

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 2020

#### Key features

##### Earnings

- Net result from financial services decreased by 22%
- Net operational earnings decreased by 39%

##### New business

- New business volumes increased by 40% to R157 billion
- Net fund inflows of R33 billion compared to R23 billion in 2019
- Net value of new covered business decreased by 29% to R666 million
- Net new covered business margin of 2,06% (2,79% in 2019)

##### Group Equity Value

- Group Equity Value per share of R58,08
- Return on Group Equity Value per share of -4.6 %
- Adjusted Return on Group Equity Value per share of -0.9%

##### Capital management

- R1,3 billion invested in Group operations
- Discretionary capital of R264 million at 30 June 2020
- Sanlam Group SAM cover ratio of 187% (December 2019: 211%)

##### Dividend

No interim dividend declared in line with Group policy

#### SALIENT RESULTS

for the six months ended 30 June 2020

##### SANLAM GROUP

##### GROUP EQUITY VALUE

		2020	June 2019	Change
Group Equity Value(1)	R million	129 315	143 271	(9%)
Group Equity Value per share(1)	cents	5 808	6 436	(9%)
Return on Group Equity Value per share	%	(4.6)	5,4	
Adjusted Return on Group Equity Value per share	%	(0.9)	4,6	
<b>Earnings</b>				
Net result from financial services	R million	3 898	4 968	(22%)
Net operational earnings	R million	3 511	5 801	(39%)
Headline earnings	R million	3 893	3 534	10%
Weighted average number of shares(2)	million	2 095,8	2 090,8	-
Adjusted weighted average number of shares(2)	million	2 233,9	2 189,6	2%
Net result from financial services per share	cents	174,5	226,9	(23%)
Net operational earnings per share	cents	157,2	264,9	(41%)
Basic headline earnings per share	cents	188,5	170,7	10%

Diluted headline earnings per share	cents	185,8	169,0	10%
Basic (loss)/profit attributable to the shareholders' fund per share	cents	-170,9	166,2	>(100%)
Business volumes				
New business volumes	R million	157 480	112 102	40%
Net fund inflows	R million	33 413	23 283	44%
Net new covered business				
Value of new covered business	R million	666	942	(29%)
Covered business PVNBP(3)	R million	32 403	33 779	(4%)
New covered business margin	%	2,06	2,79	
Solvency cover				
Sanlam Group(1)	%	187	211	
Sanlam Life Insurance Limited(1)	%	272	253	
Sanlam Life Insurance Limited covered business(1)	%	201	206	

(1) Comparative figures as at 31 December 2019.

(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 adjusted weighted average number of shares in issue, which is the base to determine net result from financial services per share and net operational earnings per share. Diluted headline earnings per share is based on the weighted average number of shares.

(3) PVNBP = present value of new business premiums and is equal to the present value of new recurring premiums, at the relevant risk discount rate for each business, plus single premiums.

The Group commenced the 2020 financial year from a solid base, with growth accelerating for most businesses in the second half of 2019. While recognising that we would continue to face headwinds in some of our key markets in 2020 due to subdued economic growth, we remained confident in our ability to deliver solid growth in all key performance indicators. This was achieved in the first two months of 2020, with most businesses outperforming targets for the period by a healthy margin. However, the outbreak of the 2019 coronavirus disease (COVID-19) pandemic, followed by the declaration of states of disaster and emergency in a number of countries where we operate, abruptly transformed the operating environment into one of the most challenging periods faced by the Group and our stakeholders. Despite these challenges we remain resilient as reflected in our underlying operational performance during the six months to 30 June 2020 and a healthy solvency position throughout the period. This resilience is founded on the quality of our client and other stakeholder relationships, a superior strategic positioning, highly skilled and motivated employees and a generally prudent approach to managing our business.

Net result from financial services (net operating profit) of R3,9 billion declined by 22% on the first six months of 2019, but increased by 18% excluding the impact of COVID-19 on certain earnings components. Sanlam Personal Finance's net result from financial services decreased by 12%, but was up 2% excluding the COVID-19 impact, and up 6% also excluding the R70 million one-off prior year tax adjustment at Sanlam Personal Loans in 2019. Sanlam Emerging Markets' net result from financial services declined by 28% (up 27% excluding the impact of COVID-19). Sanlam Investment Group's net result from financial services decreased by 77% (up 4% excluding the COVID-19 credit impact), a particularly satisfactory performance under challenging conditions. Santam's net result from financial services declined by 21% (more than doubling excluding the impact of COVID-19 on provisions). Sanlam Corporate achieved strong growth in net result from financial services of 39%. The improvement in risk claims experience in the second half of 2019 persisted into 2020, driving a more than doubling in risk profits.

New business volumes increased by 40% under particularly difficult trading conditions. All clusters contributed strong growth, apart from Santam where large specialist business written in the period resulted in an increase in the unearned premium and reinsurance reserves, reducing growth in net earned premiums relative to gross written premiums. Life insurance new business volumes were in line with 2019, investment business inflows increased by 64% and general insurance earned premiums increased by 6%. Overall net fund inflows of R33 billion in 2020 is a particularly satisfactory performance given the challenging market conditions.

Shareholders are advised that the final cash dividend of 334 cents for the year ended 31 December 2019 was paid on Monday, 20 April 2020 by way of electronic bank transfers to ordinary shareholders recorded in the register of Sanlam at close of business on Tuesday, 14 April 2020. Shareholders who have not yet provided their banking details for dividend payments are requested to do so by contacting Sanlam's transfer secretary, Computershare, at 0861 100 913 or +27(0)11 370 5000.

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/2020/jse/isse/slm/SLM1H20.pdf>  
and available on the Sanlam website at [www.sanlam.com](http://www.sanlam.com)

Direct company link to full announcement: <http://sanl.am/e8JoF>

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.

Elias Masilela  
Chairman  
10 September 2020

Paul Hanratty  
Chief Executive

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