

Sanlam Limited Group  
Incorporated in the Republic of South Africa  
(Registration number 1959/001562/06)  
"Sanlam", "Sanlam Group", or "the Company"  
JSE Share code (Primary listing): SLM  
A2X share code: SLM  
NSX share code: SLA  
ISIN: ZAE000070660

## Sanlam Limited Group Interim results for the six months ended 30 June 2019

### ***Key features***

#### **Earnings**

- Net result from financial services increased by 13%
- Net operational earnings increased by 15%

#### **New business**

- Net value of new covered business up 19% to R942 million (up 15% on consistent economic basis)
- Net new covered business margin of 2,79% (2,46% in 2018)
- New business volumes increased by 4% to R111 billion
- Net fund inflows of R23 billion compared to R19 billion in 2018

#### **Group Equity Value**

- Group Equity Value per share of R63.70
- Annualised Return on Group Equity Value per share of 10.5%
- Adjusted annualised Return on Group Equity Value per share of 8.9%

#### **Capital management**

- Net R4.5 billion raised through share issuance
- R900 million invested in Group operations
- Discretionary capital of R570 million at 30 June 2019
- Sanlam Group SAM cover percentage of 205%; Sanlam Life Insurance Limited SAM cover percentage for covered business of 214%

<b>SALIENT RESULTS</b>		June		
for the six months ended 30 June 2019		2019	2018	△
<b>SANLAM GROUP</b>				
<b>Group Equity Value</b>				
Group Equity Value <sup>(1)</sup>	R million	<b>141 694</b>	134 052	6%
Group Equity Value per share <sup>(1)</sup>	cents	<b>6 370</b>	6 341	0%
Annualised Return on Group Equity Value per share	%	<b>10,5</b>	13,7	
Adjusted annualised Return on Group Equity Value per share	%	<b>8,9</b>	18,2	
<b>Earnings</b>				
Net result from financial services	R million	<b>4 968</b>	4 393	13%
Net operational earnings	R million	<b>5 801</b>	5 024	15%
Headline earnings	R million	<b>3 534</b>	5 126	-31%
Normalised weighted average number of shares <sup>(2)</sup>	million	<b>2 189,6</b>	2 081,7	5%
Weighted average number of shares <sup>(2)</sup>	million	<b>2 090,8</b>	2 062,3	1%
Net result from financial services per share	cents	<b>226,9</b>	211,0	8%
Net operational earnings per share	cents	<b>264,9</b>	241,3	10%
Basic headline earnings per share	cents	<b>170,7</b>	251,0	-32%
Diluted headline earnings per share	cents	<b>169,0</b>	248,6	-32%
Basic profit attributable to the shareholders' fund per share	cents	<b>166,2</b>	247,2	-33%
<b>Business volumes</b>				
New business volumes	R million	<b>111 340</b>	107 221	4%
Net fund inflows	R million	<b>22 906</b>	19 213	19%
Net new covered business				
Value of new covered business	R million	<b>942</b>	791	19%
Covered business PVNBP <sup>(3)</sup>	R million	<b>33 779</b>	32 099	5%
New covered business margin	%	<b>2,79</b>	2,46	
<b>Solvency cover</b>				
Sanlam Group	%	<b>205</b>	215	
Sanlam Life Insurance Limited	%	<b>244</b>	264	
Sanlam Life Insurance Limited covered business	%	<b>214</b>	221	

(1) Comparative information at 31 December 2018

(2) Weighted average number of shares excludes Sanlam shares held directly or indirectly through consolidated investment funds in policyholder portfolios, as well as Sanlam shares held by the Group's Broad-Based Black Economic Empowerment special purposes vehicle (B-BBEE SPV) that is consolidated in terms of International Financial Reporting Standards. These shares are treated as shares in issue for purposes of normalised weighted average number of shares, which are used for the per-share metrics for the Shareholders' fund information.

(3) PVNBP = present value of new business premiums and is equal to the present value of new recurring premiums plus single premiums.

Operating conditions remained challenging in South Africa with the economy contracting by 3.2% in the first quarter of 2019. Subdued economic growth of less than 1% is expected for the 2019 year. Despite weak operating environments in South Africa and Namibia, as well as the general adverse effect of international political and economic turmoil on emerging markets, the Group achieved a pleasing operational performance in the six months ending 30 June 2019. Solid organic growth was augmented by the Saham Finances corporate activity in the second half of 2018, contributing to a 13% increase in net result from financial services, 19% growth in the value of new covered business (VNB) written and 19% higher net fund inflows.

The Group's strategic intent of sustainable value creation for all key stakeholders remains firmly in place and we continued to execute on all strategic pillars in the first half of 2019.

**Net result from financial services** (net operating profit) of R5 billion increased by 13% on the first six months of 2018 (up 10% in constant currency). *Sanlam Personal Finance* (SPF) grew its net result from financial services by 9%, attributable to strong earnings growth at Glacier and Sanlam Sky. A prior year tax adjustment of R70 million at Sanlam Personal Loans (SPL) had a positive impact on the after-tax results. Excluding higher new business strain and the prior year tax adjustment, net result from financial services increased by 12%. *Sanlam Emerging Markets* (SEM) grew its net result from financial services by 50% including structural activity and exchange rate differences. Organic growth in constant currency amounted to 18%. *Sanlam Investment Group's* (SIG) net result from financial services increased by 7% (3% in constant currency), a satisfactory performance under challenging conditions. The 18% decline in *Sanlam Corporate's* net result from financial services is the result of weaker group risk claims experience as well as a lower contribution from *Sanlam Employee Benefits Investments* from a high base in 2018. *Santam* net result from financial services declined by 13%, the combined effect of a decline of 34% in the underwriting results, an 8% increase in float income of conventional insurance and a more than doubling in Santam's share of earnings from SEM general insurance businesses.

**New business volumes** increased by 4% despite low investor confidence in South Africa and lower investment inflows in Namibia and Kenya. The Saham Finances corporate activity increased the growth by some 3%. Life insurance new business volumes increased by 2%, investment business inflows were in line with 2018 and general insurance earned premiums increased by 25%. Overall net fund inflows of R22.9 billion in 2019 is a particularly satisfactory performance given the challenging market conditions. The value of new life insurance business written in the first half of 2019 increased strongly by 19% on the comparable period in 2018.

Shareholders are advised that the final cash dividend of 312 cents for the year ended 31 December 2018 was paid on Monday, 15 April 2019 by way of electronic bank transfers to ordinary shareholders recorded in the register of Sanlam at close of business on Friday, 12 April 2019. Shareholders who have not yet provided their banking details for dividend payments are requested to do so by contacting Sanlam's transfer secretary, Computershare, at 0861 100 913 or +27(0)11 373 5000.

This short-form results announcement is the responsibility of the Sanlam board of directors and is a summary of the information contained in the full announcement which can be found at: <https://senspdf.jse.co.za/documents/2019/jse/isse/slm/SLMHY19.pdf> and available on the Sanlam website at [www.sanlam.com](http://www.sanlam.com). Direct company link to full announcement:

[https://www.sanlam.com/investorrelations/downloadscentre/Documents/Results%20announcements/Sanlam\\_Interim\\_Results\\_2019.pdf](https://www.sanlam.com/investorrelations/downloadscentre/Documents/Results%20announcements/Sanlam_Interim_Results_2019.pdf)

Copies of the full reviewed results are available for inspection at, or may be requested from Sanlam's registered office and the offices of its sponsor during office hours, at no charge. Any investment decision should be based on a consideration of the full reviewed results.

Johan van Zyl  
Chairman  
5 September 2019

Ian Kirk  
Chief Executive

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