

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

**Trading statement for the six months ended 30 June 2021 (2021 interim results)**

Shareholders are advised that Sanlam is currently compiling its results for the six months ended 30 June 2021. This trading statement provides an indication of the 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 2021 interim results will be released on the Stock Exchange News Service (SENS) of the JSE Limited on Thursday, 9 September 2021.

The Group continued to deliver on the resilient performance demonstrated in the 2020 financial year, achieving a satisfactory performance despite the persisting impact of the COVID-19 pandemic on the Group's operations. The Group's performance continues to demonstrate the strength of the underlying operations, which is built on a foundation of a sound capital base, robust cash generation and a diversified growth profile.

The Group expects the following earnings performance ranges for the six months ended 30 June 2021:

|                                    | Six months to 30 June                                   |                                     |                              |
|------------------------------------|---|-------------------------------------|------------------------------|
|                                    | 2021  | 2021                                | 2020<br>(comparative period) |
|                                    | Expected increase on comparative period<br>(Percentage) | Expected range<br>(cents per share) | Actual<br>(cents per share)  |
| Net result from financial services | 10 to 20  | 192.0 to 209.4                      | 174.5                        |
| HEPS                               | 0 to 10   | 188.5 to 207.4                      | 188.5                        |
| Diluted HEPS                       | 0 to 10   | 185.8 to 204.4                      | 185.8                        |
| EPS                                | 200 to 210  | 170.9 to 188.0                      | (170.9)                      |
| Diluted EPS                        | 200 to 210  | 168.4 to 185.2                      | (168.4)                      |

The main items contributing to the growth in net result from financial services are:

- Higher equity market levels that supported fund-based fee income, positive marked-to-market changes from credit spread movements compared to losses in the comparative period, lower levels of provisions for doubtful debts and improved return on insurance funds from the Pan-Africa general insurance portfolio.

- Higher earnings from Santam Limited, driven by improved underwriting results, partly offset by reduced investment return on insurance funds in the current low short-term interest rate environment. The comparative period was negatively impacted by the provision for COVID-19 related contingent business interruption claims.
- The above positive contributors were partially offset by a reduction in mortality profits due to the impact of COVID-19 on risk claims experience at Sanlam Life and Savings. The comparative period included strong positive mortality experience, which did not repeat in the first six months of 2021.

The main contributors to the lower level of growth in HEPS and diluted HEPS compared to net result from financial services were non-economic mismatch profits and losses recognised in terms of International Financial Reporting Standards (IFRS), which more than offset improved investment return earned on the shareholder capital portfolios. These mainly consisted of the following:

- The impact of eliminating Sanlam shares held in policyholder portfolios as treasury shares;
- Recognition of deferred tax assets in respect of assessed losses in policyholder portfolios; and
- Consolidation of the Broad-based Black Economic Empowerment (B-BBEE) SPV, which results in the recognition of interest paid on funding in the SPV, marked-to-market changes on the hedging instruments in the structure and administration costs incurred by the SPV.

These items collectively contributed negatively to both HEPS and diluted HEPS in 2021 relative to a positive contribution in 2020.

The main item contributing to the 2021 increase in EPS and diluted EPS relative to HEPS and diluted HEPS is the impairment charges of some R7,6 billion in the comparative period which did not repeat in 2021.

*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.*

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Sponsor: The Standard Bank of South Africa Limited