 126	2 621	6 985	4 797
Surrenders	409	441	-	-	-	-	409	441
Other	1 380	1 657	70	78	5 126	2 621	6 576	4 356
Rest of Africa (excluding Saham Finances)	1 135	1 205	427	371	847	232	2 409	1 808
Surrenders	156	268	-	-	-	-	156	268
Other	979	937	427	371	847	232	2 253	1 540
Saham Finances	368	192	1 746	1 009	-	-	2 114	1 201
Surrenders	-	-	-	-	-	-	-	-
Other	368	192	1 746	1 009	-	-	2 114	1 201
India	476	306	1 578	912	-	-	2 054	1 218
Surrenders	243	180	-	-	-	-	243	180
Other	233	126	1 578	912	-	-	1 811	1 038
Malaysia	1 532	1 828	149	162	-	-	1 681	1 990
Surrenders	521	670	-	-	-	-	521	670
Other	1 011	1 158	149	162	-	-	1 160	1 320
Sanlam Investments	3 845	3 846	-	-	106 540	116 557	110 385	120 403
Investment Management	3 845	3 846	-	-	106 540	116 522	110 385	120 368
Investment Management SA	-	-	-	-	80 926	83 404	80 926	83 404
Wealth Management	-	-	-	-	16 139	14 786	16 139	14 786
International	3 845	3 846	-	-	9 475	18 332	13 320	22 178
Capital Management	-	-	-	-	-	35	-	35
Santam	-	-	14 170	12 911	-	-	14 170	12 911
Sanlam Corporate	9 589	8 829	-	-	-	-	9 589	8 829
Surrenders	1 817	1 833	-	-	-	-	1 817	1 833
Other	7 772	6 996	-	-	-	-	7 772	6 996
Total payments to clients	63 020	58 953	18 140	15 443	146 024	147 100	227 184	221 496

⁽¹⁾ Life insurance 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 life insurance policy where there is very little or no insurance risk. Life licence business is excluded from the calculation of embedded value of covered business.

⁽³⁾ The disclosure relating to Sanlam Personal Finance has been adjusted to reflect the revised management structure. Comparatives have been restated.

6.3 Analysis of net inflow/(outflow) of funds

R million	Life insurance ⁽¹⁾		General insurance		Investment business ⁽²⁾		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Sanlam Personal Finance⁽³⁾	6 840	7 298	-	-	1 614	9 195	8 454	16 493
Recurring premium sub cluster	(3 877)	(5 166)	-	-	(197)	(30)	(4 074)	(5 196)
Sanlam Sky	3 623	3 173	-	-	-	-	3 623	3 173
Glacier	7 094	9 291	-	-	1 811	9 225	8 905	18 516
Sanlam Emerging Markets	3 146	2 941	2 152	1 481	(3 158)	6 507	2 140	10 929
Namibia	136	521	-	-	(3 241)	(654)	(3 105)	(133)
Botswana	1 228	728	88	84	83	6 233	1 399	7 045
Rest of Africa (excluding Saham Finances)	996	1 148	400	387	-	928	1 396	2 463
Saham Finances	(20)	(3)	1 552	824	-	-	1 532	821
India	677	328	(13)	(10)	-	-	664	318
Malaysia	129	219	125	196	-	-	254	415
Sanlam Investments	(357)	(252)	-	-	16 467	5 467	16 110	5 215
Investment Management	(357)	(252)	-	-	16 467	5 502	16 110	5 250
Investment Management SA	-	-	-	-	13 247	8 785	13 247	8 785
Wealth Management	-	-	-	-	(755)	1 207	(755)	1 207
International	(357)	(252)	-	-	3 975	(4 490)	3 618	(4 742)
Capital Management	-	-	-	-	-	(35)	-	(35)
Santam	-	-	7 265	6 915	-	-	7 265	6 915
Sanlam Corporate	606	1 369	-	-	-	-	606	1 369
Total net inflow	10 235	11 356	9 417	8 396	14 923	21 169	34 575	40 921

⁽¹⁾ Life insurance 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 life insurance policy where there is very little or no insurance risk. Life licence business is excluded from the calculation of embedded value of covered business.

⁽³⁾ The disclosure relating to Sanlam Personal Finance has been adjusted to reflect the revised management structure. Comparatives have been restated.

Notes to the shareholders' fund information

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for the year ended 31 December 2017

7. Cluster information

7.1 Sanlam Personal Finance

Analysis of earnings

R million	Life insurance		Non-life operations		Total	
	2017	2016	2017	2016	2017	2016
Gross result from financial services	5 350	5 124	550	567	5 900	5 691
Recurring premium sub cluster	2 558	2 638	10	27	2 568	2 665
Sky	1 228	1 194	-	-	1 228	1 194
Glacier	1 470	1 208	283	284	1 753	1 492
SBD and other	94	84	257	256	351	340
Tax on result from financial services	(1 516)	(1 444)	(163)	(146)	(1 679)	(1 590)
Non-controlling interest	14	-	-	(2)	14	(2)
Net result from financial services	3 848	3 680	387	419	4 235	4 099
Net investment return	481	149	9	192	490	341
Operations	481	149	8	18	489	167
Discretionary capital and other	-	-	1	174	1	174
Net other earnings	(5)	(34)	(40)	5	(45)	(29)
Profit on disposal of subsidiaries and associated companies	-	-	-	15	-	15
Amortisation of value of business acquired and other intangibles	(5)	(34)	(40)	(5)	(45)	(39)
Impairments	-	-	-	(5)	-	(5)
Normalised attributable earnings	4 324	3 795	356	616	4 680	4 411

