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Annual Results 2023

23



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## Basis of preparation

The Sanlam group's financial statements for the 12 months ended 31 December 2023 are presented based on and in compliance with IFRS. The basis of presentation and accounting policies for the IFRS financial statements and shareholders' fund information are, in all material respects, consistent with those applied in the 2022 integrated report and annual financial statements, except for the adoption of IFRS 17 and restatements detailed in note 17 of the annual condensed consolidated financial statements as well as the inclusion of the Sanlam and Allianz joint venture (SanlamAllianz), which came into effect from 4 September 2023 and is reported on in our accounts from 1 October 2023.

All references to 2023 and 2022 relate to the full 12-month period, unless otherwise stated.

## Forward-looking statements

In this report, we make certain statements that are not historical facts and relate to analyses and other information based on forecasts of future results not yet determinable, relating, among others, on the financial results, to new business volumes and investment returns (including exchange-rate fluctuations). These statements may also relate to our future prospects, developments and business strategies. These are forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "expect" and "project" and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements involve inherent risks and uncertainties and, if one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. Forward-looking statements apply only as of the date on which they are made, and Sanlam does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Any forward-looking information contained in this document has not been reviewed and reported on by Sanlam's external auditors.

## Constant currency information

The constant currency information included in this report has been presented to illustrate the impact of changes in the South African rand exchange rates.

It is presented for illustrative purposes only and, because of its nature, may not fairly present the group's financial position, changes in equity, result of operations or cash flows. All references to constant currency information are based on the translation of foreign currency results for the 12 months to 31 December 2023 at the weighted average exchange rate for the 12 months to 31 December 2022, which is also applied to the translation of comparative information.

The major currencies contributing to the exchange rate movements are the British pound, United States dollar, Botswana pula, Indian rupee, Moroccan dirham, Angolan kwanza, Nigerian naira and the Egyptian pound. The Egyptian pound was included post 1 October 2023, recording an average and spot rate of 0.60 to rand conversions.

Foreign currency/ZAR	United Kingdom	USA	Botswana	India	Morocco	Angola	Nigeria
31/12/2022	20,47	17,02	1,33	0,21	1,62	0,03	0,04
31/12/2023	23,31	18,29	1,37	0,22	1,86	0,02	0,02
(Strengthening)/Weakening	13,9%	7,5%	3,3%	7,9%	14,7%	(34,2)%	(45,8)%
Average 2022	20,16	16,31	1,32	0,21	1,61	0,04	0,04
Average 2023	22,91	18,44	1,38	0,22	1,82	0,03	0,03
(Strengthening)/Weakening	13,7%	13,1%	4,4%	7,2%	13,1%	(21,3)%	(19,9)%

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# Financial and strategic review

## Sanlam achieves an excellent operating performance in 2023

Financial review (all commentary on net result from financial services and group equity value is based on additional shareholders' fund information)

- ▶ **Net result from financial services (NRFFS) and cash net result from financial services<sup>(1)(2)</sup> both increased by 18%** to R12,4 billion, with strong contributions from all lines of business.
- ▶ Net result from financial services and cash net result from financial services **on a per share basis, increased by 21%**, lifted by a reduction in share count from share repurchases in 2022 and 2023, and the consolidation of the B-BBEE SPV in the shareholders' fund following acquisition of the senior ranking preference shares effective 30 June 2023.
- ▶ **Net operational earnings<sup>(2)</sup> increased by 25%** to R13,9 billion (28% higher on a per share basis), supported by higher investment returns over the period.
- ▶ **Group new business volumes increased by 18%** to R397 billion.
- ▶ **Life insurance new business volumes were 14% higher** on a present value of new business premiums (PVNBP) basis, with **net value of new covered business up 19%** to R2,9 billion, benefiting from a shift in sales mix to more profitable product lines.
- ▶ **Net client cash flows** of R36 billion, with an improved trend in flows recorded in the second half of the year.
- ▶ **Return on group equity value (RoGEV) for the year of 15,7%** (16,7% per share) and adjusted RoGEV<sup>(3)</sup> of 18,4% (19,5% per share) both ahead of the hurdle rate of 15,5%.
- ▶ **Group solvency position remained strong** and within the target range, with a group solvency cover ratio of 170% at 31 December 2023.
- ▶ **Dividend increased by 11,1%** to 400 cents per share from 360 cents per share for 2022.
- ▶ **Strong delivery on strategy** evidenced by actions taken to build dominant positions in South Africa and the rest of the African continent.

The group recorded a marked upswing in performance in 2023 as the quality of our existing operations came through strongly after the series of one-in-25/100-year events from 2020 to 2022. We achieved a record net result from financial services of R12,4 billion, with the life insurance portfolio growing by 19%, general insurance by 21%, investment management by 14% and credit and structuring by 29%.

New business volumes remained solid at just under R400 billion, also a record high, with robust sales growth across all lines of business. Despite the challenging consumer environment, which resulted in more policy cancellations and clients accessing their savings in South Africa, the group's established asset gathering capability ensured that total net client cash flows remained firmly positive. All lines of business contributed to this excellent result, with the investment management operations doing well in a difficult environment as flows in core business areas remained positive.

The group's main value creation metric of RoGEV was above the hurdle rate on an actual and adjusted basis, supported by:

- ▶ **Covered business:** robust new business and positive risk, working capital and credit spread experience, somewhat dampened by a once-off reduction due to the introduction of IFRS 17 and related tax impact, and weaker persistency experience driving a consequent strengthening of persistency assumptions.
- ▶ **Non-covered business:** higher valuation of the group's credit operations in India (Shriram Finance Limited) due to improved performance and outlook, improved general insurance underwriting in the Pan-Africa operations, realisation of synergy benefits from the Absa asset management integration and an improved contribution from Santam, having outperformed its return on capital target over the period.

These positive contributions were partially offset by the lower former Allianz entities take-on value contributed to SanlamAllianz, mostly due to currency movements. The largest currency impacts were from the depreciation of the Egyptian pound relative to the rand, which impacted the value of the Allianz entities, and the appreciation of the Moroccan dirham and US dollar relative to the rand, which impacted the value of the Sanlam entities (see additional information on page 9). These currency movements were offset to some degree by currency impacts in other areas of the group's business.

The group's strong results reflect our strategic focus over the past three years on improving the performance of our existing operations, while at the same time investing in the group's long-term growth path. Our financial performance in 2023 was largely due to unlocking the potential of our existing operations, which are on a firm footing. We expect contributions from strategic activity to enhance group performance in future.

<sup>(1)</sup> Cash NRFFS represents NRFFS adjusted for the reversal of specific non-cash items: amortisation of capitalised IT projects and IFRS 17 specific and other non-cash adjustments.

<sup>(2)</sup> The 2023 earnings and the restated earnings for the comparable period in 2022 are based on the new IFRS 17 accounting standard, after allowing for Sanlam specific shareholders' fund adjustments.

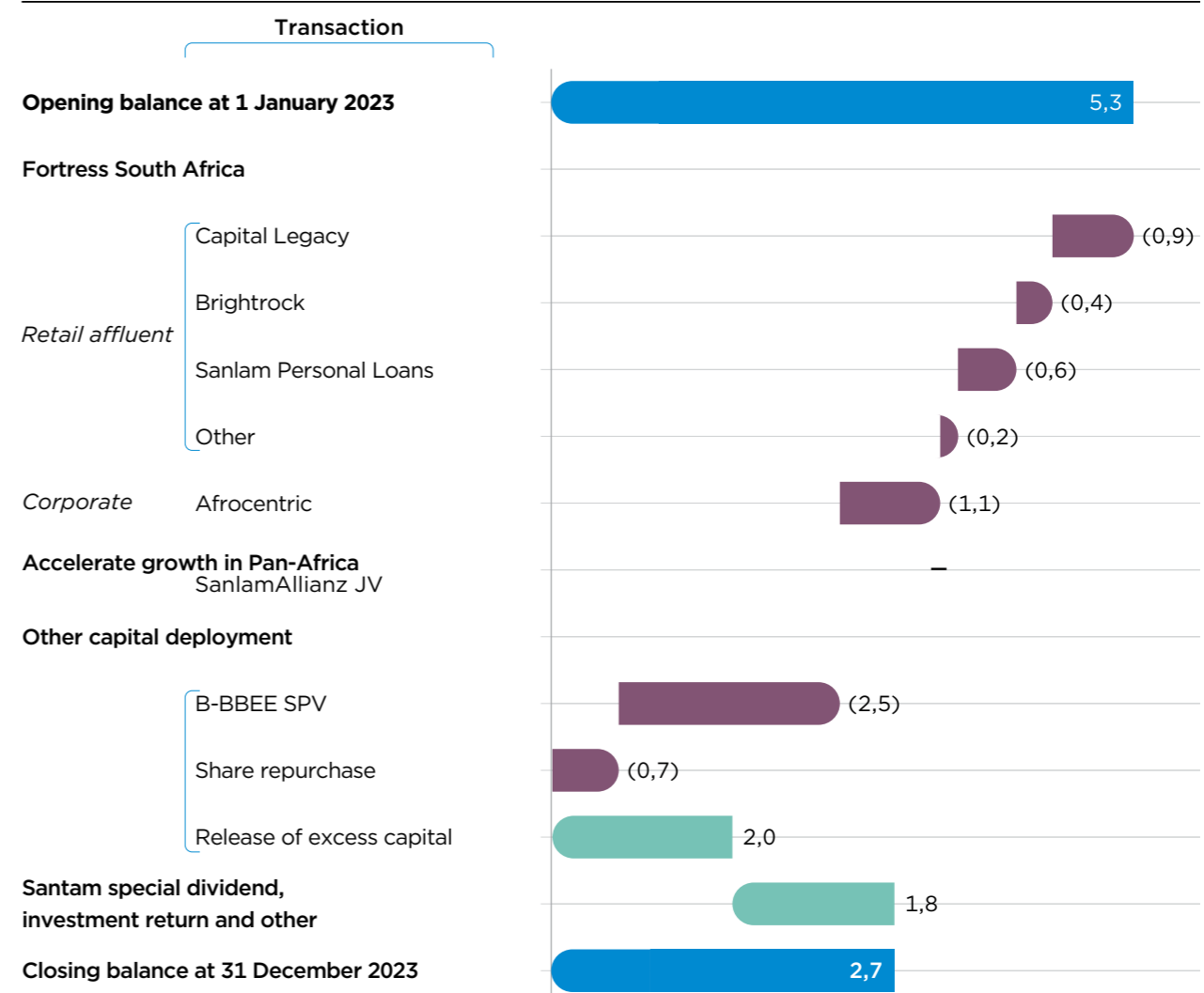
<sup>(3)</sup> Adjusted RoGEV excludes all currency exchange rate movements, the impact of actual investment returns relative to long-term assumptions, interest rate changes, tax changes and other one-off effects not under management control.

## Disciplined capital allocation to strengthen our business for the long term

The group continued to allocate capital in line with its three strategic pillars of building a fortress position in South Africa, accelerating growth in Pan-Africa and strengthening our position in Asia.

Discretionary capital decreased from R5,3 billion at 31 December 2022 to R2,7 billion at 31 December 2023. Steps to fortify the group's position in South Africa focused on the retail affluent and corporate market segments, to strengthen the group's product proposition, enhance scale and cross-sell opportunities, and contribute to cost and capital synergies.

### Discretionary capital (R billion)



Fortress South Africa	Transaction	Strategic rationale
	Capital Legacy	Innovative wills and estates provider, build market leading fiduciary business
- Retail affluent	Brightrock	Strengthen risk product market position and realise synergies
	Sanlam Personal Loans	Minority buy-out with intention to expand business in time without the constraints of a competitor as partner
- Corporate	Afrocentric	Leading health insurance and solution provider, filling in an essential product proposition

■ Increase ■ Decrease ■ Total

See page 10 for further information on capital allocation.

# Financial and strategic review continued

## Line of business analysis

In this analysis, all references to South Africa include Sanlam Life and Savings, Sanlam Investment Group and Santam. Pan-Africa refers to the Sanlam Emerging Markets operations in Africa outside of South Africa (SanlamAllianz) and including Namibia, and Asia refers to our operations in India and Malaysia.

### SanlamAllianz JV formation impact on Sanlam group reporting

The effective date for the SanlamAllianz JV was 1 October 2023, thereby contributing for only one quarter in the reporting period ended 31 December 2023 to the group. As a result the structure of the Sanlam Emerging Markets (SEM) cluster significantly changed, also impacting the comparability of the cluster's 2022 performance.

For the period to 30 September 2023, SEM consisted of Sanlam Pan African (SPA) including Namibia and Asia (India and Malaysia). All of the assets of Sanlam Pan African (SPA), except the Namibian assets, were contributed to the SanlamAllianz JV. From 1 October 2023 the SEM cluster consists of the SanlamAllianz JV, Namibia as a standalone business and Asia as illustrated below:

2022	2023											
Full year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
SEM cluster	SEM cluster											SEM cluster
<ul style="list-style-type: none"> <li>▶ Sanlam Pan-Africa (SPA), including Namibia</li> <li>▶ India</li> <li>▶ Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>▶ Sanlam Pan-Africa (SPA), including Namibia</li> <li>▶ India</li> <li>▶ Malaysia</li> </ul>											<ul style="list-style-type: none"> <li>▶ SanlamAllianz JV</li> <li>▶ Namibia</li> <li>▶ Asia (India and Malaysia)</li> </ul>

The SanlamAllianz JV transaction involved multiple African geographies with multiple regulatory requirements. The integration of the businesses, including financial reporting, could only commence after the effective date and is progressing well. As a consequence, Sanlam can only disclose summarised information until the processes are fully aligned over the next 12 months to allow reporting at the detailed level that is customary for Sanlam's disclosure. We anticipate that the detailed disclosures will be available when results for the financial year ending 31 December 2024 will be reported. This will also allow for a longer period to establish meaningful trends.

Commentary relating to 2023 and 2022 refers to the full year, unless otherwise indicated.

Because of the non-comparability of the portfolio between 2023 and 2022, an analysis of the performance of SanlamAllianz on a pro forma basis is included on page 6.

### Life insurance and health

**Net result from financial services** for life insurance increased by 19%, with South Africa up 17% and Pan-Africa 63% higher. The South Africa and Pan-Africa operations recorded favourable risk experience and higher asset-based income from improved investment market performance and strong recent new business inflows. South Africa also benefited from higher earnings from the credit portfolio backing life insurance liabilities. Growth in Asia was dampened by a weaker performance in Malaysia, which offset the strong performance in India where continued book growth drove a 49% increase in NRFFS.

**Life insurance new business volumes** increased by 14% on a PVNBP basis, with strong trends recorded in South Africa and Asia. South Africa's PVNBP increased by 16%, with the retail mass business recording an 8% increase, retail affluent growing by 14% and corporate by 37%. Strong single premium sales were achieved in retail affluent and corporate, with retail affluent also showing good growth in the higher margin recurring premium product lines, despite muted recurring premium growth overall. Pan-Africa new business declined due to lower single premium sales. Asia's growth of 25% was driven by India, where sales increased 43% on the back of strong volumes from the Shriram ecosystem and third-party channels. Malaysia recorded weaker sales growth.

**Net VNB** increased by 19% (16% on a constant economic basis). South Africa increased its contribution by 22%, with strong performances from the retail affluent and corporate businesses. Retail affluent benefited from higher margin risk and guaranteed annuity product sales, while corporate's growth was driven by improved annuity and investment product sales. The retail mass contribution increased by 4%, as the positive impact of higher sales volumes was partly offset by assumption changes as a result of a weaker persistency experience.

Pan-Africa increased its contribution by 4% despite muted sales growth, supported by strong growth and favourable product mix in North and West Africa. Asia increased by 34% due to the strong performance from the India operations.

**Net VNB margin** of 2,85% (2,77% on a constant economic basis) was higher than the 2,72% recorded in 2022. South Africa recorded 2,49% (2022: 2,38%) with Pan-Africa at 4,84% (2022: 4,39%) and Asia at 5,46% (2022: 5,12%).

**Life insurance net client cash flows** were satisfactory at R18,7 billion, albeit 14% lower than in 2022. The lower net inflows were mainly due to a weaker performance in South Africa, where increased surrenders and fund terminations detracted from robust new business inflows.

The **health** line of business consists mostly of Sanlam's 59,8% shareholding in Afrocentric.

**Net result from financial services for health increased by 18%.** The increase in Afrocentric ownership from 28,7% to 59,8% in May 2023 supported this growth. Afrocentric experienced challenging operating conditions in the first half of 2023 but recorded an improved performance in the second half, benefiting from higher administration fee income as a result of increased membership, higher new business secured and higher sales in the pharmacy business.

### General insurance

**Net result from financial services increased by 21%.**

Santam increased by 3%. Solid growth in alternative risk transfer and an improved return on insurance funds offset a weaker underwriting performance. Adverse weather events, the Türkiye earthquakes, run-off losses in respect of cancelled business and some large fire claims impacted underwriting performance, resulting in an underwriting margin of 3,5% (2022: 5,1%) for the conventional insurance business. Excluding large one-off items, an underwriting margin of 8,4% was achieved. Shareholders and noteholders are referred to Santam's annual results released on 29 February 2024 for more information (<https://www.santam.co.za/about-us/investor-relations/>).

Pan-Africa increased by 41% (25% in constant currency) driven by improvements in both underwriting margin and investment return on insurance funds margin. The underwriting margin increased to 7,5% (2022: 5,3%), benefiting from improved experience, as well as good cost management. The investment return on insurance funds margin improved to 4,6% (2022: negative 2,7%), resulting in a net insurance result margin of 12,1%, within the 10% to 15% target range.

Asia's performance improved by 58% due to strong performance in India, albeit dampened by weaker growth in Malaysia. A continued recovery in sales volumes and reserve releases due to a better-than-expected claims experience following good claims management, underpinned India's strong performance.

**New business volumes (net earned premiums) increased by 4%.** Santam achieved net earned premium growth of 5,8% in the conventional insurance business. Risk management actions impacted overall growth, which would otherwise have been 8%. Pan-Africa recorded new business volumes broadly in line with 2022. Asia's growth of 20% was driven by India where strong Shriram group and digital distribution channel growth across all product lines supported an increase of 27% (18% on a constant currency basis).

### Investment management

**Net result from financial services increased by 14%** (19% excluding 2022 disposed UK operations).

South Africa increased by 15%, despite lower performance and fund establishment fees. Improved investment market performance over the year and strong net inflows in recent periods supported earnings, with the wealth business also benefiting from increased trading activity. Synergies realised from the Absa asset management integration supported asset management. The international business increased by 10%, benefiting from performance fees earned in the second half of 2023. Pan-Africa increased 19% due to higher fee income from increased assets under management.

**New business volumes increased by 22%** to R275 billion, with good growth in South Africa, supported by the inclusion of the Absa asset management business, and strong inflows in the Pan-Africa operations.

**Net client cash flows remained positive**, albeit significantly lower than 2022.

The international asset management business was a significant detractor, with outflows still being experienced due to the sale of our wealth and financial planning business in 2022, and movement of portfolios due to restructuring and the closure of certain funds.

Excluding the international business, we achieved net inflows of R7,3 billion, a strong performance in a challenging economic environment.

In South Africa, we recorded net inflows of R9,7 billion. This was lower than 2022 due to increased terminations and withdrawals of investment business in the retail affluent and corporate operations. The South African asset management business recorded satisfactory net inflows of R3,9 billion, with flows improving strongly in the second half of 2023. Wealth management recorded positive flows, albeit lower than the prior year, benefiting from its offshore investment capabilities. The Pan-Africa operations recorded net outflows due to withdrawals in East and Southern Africa.

### Credit and structuring

**Net result from financial services increased by 29%** due to the strong performance from the India operations, the largest contributor to the group's earnings from credit and structuring. India achieved growth of 51% from Shriram Finance Limited. The business benefited from a larger advances book, improved cost efficiencies and better collections. Shareholders and noteholders are referred to Shriram's published results for more information ([www.shriramfinance.in](http://www.shriramfinance.in)).

## Financial and strategic review continued

South Africa's contribution declined due to reduced net interest income. This was as a result of muted book growth and higher bad debt provisions given the difficult economic environment.

### Pro forma operational performance of SanlamAllianz

The pro forma financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the directors. It has been prepared for illustrative purposes only, to provide information on how SanlamAllianz may have affected Sanlam's financial position and financial performance for the 12 months ended 31 December 2023, had the effective date occurred on 1 January 2023 for statement of profit or loss purposes. Due to its nature, the pro forma financial information may not fairly represent Sanlam's operating results. The pro forma financial information has not been reviewed or reported on by Sanlam's external auditors.

#### On a pro forma basis, SanlamAllianz performed well, with key metrics for 2023 relative to 2022:

- ▶ General insurance gross premium growth within our medium-term target range.
- ▶ Life insurance new business volumes growth below our medium-term target range and flat.
- ▶ Life insurance VNB growth slightly below our medium-term target range.
- ▶ Net insurance result for the general insurance line within the target range of 10% to 15%.
- ▶ Net results from financial services increased by over 25%.

### Outlook

The group's performance momentum picked up significantly in 2023 as a result of actions taken over the past three years. Our strong capital position and cash generation, as well as the diversity of our operations by product, market segment and geography, position us well to navigate the current macroeconomic environment. We are building leading market positions in all segments in South Africa, have created a new force on the African continent outside of South Africa and continue to strengthen our presence in Asia, with a particular focus on India.

We are positive about the group's growth prospects for 2024. Ongoing geopolitical conflicts do, however, pose risk to the outlook for investment markets, interest rates and inflation. Group earnings remain sensitive to significant moves in global investment markets.

Due to the impact of economic conditions on clients in the retail mass market, persistency challenges continue. However, actions taken have seen short duration persistency stabilising. Further management actions to improve resilience to the cyclical economic pressures on clients are being implemented. These actions may negatively impact short-term sales and value of new business in 2024 in the retail mass segment, but will ensure sustainable long-term growth. We however expect profits in this segment in 2024 to remain robust and in line with historical growth levels.

The group's funeral JV with Capitec terminates in October 2024. We anticipate that the proposed Assupol transaction, subject to regulatory and other approvals, together with the contribution from other strategic activity concluded in 2023, will supplement part of the new business value lost through this termination.

In our Pan-Africa operations, SanlamAllianz's businesses are progressing well, with management focused on integrating the operations and realising revenue and cost synergies. The long-term growth prospects for the portfolio are very attractive.

We remain positive about the medium to long-term prospects for the African countries in which we operate. Short-term economic challenges are set to reverse over time and the continent is likely to achieve good income growth, which will support our operations. The Indian economy is performing well and we are very positive about the medium to long-term prospects of our Indian operations.

### Dividend

The group declared a dividend of 400 cents per share (2022: 360 cents per share). This fell within our normal dividend policy range of real growth of 2% to 4% over a rolling three-year period, without undermining the group's ability to deal with further financial stresses.

The declaration of a dividend reflects the group's resilience and ability to generate cash, and the board's confidence in the underlying strength of the business.

