

Sanlam Limited  
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 Group Interim results for the six months ended 30 June 2021

### ***Key features***

#### **Earnings**

- Net result from financial services increased by 16%
- Net operational earnings increased by 33%

#### **New business**

- New business volumes up 12% to R176 billion
- Net fund inflows of R38 billion compared to R33 billion in June 2020
- Net value of new covered business increased by 94% to R1.3 billion
- Net new covered business margin of 2.82% (2.06% in 2020)

#### **Group Equity Value**

- Group Equity Value per share of R58.48
- Return on Group Equity Value per share of 3.9%
- Adjusted Return on Group Equity Value per share of 6.1%

#### **Capital management**

- Discretionary capital of R537 million at 30 June 2021
- Sanlam Group solvency cover ratio of 175% (31 December 2020: 186%)

#### **Dividend**

- No interim dividend declared in line with Group policy

<b>SALIENT RESULTS</b>					
for the six months ended 30 June 2021		Measure	2021	2020	△
<b>SANLAM GROUP</b>					
<b>Group Equity Value</b>					
Group Equity Value <sup>(1)</sup>	R million	<b>130 218</b>	131 812	(1%)	
Group Equity Value per share <sup>(1)</sup>	cents	<b>5 848</b>	5 920	(1%)	
Return on Group Equity Value per share	%	<b>3.9</b>	(4.6)		
Adjusted Return on Group Equity Value per share	%	<b>6.1</b>	(0.9)		
<b>Earnings</b>					
Net result from financial services	R million	<b>4 529</b>	3 898	16%	
Net operational earnings	R million	<b>4 679</b>	3 511	33%	
Headline earnings	R million	<b>4 003</b>	3 893	3%	
Adjusted weighted average number of shares <sup>(2)</sup>	million	<b>2 229.6</b>	2 233.9	-	
Weighted average number of shares <sup>(2)</sup>	million	<b>2091.6</b>	2 095.8	-	
Net result from financial services per share	cents	<b>203.1</b>	174.5	16%	
Net operational earnings per share	cents	<b>209.9</b>	157.2	34%	
Basic headline earnings per share	cents	<b>193.9</b>	188.5	3%	
Diluted headline earnings per share	cents	<b>191.4</b>	185.8	3%	
Basic profit attributable to the shareholders' fund per share	cents	<b>180.0</b>	(170.9)	(205%)	
<b>Business volumes</b>					
New business volumes	R million	<b>176 426</b>	157 480	12%	
Net fund inflows	R million	<b>37 814</b>	33 413	13%	
Net new covered business					
Value of new covered business	R million	<b>1 289</b>	666	94%	
Covered business PVNBP <sup>(3)</sup>	R million	<b>45 672</b>	32 403	41%	
New covered business margin	%	<b>2.82</b>	2.06		
<b>Solvency cover</b>					
Sanlam Group <sup>(1) (4)</sup>	%	<b>175</b>	186		
Sanlam Life Insurance Limited <sup>(1)</sup>	%	<b>232</b>	257		
Sanlam Life Insurance Limited covered business <sup>(1)</sup>	%	<b>195</b>	197		

(1) Comparative figures as at 31 December 2020

(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, 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.

(4) The reported Sanlam Group solvency position at 31 December 2020 of 191% has been restated to 186% to reflect the Prudential Authority's revised methodology in the treatment of certain Sanlam Emerging Markets entities in the calculation of Sanlam Group solvency that was applied retrospectively.

The Sanlam Group continued to demonstrate its valuable contribution to stakeholders during the first half of 2021, amidst the ongoing devastating impact of the COVID-19 pandemic on economies and communities in all the countries in which we operate. The Sanlam Group's response to this challenging environment was guided by its purpose of empowering generations to be financially confident, secure and prosperous. This purpose-driven approach was expressed through our continuing passionate support of clients, employees and broader society over the period.

Sanlam Life and Savings and Sanlam Emerging Markets paid R8 billion and some R2 billion of gross mortality claims in the first six months of 2021 respectively, with cumulative payments of some R22 billion since the start of 2020. Santam continued to settle contingent business interruption (CBI) claims and paid R700 million to policyholders in addition to the R1 billion paid in interim relief in August 2020, bringing the total CBI payments to R1,7 billion at 30 June 2021.

**Net result from financial services** increased by 16% relative to the first half of 2020. *Sanlam Life and Savings'* net result from financial services declined by 11% compared to the first half of 2020 as a result of strong positive mortality experience in the prior period following the COVID-19 lockdown. Excluding the positive risk experience of R359 million (net of tax) in the prior period and the negative excess claims experience of R110 million (net of tax) not absorbed by discretionary reserve releases in the first half of 2021, net result from financial services was up by 10%. *Sanlam Emerging Markets'* net result from financial services increased by 33% substantially due to an improved performance of the Sanlam Pan Africa General Insurance (SPA GI) portfolio. SPA GI earnings more than doubled due to positive investment return earned on insurance funds in the first six months of 2021 relative to the loss recorded in the prior period. *Sanlam Investment Group's* (SIG) contribution to net result from financial services increased significantly, largely due to a reversal in the marked-to-market losses on local and offshore listed bonds at SanFin. *Santam* recorded a satisfactory performance for the six-month period with the net result from financial services increasing by 57%.

**New business volumes** increased by 12%. Life insurance new business volumes increased by 50%, investment business inflows increased by 6% and general insurance earned premiums increased by 2%. In South Africa, a generally supportive environment from increased levels of savings and higher equity market levels resulted in strong new business growth.

Shareholders are advised that the final gross cash dividend of 300 cents per share for the year ended 31 December 2020 was paid 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. 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.

### **31 December 2020 earnings per share restatement**

Shareholders are advised that the previously reported attributable earnings per share and headline earnings per share information has been restated for the correction of Hyperinflation accounting applied in the 31 December 2020 results. The restatement does not have an impact on the net asset value at 31 December 2020 and also had no impact on the 30 June 2020 interim results. Refer to note 13.2 in the full 2021 interim results announcement for additional information.

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 released on SENS today and which can be found at: <https://senspdf.jse.co.za/documents/2021/jse/isse/slm/HY21.pdf> and furthermore available on the Sanlam website at [www.sanlam.com](http://www.sanlam.com). Direct company link to full announcement: <http://sanl.am/Rv4ZF>

Copies of the full reviewed results are available via email requests at [ir@sanlam.co.za](mailto:ir@sanlam.co.za) or from Sanlam's JSE Sponsor at [jsesponsor@standardbank.co.za](mailto:jsesponsor@standardbank.co.za). Any investment decision should be based on a consideration of the full reviewed results.

Registered office: 2 Strand Road, Bellville, 7530, South Africa

Sanlam Investor Relations  
Tel: +27 21 947 8455  
E-mail: [ir@sanlam.co.za](mailto:ir@sanlam.co.za)

**JSE SPONSOR**

The Standard Bank of South Africa Limited

Registered office: 30 Baker Street, Rosebank, Johannesburg, 2196, South Africa.

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