Analysis of change in GEV – covered business

R million	Total		Value of in-force		Cost of capital		Net asset value	
	2017	2016	2017	2016	2017	2016	2017	2016
Operational earnings	5 984	6 248	2 172	2 597	92	12	3 720	3 639
Value of new life insurance business	1 407	1 163	3 360	2 931	(95)	(128)	(1 858)	(1 640)
Unwinding of discount rate	3 661	3 651	3 563	3 544	98	107	-	-
Expected profit	-	-	(4 804)	(4 481)	-	-	4 804	4 481
Operating experience variances	1 107	833	122	14	134	20	851	799
Risk experience	401	418	98	121	2	4	301	293
Persistency	(100)	(6)	37	34	3	8	(140)	(48)
Maintenance expenses	10	(14)	(2)	(1)	-	-	12	(13)
Working capital management	346	267	5	5	-	-	341	262
Credit spread	186	33	-	-	-	-	186	33
Other	264	135	(16)	(145)	129	8	151	272
Operating assumption changes	(191)	601	(69)	589	(45)	13	(77)	(1)
Risk experience	118	115	93	96	(5)	(2)	30	21
Persistency	(80)	52	(54)	65	(5)	(11)	(21)	(2)
Maintenance expenses	(182)	197	(84)	135	(1)	(4)	(97)	66
Modelling changes and other	(47)	237	(24)	293	(34)	30	11	(86)
Net investment return	481	253	-	-	-	-	481	253
Expected return on adjusted net asset value	432	662	-	-	-	-	432	662
Investment variances on adjusted net asset value	49	(409)	-	-	-	-	49	(409)
Valuation and economic basis	636	367	533	356	(26)	(4)	129	15
Investment variances on in-force business	375	(189)	267	(257)	(30)	38	138	30
Economic assumption changes	261	556	266	613	4	(42)	(9)	(15)
Investment yields	261	609	266	613	4	11	(9)	(15)
Long-term asset mix assumptions and other	-	(53)	-	-	-	(53)	-	-
Change in tax basis	-	534	-	685	-	(73)	-	(78)
Risk Policy Fund	-	674	-	674	-	-	-	-
Capital Gains Tax inclusion rate	-	(140)	-	11	-	(73)	-	(78)
Goodwill and VOBA from business combinations	(442)	-	(442)	-	-	-	-	-
GEV earnings: covered business	6 659	7 402	2 263	3 638	66	(65)	4 330	3 829
Acquired value of in-force	721	-	596	-	(7)	-	132	-
Transfers from/(to) other Group operations	(1 158)	46	-	46	514	-	(1 672)	-
Transfers from covered business	(4 892)	(3 758)	-	-	-	-	(4 892)	(3 758)
Embedded value of covered business at the beginning of the year	38 216	34 526	31 823	28 139	(1 965)	(1 900)	8 358	8 287
Embedded value of covered business at the end of the year	39 546	38 216	34 682	31 823	(1 392)	(1 965)	6 256	8 358

Notes to the shareholders' fund information (continued)

for the year ended 31 December 2017

7. Cluster information (continued)

7.1 Sanlam Personal Finance (continued)

Assets under management

R million	2017	2016
Sanlam Sky: Life insurance operations	5 562	5 372
Recurring premium sub cluster	171 820	168 619
Life insurance operations	169 737	166 338
Investment operations	2 083	2 281
Glacier	299 905	265 428
Life insurance operations	168 690	146 696
Investment operations	131 215	118 732
Total	477 287	439 419
Life insurance operations	343 989	318 406
Investment operations	133 298	121 013
	477 287	439 419
Sanlam Personal Loans		
Gross size of loan book (R million)	4 690	4 398
Interest margin	16,6%	16,9%
Bad debt ratio	4,3%	5,0%
Administration cost as % of net interest	31,1%	30,1%

7.2 Sanlam Emerging Markets

Analysis of earnings

R million	2017	2016
Net result from financial services	1 793	1 557
Life insurance	645	599
General insurance	379	254
Investment management	58	49
Credit and banking	760	684
Other	(49)	(29)
Net investment return	328	216
Net investment income	201	198
Net investment surpluses	127	18
Net other earnings	936	(256)
Project expenses	(99)	(28)
Amortisation of value of business acquired and other intangibles	(44)	(45)
Profit on disposal of subsidiaries and associated companies	1 159	16
Net equity-accounted headline earnings	10	31
Impairments	(230)	(230)
Net equity-accounted non-headline earnings	140	-
Normalised attributable earnings	3 057	1 517