## Additional information

### Key performance indicators

For the year ended 31 December	unit	2023	Restated 2022	Δ
<b>Earnings</b>				
<i>Shareholders' fund information</i>				
Net result from financial services <sup>(1)</sup>	R million	12 379	10 473	18%
Cash net result from financial services <sup>(2)</sup>	R million	12 398	10 473	18%
Net operational earnings <sup>(1)</sup>	R million	13 889	11 077	25%
Headline earnings	R million	14 467	9 687	49%
Weighted average number of shares	million	2 089	2 078	1%
Adjusted weighted number of shares	million	2 158	2 210	(2)%
Net result from financial services per share	cents	574	474	21%
Cash net result from financial services per share	cents	574	474	21%
Net operational earnings per share	cents	644	501	28%
Diluted headline earnings per share	cents	692	466	49%
<i>IFRS information</i>				
Basic profit attributable to shareholders' fund per share	cents	703	598	17%
Diluted profit attributable to shareholders' fund per share	cents	693	590	17%
Dividend per share	cents	400	360	11%
<b>Business volumes</b>				
Total new business volumes	R million	396 590	335 201	18%
Total net client cash flows	R million	35 672	59 975	(41)%
<b>Life insurance</b>				
New business volumes (PVNBP)	R million	100 241	87 814	14%
Value of new covered business	R million	2 853	2 388	19%
New covered business margin	%	2,85	2,72	
Value of new covered business <sup>(3)</sup>	R million	2 776	2 388	16%
New covered business margin <sup>(3)</sup>	%	2,77	2,72	
Life insurance net client cash flows	R million	18 678	21 615	(14)%
<b>General insurance</b>				
New business volumes	R million	47 153	45 250	4%
Net client cash flows	R million	16 744	16 384	2%
<b>Investment management</b>				
New business volumes	R million	274 579	225 139	22%
Net client cash flows	R million	250	21 976	(99)%
<b>Group equity value</b>				
Group equity value	R million	149 904	140 776	
Group equity value per share	cents	70,86	63,80	
Return on group equity value per share	%	16,7	4,2	
Adjusted return on group equity value per share	%	19,5	14,9	
<b>Solvency cover</b>				
Sanlam group	%	170	169	
Sanlam Life Insurance Limited	%	245	230	
Sanlam Life insurance Limited covered business	%	170	176	

<sup>(1)</sup> The 2023 earnings and the restated earnings for the comparative period in 2022 are based on the new IFRS 17 accounting standard, after allowing for Sanlam specific shareholders' fund adjustments.

<sup>(2)</sup> Cash NRFFS represents NRFFS adjusted for the reversal of specific non-cash items: amortisation of capitalised IT projects and IFRS 17 specific and other non-cash adjustments.

<sup>(3)</sup> Constant economic basis.

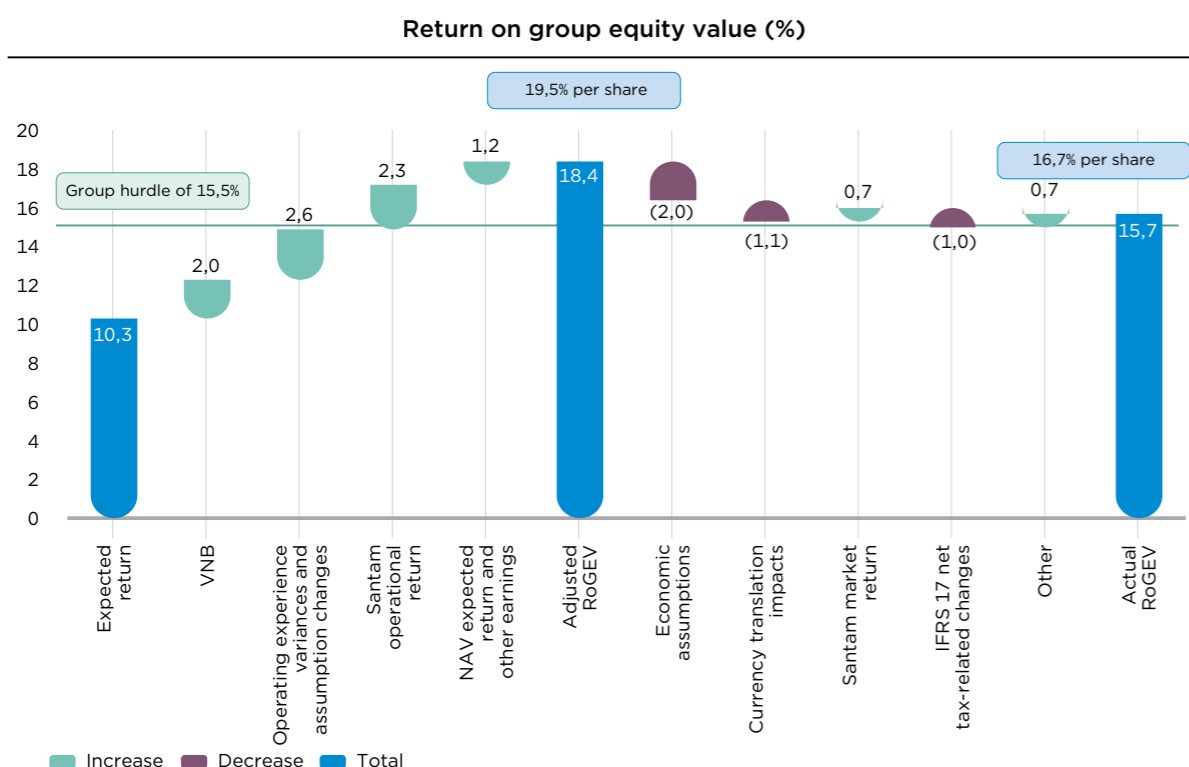
# Financial and strategic review continued

## Group equity value

Group equity value amounted to R149,9 billion or 7,086 cents per share at 31 December 2023, with RoGEV of 15,7% and adjusted RoGEV of 18,4% both above the 15,5% hurdle rate.

On a per share basis, actual RoGEV was 16,7% and adjusted RoGEV was 19,5%. The uplift to RoGEV on a per share basis was due to the 85 million Sanlam shares held by the broad-based black economic empowerment (B-BBEE) special purpose vehicle (SPV), now treated as treasury shares after Sanlam's acquisition of the senior ranking preference shares from the Standard Bank of South Africa Limited (SBSA).

### Analysis of RoGEV for 2023



The key drivers of RoGEV were as follows:

- ▶ VNB contributed 2,0%, benefiting from satisfactory levels of new business volumes and increased sales of higher margin products. The South Africa retail affluent and corporate businesses, as well as Asia, contributed to the strong performance.
- ▶ Operating experience variances and assumption changes together contributed 2,6%, made up of 1,5% from experience variances and 1,1% from assumption changes.

## Operating experience variances

- Positive risk experience variances of R1,5 billion on covered business (2022: positive R1,7 billion). All clusters contributed positively to risk experience.
- Persistency experience in the covered business was negative R810 million (2022: negative R596 million) largely due to a weaker experience in the South Africa operations. Persistency experience in retail affluent remained positive, benefiting from a range of proactive management interventions, but was negative in the retail mass and corporate businesses, as their client bases faced continued affordability constraints. In the retail mass business, management actions have stabilised short-duration persistency, but the difficult economic climate continues to impact persistency at longer durations. Lower-than-expected fees in the admin business impacted corporate.
- Higher positive credit spread and working capital profits due to increased margin income in the credit portfolio and the impact of higher interest rates on working capital.
- Positive experience variances in the non-covered business mainly due to strong general insurance premium income in Pan-Africa and positive lending income experience in the India credit business.

## Operating assumption changes

- The covered business recorded negative operating assumption changes of R964 million (2022: negative R473 million). The primary drivers were persistency assumption changes of negative R837 million (2022: positive R133 million) in response to weaker persistency in the retail mass business and some strengthening in the Pan-Africa operations. Negative maintenance expense assumption changes relate mainly to the re-allocation of costs to clusters from the group office.
- The non-covered business operations recorded strong positive operating assumption changes of R2,5 billion (2022: negative R396 million) due to an improved growth outlook in the India credit operations, improved general insurance underwriting in the Pan-Africa operations, and the realisation of synergy benefits from the Absa asset management integration.
- ▶ The negative currency translation impacts were mainly driven by the net portfolio impact of currency movements in the respective Pan-Africa and Allianz portfolios from transaction agreement to effective date (see below). This more than offset the positive impact of currency gains due to depreciation of the rand against major valuation currencies.
- ▶ Positive contribution from Santam due to outperformance against its return on capital target over the period.
- ▶ IFRS 17 related net tax changes negatively impacted RoGEV due to accelerated tax payable on transition, and the additional tax on the investment return earned on the IFRS 4 discretionary margins that were transferred from the policyholder funds to the shareholders' funds on transition.

## Formation of SanlamAllianz

On 4 May 2022, we announced our intention to create a Pan-African JV between Sanlam and Allianz SE (Allianz), by combining Sanlam's African operations outside of South Africa (Sanlam Pan-Africa) with those of Allianz. The initial shareholding split of Sanlam and Allianz in the JV was 60% and 40% respectively and excludes Namibia. Sanlam's operations in Namibia will be contributed at a later stage, and at a time when Allianz will also have the option to increase their shareholding in SanlamAllianz to 49%. The initial shareholding split was determined based on relative appraisal value of the entities at 30 June 2021 excluding Namibia.

Following the receipt of all necessary regulatory approvals, the JV was incorporated with an effective date of 4 September 2023, and reflected in Sanlam's accounts from 1 October 2023. Provisions were included in the agreements for certain post-closing adjustments to be performed to obtain the final shareholding split. Post-closing adjustments relating to capital transactions between 30 June 2021 and 4 September 2023 were subsequently allowed for, resulting in the revised Sanlam and Allianz shareholding split at 59% and 41% respectively.

The post-closing adjustments did not include changes to appraisal value since 30 June 2021. Currency movements since 30 June 2021 resulted in an increase in the relative value of the Sanlam Pan-Africa portfolio, mostly due to the appreciation of the Moroccan dirham and US dollar against the rand, and a relative decrease in the value of the Allianz portfolio, mostly due to the depreciation of the Egyptian pound against the rand.

The net impact of these currency movements was a lower take-on value of the Allianz entities relative to the implied shareholding split. Since these are currency movements and do not reflect a deterioration in the underlying operational performance of the respective businesses, we remove this impact from adjusted RoGEV, in line with Sanlam's existing treatment of currency movements.

Despite the negative take-on impacts of currency movements, management remain positive about the long-term growth prospects for SanlamAllianz. The business is well positioned to benefit from Africa's economic growth, rising incomes and consequent increase in penetration rates, as well as from the technical and financial support of Sanlam and Allianz.

## Financial and strategic review continued

### Capital deployment

#### Termination of the funeral JV with Capitec

In December 2023, the group announced the termination of the funeral insurance co-operation agreement with the Capitec group, effective from 31 October 2024. A reinsurance recapture amount of R1,9 billion (gross of tax) is payable to the relative Sanlam entities on or before this date. As this is a reinsurance recapture fee, this amount will reflect in the net result from financial services of the relevant Sanlam entities in 2024.

#### Capital allocation in 2024 to date

In February 2024, the group announced its intention to acquire up to 100% of Assupol Holdings (Assupol), subject to regulatory and Assupol shareholder approval, for a consideration of R6,5 billion. Assupol will form part of Sanlam's retail mass cluster and, together with Sanlam Sky, Safrican and the Capitec JV (until October 2024), will consolidate Sanlam's strong market position in the retail mass market segment in South Africa in complement to our strong positions in the retail affluent and corporate life insurance markets.

In the same month, the group also announced completion of the mandatory takeover offer for Sanlam Maroc shares, increasing SanlamAllianz's shareholding in Sanlam Maroc from 61,73% to 85,59%. The total consideration of R2,4 billion was ultimately funded by Sanlam and Allianz, in line with their respective shareholdings in SanlamAllianz.

The group will fund these transactions from cash resources which may include short-term bridge funding and debt funding. The group has low levels of debt and sufficient capacity to fund these transactions. We do not intend to issue equity to fund any transactions.

#### Reconciliation of IFRS and shareholders' fund NRFFS

R million	2023	2022	
<b>IFRS profit after tax attributable to SHF</b>	<b>14 478</b>	12 257	18%
Items outside of NRFFS	(804)	(1 949)	
Investment return	(2 120)	(1 147)	
Project expenses	610	543	
Net other earnings	706	(1 345)	
<b>Net result from financial services (before SHF adjustments)</b>	<b>13 674</b>	10 308	33%
Specific shareholder fund adjustments	(1 295)	165	
<b>Net result from financial services (after SHF adjustments)</b>	<b>12 379</b>	10 473	18%
Investment return	2 120	1 147	
Project expenses	(610)	(543)	
<b>Net operational earnings</b>	<b>13 889</b>	11 077	25%

### Annexure

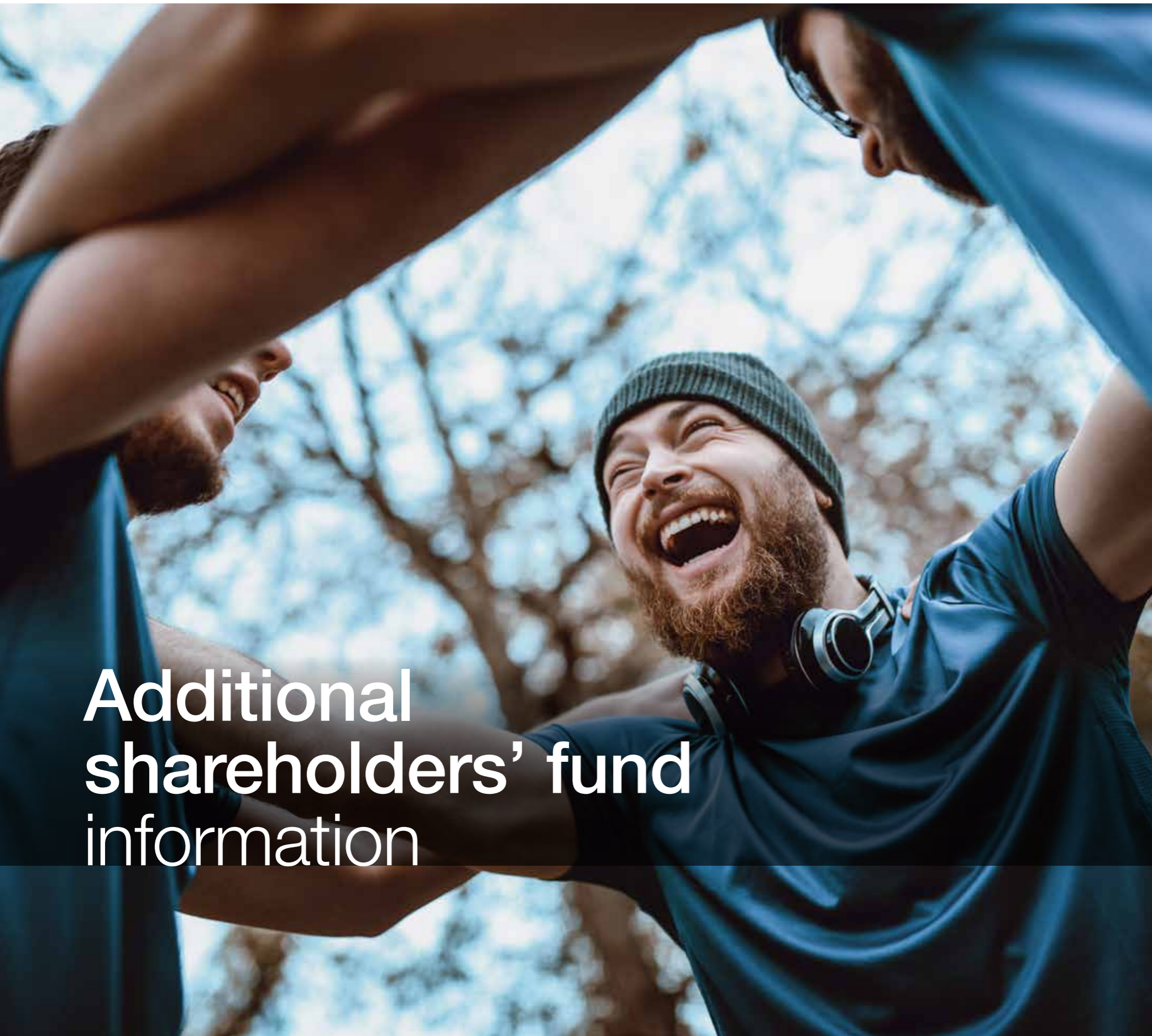
The group entered into a number of transactions during 2023 which affects the comparability of the results during the year, to prior year:

- SanlamAllianz JV as discussed above.
- Sanlam Personal Loans (SPL) was a 70% held associate, and therefore equity accounted, up until 1 December 2023 until SPL became a 100% owned subsidiary.
- Sanlam sold its 28,7% share in ACT Healthcare (associate) in May 2023 for a 28,7% share in Afrocentric in addition to the 31,3% acquired in Afrocentric at the same time. ACT was accounted for as an associate up until 31 May 2023. Afrocentric has been accounted as a 59,8% held subsidiary since 1 June 2023.
- Sanlam sold its 100% subsidiary effective 1 August 2023, to Capital Legacy for a 26% stake in Capital Legacy. The result of this is that we will disclose seven months of subsidiary accounting and five months of associate accounting in 2023.
- MCIS has been classified as held for sale as at 31 December 2023. For shareholder reporting, the income statement reporting is unchanged, but the balance sheet is disclosed as held for sale. The sale is expected to be concluded in Q1 2024.
- Namibia has been classified as held for sale as at 31 December 2023. For shareholder reporting, the income statement reporting is unchanged, but the balance sheet is disclosed as held for sale. The sale to the SanlamAllianz JV is expected to be concluded in H1 2024 as part of step two of the SanlamAllianz JV.

Effective, 30 June 2023, the B-BBEE SPV is consolidated, following the A preference shares (backed by 85 million Sanlam shares) acquired by URD, a 100% held subsidiary of Sanlam group. Up until 30 June 2023, the B-BBEE SPV disclosed in fund transfers for shareholder fund purposes. The remaining collar loan (ringfenced by 26 million Sanlam shares) as well as the Standard Bank derivative will continue to be accounted for in fund transfers until the expiry date of the SPV being 8 March 2023.

Accounting method	Shareholders' fund reporting		IFRS reporting	
	Number of months		Number of months	
	2023	2022	2023	2022
<b>SanlamAllianz/Sanlam Pan-Africa</b>	<b>12</b>	12	<b>12</b>	12
Consolidated	9	12	9	12
Equity accounted	3	—	3	—
<b>Afrocentric</b>	<b>12</b>	12	<b>12</b>	12
Consolidated	7	—	7	—
Equity accounted	5	12	5	12
<b>Sanlam Personal Loans</b>	<b>12</b>	12	<b>12</b>	12
Consolidated	1	—	1	—
Equity accounted	11	12	11	12
<b>Capital Legacy</b>	<b>7</b>	—	<b>7</b>	—
Equity accounted	7	—	7	—
<b>Sanlam Trust</b>	<b>5</b>	12	<b>5</b>	12
Consolidated	5	12	5	12
<b>MCIS Berhad (classified as held for sale at 31 December 2023)</b>	<b>12</b>	12	<b>12</b>	12
Consolidated	12	12	12	12
<b>Sanlam Namibia (classified as held for sale at 31 December 2023)</b>	<b>12</b>	12	<b>12</b>	12
Consolidated	12	12	12	12
<b>B-BBEE SPV</b>	<b>6</b>	—	<b>12</b>	12
Consolidated	6	—	12	12

## Additional shareholders' fund information



# Additional shareholders' fund information

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# Basis of accounting – shareholders' fund information

The purpose of this section is to provide additional information to users of the group financial results in a format that corresponds to that used by management in evaluating the performance of the group and is additional information to the Sanlam financial statements prepared in terms of IFRS.

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

The group also discloses group equity value (GEV) information in accordance with the requirements of Actuarial Practice Note (APN 107). The group's key strategic objective is to maximise returns to shareholders. GEV has been identified by management as the primary measure of value and return on GEV (RoGEV) is used by the group as the main performance measure to evaluate the success of its strategies towards sustainable value creation in excess of its cost of capital. For the purpose of internal monitoring, the directors make use of GEV to reflect the performance of the group. This is considered to provide meaningful basis of reporting the underlying value of the group's operations and the related performance drivers. This basis explicitly allows for the impact of uncertainty in future investment returns and is consistent with the group's operational management structure.

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

## Basis of accounting – shareholders' fund information

The basis of accounting and accounting policies in respect of the financial information of the shareholders' fund are the same as those set out in the financial statements, apart from the specific items described under separate headings in this section. Management considers this basis of accounting applied for the shareholders' fund information to be suitable for the intended users of this financial information. The shareholders' fund information is prepared on a going concern basis.

The application of the basis of accounting of the shareholders' fund information is also consistent with that applied in the 2022 annual report apart from the following:

- ▶ Impacts relating to IFRS 17 that became effective 1 January 2023
- ▶ The Sanlam Emerging Markets (SEM) cluster includes the following and will be presented as such:
  - The effective date for the SanlamAllianz JV was 1 October 2023, thereby contributing only for one quarter in the reporting period ended 31 December 2023 to the group. As a result the structure of the Sanlam Emerging Markets (SEM) cluster significantly changed, also impacting the comparability of the cluster's 2022 performance.
  - For the period to 30 September 2023, SEM consisted of Sanlam Pan-Africa (SPA) including Namibia and Asia (India and Malaysia). All of the assets of Sanlam Pan-Africa (SPA), except the Namibian assets, were contributed to the SanlamAllianz JV. From 1 October 2023 the SEM cluster consists of the SanlamAllianz JV, Namibia as a standalone business and Asia as illustrated below:

2022 Full year	2023											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
▶ Sanlam Pan Africa (SPA), including Namibia	▶ Sanlam Pan-Africa (SPA), including Namibia									▶ SanlamAllianz JV		
▶ India	▶ India									▶ Namibia		
▶ Malaysia	▶ Malaysia									▶ Asia (India and Malaysia)		

- The SanlamAllianz JV transaction involved multiple African geographies with multiple regulatory requirements. The integration of the businesses, including financial reporting, could only commence after the effective date and is progressing well. As a consequence Sanlam can only disclose summarised information until the processes are fully aligned over the next 12 months to allow reporting at the detailed level that is customary for Sanlam's disclosure. We anticipate that the detailed disclosures will be available when results for the financial year ending 31 December 2024 will be reported. This will also allow for a longer period to establish meaningful trends.
- In the financial commentary provided from page 2, all references to Pan-Africa refers to the Sanlam Emerging Markets operations in Africa outside of South Africa (SanlamAllianz) and including Namibia. Commentary relating to 2023 and 2022 refers to the full year, unless otherwise indicated. As a result, the Pan-Africa results reported in 2023 reflect nine months of the former Sanlam Pan-Africa businesses (excluding Namibia), Namibia as a stand-alone for the full year (as this business is not yet part of the JV), and Sanlam's effective share of SanlamAllianz for the last three months of 2023.

