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Summarised
Results

2021



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

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Introduction

DEAR SHAREHOLDER

I am grateful for the opportunity to chair the Board of Sanlam, a systemically important company in South Africa and Africa's largest insurer. A special word of thanks to my fellow Board members who provided invaluable support and guidance in helping steer Sanlam for the benefit of all stakeholders within an increasingly tough and complex operating environment. The world changed dramatically in 2020, with COVID-19 overtaking our lives in a manner never experienced before.

Sanlam entered the year with an attitude to rebuild from the devastation of 2020. Resilience was the order of business, with the aim of restoring performance to pre-2020 levels. No doubt, this was a bold stance, given the state of flux that the South African and continental economies found themselves in. At the heart of this resolve was an emphasis to deepen partnerships with clients and the rest of our stakeholder world.

Sanlam delivered solid financial results that reflect the diversity of our business and the underlying resilience of the Group's businesses. I am pleased to present you with our 2021 results through this synopsis of our 2021 Sanlam annual reporting. Apart from the key features of our results, this publication also includes an executive review of our performance in 2021 and our commentary on these results released on the Johannesburg, Namibian and A2X stock exchanges on 10 March 2022.

Documents accompanying the notice of Sanlam's annual general meeting are included separately as part of this summarised edition of our annual results. You can access the full details of our 2021 performance in our comprehensive annual report and sustainability portal online on our website www.sanlam.com.

I am sure you will agree with me that our performance in 2021 confirms Sanlam Group's commitment to growing a sustainable business able to deliver on its promises. I thank you for your continued support.

Siyabonga.



Elias Masilela SOB

Chair

Sanlam Group salient results

For the 12 months ended 31 December

	Unit	2021	2020	△
Earnings				
Net result from financial services	R million	9 469	8 382	13%
Net operational earnings	R million	10 288	8 349	23%
Headline earnings ⁽¹⁾	R million	9 041	7 104	27%
Net result from financial services per share	cents	425,8	376,4	13%
Net operational earnings per share	cents	462,6	374,9	23%
Diluted headline earnings per share ⁽¹⁾	cents	433,0	340,3	27%
Basic headline earnings per share ⁽¹⁾	cents	438,4	344,5	27%
Basic profit attributable to the shareholders' fund ⁽¹⁾	cents	459,4	34,8	>100%
Dividend per share	cents	334,0	300,0	11%
Business volumes				
New business volumes	R million	355 886	310 875	14%
Net fund inflows	R million	78 322	61 563	27%
Net new covered business (VNB)				
Value of new covered business	R million	2 764	1 921	44%
Covered business PVNBP	R million	96 182	74 591	29%
New covered business margin ⁽²⁾	%	2,87	2,58	
Group Equity Value				
Group Equity Value	R million	142 390	131 812	
Group Equity Value per share	cents	6 444	5 920	
Return on Group Equity Value per share ⁽³⁾	%	13,9	(2,8)	
Adjusted Return on Group Equity Value per share ⁽⁴⁾	%	14,6	2,6	
Solvency cover				
Sanlam Group ⁽⁵⁾	%	173	186	
Sanlam Life Insurance Limited covered business ⁽⁶⁾	%	178	197	

Notes

⁽¹⁾ 2020 comparative information has been restated to correct a hyperinflation accounting error as reported in the Group's interim results announcement of 9 September 2021. Refer to note 10 on page 62 for additional information. The restatement does not have an impact on the net asset value due to the offsetting impacts on foreign currency translation reserve in the statement of changes in equity at 31 December 2020.

⁽²⁾ New covered business margin = value of new covered business as a percentage of PVNBP.

⁽³⁾ Growth in Group Equity Value per share (with dividends paid, capital movements and cost of treasury shares acquired reversed) as a percentage of Group Equity Value per share at the beginning of the year.

⁽⁴⁾ Adjusted Return on Group Equity Value equals Return on Group Equity Value excluding investment market and currency volatility, changes in interest rates and other factors outside of management's control.

⁽⁵⁾ The reported Sanlam Group solvency position on 31 December 2020 of 191% has been restated to 186% to reflect the Prudential Authority's revised methodology in the treatment of certain Sanlam Emerging Markets entities in the calculation of Group solvency that was applied retrospectively.

⁽⁶⁾ Excludes investments in subsidiaries and associated companies, discretionary capital, cash accumulated for dividend payments and the net asset value of non-covered operations.

Comments on the results

INTRODUCTION

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

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

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

STRATEGY IMPLEMENTATION PROGRESS

We continue to implement our strategy by developing our platform as we work towards building a leading non-banking financial services group in Africa. Our South African operations were strengthened by the development of the

Comments on the results continued

Sanlam Investments platform as the leading black-owned asset manager. The proposed merger with Absa Investments will further strengthen our market offering. Substantial net inflows over the period underline the improvement of the investment management platform. The Absa transaction also includes the intended acquisition of Absa's LISP by Sanlam Glacier as well as access to the distribution network of Absa. The intended acquisition of the Alexander Forbes LISP business will further develop the Sanlam Glacier platform.

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

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

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

OPERATIONAL AND FINANCIAL PERFORMANCE

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

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

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

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

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

Comments on the results continued

Earnings

Impact of COVID-19 on mortality experience across the Group

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

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

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

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

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

SEM experienced an increase in mortality claims in the first and third quarters of 2021, with the third quarter impact being more severe than the first quarter. The largest impacts were recorded in the Southern Africa region and in India. Excess claims of R630 million (net of tax, reinsurance and annuity and disability offsets) were recorded for 2021, with R583 million recorded in Sanlam Pan-Africa (SPA) Life. The overall impact on earnings was partially offset by discretionary reserve

releases of R148 million (net of tax). This release together with repricing of group risk business did not fully offset SEM excess claims, leading to a net negative impact of R466 million on operating earnings.

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

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

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

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

Comments on the results continued

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

R million	2021	2020	△
SA Retail Mass	1 039	1 050	(1%)
SA Retail Affluent	3 226	4 059	(21%)
Sanlam Corporate	(1 947)	836	(>100%)
Basis changes/pandemic reserve release	4 232	492	>100%
Gross result from financial services	6 550	6 437	2%
Tax on gross result from financial services	(1 771)	(1 882)	6%
Non-controlling interest	27	45	(40%)
Net result from financial services	4 806	4 600	4%

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

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

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

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

R million	2021	2020	△
SPA Life	1 765	1 812	(3%)
SPA GI	2 034	1 271	60%
Other international	1 571	1 965	(20%)
India	1 272	1 588	(20%)
Malaysia & other	299	377	(21%)
Corporate costs	(203)	(379)	46%
Gross result from financial services	5 167	4 669	11%
<i>Life insurance</i>	<i>939</i>	<i>1 261</i>	<i>(26%)</i>
<i>General insurance</i>	<i>2 767</i>	<i>2 236</i>	<i>24%</i>
<i>Investment management</i>	<i>182</i>	<i>159</i>	<i>14%</i>
<i>Credit and structuring</i>	<i>1 466</i>	<i>1 323</i>	<i>11%</i>
<i>Corporate costs and other</i>	<i>(187)</i>	<i>(310)</i>	<i>40%</i>
Tax on gross result from financial services	(1 839)	(1 254)	(47%)
Non-controlling interest	(1 101)	(1 038)	(6%)
Net result from financial services	2 227	2 377	(6%)

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

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

Comments on the results continued

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

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

In India, Shriram General Insurance's (SGI) earnings were impacted by the lack of regulated premium increases on third-party business for the past two years and limited ability to finalise claims due to courts in India continuing to operate at limited capacity, which impacts the ability to finalise claims. SGI's net insurance result however remained satisfactory at 25,2% of net earned premiums. The Malaysian general insurance operations recorded higher earnings largely driven by a lower claims ratio.

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

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

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

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

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

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

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

Santam recorded strong operating results for 2021 with the net result from financial services more than doubling relative to 2020. The conventional business recorded a net underwriting margin of 8,0% (2020: 2,5%) of net earned premiums. Santam reviewed its provisions for CBI claims at year-end which resulted in the release of R450 million (R198 million Sanlam's share) from the net provision, contributing approximately 1,7% to the net underwriting margin. Shareholders are referred to Santam's annual results released on 2 March 2022 for more information on its performance.

Comments on the results continued

Net operational earnings

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

Normalised attributable earnings

Normalised attributable earnings improved from a loss of R694 million in 2020 to a profit of R9,9 billion for 2021, mainly due to impairments of R8,6 billion in respect of Shriram and former Saham operations in 2020 not repeating.

Headline earnings and diluted headline earnings

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

Business volumes for the 12 months ended 31 December

R million	New business		
	2021	2020	△
Cluster			
Sanlam Life and Savings	108 752	77 847	40%
SA Retail Mass	3 850	2 558	51%
SA Retail Affluent	90 977	65 441	39%
Sanlam Corporate	13 925	9 848	41%
Sanlam Emerging Markets	48 799	46 898	4%
Sanlam Investment Group	171 752	161 470	6%
Santam	26 583	24 660	8%
Total	355 886	310 875	14%
Line of business			
Life insurance	71 747	56 111	28%
Investment business	241 917	213 625	13%
General insurance	42 222	41 139	3%
Total	355 886	310 875	14%

R million	Net inflows		
	2021	2020	△
Cluster			
Sanlam Life and Savings	15 257	11 351	34%
SA Retail Mass	4 097	4 362	(6%)
SA Retail Affluent	15 430	6 645	132%
Sanlam Corporate	(4 270)	344	(1 341%)
Sanlam Emerging Markets	19 840	21 192	(6%)
Sanlam Investment Group	33 047	21 130	56%
Santam	10 178	7 890	29%
Total	78 322	61 563	27%
Line of business			
Life insurance	12 696	14 613	(13%)
Investment business	49 671	32 485	53%
General insurance	15 955	14 465	10%
Total	78 322	61 563	27%

Comments on the results continued

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

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

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

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

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

SEM recorded overall new business growth of 4% driven by strong volume growth in life insurance business.

SEM new business volumes for the 12 months ended 31 December

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

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

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

Comments on the results continued

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

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

Sanlam achieved satisfactory gross written premium growth of 5% in the conventional insurance business.

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

Value of new covered business

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

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

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

R million	2021 ¹	2020	△	Constant economic basis △
Net value of new covered business	2 764	1 921	44%	51%
SLS	2 235	1 638	36%	51%
SEM	529	283	87%	54%
Net present value of new business premiums	96 182	74 591	29%	31%
Net new covered business margin	2,87%	2,58%		2,98%
SLS	2,82%	2,73%		3,07%
SEM	4,01%	2,53%		3,27%

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

CAPITAL AND SOLVENCY

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

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

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

Comments on the results continued

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

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

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

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

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

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

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

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

DIVIDENDS

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

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

Financial information

BASIS OF PRESENTATION

Introduction

The consolidated financial statements are prepared on the historical-cost basis, unless otherwise indicated, in accordance with IFRS, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act in South Africa. The financial statements are presented in South African rand rounded to the nearest million, unless otherwise stated.

The following new or revised IFRS and interpretations became effective on 1 January 2021 and have therefore been applied:

- Interest rate benchmark reform – Phase 2 (Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39)

The following new or revised IFRS and interpretations became effective on 31 December 2021 and have therefore been applied:

- *COVID-19-Related Rent Concessions (Amendment to IFRS 16)*

These amendments did not have a significant impact on the amounts recognised in prior or current period(s) and are not expected to significantly affect the current or future periods. No further disclosures have accordingly been made.

The following new or revised IFRS and interpretations have effective dates applicable to future financial years and have not been early adopted:

- Effective 1 January 2022:
 - *Onerous Contracts – Cost of Fulfilling a Contract (Amendment to IAS 37)*
 - *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)*
 - *Reference to the Conceptual Framework (Amendments to IFRS 3)*
 - *Annual Improvements to IFRS Standards 2018 – 2020, pertaining to IFRS 1, IFRS 9, IFRS 16 and IAS 41*

- Effective 1 January 2023:
 - *IFRS 17 – Insurance Contracts*
 - *Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2)*
 - *Definition of Accounting Estimate (Amendments to IAS 8)*
 - *Amendments regarding deferred tax on leases and decommissioning obligations (Amendments to IAS 12)*
 - *Classification of liabilities as current or non-current (Amendments to IAS 1)*

The Group does not expect the other amendments to standards issued by the IASB, but not yet effective, to have a material impact.

IFRS 17 – Insurance Contracts (IFRS 17) establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. It will replace *IFRS 4 – Insurance Contracts* (IFRS 4).

The effective date of IFRS 17 is for reporting periods beginning on or after 1 January 2023, with comparative numbers for 2022.

We plan to engage the market in the latter part of 2022.

Refer to the basis of preparation in the Sanlam Annual Financial Statements for more information.

EXTERNAL AUDIT

This summarised report is extracted from audited information, but is not in itself audited. The Annual Financial Statements were audited by: the joint auditors, Ernst & Young Inc. and KPMG Inc., who expressed an unmodified opinion thereon. The audited Annual Financial Statements and the auditor's report thereon are available for inspection at the company's registered office. The Shareholders' Information was audited by Ernst & Young Inc. and KPMG Inc, who expressed an unmodified opinion thereon. The audited Shareholders' Information and the auditor's report thereon are available for inspection at the company's registered office.

The directors take full responsibility for the preparation of the summarised report and that the financial information has been correctly extracted from the underlying Annual Financial Statements and Shareholders' Information.