Analysis of net result from financial services

R million	Life insurance		Non-life operations		Total	
	2017	2016	2017	2016	2017	2016
Namibia	177	151	167	151	344	302
Botswana	188	231	168	146	356	377
Rest of Africa (excluding Saham Finances)	184	200	(50)	11	134	211
Saham Finances	48	18	195	70	243	88
India	38	(14)	721	548	759	534
Malaysia	10	13	14	48	24	61
Corporate and other	-	-	(67)	(16)	(67)	(16)
Net result from financial services	645	599	1 148	958	1 793	1 557
Analysis of net investment return⁽¹⁾						
Namibia	50	48	64	23	114	71
Botswana	8	-	(3)	13	5	13
Rest of Africa (excluding Saham Finances)	93	34	20	25	113	59
Saham Finances	-	-	130	26	130	26
India	11	9	11	22	22	31
Malaysia	-	51	16	51	16	102
Corporate and other	-	-	(72)	(86)	(72)	(86)
Net investment return	162	142	166	74	328	216

Analysis of Saham Finances (SEM stake)

R million	2017	2016
Gross written premiums	5 323	2 967
Net earned premiums	4 322	2 247
Net claims incurred	(2 978)	(1 494)
Net commission	(453)	(268)
Management expenses	(922)	(569)
Underwriting result	(31)	(84)
Investment return on insurance funds	577	306
Net insurance result	546	222
Tax and non-controlling interest	(303)	(134)
Net result from financial services	243	88

⁽¹⁾ As of 31 December 2017, the net investment return on discretionary capital has been shifted from Life insurance business to Non-life operations. Comparatives have been restated.

Notes to the shareholders' fund information

(continued)

for the year ended 31 December 2017

7. Cluster information (continued)

7.2 Sanlam Emerging Markets (continued)

Analysis of change in GEV - covered business

R million	Total		Value of in-force		Cost of capital		Net asset value	
	2017	2016	2017	2016	2017	2016	2017	2016
Operational earnings	817	881	228	334	(10)	(42)	599	589
Value of new life insurance business	347	359	630	595	(32)	(33)	(251)	(203)
Unwinding of discount rate	494	545	481	536	13	9	-	-
Expected profit	-	-	(810)	(749)	-	-	810	749
Operating experience variances	25	32	(88)	61	18	(8)	95	(21)
Risk experience	83	1	(7)	9	5	(1)	85	(7)
Persistency	(3)	3	(16)	44	15	1	(2)	(42)
Maintenance expenses	(11)	27	(3)	(2)	1	(4)	(9)	33
Working capital management	48	29	-	-	-	-	48	29
Other	(92)	(28)	(62)	10	(3)	(4)	(27)	(34)
Operating assumption changes	(49)	(55)	15	(109)	(9)	(10)	(55)	64
Risk experience	42	29	56	(18)	1	(5)	(15)	52
Persistency	(35)	(12)	(32)	29	2	(7)	(5)	(34)
Maintenance expenses	(46)	(103)	(21)	(94)	-	5	(25)	(14)
Modelling changes and other	(10)	31	12	(26)	(12)	(3)	(10)	60
Net investment return	(29)	(261)	-	-	-	-	(29)	(261)
Expected return on adjusted net asset value	186	220	-	-	-	-	186	220
Investment variances on adjusted net asset value	(215)	(481)	-	-	-	-	(215)	(481)
Valuation and economic basis	(58)	(400)	(84)	(432)	(20)	22	46	10
Investment variances on in-force business	78	(29)	29	(17)	(2)	(10)	51	(2)
Economic assumption changes	19	28	55	16	(31)	-	(5)	12
Investment yields	45	42	55	31	(5)	-	(5)	11
Long-term asset mix assumptions and other	(26)	(14)	-	(15)	(26)	-	-	1
Foreign currency translation differences	(155)	(399)	(168)	(431)	13	32	-	-
Profit on disposal of subsidiaries and associated companies	789	-	-	-	-	-	789	-
Goodwill and VOBA from business combinations	(43)	(183)	(43)	(183)	-	-	-	-
GEV earnings: covered business	1 476	37	101	(281)	(30)	(20)	1 405	338
Acquired value of in-force	722	1 247	430	655	(1)	(4)	293	596
Disposal of businesses	(1 331)	-	(357)	-	9	-	(983)	-
Transfers from covered business	(551)	(400)	-	-	-	-	(551)	(400)
Embedded value of covered business at the beginning of the year	6 370	5 486	3 871	3 497	(358)	(334)	2 857	2 323
Embedded value of covered business at the end of the year	6 686	6 370	4 045	3 871	(380)	(358)	3 021	2 857

Assets under management

R million	2017	2016
Life insurance operations	48 769	42 033
Investment operations	63 908	32 793
Namibia	23 190	19 679
Botswana	11 535	11 721
Rest of Africa	29 183	1 393
Assets under management	112 677	74 826