The shareholders' fund information includes the following:

- ▶ Group equity value (refer page 26)
- ▶ Change in group equity value (refer page 29)
- ▶ Return on group equity value (refer page 31)
- ▶ Analysis of group equity value earnings (refer page 32)
- ▶ Financial statements consisting of:
  - Net asset value (refer page 38)
  - Income statement (refer page 40)
  - Related notes, including embedded value of covered business-related disclosures.

## IFRS 17 impact on shareholders' fund information

IFRS 17 Insurance Contracts became effective 1 January 2023. Sanlam has restated the 2022 financial statement comparatives on this new standard to enable comparison to 2023. The detail of the change is included in note 17.

The fundamentals of Sanlam's business, including our strategy, are not changed by its implementation. Sanlam's key financial performance focus remains on value creation, as measured by RoGEV, and on dividend growth. Free cash flow generation for dividend purposes is not impacted. Sanlam's overall financial strength and solvency position are not impacted.

To this end, the following key metrics as defined and used by Sanlam in internal and external communication remain:

- ▶ Net result from financial services (NRFFS) represents IFRS earnings adjusted for specific shareholders' fund adjustments.
- ▶ Cash NRFFS represents NRFFS as adjusted for the reversal of specific non-cash items: amortisation of capitalised IT projects and the reversal of some changes in insurance contract assets (ie, negative liabilities).
- ▶ Cash earnings generated represents cash NRFFS adjusted for project costs not capitalised or funded from discretionary capital. This earnings measure forms the base for dividend declarations.

In line with past practice, the group will continue to prepare shareholders' fund information in addition to the IFRS information, including the shareholders' fund income statement, which represents Sanlam's operational and investment activities in the manner that the Sanlam board assesses the group's performance.

## Transition and specific shareholders' fund reserves

The transition to IFRS 17 resulted in a reduction in policyholder liabilities with a corresponding increase in net asset value. The increase in net asset value attributable to covered business was classified as specific shareholders' fund reserves within retained earnings to manage short-term volatility, as before. As a result, these specific shareholders' fund reserves are written down for group equity value (elimination of specific shareholders' fund reserves) purposes and replaced with value of in force. The recognition and measurement of shareholders' fund reserves are included in the basis of preparation.

## Basis of accounting – shareholders' fund information continued

### Shareholders' fund adjustments in the income statement

Sanlam's dividend policy is supported by sustainable operating performance. Consequently, net result from financial services is adjusted for short-term market volatility (eg, as a result of investment variances), accounting mismatches because of adjusting the CSM at locked-in rates, and other amounts as specified in the sections below. These adjustments are reversed in the shareholders' fund income statement outside of operational earnings to have a zero impact in the IFRS income statement. Additional disclosures are provided in note 1 on the specific shareholders' fund income statement adjustments.

### Group equity value

GEV is the aggregate of the following components:

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

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

- ▶ Adjustments in respect of covered business:
  - Elimination of goodwill and other intangible assets in respect of investment contracts measured under IFRS 9 *Financial Instruments*, as these assets are replaced by the value of the in-force book.
  - Elimination of some insurance contract assets recognised in terms of IFRS 17 *Insurance Contracts*, as these assets are included in the calculation of the value of the in-force book.
  - Elimination of the asset mismatch reserve and other specific shareholders' fund reserves held as part of the capital allocated to contracts measured under IFRS 17 and IFRS 9, as these reserves are included in the calculation of the value of the in-force book.
  - Adding the value of the in-force book.
- ▶ Adjustments in respect of other operations:
  - Adding the fair value adjustment for other operations, comprising of the difference between the fair value of these operations and the corresponding net asset value included in the shareholders' fund at net asset value.
  - Adjustments to net worth, including allowance for the present value of holding company expenses.

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

The GEV is inherently based on estimates and assumptions set out in this basis of preparation and as also disclosed under critical accounting estimates and judgements in the consolidated annual financial statements. It is reasonably possible that outcomes in future financial years will be different to the current assumptions and estimates, possibly significantly, impacting on the reported GEV. Accordingly, sensitivity analysis are provided for changes from the base estimates and assumptions (refer to note 5 for covered operations and note 6 for non-covered operations).

### Fair value of businesses included in GEV

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

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

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

The appropriateness of the valuations is regularly tested through the group's approval framework, in terms of which the valuations of investments is reviewed and recommended for approval by the audit, actuarial and finance committee and board by the Sanlam Non-Listed Asset Controlling Body.

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

### Adjustments to net worth

#### *Present value of corporate expenses*

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

#### *Share incentive schemes granted on subsidiaries' own shares*

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

#### *Share incentive schemes granted on Sanlam shares*

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

#### *Change in group equity value*

The change in group equity value consists of the embedded value earnings from covered business, earnings from other group operations on a fair value basis, earnings on discretionary and other capital and capital transactions with shareholders.

#### *Return on group equity value*

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

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

The analysis of the shareholders' fund at net asset value and the related shareholders' fund income statement reflects the consolidated financial position and earnings of the shareholders' fund, based on accounting policies consistent with those contained in the Sanlam financial statements, apart from the ones discussed below.

### Basis of consolidation

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

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

## Basis of accounting – shareholders' fund information continued

### Consolidation reserve

A consolidation reserve is created as part of shareholders' equity in the group statement of financial position for the IFRS accounting mismatches outlined below that are regarded as non-economical in management's view. The consolidation reserve is not recognised in the shareholders' fund at net asset value. The fund transfers between the shareholders' and policyholders' fund relating to movements in the consolidation reserve are commensurately also not recognised in the shareholders' fund's normalised attributable earnings. This policy is applied, as these accounting mismatches do not represent economic profits and losses for the shareholders' fund.

- ▶ In terms of IFRS, deferred tax assets are recognised in respect of assessed tax losses in policyholder funds, which increases the group's equity value, whereas the policy liabilities are not increased correspondingly. This leads to an artificial mismatch, with a consequential impact on the group's shareholders' fund and earnings.
- ▶ The consolidation of the broad-based black economic empowerment special purpose vehicle (B-BBEE SPV Group) to which 111 349 000 shares were issued in March 2019, was treated similarly and was also recognised in the consolidation reserve and fund transfers, respectively up to 30 June 2023. When the B-BBEE SPV Group subscribed for the Sanlam shares, an entity in the Sanlam group subscribed for B-preference shares equal to 50% of the debt incurred by the B-BBEE SPV group, and the remaining 50% was funded through external debt, consisting of A-preference shares and a Collar loan. Effective from 30 June 2023, Sanlam acquired the A-preference shares as announced on 14 August 2023 (the "A-preference share Acquisition"). Repayment of the Collar loan was secured with 26,2 million Sanlam shares with the remaining 85,1 million shares backing obligations under the A-preference shares and B-preference shares. For IFRS purposes on 31 December 2023:
  - the B-BBEE SPV group is consolidated,
  - the Sanlam shares held by the B-BBEE SPV group is treated as treasury shares
  - the A and B-preference shares issued by the SPV are eliminated, and
  - the Collar loan is shown on the balance sheet as a liability.

Up to 30 June 2023, the B-BBEE SPV group was not consolidated in the shareholders' fund as it was 50% funded by external parties and therefore no value was recognised for shareholders reporting. Following the A-preference share Acquisition announced in August 2023, entities in the Sanlam group now owns both the A-preference shares and the B-preferences shares that are secured by the 85,1 million Sanlam shares. Effective 30 June 2023, the B-BBEE SPV group is consolidated for shareholders' fund information purposes as a result of the A-preference share acquisition and the possible repurchase of the Sanlam shares to the extent that Sanlam shareholders approve such a repurchase within the next 12 months. The net impact of the consolidation of the B-BBEE SPV group and treatment of the Sanlam shares held within the B-BBEE SPV group resulted in a R4,8 billion increase in treasury shares, with a zero impact on GEV earnings.

### Specific shareholders fund reserves

#### Asset mismatch reserve

An asset mismatch reserve is created in the group statement of financial position for investment variances emanating from insurance and investment contracts measured under IFRS 17 and IFRS 9 respectively. Although the group follows a policy of matching insurance and investment contract cash flows on a duration-matched basis, complete matching is not possible for all lines of business given unique product features and/or the availability of matching assets. This results in mismatch profits or losses being recognised in earnings as changes in the measurement of insurance and investment contract liabilities and the underlying matching assets will not fully offset. In addition, investments in corporate credit instruments measured at fair value also result in earnings volatility due to movements in market spreads and credit default provisions. The difference between the assumed and actual investment return earned on asset classes is another source of mismatch profits and losses. Changes in the cost of investment guarantees is another source of earnings volatility, with these variances being mainly driven by economic impacts such as changes in equity market levels, interest rates and equity volatility. Excess claims related to the payment of investment guarantees and/or any capital injections due to shortfalls arising from inadequate funding levels, will be recognised as losses in earnings. Changes in the estimates of the future cost of investment guarantees are absorbed by the CSM and deferred over the lifetime of the insurance contracts, impacting the:

- ▶ amount of the CSM recognised in net result from financial services in the current reporting period; and
- ▶ the amounts of the CSM expected to be recognised in net result from financial services in future reporting periods.

The asset mismatch reserve is utilised to absorb the earnings volatility described above, supporting the group's strategic objective of increasing dividends to shareholders by between 2% and 4% in real terms over a three-year rolling basis.

The asset mismatch reserve is recognised in the shareholders' fund at net asset value. Movements in the asset mismatch reserve are recognised in a separate line item in the shareholders' fund's income statement, outside of net operational earnings.

The asset mismatch reserve is increased or reduced for insurance contracts by allowing for the following:

- ▶ economic mismatch profits or losses due to duration mismatching of the assets backing the fulfilment cash flows and CSM;
- ▶ investment variances arising from actual investment returns on the assets backing the liabilities being different from those expected, including the risk-free rate component of corporate credit exposures;
- ▶ movements in credit spreads and default provisions relating to corporate credit exposures;
- ▶ mismatch profits or losses due to changes in the cost of investment guarantees for insurance contracts measured under the variable fee approach (VFA); and
- ▶ net investment return earned on the assets backing the asset mismatch reserve.

For insurance contracts measured under the VFA, the investment variances described above are only adjusted for in the asset mismatch reserve if they arise from holding assets not related to the underlying items.

The asset mismatch reserve is increased or reduced for investment contracts in SLS by allowing for economic mismatch profits or losses and investment variances (as described above) specifically related to the assets backing the contract cash flows for vesting bonuses and tax credits.

The asset mismatch reserve is recycled (released) to net result from financial services based on the reserve balance at the end of the previous month/quarter and a rate of release of approximately 10% per annum, which considers:

- ▶ the expected volatility of the items that will be transferred to the asset mismatch reserve driven by the underlying asset mix and the general economic environment that the relevant business operates in;
- ▶ the prevailing interest rate environment and the underlying asset mix, and therefore the expected growth in the asset mismatch reserve from the investment returns on the backing assets (before allowing for the release in the asset mismatch reserve);
- ▶ the mix and duration of the insurance business (for example, general insurance business relative to life insurance business); and
- ▶ the projected solvency cover level compared to target ranges based on a specified release pattern.

#### Other shareholder fund reserves

Other shareholders' fund reserves were created on transition to IFRS 17 for specific future events such as pandemics and digital transformation (future fit) projects related to insurance business, as well as the recognition of shareholders' fund reserves backed by some insurance contract assets (ie, negative insurance liabilities). These shareholders' fund reserves are held in addition to the insurance liabilities.

Similar to the asset mismatch reserve above, other shareholders' fund reserves are recognised in the shareholders' fund at net asset value. Movements in these reserves are recognised in a separate line item in the shareholders' fund income statement, outside of net operational earnings with a corresponding adjustment to net result from financial services.

The future release pattern of the reserves for future project expenses is consistent with the related expenses incurred over time. These reserves will also absorb excess claims in a future pandemic. The purpose of these reserves is therefore to manage volatility in cash earnings available for dividend distribution.

Reserves in respect of future fit projects originated on transition to IFRS 17 where specific policyholder reserves were released to equity, and investment return on the assets backing this reserve will also be used to fund these project expenses. This reserve is used to absorb costs directly expensed in the income statement and expenses capitalised to manage the impact on dividend volatility. The utilisation of this reserve is presented in the shareholders' fund income statement by reducing the related expenses included in net result from financial services, with a corresponding adjustment in net movement in other shareholders' fund reserves (outside of operational earnings), resulting in a decrease in the reserve. Future fit expenses capitalised are also funded from this reserve to manage the impact on dividend distribution.

Sanlam re-established a pandemic reserve in 2022, presented as a reduction in net result from financial services with a corresponding increase in the net movement in other shareholders' fund reserves (outside of operational earnings), with a zero impact on attributable earnings. The utilisation of this reserve is presented in the shareholders' fund income statement on a similar basis, resulting in a decrease in the reserve. Investment returns on the assets backing the pandemic reserves will be released to net result from financial services over time.

The other shareholders' fund reserves are increased or reduced by the changes in the backing insurance contract assets. The economic impacts on these insurance contract assets are adjusted for in net result from financial services, including the unwind/accretion of interest on the negative insurance liabilities and the impact of economic assumption changes. Other non-cash changes in these insurance contract assets are adjusted for in cash net result from financial services.

## Basis of accounting – shareholders' fund information continued

### Accounting mismatch

For insurance contracts measured under the General Measurement Model (GMM) in terms of IFRS 17, changes in estimates of the fulfilment cash flows related to future service (for example, changes due to non-financial assumption changes) are reflected in the CSM. However, these changes are measured at the locked-in interest rates that applied at the initial recognition date of each group of insurance contracts, which results in a mismatch between the movements in the fulfilment cash flows (at current interest rates) and the adjustments to the CSM (at locked-in interest rates). These accounting mismatches are removed from net result from financial services with a corresponding adjustment to other shareholders' fund reserves outside of operational earnings.

### Target shares

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

### Segregated funds

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

### Net result from financial services

Net result from financial services is a measure of operating performance of the Sanlam group that is better aligned to cash earnings that drives dividend distribution. Investment return on assets held in the capital portfolio are excluded from net result from financial services. The specific shareholders' fund adjustments described above are included in net result from financial services to reflect earnings that are closely aligned to cash earnings for dividend distribution:

- ▶ Asset mismatch reserve movements; and
- ▶ Other shareholders' fund reserve movements related to:
  - Pandemic events;
  - Future fit project expenses;
  - Insurance contract asset economic impacts, and
  - Accounting mismatch impacts related to locked in interest rates in terms of IFRS 17 as described above.

Further adjustments will be made to net result from financial services to remove remaining components of non-cash related earnings. These adjustments will not be presented in the shareholders' fund income statement, instead being disclosed in a note which shows the reconciliation between net result from financial services and cash earnings (see note 1 on page 42 for further details).

### Equity-accounted earnings

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

- ▶ At 31 December 2023, operating associates and joint ventures include investments in strategic operational businesses, namely SanlamAllianz, Shriram Finance Limited (including the group's direct interest in Shriram Transport Finance Company), Shriram General Insurance and Shriram Life Insurance direct investments and Pacific & Orient. The equity-accounted operating earnings and investment return on capital from operating associates and joint ventures are included in the net result from financial services and net investment return respectively.
- ▶ Non-operating associates and joint ventures include investments held as part of the group's balanced investment portfolio. The Santam group's equity-accounted investments are the main non-operating associates and joint ventures. The group's share of earnings from these entities are reflected as equity-accounted earnings.

### Normalised earnings per share

In accordance with the JSE Listings Requirement the group annual financial statements set out, fairly present in all material respects the financial position, financial performance and cash flows of Sanlam in terms of IFRS.

As discussed under the policy note for 'Consolidation reserve' above, the IFRS prescribed accounting treatment of the B-BBEE SPV up to 30 June 2023 creates artificial accounting mismatches with a consequential impact on the group's IFRS earnings. In addition, the number of shares in issue used for the calculation of IFRS basic and diluted earnings per share must also be reduced with the shares held by the B-BBEE SPV. However, the group calculates normalised diluted earnings per share (a non-IFRS measure) to eliminate fund transfers relating to the B-BBEE SPV. This is in the group's opinion a better representation of the earnings attributable to the group's shareholders, specifically in instances where the share prices and/or the number of shares held by the policyholders' fund change significantly during the reporting period.

### Fund flows

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

#### Funds received from clients

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

#### New business

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

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

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

#### Payments to clients

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

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

## Basis of Accounting and presentation – embedded value of covered business

The group's embedded value of covered business information is prepared in accordance with APN 107 (version 8), the guidance note on embedded value financial disclosures of South African long-term insurers issued by the Actuarial Society of South Africa (Actuarial Society). Covered business represents the group's long-term insurance business for which the value of new and in-force contracts is attributable to shareholders.

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

The basis of presentation for the embedded value of covered business is consistent with that applied in the 2022 financial statements.

### Covered business

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

### Acquisitions, disposals and other movements

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

## Basis of accounting – shareholders' fund information continued

### Methodology

#### *Embedded value of covered business*

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

The embedded value of covered business comprises the following components:

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

### Adjusted net worth

ANW comprises the required capital supporting the covered business and is equal to the net value of assets allocated to covered business that does not back policy liabilities, asset mismatch reserves or other shareholders' fund reserves (refer to page 26).

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

For South African insurance businesses (and businesses with similar regulatory regimes) the level of required capital for covered business is set to ensure that own funds attributable to in-force covered business maintains a solvency cover ratio within a specific range, eg, between 150% and 200% for Sanlam Life, over the next 10 years. In addition, these businesses may also need to maintain statutory cover ratios above a lower minimum level, eg, 135% for Sanlam Life covered business, 115% for Santam Limited, even after severe but plausible stress scenarios.

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

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

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

### Net value of in-force business

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

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

The policy liabilities are valued based on IFRS 17 for life insurance contracts and IFRS 9 for investment contracts. The adjusted net worth incorporates certain adjustments from the shareholders' fund at net asset value as outlined above. The policy liabilities include profit margins, which can be expected to emerge as profits in future. For insurance contracts measured under the GMM and VFA, these profit margins mainly comprise of the CSM and the risk adjustment for non-financial risk. The assets backing the asset mismatch reserves can be expected to emerge as profits in the future, excluding the portion of the assets earmarked to absorb variances in the cost of investment guarantees. This investment guarantee surplus included in the asset mismatch reserves will absorb the variances in the estimates of the future cost of investment guarantees as described on page 18, where relevant. If the estimates of the future cost of investment guarantees are higher than expected, therefore reducing the CSM and PVIF, the PVIF on the asset mismatch reserves will be increased to offset this variance by reducing the investment guarantee surplus (and vice versa if the estimates of the future cost of investment guarantees are lower than expected). The investment returns on the assets backing the pandemic reserves can also be expected to emerge as profit. The other shareholders' reserves backed by some insurance contract assets is another source of expected profits expected to emerge in future as these negative liabilities unwind over the lifetime of the contracts. For investment contracts measured under IFRS 9, future fund-based charges less expenses will emerge as profit margins. The discounted value, using a risk-adjusted discount rate, placed on these expected future profits, after taxation, is the PVIF.

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

### Cost of required capital

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

#### *Value of new business*

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

In determining the value of new business:

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

Profitability of new covered business is measured by the ratio of the net value of new business to the present value of new business premiums (PVNBP). The PVNBP is defined as new single premiums plus the discounted value, using a risk-adjusted discount rate, of expected future premiums on new recurring premium business. The premiums used for the calculation of PVNBP are based on the life insurance new business premiums disclosed in note 7 on page 54, excluding white label new business.

#### *Risk discount rates and allowance for risk*

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

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

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

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

#### *Minimum investment guarantees to policyholders*

An investment guarantee reserve is included in the reserving basis for policy liabilities, which makes explicit allowance for the best estimate cost of all material investment guarantees. A stochastic modelling approach is used to provide for the possible cost of minimum investment return guarantees on insurance contracts, where relevant. These reserves are determined on a consistent basis in accordance with actuarial guidance from the Actuarial Society (APN 110). No further deduction from the embedded value of covered business is therefore required.

#### *Share incentive schemes*

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

## Basis of accounting – shareholders' fund information continued

### *Sensitivity analysis*

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

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

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

### *Foreign currencies*

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

### **Assumptions**

#### *Best estimate assumptions*

The embedded value calculation is based on best estimate assumptions. The assumptions are reviewed actively and changed when evidence exists that material changes in the expected future experience are reasonably certain. The best estimate assumptions are also used as basis for the statutory valuation method.

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

#### *Economic assumptions*

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

Inflation assumptions for unit cost, policy premium indexation and employee benefits salary inflation are based on an assumed long-term gap relative to fixed-interest securities, however term dependent inflation assumptions are used where market observable data is available.

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

#### *Assets backing required capital*

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

#### *Demographic assumptions*

Future mortality, morbidity and discontinuance rates are based on recent experience, adjusted for expected future trends where appropriate. Future mortality rates also include an allowance for the impact of future pandemics.

#### *HIV/Aids*

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

#### *Expense assumptions*

Future expense assumptions reflect the expected level of expenses required to manage the in-force covered business, including investment in systems required to support that business, and allow for future inflation. The rate of inflation is higher for business written on legacy systems. The allocation between acquisition and maintenance expenses is based on functional cost analyses and reflects actual expenses incurred in 2022. Expense assumptions include those expenses deemed to be not directly attributable to the fulfilment of insurance contracts under IFRS 17.

