

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 Audited Annual Results for the year ended 31 December 2020

### ***Key features***

#### **Earnings**

- Net result from financial services decreased by 13%
- Net operational earnings decreased by 23%

#### **New business**

- New business volumes exceeded R300 billion for the first time, up 25% to R311 billion
- Net fund inflows of R62 billion compared to R57 billion in 2019
- Net value of new covered business decreased by 16% to R1 921 billion
- Net new covered business margin of 2,58% (2,98% in 2019)

#### **Group Equity Value**

- Group Equity Value per share of R59.20 (2019: R64.36)
- Return on Group Equity Value per share of -2.8% (2019: 6.4%)
- Adjusted Return on Group Equity Value per share of 2.6% (2019: 11.9%)

#### **Capital management**

- Discretionary capital of R636 million at 31 December 2020
- Sanlam Group SAM cover ratio of 191% (2019: 211%)

#### **Dividend**

- Dividend of 300 cents per share (2019: 334)

<b>SALIENT RESULTS</b>				
for the year ended 31 December 2020		Measure	2020	2019    △
<b>SANLAM GROUP</b>				
<b>Group Equity Value</b>				
Group Equity Value	R million	<b>131 812</b>	143 271	(8%)
Group Equity Value per share	cents	<b>5 920</b>	6 436	(8%)
Return on Group Equity Value per share	%	<b>(2.8)</b>	6,4	
Adjusted Return on Group Equity Value per share	%	<b>2,6</b>	11,9	
<b>Earnings</b>				
Net result from financial services	R million	<b>8 382</b>	9 674	(13%)
Net operational earnings	R million	<b>8 349</b>	10 798	(23%)
Headline earnings	R million	<b>9 249</b>	7 481	24%
Normalised weighted average number of shares <sup>(1)</sup>	million	<b>2 226,7</b>	2 208,5	1%
Weighted average number of shares <sup>(1)</sup>	million	<b>2 087,8</b>	2 090,0	-
Net result from financial services per share	cents	<b>376,4</b>	438,0	(14%)
Net operational earnings per share	cents	<b>374,9</b>	488,9	(23%)
Basic headline earnings per share	cents	<b>448.5</b>	361.8	24%
Diluted headline earnings per share	cents	<b>443.0</b>	357.9	24%
Basic profit attributable to the shareholders' fund per share	cents	<b>138.8</b>	345.8	(60%)
Diluted profit attributable to the shareholders' fund per share <sup>(1)</sup>	cents	<b>137.1</b>	342.1	(60%)
<b>Business volumes</b>				
New business volumes	R million	<b>310 875</b>	249 323	25%
Net fund inflows	R million	<b>61 563</b>	56 766	8%
Net new covered business				
Value of new covered business	R million	<b>1 921</b>	2 280	(16%)
Covered business PVNBP <sup>(2)</sup>	R million	<b>74 591</b>	76 446	(2%)
New covered business margin	%	<b>2,58</b>	2,98	
<b>Solvency cover</b>				
Sanlam Group	%	<b>191</b>	211	
Sanlam Life Insurance Limited	%	<b>257</b>	253	
Sanlam Life Insurance Limited covered business	%	<b>197</b>	206	

(1) 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.

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

The Group commenced the 2020 financial year from a solid and strong footing to navigate the challenges faced through the year. The outbreak of the COVID-19 pandemic, followed by the declaration of states of disaster and emergency in several countries where we operate, abruptly transformed the operating environment into one of the most challenging periods faced by the Group and our stakeholders since our listing more than 20 years ago.

The business was resilient through this difficult period with net result from financial services declining by 13%, impacted by COVID-19 and related market conditions as set out in the Integrated Report.

New business volumes increased by 25%, with Sanlam Emerging Markets (SEM) and Sanlam Investment Group (SIG) recording strong growth. Life insurance volumes increased by 4% relative to the 2019 financial year and general insurance volumes improved by 3%. Investment business was the key driver of overall volume growth, increasing by 37%. Overall Group net fund inflows of R62 billion in 2020 (8% higher than 2019) is a particularly satisfactory performance given the challenging market conditions.

Net VNB declined by 16% to R1 921 million at actual interest rates and 14% on constant economic assumptions. Both Sanlam Life and Savings (SLS) and SEM experienced lower VNB in 2020 relative to 2019, impacted by increased lapse assumptions and higher acquisition and maintenance unit costs.

Shareholders are advised that a final gross cash dividend of 300 cents per share was declared for the year ended 31 December 2020, a decrease of 10% on the prior year dividend. The dividend is payable on Monday, 12 April 2021 by way of electronic bank transfers to ordinary shareholders recorded in the register of Sanlam at close of business on Friday, 9 April 2021. The last date to trade to qualify for this dividend will be Tuesday, 6 April 2021, and Sanlam shares will trade ex-dividend from Wednesday, 7 April 2021. Share certificates may not be dematerialised or rematerialised between Wednesday, 7 April 2021 and Friday, 9 April 2021, both days included. Shareholders who have not yet provided their banking details for dividend payments are requested to do so by contacting Sanlam's transfer secretary, Computershare, at 0861 100 913 or +27 (0)11 370 5000.

The South African dividend withholding tax regime applies in respect of this dividend. The dividend in full will be subject to the 20% withholding tax, where applicable, which result in a net dividend, to the shareholders who are not exempt from paying dividend tax, of 240 cents per share. The number of ordinary shares in issue in the company's share capital as at the date of the declaration is 2,061,645,628 excluding treasury shares of 165,328,780 at 31 December 2020. The company's tax reference number is 9536/346/84/5.

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/2021/jse/isse/slm/SLMFY20.pdf> and available on the Sanlam website at [www.sanlam.com](http://www.sanlam.com). Direct company link to full announcement: <http://sanl.am/nT3Uz>

While this report, in itself, is not audited, the audited consolidated annual financial statements from which the summarised consolidated financial statements were derived have been audited by the Group's auditors, Ernst & Young. Their unmodified audit report, including key audit matters relating to the valuation of insurance contract liabilities, valuation of unlisted financial instruments and the valuation of strategic investments for impairment testing, along with the audited consolidated annual financial statements are available for inspection at the Company's registered office and also available on Sanlam's website at <http://sanl.am/MzYCH>

Copies of the full audited 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 audited results.

#### **SANLAM LIMITED**

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**JSE SPONSOR**

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11 March 2021