7.3 Sanlam Investments**Analysis of earnings**

R million	Investment Management		Capital Management		Total	
	2017	2016	2017	2016	2017	2016
Financial services income ⁽¹⁾	4 747	4 617	685	707	5 432	5 324
Sales remuneration	(218)	(193)	-	-	(218)	(193)
Income after sales remuneration	4 529	4 424	685	707	5 214	5 131
Administration cost ⁽¹⁾	(3 413)	(3 393)	(303)	(360)	(3 716)	(3 753)
Result from financial services before performance fees	1 116	1 031	382	347	1 498	1 378
Net performance fees ⁽¹⁾	74	127	5	-	79	127
Result from financial services	1 190	1 158	387	347	1 577	1 505
Tax on result from financial services	(269)	(311)	(67)	(77)	(336)	(388)
Non-controlling interest	(14)	(21)	-	-	(14)	(21)
Net result from financial services	907	826	320	270	1 227	1 096
Net investment return	131	(20)	201	-	332	(20)
Net investment income	85	21	69	-	154	21
Net investment surpluses	46	(41)	132	-	178	(41)
Net other earnings	(158)	(163)	-	-	(158)	(163)
Project expenses	(8)	(1)	-	-	(8)	(1)
Amortisation of intangible assets	(160)	(153)	-	-	(160)	(153)
Other	10	(9)	-	-	10	(9)
Normalised attributable earnings	880	643	521	270	1 401	913

⁽¹⁾ Financial services income and administration costs on page 170 includes performance fees and the related administration costs.

Investment management**Analysis of net result from financial services**

R million	2017	2016
Investment Management	822	815
Investment Management SA	416	519
Wealth Management	145	127
International	261	169
Capital Management	182	270
Asset management operations	1 004	1 085
Covered business		
Sanlam UK	85	11
Central Credit Manager	138	-
Net result from financial services	1 227	1 096

Notes to the shareholders' fund information

(continued)

for the year ended 31 December 2017

7. Cluster information (continued)

7.3 Sanlam Investments (continued)

Analysis of change in GEV – covered business

R million	Total		Value of in-force		Cost of capital		Net asset value	
	2017	2016	2017	2016	2017	2016	2017	2016
Operational earnings	239	22	(21)	13	39	4	221	5
Value of new life insurance business	-	7	55	67	(7)	(5)	(48)	(55)
Unwinding of discount rate	89	70	47	58	42	12	-	-
Expected profit	-	-	(119)	(117)	-	-	119	117
Operating experience variances	136	4	(8)	(7)	3	(4)	141	15
Risk experience	6	4	-	(1)	-	-	6	5
Persistency	10	8	10	9	-	(1)	-	-
Maintenance expenses	(5)	(3)	-	-	-	-	(5)	(3)
Credit spread	138	-	-	-	-	-	138	-
Other	(13)	(5)	(18)	(15)	3	(3)	2	13
Operating assumption changes	14	(59)	4	12	1	1	9	(72)
Risk experience	23	(22)	(2)	(24)	1	1	24	1
Maintenance expenses	(21)	(23)	(15)	(19)	-	-	(6)	(4)
Modelling changes and other	12	(14)	21	55	-	-	(9)	(69)
Net investment return	176	(230)	-	-	-	-	176	(230)
Expected return on adjusted net asset value	157	16	-	-	-	-	157	16
Investment variances on adjusted net asset value	19	(246)	-	-	-	-	19	(246)
Valuation and economic basis	(12)	(200)	21	(255)	(35)	49	2	6
Investment variances on in-force business	(8)	44	23	42	(31)	-	-	2
Economic assumption changes	4	(17)	7	(15)	(5)	(6)	2	4
Investment yields	4	(17)	7	(15)	(5)	(6)	2	4
Long-term asset mix assumptions and other	-	-	-	-	-	-	-	-
Foreign currency translation differences	(8)	(227)	(9)	(282)	1	55	-	-
Change in tax basis	-	5	-	4	-	1	-	-
GEV earnings: covered business	403	(403)	-	(238)	4	54	399	(219)
Transfers from/(to) other Group operations	1 559	(59)	-	-	(551)	-	2 110	(59)
Transfers from covered business	(331)	(34)	-	-	-	-	(331)	(34)
Embedded value of covered business at the beginning of the year	1 137	1 633	828	1 066	(157)	(211)	466	778
Embedded value of covered business at the end of the year	2 768	1 137	828	828	(704)	(157)	2 644	466

Assets under management

	Assets under management		Fee Income		Administration cost	
	2017	2016	2017	2016	2017	2016
	R million	R million	%	%	%	%
Investment Management						
Investment Management SA	730 565	672 154	0,31	0,31	0,23	0,22
Wealth Management	164 465	142 360	0,68	0,77	0,55	0,61
International	153 503	141 411	0,76	0,71	0,55	0,59
Intra-cluster eliminations and Central Credit Manager	(217 257)	(163 622)	-	-	-	-
Asset management operations	831 276	792 303				
Covered business						
Sanlam UK	45 470	42 827				
Central Credit Manager	30 754	-				
Assets under management	907 500	835 130				

Asset mix of assets under management

R million	Fixed Interest	Equities	Offshore	Properties	Cash	Total
2017						
Investment Management SA	160 970	341 651	76 017	21 794	130 133	730 565
Wealth Management	-	129 090	31 290	-	4 085	164 465
International	-	-	153 503	-	-	153 503
Intra-cluster consolidation	-	-	-	-	-	(186 503)
Central Credit Manager	-	-	-	-	-	(30 754)
Assets under management - Asset management	160 970	470 741	260 810	21 794	134 218	831 276
2016						
Investment Management SA	160 501	308 452	67 703	19 865	115 633	672 154
Wealth Management	-	108 791	29 464	-	4 105	142 360
International	-	-	141 411	-	-	141 411
Intra-cluster consolidation	-	-	-	-	-	(163 622)
Assets under management - Asset management	160 501	417 243	238 578	19 865	119 738	792 303