### *Investment management fees*

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

### *Taxation*

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

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

### **Earnings from covered business**

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

#### **Value of new business**

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

#### **Net earnings from existing covered business**

##### *Expected return on value of covered business*

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

##### *Operating experience variances*

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

##### *Operating assumption changes*

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

#### **Expected investment return on adjusted net worth**

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

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

#### **Economic assumption changes**

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

#### *Investment variances*

##### *Investment variances – value of in-force*

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

##### *Investment variances – investment return on adjusted net worth*

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

# Group equity value

at 31 December

R million	Notes	Group equity value		Value of in-force/fair value adjustment		Adjusted net asset value		Elimination of specific shareholders' fund reserves		Elimination of goodwill		Shareholders' fund at net asset value	
		Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022
Sanlam Life and Savings		57 692	54 415	47 664	46 289	10 028	8 126	(12 732)	(10 936)	(1 067)	(1 033)	23 827	20 095
Covered business <sup>(1)</sup>	8.1.4	49 852	49 386	45 140	43 296	4 712	6 090	(12 732)	(10 936)	(1 067)	(1 033)	18 511	18 059
SA Retail Mass		11 601	11 682	10 143	10 253	1 458	1 429	(5 378)	(4 097)	(76)	(165)	6 912	5 691
SA Retail Affluent		32 335	31 863	30 169	29 078	2 166	2 785	(7 354)	(6 839)	(764)	(628)	10 284	10 252
Sanlam Corporate		5 916	5 841	4 828	3 965	1 088	1 876	—	—	(227)	(240)	1 315	2 116
Non-covered business		7 840	5 029	2 524	2 993	5 316	2 036	—	—	—	—	5 316	2 036
SA Retail Affluent		5 562	4 163	2 703	3 242	2 859	921	—	—	—	—	2 859	921
Glacier		3 136	2 647	2 577	2 294	559	353	—	—	—	—	559	353
Sanlam Personal Loans		2 066	1 219	(124)	527	2 190	692	—	—	—	—	2 190	692
Other operations		360	297	250	421	110	(124)	—	—	—	—	110	(124)
Sanlam Corporate: Afrocentric and other		2 278	866	(179)	(249)	2 457	1 115	—	—	—	—	2 457	1 115
Sanlam Emerging Markets		47 157	42 302	11 823	7 141	35 334	35 161	(1 171)	(799)	(1 319)	(2 893)	37 824	38 853
Covered business	8.2.5	10 151	9 025	4 239	4 039	5 912	4 986	(1 171)	(799)	(1 319)	(2 893)	8 402	8 678
SanlamAllianz		4 710	4 626	1 389	1 468	3 321	3 158	(435)	—	(791)	(2 321)	4 547	5 479
Namibia		2 785	2 151	1 675	1 655	1 110	496	(736)	(799)	—	—	1 846	1 295
Asia: India		1 552	1 203	747	534	805	669	—	—	(332)	(308)	1 137	977
Asia: Malaysia		1 104	1 045	428	382	676	663	—	—	(196)	(264)	872	927
Non-covered business		37 006	33 277	7 584	3 102	29 422	30 175	—	—	—	—	29 422	30 175
SanlamAllianz		16 901	18 702	(96)	1 088	16 997	17 614	—	—	—	—	16 997	17 614
Namibia		1 524	1 472	(82)	21	1 606	1 451	—	—	—	—	1 606	1 451
Asia		20 055	14 500	7 762	1 993	12 293	12 507	—	—	—	—	12 293	12 507
SEM other operations		(1 474)	(1 397)	—	—	(1 474)	(1 397)	—	—	—	—	(1 474)	(1 397)
Sanlam Investment Group		13 466	13 752	7 897	7 506	5 569	6 246	—	—	—	—	5 569	6 246
Covered business	8.3.4	1 314	1 747	(782)	(957)	2 096	2 704	—	—	—	—	2 096	2 704
Non-covered business		12 152	12 005	8 679	8 463	3 473	3 542	—	—	—	—	3 473	3 542
Sanlam investments <sup>(2)</sup>		3 293	3 137	1 165	1 010	2 128	2 127	—	—	—	—	2 128	2 127
Wealth management		3 424	3 138	3 202	2 909	222	229	—	—	—	—	222	229
International		3 640	4 201	2 704	3 205	936	996	—	—	—	—	936	996
Sanlam Specialised Finance		1 795	1 529	1 608	1 339	187	190	—	—	—	—	187	190
Santam		19 433	17 391	13 200	10 472	6 233	6 919	—	—	—	—	6 233	6 919
Dividend pool		8 242	7 315	—	—	8 242	7 315	—	—	—	—	8 242	7 315
Discretionary capital		2 710	5 274	—	—	2 710	5 274	—	—	—	—	2 710	5 274
Other capital		3 875	2 855	—	—	3 875	2 855	—	—	(1 197)	(1 197)	5 072	4 052
Present value of holding company expenses	15	(2 671)	(2 528)	(2 671)	(2 528)	—	—	—	—	—	—	—	—
<b>Group equity value</b>		<b>149 904</b>	<b>140 776</b>	<b>77 913</b>	<b>68 880</b>	<b>71 991</b>	<b>71 896</b>	<b>(13 903)</b>	<b>(11 735)</b>	<b>(3 583)</b>	<b>(5 123)</b>	<b>89 477</b>	<b>88 754</b>
Covered business	3	61 317	60 158	48 597	46 378	12 720	13 780	(13 903)	(11 735)	(2 386)	(3 926)	29 009	29 441
Non-covered business	6.1	76 431	67 702	31 987	25 030	44 444	42 672	—	—	—	—	44 444	42 672
Group operations		137 748	127 860	80 584	71 408	57 164	56 452	(13 903)	(11 735)	(2 386)	(3 926)	73 453	72 113
Discretionary, other capital and PV of holding company expenses		12 156	12 916	(2 671)	(2 528)	14 827	15 444	—	—	(1 197)	(1 197)	16 024	16 641
<b>Group equity value</b>		<b>149 904</b>	<b>140 776</b>	<b>77 913</b>	<b>68 880</b>	<b>71 991</b>	<b>71 896</b>	<b>(13 903)</b>	<b>(11 735)</b>	<b>(3 583)</b>	<b>(5 123)</b>	<b>89 477</b>	<b>88 754</b>
<b>Value per share</b>	14	<b>70,86</b>	<b>63,80</b>									<b>42,29</b>	<b>40,22</b>

<sup>(1)</sup> Excludes subordinated debt funding of Sanlam Life.<sup>(2)</sup> Includes Sanlam 66% share of the third party asset management business of R3 684 million (31 December 2022: R3 466 million).

## Analysis of group equity value by line of business

at 31 December

R million	Total		Life business		General insurance	
	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022
South Africa	97 282	92 503	51 166	51 133	19 433	17 391
Africa - excluding South Africa	26 130	27 254	7 495	6 776	17 161	18 088
Other International	26 492	21 019	2 656	2 249	3 662	2 914
<b>Total</b>	<b>149 904</b>	<b>140 776</b>	<b>61 317</b>	<b>60 158</b>	<b>40 256</b>	<b>38 393</b>

R million	Investment management		Credit and structuring		Administration and health	
	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022
South Africa	7 266	6 777	3 359	2 177	5 586	3 810
Africa - excluding South Africa	726	916	1 826	2 314	106	157
Other International	3 781	4 270	16 393	11 586	—	—
<b>Total</b>	<b>11 773</b>	<b>11 963</b>	<b>21 578</b>	<b>16 077</b>	<b>5 692</b>	<b>3 967</b>

R million	Discretionary capital and other	
	Audited 2023	Restated Audited 2022
South Africa	10 472	11 215
Africa - excluding South Africa	(1 184)	(997)
<b>Total</b>	<b>9 288</b>	<b>10 218</b>

## Change in group equity value

at 31 December 2023

R million	GEV at the beginning of the period	Earnings	Net capital investment	Dividend paid	GEV at the end of the period
Sanlam Life and Savings	54 415	8 216	1 595	(6 534)	57 692
Covered business	49 386	7 133	(650)	(6 017)	49 852
SA Retail Mass	11 682	1 572	(82)	(1 571)	11 601
SA Retail Affluent	31 863	3 666	358	(3 552)	32 335
Sanlam Corporate	5 841	1 895	(926)	(894)	5 916
Non-covered business	5 029	1 083	2 245	(517)	7 840
SA Retail Affluent	4 163	1 184	695	(480)	5 562
Glacier	2 647	670	80	(261)	3 136
Sanlam Personal Loans	1 219	386	647	(186)	2 066
Other operations	297	128	(32)	(33)	360
Sanlam Corporate: Afrocentric and other	866	(101)	1 550	(37)	2 278
Sanlam Emerging Markets	42 302	6 699	(120)	(1 724)	47 157
Covered business	9 025	1 118	853	(845)	10 151
SanlamAllianz	4 626	172	325	(413)	4 710
Namibia	2 151	381	553	(300)	2 785
Asia: India	1 203	443	2	(96)	1 552
Asia: Malaysia	1 045	122	(27)	(36)	1 104
Non-covered business	33 277	5 581	(973)	(879)	37 006
SanlamAllianz	18 702	(1 029)	(973)	201	16 901
Namibia	1 472	134	—	(82)	1 524
Asia	14 500	6 576	—	(1 021)	20 055
SEM other operations	(1 397)	(100)	—	23	(1 474)
Sanlam Investment Group	13 752	2 098	(832)	(1 552)	13 466
Covered business	1 747	810	(808)	(435)	1 314
Non-covered business	12 005	1 288	(24)	(1 117)	12 152
Sanlam investments	3 137	448	32	(324)	3 293
Wealth management	3 138	535	—	(249)	3 424
International	4 201	(266)	(56)	(239)	3 640
Sanlam Specialised Finance	1 529	571	—	(305)	1 795
Santam	17 391	4 158	—	(2 116)	19 433
Discretionary capital	5 274	(384)	(2 180)	—	2 710
Other capital	10 170	1 469	8 365	(7 887)	12 117
Present value of holding company expenses	(2 528)	(143)	—	—	(2 671)
Elimination of intergroup dividends	—	—	(11 926)	11 926	—
<b>Group equity value</b>	<b>140 776</b>	<b>22 113</b>	<b>(5 098)</b>	<b>(7 887)</b>	<b>149 904</b>
Covered business	60 158	9 061	(605)	(7 297)	61 317
Non-covered business	67 702	12 110	1 248	(4 629)	76 431
Group operations	127 860	21 171	643	(11 926)	137 748
Discretionary and other capital	12 916	942	6 185	(7 887)	12 156
Elimination of intergroup dividends	—	—	(11 926)	11 926	—
<b>Group equity value</b>	<b>140 776</b>	<b>22 113</b>	<b>(5 098)</b>	<b>(7 887)</b>	<b>149 904</b>



## Change in group equity value

at 31 December 2022

R million	GEV at the beginning of the period	Earnings	Net capital investment	Dividend paid	GEV at the end of the period
Sanlam Life and Savings	54 159	5 932	(115)	(5 561)	54 415
Covered business	48 937	5 676	(44)	(5 183)	49 386
SA Retail Mass	11 761	1 080	138	(1 297)	11 682
SA Retail Affluent	31 849	3 453	(184)	(3 255)	31 863
Sanlam Corporate	5 327	1 143	2	(631)	5 841
Non-covered business	5 222	256	(71)	(378)	5 029
SA Retail Affluent	4 319	274	(71)	(359)	4 163
Glacier	2 736	120	(30)	(179)	2 647
Sanlam Personal Loans	1 248	126	—	(155)	1 219
Other operations	335	28	(41)	(25)	297
Sanlam Corporate	903	(18)	—	(19)	866
Sanlam Emerging Markets	40 354	1 431	2 272	(1 755)	42 302
Covered business	9 026	1 016	(248)	(769)	9 025
SanlamAllianz	4 839	377	(247)	(343)	4 626
Namibia	2 084	460	(83)	(310)	2 151
Asia: India	1 092	110	68	(67)	1 203
Asia: Malaysia	1 011	69	14	(49)	1 045
Non-covered business	31 328	415	2 520	(986)	33 277
SanlamAllianz	19 348	(2 195)	1 894	(345)	18 702
Namibia	1 297	184	409	(418)	1 472
Asia	12 017	2 503	217	(237)	14 500
SEM other operations	(1 334)	(77)	—	14	(1 397)
Sanlam Investment Group	19 583	(1 067)	(3 611)	(1 153)	13 752
Covered business	2 614	256	(916)	(207)	1 747
Non-covered business	16 969	(1 323)	(2 695)	(946)	12 005
Sanlam investments	3 209	369	4	(445)	3 137
Wealth management	3 273	70	—	(205)	3 138
International	8 917	(1 848)	(2 699)	(169)	4 201
Sanlam Specialised Finance	1 570	86	—	(127)	1 529
Santam	18 241	542	—	(1 392)	17 391
Discretionary capital	2 936	237	2 101	—	5 274
Other capital	9 605	(844)	8 783	(7 374)	10 170
Present value of holding company expenses	(2 488)	(40)	—	—	(2 528)
Elimination of intergroup dividends	—	—	(9 861)	9 861	—
<b>Group equity value</b>	<b>142 390</b>	<b>6 191</b>	<b>(431)</b>	<b>(7 374)</b>	<b>140 776</b>
Covered business	60 577	6 948	(1 208)	(6 159)	60 158
Non-covered business	71 760	(110)	(246)	(3 702)	67 702
Group operations	132 337	6 838	(1 454)	(9 861)	127 860
Discretionary and other capital	10 053	(647)	10 884	(7 374)	12 916
Elimination of intergroup dividends	—	—	(9 861)	9 861	—
<b>Group equity value</b>	<b>142 390</b>	<b>6 191</b>	<b>(431)</b>	<b>(7 374)</b>	<b>140 776</b>

## Return on group equity value

for the year ended 31 December

%	Audited 2023	Audited 2022
Sanlam Life and Savings	14,8	11,0
Covered business	14,4	11,6
SA Retail Mass	13,5	9,2
SA Retail Affluent	11,5	10,8
Sanlam Corporate	32,4	21,5
Non-covered business	18,1	4,9
SA Retail Affluent	28,0	6,3
Glacier	25,8	4,4
Sanlam Personal Loans	31,7	10,1
Other operations	30,7	8,9
Sanlam Corporate: Afrocentric and other	(5,7)	(2,0)
Sanlam Emerging Markets	15,8	3,5
Covered business	12,4	11,3
SanlamAllianz	3,7	7,8
Namibia	17,7	22,1
Asia: India	36,8	10,1
Asia: Malaysia	11,7	6,8
Non-covered business	16,8	1,3
SanlamAllianz	(5,5)	(11,2)
Namibia	9,1	14,2
Asia	45,4	20,8
SEM other operations	7,2	5,8
Sanlam Investment Group	15,3	(6,0)
Covered business	46,4	12,2
Non-covered business	10,7	(8,4)
Sanlam investments	14,2	11,5
Wealth management	17,0	2,1
International	(6,4)	(24,0)
Sanlam Specialised Finance	37,3	5,5
Santam	23,9	3,0
Discretionary capital and other	7,9	(5,6)
<b>Group equity value<sup>(1)</sup></b>	<b>15,7</b>	<b>4,3</b>
Covered business	15,1	11,6
Non-covered business	17,6	(0,2)
Group operations	16,4	5,2
Discretionary and other capital	7,9	(5,6)
<b>Group equity value</b>	<b>15,7</b>	<b>4,3</b>
<b>RoGEV per share</b>	<b>16,7</b>	<b>4,2</b>
Sanlam group hurdle rate	15,5	14,3
South African risk-free rate (nine-year bond yield)	11,5	10,3
Plus margin	4,0	4,0

<sup>(1)</sup> Refer to the financial and strategic review on page 8 for adjusted RoGEV information.

# Analysis of group equity value earnings

at 31 December

## Covered business<sup>(1)</sup>

R million	Total		Gross value of in-force		Cost of capital		Adjusted net asset value	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
<b>Operational earnings</b>	10 025	9 548	2 445	3 283	207	(276)	7 373	6 541
Value of new life insurance business <sup>(2)</sup>	2 853	2 388	5 081	5 718	(255)	(267)	(1 973)	(3 063)
Unwinding of discount rate	6 864	6 129	6 772	5 935	92	194	—	—
Expected profit	—	—	(8 254)	(8 268)	—	—	8 254	8 268
Operating experience variances	1 272	1 504	(261)	(496)	5	(91)	1 528	2 091
Risk experience	1 480	1 695	186	246	14	(43)	1 280	1 492
Persistency	(810)	(596)	(541)	(251)	(7)	(23)	(262)	(322)
Maintenance expenses	(208)	(13)	3	—	—	(2)	(211)	(11)
Working capital management	508	432	—	—	—	—	508	432
Credit spreads	443	347	—	—	—	—	443	347
Other	(141)	(361)	91	(491)	(2)	(23)	(230)	153
Operating assumption changes	(964)	(473)	(893)	394	365	(112)	(436)	(755)
Risk experience	124	(178)	93	(319)	(1)	(7)	32	148
Persistency	(837)	133	(677)	1 255	(8)	(80)	(152)	(1 042)
Maintenance expenses	(421)	(210)	(369)	(171)	(1)	4	(51)	(43)
Modelling changes and other	170	(218)	60	(371)	375	(29)	(265)	182
<b>Net investment return</b>	1 030	476	—	—	—	—	1 030	476
Expected return on adjusted net asset value	1 106	1 007	—	—	—	—	1 106	1 007
Investment variances on adjusted net asset value	(76)	(531)	—	—	—	—	(76)	(531)
<b>Valuation and economic basis</b>	435	(3 588)	539	(3 389)	(28)	173	(76)	(372)
Investment variances on in-force business	339	(1 910)	547	(1 485)	(135)	69	(73)	(494)
Economic assumption changes	128	(1 615)	64	(1 820)	67	83	(3)	122
Investment yields	128	(1 631)	64	(1 837)	67	84	(3)	122
Long-term asset mix assumptions and other	—	16	—	17	—	(1)	—	—
Foreign currency translation differences	(32)	(63)	(72)	(84)	40	21	—	—
<b>IFRS 17 and related tax changes</b>	(1 452)	551	(1 212)	545	(240)	16	—	(10)
<b>Profit/(loss) on acquisition/disposal of subsidiaries and associated companies</b>	(958)	(31)	(1 275)	—	(174)	—	491	(31)
<b>Net project expenses</b>	(19)	(8)	—	—	—	—	(19)	(8)
<b>GEV earnings: covered business</b>	9 061	6 948	497	439	(235)	(87)	8 799	6 596
Acquired value of in-force	2 259	268	1 994	175	(37)	(39)	302	132
Disposal of businesses	—	(798)	—	(23)	—	9	—	(784)
Transfers from/(to) other group operations	(2 000)	(127)	—	—	—	—	(2 000)	(127)
Transfers from covered business	(8 161)	(6 710)	—	—	—	—	(8 161)	(6 710)
<b>Embedded value of covered business at the beginning of the year</b>	60 158	60 577	50 018	49 427	(3 640)	(3 523)	13 780	14 673
<b>Embedded value of covered business at the end of the year</b>	61 317	60 158	52 509	50 018	(3 912)	(3 640)	12 720	13 780

<sup>(1)</sup> Refer to note 8 for an analysis per cluster.<sup>(2)</sup> Refer to note 2 for additional information.

## Covered business per cluster

at 31 December

R million	Total		Gross value of in-force		Cost of capital		Adjusted net asset value	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
Sanlam Life and Savings	49 852	49 386	46 810	45 135	(1 670)	(1 839)	4 712	6 090
Sanlam Emerging Markets	10 151	9 025	5 646	4 881	(1 407)	(842)	5 912	4 986
Sanlam Investment Group	1 314	1 747	53	2	(835)	(959)	2 096	2 704
<b>Sanlam group</b>	61 317	60 158	52 509	50 018	(3 912)	(3 640)	12 720	13 780

# Analysis of group equity value earnings continued

for the year ended 31 December

## Non-covered business

R million	Total		Sanlam Life and Savings		Sanlam Emerging Markets		Sanlam Investment Group		Santam	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
Earnings from operations valued at listed share prices	4 158	542	—	—	—	—	—	—	4 158	542
Earnings from operations valued at net asset value	131	16	—	45	(46)	(151)	177	122	—	—
Earnings from operations valued based on discounted cash flows	7 821	(668)	1 083	211	5 627	566	1 111	(1 445)	—	—
Unwinding of discount rate	7 577	7 071	1 006	980	4 752	4 090	1 819	2 001	—	—
Operating experience and investment variances <sup>(1)</sup>	712	(1 912)	(92)	(439)	1 453	2 230	(649)	(3 703)	—	—
General insurance	707	514	—	—	707	514	—	—	—	—
Investment management	(713)	(3 655)	—	—	(64)	48	(649)	(3 703)	—	—
Credit and banking	797	1 591	(13)	(59)	810	1 650	—	—	—	—
Administration, health and other	(79)	(362)	(79)	(380)	—	18	—	—	—	—
Operating assumption changes <sup>(2)</sup>	2 504	(396)	85	(71)	2 303	(784)	116	459	—	—
General insurance	369	(826)	—	—	369	(826)	—	—	—	—
Investment management	222	471	—	—	106	12	116	459	—	—
Credit and banking	1 756	50	(72)	10	1 828	40	—	—	—	—
Administration, health and other	157	(91)	157	(81)	—	(10)	—	—	—	—
Economic assumption changes	(2 684)	(4 757)	(27)	(342)	(2 151)	(3 933)	(506)	(482)	—	—
Change in tax basis	(38)	(122)	—	83	(38)	(295)	—	90	—	—
Impact of corporate activity	(1 985)	—	111	—	(2 096)	—	—	—	—	—
Foreign currency translation differences	1 735	(552)	—	—	1 404	(742)	331	190	—	—
<b>GEV earnings: non-covered operations</b>	<b>12 110</b>	<b>(110)</b>	<b>1 083</b>	<b>256</b>	<b>5 581</b>	<b>415</b>	<b>1 288</b>	<b>(1 323)</b>	<b>4 158</b>	<b>542</b>

R million	Total		Sanlam Life and Savings		Sanlam Emerging Markets		Sanlam Investment Group	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
<sup>(1)</sup> Operating experience and investment variances	712	(1 912)	(92)	(439)	1 453	2 230	(649)	(3 703)
General insurance business	707	514	—	—	707	514	—	—
Risk experience	101	(181)	—	—	101	(181)	—	—
Premium income	994	1 189	—	—	994	1 189	—	—
Investment return	99	(20)	—	—	99	(20)	—	—
Maintenance expenses	326	(206)	—	—	326	(206)	—	—
Other	(813)	(268)	—	—	(813)	(268)	—	—
Investment management	(713)	(3 655)	—	—	(64)	48	(649)	(3 703)
Credit business	784	1 591	(26)	(59)	810	1 650	—	—
Administration, health and other	(66)	(362)	(66)	(380)	—	18	—	—
<sup>(2)</sup> Operating assumption changes	2 504	(396)	85	(71)	2 303	(784)	116	459
General insurance business	369	(826)	—	—	369	(826)	—	—
Risk experience	1 886	(142)	—	—	1 886	(142)	—	—
Premium income	(1 247)	(65)	—	—	(1 247)	(65)	—	—
Maintenance expenses	(715)	(463)	—	—	(715)	(463)	—	—
Modelling and other assumption changes	445	(156)	—	—	445	(156)	—	—
Investment management	222	471	—	—	106	12	116	459
Credit business	1 756	50	(72)	10	1 828	40	—	—
Income	2 404	298	(161)	32	2 565	266	—	—
Bad debts	(713)	(497)	(50)	23	(663)	(520)	—	—
Other	65	249	139	(45)	(74)	294	—	—
Administration, health and other	157	(91)	157	(81)	—	(10)	—	—

## Analysis of group equity value earnings continued

for the year ended 31 December

### Discretionary and other capital

R million	Total	
	Audited 2023	Audited 2022
Investment return and other	510	594
B-BBEE SPV impairment reversal/(charge)	948	(1 105)
Corporate expenses	(611)	(339)
Net group office expenses	(468)	(299)
Change in present value of holding company expenses	(143)	(40)
Share-based payment transactions	95	203
<b>GEV earnings: discretionary and other capital</b>	<b>942</b>	<b>(647)</b>