Statement of Financial Position

at 31 December

R million	2021	Restated ⁽¹⁾ 2020
ASSETS		
Equipment	1 730	1 652
Right-of-use assets	1 481	1 614
Owner-occupied properties	2 582	2 692
Goodwill	16 431	16 703
Value of business acquired	4 718	6 129
Other intangible assets	746	788
Deferred acquisition costs	3 225	3 374
Long-term reinsurance assets	2 188	2 258
Investments ⁽¹⁾	834 287	812 948
Investment property	17 980	20 302
Investment in associates and joint ventures	22 755	18 773
Equities and similar securities ⁽¹⁾	191 958	185 864
Interest-bearing investments	271 840	261 434
Structured transactions	12 434	29 566
Investment funds	278 145	252 026
Cash, deposits and similar securities	39 175	44 983
Deferred tax asset	3 154	2 843
Non-current assets classified as held for sale	81 386	2 218
General insurance technical assets	19 525	13 847
Working capital assets	84 725	75 604
Trade and other receivables	55 806	44 568
Taxation	1 218	942
Cash, deposits and similar securities	27 701	30 094
Total assets⁽¹⁾	1 056 178	942 670
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital and premium	12 784	12 784
Treasury shares	(1 671)	(1 633)
Other reserves ⁽¹⁾	6 078	4 383
Retained earnings ⁽¹⁾	52 188	49 178
Shareholders' fund	69 379	64 712
Non-controlling interest	13 517	12 512
Total equity	82 896	77 224
Long-term policy liabilities	641 196	625 527
Insurance contracts	186 658	190 943
Investment contracts	454 538	434 584
Term finance	15 116	13 837
Margin business	5 330	5 330
Other interest-bearing liabilities	9 786	8 507
Lease liabilities	1 789	1 878
Structured transactions liabilities	8 898	22 970
External investors in consolidated funds ⁽¹⁾	85 506	82 588
Cell owners' interest (third party)	4 900	4 226
Deferred tax liability	7 311	5 810
Non-current liabilities classified as held for sale	78 700	454
General insurance technical provisions	57 559	49 752
Working capital liabilities	72 307	58 404
Trade and other payables	69 123	55 356
Provisions	628	506
Taxation	2 556	2 542
Total equity and liabilities⁽¹⁾	1 056 178	942 670

⁽¹⁾ Refer to note 10.

Statement of Comprehensive Income

for the year ended 31 December

R million	2021	Restated ⁽¹⁾ 2020
Net income	200 125	132 866
Financial services income	116 887	104 701
Reinsurance premiums paid	(20 081)	(18 794)
Reinsurance commission received	2 815	2 929
Investment income	31 804	31 879
Investment surpluses	84 717	11 001
Finance cost – margin business	(249)	(216)
Change in fair value of external investors' liability	(15 768)	1 366
Net insurance and investment contract benefits and claims	(139 592)	(75 896)
Long-term insurance contract benefits	(44 340)	(25 596)
Long-term investment contract benefits	(73 767)	(26 646)
General insurance claims	(41 048)	(37 593)
Reinsurance claims received	19 563	13 939
Expenses	(43 170)	(42 201)
Sales remuneration	(14 724)	(14 319)
Administration costs	(28 446)	(27 882)
Impairments	(88)	(9 275)
Net impairment losses on financial assets	(296)	(1 903)
Other reversal of impairments/(impairments)	208	(7 372)
Amortisation of intangibles	(1 248)	(1 323)
Net operating result	16 027	4 171
Equity-accounted earnings	2 240	2 568
Finance cost – other	(763)	(835)
Net monetary loss	(2)	(697)
Profit before tax⁽¹⁾	17 502	5 207
Taxation	(6 152)	(3 805)
Shareholders' fund	(3 694)	(2 154)
Policyholders' fund	(2 458)	(1 651)
Profit for the year⁽¹⁾	11 350	1 402
Other comprehensive income (net of tax):		
to be recycled through profit or loss in subsequent periods		
Movement in foreign currency translation reserve	2 082	3 143
Other comprehensive income of equity accounted investments	17	-
Other comprehensive income (net of tax):		
not to be recycled through profit or loss in subsequent periods		
Employee benefits re-measurement loss	(81)	-
Comprehensive income for the year⁽¹⁾⁽²⁾	13 368	4 545
Allocation of comprehensive income:		
Profit for the year	11 350	1 402
Shareholders' fund ⁽¹⁾	9 473	718
Non-controlling interest ⁽¹⁾	1 877	684
Comprehensive income for the year	13 368	4 545
Shareholders' fund ⁽¹⁾	10 886	3 531
Non-controlling interest ⁽¹⁾	2 482	1 014
Earnings attributable to shareholders of the company (cents):		
Profit for the year		
Basic earnings per share ⁽¹⁾	459.5	34.8
Diluted earnings per share ⁽¹⁾	453.8	34.4

⁽¹⁾ Prior year restated for hyperinflation error. Refer to note 10.1 for additional information.

⁽²⁾ Refer to note 9 in respect of the comprehensive income that is included in above results in respect of disposal groups.

Statement of Changes in Equity

for the year ended 31 December

R million	Share capital	Share premium	Treasury shares	Non-distributable reserve	Foreign currency translation reserve ⁽³⁾	Retained earnings ⁽³⁾	Sub-total: equity ⁽³⁾	Consolidation reserve ⁽⁴⁾	Shareholders' fund ⁽³⁾	Non-controlling interest ⁽³⁾	Total equity ⁽³⁾
Balance at 1 January 2020	23	13 429	(4 127)	9 979	(2 642)	59 851	76 513	(9 196)	67 317	12 043	79 360
Hyperinflation ⁽³⁾	-	-	-	-	911	-	911	-	911	87	998
Comprehensive income ⁽³⁾	-	-	-	-	2 813	718	3 531	-	3 531	1 014	4 545
Profit for the year ⁽³⁾	-	-	-	-	-	718	718	-	718	684	1 402
Other comprehensive income	-	-	-	-	2 813	-	2 813	-	2 813	330	3 143
Other comprehensive income (net of tax): to be recycled through profit or loss in subsequent periods	-	-	-	-	-	-	-	-	-	-	-
Movement in foreign currency translation reserve	-	-	-	-	2 767	-	2 767	-	2 767	376	3 143
Other comprehensive income of equity accounted investments	-	-	-	-	46	-	46	-	46	(46)	-
Shares issued	(1)	(667)	2 744	-	-	(2 076)	-	-	-	-	-
Net (acquisition)/disposal of treasury shares	-	-	(250)	-	-	(577)	(827)	(351)	(1 178)	(60)	(1 238)
Share-based payments	-	-	-	-	-	474	474	-	474	32	506
Transfer from non-distributable reserve	-	-	-	81	-	(81)	-	-	-	-	-
Transfer (from)/to consolidation reserve	-	-	-	-	-	(2 791)	(2 791)	2 791	-	-	-
Dividends	-	-	-	-	-	(6 938)	(6 938)	-	(6 938)	(816)	(7 754)
Acquisitions, disposals and other movements in interests	-	-	-	(15)	12	598	595	-	595	212	807
Balance at 31 December 2020 – Restated⁽³⁾	22	12 762	(1 633)	10 045	1 094	49 178	71 468	(6 756)	64 712	12 512	77 224
Comprehensive income	-	-	-	-	1 495	9 391	10 886	-	10 886	2 482	13 368
Profit for the year	-	-	-	-	-	9 473	9 473	-	9 473	1 877	11 350
Other comprehensive income	-	-	-	-	1 495	(82)	1 413	-	1 413	605	2 018
Other comprehensive income (net of tax): to be recycled through profit or loss in subsequent periods	-	-	-	-	-	-	-	-	-	-	-
Movement in foreign currency translation reserve	-	-	-	-	1 481	-	1 481	-	1 481	601	2 082
Other comprehensive income of equity accounted investments	-	-	-	-	14	(1)	13	-	13	4	17
Other comprehensive income (net of tax): not to be recycled through profit or loss in subsequent periods	-	-	-	-	-	(81)	(81)	-	(81)	-	(81)
Employee benefits re-measurement loss	-	-	-	-	-	(81)	(81)	-	(81)	-	(81)
Net (acquisition)/disposal of treasury shares ⁽¹⁾	-	-	(44)	-	-	(461)	(505)	176	(329)	(44)	(373)
Share-based payments	-	-	-	-	-	468	468	-	468	38	506
Transfer from non-distributable reserve	-	-	-	(13)	-	13	-	-	-	-	-
Transfer (from)/to consolidation reserve	-	-	-	-	-	(31)	(31)	31	-	-	-
Dividends ⁽²⁾	-	-	-	-	-	(6 233)	(6 233)	-	(6 233)	(752)	(6 985)
Acquisitions, disposals and other movements in interests ⁽⁵⁾	-	-	6	2	4	(137)	(125)	-	(125)	(719)	(844)
Balance at 31 December 2021	22	12 762	(1 671)	10 034	2 593	52 188	75 928	(6 549)	69 379	13 517	82 896

⁽¹⁾ Comprises movement in cost of shares held by subsidiaries, the share incentive trust, other consolidated funds and the broad-based black economic empowerment special purpose vehicle (B-BBEE SPV).

⁽²⁾ A dividend of 334 cents per share (2020: 300 cents per share) was declared in 2022 in respect of the 2021 earnings. Based on the number of shares in issue on declaration date, the total dividend is expected to amount to R6,9 billion (after allowing for treasury shares), but may vary depending on the number of shares in issue on the last day to trade. Dividends proposed or declared after the statement of financial position date are not recognised at the statement of financial position date.

⁽³⁾ The initial application of IAS 29 resulted in an opening adjustment of R991 million, attributable to the shareholder and R87 million, attributable to the non-controlling interest. It comprises of the rebase of 1 January 2020 equity of R1 388 million and reduction of the indexed non-monetary items to recoverable amounts of (R477) million which both includes Goodwill as well as VOBA. Prior year restated for hyperinflation. Refer to note 10.I for additional information.

⁽⁴⁾ Refer to note 13 in the Annual Financial Statements for additional information.

⁽⁵⁾ Movement line mostly relates to the disposal of Nucleus (R519 million), the change of ownership of Centres Asset Management (R105 million) and African Rainbow Life (R79 million) as well as the acquisition of the remaining interest in Mirabilis Engineering (R174 million).

Statement of Cash Flow

for the year ended 31 December

R million	2021	Restated ⁽¹⁾ 2020
Cash flow from operating activities		
Cash utilised in operations ⁽¹⁾	(1 450)	(6 082)
Interest and preference share dividends received ⁽¹⁾	(15 499)	(18 175)
Interest paid	15 514	15 535
Dividends received ⁽¹⁾	(858)	(1 004)
Dividends paid	10 887	10 672
Taxation paid	(6 965)	(8 454)
	(4 529)	(4 656)
Cash flow from investment activities		
Payments made for the acquisition of equipment	695	(1 733)
Proceeds in respect of the sale of equipment	(586)	(737)
Payments made for the acquisition of owner-occupied properties	48	61
Proceeds in respect of the sale of owner-occupied properties	(175)	(405)
Acquisition of subsidiaries and associated companies	18	441
Disposal of subsidiaries and associated companies	(93)	(1 144)
	1 483	51
Cash flow from financing activities		
Acquisition of treasury shares	172	1 792
Disposal of treasury shares	(632)	(1 241)
Disposal of non-controlling interest	261	-
Term finance raised	(326)	818
Term finance repaid	3 136	3 530
Lease liabilities repaid	(1 848)	(664)
	(419)	(651)
Net decrease in cash and cash equivalents		
	(583)	(6 023)
Effect of exchange rate movements on cash balances		
Cash and cash equivalents at beginning of the year	2 251	1 695
	48 410	52 738
Cash and cash equivalents at end of the year		
	50 078	48 410

⁽¹⁾ The prior year amounts have been restated to treat reinvestment from distributions of investment funds as non-cash. It did not affect the Statement of Financial Position, Statement of Comprehensive Income or the Statement of Changes in Equity. Refer to note 10 for more information.

Notes to the Group financial statements

for the year ended 31 December

1. EARNINGS PER SHARE

For **basic earnings per share** the weighted average number of ordinary shares is adjusted for the treasury shares held by subsidiaries (including Sanlam Share Account Nominee Pty Ltd (SSA)), consolidated investment funds, policyholders. Basic earnings per share is calculated by dividing earnings by the adjusted weighted average number of shares in issue.

For **diluted earnings per share** the weighted average number of ordinary shares is adjusted for the shares not yet issued under the Sanlam Share Incentive Scheme and treasury shares held by subsidiaries (including SSA), consolidated investment vehicles (including the B-BBEE SPV) and policyholders. The shares held by the B-BBEE SPV is seen as an option for dilutive earnings per share purposes that will have an impact on the dilution as the Sanlam share price increases. Diluted earnings per share is calculated by dividing earnings by the adjusted diluted weighted average number of shares in issue.

Cents	2021	Restated ⁽¹⁾ 2020
Basic earnings per share:		
Headline earnings ⁽¹⁾	438,4	344,5
Profit attributable to shareholders' fund ⁽¹⁾	459,4	34,6
Diluted earnings per share:		
Headline earnings ⁽¹⁾	433,0	340,3
Profit attributable to shareholders' fund ⁽¹⁾	453,7	34,2

⁽¹⁾ Prior year restated for hyperinflation error. Refer to note 10.1 for additional information.

Notes to the Group financial statements continued

1. EARNINGS PER SHARE (CONTINUED)

R million	2021	Restated ⁽¹⁾ 2020
Analysis of earnings:		
Profit attributable to shareholders' fund ⁽¹⁾	9 473	718
Less: Net profit on disposal of subsidiaries and associated companies	(222)	(26)
Less: Net profit on disposal of associated companies	(7)	(259)
Less: Equity-accounted non-headline earnings	8	4
Plus: Impairments	(211)	6 667
Headline earnings⁽¹⁾	9 041	7 104

⁽¹⁾ Prior year restated for hyperinflation error. Refer to note 10.1 for additional information.