Notes to the shareholders' fund information

(continued)

for the year ended 31 December 2017

7. Cluster information (continued)

7.3 Sanlam Investments (continued)

Covered business

R million	Sanlam Investments and Pensions		Central Credit Manager	
	2017	2016	2017	2016
Analysis of attributable earnings				
Financial services income	364	306	355	-
Sales remuneration	(125)	(131)	-	-
Income after sales remuneration	239	175	355	-
Administration cost	(154)	(164)	(163)	-
Gross result from financial services	85	11	192	-
Tax on result from financial services	-	-	(54)	-
Net result from financial services	85	11	138	-
Net investment return	1	2	192	-
Normalised attributable earnings	86	13	330	-

7.4 Santam

R million	2017	2016
Business volumes		
Gross written premiums	29 720	25 909
Net earned premiums	21 435	19 826
Net fund flows	7 265	6 915
Earnings		
Underwriting result	1 281	1 268
Net earned premiums	21 435	19 826
Sales remuneration	(2 424)	(2 379)
Claims incurred	(14 170)	(12 911)
Administration costs	(3 560)	(3 268)
Investment return on insurance funds	648	619
Net insurance result	1 929	1 887
Strategic participations	244	163
Saham Finances	118	79
SEM target shares	126	84
Gross result from financial services	2 173	2 050
Tax and non-controlling interest	(1 322)	(1 236)
Net result from financial services	851	814

Insurance activities

R million	Gross written premiums		Underwriting result	
	2017	2016	2017	2016
Motor	12 125	11 004	860	622
Property	9 000	7 972	(165)	22
Alternative risk	3 867	2 406	20	16
Engineering	1 290	1 196	296	196
Liability	1 227	1 202	85	301
Transportation	714	676	28	27
Crop	829	984	114	69
Other	668	469	43	15
Total	29 720	25 909	1 281	1 268
Ratios				
Administration cost ratio ⁽¹⁾			16,6%	16,5%
Claims ratio ⁽¹⁾			66,1%	65,1%
Underwriting margin ⁽¹⁾			6,0%	6,4%
Investment return on insurance funds margin			3,0%	3,1%

⁽¹⁾ Ratios are calculated as a percentage of net earned premiums.

Analysis of strategic participations insurance result

R million	2017			2016		
	SEM target shares	Saham finances	Total	SEM target shares	Saham finances	Total
Gross written premiums	1 267	1 115	2 382	962	977	1 939
Net earned premiums	881	909	1 790	665	749	1 414
Net claims incurred	(723)	(621)	(1 344)	(484)	(498)	(982)
Net commission	(30)	(95)	(125)	(32)	(89)	(121)
Management expenses	(236)	(197)	(433)	(184)	(185)	(369)
Underwriting result	(108)	(4)	(112)	(35)	(23)	(58)
Investment return on insurance funds	234	122	356	119	102	221
Net insurance result	126	118	244	84	79	163

Notes to the shareholders' fund information

(continued)

for the year ended 31 December 2017

7. Cluster information (continued)

7.5 Sanlam Corporate

Business volumes

Sanlam Employee Benefits

R million	2017	2016
New business volumes	4 828	5 029
<i>Recurring premiums</i>	570	504
Guaranteed	234	272
Risk	336	232
<i>Single premiums</i>	4 258	4 525
Guaranteed	677	1 428
Risk	8	60
Retirement	1 272	2 310
Annuity	1 425	374
Special structures	876	353
Net fund flows	606	1 369

Analysis of earnings

R million	Sanlam Employee Benefits		Sanlam Healthcare and other		Total	
	2017	2016	2017	2016	2017	2016
Financial services income	4 513	3 974	312	243	4 825	4 217
Sales remuneration	(58)	(54)	-	-	(58)	(54)
Income after sales remuneration	4 455	3 920	312	243	4 767	4 163
Underwriting policy benefits	(2 798)	(2 355)	-	-	(2 798)	(2 355)
Administration cost	(1 042)	(971)	(148)	(125)	(1 190)	(1 096)
Results from financial services	615	594	164	118	779	712
Tax on result from financial services	(172)	(167)	(49)	(35)	(221)	(202)
Net result from financial services	443	427	115	83	558	510
<i>Risk underwriting</i>	123	131	-	-	123	131
<i>Investment and other</i>	263	256	-	-	263	256
<i>Working capital management</i>	57	58	-	-	57	58
<i>Administration</i>	-	(18)	115	83	115	65
Net investment return	302	61	(13)	(9)	289	52
Net investment income	110	154	-	-	110	154
Net investment surpluses	192	(93)	-	-	192	(93)
Net equity-accounted headline earnings	-	-	(13)	(9)	(13)	(9)
Net other earnings	-	-	(2)	(8)	(2)	(8)
Normalised attributable earnings	745	488	100	66	845	554