### Reconciliation of group equity value earnings

R million	Audited 2023	Restated Audited 2022
Earnings (excluding fund transfers)	13 413	8 937
Normalised attributable earnings per shareholders' fund income statement	16 557	11 887
Earnings recognised directly in equity		
Foreign currency translation differences	2 071	(1 964)
Net cost of treasury shares delivered	(326)	(282)
Share-based payments	421	485
Change in ownership of subsidiaries	(2 388)	–
Other comprehensive income and other	(2 922)	(1 189)
Fair value adjustments	7 651	(2 922)
Change in fair value adjustments: non-life	6 957	(3 274)
Earnings from covered business: value of in-force	694	352
Adjustments to net worth	1 049	176
Present value of holding company expenses	(143)	(40)
Movement in book value of treasury shares: non-life subsidiaries	(137)	(89)
Change in goodwill/value of business acquired less value of in-force acquired	1 329	305
<b>Group equity value earnings</b>	<b>22 113</b>	<b>6 191</b>

# Analysis of shareholders' fund at net asset value

at 31 December

R million	Note	Sanlam Life <sup>(1)</sup>		Sanlam Emerging Markets <sup>(2)</sup>		Sanlam Investment Group		Santam		Group office		Consolidation entries <sup>(3)</sup>		Shareholders' fund at net asset value	
		Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022
<b>Assets</b>															
Goodwill		2 797	718	14	11 204	1 942	1 976	955	1 004	—	—	1 197	1 197	6 905	16 099
Equipment		841	492	36	601	100	82	573	373	—	—	—	—	1 550	1 548
Right-of-use assets		487	277	16	171	60	161	637	505	—	—	—	—	1 200	1 114
Owner-occupied properties		817	453	—	1 887	156	139	1	17	—	—	—	—	974	2 496
Intangible assets		2 757	345	6	3 278	447	416	120	82	—	—	—	—	3 330	4 121
Contract costs for investment management services		2 422	2 454	4	58	—	21	—	—	—	—	—	—	2 426	2 533
Insurance contract assets		—	—	—	1 789	—	—	408	696	—	—	—	—	408	2 485
Reinsurance contract assets		—	—	—	5 623	—	—	9 361	13 472	—	—	—	—	9 361	19 095
Deferred tax		548	588	15	937	283	259	162	139	—	—	(55)	(37)	953	1 886
Investments		30 205	27 383	42 938	47 928	4 325	4 825	32 344	29 011	4 030	9 676	(4 513)	(8 987)	109 329	109 836
Investment properties		898	19	8	5 836	—	—	—	—	—	—	—	—	906	5 855
Associated companies	10.1	1 424	1 184	17 242	20 727	450	364	1 524	3 536	—	—	(866)	(3 382)	19 774	22 429
Joint ventures	10.2	—	844	23 782	—	203	146	—	—	—	—	—	—	23 985	990
Equities and similar securities		1 544	1 468	143	6 987	82	102	2 857	2 519	—	—	792	1 971	5 418	13 047
Interest-bearing investments		12 235	6 572	1 558	8 698	565	588	20 816	17 817	4 030	7 093	(4 558)	(5 113)	34 646	35 655
Structured transactions		647	285	4	5	27	4	296	238	—	—	—	—	974	532
Investment funds		8 217	7 920	37	5 642	2 732	3 310	2 786	3 316	—	—	119	120	13 891	20 308
Deposits and similar securities		5 240	9 091	164	33	266	311	4 065	1 585	—	2 583	—	(2 583)	9 735	11 020
Trading account assets		229	139	211	—	16 167	13 085	—	—	—	—	(2 863)	1 161	13 744	14 385
Advances to customers		4 065	—	—	—	—	—	—	—	—	—	—	—	4 065	—
Non-current assets reclassified as held for sale		—	—	1 893	938	—	—	—	—	—	—	—	—	1 893	938
Working capital assets		15 178	9 051	2 832	12 367	12 429	12 078	10 425	11 406	1 819	1 756	(309)	1 609	42 374	48 278
Trade and other receivables		8 320	3 358	1 421	4 072	8 292	7 801	6 051	6 088	1 607	1 580	(969)	(1 504)	24 722	21 395
Taxation		53	13	412	804	19	5	474	96	39	—	—	409	997	1 327
Cash and cash equivalents		6 805	5 680	999	7 502	4 118	4 272	3 900	5 222	173	176	660	2 704	16 655	25 556
<b>Total assets</b>		<b>60 346</b>	<b>41 900</b>	<b>47 965</b>	<b>86 792</b>	<b>35 909</b>	<b>33 042</b>	<b>54 986</b>	<b>56 705</b>	<b>5 849</b>	<b>11 432</b>	<b>(6 543)</b>	<b>(5 057)</b>	<b>198 512</b>	<b>224 814</b>
<b>Equity and liabilities</b>															
Shareholders' fund		37 994	28 605	40 179	40 171	6 742	7 282	6 233	6 919	2 475	7 853	(4 146)	(2 076)	89 477	88 754
Non-controlling interest		1 081	227	3 623	12 648	1 134	1 139	4 222	4 489	—	—	(1 764)	(4 228)	8 296	14 275
<b>Total equity</b>		<b>39 075</b>	<b>28 832</b>	<b>43 802</b>	<b>52 819</b>	<b>7 876</b>	<b>8 421</b>	<b>10 455</b>	<b>11 408</b>	<b>2 475</b>	<b>7 853</b>	<b>(5 910)</b>	<b>(6 304)</b>	<b>97 773</b>	<b>103 029</b>
Insurance contract liabilities		—	—	—	17 746	—	—	32 722	34 972	—	—	—	—	32 722	52 718
Reinsurance contract liabilities		—	—	—	1 636	—	—	2 889	2 725	—	—	—	—	2 889	4 361
Term finance		8 220	2 031	1 300	2 947	995	1 050	3 053	2 539	3 350	3 350	(3 178)	—	13 740	11 917
Lease liabilities		604	344	18	188	85	249	824	677	—	—	—	—	1 531	1 458
Structured transactions liabilities		205	187	—	—	1	7	7	35	—	—	—	—	213	229
Deferred tax		5 056	5 330	53	3 230	55	12	1 088	78	—	—	—	5	6 252	8 655
Trading account liabilities		—	—	118	105	18 392	15 603	690	739	—	—	(66)	924	19 134	17 371
Non-current liabilities reclassified as held for sale		13	—	259	266	—	—	—	—	—	—	—	—	272	266
Collateral guarantee contracts		—	—	—	—	—	—	113	129	—	—	—	—	113	129
Working capital liabilities		7 173	5 176	2 415	7 855	8 505	7 700	3 145	3 403	24	229	2 611	318	23 873	24 681
Trade and other payables		6 140	4 114	2 353	6 373	7 788	7 149	2 937	3 018	21	17	2 554	(109)	21 793	20 562
Provisions		40	39	—	601	1	1	126	138	3	3	18	18	188	800
Taxation		993	1 023	62	881	716	550	82	247	—	209	39	409	1 892	3 319
<b>Total equity and liabilities</b>		<b>60 346</b>	<b>41 900</b>	<b>47 965</b>	<b>86 792</b>	<b>35 909</b>	<b>33 042</b>	<b>54 986</b>	<b>56 705</b>	<b>5 849</b>	<b>11 432</b>	<b>(6 543)</b>	<b>(5 057)</b>	<b>198 512</b>	<b>224 814</b>
<b>Analysis of shareholders' fund</b>															
Covered business		18 511	18 045	8 402	8 678	2 096	2 704	—	—	—	—	—	—	29 009	29 427
Other operations		5 316	2 153	29 422	30 319	3 473	3 542	6 233	6 919	—	—	—	—	44 444	42 933
Discretionary and other capital		14 167	8 407	2 355	1 174	1 173	1 036	—	—	2 475	7 853	(4 146)	(2 076)	16 024	16 394
<b>Shareholders' fund at net asset value</b>		<b>37 994</b>	<b>28 605</b>	<b>40 179</b>	<b>40 171</b>	<b>6 742</b>	<b>7 282</b>	<b>6 233</b>	<b>6 919</b>	<b>2 475</b>	<b>7 853</b>	<b>(4 146)</b>	<b>(2 076)</b>	<b>89 477</b>	<b>88 754</b>
Consolidation reserve		564	700	87	62	—	—	—	—	—	—	(1 598)	(4 939)	(947)	(4 177)
<b>Shareholders' fund per group statement of financial position on page 98</b>		<b>38 558</b>	<b>29 305</b>	<b>40 266</b>	<b>40 233</b>	<b>6 742</b>	<b>7 282</b>	<b>6 233</b>	<b>6 919</b>	<b>2 475</b>	<b>7 853</b>	<b>(5 744)</b>	<b>(7 015)</b>	<b>88 530</b>	<b>84 577</b>

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

<sup>(2)</sup> Includes discretionary capital held by Sanlam Emerging Markets.

<sup>(3)</sup> Elimination of intercompany balances, other investments and term finance between companies within the group.

## Shareholders' fund income statement

for the year ended 31 December

R million	Sanlam Life and Savings								Sanlam Emerging Markets						Santam		Group office and other		Total		
	SA Retail Affluent		SA Retail Mass		Sanlam Corporate		Sanlam Investment Group		SanlamAllianz		Namibia		Asia		Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	
	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022							
Result from life insurance operations	3 783	2 998	2 201	2 068	1 169	669	509	261	830	587	373	336	233	241	—	—	—	—	9 098	7 160	
Insurance revenue	16 821	15 185	12 693	11 265	9 510	8 704	158	60	5 709	7 652	1 675	1 647	1 671	1 814	—	—	—	—	48 237	46 327	
Insurance service expenses	(12 959)	(12 547)	(10 293)	(9 054)	(8 143)	(8 840)	(418)	(305)	(5 005)	(7 193)	(1 323)	(1 593)	(1 528)	(1 418)	—	—	—	—	(39 669)	(40 950)	
Income or expense from reinsurance contracts	(463)	141	(28)	7	(226)	649	—	—	(357)	(167)	(49)	(28)	16	(60)	—	—	—	—	(1 107)	542	
Insurance investment result	547	368	12	(49)	437	228	769	515	487	295	84	323	74	(95)	—	—	—	—	2 410	1 585	
Other expenses relating to insurance operations	(163)	(149)	(183)	(101)	(409)	(72)	—	(9)	(4)	—	(14)	(13)	—	—	—	—	—	—	(773)	(344)	
Result from general insurance operations	—	—	—	—	—	—	—	—	1 054	857	—	—	—	—	2 170	2 241	—	—	3 224	3 098	
Insurance revenue	—	—	—	—	—	—	—	—	17 032	20 888	—	—	—	—	46 882	43 082	—	—	63 914	63 970	
Insurance service expenses	—	—	—	—	—	—	—	—	(13 413)	(16 553)	—	—	—	—	(37 299)	(38 614)	—	—	(50 712)	(55 167)	
Income or expense from reinsurance contracts	—	—	—	—	—	—	—	—	(2 764)	(3 772)	—	—	—	—	(7 587)	(2 345)	—	—	(10 351)	(6 117)	
Insurance investment result	—	—	—	—	—	—	—	—	199	294	—	—	—	—	434	303	—	—	633	597	
Other expenses relating to insurance operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(260)	(185)	—	—	(260)	(185)	
Result from other operations	1 713	2 163	(68)	(107)	371	243	1 910	1 599	629	406	317	356	2 979	1 982	241	153	(684)	(610)	7 408	6 185	
Revenue	6 164	5 599	206	199	5 272	1 393	6 242	5 593	644	794	438	563	—	—	—	—	229	132	19 195	14 273	
Net other income <sup>(1)</sup>	104	236	—	—	78	195	198	181	1 157	679	230	164	3 033	2 044	241	153	(42)	(186)	4 999	3 466	
Sales remuneration	(911)	(1 069)	(137)	(171)	(4)	(1)	(11)	(114)	(45)	—	(78)	(114)	—	—	—	—	—	—	(1 186)	(1 469)	
Administration costs	(3 644)	(2 603)	(137)	(135)	(4 975)	(1 344)	(4 519)	(4 061)	(1 127)	(1 067)	(273)	(257)	(54)	(62)	—	—	(871)	(556)	(15 600)	(10 085)	
<b>Result from financial services before tax</b>	<b>5 496</b>	<b>5 161</b>	<b>2 133</b>	<b>1 961</b>	<b>1 540</b>	<b>912</b>	<b>2 419</b>	<b>1 860</b>	<b>2 513</b>	<b>1 850</b>	<b>690</b>	<b>692</b>	<b>3 212</b>	<b>2 223</b>	<b>2 411</b>	<b>2 394</b>	<b>(684)</b>	<b>(610)</b>	<b>19 730</b>	<b>16 443</b>	
Tax on result from financial services	(1 485)	(1 352)	(580)	(548)	(417)	(252)	(576)	(431)	(903)	(506)	(58)	(60)	(886)	(511)	(600)	(666)	193	168	(5 312)	(4 158)	
Non-controlling interest	16	15	—	—	(91)	—	(261)	(190)	(671)	(715)	(137)	(161)	(160)	(198)	(758)	(706)	23	143	(2 039)	(1 812)	
<b>Net result from financial services</b>	<b>4 027</b>	<b>3 824</b>	<b>1 553</b>	<b>1 413</b>	<b>1 032</b>	<b>660</b>	<b>1 582</b>	<b>1 239</b>	<b>939</b>	<b>629</b>	<b>495</b>	<b>471</b>	<b>2 166</b>	<b>1 514</b>	<b>1 053</b>	<b>1 022</b>	<b>(468)</b>	<b>(299)</b>	<b>12 379</b>	<b>10 473</b>	
Net investment income	238	248	76	64	80	79	110	111	59	39	45	40	31	40	130	142	367	436	1 136	1 199	
Net investment surpluses	198	549	35	10	65	24	130	(98)	116	(233)	21	10	162	(245)	257	(71)	—	2	984	(52)	
Project expenses	(27)	(14)	(4)	—	(6)	(1)	(59)	(61)	(163)	(254)	—	—	(7)	(3)	(4)	(46)	(340)	(164)	(610)	(543)	
<b>Net operational earnings</b>	<b>4 436</b>	<b>4 607</b>	<b>1 660</b>	<b>1 487</b>	<b>1 171</b>	<b>762</b>	<b>1 763</b>	<b>1 191</b>	<b>951</b>	<b>181</b>	<b>561</b>	<b>521</b>	<b>2 352</b>	<b>1 306</b>	<b>1 436</b>	<b>1 047</b>	<b>(441)</b>	<b>(25)</b>	<b>13 889</b>	<b>11 077</b>	
<b>Shareholder fund adjustments</b>	<b>685</b>	<b>24</b>	<b>489</b>	<b>49</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>414</b>	<b>—</b>	<b>288</b>	<b>—</b>	<b>(100)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1 776</b>	<b>73</b>	
Net amortisation of value of business acquired and other intangibles	(4)	(2)	—	—	(10)	(11)	(64)	(55)	2	(143)	—	—	(3)	(1)	(33)	(30)	—	—	(112)	(242)	
Equity participation costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1)	—	—	—	(1)	
Impairments	—	(31)	(15)	(18)	(19)	—	(23)	(6)	(268)	—	—	—	—	—	—	(18)	948	(1 105)	623	(1 178)	
Net equity-accounted earnings	—	—	—	—	(7)	(20)	—	—	2	4	—	—	—	631	50	42	—	—	45	657	
Net profit on disposal of subsidiaries and associated companies	956	1	—	—	(111)	85	15	1 411	(589)	4	(8)	—	—	—	73	—	—	—	336	1 501	
<b>Normalised attributable earnings</b>	<b>6 073</b>	<b>4 599</b>	<b>2 134</b>	<b>1 518</b>	<b>1 024</b>	<b>816</b>	<b>1 691</b>	<b>2 541</b>	<b>512</b>	<b>46</b>	<b>841</b>	<b>521</b>	<b>2 249</b>	<b>1 936</b>	<b>1 526</b>	<b>1 040</b>	<b>507</b>	<b>(1 130)</b>	<b>16 557</b>	<b>11 887</b>	
Fund transfers	16	14	(131)	(240)	(26)	(5)	(1)	(5)	(51)	(42)	—	1	(2)	—	(10)	(12)	(1 874)	659	(2 079)	370	
<b>Attributable earnings per group statement of comprehensive income</b>	<b>6 089</b>	<b>4 613</b>	<b>2 003</b>	<b>1 278</b>	<b>998</b>	<b>811</b>	<b>1 690</b>	<b>2 536</b>	<b>461</b>	<b>4</b>	<b>841</b>	<b>522</b>	<b>2 247</b>	<b>1 936</b>	<b>1 516</b>	<b>1 028</b>	<b>(1 367)</b>	<b>(471)</b>	<b>14 478</b>	<b>12 257</b>	
<b>Diluted earnings per share</b>																					
Weighted average number of shares for normalised earnings per share (million)																				2 158,1	2 210,4
Net result from financial services (cents)	186,6	173,0	72,0	63,9	47,8	29,9	73,3	56,1	43,5	28,5	22,9	21,3	100,4	68,5	48,8	46,2	(21,7)	(13,5)	573,6	473,9	

<sup>(1)</sup> Net other income includes equity-accounted earnings from investments in associates and joint ventures reflected in note 11.

# Net result from financial services

for the year ended 31 December

## Geographic analysis per line of business<sup>(1)</sup>

R million	Life business		General insurance		Investment management		Credit and structuring		Administration and health		Corporate expenses and other		Total	
	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022
	South Africa	6 539	5 596	964	911	674	585	343	404	404	338	(468)	(299)	8 456
Africa - excluding South Africa	713	438	835	624	86	72	232	217	—	—	(403)	(200)	1 463	1 151
Other International	132	160	380	262	234	213	1 573	1 039	—	—	141	113	2 460	1 787
Asia	132	160	380	262	—	—	1 573	1 039	—	—	141	113	2 226	1 574
Developed Markets	—	—	—	—	234	213	—	—	—	—	—	—	234	213
<b>Total</b>	<b>7 384</b>	<b>6 194</b>	<b>2 179</b>	<b>1 797</b>	<b>994</b>	<b>870</b>	<b>2 148</b>	<b>1 660</b>	<b>404</b>	<b>338</b>	<b>(730)</b>	<b>(386)</b>	<b>12 379</b>	<b>10 473</b>
Net results from financial services before SHF adjustments	8 629	6 029	2 229	1 797	994	870	2 148	1 660	404	338	(730)	(386)	13 674	10 308
SHF adjustments	(1 245)	165	(50)	—	—	—	—	—	—	—	—	—	(1 295)	165
Impact of adjusting the CSM at locked-in interest rates	(178)	8	—	—	—	—	—	—	—	—	—	—	(178)	8
Insurance contracts economic impact	(597)	(87)	—	—	—	—	—	—	—	—	—	—	(597)	(87)
Asset mismatch reserve movements	(276)	376	(50)	—	—	—	—	—	—	—	—	—	(326)	376
Other adjustments	(194)	(132)	—	—	—	—	—	—	—	—	—	—	(194)	(132)
<b>Total</b>	<b>7 384</b>	<b>6 194</b>	<b>2 179</b>	<b>1 797</b>	<b>994</b>	<b>870</b>	<b>2 148</b>	<b>1 660</b>	<b>404</b>	<b>338</b>	<b>(730)</b>	<b>(386)</b>	<b>12 379</b>	<b>10 473</b>

<sup>(1)</sup> Refer to note 8 for an analysis per cluster.

# Notes to the shareholders' fund information

for the year ended 31 December

## 1 Cash earnings

R million	Audited 2023	Audited 2022
<b>Net result from financial services before shareholders' fund adjustments</b>	<b>13 674</b>	<b>10 308</b>
Shareholders' fund adjustments	(1 295)	165
<b>Net result from financial services</b>	<b>12 379</b>	<b>10 473</b>
Add/(Less):		
Amortisation of capitalised IT projects	142	53
IFRS 17 specific and other non-cash adjustments	(123)	(53)
<b>Cash net result from financial services</b>	<b>12 398</b>	<b>10 473</b>
Add/(Less):		
Project expenses not included in net results from financial services	(339)	(377)
Project expenses per shareholders' fund income statement	(610)	(543)
Funded from discretionary capital	271	166
<b>Cash generated</b>	<b>12 059</b>	<b>10 096</b>
Add/(Less):		
Project expenses capitalised	(117)	(203)
Release from specific shareholders' fund reserves	90	179
<b>Cash earnings available for dividend distribution</b>	<b>12 032</b>	<b>10 072</b>
Retained by clusters	(3 343)	(2 234)
<b>Cash for dividend declaration</b>	<b>8 689</b>	<b>7 838</b>

Notes to the shareholders' fund information continued

for the year ended 31 December

**2 Value of new covered business**

R million	Note	Sanlam Life and Savings													
		Total		Sanlam Life and Savings						Sanlam Emerging Markets					
		Audited 2023	Audited 2022	SA Retail Affluent		SA Retail Mass		Corporate		SanlamAllianz		Namibia		Asia	
		Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
<b>Value of new covered business (at point of sale)</b>															
Gross value of new covered business		3 429	3 046	1 276	995	819	798	183	135	427	465	340	343	384	310
Cost of capital		(278)	(317)	(43)	(71)	(37)	(43)	(41)	(46)	(67)	(83)	(17)	(24)	(73)	(50)
<b>Value of new covered business</b>		<b>3 151</b>	<b>2 729</b>	<b>1 233</b>	<b>924</b>	<b>782</b>	<b>755</b>	<b>142</b>	<b>89</b>	<b>360</b>	<b>382</b>	<b>323</b>	<b>319</b>	<b>311</b>	<b>260</b>
<b>Value of new business attributable to</b>															
Shareholders' fund	4	2 853	2 388	1 229	923	782	755	142	89	256	231	197	205	247	185
Non-controlling interest		298	341	4	1	—	—	—	—	104	151	126	114	64	75
<b>Value of new covered business</b>		<b>3 151</b>	<b>2 729</b>	<b>1 233</b>	<b>924</b>	<b>782</b>	<b>755</b>	<b>142</b>	<b>89</b>	<b>360</b>	<b>382</b>	<b>323</b>	<b>319</b>	<b>311</b>	<b>260</b>
<b>Analysis of new business profitability</b>															
<i>Before non-controlling interest</i>															
Present value of new business premiums		104 845	93 726	56 360	50 041	13 733	12 764	16 352	11 971	9 006	10 469	3 502	3 475	5 892	5 006
New business margin (%)		3,01	2,91	2,19	1,85	5,69	5,92	0,87	0,74	4,00	3,64	9,22	9,18	5,28	5,19
<i>After non-controlling interest</i>															
Present value of new business premiums		100 241	87 814	56 270	49 538	13 733	12 764	16 352	11 971	6 857	7 419	2 506	2 509	4 523	3 613
New business margin (%)		2,85	2,72	2,18	1,86	5,69	5,92	0,87	0,74	3,73	3,11	7,86	8,15	5,46	5,12
<b>Capitalisation factor – recurring premiums</b>		<b>3,6</b>	<b>3,7</b>	<b>6,1</b>	<b>5,7</b>	<b>3,1</b>	<b>3,2</b>	<b>6,4</b>	<b>6,4</b>	<b>2,0</b>	<b>2,3</b>	<b>5,1</b>	<b>5,3</b>	<b>3,2</b>	<b>3,4</b>