Million	2021	2020
Number of shares:		
Weighted number of ordinary shares in issue	2 226,9	2 265,7
Less: Weighted Sanlam shares held by subsidiaries and consolidated vehicles (including policyholders and B-BBEE SPV)	(164,8)	(203,7)
Adjusted weighted average number of shares for basic earnings per share	2 062,1	2 062,0
Add: Total number of shares in respect of Sanlam Limited long-term incentive schemes	25,7	25,8
Adjusted weighted average number of shares for diluted earnings per share	2 087,8	2 087,8

2. SEGMENTAL INFORMATION

R million	2021	2020
Segment IFRS 15 revenue from contracts with customers		
Sanlam Life and Savings	7 287	8 358
Sanlam Emerging Markets	1 066	986
Sanlam Investment Group	6 600	6 572
Santam	352	347
Total IFRS 15 revenue	15 305	16 263

Disaggregation of revenue

According to primary geography

R million	South Africa	Other African operations	Other International	Total
31 December 2021				
IFRS 15 Revenue	10 697	1 097	3 511	15 305
Administration fees	6 722	610	1 342	8 674
Asset management and performance fees	2 538	397	1 695	4 630
Commissions	557	90	454	1 101
Consulting fees	309	-	16	325
Actuarial and risk management fees	238	-	-	238
Trust and estate fees	179	-	-	179
Other	154	-	4	158
Revenue not within the scope of IFRS 15	68 053	29 088	4 441	101 582
Financial services income	78 750	30 185	7 952	116 887

R million	South Africa	Other African operations	Other International	Total
31 December 2020				
IFRS 15 Revenue	11 622	1 016	3 625	16 263
Administration fees	8 131	569	532	9 232
Asset management and performance fees	2 276	361	2 355	4 992
Commissions	472	86	716	1 274
Consulting fees	308	-	20	328
Actuarial and risk management fees	222	-	-	222
Trust and estate fees	136	-	-	136
Other	77	-	2	79
Revenue not within the scope of IFRS 15	51 348	31 216	5 874	88 438
Financial services income	62 970	32 232	9 499	104 701

Notes to the Group financial statements continued

2. SEGMENTAL INFORMATION (CONTINUED)

Disaggregation of revenue (continued)

According to timing of revenue recognition

R million	At a point in time	Over time	Total
31 December 2021			
IFRS 15 Revenue	1 368	13 937	15 305
Administration fees	319	8 355	8 674
Asset management and performance fees	21	4 609	4 630
Commissions	888	213	1 101
Consulting fees	30	295	325
Actuarial and risk management fees	-	238	238
Trust and estate fees	104	75	179
Other	6	152	158
Revenue not within the scope of IFRS 15			101 582
Financial services income			116 887

R million	At a point in time	Over time	Total
31 December 2020			
IFRS 15 Revenue	1 470	14 793	16 263
Administration fees	316	8 916	9 232
Asset management and performance fees	5	4 987	4 992
Commissions	1 049	225	1 274
Consulting fees	23	305	328
Actuarial and risk management fees	-	222	222
Trust and estate fees	74	62	136
Other	3	76	79
Revenue not within the scope of IFRS 15			88 438
Financial services income			104 701

3. NOTES TO THE CASH FLOW STATEMENT

3.1 Cash generated/(utilised) in operations

R million	2021	Restated ⁽¹⁾⁽²⁾ 2020
Profit before tax per Statement of Comprehensive Income ⁽¹⁾	17 502	5 207
Net movement in policy liabilities	75 774	24 446
Non-cash flow items ⁽¹⁾	(68 174)	(458)
Depreciation	1 032	1 139
Bad debts written off	140	171
Share-based payments	506	506
Profit on disposal of subsidiaries and associates	(234)	(285)
Fair value adjustments and change in external investors' liability	(68 716)	(10 716)
Net monetary loss (hyperinflation) ⁽¹⁾	2	697
Impairment of investments and goodwill	88	9 275
Amortisation of intangibles	1 248	1 323
Equity-accounted earnings	(2 240)	(2 568)
Items excluded from cash utilised in operations	(29 728)	(29 633)
Interest and preference share dividends received	(18 486)	(18 326)
Interest paid	1 012	1 051
Dividends received	(12 254)	(12 358)
Net acquisition of investments ⁽²⁾	(13 125)	(18 284)
Increase in net working capital assets and liabilities	2 252	547
Cash utilised in operations⁽²⁾	(15 499)	(18 175)

⁽¹⁾ Prior year restated. Refer to note 10 for additional information.

⁽²⁾ Prior year restated for the treatment of the reinvestment from distributions received from investment funds as non-cash. Refer to note 10.3 for additional information.

Notes to the Group financial statements continued

3. NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

3.2 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise of cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less and are subject to an insignificant risk of change in value.

R million	2021	2020
Working capital: Cash and cash equivalents	27 701	30 094
Investment cash	39 175	44 983
Bank overdrafts	(1 153)	(848)
Total cash, deposits and similar securities – as per the Statement of Financial Position	65 723	74 229
<i>Less:</i> Investment cash with original maturities of greater than 3 months	(19 227)	(25 819)
<i>Plus:</i> Cash, deposits and similar securities included in non-current assets held for sale	3 582	-
Total cash, deposits and similar securities – as per Statement of Cash Flow	50 078	48 410

Included in cash and cash equivalents are restricted cash balances of R4 847 million (2020: R3 435 million) relating mainly to Credit Support Agreements (CSA) with derivative counterparties as well as initial margins with JSE in respect of exchange traded derivatives.

4. CONTINGENT LIABILITIES

Shareholders are referred to the contingent liabilities disclosure in the 2021 annual financial statements. The circumstances surrounding the contingent liabilities remain materially unchanged.

5. SUBSEQUENT EVENTS

During the February 2022 Budget Speech, the South African Finance Minister announced a decrease in the corporate income tax rate from 28% to 27%, which will apply to companies with years of assessment ending on or after 31 March 2023. The Group does not expect this amendment to have a material impact.

No other material facts or circumstances have arisen between the date of the statement of financial position and this report which materially affects the financial position of the Sanlam Group at 31 December 2021 as reflected in these financial statements.

6. BUSINESS COMBINATIONS

There were no material acquisitions during the 2021 financial year.

7. FAIR VALUE DISCLOSURES

Financial instruments

Financial instruments carried on the Statement of Financial Position include investments (excluding investment properties, associates and joint ventures), receivables, cash, deposits and similar securities, investment policy contracts, term finance liabilities, liabilities in respect of external investors in consolidated funds and payables.

Recognition and derecognition

Financial instruments are recognised when the Group becomes party to a contractual arrangement that constitutes a financial asset or financial liability for the Group that is not subject to suspensive conditions. Regular way investment transactions are recognised by using trade date accounting.

Financial assets are derecognised when the contractual rights to receive the cash flows expire or when the asset is transferred. On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation to deliver cash or other resources in terms of the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Notes to the Group financial statements continued

7. FAIR VALUE DISCLOSURES (CONTINUED)

Recognition and derecognition (continued)

Collateral placed at counterparties as part of the Group's capital market activities are not derecognised. No transfer of ownership takes place in respect of collateral other than cash and any such collateral accepted by counterparties may not be used for any purpose other than being held as security for the trades to which such security relates. In respect of cash security, ownership transfers in law. However, the counterparty has an obligation to refund the same amount of cash, together with interest, if no default has occurred in respect of the trades to which such cash security relates. Cash collateral is accordingly also not derecognised.

Classification

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through profit or loss (either mandatory or designated); or
- fair value through other comprehensive income.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income only if it meets both of the following conditions:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are mandatorily measured at fair value through profit or loss. In addition, the Group designates certain financial assets that would otherwise meet the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

On initial recognition, the Group classifies its financial liabilities into one of the following categories:

- Amortised cost; or
- Fair value through profit or loss (either mandatory or designated).

The classification of financial instruments is determined at initial recognition based on the purpose for which the financial assets are acquired or liabilities assumed. Financial liabilities classified as at fair value through profit or loss comprise held-for-trading liabilities, including derivatives (mandatory fair value through profit or loss) as well as financial liabilities designated as at fair value through profit or loss.

On initial recognition the Group designates a financial liability as at fair value through profit or loss when doing so results in more relevant information either because:

- it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis; or
- a group of financial liabilities or a group of financial assets and liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and information about the Group is provided internally on that basis to the entity's key management personnel.

The Group designates financial instruments as at fair value through profit or loss in line with its risk management policies and procedures that are based on the management of the Group's capital and activities on a fair value basis. The Group's internal management reporting basis is consistent with the classification of its financial statements.

Notes to the Group financial statements continued

7. FAIR VALUE DISCLOSURES (CONTINUED)

Impairment

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost (including contract assets/contract receivables); and
- financial guarantee contracts.

At each reporting date, the loss allowances are measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition.

At each reporting date the loss allowances are measured at an amount equal to the 12 month expected credit losses if:

- the credit risk on a financial instrument has not increased significantly since initial recognition; or
- financial instruments are determined to have a low credit risk at the reporting date.

The Group determines whether the credit risk on a financial instrument has increased significantly by comparing this risk of default occurring on the financial instrument as at the reporting date with the risk of default occurring on the financial instrument as at the date of initial recognition together with reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition. Default is the inability or unwillingness of a counterparty to a financial instrument to discharge its contractual obligations.

At each reporting date, the loss allowances are measured at an amount equal to the 12 month expected credit losses if the credit risk on a financial instrument has not increased significantly since initial recognition. Financial instruments that are determined to have a low credit risk at the reporting date are assumed to have no significant increase in credit risk.

At each reporting date, the loss allowances are measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

An impairment gain or loss is recognised in profit or loss for the amount of expected credit losses (or reversals) that is required to adjust the loss allowance at the reporting date.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses, measured as the present value of all cash short falls (the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Determination of fair value and fair value hierarchy

Below follows required disclosure of fair value measurements, using a three-level fair value hierarchy that reflects the significance of the inputs used in determining the measurements. It should be noted that these disclosure only cover assets and liabilities measured at fair value.

Included in **level 1** category are assets and liabilities that are measured by reference to unadjusted, quoted prices in an active market for identical assets and liabilities.

Included in **level 2** category are assets and liabilities measured using inputs other than quoted prices and quoted prices in an inactive market included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For example, instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are categorised as level 2.

Assets and liabilities measured using inputs that are not based on observable market data are categorised as **level 3**.

Notes to the Group financial statements continued

7. FAIR VALUE DISCLOSURES (CONTINUED)

Determination of fair value and fair value hierarchy (continued)

R million	Level 1	Level 2	Level 3	Total
Recurring fair value measurements 31 December 2021				
Non-financial instruments				
Properties	-	-	17 980	17 980
Financial instruments	561 338	235 583	4 225	801 146
Equities and similar securities	186 401	3 220	2 337	191 958
Investment in joint ventures	-	-	444	444
Interest-bearing investments	102 744	156 051	550	259 345
Structured transactions	585	11 849	-	12 434
Investment funds	261 685	15 752	708	278 145
Trade and other receivables	9 923	8 911	186	19 020
Cash deposits and similar securities:				
Investments	-	37 846	-	37 846
Cash deposits and similar securities:				
Working capital	-	1 954	-	1 954
Total assets at fair value	561 338	235 583	22 205	819 126
Financial instruments	86 689	486 799	360	573 848
Investment contract liabilities	-	454 538	-	454 538
External investors in consolidated funds	83 310	1 836	360	85 506
Term finance	10	4 534	-	4 544
Structured transactions liabilities	3	8 895	-	8 898
Trade and other payables	3 366	16 996	-	20 362
Total liabilities at fair value	86 689	486 799	360	573 848

R million	Level 1	Level 2	Level 3	Total
Recurring fair value measurements 31 December 2020 - Restated⁽¹⁾				
Non-financial instruments				
Properties	-	-	20 302	20 302
Financial instruments⁽¹⁾	520 401	253 495	3 130	777 026
Equities and similar securities ⁽¹⁾	180 000	4 718	1 146	185 864
Investment in joint ventures	-	-	427	427
Interest-bearing investments	94 948	155 101	542	250 591
Structured transactions	117	29 449	-	29 566
Investment funds	239 067	12 342	617	252 026
Trade and other receivables	6 269	6 356	398	13 023
Cash deposits and similar securities:				
Investments	-	42 236	-	42 236
Cash deposits and similar securities:				
Working capital	-	3 293	-	3 293
Total assets at fair value⁽¹⁾	520 401	253 495	23 432	797 328
Financial instruments⁽¹⁾	83 766	471 535	2 156	557 457
Investment contract liabilities	387	432 499	1 698	434 584
External investors in consolidated funds ⁽¹⁾	81 102	1 040	446	82 588
Term finance	50	4 090	-	4 140
Structured transactions liabilities	-	22 958	12	22 970
Trade and other payables	2 227	10 948	-	13 175
Total liabilities at fair value⁽¹⁾	83 766	471 535	2 156	557 457

⁽¹⁾ Prior year restated for IFRS 10 consolidated investment vehicle translation error. Refer to note 10.2 for additional information.

Notes to the Group financial statements continued

7. FAIR VALUE DISCLOSURES (CONTINUED)

Reconciliation of movements in level 3 assets and liabilities measured at fair value

R million	Properties	Equities and similar securities	Invest- ment in joint ventures	Interest- bearing invest- ments	Invest- ment funds	Trade and other receivables	Total assets
2021							
Assets							
Balance at 1 January 2021	20 302	1 146	427	542	617	398	23 432
Net (loss)/gains in Statement of Comprehensive Income	(371)	(178)	17	43	(377)	(226)	(1 092)
Acquisitions	720	1 543	-	1	528	1	2 793
Disposals/settlements	(955)	(72)	-	(36)	(59)	(46)	(1 168)
Foreign exchange movements	116	(69)	-	-	(1)	(5)	41
Reclassified to non-current assets held for sale	(2 193)	(33)	-	-	-	-	(2 226)
Transfers from owner- occupied property	361	-	-	-	-	-	361
Transfer into level 3	-	-	-	-	-	64	64
Balance at 31 December 2021	17 980	2 337	444	550	708	186	22 205
2020							
Balance at 1 January 2020	21 565	1 134	400	498	714	62	24 373
Net (loss)/gains in Statement of Comprehensive Income	(2 222)	62	27	20	(24)	45	(2 092)
Acquired through business combinations	4	-	-	-	-	-	4
Acquisitions	1 530	142	-	24	139	338	2 173
Disposal of subsidiaries	(91)	-	-	-	-	-	(91)
Disposals	(458)	(225)	-	-	(221)	-	(904)
Foreign exchange movements	921	33	-	-	9	(47)	916
Reclassified to non-current assets held for sale	(3)	-	-	-	-	-	(3)
Transfers to owner-occupied properties	(944)	-	-	-	-	-	(944)
Balance at 31 December 2020	20 302	1 146	427	542	617	398	23 432

Notes to the Group financial statements continued

7. FAIR VALUE DISCLOSURES (CONTINUED)

Reconciliation of movements in level 3 assets and liabilities measured at fair value (continued)

R million	Invest- ment contract liabilities	External investors in consoli- dated funds	Struc- tured trans- action liabilities	Total liabilities
2021				
Liabilities				
Balance at 1 January 2021	1 698	446	12	2 156
Net loss/(gains) in Statement of Comprehensive Income	38	(115)	-	(77)
Acquisitions	29	-	-	29
Disposals	(154)	-	(12)	(166)
Foreign exchange movements	20	29	-	49
Reclassified to non-current liabilities held for sale	(1 631)	-	-	(1 631)
Balance at 31 December 2021	-	360	-	360
2020				
Liabilities				
Balance at 1 January 2020	1 641	543	-	2 184
Net loss/(gains) in Statement of Comprehensive Income	1	(138)	-	(137)
Acquisitions	47	-	12	59
Disposals	(133)	-	-	(133)
Foreign exchange movements	142	41	-	183
Balance at 31 December 2020	1 698	446	12	2 156

R million	2021	2020
Losses (realised and unrealised) included in Statement of Comprehensive Income		
Total losses included in Statement of Comprehensive Income for the period	(2 015)	(2 665)
Total unrealised losses included in Statement of Comprehensive Income for the period for assets held at the end of the reporting period	(623)	(1 485)

Transfers between levels

R million	Interest- bearing investments ⁽¹⁾	Investment funds ⁽¹⁾	Total assets
Assets			
2021			
Transfer from level 1 to level 2	(7 329)	-	(7 329)
Transfer from level 2 to level 1	211	-	211
2020			
Transfer from level 1 to level 2	(3 627)	(2 715)	(6 342)
Transfer from level 2 to level 1	-	11 013	11 013

⁽¹⁾ Instruments that were not actively traded in the market have been transferred from level 1 to level 2. Conversely, instruments that have become actively traded in the market have been transferred from level 2 to level 1.