Analysis of change in GEV – covered business

R million	Total		Value of in-force		Cost of capital		Net asset value	
	2017	2016	2017	2016	2017	2016	2017	2016
Operational earnings	572	496	189	153	11	(59)	372	402
Value of new life insurance business	87	76	279	225	(61)	(58)	(131)	(91)
Unwinding of discount rate	376	368	336	330	40	38	-	-
Expected profit	-	-	(328)	(376)	-	-	328	376
Operating experience variances	290	114	51	(101)	32	2	207	213
Risk experience	(43)	15	(97)	(77)	-	-	54	92
Persistency	160	(16)	147	(21)	(2)	2	15	3
Maintenance expenses	(3)	20	-	-	-	-	(3)	20
Working capital management	58	58	-	-	-	-	58	58
Credit spread	72	56	-	-	-	-	72	56
Other	46	(19)	1	(3)	34	-	11	(16)
Operating assumption changes	(181)	(62)	(149)	75	-	(41)	(32)	(96)
Persistency	-	14	-	31	-	(17)	-	-
Maintenance expenses	10	28	10	28	-	-	-	-
Modelling changes and other	(191)	(104)	(159)	16	-	(24)	(32)	(96)
Net investment return	302	125	-	-	-	-	302	125
Expected return on adjusted net asset value	245	301	-	-	-	-	245	301
Investment variances on adjusted net asset value	57	(176)	-	-	-	-	57	(176)
Valuation and economic basis	196	(67)	19	(90)	107	(2)	70	25
Investment variances on in-force business	246	15	94	15	82	(25)	70	25
Economic assumption changes	(50)	(82)	(75)	(105)	25	23	-	-
Investment yields	(50)	(82)	(75)	(105)	25	23	-	-
Change in tax basis	-	(117)	-	(10)	-	(46)	-	(61)
Capital Gains Tax inclusion rate	-	(117)	-	(10)	-	(46)	-	(61)
GEV earnings: covered business	1 070	437	208	53	118	(107)	744	491
Transfers from/(to) other Group operations	(401)	-	-	-	37	-	(438)	-
Transfers from covered business	(909)	(491)	-	-	-	-	(909)	(491)
Embedded value of covered business at the beginning of the year	5 523	5 577	2 857	2 804	(1 054)	(947)	3 720	3 720
Embedded value of covered business at the end of the year	5 283	5 523	3 065	2 857	(899)	(1 054)	3 117	3 720

Notes to the shareholders' fund information (continued)

for the year ended 31 December 2017

8. Investments

8.1 Investment in associated companies

R million	2017	2016
Shriram Capital	6 056	5 680
Shriram Transport Finance Company – direct investment	1 245	1 214
Shriram General Insurance – direct investment	901	721
Shriram Life Insurance – direct investment	450	453
Saham Finances	9 544	4 810
Pacific & Orient	593	777
Capricorn Investment Holdings	1 159	1 020
Letshego	1 704	1 842
Afrocentric	868	753
Other associated companies	2 140	2 435
Total investment in associated companies	24 660	19 705

Details of the investments in the material associated companies are reflected in note 7 on page 88 of the Sanlam Group Annual Financial Statements online.

8.2 Investment in joint ventures

Sanlam Personal Loans	802	748
Other joint ventures	134	134
Total investment in joint ventures	936	882

Details of the investments in material joint ventures are reflected in note 7 on page 93 of the Sanlam Group Annual Financial Statements online.

8.3 Investments include the following offshore investments

Investment properties	844	909
Equities	385	521
Structured transactions	189	2
Interest-bearing investments	2 725	2 181
Investment funds	1 972	1 672
Cash, deposits and similar securities	2 957	4 726
Total offshore investments	9 072	10 011

9. Financial services income

Equity-accounted earnings included in financial services income

Sanlam Personal Finance	254	214
Sanlam Emerging Markets	2 692	2 180
Santam	244	163
Sanlam Investments	66	46
Sanlam Corporate	151	114
	3 407	2 717

10. Sales remuneration

R million	2017	2016
Life operations	4 544	4 204
Non-life operations	2 606	2 554
	7 150	6 758

11. Administration costs

Life operations	6 572	6 146
Non-life operations	8 921	8 468
	15 493	14 614

Depreciation included in administration costs:

Sanlam Personal Finance	125	112
Sanlam Emerging Markets	59	66
Santam	86	27
Sanlam Investments	25	73
Sanlam Corporate	1	2
	296	280

12. Investment income

Equities and similar securities	782	572
Interest-bearing, preference shares and similar securities	353	691
Properties	63	49
Rental income	73	50
Contingent rental income	-	4
Rental-related expenses	(10)	(5)
Total investment income	1 198	1 312
Interest expense netted off against investment income	780	505

13. Normalised diluted earnings per share

Cents	2017	2016
Normalised diluted earnings per share:		
Net result from financial services	417,2	389,4
Headline earnings	480,0	408,5
Profit attributable to shareholders' fund	536,9	396,9

Notes to the shareholders' fund information (continued)

for the year ended 31 December 2017

13. Normalised diluted earnings per share (continued)

R million	2017	2016
Analysis of normalised earnings (refer shareholders' fund income statement on page 170):		
Net result from financial services	8 549	7 969
Headline earnings	9 835	8 360
Profit attributable to shareholders' fund	11 001	8 123
Reconciliation of normalised headline earnings:		
Headline earnings per note 22 on page 122 of the Sanlam Annual Financial Statements online	9 757	9 860
Add/(Less): Fund transfers	78	(1 500)
Normalised headline earnings	9 835	8 360

	2017 Million	2016 Million
Adjusted number of shares:		
Weighted average number of shares for diluted earnings per share (refer note 22 on page 123 of the Sanlam Annual Financial Statements online)	2 027,3	2 020,1
Add: Weighted average Sanlam shares held by policyholders	21,8	26,4
Adjusted weighted average number of shares for normalised diluted earnings per share	2 049,1	2 046,5

14. Value per share

Fair value per share is calculated on the Group shareholders' fund at fair value of R87 241 million (2016: R78 798 million), divided by 2 049,9 million (2016: 2 047,5 million) shares.