Notes to the shareholders' fund information continued

for the year ended 31 December

**2 Value of new covered business** continued

## Geographical analysis

R million	Value of new covered business		Present value of new business premiums		New business margin	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
<b>Before non-controlling interest</b>						
South Africa	2 157	1 768	86 445	74 776	2,50%	2,36%
SA Retail Mass	782	755	13 733	12 764	5,69%	5,92%
SA Retail Affluent	1 233	924	56 360	50 041	2,19%	1,85%
Sanlam Corporate	142	89	16 352	11 971	0,87%	0,74%
Africa - excluding South Africa	683	701	12 508	13 944	5,46%	5,03%
Asia	311	260	5 892	5 006	5,28%	5,19%
<b>Total</b>	<b>3 151</b>	<b>2 729</b>	<b>104 845</b>	<b>93 726</b>	<b>3,01%</b>	<b>2,91%</b>
<b>After non-controlling interest</b>						
South Africa	2 153	1 767	86 355	74 273	2,49%	2,38%
SA Retail Mass	782	755	13 733	12 764	5,69%	5,92%
SA Retail Affluent	1 229	923	56 270	49 538	2,18%	1,86%
Sanlam Corporate	142	89	16 352	11 971	0,87%	0,74%
Africa - excluding South Africa	453	436	9 363	9 928	4,84%	4,39%
Asia	247	185	4 523	3 613	5,46%	5,12%
<b>Total</b>	<b>2 853</b>	<b>2 388</b>	<b>100 241</b>	<b>87 814</b>	<b>2,85%</b>	<b>2,72%</b>

**3 Value of in-force covered business sensitivity analysis**

R million	Gross value of in-force business		Cost of capital		Net value of in-force business		Change from base value %	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
<b>Value of in-force covered business sensitivity analysis</b>								
<b>Base value</b>	52 509	50 018	(3 912)	(3 640)	48 597	46 378		
Risk discount rate increase by 1%	50 274	47 510	(4 270)	(4 078)	46 004	43 432	(5)	(6)
Investment return and inflation decrease by 1%, coupled with a 1% decrease in risk discount rates, and with bonus rates changing commensurately	53 379	51 215	(3 915)	(3 735)	49 464	47 480	2	2
Equity and property values decrease by 10%, without a corresponding change in dividend and rental yields	50 713	48 522	(3 879)	(3 599)	46 834	44 923	(4)	(3)
Expected return on equity and property investments increase by 1%, without a corresponding change in discount rates	52 995	50 568	(3 730)	(3 266)	49 265	47 302	1	2
Rand exchange rate depreciates by 10%	52 859	50 333	(4 006)	(3 716)	48 853	46 617	1	1
<b>Expenses and persistency</b>								
Non-commission maintenance expenses (excluding investment expenses) decrease by 10%	55 009	52 122	(3 931)	(3 648)	51 078	48 474	5	5
Discontinuance rates decrease by 10%	54 301	51 685	(4 021)	(3 739)	50 280	47 946	3	3
<b>Insurance risk</b>								
Mortality and morbidity decrease by 5% for life assurance business	55 111	52 693	(3 931)	(3 640)	51 180	49 053	5	6
Mortality and morbidity decrease by 5% for annuity business	52 268	49 773	(3 906)	(3 652)	48 352	46 121	(1)	(1)
<b>Gross value of in-force business profile</b>								
Year 1 - 5	61%	59%						
Year 1	18%	17%						
Year 2	14%	14%						
Year 3	12%	11%						
Year 4	9%	9%						
Year 5	8%	8%						
Year 6 - 10	22%	23%						
Year 11 - 20	14%	15%						
Year 20+	3%	3%						

Notes to the shareholders' fund information continued

for the year ended 31 December

**4 Value of new covered business sensitivity analysis**

R million	Gross value of new business		Cost of capital		Net value of new business		Change from base value %	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
<b>Value of new covered business sensitivity analysis</b>								
<b>Base value</b>	<b>3 108</b>	2 655	<b>(255)</b>	(267)	<b>2 853</b>	2 388		
Risk discount rate increase by 1%	<b>2 843</b>	2 382	<b>(274)</b>	(300)	<b>2 569</b>	2 082	<b>(10)</b>	(13)
Investment return and inflation decrease by 1%, coupled with a 1% decrease in risk discount rates, and with bonus rates changing commensurately	<b>3 262</b>	2 770	<b>(256)</b>	(270)	<b>3 006</b>	2 500	<b>5</b>	5
<i>Expenses and persistency</i>								
Non-commission maintenance expenses (excluding investment expenses) decrease by 10%	<b>3 351</b>	2 900	<b>(253)</b>	(273)	<b>3 098</b>	2 627	<b>9</b>	10
Acquisition expenses (excluding commission and commission related expenses) decrease by 10%	<b>3 428</b>	2 942	<b>(252)</b>	(273)	<b>3 176</b>	2 669	<b>11</b>	12
Discontinuance rates decrease by 10%	<b>3 408</b>	2 984	<b>(259)</b>	(281)	<b>3 149</b>	2 703	<b>10</b>	13
<i>Insurance risk</i>								
Mortality and morbidity decrease by 5% for life assurance business	<b>3 401</b>	2 952	<b>(248)</b>	(271)	<b>3 153</b>	2 681	<b>11</b>	12
Mortality and morbidity decrease by 5% for annuity business	<b>2 966</b>	2 626	<b>(219)</b>	(273)	<b>2 747</b>	2 353	<b>(4)</b>	(1)

**5 Economic assumptions – covered business****5.1 Gross investment return, risk discount rate and inflation**

%	Audited 2023	Audited 2022
<b>Sanlam Life<sup>(1)</sup></b>		
Point used on the relevant yield curve	<b>9 year</b>	9 year
Fixed-interest securities	<b>11,6%</b>	11,5%
Equities	<b>15,1%</b>	15,0%
Offshore investments	<b>14,1%</b>	14,0%
Hedged equity	<b>10,6%</b>	10,5%
Property	<b>12,6%</b>	12,5%
Cash	<b>10,6%</b>	10,5%
Inflation rate <sup>(1)</sup>	<b>9,6%</b>	9,5%
Risk discount rate	<b>14,1%</b>	14,0%
<b>Sanlam Developing Markets<sup>(2)</sup></b>		
Point used on the relevant yield curve	<b>5 year</b>	5 year
Fixed-interest securities	<b>9,8%</b>	9,7%
Equities and offshore investments	<b>13,3%</b>	13,2%
Hedged equities	<b>8,8%</b>	8,7%
Property	<b>10,8%</b>	10,7%
Cash	<b>8,8%</b>	8,7%
Inflation rate	<b>7,8%</b>	7,7%
Risk discount rate	<b>12,3%</b>	12,2%
<b>Botswana Life Insurance</b>		
Point used on the relevant yield curve	<b>n/a</b>	n/a
Fixed-interest securities	<b>6,7%</b>	8,2%
Equities and offshore investments	<b>10,2%</b>	11,7%
Hedged equities	<b>n/a</b>	n/a
Property	<b>7,7%</b>	9,2%
Cash	<b>5,7%</b>	7,2%
Inflation rate	<b>3,7%</b>	5,2%
Risk discount rate	<b>10,2%</b>	11,7%
<b>Morocco</b>		
Fixed-interest securities	<b>3,9%</b>	4,1%
Equities and offshore investments	<b>7,4%</b>	7,6%
Hedged equities	<b>n/a</b>	n/a
Property	<b>4,9%</b>	5,1%
Cash	<b>2,9%</b>	3,1%
Inflation rate	<b>0,9%</b>	1,1%
Risk discount rate	<b>7,9%</b>	8,1%
<b>Allianz Life Egypt</b>		
Fixed-interest securities	<b>26,5%</b>	18,6%
Equities and offshore investments	<b>30,0%</b>	22,1%
Hedged equities	<b>n/a</b>	n/a
Property	<b>27,5%</b>	19,6%
Cash	<b>25,5%</b>	17,6%
Inflation rate	<b>23,5%</b>	15,6%
Risk discount rate	<b>30,0%</b>	22,1%

<sup>(1)</sup> Expense inflation of CPI curve+1,5% (capped at 10%) plus an additional 13% is assumed for retail business administered on old platforms (December 2022: flat rate of 13,5%). Sanlam Life updated its expense inflation assumptions to allow for the active conversion of closed book policies to new generation products. The expense inflation assumption was updated from a fixed rate (relative to the nine-year risk free nominal point) to a CPI-related curve.

<sup>(2)</sup> Excludes the Sanlam Life products written on Sanlam Developing Markets' licences.

**Illiquidity premiums**

Investment returns on non-participating and inflation-linked annuities, as well as guarantee plans include assumed illiquidity premiums (including an allowance for credit risk where relevant) due to matching assets being held to maturity.

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

Notes to the shareholders' fund information continued

for the year ended 31 December

**5 Economic assumptions – covered business** continued**5.2 Asset mix of the assets supporting adjusted net asset value – covered business**

	R million		Fixed-interest securities %		Equities %		Hedged equities %		Property %		Cash %		Total %	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
	<b>Required capital</b>													
South Africa <sup>(1)</sup>	6 825	8 812	—	—	4	3	87	90	—	—	9	7	100	100
Namibia	1 109	496	14	7	25	35	—	—	—	—	61	58	100	100
Africa – excluding South Africa and Namibia	1 821	2 223	73	70	2	4	—	—	10	9	15	17	100	100
Shriram Life Insurance (India)	616	459	100	100	—	—	—	—	—	—	—	—	100	100
MCIS (Malaysia)	798	632	68	67	17	18	—	—	—	—	15	15	100	100
<b>Total required capital</b>	<b>11 169</b>	<b>12 622</b>												
Free surplus	1 551	1 158												
<b>Adjusted net asset value</b>	<b>12 720</b>	<b>13 780</b>												

<sup>(1)</sup> At 31 December 2023 asset mix backing the Sanlam Life required capital is 98% hedged (31 December 2022: 96%).**5.3 Assumed long-term expected return on required capital**

	Gross %		Net %	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022
Sanlam Life	10,6	10,5	8,9	8,8
Sanlam Developing Markets	9,7	9,6	7,5	7,5
Sanlam Namibia	12,6	12,5	11,3	11,3
Sanlam Namibia Holdings	10,5	10,5	9,2	9,2
Shriram Life Insurance (India)	7,6	7,7	6,5	6,6
MCIS (Malaysia)	4,4	4,8	4,1	4,5

## Notes to the shareholders' fund information continued

for the year ended 31 December

### 6 Value of non-covered operations sensitivity analysis

#### 6.1 Valuation methodology

R million	Total	
	Audited 2023	Audited 2022
<b>Listed share price - Santam</b>	19 433	17 391
<b>Discounted cash flows</b>	55 743	49 041
Sanlam Life and Savings	7 840	4 984
Glacier	3 136	2 647
Sanlam Personal Loans	2 066	1 219
Sanlam Corporate	2 278	821
Other operations	360	297
Sanlam Emerging Markets	36 387	32 622
SanlamAllianz	16 910	18 428
Namibia	1 320	1 195
Asia: India	17 858	12 699
Asia: Malaysia	299	300
Sanlam Investment Group	11 516	11 435
Sanlam Investments	3 211	3 064
Wealth Management	3 424	3 138
International	3 476	4 094
Sanlam Specialised Finance	1 405	1 139
<b>Net asset value</b>	1 255	1 270
Sanlam Investment Group	636	570
Sanlam Investments	82	73
International	164	107
Sanlam Specialised Finance	390	390
Sanlam Emerging Markets	619	655
Sanlam Life and Savings	—	45
<b>Total</b>	<b>76 431</b>	<b>67 702</b>

#### 6.2 Sensitivity analysis: businesses valued at discounted cash flows

R million	Base value		Risk discount rate +1%		Perpetuity growth rate +1%	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
Sanlam Life and Savings	7 840	4 984	7 252	4 555	8 049	5 132
Glacier	3 136	2 647	2 890	2 425	3 238	2 740
Sanlam Personal Loans	2 066	1 219	1 983	1 143	2 095	1 243
Sanlam Corporate	2 278	821	2 095	760	2 348	845
Other operations	360	297	284	227	368	304
Sanlam Emerging Markets	36 387	32 622	32 279	28 611	39 981	35 815
SanlamAllianz	16 910	18 428	15 523	16 615	18 227	19 611
Namibia	1 320	1 195	1 207	1 094	1 377	1 249
Asia: India	17 858	12 699	15 302	10 654	20 058	14 635
Asia: Malaysia	299	300	247	248	319	320
Sanlam Investment Group	11 516	11 435	10 578	10 208	11 964	11 666
Sanlam Investments <sup>(1)</sup>	3 211	3 064	2 995	2 827	3 298	3 165
Wealth Management	3 424	3 138	3 120	2 876	3 570	3 249
International	3 476	4 094	3 158	3 446	3 652	4 081
Sanlam Specialised Finance	1 405	1 139	1 305	1 059	1 444	1 171
	55 743	49 041	50 109	43 374	59 994	52 613
<b>Weighted average assumption</b>			16,1%	16,0%	2,7%	2 - 7%
R million	Equities and properties -10%		Risk discount rate -1%		Rand exchange rate depreciation +10%	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
Sanlam Life and Savings	7 552	4 725	8 460	5 421	7 840	4 984
Glacier	2 848	2 388	3 424	2 905	3 136	2 647
Sanlam Personal Loans	2 066	1 219	2 161	1 305	2 066	1 219
Sanlam Corporate	2 278	821	2 488	891	2 278	821
Other operations	360	297	387	320	360	297
Sanlam Emerging Markets	36 387	32 622	42 326	38 177	39 874	35 765
SanlamAllianz	16 910	18 428	19 166	20 880	18 581	20 290
Namibia	1 320	1 195	1 455	1 317	1 320	1 195
Asia: India	17 858	12 699	21 345	15 619	19 644	13 969
Asia: Malaysia	299	300	360	361	329	311
Sanlam Investment Group	10 234	9 739	12 638	12 355	11 902	11 510
Sanlam Investments <sup>(1)</sup>	2 829	2 690	3 463	3 344	3 242	3 094
Wealth Management	3 200	2 779	3 787	3 443	3 438	3 066
International	2 905	3 212	3 868	4 335	3 817	4 211
Sanlam Specialised Finance	1 300	1 058	1 520	1 233	1 405	1 139
	54 173	47 086	63 424	55 953	59 616	52 259

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

- Weighted average discount rate: 19,3% (December 2022: 18,7%)
- Weighted average perpetuity growth rate: 5% (December 2022: 5,0%)

# Notes to the shareholders' fund information continued

for the year ended 31 December

## 7 Business volumes

### 7.1 Analysis of new business volumes and total funds received

R million	Life business <sup>(1)</sup>		General insurance		Investment business <sup>(2)</sup>		Total	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
<b>Sanlam Life and Savings</b>	<b>63 982</b>	53 640	—	—	<b>61 514</b>	56 300	<b>125 496</b>	109 940
SA Retail Affluent	45 571	40 269	—	—	49 459	43 912	95 030	84 181
Recurring	2 119	2 080	—	—	15	13	2 134	2 093
Single	43 452	38 189	—	—	49 444	43 899	92 896	82 088
SA Retail Mass	4 417	3 983	—	—	—	—	4 417	3 983
Sanlam Corporate	13 994	9 388	—	—	12 055	12 388	26 049	21 776
Recurring	434	480	—	—	452	165	886	645
Single	13 560	8 908	—	—	11 603	12 223	25 163	21 131
<b>Sanlam Emerging Markets</b>	<b>10 876</b>	11 172	<b>17 446</b>	17 174	<b>20 118</b>	15 762	<b>48 440</b>	44 108
SanlamAllianz	6 384	7 127	15 345	15 420	16 904	11 124	38 633	33 671
Namibia	2 098	2 131	—	—	3 214	4 638	5 312	6 769
Recurring	342	310	—	—	—	—	342	310
Single	1 756	1 821	—	—	3 214	4 638	4 970	6 459
Asia: India	1 473	1 031	1 857	1 465	—	—	3 330	2 496
Recurring	954	667	1 857	1 465	—	—	2 811	2 132
Single	519	364	—	—	—	—	519	364
Asia: Malaysia	921	883	244	289	—	—	1 165	1 172
Recurring	623	607	244	289	—	—	867	896
Single	298	276	—	—	—	—	298	276
<b>Sanlam Investment Group</b>	<b>—</b>	—	—	—	<b>192 947</b>	153 077	<b>192 947</b>	153 077
Investment Management SA	—	—	—	—	164 919	125 846	164 919	125 846
Wealth Management International	—	—	—	—	11 115	9 558	11 115	9 558
International	—	—	—	—	16 913	17 673	16 913	17 673
<b>Santam</b>	<b>—</b>	—	<b>29 707</b>	28 076	<b>—</b>	—	<b>29 707</b>	28 076
<b>Total new business</b>	<b>74 858</b>	64 812	<b>47 153</b>	45 250	<b>274 579</b>	225 139	<b>396 590</b>	335 201

<sup>(1)</sup> Life business relates to business written under a life licence that is included in the calculation of embedded value of covered business.

<sup>(2)</sup> Includes life licence and investment business. Life licence business relates to investment products provided by means of a policy where there is very little or no insurance risk excluded from the calculation of embedded value of covered business.

R million	Life business <sup>(1)</sup>		General insurance		Investment business <sup>(2)</sup>		Total	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
<b>Recurring premiums on existing funds:</b>								
Sanlam Life and Savings	36 897	35 047	—	—	4 706	4 242	41 603	39 289
SA Retail Mass	10 432	9 080	—	—	—	—	10 432	9 080
SA Retail Affluent	16 376	16 140	—	—	138	145	16 514	16 285
Sanlam Corporate	10 089	9 827	—	—	4 568	4 097	14 657	13 924
Sanlam Emerging Markets	9 509	9 036	—	—	—	—	9 509	9 036
SanlamAllianz	4 849	4 991	—	—	—	—	4 849	4 991
Namibia	1 534	1 351	—	—	—	—	1 534	1 351
Asia: India	1 406	1 161	—	—	—	—	1 406	1 161
Asia: Malaysia	1 720	1 533	—	—	—	—	1 720	1 533
<b>Total funds received</b>	<b>121 264</b>	108 895	<b>47 153</b>	45 250	<b>279 285</b>	229 381	<b>447 702</b>	383 526

Notes to the shareholders' fund information continued

for the year ended 31 December

**7 Business volumes** continued**7.2 Analysis of payments to clients**

R million	Life business <sup>(1)</sup>		General insurance		Investment business <sup>(2)</sup>		Total	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
<b>Sanlam Life and Savings</b>	<b>88 567</b>	73 354	—	—	<b>62 136</b>	48 401	<b>150 703</b>	121 755
SA Retail Mass	8 322	7 492	—	—	—	—	8 322	7 492
Surrenders	513	516	—	—	—	—	513	516
Other	7 809	6 976	—	—	—	—	7 809	6 976
SA Retail Affluent	58 338	50 595	—	—	49 908	38 491	108 246	89 086
Surrenders	13 265	8 939	—	—	—	—	13 265	8 939
Other	45 073	41 656	—	—	49 908	38 491	94 981	80 147
Sanlam Corporate	21 907	15 267	—	—	12 228	9 910	34 135	25 177
Surrenders	3 756	3 305	—	—	2 312	1 724	6 068	5 029
Other	18 151	11 962	—	—	9 916	8 186	28 067	20 148
<b>Sanlam Emerging Markets</b>	<b>14 019</b>	13 926	<b>10 667</b>	10 832	<b>22 537</b>	16 568	<b>47 223</b>	41 326
SanlamAllianz	7 168	7 743	9 309	9 616	16 869	9 484	33 346	26 843
Namibia	3 271	3 131	—	—	5 668	7 084	8 939	10 215
Surrenders	187	171	—	—	—	—	187	171
Other	3 084	2 960	—	—	5 668	7 084	8 752	10 044
Asia: India	832	697	1 187	1 030	—	—	2 019	1 727
Surrenders	159	134	—	—	—	—	159	134
Other	673	563	1 187	1 030	—	—	1 860	1 593
Asia: Malaysia	2 748	2 355	171	186	—	—	2 919	2 541
Surrenders	914	601	—	—	—	—	914	601
Other	1 834	1 754	171	186	—	—	2 005	1 940
<b>Sanlam Investment Group</b>	<b>—</b>	—	—	—	<b>194 362</b>	142 436	<b>194 362</b>	142 436
Investment Management SA	—	—	—	—	161 004	111 993	161 004	111 993
Wealth Management	—	—	—	—	9 371	7 226	9 371	7 226
International	—	—	—	—	23 987	23 217	23 987	23 217
<b>Santam</b>	<b>—</b>	—	<b>19 742</b>	18 034	—	—	<b>19 742</b>	18 034
<b>Total payments to clients</b>	<b>102 586</b>	87 280	<b>30 409</b>	28 866	<b>279 035</b>	207 405	<b>412 030</b>	323 551

<sup>(1)</sup> Life business relates to business written under a life licence that is included in the calculation of embedded value of covered business.

<sup>(2)</sup> Includes life licence and investment business. Life licence business relates to investment products provided by means of a policy where there is very little or no insurance risk excluded from the calculation of embedded value of covered business.

**7.3 Analysis of net inflow/(outflow) of funds**

R million	Life business <sup>(1)</sup>		General insurance		Investment business <sup>(2)</sup>		Total	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
<b>Sanlam Life and Savings</b>	<b>12 312</b>	15 333	—	—	<b>4 084</b>	12 141	<b>16 396</b>	27 474
SA Retail Mass	6 527	5 571	—	—	—	—	6 527	5 571
SA Retail Affluent	3 609	5 814	—	—	(311)	5 566	3 298	11 380
Sanlam Corporate	2 176	3 948	—	—	4 395	6 575	6 571	10 523
<b>Sanlam Emerging Markets</b>	<b>6 366</b>	6 282	<b>6 779</b>	6 342	<b>(2 419)</b>	(806)	<b>10 726</b>	11 818
SanlamAllianz	4 065	4 374	6 036	5 804	35	1 640	10 136	11 818
Namibia	361	352	—	—	(2 454)	(2 446)	(2 093)	(2 094)
Asia: India	2 047	1 495	670	434	—	—	2 717	1 929
Asia: Malaysia	(107)	61	73	104	—	—	(34)	165
<b>Sanlam Investment Group</b>	<b>—</b>	—	—	—	<b>(1 415)</b>	10 641	<b>(1 415)</b>	10 641
Investment Management SA	—	—	—	—	3 915	13 853	3 915	13 853
Wealth Management	—	—	—	—	1 744	2 332	1 744	2 332
International	—	—	—	—	(7 074)	(5 544)	(7 074)	(5 544)
<b>Santam</b>	<b>—</b>	—	<b>9 965</b>	10 042	—	—	<b>9 965</b>	10 042
<b>Total net fund inflows</b>	<b>18 678</b>	21 615	<b>16 744</b>	16 384	<b>250</b>	21 976	<b>35 672</b>	59 975

# Notes to the shareholders' fund information continued

for the year ended 31 December

## 8 Cluster information

### 8.1 Sanlam Life and Savings

#### 8.1.1 Analysis of earnings

R million	Life business		Credit and structuring		Administration and health		Total	
	Audited	Restated	Audited	Restated	Audited	Restated	Audited	Restated
	2023	2022	2023	2022	2023	2022	2023	2022
Net result from financial services <sup>(1)</sup>	6 104	5 389	104	170	404	338	6 612	5 897
SA Retail Affluent	3 657	3 433	104	170	266	221	4 027	3 824
Recurring premium business	2 712	2 697	—	—	9	18	2 721	2 715
Glacier	823	618	—	—	231	171	1 054	789
Other	122	118	104	170	26	32	252	320
SA Retail Mass	1 553	1 413	—	—	—	—	1 553	1 413
Sanlam Corporate	894	543	—	—	138	117	1 032	660
Net investment return	452	323	—	—	240	651	692	974
Net profit on disposal of subsidiaries and associates companies and joint ventures	354	86	491	—	—	—	845	86
Net other earnings	782	210	—	—	300	(234)	1 082	(24)
<b>Normalised attributable earnings</b>	<b>7 692</b>	<b>6 008</b>	<b>595</b>	<b>170</b>	<b>944</b>	<b>755</b>	<b>9 231</b>	<b>6 933</b>

<sup>(1)</sup> For life business, this includes non-cash items (eg amortisation of project expenses, impacts related to insurance contract assets) and will therefore not reconcile to embedded value adjusted net asset earnings which only includes cash earnings.