Notes to the Group financial statements continued

7. FAIR VALUE DISCLOSURES (CONTINUED)

Valuation techniques used in determining the fair value of assets and liabilities

Instrument	Applicable to level	Valuation basis	Main assumptions	Significant Unobservable input
Properties	3	Recently contracted prices, discounted cash flow model (DCF) and Earnings multiple.	Bond and interbank swap interest rate curve, Capitalisation rate, Cost of Capital, Consumer price index and Cash flow forecasts (including vacancy rates).	Capitalisation rate, Discount rate and Cash flow forecasts (including vacancy rates).
Equities and similar securities	2 and 3	Discounted cash flow model (DCF) and Earnings multiple.	Cost of Capital and Consumer price index.	Cost of Capital, Adjusted earnings multiple, Budgets and Forecasts.
Interest-bearing investments	2 and 3	DCF, Quoted put/surrender price by issuer.	Bond and interbank swap interest rate curve, Cost of Capital and Consumer price index.	Discount rate and Cost of Capital.
Structured transactions assets and liabilities	2 and 3	Option pricing models and DCF.	Bond and interbank swap interest rate curve, Forward equity and currency rates and Volatility risk adjustments.	n/a
Investment contract liabilities and investment funds	2 and 3	Current unit price of underlying unitised asset, multiplied by the number of units held, Earnings multiple and DCF.	Bond and interbank swap interest rate curve, Cost of Capital, Consumer price index and Bond interest rate curve.	Earnings multiple
Trade and other receivables/payables	2 and 3	DCF, Earnings multiple, Quoted put/surrender price by issuer and Option pricing models.	Bond and interbank swap interest rate curve, Cost of Capital, Consumer price index, Forward rate, Credit risk spread and Liquidity spread.	n/a
Cash, deposits and similar securities	2	Mark-to-market and Yield curve.	Bond and interbank swap interest rate curve.	n/a
Investment in joint ventures	3	Earnings multiple	Earnings Multiple, Country risk and size of the business and marketability.	Adjusted earnings multiple and Sustainable EBITDA.
Term finance	2	DCF	Bond and forward rate, Credit ratings of issuer, Liquidity spread and Agreement interest curves.	n/a
External investors in consolidated funds	2 and 3	Current unit price of underlying unitised asset multiplied by the number of units held.	Unit prices	Based on underlying assets.

Notes to the Group financial statements continued

7. FAIR VALUE DISCLOSURES (CONTINUED)

Sensitivity of level 3 assets and liabilities measured at fair value to changes in key assumptions

Assets

R million	Carrying amount	Effect of a 10% increase in risk adjustments	Effect of a 10% decrease in risk adjustments	Carrying amount	Effect of a 1% increase in base/capitalisation rate	Effect of a 1% decrease in base/capitalisation rate
Properties 2021						
Cash flow risk adjustments ⁽¹⁾	17 980	(1 798)	1 798			
Base rate				9 111	(344)	371
Capitalisation				9 111	(429)	516
R million				Carrying amount	Effect of a 10% increase in earnings	Effect of a 10% decrease in earnings
Earnings multiple ⁽²⁾				8 869	887	(887)
R million	Carrying amount	Effect of a 10% increase in risk adjustments	Effect of a 10% decrease in risk adjustments	Carrying amount	Effect of a 1% increase in base/capitalisation rate	Effect of a 1% decrease in base/capitalisation rate
2020						
Cash flow risk adjustments ⁽¹⁾	20 302	(2 030)	2 030			
Base rate				10 144	(364)	394
Capitalisation				10 144	(470)	574
R million				Carrying amount	Effect of a 10% increase in earnings	Effect of a 10% decrease in earnings
Earnings multiple ⁽²⁾				10 158	1 016	(1 016)

⁽¹⁾ Investment properties comprises Sanlam Life properties valued using capitalisation and discount rates, with sensitivities based on these two unobservable inputs.

⁽²⁾ It also comprises Saham Finances properties valued using a multiple of earnings.

Notes to the Group financial statements continued

7. FAIR VALUE DISCLOSURES
(CONTINUED)

R million	Carrying amount	Effect of a 10% increase in price multiple	Effect of a 10% decrease in price multiple	Carrying amount	Effect of a 1% increase in discount rate	Effect of a 1% decrease in discount rate
Other investments						
2021						
Equities and similar securities	2 337	234	(234)			
Investment in joint ventures	444	44	(44)			
Interest bearing investments				550	(31)	31
Investment funds	708	71	(71)			
Trade and other receivables				186	(14)	14
Total	3 489	349	(349)	736	(45)	45
2020						
Equities and similar securities	1 146	115	(115)			
Investment in joint ventures	427	43	(43)			
Interest bearing investments				542	(21)	21
Investment funds	617	62	(62)			
Trade and other receivables				398	(16)	16
Total	2 190	220	(220)	940	(37)	37

Liabilities

R million	Carrying amount ⁽¹⁾	Effect of a 10% increase in value	Effect of a 10% decrease in value
2021			
External investors in consolidated funds	360	36	(36)
Total liabilities	360	36	(36)
2020			
Investment contract liabilities	1 698	170	(170)
External investors in consolidated funds	446	45	(45)
Structured transaction liabilities	12	1	(1)
Total liabilities	2 156	216	(216)

⁽¹⁾ Represents mainly private equity investments valued on earnings multiple, with sensitivities based on the full valuation.

Notes to the Group financial statements continued

8. IMPAIRMENT OF GOODWILL, VALUE OF BUSINESS ACQUIRED AND OTHER ASSETS

The recoverable amount of goodwill, value of business acquired (non-insurance related) and other intangible assets for impairment testing purposes has been determined based on the value in use of the businesses. Impairment testing in respect of insurance related value of business acquired forms part of the liability adequacy test of insurance liabilities. For life businesses the recoverable amount is determined as the embedded value of life insurance businesses plus a value of new life insurance business multiple. For non-life businesses the value in use was determined on a discounted cash flow valuation basis. These are considered to be the appropriate measure of value in use.

8.1 San JV (previously known as Saham Finances Group)

An impairment assessment was conducted as at 30 June 2020 which resulted in the recognition of impairment. A reassessment was conducted as at 31 December 2021

As reflected per the table below the value in use is higher than the carrying value and as a result no additional impairment is required. Impairment recognised during the prior year amounted to R6 560 million, reduced by the utilisation of the hedge reserve of R855 million.

Utilisation of hedge reserve previously capitalised represents a decrease in the goodwill value as a result of the hedge applied at a Sanlam Limited level on acquisition.

R million	Non-life	Life	Lebanon	Total
31 December 2021				
Value in use	19 697	2 955	-	22 652
Carrying value	17 918	2 472	-	20 390
Excess over carrying value	1 779	483	-	2 262
Gross impairment previously reported	(4 327)	(502)	(1 731)	(6 560)

8.2 Shriram Capital (Sanlam Emerging Markets)

In local currency, the valuation of the recoverable amount of Shriram Transport Finance Company (STFC) and Shriram Capital increased since December 2020. The weakening of the Rand against the Indian Rupee increased the valuation by a further 6,8%.

The Indian economy continues to recover from the impact of COVID-19. Sanlam Emerging Markets has a direct investment in STFC and indirect investments in both STFC and Shriram City Union Finance (SCUF), via Shriram Capital. The economic recovery contributed to the improvement in both disbursements and collections for STFC and SCUF. This supported a strong recovery of the listed share prices for both businesses. The emergence of the Omicron variant during late 2021 has highlighted the high level of uncertainty that remains. As a result, the short to medium term outlook for STFC and SCUF remains susceptible to a deteriorating economic environment in which its customer base, who are typically small business owners, operate.

The recovery since 31 December 2020 has outperformed the valuation assumption in terms of the recoverable amount. It resulted in a reversal of impairment which amounts to R672 million in respect of Shriram Capital.

	31 December 2021		31 December 2020	
R million	STFC	Shriram Capital	STFC	Shriram Capital
Value in use	1 955	9 864	1 571	7 671
Carrying value	1 962	8 899	1 702	8 343
Gross impairment	(7)	-	(131)	(672)
Reversal of impairment	-	672	-	-

Notes to the Group financial statements continued

9. DISPOSAL GROUPS AND ASSETS CLASSIFIED AS HELD FOR SALE

Below is a summary of non-current assets and disposal groups held for sale:

R million	Segment	Valuation methodology	Fair value hierarchy	Note	Non-current assets held for sale	Non-current liabilities held for sale	Net	
31 December 2021								
Assets						582	-	582
Investment properties	Sanlam Life and Savings	Fair value	Level 3	9.1	539	-	539	
	Sanlam Emerging Markets	Fair value	Level 3	9.1	43	-	43	
Disposal groups						80 804	(78 700)	2 104
Sanlam Life and Pensions UK	Sanlam Investments Group	Fair value less costs to sell	Level 3	9.2.2	78 325	(77 857)	468	
Sanlam UK Wealth Management operations	Sanlam Investments Group	Carrying value	n/a	9.2.3	1 690	(277)	1 413	
NSIA Participation (NSIA)	Sanlam Emerging Markets	Carrying value	n/a	9.2.4	789	(566)	223	
Total						81 386	(78 700)	2 686
31 December 2020								
Assets								
Investment properties	Sanlam Emerging Markets	Fair value	Level 3	9.1	31	-	31	
Disposal groups								
Nucleus	Sanlam Investments Group	Carrying value	n/a	9.2.1	2 187	(454)	1 733	
Total						2 218	(454)	1 764

Notes to the Group financial statements continued

9. DISPOSAL GROUPS AND ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

9.1 Investment Properties

During 2021, the Sanlam Property Committee approved the sale of 4 South African properties. Potential buyers for all 4 properties have been identified and the purchase price is equivalent to the valuation price performed by an independent valuer. The sale and purchase agreements had been initiated. The sale is expected to be finalised during 2022.

The Sanlam Emerging Markets properties relates to MCIS and Kenya properties still in the process of finding potential buyers.

9.2 Disposal groups

9.2.1 Nucleus

The deal has been concluded.

9.2.2 Sanlam Life and Pensions UK

Sanlam Life and Pensions (SLP) was reclassified as a disposal group held for sale at 30 June 2021 following the Sanlam Board decision to sell the investment. As announced on 13 September 2021, an agreement has been reached on the terms for the sale of the issued share capital of Sanlam Life and Pensions UK Limited (SLP) for a consideration of GBP 39 million to Chesnara Plc. Conditions precedent to the transaction include regulatory approvals in South African and the UK. Furthermore, the asset management of SLP's assets will be retained with Sanlam Investments UK Ltd. Following the fulfilment of the conditions precedent, the effective date of the transaction is expected to occur during the first quarter of 2022.

An impairment test was conducted prior to the reclassification as a disposal group which resulted in the impairment of the historic Goodwill recognised on this investment of R356 million (included in Other impairment in the Statement of Comprehensive Income).

As at 31 December 2021, no further adjustments in accordance with IFRS 5 subsequent measurement is required as the carrying value after the Goodwill impairment is lower than the fair value less costs to sell in accordance with IAS 36 - *Impairment of assets*. The expected proceeds are in line with the fair value less costs to sell.

Sanlam UK also consolidate IFRS 10 vehicles where SLP holds more than 20% of the funds' units. Once SLP's transaction is effective and thus not consolidated, the funds will not be consolidated by Sanlam UK anymore as they will be considered as external funds, although Sanlam Investments UK will remain the management company. These funds are also considered to be held for sale and as a result the assets and liabilities were also reclassified to non-current assets and liabilities held for sale respectively.

Notes to the Group financial statements continued

9. DISPOSAL GROUPS AND ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

9.2 Disposal groups (continued)

9.2.2 Sanlam Life and Pensions UK (continued)

Financial information relating to the disposal group for the period is set out below:

Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the disposal groups held for sale as at 31 December 2021 (excluding IFRS 10 vehicles and intercompany receivables of R276 million and payables of R17 million with other subsidiaries within the group):

R million	2021
Assets of disposal group classified as held for sale:	
Equipment	1
Long-term reinsurance assets	24
Investments	64 650
Properties	1 736
Equities and similar securities	2 188
Interest-bearing investments	2 065
Investment funds	57 031
Cash, deposits and similar securities	1 630
Working capital assets	513
Trade and other receivables	125
Cash, deposits and similar securities	388
Total assets	65 188
Liabilities of disposal groups classified as held for sale	
Long-term policy liabilities	63 790
Term finance	75
Deferred tax liability	447
Working capital liabilities	408
Trade and other payables	270
Provisions	64
Taxation	74
Total liabilities	64 720

The following consolidated IFRS 10 vehicles assets and liabilities were reclassified as held for sale at 31 December 2021.

