

Sanlam Limited
(Incorporated in the Republic of South Africa)
Registration number 1959/001562/06
JSE share code: SLM
A2X share code: SLM
NSX share code: SLA
ISIN: ZAE000070660

(“Sanlam” or “the Group”)

Trading Statement – 2019 Interim Results

Shareholders are advised that Sanlam is currently compiling its results for the six months ended 30 June 2019. This trading statement provides an indication of a range for headline earnings per ordinary share (HEPS) and earnings attributable to equity holders of the Group per ordinary share (EPS) in terms of paragraph 3.4(b) of the JSE Limited Listings Requirements. Sanlam's interim results will be released on the Stock Exchange News Service of the JSE Limited (SENS) on Thursday, 5 September 2019.

The Group achieved satisfactory growth in net result from financial services as well as investment return earned on its capital portfolios for the first half of the 2019 financial year, contributing to estimated combined growth of between 8% and 18% from these sources of earnings.

The Group also concluded a share issuance to a new Broad-Based Black Economic Empowerment (B-BBEE) entity (B-BBEE Entity) as approved by Sanlam shareholders in December 2018 and notified on SENS in March 2019 (B-BBEE Share Issuance). The B-BBEE Share Issuance positions Sanlam as the foremost empowered insurance and investment management group in South Africa.

Headline earnings for the six months to 30 June 2019 are impacted by the following:

- A one-off expense of R1.7 billion recognised in terms of International Financial Reporting Standards (IFRS) 2 Share Based Payment in respect of the B-BBEE Share Issuance, as reported to shareholders in the four-month operational update on 5 June 2019.
- The value of business acquired (VOBA) intangible assets recognised in 2018 upon the first-time consolidation of Saham Finances and Nucleus as Group subsidiaries contributed an additional amortisation charge of some R200 million in the first six months of 2019.
- Profits and losses recognised in terms of IFRS in respect of the treatment of Sanlam shares held in policyholder portfolios as treasury shares, the movement in deferred tax assets recognised in respect of assessed losses in policyholder funds and the consolidation of the Sanlam Foundation and B-BBEE Entity (Fund transfers), declined from a R209 million net profit in 2018 to a net loss of R102 million in 2019. The consolidated results of the B-BBEE Entity included in the 2019 Fund transfers comprises interest paid on the external funding and administration costs incurred of some R110 million.

Given the size of these items, headline earnings and earnings attributable to equity holders of the Group for the six months to 30 June 2019 are expected to decrease by between 25% and 35% compared to the first half of 2018. Excluding the one-off IFRS 2 charge, the amortisation of intangible assets and the Fund transfers referred to above,

headline earnings and earnings attributable to equity holders of the Group would have increased by between 8% and 18%, reflecting the solid underlying operational performance by the Group.

The weighted average number of shares used for HEPS and EPS is not impacted by the B-BBEE Share Issuance as the Sanlam shares held by the B-BBEE Entity is treated as treasury shares upon consolidation. These shares will, however, be treated as issued shares for purposes of the Group's disclosed per share management information, such as net result from financial services per share and Group Equity Value per share.

Shareholders are advised that the Group expects HEPS and EPS for the 2019 interim period, expressed as growth on the prior period, to fall within the following ranges:

	Six months to 30 June 2019 Expected Decline on prior period	Six months to 30 June 2019 Expected range cents per share	Six months to 30 June 2018 Prior period cents per share
HEPS will decrease between	25% - 35%	163.2 – 188.3	251.0
Diluted HEPS will decrease between	25% - 35%	161.6 - 186.5	248.6
EPS will decrease between	25% - 35%	160.7 – 185.4	247.2
Diluted EPS will decrease between	25% - 35%	159.2 - 183.7	244.9

The financial information in this trading statement is the responsibility of the Sanlam Board of Directors and has not been reviewed or reported on by the Group's external auditors. The pro forma financial information included in this trading statement is prepared for illustrative purposes only and because of its nature may not fairly present the Group's financial position, changes in equity, results of operations or cash flows.

Cape Town
16 August 2019

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