#### 8.1.2 Assets under management

R million	SA Retail Mass		SA Retail Affluent		Sanlam Corporate		Total			
	Recurring premium business		Glacier							
	Audited	Restated	Audited	Restated	Audited	Restated	Audited	Restated		
2023	2022	2023	2022	2023	2022	2023	2022			
Life business	4 963	4 413	169 811	162 641	297 518	259 790	160 529	138 465	632 821	565 309
Investment operations	—	—	1 756	1 697	376 200	201 485	—	—	377 956	203 182
<b>Total assets under management</b>	<b>4 963</b>	<b>4 413</b>	<b>171 567</b>	<b>164 338</b>	<b>673 718</b>	<b>461 275</b>	<b>160 529</b>	<b>138 465</b>	<b>1 010 777</b>	<b>768 491</b>

#### 8.1.3 Credit business

R million	Gross size of loan book		Interest margin		Bad debt ratio		Administration cost as % of net interest	
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Sanlam Personal Loans</b>	<b>5 163</b>	<b>5 198</b>	<b>15,4%</b>	<b>15,3%</b>	<b>6,4%</b>	<b>3,6%</b>	<b>42,2%</b>	<b>39,1%</b>

#### 8.1.4 Analysis of change in GEV – covered business

R million	Total		Gross value of in-force		Cost of capital		Adjusted net asset value	
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Operational earnings</b>	<b>8 273</b>	<b>8 237</b>	<b>1 934</b>	<b>2 827</b>	<b>233</b>	<b>(198)</b>	<b>6 106</b>	<b>5 608</b>
Value of new life insurance business	2 153	1 767	4 061	4 673	(136)	(158)	(1 772)	(2 748)
Unwinding of discount rate	6 022	5 385	5 996	5 330	26	55	—	—
Expected profit	—	—	(7 212)	(7 325)	—	—	7 212	7 325
Operating experience variances	729	1 212	(330)	(495)	7	(39)	1 052	1 746
Risk experience	1 406	1 551	163	251	(2)	(41)	1 245	1 341
Persistence	(796)	(557)	(579)	(257)	15	17	(232)	(317)
Maintenance expenses	(153)	44	—	—	—	—	(153)	44
Working capital management	387	396	—	—	—	—	387	396
Credit spread	—	97	—	—	—	—	—	97
Other	(115)	(319)	86	(489)	(6)	(15)	(195)	185
Operating assumption changes	(631)	(127)	(581)	644	336	(56)	(386)	(715)
Risk experience	192	(153)	151	(305)	1	(7)	40	159
Persistence	(704)	211	(587)	1 316	—	(77)	(117)	(1 028)
Maintenance expenses	(325)	(80)	(288)	(59)	—	—	(37)	(21)
Modelling changes and other	206	(105)	143	(308)	335	28	(272)	175
<b>Net investment return</b>	<b>452</b>	<b>323</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>452</b>	<b>323</b>
Expected return on adjusted net asset value	528	441	—	—	—	—	528	441
Investment variances on adjusted net asset value	(76)	(118)	—	—	—	—	(76)	(118)
<b>Valuation and economic basis</b>	<b>72</b>	<b>(3 456)</b>	<b>174</b>	<b>(3 105)</b>	<b>(13)</b>	<b>74</b>	<b>(89)</b>	<b>(425)</b>
Investment variances on in-force business	(4)	(1 897)	122	(1 422)	(26)	54	(100)	(529)
Economic assumption changes	76	(1 559)	52	(1 683)	13	20	11	104
Investment yields	76	(1 562)	52	(1 687)	13	21	11	104
Long-term asset mix assumptions and other	—	3	—	4	—	(1)	—	—
<b>IFRS 17 and related tax changes</b>	<b>(1 292)</b>	<b>572</b>	<b>(1 278)</b>	<b>556</b>	<b>(14)</b>	<b>16</b>	<b>—</b>	<b>—</b>
<b>Profit on disposal of subsidiaries and associated companies</b>	<b>(372)</b>	<b>—</b>	<b>(372)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>GEV earnings: covered business</b>	<b>7 133</b>	<b>5 676</b>	<b>458</b>	<b>278</b>	<b>206</b>	<b>(108)</b>	<b>6 469</b>	<b>5 506</b>
Acquired value of in-force	1 482	268	1 217	175	(37)	(39)	302	132
Disposal of business	—	(7)	—	(15)	—	8	—	—
Transfers from/(to) other group operations	(1 392)	—	—	—	—	—	(1 392)	—
Transfers from covered business	(6 757)	(5 488)	—	—	—	—	(6 757)	(5 488)
<b>Embedded value of covered business at the beginning of the period</b>	<b>49 386</b>	<b>48 937</b>	<b>45 135</b>	<b>44 697</b>	<b>(1 839)</b>	<b>(1 700)</b>	<b>6 090</b>	<b>5 940</b>
<b>Embedded value of covered business at the end of the period</b>	<b>49 852</b>	<b>49 386</b>	<b>46 810</b>	<b>45 135</b>	<b>(1 670)</b>	<b>(1 839)</b>	<b>4 712</b>	<b>6 090</b>

Notes to the shareholders' fund information continued

for the year ended 31 December

**8 Cluster information** continued

## 8.2 Sanlam Emerging Markets

## 8.2.1 Analysis of net result from financial services

R million	Life business		General insurance		Investment management		Credit and structuring		Corporate and other		Total	
	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022
Namibia	300	331	—	—	21	19	174	121	—	—	495	471
Asia	132	160	320	202	—	—	1 573	1 039	141	113	2 166	1 514
SanlamAllianz <sup>(1)</sup>											939	629
<b>Net result from financial services</b>	<b>432</b>	<b>491</b>	<b>320</b>	<b>202</b>	<b>21</b>	<b>19</b>	<b>1 747</b>	<b>1 160</b>	<b>141</b>	<b>113</b>	<b>3 600</b>	<b>2 614</b>

## 8.2.2 Analysis of net investment return

R million	Life business		General insurance		Investment management		Credit and banking		Corporate and other		Total	
	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022
Namibia	62	51	—	—	—	—	2	(5)	2	4	66	50
Asia	98	23	109	(163)	—	—	19	(51)	(33)	(14)	193	(205)
SanlamAllianz											175	(194)
<b>Net investment return</b>	<b>160</b>	<b>74</b>	<b>109</b>	<b>(163)</b>	<b>—</b>	<b>—</b>	<b>21</b>	<b>(56)</b>	<b>(31)</b>	<b>(10)</b>	<b>434</b>	<b>(349)</b>

## 8.2.3 Assets under management – Associates, joint ventures and subsidiaries

R million	Namibia		Asia	
	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022
Life business	5 679	5 639	15 347	13 946
Investment operations	29 685	28 213	—	—
<b>Total assets under management</b>	<b>35 364</b>	<b>33 852</b>	<b>15 347</b>	<b>13 946</b>

## 8.2.4 Credit and structuring

R million	Size of loan books (Sanlam share)		Net interest margin		Bad debt ratio		Administration cost as % of net interest margin	
	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022	Audited 2023	Restated Audited 2022
Shriram Transport Finance Company <sup>(2)</sup>	—	28 873	—	7,3%	—	2,4%	—	23,6%
Shriram City Union Finance <sup>(2)</sup>	—	6 984	—	12,0%	—	2,4%	—	45,0%
Shriram Finance Limited <sup>(2)</sup>	47 491	—	8,9%	—	2,8%	—	30,0%	—
Capricorn Investment Holdings	11 181	10 099	6,4%	6,1%	0,7%	0,7%	89,8%	89,4%

<sup>(1)</sup> Refer to basis of preparation on page 14.<sup>(2)</sup> During December 2022, Shriram Transport Finance Company, Shriram City Union Finance Limited and Shriram Capital Limited were merged into one entity called Shriram Finance Limited and reported as such with effect this reporting period.



Notes to the shareholders' fund information continued

for the year ended 31 December

**8 Cluster information** continued**8.2.5 Analysis of change in GEV – covered business**

R million	Total		Value of in-force		Cost of capital		Adjusted net asset value	
	December 2023	December 2022	December 2023	December 2022	December 2023	December 2022	December 2023	December 2022
<b>Operational earnings</b>	<b>1 257</b>	1 162	<b>512</b>	458	<b>(89)</b>	(7)	<b>834</b>	711
Value of new life insurance business	700	621	1 020	1 045	(119)	(109)	(201)	(315)
Unwinding of discount rate	845	732	776	602	69	130	–	–
Expected profit	–	–	(1 042)	(938)	–	–	1 042	938
Operating experience variances	107	84	69	(1)	(5)	(43)	43	128
Risk experience	74	144	23	(5)	16	(2)	35	151
Persistency	(14)	(39)	38	6	(22)	(40)	(30)	(5)
Maintenance expenses	(55)	(57)	3	–	–	(2)	(58)	(55)
Working capital management	121	36	–	–	–	–	121	36
Credit spread	10	32	–	–	–	–	10	32
Other	(29)	(32)	5	(2)	1	1	(35)	(31)
Operating assumption changes	(395)	(275)	(311)	(250)	(34)	15	(50)	(40)
Risk experience	(68)	(25)	(58)	(14)	(2)	–	(8)	(11)
Persistency	(133)	(78)	(90)	(61)	(8)	(3)	(35)	(14)
Maintenance expenses	(96)	(130)	(81)	(112)	(1)	4	(14)	(22)
Modelling changes and other	(98)	(42)	(82)	(63)	(23)	14	7	7
<b>Net investment return</b>	<b>378</b>	11	–	–	–	–	<b>378</b>	11
Expected return on adjusted net asset value	339	372	–	–	–	–	339	372
Investment variances on adjusted net asset value	39	(361)	–	–	–	–	39	(361)
<b>Valuation and economic basis</b>	<b>248</b>	(127)	<b>313</b>	(263)	<b>(76)</b>	68	<b>11</b>	68
Investment variances on in-force business	291	23	375	(42)	(109)	15	25	50
Economic assumption changes	(11)	(87)	10	(137)	(7)	32	(14)	18
Investment yields	(11)	(100)	10	(150)	(7)	32	(14)	18
Long-term asset mix assumptions and other	–	13	–	13	–	–	–	–
Foreign currency translation differences	(32)	(63)	(72)	(84)	40	21	–	–
<b>Change in tax basis</b>	<b>(160)</b>	(21)	<b>66</b>	(11)	<b>(226)</b>	–	–	(10)
<b>Net loss on disposal of subsidiaries</b>	<b>(586)</b>	(1)	<b>(903)</b>	–	<b>(174)</b>	–	<b>491</b>	(1)
<b>Net project expenses</b>	<b>(19)</b>	(8)	–	–	–	–	<b>(19)</b>	(8)
<b>GEV earnings: covered business</b>	<b>1 118</b>	1 016	<b>(12)</b>	184	<b>(565)</b>	61	<b>1 695</b>	771
Acquired value of in-force	777	–	777	–	–	–	–	–
Disposal of businesses	–	(17)	–	(8)	–	1	–	(10)
Transfer from/(to) non-covered group business	–	(127)	–	–	–	–	–	(127)
Transfers from covered business	(769)	(873)	–	–	–	–	(769)	(873)
<b>Embedded value of covered business at the beginning of the period</b>	<b>9 025</b>	9 026	<b>4 881</b>	4 705	<b>(842)</b>	(904)	<b>4 986</b>	5 225
<b>Embedded value of covered business at the end of the period</b>	<b>10 151</b>	9 025	<b>5 646</b>	4 881	<b>(1 407)</b>	(842)	<b>5 912</b>	4 986

Notes to the shareholders' fund information continued

for the year ended 31 December

SIG

**8 Cluster Information** continued

## 8.3 Sanlam Investment Group

## 8.3.1 Analysis of earnings

R million	Sanlam investments		Wealth management		International		SanFin		Corporate services		Consolidation		Total	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
Result from life insurance contracts	—	—	—	—	—	—	509	624	—	—	—	—	509	624
Result from other operations	890	664	378	290	293	235	354	(40)	(51)	(51)	—	—	1 864	1 098
Revenue <sup>(1)</sup>	3 281	2 385	1 401	1 197	899	1 297	653	562	—	—	(39)	(140)	6 195	5 301
Net other income	124	172	—	—	74	9	—	—	—	—	—	—	198	181
Sales remuneration	—	—	—	—	(11)	(114)	—	—	—	—	—	—	(11)	(114)
Administration costs <sup>(1)</sup>	(2 515)	(1 893)	(1 023)	(907)	(669)	(957)	(299)	(602)	(51)	(51)	39	140	(4 518)	(4 270)
<b>Gross result from financial services before performance fees</b>	<b>890</b>	<b>664</b>	<b>378</b>	<b>290</b>	<b>293</b>	<b>235</b>	<b>863</b>	<b>584</b>	<b>(51)</b>	<b>(51)</b>	<b>—</b>	<b>—</b>	<b>2 373</b>	<b>1 722</b>
Performance fees	42	128	4	12	(1)	—	2	(2)	—	—	—	—	47	138
<b>Gross result from financial services</b>	<b>932</b>	<b>792</b>	<b>382</b>	<b>302</b>	<b>292</b>	<b>235</b>	<b>865</b>	<b>582</b>	<b>(51)</b>	<b>(51)</b>	<b>—</b>	<b>—</b>	<b>2 420</b>	<b>1 860</b>
Tax on result from financial services	(239)	(196)	(101)	(92)	(58)	(20)	(191)	(141)	12	18	—	—	(577)	(431)
Non-controlling interest	(261)	(188)	—	—	—	(2)	—	—	—	—	—	—	(261)	(190)
<b>Net result from financial services</b>	<b>432</b>	<b>408</b>	<b>281</b>	<b>210</b>	<b>234</b>	<b>213</b>	<b>674</b>	<b>441</b>	<b>(39)</b>	<b>(33)</b>	<b>—</b>	<b>—</b>	<b>1 582</b>	<b>1 239</b>
Life business	—	—	—	—	—	—	435	207	—	—	—	—	435	207
Investment management	432	408	281	210	234	213	—	—	(39)	(33)	—	—	908	798
Credit and structuring	—	—	—	—	—	—	239	234	—	—	—	—	239	234
Net investment return	1	9	(5)	3	75	(161)	200	142	(31)	20	—	—	240	13
Life business	—	—	—	—	—	—	200	142	—	—	—	—	200	142
Investment management	1	9	(5)	3	75	(161)	—	—	(31)	20	—	—	40	(129)
Project expenses	(56)	(39)	—	—	—	(18)	—	—	(3)	(4)	—	—	(59)	(61)
<b>Net operational earnings</b>	<b>377</b>	<b>378</b>	<b>276</b>	<b>213</b>	<b>309</b>	<b>34</b>	<b>874</b>	<b>583</b>	<b>(73)</b>	<b>(17)</b>	<b>—</b>	<b>—</b>	<b>1 763</b>	<b>1 191</b>
Amortisation of intangible assets	(10)	—	(17)	(19)	(12)	(11)	—	—	(25)	(25)	—	—	(64)	(55)
Profit on disposal of subsidiaries and associates	1	—	—	—	14	1 411	—	—	—	—	—	—	15	1 411
Impairments and other	(23)	—	—	—	—	(6)	—	—	—	—	—	—	(23)	(6)
<b>Normalised attributable earnings</b>	<b>345</b>	<b>378</b>	<b>259</b>	<b>194</b>	<b>311</b>	<b>1 428</b>	<b>874</b>	<b>583</b>	<b>(98)</b>	<b>(42)</b>	<b>—</b>	<b>—</b>	<b>1 691</b>	<b>2 541</b>

<sup>(1)</sup> Revenue and administration costs on page 40 include performance fees and the related administration costs.

Notes to the shareholders' fund information continued

for the year ended 31 December

**8 Cluster information** continued**8.3.2 Asset under management**

	Assets under management		Fee income		Administration cost	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
	R million	R million	%	%	%	%
Sanlam Investments <sup>(1)</sup>	962 767	763 481 <sup>(2)</sup>	0,36	0,31	0,25	0,21
Wealth Management	127 129	109 830	1,18	1,09	0,86	0,83
International <sup>(3)</sup>	159 481	160 006	0,51	0,49	0,33	0,39
Intra-cluster eliminations	(33 793)	(30 887)				
<b>Asset management operations</b>	<b>1 215 584</b>	<b>1 002 430</b>				
Covered business SanFin	70 452	60 809				
<b>Assets under management</b>	<b>1 286 036</b>	<b>1 063 239</b>				

<sup>(1)</sup> Includes Sanlam assets of R207 billion (R187 billion).<sup>(2)</sup> Excludes Absa investment management business acquired on 1 December 2022 of R131 billion on 31 December 2022.<sup>(3)</sup> Includes Sanlam assets of R77 billion (2022: R70 billion).**8.3.3 Asset mix of assets under management**

R million	Fixed interest	Equities	Offshore	Properties	Cash	Total
<b>December Audited 2023</b>						
Sanlam Investments	253 556	365 817	145 962	31 843	165 589	962 767
Wealth Management	—	58 906	64 074	—	4 149	127 129
International	—	—	159 481	—	—	159 481
Intra-cluster consolidation						(33 793)
<b>Assets under management - asset management operations</b>	<b>253 556</b>	<b>424 723</b>	<b>369 517</b>	<b>31 843</b>	<b>169 738</b>	<b>1 215 584</b>
<b>December Audited 2022</b>						
Sanlam Investments	141 031	327 355	159 461	27 712	107 922	763 481
Wealth Management	—	55 512	50 578	—	3 740	109 830
International	—	—	160 006	—	—	160 006
Intra-cluster consolidation						(30 887)
<b>Assets under management - asset management operations</b>	<b>141 031</b>	<b>382 867</b>	<b>370 045</b>	<b>27 712</b>	<b>111 662</b>	<b>1 002 430</b>

**8.3.4 Analysis of change in GEV – covered business**

R million	Total		Gross value of in-force		Cost of capital		Adjusted net asset value	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
	<b>Operational earnings</b>	<b>495</b>	149	<b>(1)</b>	(2)	<b>63</b>	(71)	<b>433</b>
Unwinding of discount rate	(3)	12	—	3	(3)	9	—	—
Expected profit	—	—	—	(5)	—	—	—	5
Operating experience variances	436	208	—	—	3	(9)	433	217
Operating assumption changes	62	(71)	(1)	—	63	(71)	—	—
<b>Net investment return</b>	<b>200</b>	142	—	—	—	—	<b>200</b>	142
Expected return on adjusted net asset value	239	194	—	—	—	—	239	194
Investment variances on adjusted net asset value	(39)	(52)	—	—	—	—	(39)	(52)
<b>Valuation and economic basis</b>	<b>115</b>	(5)	<b>52</b>	(21)	<b>61</b>	31	<b>2</b>	(15)
Investment variances on in-force business	52	(36)	50	(21)	—	—	2	(15)
Economic assumption changes	63	31	2	—	61	31	—	—
<b>Net loss on disposal of subsidiaries</b>	<b>—</b>	(30)	<b>—</b>	—	<b>—</b>	—	<b>—</b>	(30)
<b>GEV earnings: covered business</b>	<b>810</b>	256	<b>51</b>	(23)	<b>124</b>	(40)	<b>635</b>	319
Disposal value in force	—	(774)	—	—	—	—	—	(774)
Transfers from/(to) other covered business Group operations	(608)	—	—	—	—	—	(608)	—
Transfers from covered business	(635)	(349)	—	—	—	—	(635)	(349)
<b>Embedded value of covered business at the beginning of the period</b>	<b>1 747</b>	2 614	<b>2</b>	25	<b>(959)</b>	(919)	<b>2 704</b>	3 508
<b>Embedded value of covered business at the end of the period</b>	<b>1 314</b>	1 747	<b>53</b>	2	<b>(835)</b>	(959)	<b>2 096</b>	2 704

Notes to the shareholders' fund information continued

for the year ended 31 December

**8 Cluster information** continued**8.4 Santam****8.4.1 Insurance activities**

R million	Gross written premium		Underwriting result	
	Audited 2023	Audited 2022	Audited 2023	Restated Audited 2022
	Motor	15 738	15 124	145
Property	14 076	13 194	(459)	(291)
Engineering	2 024	1 759	355	521
Liability	1 967	1 743	517	362
Transportation	1 371	1 174	90	38
Accident and health	572	719	120	90
Guarantee	27	50	(7)	23
Other	1 593	1 655	289	275
<b>Total: conventional insurance</b>	<b>37 368</b>	<b>35 418</b>	<b>1 050</b>	<b>1 571</b>

Ratios <sup>(1)</sup>	Audited 2023	Restated Audited 2022
	Administration cost ratio	16,5%
Claims ratio	66,2%	65,0%
Underwriting margin	3,5%	5,1%
Investment return on insurance funds margin	2,6%	1,2%

R million	Audited 2023	Restated Audited 2022
<b>Conventional insurance</b>		
<b>Insurance revenue</b>	<b>36 895</b>	<b>34 974</b>
Gross written premium	37 368	35 418
Less: unearned premium and experience adjustments	(473)	(444)
Net earned premiums	29 335	27 727
Net claims incurred	(19 420)	(18 030)
Net commission	(4 049)	(3 860)
Management expenses	(4 816)	(4 266)
<b>Underwriting result: conventional insurance</b>	<b>1 050</b>	<b>1 571</b>
Investment return on insurance funds	759	341
<b>Net insurance result</b>	<b>1 809</b>	<b>1 912</b>
Net other income	361	329
Alternative risk <sup>(2)</sup>	443	330
Other	(82)	(1)
Strategic participations	207	154
Saham	82	28
SEM target shares	125	126
<b>Gross result from financial services</b>	<b>2 377</b>	<b>2 395</b>
Tax and non-controlling interest	(1 324)	(1 373)
<b>Net result from financial services</b>	<b>1 053</b>	<b>1 022</b>

<sup>(1)</sup> Ratios are calculated as a percentage of net earned premiums for the conventional business.<sup>(2)</sup> Includes operating income and expenses relating to ART business and other operating income and expenses not related to underwriting results.**8.5 Group office analysis of earnings**

R million	Corporate expenses and other		Consolidation <sup>(1)</sup>		Total	
	Audited 2023	Audited 2022	Audited 2023	Audited 2022	Audited 2023	Audited 2022
<b>Result from other operations</b>	<b>(642)</b>	<b>(424)</b>	<b>(42)</b>	<b>(186)</b>	<b>(684)</b>	<b>(610)</b>
Revenue	229	132	—	—	229	132
Net other income	—	—	(42)	(186)	(42)	(186)
Administration costs	(871)	(556)	—	—	(871)	(556)
<b>Results from financial services</b>	<b>(642)</b>	<b>(424)</b>	<b>(42)</b>	<b>(186)</b>	<b>(684)</b>	<b>(610)</b>
Tax on result from financial services	174	125	19	43	193	168
Non-controlling interest	—	—	23	143	23	143
<b>Net result from financial services</b>	<b>(468)</b>	<b>(299)</b>	<b>—</b>	<b>—</b>	<b>(468)</b>	<b>(299)</b>
Net investment income	367	436	—	—	367	436
Net investment surpluses	—	2	—	—	—	2
Project expenses	(340)	(164)	—	—	(340)	(164)
<b>Net operational earnings</b>	<b>(441)</b>	<b>(25)</b>	<b>—</b>	<b>—</b>	<b>(441)</b>	<b>(25)</b>
Impairment reversal/(charge) <sup>(2)</sup>	948	(1 105)	—	—	948	(1 105)
<b>Normalised attributable earnings</b>	<b>507</b>	<b>(1 130)</b>	<b>—</b>	<b>—</b>	<b>507</b>	<b>(1 130)</b>

<sup>(1)</sup> Includes the consolidation entries relating to SEM target shares and Saham Finances included within the Santam results.<sup>(2)</sup> An impairment reversal of R948 million in respect of the broad-based black economic empowerment Special Purpose Vehicle (B-BBEE SPV) has been recognised in 2023 (2022: R1 105 million impairment charge). The impairment reversal in 2023 is mainly due to the increase in the Sanlam share price from 31 December 2022 up to 30 June 2023 applied in the recoverability assessment.