R million	2021
Assets of disposal group classified as held for sale:	
Investments	13 073
Equities and similar securities	11 987
Interest-bearing investments	16 666
Investment funds (including the elimination of SLP's investment in consolidated IFRS 10 vehicles)	(16 465)
Cash, deposits and similar securities	885
Working capital assets	
Trade and other receivables	64
Total assets	13 137
Liabilities of disposal groups classified as held for sale	
External investors in consolidated funds	13 085
Working capital liabilities	
Trade and other payables	52
Total liabilities	13 137

Notes to the Group financial statements continued

9. DISPOSAL GROUPS AND ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

9.2 Disposal groups (continued)

9.2.3 Sanlam UK Wealth Management operations

Sanlam Private Investments and Sanlam Wealth Planning and their subsidiaries have been reclassified as a disposal group held for sale at 31 October 2021 following the Sanlam Board decision to sell the investment. As announced on 20 September 2021, an agreement has been reached with Oaktree Capital Management on the terms for the sale of the issued share capital of Sanlam Private Investments and Sanlam Wealth Planning Holdings for a consideration of GBP 140 million. Conditions precedent to the transaction include regulatory approvals in South Africa and the UK. Following the fulfilment of the conditions precedent, the effective date of the transaction is expected to occur during the first quarter of 2022.

An impairment test was conducted prior to the reclassification as a disposal group. The recoverable amount (higher of fair value less costs to sell and value in use) is significantly higher than the carrying value and as a result no impairment was recorded.

Financial information relating to the disposal group for the period is set out below:

Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the disposal groups held for sale as at 31 December 2021.

R million	2021
Assets of disposal group classified as held for sale:	
Equipment	22
Goodwill	564
Value of business acquired	457
Other intangible assets	8
Deferred tax asset	2
Investments	4
Equities and similar securities	4
Working capital assets	633
Trade and other receivables	337
Cash, deposits and similar securities	296
Total assets	1 690
Liabilities of disposal groups classified as held for sale	
Term finance	10
Deferred tax liability	21
Working capital liabilities	246
Trade and other payables	217
Provisions	10
Taxation	19
Total liabilities	277

Notes to the Group financial statements continued

9. DISPOSAL GROUPS AND ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

9.2 Disposal groups (continued)

9.2.4 NSIA

Sanlam has entered into a share purchase agreement (with a long stop date of 31 December 2021, with an automatic extension to 31 March 2022) to sell all the shares held in Sanlam Guinee, Sanlam Congo, Sanlam Gabon Vie and Sanlam Togo Vie (subsidiaries of San JV) to NSIA and to acquire all the shares held by NSIA in NSIA Vie Mali and NSIA Mali. The contract doesn't terminate automatically if conditions are not met by the long stop date. The acquisition of the NSIA Mali (life and non-life) shares and the acquisition of the Sanlam subsidiaries by NSIA will be completed simultaneously. The assets and liabilities of the Sanlam subsidiaries have been reclassified to disposal group held for sale as at 31 December 2021.

Conditions precedent to the transaction include CEMAC (Economic and Monetary Community of Central Africa) regulatory approval and approval from the South African Prudential Authority for the disposal to be complete, which is expected to occur before end of March 2022.

Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the disposal groups held for sale as at 31 December 2021.

R million	2021
Assets of disposal group classified as held for sale:	
Equipment	7
Right-of-use assets	2
Other intangible assets	3
Investments	170
Equities and similar securities	34
Interest-bearing investments	65
Cash, deposits and similar securities	71
Deferred tax asset	23
General insurance technical assets	9
Working capital assets	575
Trade and other receivables	262
Taxation	1
Cash, deposits and similar securities	312
Total assets	789
Liabilities of disposal groups classified as held for sale	
Long-term policy liabilities	102
Lease liabilities	2
Deferred tax liability	1
General insurance technical provisions	166
Working capital liabilities	295
Trade and other payables	280
Taxation	15
Total liabilities	566

Notes to the Group financial statements continued

10. RESTATEMENTS

10.1 Hyperinflation accounting error

During the second half of 2020, Lebanon was included in the list of countries considered to be a hyperinflationary economy for accounting purposes. With initial application in 2020, the opening balances of monetary assets and liabilities were restated by applying the consumer price index (CPI) differential between 1 January 2020 and the reporting date (31 December 2020). 2020 opening balances of non-monetary assets were restated by applying the CPI differential between the date these items were acquired or incurred and the reporting date. The Group elected to recognise the impact in the Foreign Currency Translation Reserve (FCTR). The comparative amounts (2019) in the 2020 Group Annual Financial Statements were not restated, but the initial impact of negative R1 234 million attributable to the shareholder was recognised in the 2020 Annual Financial Statements in the hyperinflation line of the Statement of Changes in Equity (SOCE).

Given the various complexities involved in consolidating LIA in a hyperinflationary environment, including recognising additional expected credit losses in respect of financial assets (in terms of the Group's policy), and impairments on the goodwill and VOBA, the monetary assets on which the opening balance restatement at 1 January 2020 was based, were understated. As a result, the initial application of the IAS 29 opening adjustment of negative R1 234 million reported in the 2020 SOCE should have been positive R911 million attributable to the shareholders. This resulted in an increase in FCTR of R2 145 million and a corresponding decrease in retained earnings, with a zero impact on net asset value. Profit for the year ended 31 December 2020 also decreased from R3 634 million to R1 402 million, with a consequential impact on earnings attributable to shareholders per share and headline earnings per share (HEPS) as reflected below.

The error had no impact on Net Asset Value, Group Equity Value or any of the Group's key performance indicators.

Statement of Financial Position

At 31 December 2020

R million	As previously reported	Adjust- ments	Restated
Capital and reserves			
Share capital and premium	12 784	-	12 784
Treasury shares	(1 633)	-	(1 633)
Other reserves	2 238	2 145	4 383
Retained earnings	51 323	(2 145)	49 178
Shareholders' fund	64 712	-	64 712
Non-controlling interests (NCI)	12 512	-	12 512
Total equity	77 224	-	77 224

Notes to the Group financial statements continued

10. RESTATEMENTS (CONTINUED)**10.1 Hyperinflation accounting error (continued)**

Statement of Comprehensive Income

R million	For the year ended 31 December 2020		
	As previously reported	Adjust- ments	Restated
Net operating result	4 171	-	4 171
Equity-accounted earnings	2 568	-	2 568
Finance cost – other	(835)	-	(835)
Net monetary gain/(loss) (Lebanon hyperinflation)	1 535	(2 232)	(697)
Profit before tax	7 439	(2 232)	5 207
Taxation	(3 805)	-	(3 805)
Profit for the period	3 634	(2 232)	1 402
Other comprehensive income (net of tax): to be recycled through profit or loss in subsequent periods			
Movement in foreign currency translation reserve	3 143	-	3 143
Comprehensive income for the year	6 777	(2 232)	4 545
Allocation of comprehensive income:			
Profit for the year	3 634	(2 232)	1 402
Shareholders' fund	2 863	(2 145)	718
Non-controlling interests	771	(87)	684
Comprehensive income for the year	6 777	(2 232)	4 545
Shareholders' fund	5 676	(2 145)	3 531
Non-controlling interests	1 101	(87)	1 014
Earnings attributable to shareholders (cents):			
Profit for the year:			
Basic earnings per share	138,8	(104,0)	34,8
Diluted earnings per share	137,1	(102,7)	34,4

Shareholders' Fund Income Statement

R million	For the year ended 31 December 2020		
	As previously reported	Adjust- ments	Restated
Normalised attributable earnings	(694)	-	(694)
Fund transfers	3 557	(2 145)	1 412
Attributable earnings per Group Statement of Comprehensive Income	2 863	(2 145)	718
Headline earnings	9 249	(2 145)	7 104
HEPS			
Basic earnings per share	448,5	(104,0)	344,5
Diluted earnings per share	443,0	(102,7)	340,3

Notes to the Group financial statements continued

10. RESTATEMENTS (CONTINUED)**10.1 Hyperinflation accounting error (continued)**

Statement of Changes in Equity

As previously reported

R million	FCTR	Retained earnings	Share-holders' fund	NCI	Total Equity
Balance at 31 December 2019	(2 642)	59 851	67 317	12 043	79 360
Lebanon hyperinflation	(1 234)	-	(1 234)	-	(1 234)
Comprehensive income	2 813	2 863	5 676	1 101	6 777
Profit for the year	-	2 863	2 863	771	3 634
Other comprehensive income	2 813	-	2 813	330	3 143
Aggregated other unaffected SOCE movements	12	(11 391)	(7 047)	(632)	(7 679)
Balance at 31 December 2020	(1 051)	51 323	64 712	12 512	77 224

Adjustments

R million	FCTR	Retained earnings	Share-holders' fund	NCI	Total Equity
Balance at 31 December 2019	-	-	-	-	-
Lebanon hyperinflation	2 145	-	2 145	87	2 232
Comprehensive income - profit for the year	-	(2 145)	(2 145)	(87)	(2 232)
Balance at 31 December 2020	2 145	(2 145)	-	-	-

Restated

R million	FCTR	Retained earnings	Share-holders' fund	NCI	Total Equity
Balance at 31 December 2019	(2 642)	59 851	67 317	12 043	79 360
Lebanon hyperinflation	911	-	911	87	998
Comprehensive income	2 813	718	3 531	1 014	4 545
Profit for the year	-	718	718	684	1 402
Other comprehensive income	2 813	-	2 813	330	3 143
Aggregated other unaffected SOCE movements	12	(11 391)	(7 047)	(632)	(7 679)
Balance at 31 December 2020	1 094	49 178	64 712	12 512	77 224

Notes to the Group financial statements continued

10. RESTATEMENTS (CONTINUED)**10.2 IAS 21 translation error of IFRS 10 consolidated vehicle**

The Sanlam Four Global Equity Fund was rebranded during 2019 to Sanlam Sustainable Global Dividend fund. Its base currency also changed from British pound sterling (GBP) to United States Dollar (USD).

2020 Statement of Financial Position balances (SOFP) were however translated to ZAR equivalent at GBP instead of USD exchange rates. This resulted in an overstatement of assets and liabilities in the SOFP. The impact on the line items in the Statement of Comprehensive Income (SOI) was immaterial, with a zero impact on the Statement of Changes in Equity and the Statement of Cash Flows.

The impact on the SOFP is as follows:

31 December 2020

R million	As previously reported	Adjustments	Restated
ASSETS			
Investments			
Equity and similar securities	186 990	(1 126)	185 864
Other assets	756 806	-	756 806
Total assets	943 796	(1 126)	942 670
EQUITY AND LIABILITIES			
Total equity	77 224	-	77 224
External investors in consolidated funds	83 714	(1 126)	82 588
Other liabilities	782 858	-	782 858
Total equity and liabilities	943 796	(1 126)	942 670

10.3 Group statement of cash flow: Investment funds distributions

Investors of investments funds may elect for distributions received from collective investment schemes to be reinvested back into the fund or received in cash. Previously these distributions, for both scenarios were treated as cash received in the Group Statement of Cash Flows with an equal and opposite entry in net movement of investments assets (reflected in cash utilised in operations for Sanlam). This was in line with the industry treatment. During 2021, the treatment of distributions reinvested was revisited by the accounting industry which concluded that these should be treated as a non-cash flow item. The restatement does not have any impact on the overall Group cash flows from operating activities as reflected below.

The impact on the Group Statement of Cash Flow is as follows:

31 December 2020

R million	As previously reported	Adjustments	Restated
Cash flow from operating activities	(6 082)	-	(6 082)
Cash utilised in operations	(22 868)	4 693	(18 175)
Interest and preference share dividends received	18 542	(3 007)	15 535
Interest paid	(1 004)	-	(1 004)
Dividends received	12 358	(1 686)	10 672
Dividends paid	(8 454)	-	(8 454)
Taxation paid	(4 656)	-	(4 656)

The above restatements did not have any impact on the Statement of Financial Position, Statement of Comprehensive Income or the Statement of Changes in Equity.

Notice of the annual general meeting

SANLAM LIMITED

(Incorporated in the Republic of South Africa)

(Registration No 1959/001562/06) JSE share code: SLM/
NSX Share code: SLA ISIN: ZAE000070660 (the Company or Sanlam)

Notice is hereby given to shareholders recorded in the Company's securities register on Friday, 18 March 2022 that the 24th annual general meeting (AGM) of the shareholders of Sanlam will be held entirely by electronic communication on Wednesday, 8 June 2022 at 14:00 (the meeting) to: (i) deal with such business as may lawfully be dealt with at the meeting; and (ii) consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, 71 of 2008 (as amended) (the Companies Act), as read with the JSE Limited Listings Requirements (JSE Listings Requirements) and other stock exchanges on which the Company's ordinary shares are listed. The meeting is to be participated in and voted at by shareholders recorded in the Company's securities register as at the voting record date of Friday, 3 June 2022.

Kindly note that meeting participants (including proxies) will be allowed to participate in the meeting electronically (online). Meeting participants (including proxies) will however be required to provide reasonably satisfactory identification before being entitled to participate in the meeting. Forms of identification include valid identity documents, drivers' licences and passports.

Voters will be able to submit their votes once the Chair has opened the voting on the online platform.

ORDINARY RESOLUTIONS

To consider and, if approved, to pass, with or without modification, the following 13 ordinary resolutions:

Percentage support required for ordinary resolution numbers 1 to 13.

For these ordinary resolutions to be adopted, the support of more than 50% (fifty per cent) of the total number of votes per ordinary resolution, which the shareholders present or are represented by proxy at this meeting are entitled to cast, is required, apart from ordinary resolution number 12, where the support of at least 75% (seventy-five per cent) of the total number of votes is required.