Net asset value per share is calculated based on the Group shareholders' fund at net asset value of R57 820 million (2016: R53 915 million), divided by 2 049,9 million (2016: 2 047,5 million) shares.

Equity value per share is calculated based on the Group Equity Value of R121 763 million (2016: R110 717 million), divided by 2 049,9 million (2016: 2 047,5 million) shares.

Number of shares for value per share

Number of ordinary shares in issue	2 166,5	2 166,5
Shares held by subsidiaries in shareholders' fund	(137,4)	(138,9)
Outstanding shares in respect of Sanlam Limited long-term incentive schemes	20,8	19,9
Adjusted number of shares for value per share	2 049,9	2 047,5

15. Present value of holding company expenses

The present value of holding company expenses has been calculated by applying a multiple of 8,7 (2016: 8,9) to the after tax recurring corporate expenses.

16. Share repurchases

Sanlam shareholders granted general authorities to the Group at the 2017 and 2016 annual general meetings to repurchase Sanlam shares in the market. The Group did not acquire any shares in 2017.

Notes to the shareholders' fund information

(continued)

for the year ended 31 December 2017

17. Reconciliations

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

R million	2017			
	Total	Shareholder activities	Policyholder activities ⁽¹⁾	IFRS adjustments ⁽²⁾
Net income	113 976	62 586	51 117	273
Financial services income	63 930	58 700	-	5 230
Reinsurance premiums paid	(9 546)	-	-	(9 546)
Reinsurance commission received	1 685	-	-	1 685
Investment income	30 288	1 198	21 487	7 603
Investment surpluses	33 423	2 688	29 630	1 105
Finance cost - margin business	(134)	-	-	(134)
Change in fair value of external investors liability	(5 670)	-	-	(5 670)
Net insurance and investment contract benefits and claims	(72 576)	(22 499)	(50 090)	13
Long-term insurance contract benefits	(26 863)	(8 329)	(17 502)	(1 032)
Long-term investment contract benefits	(32 588)	-	(32 588)	-
General insurance claims	(21 036)	(14 170)	-	(6 866)
Reinsurance claims received	7 911	-	-	7 911
Expenses	(26 279)	(22 759)	-	(3 520)
Sales remuneration	(8 832)	(7 150)	-	(1 682)
Administration costs	(17 447)	(15 609)	-	(1 838)
Impairments	(395)	(303)	-	(92)
Amortisation of intangibles	(350)	(261)	-	(89)
Net operating result	14 376	16 764	1 027	(3 415)
Equity-accounted earnings	2 646	79	-	2 567
Finance cost - other	(690)	-	-	(690)
Profit before tax	16 332	16 843	1 027	(1 538)
Tax expense	(4 342)	(4 254)	(1 027)	939
Shareholders' fund	(3 087)	(4 254)	-	1 167
Policyholders' fund	(1 255)	-	(1 027)	(228)
Profit from continuing operations	11 990	12 589	-	(599)
Profit for the year	11 990	12 589	-	(599)
Attributable to:				
Shareholders' fund	10 923	11 001	-	(78)
Non-controlling interest	1 067	1 588	-	(521)
	11 990	12 589	-	(599)

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

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

2016			
Total	Shareholder activities	Policyholder activities ⁽¹⁾	IFRS adjustments ⁽²⁾
86 695	55 666	29 913	1 116
58 189	54 382	-	3 807
(7 626)	-	-	(7 626)
1 396	-	-	1 396
28 413	1 312	20 190	6 911
9 150	(28)	9 723	(545)
(106)	-	-	(106)
(2 721)	-	-	(2 721)
(49 329)	(20 332)	(29 005)	8
(24 143)	(7 421)	(15 801)	(921)
(13 204)	-	(13 204)	-
(17 423)	(12 911)	-	(4 512)
5 441	-	-	5 441
(24 731)	(21 406)	-	(3 325)
(8 140)	(6 758)	-	(1 382)
(16 591)	(14 648)	-	(1 943)
(340)	(265)	-	(75)
(326)	(251)	-	(75)
11 969	13 412	908	(2 351)
2 095	75	-	2 020
(460)	-	-	(460)
13 604	13 487	908	(791)
(3 026)	(3 981)	(908)	1 863
(1 832)	(3 981)	-	2 149
(1 194)	-	(908)	(286)
10 578	9 506	-	1 072
10 578	9 506	-	1 072
9 623	8 123	-	1 500
955	1 383	-	(428)
10 578	9 506	-	1 072