## Notes to the shareholders' fund information continued

for the year ended 31 December

### 9 Net movement in specific shareholders fund reserves (including life and general insurance)

R million	2023	Audited 2022
<b>Balance at the beginning of the period</b>	<b>11 735</b>	10 831
Gross	16 357	15 043
Tax	(4 622)	(4 212)
<b>Included in net results from financial services:</b>	<b>1 295</b>	(165)
Shareholder fund reserves profit/(loss) adjustments recognised during the period	1 984	601
Shareholder fund reserves profit/(loss) released during the period	(689)	(766)
<b>Recognised in net investment return</b>	<b>481</b>	238
<b>Recognised directly in statement of changes in equity</b>	<b>1 033</b>	1 048
<b>Cash flow movements not in the income statement</b>	<b>34</b>	(217)
<b>Balance at the end of the period</b>	<b>14 578</b>	11 735
Gross	20 204	16 357
Tax	(5 308)	(4 622)
Non-controlling interest	(318)	—

### 10 Investments

#### 10.1 Investment in associated companies

R million	Audited 2023	Restated Audited 2022
Shriram Capital	10 793	10 496
Shriram Finance Limited	2 451	2 060
Shriram General Insurance - direct investment	1 728	1 208
Shriram Life Insurance - direct investment	675	564
Capricorn Investment Holdings	1 292	1 162
Pacific & Orient	447	437
Capital Legacy Solutions <sup>(1)</sup>	58	—
Letshego <sup>(2)</sup>	—	1 898
aYo Holdings <sup>(2)</sup>	—	750
Afrocentric <sup>(3)</sup>	—	1 185
Other associated companies	2 330	2 669
<b>Total investment in associated companies</b>	<b>19 774</b>	22 429

<sup>(1)</sup> During the year Sanlam Life exchanged its 100% holding in Sanlam Trust for a 26% direct holding in Capital Legacy Solutions.

<sup>(2)</sup> The investments in Letshego and aYo Holdings form part of the SanlamAllianz JV which took effect on 1 October 2023 for accounting purposes.

<sup>(3)</sup> During the year Sanlam Life acquired an additional 31,3% shareholding in Afrocentric. Sanlam Life now owns a 59% interest in Afrocentric and is treated as a subsidiary.

Details of the investments in the material associated companies are reflected in note 12.2 on page 156 of the Sanlam annual financial statements.

#### 10.2 Investment in joint ventures

R million	Audited 2023	Restated Audited 2022
SanlamAllianz <sup>(1)</sup>	23 782	—
Sanlam Personal Loans <sup>(2)</sup>	—	754
Other joint ventures	203	236
<b>Total investment in joint ventures</b>	<b>23 985</b>	990

<sup>(1)</sup> With effect from 1 October 2023 Sanlam and Allianz formed a joint venture, namely SanlamAllianz with Sanlam holding 59%.

<sup>(2)</sup> During the year Sanlam Life acquired the remaining 30% shareholding in Sanlam Personal Loans, making it a wholly owned subsidiary.

Details of the investments in the material joint ventures are reflected in note 12.2 on page 156 of the Sanlam annual financial statements online.

### 11 Equity-accounted earnings included in result from financial services before tax

R million	Audited 2023	Restated Audited 2022
<b>Equity-accounted earnings included in result from financial services before tax:</b>		
Sanlam Life and Savings	180	432
SA Retail Affluent	105	240
Sanlam Corporate	75	192
Sanlam Emerging Markets	4 322	2 969
SanlamAllianz	1 061	700
Namibia	233	196
Asia	3 028	2 073
Sanlam Investment Group	174	181
Santam	165	154
<b>Total</b>	<b>4 841</b>	3 736

### 12 Investment income

R million	Audited 2023	Restated Audited 2022
Equities and similar securities	1 529	1 407
Interest-bearing, preference shares and similar securities	97	272
Properties	30	30
Rental income	38	41
Rental-related expenses	(8)	(11)
<b>Total investment income</b>	<b>1 656</b>	1 709
<b>Interest expense netted off against investment income</b>	<b>1 131</b>	771

## Notes to the shareholders' fund information continued

for the year ended 31 December

### 13 Normalised diluted earnings per share

	Audited 2023	Restated Audited 2022
<b>Normalised diluted earnings per share:</b>	Cents	Cents
Net result from financial services	573,6	473,8
Net operational earnings	643,6	501,1
Profit attributable to shareholders' fund	767,2	537,8
	R million	R million
<b>Analysis of operational earnings (refer shareholders' fund income statement on page 40):</b>		
Net result from financial services	12 379	10 473
Net operational earnings	13 889	11 077
Normalised profit attributable to shareholders' fund	16 557	11 887
<b>Reconciliation of operational earnings:</b>		
Headline earnings per note 1 on page 103	14 467	9 687
Add/(Less):	(578)	1 390
Fund transfers	2 079	(370)
B-BBEE SPV impairment	(948)	1 105
Shareholders' fund adjustments	(1 776)	(73)
Net equity-accounted earnings	(45)	(28)
Net amortisation of value of business acquired and other intangibles	112	242
Cost included in profit on disposal of subsidiaries <sup>(1)</sup>	—	513
Equity participation costs	—	1
<b>Net operational earnings</b>	<b>13 889</b>	<b>11 077</b>
	Million	Million
<b>Adjusted number of shares:</b>		
Weighted average number of shares for diluted earnings per share (refer note 1 on page 103)	2 089,3	2 077,9
Add: Weighted average Sanlam shares held by policyholders and B-BBEE SPV	68,8	132,5
<b>Adjusted weighted average number of shares for normalised diluted earnings per share</b>	<b>2 158,1</b>	<b>2 210,4</b>

<sup>(1)</sup> For shareholder fund purposes only, wind-down and transaction-related costs are set off against the proceeds on disposal.

### 14 Value per share

	Audited 2023	Restated Audited 2022
	R million	R million
Net asset value per share is calculated on the group shareholders' fund at net asset value	89 477	88 754
Equity value per share is calculated based on the group equity value	149 904	140 776
<b>Number of shares for value per share</b>	Million	Million
Number of ordinary shares in issue	2 202,9	2 226,9
Shares held by subsidiaries in shareholders' fund	(116,1)	(49,1)
Outstanding shares in respect of Sanlam Limited long-term incentive schemes	28,8	28,8
<b>Adjusted number of shares for value per share</b>	<b>2 115,6</b>	<b>2 206,6</b>

### 15 Present value of holding company expenses

The present value of holding company expenses has been calculated by applying a multiple of 7,8 (31 December 2022: 7,7) to the after tax recurring corporate expenses.

### 16 Share transactions

#### 16.1 Shares repurchased and issued

Sanlam shareholders granted general authorities to the group at the last annual general meetings to repurchase Sanlam shares in the market.

A cumulative 33,2 million ordinary shares were repurchased in the market by May 2023, including the repurchases made during 2022.

#### 16.2 Shares cancelled

In June 2023, 31 million treasury shares were cancelled, pursuant to General Authorities.

#### 16.3 Shares issued

In May 2023, Sanlam Limited issued 7,3 million shares as part of the settlement to Afrocentric shareholders in exchange for acquiring a stake of 31,3% in Afrocentric.

Following the cancellation the issued share capital of the company now comprises 2 202,9 million ordinary shares of 1 cent each.

# Notes to the shareholders' fund information continued

for the year ended 31 December

## 17 Reconciliations

### 17.1 Reconciliation between group statement of comprehensive income and shareholders' fund income statement

R million	Audited 2023						Restated Audited 2022					
	IFRS total (1)(A)	Total share-holders fund (2)(B)	Share-holders' activities (C)	Share-holders' fund adjustments (D)	Policy-holder activities (3)(E)	IFRS adjustments (4)(F)	IFRS total (1)(A)	Total share-holders fund (2)(B)	Share-holders' activities (C)	Share-holders' fund adjustments (D)	Policy-holder activities (3)(E)	IFRS adjustments (4)(F)
<b>Result from insurance operations</b>	10 369	12 322	14 080	(1 758)	—	(1 953)	8 603	10 258	10 190	68	—	(1 655)
Result from insurance contracts	11 580	13 355	15 113	(1 758)	—	(1 775)	10 142	10 787	10 719	68	—	(645)
Insurance service result	9 760	10 312	10 300	12	—	(552)	9 483	8 605	8 709	(104)	—	878
Insurance revenue	87 840	112 151	112 139	12	—	(24 311)	80 441	110 297	110 401	(104)	—	(29 856)
Insurance service expenses	(70 684)	(90 381)	(90 381)	—	—	19 697	(69 944)	(96 117)	(96 117)	—	—	26 173
Income or expense from reinsurance contracts	(7 396)	(11 458)	(11 458)	—	—	4 062	(1 014)	(5 575)	(5 575)	—	—	4 561
Insurance investment result	1 820	3 043	4 813	(1 770)	—	(1 223)	659	2 182	2 010	172	—	(1 523)
Other expenses relating to insurance operations	(1 211)	(1 033)	(1 033)	—	—	(178)	(1 539)	(529)	(529)	—	—	(1 010)
<b>Result from other operations</b>	8 797	11 021	11 502	(481)	1 558	(3 782)	5 348	7 493	7 732	(239)	(491)	(1 654)
Revenue	18 960	19 195	19 195	—	74	(309)	13 218	14 273	14 273	—	(3)	(1 052)
Investment income	24 629	1 656	2 113	(457)	16 813	6 160	23 986	1 709	1 804	(95)	14 551	7 726
Investment surpluses	58 855	1 957	1 981	(24)	55 859	1 039	(14 532)	(401)	(257)	(144)	(12 602)	(1 529)
Finance cost – margin business	(412)	—	—	—	—	(412)	(305)	—	—	—	—	(305)
Change in fair value of investment contract liabilities	(66 262)	—	—	—	(67 450)	1 188	231	—	—	—	(47)	278
Change in fair value of external investors' liabilities	(8 678)	—	—	—	(3 246)	(5 432)	(3 272)	—	—	—	(1 811)	(1 461)
Net other income	—	4 999	4 999	—	—	(4 999)	—	3 466	3 466	—	—	(3 466)
Sales remuneration	(1 063)	(1 186)	(1 186)	—	—	123	(1 373)	(1 469)	(1 469)	—	—	96
Administration costs	(17 232)	(15 600)	(15 600)	—	(492)	(1 140)	(12 605)	(10 085)	(10 085)	—	(579)	(1 941)
Shareholders' fund adjustments	—	1 776	—	1 776	—	(1 776)	—	73	(1)	74	—	(73)
<b>Impairments</b>	(79)	623	623	—	—	(702)	(22)	(1 178)	(1 178)	—	—	1 156
Net impairment losses on financial and contract assets	20	—	—	—	—	20	54	—	—	—	—	54
Other impairments	(99)	623	623	—	—	(722)	(76)	(1 178)	(1 178)	—	—	1 102
Project expenses	—	(610)	(610)	—	—	610	—	(543)	(543)	—	—	543
Net profit on disposal of subsidiaries and associated companies	—	336	336	—	—	(336)	—	1 501	1 501	—	—	(1 501)
<b>Amortisation of intangibles</b>	(257)	(112)	(112)	—	—	(145)	(152)	(242)	(242)	—	—	90
<b>Net operating result</b>	18 830	25 356	25 819	(463)	1 558	(8 084)	13 777	17 362	17 459	(97)	(491)	(3 094)
Equity-accounted earnings	2 958	45	45	—	—	2 913	2 468	657	657	—	—	1 811
Finance cost – other	(1 106)	—	—	—	—	(1 106)	(821)	—	—	—	—	(821)
<b>Profit before tax</b>	20 682	25 401	25 864	(463)	1 558	(6 277)	15 424	18 019	18 116	(97)	(491)	(2 104)
Taxation	(7 079)	(6 186)	(6 649)	463	(1 558)	665	(3 464)	(4 361)	(4 458)	97	491	406
Shareholders' fund	(4 396)	(6 186)	(6 649)	463	—	1 790	(3 184)	(4 361)	(4 458)	97	—	1 177
Policyholders' fund	(2 683)	—	—	—	(1 558)	(1 125)	(280)	—	—	—	491	(771)
<b>Profit from the year from discontinued operations</b>	3 394	—	—	—	—	3 394	1 898	—	—	—	—	1 898
<b>Profit for the period</b>	16 997	19 215	19 215	—	—	(2 218)	13 858	13 658	13 658	—	—	200
Attributable to:												
Shareholders' fund	14 478	16 557	—	—	—	(2 079)	12 257	11 887	—	—	—	370
Profit from continuing operations	11 595	16 557	—	—	—	(4 962)	11 227	11 887	—	—	—	(660)
Profit from discontinued operations	2 883	—	—	—	—	2 883	1 030	—	—	—	—	1 030
Non-controlling interest	2 519	2 658	—	—	—	(139)	1 601	1 771	—	—	—	(170)
	16 997	19 215	—	—	—	(2 218)	13 858	13 658	—	—	—	200

(1) IFRS total (A) = (B)+(E)+(F)

(2) Total shareholders' fund (B) = (C)+(D)

(3) Policyholder activities relate to the inclusion of policyholders' after-tax investment return in respect of investment contracts, and the allocation thereof to policy liabilities, in the group statement of comprehensive income.

(4) IFRS adjustments relate to amounts that have been set-off in the shareholders' fund income statement that is not permitted in terms of IFRS and fund transfers.

Notes to the shareholders' fund information continued

for the year ended 31 December

**17 Reconciliations** continued**17.2 Reconciliation between group statement of financial position and shareholders' fund at net asset value**

R million	Audited 2023				Restated Audited 2022			
	Total	Shareholder activities	Policyholder activities <sup>(1)</sup>	Consolidation reserve	Total	Shareholder activities	Policyholder activities <sup>(1)</sup>	Consolidation reserve
<b>Assets</b>								
Goodwill	6 905	6 905	—	—	5 001	16 099	(11 098)	—
Equipment	1 535	1 550	(15)	—	1 090	1 548	(458)	—
Right-of-use assets	1 189	1 200	(11)	—	1 036	1 114	(78)	—
Owner-occupied properties	1 015	974	41	—	686	2 496	(1 810)	—
Intangible assets	3 330	3 330	—	—	946	4 121	(3 175)	—
Contract costs for investment management services	2 822	2 426	396	—	3 150	2 533	617	—
Insurance contract assets	9 478	408	9 070	—	8 858	2 485	6 373	—
Reinsurance contract assets	14 529	9 361	5 168	—	18 680	19 095	(415)	—
Deferred tax	1 619	953	102	564	1 630	1 886	(956)	700
Investments	827 309	109 329	719 491	(1 511)	773 272	109 836	668 313	(4 877)
Investment properties	7 913	906	7 007	—	10 436	5 855	4 581	—
Associated companies	19 766	19 774	(8)	—	19 321	22 429	(3 108)	—
Joint ventures	24 708	23 985	723	—	1 877	990	887	—
Equities and similar securities	159 384	5 418	153 966	—	185 686	13 047	172 639	—
Interest-bearing investments	249 372	34 646	216 237	(1 511)	244 635	35 655	213 857	(4 877)
Structured transactions	26 114	974	25 140	—	18 091	532	17 559	—
Investment funds	301 949	13 891	288 058	—	264 490	20 308	244 182	—
Deposits and similar securities	38 103	9 735	28 368	—	28 736	11 020	17 716	—
Trading account assets	13 554	13 744	(190)	—	14 124	14 385	(261)	—
Advances to customers	4 065	4 065	—	—	—	—	—	—
Non-current assets reclassified as held for sale	47 213	1 893	45 320	—	111 635	938	110 697	—
Working capital assets	55 889	42 374	13 515	—	58 046	48 278	9 768	—
Trade and other receivables	20 017	24 722	(4 705)	—	15 327	21 395	(6 068)	—
Taxation	954	997	(43)	—	574	1 327	(753)	—
Cash and cash equivalents	34 918	16 655	18 263	—	42 145	25 556	16 589	—
<b>Total assets</b>	<b>990 452</b>	<b>198 512</b>	<b>792 887</b>	<b>(947)</b>	<b>998 154</b>	<b>224 814</b>	<b>777 517</b>	<b>(4 177)</b>
<b>Equity and liabilities</b>								
<b>Shareholders' fund</b>	<b>88 530</b>	<b>89 477</b>	<b>—</b>	<b>(947)</b>	<b>84 577</b>	<b>88 754</b>	<b>—</b>	<b>(4 177)</b>
Non-controlling interest	8 375	8 296	79	—	14 381	14 275	106	—
Insurance contract liabilities	193 374	32 722	160 652	—	205 389	52 718	152 671	—
Reinsurance contract liabilities	5 686	2 889	2 797	—	4 171	4 361	(190)	—
Investment contract liabilities	488 501	—	488 501	—	441 661	—	441 661	—
Term finance	14 936	13 740	1 196	—	14 654	11 917	2 737	—
Lease liabilities	1 519	1 531	(12)	—	1 371	1 458	(87)	—
Structured transactions liabilities	12 287	213	12 074	—	11 561	229	11 332	—
External investors in consolidated funds	76 468	—	76 468	—	89 214	—	89 214	—
Deferred tax	8 768	6 252	2 516	—	6 601	8 655	(2 054)	—
Trading account liabilities	19 567	19 134	433	—	17 794	17 371	423	—
Non-current liabilities reclassified as held for sale	39 403	272	39 131	—	76 168	266	75 902	—
Collateral guarantee contracts	113	113	—	—	129	129	—	—
Working capital liabilities	32 925	23 873	9 052	—	30 483	24 681	5 802	—
Trade and other payables	30 799	21 793	9 006	—	28 876	20 562	7 726	—
Provisions	188	188	—	—	232	800	(568)	—
Taxation	1 938	1 892	46	—	1 963	3 319	(1 356)	—
<b>Total equity and liabilities</b>	<b>990 452</b>	<b>198 512</b>	<b>792 887</b>	<b>(947)</b>	<b>998 154</b>	<b>224 814</b>	<b>777 517</b>	<b>(4 177)</b>

<sup>(1)</sup> Includes the impact of IFRS adjustments.



# Administration

Registered name: Sanlam Limited

<b>Registration number:</b>	1959/001562/06
<b>Tax reference number:</b>	9536/346/84/5
<b>JSE share code (primary listing):</b>	SLM
<b>NSX share code:</b>	SLA
<b>A2X share code:</b>	SLM
<b>ISIN:</b>	ZAE000070660 incorporated in South Africa
<b>Internet address:</b>	<a href="http://www.sanlam.com">http://www.sanlam.com</a>
<b>Directors:</b>	Andrew Birrell, Anton Botha, Ebenezer Essoka, Nicolaas Kruger, Ndivhuwo Manyonga, Mathukana Mokoka, Kobus Möller, Sipho Nkosi, Karabo Nondumo, Thembisa Skweyiya, Willem van Biljon, Dr Johan van Zyl, Heinie Werth, Dr Shirley Zinn
<b>Elias Masilela</b> <i>(Chair)</i>	
<b>Dr Patrice Motsepe</b> <i>(Deputy Chair)</i>	
<b>Paul Hanratty</b> <i>(Group Chief Executive)</i>	
<b>Abigail Mukhuba</b> <i>(Group Finance Director)</i>	
<b>Executive Head: Investor Relations</b> <b>Grant Davids</b>	<b>Debt Sponsor to Sanlam Life Insurance Limited</b> Rand Merchant Bank, a division of FirstRand Bank Limited
<b>Company Secretary:</b> <b>Adela Fortune</b>	<b>Transfer secretaries:</b> <b>Registered number:</b> 2004/003647/07
<b>Registered office:</b> 2 Strand Road, Bellville 7530, South Africa Telephone +27 (0) 21 947 9111 Fax +27 (0) 21 947 3670	Computershare Investor Services (Pty) Ltd Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, South Africa Private Bag X9000, Saxonwold 2132, South Africa
<b>Postal address:</b> PO Box 1, Sanlamhof 7532	Tel +27 (0) 11 370 5000 Fax +27 (0) 11 688 5200
<b>Equity Sponsor to Sanlam</b> The Standard Bank of South Africa Limited	<a href="mailto:sanlamholders@computershare.co.za">sanlamholders@computershare.co.za</a>
<b>Contact:</b> <b>Sanlam client care centre:</b> 021 916 5000 or 0860 SANLAM (0860 726 526), (021) 947 9111/+27 (0) 21 947 9111 (International)	<b>Sanlam Head Office:</b> 2 Strand Road, Bellville, South Africa <a href="mailto:ir@sanlam.co.za">ir@sanlam.co.za</a>  33°45'09.77S 18°38'28.32E

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