1. Ordinary resolution number 1 – Presenting the Sanlam annual reporting suite

To present, consider and accept the Sanlam annual reporting suite (incorporating the Integrated Report, Corporate Governance Report, Remuneration Report and Annual Financial Statements) for the year ended 31 December 2021, that has been distributed to shareholders as required, including the consolidated audited financial statements for the Company and its subsidiaries, as well as the joint auditors', the Audit, Actuarial and Finance committee's (Audit committee) and directors' reports. The 2021 Sanlam annual reporting suite is available online at www.sanlam.com.

Reason and effect

The reason for and effect of ordinary resolution number 1 are to give Sanlam shareholders the opportunity to formally consider and accept Sanlam's annual reporting suite, including the consolidated audited financial statements of the Company as required by section 30(3)(d) of the Companies Act.

* The meeting will start promptly at 14:00. Due to the electronic voting system, no late registrations will be allowed on the day.

Notice of the annual general meeting continued

2. Ordinary resolution number 2 – Reappointment of joint auditors for the 2022 financial year

To reappoint Ernst & Young Inc., as nominated by the Company's Audit committee, as independent joint auditors of the Company to hold office until the conclusion of the next AGM of the Company. It is to be noted that Mr C du Toit is the individual and designated joint auditor who will undertake the Company's joint audit for the financial year ending 31 December 2022.

Reason and effect

The reason for ordinary resolution number 2 is that the Companies Act and the JSE Listings Requirements require the appointment or reappointment of the Company's auditors each year at the AGM of the Company. In order to strengthen overall governance and to ensure alignment with the requirements of the Prudential Authority, the Audit committee recommended to the Board of directors of Sanlam (the Board) the reappointment of the joint independent auditors for Sanlam. Furthermore, in terms of paragraph 3.86 of the JSE Listings Requirements, the Audit committee considered and satisfied itself that:

- Ernst & Young Inc., the independent joint auditor, is accredited as such on the JSE List of Auditors and Accounting Specialists; and
- the aforementioned individual and designated joint auditor meets the applicable requirements stipulated in section 22 of the JSE Listings Requirements and does not appear on the JSE list of disqualified individual auditors.

3. Ordinary resolution number 3 – Reappointment of joint auditors for the 2022 financial year

To reappoint KPMG Inc., as nominated by the Company's Audit committee, as joint independent auditors of the Company to hold office until the conclusion of the next AGM of the Company. It is to be noted that Mr P Fourie is the individual and designated auditor who will undertake the Company's joint audit for the financial year ending 31 December 2022.

Reason and effect

The reason for ordinary resolution number 3 is that the Companies Act and the JSE Listings Requirements require the appointment or reappointment of the Company's auditors each year at the AGM of the Company. In order to strengthen overall governance and to ensure alignment with the anticipated requirements of the Prudential Authority, the Audit committee recommended to the Board of directors of Sanlam (the Board) the reappointment of the joint independent auditors for Sanlam. Furthermore, in terms of paragraph 3.86 of the JSE Listings Requirements, the Audit committee considered and satisfied itself that:

- KPMG Inc., the joint independent auditor, is accredited as such on the JSE's List of Auditors and Accounting Specialists; and
- the aforementioned individual and designated auditor meets the applicable requirements stipulated in section 22 of the JSE Listings Requirements and does not appear on the JSE list of disqualified individual auditors.

4. Ordinary resolution number 4 – Appointment of joint auditors for the 2023 financial year

To appoint PricewaterhouseCoopers Inc (PwC), as nominated by the Company's Audit committee, as joint independent auditors with effect from the 2023 financial year. It is to be noted that Ms Alsue Du Preez is the individual and designated joint auditor who will undertake the Company's joint audit for the year ended 31 December 2023.

Reason and effect

The reason for ordinary resolution number 4 is that the Companies Act and the JSE Listings Requirements require the appointment or reappointment of the Company's auditors each year at the AGM of the Company. The Mandatory Audit Firm Rotation regulations require that Ernst & Young Inc rotate off the Sanlam audit by no later than the Group's 2024 financial year. After due process and consideration, the Audit committee recommends to shareholders the appointment of PwC to replace Ernst & Young with

Notice of the annual general meeting continued

effect from the Group's 2023 financial year. To this end, the Audit committee recommends to seek the approval of shareholders timeously to allow PwC to commence with the transitioning process in preparation for the Company's joint audit for the year ended 31 December 2023.

Furthermore, in terms of paragraph 3.86 of the JSE Listings Requirements, the Audit committee considered and satisfied itself that:

- PwC, the independent joint auditor, is accredited as such on the JSE's List of Auditors and Accounting Specialists;
- the aforementioned individual and designated joint auditor meets the applicable requirements stipulated in section 22 of the JSE Listings Requirements and does not appear on the JSE list of disqualified individual auditors; and
- the appointment of PwC and the designated joint auditor had been approved by the Prudential Authority.

5. Ordinary resolution number 5 – Appointment of directors

To elect the following directors (ordinary resolution numbers 5.1 to 5.3) to be appointed to the Board as additional directors in terms of clause 26 of the Company's Memorandum of Incorporation, being eligible and offering themselves for election.

Reason and effect

The reason for and effect of ordinary resolution numbers 5.1 to 5.3 are to elect the directors appointed to the Board as additional directors in terms of the Company's Memorandum of Incorporation.

5.1 Ordinary resolution number 5.1 – Election of Ebenezer (Ebby) Essoka as an independent non-executive director

To elect Ebenezer Essoka, who is elected as an additional director in terms of the Company's Memorandum of Incorporation, being eligible and offering himself for election.

Name: Ebenezer (Ebby) Essoka (66)

Appointed: Independent non-executive director since 2021

Qualifications: BSc, MBA degree in Finance, Diploma in International Business (Seton Hall University, South Orange, New Jersey, USA) EDP (INSEAD, London Business School, Templeton College, Oxford University and Cambridge University)

Sanlam and Sanlam Life committee memberships: Independent Non-Executive Directors committee, Social, Ethics and Sustainability committee, Sanlam Customer Interest committee and Non-Executive Directors committee

Major external positions, directorships or associations: Independent non-executive Chair of IBURU; CogeBanque, Rwanda and the United Bank for Africa, Cameroon SA; independent non-executive member of the Audit, Risk and Compliance committee of Mobile Money Corporation Cameroon and senior Advisor to the President of the African Development Bank

Fields of expertise:

Financial markets/investments, general business, audit, risk, international business, marketing, sustainability and empowerment.

The Board recommends the election of this independent non-executive director.

5.2 Ordinary resolution number 5.2 – Election of Willem van Biljon as an independent non-executive director

To elect Willem van Biljon, who is elected as an additional director in terms of the Company's Memorandum of Incorporation, being eligible and offering himself for election.

Name: Willem van Biljon (60)

Appointed: Independent non-executive director since 2021

Qualifications: BSc (Hons) in Computer Science (University of Cape Town)

Notice of the annual general meeting continued

Sanlam and Sanlam Life committee memberships: Independent Non-Executive Directors committee, Risk and Compliance committee, Sanlam Customer Interest committee and Non-Executive Directors committee

Major external positions, directorships or associations: Entersekt (Pty) Ltd; BrandsEye Limited (operating as DataEQ with effect from 18 February 2022), TallOrder (Pty) Ltd and Clickatell Inc.

Fields of expertise: Financial markets/investments, general insurance, marketing, risk management, information technology and sustainability.

The Board recommends the election of this independent non-executive director.

5.3 Ordinary resolution number 5.3 – Election of Ndivhuwo Manyonga as an independent non-executive director

To elect Ndivhuwo Manyonga, who is elected as an additional director in terms of the Company's Memorandum of Incorporation, being eligible and offering herself for election.

Name: Ndivhuwo Manyonga (40)

Appointed: Independent non-executive director since 2021

Qualifications: BSc (University of Cape Town), Diploma in Actuarial Techniques (FIA & IA), Postgraduate Diploma in Actuarial Techniques (University of Cape Town), Certificate of Competence in ERM (Alexander Forbes Risk Services), Certificate of Board Leadership (GIBS), Fellow of the Institute of Actuaries (FIA)

Sanlam and Sanlam Life committee memberships: Independent Non-Executive Directors committee and Non-Executive Directors committee

Major external positions, directorships or associations: Federated Employee Mutual Assurance Company (RF) (Pty) Ltd (FEM); FEM Education Foundation, FEM Trust, FEM Construction Industry Loan Fund the Advisory Board of the Compensation Fund.

Fields of expertise: Accounting, financial markets/investments, actuarial, general business, international, human resources, marketing, sustainability and empowerment.

The Board recommends the election of this independent non-executive director.

6. Ordinary resolution number 6 – Re-election of non-executive directors

To individually re-elect the following non-executive directors (ordinary resolution numbers 6.1 to 6.2) of the Company, who retire by rotation in terms of clause 26.2 of the Company's Memorandum of Incorporation, all being eligible and offering themselves for re-election.

Reason and effect

The reason for and effect of ordinary resolution numbers 6.1 to 6.2 are to re-elect the following non-executive directors who retire by rotation in terms of the Company's Memorandum of Incorporation.

- Patrice Motsepe
- Shirley Zinn

6.1 Ordinary resolution number 6.1 – Re-election of Patrice Motsepe as a non-executive director

To re-elect Patrice Motsepe, who retires by rotation in terms of the Company's Memorandum of Incorporation, being eligible and offering himself for re-election.

Name: Patrice Motsepe (60)

Appointed: Non-executive director since 2004

Qualifications: BA LLB (University of Eswatini, formerly University of Swaziland), LLB (Wits University), Doctorate of Commerce (Honoris Causa) (University of Witwatersrand), Doctorate in Commerce (Honoris Causa) (Stellenbosch University), Doctorate of Management and Commerce (Honoris Causa) (University of Fort Hare) and Doctorate of Laws (Honoris Causa) (University of Eswatini)

Sanlam and Sanlam Life committee memberships: Deputy Chair, member of the Non-Executive Directors committee, the Nominations committee and the Human Resources and Remuneration committee

Notice of the annual general meeting continued

Major external positions, directorships or associations:

Founder and Executive Chair of African Rainbow Minerals (ARM) as well as the Founder and Chair of Ubuntu-Botho Investments, African Rainbow Capital, African Rainbow Energy and Power, and UBI General Partner (Pty) Ltd; Chair of Harmony Gold; and President of Mamelodi Sundowns Football Club

Fields of expertise:

Financial markets/investments, general business, international, human resources, risk management, legal, sustainability and empowerment.

The Board recommends the re-election of this non-executive director.

6.2 Ordinary resolution number 6.2 – Re-election of Shirley Zinn as an independent non-executive director

To re-elect Shirley Zinn, who retires by rotation in terms of the Company's Memorandum of Incorporation, being eligible and offering herself for re-election.

Name: Shirley Zinn (60)

Appointed: Independent non-executive director since 2018

Qualifications: BA (University of the Western Cape), Postgraduate Higher Diploma in Education (University of the Western Cape), BEd Honours (Unisa), MEd (University of the Western Cape), EdM (Harvard), Doctorate in Education (Harvard)

Sanlam and Sanlam Life committee memberships:

Human Resources and Remuneration committee (Chair), Non-Executive Directors committee, and Independent Non-Executive Directors committee

Major external positions, directorships or associations:

Independent non-executive director on the Boards of The LRMG (Pty) Ltd, MTN SA, NPI, Business Engage, WWF South Africa Empowerment Capital Investment Partners, Tuesday Consulting and the Spur Group; executive director of Boston Consulting Group; Chair of Nedbank Eyethu Community Trust; and independent Chair of the V&A Waterfront

Fields of expertise:

Financial markets/investments, general business, international, human resources, risk management, sustainability and empowerment.

The Board recommends the re-election of this independent non-executive director.

7. Ordinary resolution number 7 – Re-election of executive directors

To re-elect the following executive director (ordinary resolution number 7.1 below) appointed to the Board, being eligible and offering herself for re-election.

Reason and effect

It had been agreed by the Board that in the interest of good governance, executive directors would also rotate on a voluntary basis as per a predetermined schedule of rotation.

7.1 Ordinary resolution number 7.1 – Re-election of Abigail Mukhuba as an executive director

The reason for and effect of ordinary resolution number 7.1 is to re-elect the executive director appointed to the Board.

Name: Abigail Mukhuba (42)

Appointed: Executive director since 2020

Qualifications: MBA (University of Cape Town), MCom (RSA and International Tax) (Rand Afrikaans University), BCom (Hons) (Rand Afrikaans University), BCompt (University of South Africa)

Sanlam and Sanlam Life committee membership:

Member of the Risk and Compliance committee, member of the Group Executive committee and Finance Director of the Sanlam Life Insurance Limited and Sanlam Limited Boards

Major Sanlam-related positions, directorships or associations:

Director on the Board of Santam, Sanlam Emerging Markets, Sanlam Investment Holdings, Sanlam Capital Markets and Genbel Securities

Notice of the annual general meeting continued

Fields of expertise:

General management, South African and International taxation, financial markets, accounting and financial reporting

The Board recommends the re-election of this executive director.

8. Ordinary resolution number 8 – Election of the members of the Sanlam Audit committee

To individually elect the following independent non-executive directors (ordinary resolution numbers 8.1 to 8.5) of the Company as the members of the Sanlam Audit committee until the conclusion of the next AGM of the Company.

Reason and effect

The reason for and effect of ordinary resolution numbers 8.1 to 8.5 are that the members of the Audit committee of the Company, being a statutory committee, are required in terms of section 94(2) of the Companies Act to be appointed by the shareholders.

8.1 Ordinary resolution number 8.1 – Appointment of Andrew Birrell as a member of the Audit committee

Name: Andrew Birrell (52)

Appointed: Independent non-executive director since 2019

Qualifications: BBusSc (Actuarial) (Hons) (1990) (University of Cape Town), Fellow of the Faculty of Actuaries (1994), Fellow of the Actuarial Society of South Africa (FASSA), Chartered Enterprise Risk Actuary (CERA Global Association, 2009) and a member of the Institute of Directors (UK, 2015)

Sanlam and Sanlam Life committee memberships: Independent Non-Executive Directors committee, Audit committee, Risk and Compliance committee (Chair), Sanlam Customer Interest committee and Non-Executive Directors committee

Major external positions, directorships or associations: Non-executive director of Sun Life of Canada UK, Esure Group Plc and subsidiaries, ELG Holding (Cayman) Limited, Sanlam Developing Markets and committees, executive director of Universal Partners (Mauritius), ARGO Fund Managers (Mauritius), and

due to his role with Universal Partners, he also serves as a non-executive director of the JSA Group (UK) and as an alternate director of SC Lowy Partners.

