

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

Sanlam Life Insurance Limited  
 (Incorporated in the Republic of South Africa)  
 (Registration No. 1998/021121/06)  
 Bond Issuer Code: BISLI  
 LEI: 378900E10332DF012A23  
 ("Sanlam Life")

## Interim results for the six months ended 30 June 2023: Sanlam achieves strong operating performance in the first half of 2023

### Key performance indicators

For the six months ended 30 June	Unit	2023	2022	% change
<b>Earnings</b>			Restated	
<i>Shareholders' fund information</i>				
Net result from financial services <sup>(1)</sup>	R million	6 177	4 895	26%
Cash net results from financial services <sup>(2)</sup>	R million	6 256	4 828	30%
Net operational earnings	R million	7 486	4 557	64%
Headline earnings	R million	6 902	3 185	117%
Weighted average number of shares	million	2 068	2 076	
Adjusted weighted number of shares	million	2 204	2 209	
Net result from financial services per share	cents	280	222	26%
Net operational earnings per share	cents	340	206	65%
Headline earnings per share	cents	339	156	118%
Diluted headline earnings per share	cents	334	154	117%
<i>International Financial Reporting Standards (IFRS) information</i>				
Basic profit attributable to shareholders' fund per share	cents	389	250	56%
Diluted profit attributable to shareholders' fund per share	cents	383	246	55%
<b>Business volumes</b>				
Total new business volumes	R million	190 793	159 887	19%
Total net client cash flows	R million	11 357	37 074	(69%)
Life insurance				
New business volumes (PVNBP) <sup>(3)</sup>	R million	44 751	43 032	4%
Value of new covered business	R million	1 265	1 076	18%
New covered business margin	%	2.83%	2.50%	
New covered business margin (CEB) <sup>(4)</sup>	%	2.91%	2.50%	
Life insurance net client cash flows	R million	7 465	13 762	(46%)
General insurance				
New business volumes	R million	24 039	21 765	10%
Net client cash flows	R million	8 698	7 491	16%
Investment management				
New business volumes	R million	134 317	104 891	28%
Net client cash flows <sup>(5)</sup>	R million	(4 806)	15 821	
<b>Group equity value</b>				
Group equity value <sup>(6)</sup>	R million	143 544	140 776	
Group equity value per share <sup>(6)</sup>	cents	6 785	6 380	
Return on group equity value per share	%	12.0	(2.8)	
Adjusted return on group equity value per share	%	8.5	6.8	

For the six months ended 30 June

**Solvency cover**

Sanlam Group<sup>(6)</sup>

Unit	2023	2022	% change
%	167	169	

Notes

- (1) The 2023 earnings and the restated earnings for the comparable period in 2022 are based on the new IFRS 17 accounting standard, after allowing for Sanlam specific shareholder fund adjustments
- (2) Cash NRFFS represents NRFFS as adjusted for the reversal of specific non-cash items: amortisation of capitalised IT projects and IFRS 17 specific and other non-cash adjustments
- (3) Present value of new business premiums
- (4) Constant economic basis
- (5) Percentage changes are greater than plus or minus 100%
- (6) Comparative figures on 31 December 2022

IFRS 17 *Insurance Contracts* became effective 1 January 2023. Sanlam has restated the 2022 comparatives. The fundamentals of our business, including our strategy, are not changed by the implementation of the standard. Our key financial performance focus remains on value creation, as measured by return on group equity value (RoGEV), and dividend growth. Free cash flow generation for dividend purposes, Sanlam's overall financial strength and solvency position are not impacted.

In line with past practice, the group will continue to prepare shareholders' information in addition to the IFRS information, including the shareholders' fund income statement, which is a different presentation form of the IFRS income statement and presents Sanlam's operational and investment activities in the manner that the Sanlam board assesses the group's performance.

The IFRS numbers (previously IFRS 4 and now IFRS 17) are a base upon which Sanlam specific shareholders' fund adjustments are made to derive the net result from financial services and the underlying cash net result from financial services as disclosed. These shareholders' fund adjustments do not impact attributable earnings or total IFRS profit after tax.

The group recorded a strong performance for the first six months of 2023 despite the ongoing challenging consumer environment, with inflation and interest rates at multi-year highs. Results were supported by favourable claims experience in our life insurance operations, a rebound in general insurance and a strong performance from our credit operations in India. Improved equity market performance over the period supported asset-based income.

Cash net results from financial services increased by 30%, while net results from financial services increased by 26%. The improved performance was broad-based. Net result from financial services from our general insurance line of business increased by 38%, life insurance by 28% and credit and structuring by 36%. Our investment management operations increased by 2% and would be 9% higher when excluding the earnings from disposed UK businesses in the 2022 base.

Net operational earnings increased by 64%. The higher growth relative to net result from financial services is due to increased investment return on shareholder capital due to the recovery in local and international investment markets over the period, relative to declines over the first six months of 2022.

The group recorded new business volume growth of 19% due to good sales growth in investment management, supported by the addition of the Absa asset management business, and general insurance supported by good premium growth across the portfolio. Life insurance new business volume growth was muted but reflected a shift to higher-margin products, resulting in increased value of new business and margins. Net value of new covered business (VNB) increased by 18% and was 21% higher on a constant economic basis.

Group net client cashflows of R11,4 billion were lower than 2022 due to a rise in outflows from savings products in South Africa, which reflect the challenging consumer environment, and a pick-up in outflows in our UK investment management operations.

Group equity value (GEV) per share was R67,85 on 30 June 2023 and RoGEV per share was 12,0% for the first six months of 2023, ahead of the six-month hurdle rate of 7,5%. RoGEV benefited from robust contributions from value of new business, improved performance and outlook in our credit business in India, and a strong contribution from Santam. Strong investment markets and a weakening of the rand relative to the main valuation currencies in the non-South African operations also contributed to the higher

return for the first six months of 2023. Adjusted RoGEV per share, which excludes market, currency and other impacts beyond management control, was 8,5% for the period, also ahead of the 7,5% hurdle rate.

On a per share basis, RoGEV benefited from the 85 million Sanlam shares held by the broad-based black economic empowerment special purpose vehicle (B-BBEE SPV), which are now treated as treasury shares for GEV per share purposes post the acquisition of the senior ranking preference shares from the Standard Bank of South Africa, as announced on 14 August 2023 on the stock exchange news service of the JSE and available at [www.sanlam.com](http://www.sanlam.com).

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/2023/jse/isse/slm/HY23.pdf> and available on the Sanlam website at <http://sanl.am/2023IR>

The interim financial results for the six months ended 30 June 2023, including restated comparatives for the six months ended 30 June 2022 where applicable, have been independently reviewed by the group's joint auditors, PwC Inc. and KPMG Inc. Their review opinion, along with the full reviewed interim financial results are available for inspection at the company's registered office and also available on Sanlam's website at <http://sanl.am/2023IR>

Copies of the full reviewed interim results are available for inspection at, or may be requested from the Company Secretary: 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 interim results.

SANLAM LIMITED

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)

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Absa Bank Limited, acting through its Corporate and Investment Banking division

7 September 2023