Notes to the shareholders' fund information

(continued)

for the year ended 31 December 2017

17. Reconciliations (continued)

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

R million	31 December 2017			
	Total	Shareholder activities	Policyholder activities ⁽¹⁾	Consolidation reserve
Assets				
Equipment	876	822	54	-
Owner-occupied properties	963	826	137	-
Goodwill	4 158	4 158	-	-
Other intangible assets	517	491	26	-
Value of business acquired	1 930	1 930	-	-
Deferred acquisition costs	3 659	3 025	634	-
Long-term reinsurance assets	1 063	-	1 063	-
Investments	656 020	66 553	591 067	(1 600)
Properties	11 505	853	10 652	-
Associated companies	24 660	24 660	-	-
Joint ventures	1 816	936	880	-
Equities and similar securities	201 095	4 040	198 655	(1 600)
Interest-bearing investments	185 363	16 150	169 213	-
Structured transactions	15 381	926	14 455	-
Investment funds	177 235	14 253	162 982	-
Cash, deposits and similar securities	38 965	4 735	34 230	-
Deferred tax	2 083	883	-	1 200
Assets of disposal groups classified as held for sale	321	-	321	-
General insurance technical assets	6 400	6 400	-	-
Working capital assets	55 593	42 614	12 979	-
Trade and other receivables	33 633	21 801	11 832	-
Cash, deposits and similar securities	21 960	20 813	1 147	-
Total assets	733 583	127 702	606 281	(400)
Equity and liabilities				
Shareholders' fund	57 420	57 820	-	(400)
Non-controlling interest	6 017	5 931	86	-
Long-term policy liabilities	524 441	-	524 441	-
Insurance contracts	178 868	-	178 868	-
Investment contracts	345 573	-	345 573	-
Term finance	6 426	6 268	158	-
External investors in consolidated funds	62 329	-	62 329	-
Cell owners' interest	3 217	3 217	-	-
Deferred tax	2 435	1 430	1 005	-
Structured transactions liabilities	4 187	1 156	3 031	-
General insurance technical provisions	18 668	18 668	-	-
Working capital liabilities	48 443	33 212	15 231	-
Trade and other payables	46 507	31 601	14 906	-
Provisions	333	314	19	-
Taxation	1 603	1 297	306	-
Total equity and liabilities	733 583	127 702	606 281	(400)

⁽¹⁾ Includes the impact of the consolidation of investment funds under IFRS 10.

31 December 2016			
Total	Shareholder activities	Policyholder activities⁽¹⁾	Consolidation reserve
881	840	41	-
1 171	824	347	-
3 596	3 596	-	-
575	544	31	-
1 606	1 606	-	-
3 597	2 965	632	-
958	-	958	-
592 945	57 088	537 641	(1 784)
10 664	964	9 700	-
19 705	19 705	-	-
1 855	882	973	-
183 244	3 142	181 886	(1 784)
170 584	13 434	157 150	-
13 995	1 496	12 499	-
154 511	10 697	143 814	-
38 387	6 768	31 619	-
1 880	621	-	1 259
663	8	655	-
5 022	5 022	-	-
59 665	43 797	15 868	-
40 904	25 691	15 213	-
18 761	18 106	655	-
672 559	116 911	556 173	(525)
53 390	53 915	-	(525)
5 696	5 605	91	-
483 748	-	483 748	-
177 675	-	177 675	-
306 073	-	306 073	-
6 466	6 218	248	-
55 486	-	55 486	-
1 153	1 153	-	-
2 069	1 131	938	-
1 298	16	1 282	-
14 557	14 557	-	-
48 696	34 316	14 380	-
46 636	32 364	14 272	-
332	332	-	-
1 728	1 620	108	-
672 559	116 911	556 173	(525)

Notes to the shareholders' fund information

(continued)

for the year ended 31 December 2017

18. Geographical analysis

R million	Per shareholders' fund income statement on page 170	IFRS adjustments (refer note 17.1)	Total
Financial services income			
Financial services income is attributed to individual countries, based on where the holding company or subsidiaries are located.			
2017	58 700	5 230	63 930
South Africa	47 963	7 008	54 971
Rest of Africa	6 872	(900)	5 972
Other international ⁽¹⁾	3 865	(878)	2 987
2016	54 382	3 807	58 189
South Africa ⁽²⁾	44 081	5 228	49 309
Rest of Africa ⁽²⁾	6 536	(841)	5 695
Other international ⁽¹⁾	3 765	(580)	3 185

R million	Per analysis of shareholders' fund on page 168	Policyholders' fund	Total
Non-current assets⁽³⁾			
2017	11 253	1 171	12 424
South Africa	8 893	447	9 340
Rest of Africa	729	241	970
Other international ⁽¹⁾	1 631	483	2 114
2016	10 383	1 706	12 089
South Africa	8 169	1 088	9 257
Rest of Africa	412	242	654
Other international ⁽¹⁾	1 802	376	2 178

R million	2017	2016
Attributable earnings (per shareholders' fund income statement on page 170)	10 923	9 623
South Africa	6 917	7 710
Rest of Africa	2 717	1 204
Other international ⁽¹⁾	1 289	709

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

⁽²⁾ Comparatives have been restated for the reallocation of Santam Namibia between South Africa and Rest of Africa.

⁽³⁾ Non-current assets include property and equipment, owner-occupied properties, goodwill, value of business acquired, other intangible assets, non-current assets held for sale and deferred acquisition costs.