Fields of expertise:

Financial reporting, investment management, audit and risk management, accounting, actuarial, life insurance, general insurance, health insurance, stockbroking, asset management and retail online banking

The Board recommends the election of this independent non-executive director to serve on the Audit committee.

8.2 Ordinary resolution number 8.2 – Appointment of Nicolaas Kruger as a member of the Audit committee

Name: Nicolaas Kruger (54)

Appointed: Independent non-executive director since 2020

Qualifications: BCom (Mathematics) (Cum Laude) (Stellenbosch University) (1988); Fellow of the Faculty of Actuaries (1992) and Fellow of the Actuarial Society of South Africa (1992); AMP (Oxford University) (2001) and a Chartered Director (CD(SA))

Sanlam and Sanlam Life committee memberships: Independent Non-Executive Directors committee, Audit committee, Risk and Compliance committee, Sanlam Customer Interest committee (Chair) and the Non-Executive Directors committee

Major external positions, directorships or associations: General Reinsurance Africa (Gen Re); Granor Passi; I7 Capital; Chair of Griekwaland Wes Korporatief (GWK) and Chair of Brenn O-Kem

Fields of expertise:

General management, financial, actuarial, international markets and investments, life insurance, risk management, health insurance, general insurance, retirement fund insurance, governance and sustainability.

The Board recommends the election of this independent non-executive director to serve on the Audit committee.

Notice of the annual general meeting continued

8.3 Ordinary resolution number 8.3 – Appointment of Mathukana Mokoka as a member of the Audit committee

Name: Mathukana Mokoka (48)

Appointed: Independent non-executive director since 2018

Qualifications: BCom (Accounting) (University of Limpopo), Postgraduate Diploma in Management (Financial Accounting) (University of Cape Town), Postgraduate Diploma in Accounting (University of Natal), Postgraduate Diploma in Auditing (University of Cape Town), CA(SA)

Sanlam and Sanlam Life committee memberships: Member of the Audit committee, Non-Executive Directors committee, Risk and Compliance committee, Sanlam Customer Interest committee, Social, Ethics and Sustainability committee and Independent Non-Executive Directors committee

Major external positions, directorships or associations: Independent non-executive director of Palabora Mining; Alviva Holdings (Pty) Ltd; Contract Services Group (CSG) Holdings; Stadio Holdings; Energy Partners and STRATE as well as a member of the Audit committee of Two Rivers Platinum and Modikwa Platinum Mine; Trustee of Kwanda Education Trust

Fields of expertise:

Accounting, financial markets/investments, general business, life insurance, risk management, sustainability, empowerment and mining.

The Board recommends the election of this independent non-executive director to serve on the Audit committee.

8.4 Ordinary resolution number 8.4 – Appointment of Kobus Möller as a member of the Audit committee

Name: Kobus Möller (62)

Appointed: Independent non-executive director since 2020

Qualifications: BCom (Cum Laude) (University of Pretoria), BCompt (Hons) (University of South Africa), CA(SA), AMP (Harvard Business School)

Sanlam and Sanlam Life committee memberships: Audit committee (Chair), Risk and Compliance committee, Social, Ethics and Sustainability committee, Non-Executive Directors committee, Independent Non-Executive Directors committee

Fields of expertise:

Accounting, financial markets/investments, general business, international, risk management, information technology, sustainability and empowerment.

The Board recommends the election of this independent non-executive director to serve on the Audit committee.

8.5 Ordinary resolution number 8.5 – Appointment of Karabo Nondumo as a member of the Audit committee

Name: Karabo Nondumo (43)

Appointed: Independent non-executive director since 2015

Qualifications: BAcc (University of Natal), HDipAcc (Wits University), CA(SA)

Sanlam and Sanlam Life committee memberships: Social, Ethics and Sustainability committee (Chair), Audit committee, Risk and Compliance committee, Non-Executive Directors committee, Human Resources and Remuneration committee, Nominations committee and Independent Non-Executive Directors committee

Major external positions, directorships or associations: Independent non-executive director of Harmony Gold Mining Company Ltd, MTN Rwanda cell PLC, Swazi MTN Ltd, MTN Uganda Ltd and MTN (Zambia) Ltd; Trustee of Ubuntu-Botho Women's Trust and Mabindu Trust and serves as an advisory board member of Senatla Capital. Within the Sanlam Group, she is the Chair of the Audit, Actuarial and Risk committees of African Rainbow Life Limited, Sanlam Developing Markets and Safrican Insurance Company Ltd.

Fields of expertise:

Accounting, financial markets/investments, general business, international, human resources and remuneration, risk management, governance, compliance, sustainability, telecommunications and empowerment.

Notice of the annual general meeting continued

The Board recommends the election of this independent non-executive director to serve on the Audit committee.

9. Ordinary resolution number 9 – Advisory vote on the Company’s remuneration policy and the remuneration implementation report

Shareholders are requested to cast a separate non-binding advisory vote on the Company’s remuneration policy and its implementation report, set out on pages 6 to 23 and 25 to 41 of the Sanlam Remuneration Report (available online at www.sanlam.com).

9.1 Ordinary resolution number 9.1 – Non-binding advisory vote on the Company’s remuneration policy

Resolved that shareholders approve by way of a non-binding advisory vote the Company’s remuneration policy as set out on pages 6 to 23.

9.2 Ordinary resolution number 9.2 – Non-binding advisory vote on the Company’s remuneration implementation report

Resolved that shareholders approve by way of a non-binding advisory vote the Company’s remuneration implementation report as set out on pages 25 to 41.

Reason and effect

The King Report on Corporate Governance™ for South Africa, 2016 (King IV™)¹, principle 14, recommended practice 37 as well as paragraph 3.84(j) of the JSE Listings Requirements provide that the remuneration policy and the remuneration implementation report be tabled every year for separate non-binding advisory votes by shareholders at the Company’s AGM.

Ordinary resolution numbers 9.1 and 9.2 are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to existing arrangements. However, the Human Resources and Remuneration committee and the Board will take the outcome of the votes and any comments raised by securities holders into consideration when

considering the Company’s remuneration policy. If 25% (twenty-five per cent) or more of the voting rights exercised at the AGM are cast against these resolutions, the Board will invite dissenting shareholders to engage with the Human Resources and Remuneration committee on their concerns in line with the provisions of the JSE Listings Requirements.

10. Ordinary resolution number 10 – To note the total amount of non-executive directors’ and executive directors’ remuneration for the financial year ended 31 December 2021

To note the total amount of directors’ remuneration set out in the Sanlam Remuneration Report (available online at www.sanlam.com), including specifically non-executive directors’ remuneration (see pages 40 to 41) and executive directors’ remuneration (pages 25 to 38) for the financial year ended 31 December 2021.

Reason and effect

The reason for and effect of ordinary resolution number 10 are to note the remuneration of directors for the financial year ended 31 December 2021.

11. Ordinary resolution number 11 – To place unissued ordinary shares under the control of the directors

To place all the unissued ordinary shares of the Company, as well as Sanlam shares held as treasury shares by subsidiaries of the Company (treasury shares), under the control of the directors of the Company, who are hereby authorised, subject to the provisions of the Companies Act and the JSE Listings Requirements, to allot and issue these unissued shares and/or dispose of these treasury shares in their discretion on such terms and conditions as and when they deem it fit to do so, until the next AGM, provided that:

- the aggregate number of ordinary shares to be allotted and issued and treasury shares disposed of in terms of this resolution and ordinary resolution number 12 is limited to 5% (five per cent) of the number of ordinary shares in issue at the date of the notice of the meeting; and

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Notice of the annual general meeting continued

- any issue of ordinary shares as an issue for cash as defined in the JSE Listings Requirements is in accordance with the restrictions contained in ordinary resolution number 12.

Reason and effect

The reason for ordinary resolution number 11 is that the Board requires authority from shareholders in terms of the Company's Memorandum of Incorporation to issue shares in the Company and/or dispose of treasury shares held by subsidiaries of the Company. This general authority, once granted, allows the Board from time to time, when it is appropriate to do so, to issue shares or dispose of treasury shares as may be required, *inter alia*, in terms of capital-raising exercises and to maintain a healthy capital adequacy ratio. This general authority is subject to the restriction that it is limited to 5% (five per cent) of the number of shares in issue as at the date of the notice of the meeting on the terms more fully set out in ordinary resolution number 12.

12. Ordinary resolution number 12 – General authority to issue shares for cash

To grant to the directors, subject to the JSE Listings Requirements, the general authority to issue ordinary shares of one (1) cent each (or options to subscribe for, or securities that are convertible into such ordinary shares) and dispose of Sanlam shares held as treasury shares by subsidiaries of the Company (treasury shares) as an "issue for cash" as defined in the JSE Listings Requirements as and when suitable situations arise and on such terms and conditions as they deem fit, provided that the aggregate number of ordinary shares to be allotted and issued in terms of this resolution and ordinary resolution number 11, together with any treasury shares disposed of in terms of ordinary resolution number 11, is limited to 5% (five per cent) of the number of ordinary shares in issue at the date of the notice of this AGM.

To avoid doubt, it is recorded that a pro rata rights offer to shareholders is not an issue for cash as defined in the JSE Listings Requirements and so this resolution and the restrictions contained herein do not apply to any such pro rata rights offered to shareholders.

It is recorded that the JSE Listings Requirements currently contain the following requirements:

- that this general authority shall be valid until the Company's next AGM or for 15 (fifteen) months from the date of adoption of this resolution, whichever occurs first;
- that the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into or represent options in respect of a class already in issue;
- that the aggregate number of ordinary shares to be allotted and issued in terms of this resolution, together with any treasury shares disposed of in terms of this ordinary resolution number 12, is limited to 5% (five per cent) of the number of ordinary shares in issue at the date of the notice of this AGM, such number being 2 226 974 408 ordinary shares in the Company's issued share capital, excluding treasury shares;
- that any equity securities issued under the authority during the period contemplated in the first bullet must be deducted from the number in the preceding bullet;
- that, in the event of subdivision or consolidation of issued equity securities during the period contemplated in the first bullet, the existing authority must be adjusted accordingly to represent the same allocation ratio;
- that the equity securities be issued, or treasury shares disposed of to persons qualifying as public shareholders as defined in the JSE Listings Requirements, and not to related parties as defined in the JSE Listings Requirements;
- that, in determining the price at which an issue of shares or disposal of treasury shares will be made in terms of this authority, the maximum discount permitted will be 10% (ten per cent) of the weighted average traded price of the shares in question, as determined over the 30 (thirty) business days prior to the date that the price of the issue or disposal is agreed between the issuer and the party subscribing for or acquiring the securities; and

Notice of the annual general meeting continued

- that, after the Company has issued equity securities or disposed of treasury shares in terms of an approved general issue for cash representing, on a cumulative basis within a financial year, 5% (five per cent) or more of the number of equity securities in issue prior to that issue, the Company shall publish an announcement containing full details of the issue in accordance with the JSE Listings Requirements.

Reason and effect

To grant to the directors, subject to the JSE Listings Requirements, the general authority to issue ordinary shares and dispose of treasury shares as an issue for cash as defined in the JSE Listings Requirements.

Percentage voting

In order for this ordinary resolution number 12 to be adopted, the support of at least 75% (seventy-five per cent) of votes cast by shareholders present or represented by proxy at the meeting are required, in terms of the JSE Listings Requirements.

13. Ordinary resolution number 13 – To authorise any director of the Company and, where applicable, the secretary of the Company (Company Secretary), to implement the aforesaid ordinary resolutions and the undermentioned special resolutions

To authorise any director of the Company and, where applicable, the Company Secretary, to do all such things, sign all such documentation and take all such actions as may be necessary to implement the aforesaid ordinary resolutions and undermentioned special resolutions.

Reason and effect

The reason for and effect of ordinary resolution number 13 are to grant the authorisation to any director of the Company and, where applicable, the Company Secretary, to implement the ordinary and special resolutions.

SPECIAL RESOLUTIONS

To consider and, if approved, to pass, with or without modification, the following four special resolutions:

Percentage support required for special resolution numbers 1 to 4

For these special resolutions to be adopted, the support per special resolution of at least 75% (seventy-five per cent) of the total number of votes, which the shareholders present or represented by proxy at the meeting are entitled to.

A. Special resolution number 1 – Approval of the non-executive directors' remuneration for their services as directors

To resolve that:

In terms of section 66(9) of the Companies Act, payment of the remuneration for their services as non-executive directors of Sanlam is approved for the period 1 July 2022 until 30 June 2023 as set out in the following table. These increases generally represent a 5,25% increase on the fees applicable in respect of the 12 months to 30 June 2023, i.e. with the exception of those fees highlighted herein below in the "Notes" section. The exceptions are noted for proposed adjustments based on a bespoke benchmarking of the Sanlam Board Fees against a market peer group. There was a nil increase in non-executive fees for the prior year.

Reason and effect

The reason for and effect of special resolution number 1 are to approve the basis for calculating the remuneration payable by the Company to its non-executive directors for their services as directors of the Company for the period 1 July 2022 to 30 June 2023. Executive directors of the Company do not receive any fees for their services rendered as directors of the Company.

Notice of the annual general meeting continued

Non-executive directors' fees for 2022/2023

Directors /Committees	Annual fee 2021/22 R	Attendance fee per meeting 2021/22 R	Annual fee 2022/23 R	Attendance fee per meeting 2022/23 R
Chair ⁽¹⁾	3 306 884	None	3 902 123	None
Deputy Chair ⁽²⁾	588 686	34 348	619 592	36 151
Non-Executive Directors	386 931	33 863	407 245	35 641
Non-Resident Non-Executive Directors	968 243	84 738	1 019 076	89 187
Audit Actuarial and Finance committee Chair ⁽³⁾	524 681	None	629 617	None
Audit Actuarial and Finance committee member ⁽³⁾	236 555	None	264 942	None
Risk & Compliance Committee Chair	473 109	None	497 947	None
Risk & Compliance Committee Member	236 555	None	248 974	None
Human Resources and Remuneration Committee Chair	360 783	None	379 724	None
Human Resources and Remuneration Committee Member	180 392	None	189 863	None
Customer Interest Committee Chair	267 109	None	281 132	None
Customer Interest Committee Member	133 555	None	140 567	None
Social, Ethics and Sustainability committee Chair ⁽⁴⁾	313 948	None	367 319	None
Social, Ethics and Sustainability committee member ⁽⁴⁾	133 555	None	146 911	None
Nominations Committee Chair	239 023	None	251 572	None
Nominations Committee Member	133 555	None	140 567	None
Special ad hoc committees ⁽⁵⁾	None	24 309	None	26 497

All fees are VAT exclusive.

Notes:

- ⁽¹⁾ 18% increase applied to align to market.
- ⁽²⁾ Based on market benchmarks, the position justified a retainer and per meeting attendance fee of R763 033 and R44 519, respectively. At the Deputy Chair's request, Sanlam will apply the difference between the market benchmark and the non-executive directors' fees outlined above to a suitable philanthropic cause.
- ⁽³⁾ 20% increase applied to Committee Chair and 12% increase to Committee member to align with market benchmarks.
- ⁽⁴⁾ 17% increase applied to Committee Chair and 10% increase to Committee member to align with market benchmarks.
- ⁽⁵⁾ 9% increase applied to align to market.

Notice of the annual general meeting continued

B. Special resolution number 2 – Authority to the Company or a subsidiary of the Company to acquire the Company’s securities

Resolved that:

Pursuant to the Memorandum of Incorporation of the Company, the shareholders of the Company hereby approve, by way of a general approval, whether by way of a single transaction or a series of transactions:

- a) the purchase of any of its securities by the Company or any subsidiary of the Company; and
- b) the purchase by and/or transfer to the Company of any of its securities purchased by any of its subsidiaries pursuant to (a) above,

upon such terms and conditions and in such amounts as the Board of the Company or its subsidiaries may from time to time decide, but subject to the provisions of the Companies Act, the JSE Listings Requirements and any other stock exchange upon which the securities of the Company may be quoted or listed from time to time, and subject to such other conditions as may be imposed by other relevant authority, provided that, in relation to purchases that are subject to the JSE Listings Requirements:

- the authority shall only be valid up to and including the date of the Company’s next AGM or for 15 (fifteen) months from the date of this special resolution, whichever period is shorter;
- ordinary shares to be purchased pursuant to (a) above may only be purchased through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty;
- the general authority to purchase securities in the Company pursuant to (a) above be limited in any one (1) financial year to a maximum of 2,5% (two and a half per cent) of the Company’s issued share capital of that class at the time the authority is granted;
- purchases pursuant to (a) above may not be made at a price more than 10% (ten per cent) above the weighted average traded price of the securities for the five (5) business days immediately preceding the date of the purchases;

- at any point in time, the Company may only appoint one (1) agent to effect any purchase on the Company’s behalf or on behalf of any of its subsidiaries;
- the Board of the Company has resolved (i) to authorise a purchase of securities in the Company, (ii) that the Company and each relevant subsidiary have passed the solvency and liquidity test as contemplated in the Companies Act, and (iii) that, since the solvency and liquidity test was performed, no material change has occurred in the financial position of the Company or any relevant subsidiary;
- the Company and its subsidiaries may not purchase securities during a prohibited period, as defined in the JSE Listings Requirements unless a repurchase programme is in place where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company will instruct an independent third party, which makes its investment decisions in relation to the Company’s securities independently of, and not influenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- an announcement complying with paragraph 11.27 of the JSE Listings Requirements be published by the Company (i) when the Company and/or its subsidiaries have cumulatively purchased 3% (three per cent) of the initial number of ordinary shares in issue as at the time the general authority was given and (ii) thereafter, for each 3% (three per cent) in aggregate of the initial number of ordinary shares in issue as at the time the general authority was given, acquired by the Company and/or its subsidiaries; and
- details of equity securities purchased during the period under review will be disclosed in the Annual Financial Statements in accordance with paragraph 8.63(o) of the JSE Listings Requirements.

Notice of the annual general meeting continued

Reason and effect

The reason for and effect of special resolution number 2 are to grant a general authority to enable the Company, or any subsidiary of the Company, to acquire securities that have been issued by the Company including the subsequent purchase by or transfer to the Company of such securities held by any subsidiary.

DIRECTORS' STATEMENT

The Board shall authorise and implement a purchase of the Company's securities only if prevailing circumstances warrant this.

Having considered the effect of the maximum purchases, the Board reasonably concluded in relation to purchases that are subject to the JSE Listings Requirements that:

- after an acquisition, the Company will continue to comply with the JSE Listings Requirements concerning shareholder spread requirements;
- the Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of notice of the AGM of the Company;
- the assets of the Company and its subsidiaries will be in excess of the liabilities of the Company and its subsidiaries for a period of 12 (twelve) months after the date of this notice of the AGM of the Company;
- the issued share capital and reserves of the Company and its subsidiaries will be adequate for the purposes of the business of the Company and its subsidiaries for a period of 12 (twelve) months after the date of this notice of the AGM of the Company; and
- the Company and its subsidiaries will have adequate working capital for ordinary business purposes for a period of 12 (twelve) months after the date of this notice of the AGM of the Company.

DISCLOSURES IN TERMS OF PARAGRAPH 11.26(B) OF THE JSE LISTINGS REQUIREMENTS

The following disclosures are required in terms of paragraph 11.26(b) of the JSE Listings Requirements in relation to purchases that are subject to the JSE Listings Requirements, which appear in the Sanlam annual reporting suite. They are also provided online at www.sanlam.com for purposes of special resolution number 2:

- Major shareholders (page 181 of the Integrated Report) and share capital of the Company (page 102 of the Annual Financial Statements)
- Material changes (page 6 of the Annual Financial Statements)

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of directors, whose names appear on pages 20 to 29 of the Corporate Governance Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 2, and certify that:

- to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading;
- they have made all reasonable enquiries in this regard; and
- special resolution number 2 contains all the required information in terms of the Companies Act and the JSE Listings Requirements.

C. Special resolution number 3 – General authority to provide financial assistance in terms of section 44 of the Companies Act

Resolved that:

As a general approval, the Board of the Company may at any time and from time to time during the two (2) years from the passing hereof authorise the Company in terms of and subject to the provisions of section 44 of the

Notice of the annual general meeting continued

Companies Act, to provide financial assistance by way of a guarantee or the provision of security to any party, other than a director or prescribed officer of the Company or its related or inter-related companies or corporations, for the purpose of, or in connection with, the subscription or purchase of any securities issued or to be issued by a related or inter-related company or corporation of the Company on such terms and conditions as the Board may determine.

Reason and effect

The reason for and effect of special resolution number 3 are as follows:

- The Company is from time to time, as an essential part of conducting the business of the Sanlam Group, required to provide financial assurances to parties by way of a guarantee or the provision of security in respect of securities issued or to be issued by a related or inter-related company or corporation of the Company.
- In terms of the Companies Act, companies are required to obtain the approval of their shareholders by way of special resolution in order to provide financial assistance to any party as contemplated in section 44(2) of the Companies Act. The Company therefore seeks general approval for the Board of the Company to authorise the provision by the Company of financial assistance by way of a guarantee or the provision of security in respect of securities issued or to be issued by a related or inter-related company or corporation of the Company at any time and from time to time during the period of two (2) years commencing on the date of this special resolution number 3.

D. Special resolution number 4 – General authority to provide financial assistance in terms of section 45 of the Companies Act

Resolved that:

As a general approval, the Board of the Company may at any time and from time to time during the two (2) years from the passing hereof authorise the Company in terms of and subject to the provisions of section 45

of the Companies Act, to provide any type of direct or indirect financial assistance as defined in section 45 of the Companies Act, to a related or inter-related company or corporation of the Company, on such terms and conditions and for such amounts as the Board may determine.

Reason and effect

The reason for and effect of special resolution number 4 are as follows:

- The Company is from time to time, as an essential part of conducting the business of the Sanlam Group, required to provide financial assistance to related or inter-related companies or corporations of the Company as part of its day-to-day operations in the form of loan funding, guarantees or general financial assistance as contemplated in section 45 of the Companies Act.
- In terms of the Companies Act, companies are required to obtain the approval of their shareholders by way of a special resolution in order to provide financial assistance to any related or inter-related companies or corporations. The Company therefore seeks general approval for the Board of the Company to authorise the provision by the Company of all types of financial assistance to any such related or inter-related company or corporation as contemplated in section 45(2) of the Companies Act at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution number 4. Notwithstanding such general approval, related party transactions remain subject to any applicable regulatory requirements.

THE RESILIENCE REPORT

The Resilience Report can be found on the Company's website (www.sanlam.com). This is tabled in terms of Regulation 43(5)(c) of the Companies Act.

GENERAL NOTES

1. The record date for the distribution of the notice of the AGM was set as at the close of business on Friday, 18 March 2022.

Notice of the annual general meeting continued

2. The record date to participate in and vote at the meeting was set as at the close of business on Friday, 3 June 2022. Therefore, the last day to trade in the Company's shares on the JSE in order to be recorded in the share register on the record date is Tuesday, 31 May 2022.
3. A shareholder entitled to participate in, speak and vote at the meeting may appoint a proxy to participate in, speak and vote in his or her stead.
4. The votes of shares held by the Sanlam Share Incentive Trust and subsidiaries of the Company will not be taken into account at the meeting for approval of any resolution proposed in terms of the JSE Listings Requirements.
5. Sanlam shareholders who hold share certificates for their Sanlam ordinary shares or have dematerialised their Sanlam ordinary shares and have them registered in their own name (which includes Sanlam ordinary shares held through the arrangement with Sanlam Share Account Nominee (Pty) Ltd or Sanlam Fundshare Nominee (Pty) Ltd), but who are unable to participate at the meeting and wish to be represented there, should complete and return the enclosed proxy form, in accordance with the instructions contained therein, to the transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (Private Bag X9000, Saxonwold 2132) or email proxy@computershare.co.za. For administrative purposes, the proxy form is requested to be received by no later than 14:00 on Tuesday, 7 June 2022. It may alternatively be emailed to proxy@computershare.co.za prior to the commencement of the meeting on Wednesday, 8 June 2022.
6. Sanlam ordinary shareholders who hold their dematerialised Sanlam ordinary shares through a Central Securities Depository Participant (CSDP), bank or broker nominee (Sanlam dematerialised shareholders) must provide their CSDP, bank or broker nominee with their voting instructions, in accordance with the agreement between them and their CSDP, bank or broker nominee. Should Sanlam dematerialised shareholders wish to cast their votes at the meeting, they must contact their CSDP, bank or broker nominee to issue them with the appropriate letter of representation. Sanlam does not accept the responsibility for any failure on the part of the CSDP, bank or broker nominee with regard hereto.
7. A person representing a corporation/company/legal entity is not deemed to be a proxy. As such, a corporation/company/legal entity can only participate in a meeting through a person, duly authorised by way of a resolution to act as a representative. A notarial certified copy of such power of attorney or other documentary evidence establishing and confirming the authority of the person signing the proxy in a representative capacity, must be attached to the form of proxy. Such a person enjoys the same rights at the meeting as the shareholding corporation/company/legal entity.
8. A shareholder whose shares are held through the arrangement with Sanlam Share Account Nominee (Pty) Ltd or Sanlam Fundshare Nominee (Pty) Ltd is entitled to act and vote at the AGM.
9. Every shareholder present or every proxy or duly authorised representative representing shareholders, shall have only one vote irrespective of the number of shareholders or shares he or she represents or holds.
10. On a poll, every shareholder present or represented by proxy or duly authorised representative shall have one vote for every Sanlam share held by that shareholder.
11. A resolution put to the vote shall be decided on a show of hands unless, before or on the declaration of the results of the show of hands, a poll shall be demanded by any person entitled to vote at the meeting. If a poll is so demanded, the resolutions put to the vote shall be decided on a poll. Since the meeting is held by electronic communication, the Chair has decided that the resolutions put to the vote shall be decided on a poll.
12. The Company's Memorandum of Incorporation provides for an electronic voting process.
13. Regarding electronic participation, shareholders are advised that they, or their proxies, will be able to participate in the meeting by way of electronic communication.

Electronic registration and participation

The AGM will be conducted entirely by electronic communication (including voting) as contemplated by section 63(2)(a) of the Companies Act. The procedure for participation by electronic communication is set out hereunder.

Notice of the annual general meeting continued

Registration

Shareholders who wish to participate in the AGM should either register online at www.smartagm.co.za by no later than 14:00 on Tuesday, 7 June 2022 or submit a request to participate to proxy@computershare.co.za. Shareholders may still register to participate in and/or vote electronically at the AGM after this date and time provided that, for those shareholders to participate in and/or vote electronically at the AGM, they must be verified and registered prior to exercising any rights at the AGM. As part of the registration process, shareholders will be requested to upload/submit proof of identification (i.e. identity document, driver's licence or passport) and authority to do so (where acting in a representative capacity) as well as to provide details, such as their name, surname, e-mail address, contact number and number of Sanlam shares held.

Following successful registration, the transfer secretaries will provide shareholders with a username and a password in order to connect electronically to the AGM. Telephone lines will be made available for shareholders who want to ask verbal questions. Shareholders who wish to ask questions on the telephone line must register their request in writing with the Company Secretary (sana-ullah.bray@sanlam.co.za) by no later than 12:00 on Friday, 3 June 2022. The cost of the shareholder's phone call will be for his or her own account. The shareholder acknowledges that the telecommunication platforms are provided by a third party and indemnifies the Company against any claim arising in any way from the use or possession of the telecommunication lines. We kindly request shareholders to log into the virtual meeting from 13:50 on the day of the meeting. All shareholders who would like to call into the meeting to ask questions, should dial +27 21 916 3770 PIN 5500#.

By order of the Board



Sana-Ullah Bray
Company Secretary

Bellville
March 2022

Shareholders' diary

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

REPORTS

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

DIVIDENDS

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

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

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

