

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)
 ("Sanlam Life")
 Bond Issuer Code: BISLI
 LEI: 378900E10332DF012A23

Sanlam Limited audited annual results for the year ended 31 December 2023

Key performance indicators

For the 12 months ended 31 December	Unit	2023	2022	% change
Earnings			Restated	
Shareholders' fund information				
Net result from financial services ⁽¹⁾	R million	12 379	10 473	18%
Cash net result from financial services ⁽²⁾	R million	12 398	10 473	18%
Net operational earnings ⁽¹⁾	R million	13 889	11 077	25%
Headline earnings	R million	14 467	9 687	49%
Weighted average number of shares	million	2 089	2 078	1%
Adjusted weighted number of shares	million	2 158	2 210	-2%
Net result from financial services per share	cents	574	474	21%
Cash net result from financial services per share	cents	574	474	21%
Net operational earnings per share	cents	644	501	28%
Headline earnings per share	cents	702	473	48%
Diluted headline earnings per share	cents	692	466	49%
Dividend per share	cents	400	360	11%
International Financial Reporting Standards (IFRS) information				
Basic profit attributable to shareholders' per share	cents	703	598	17%
Diluted profit attributable to shareholders' per share	cents	693	590	17%
Business volumes				
Total new business volumes	R million	396 590	335 201	18%
Total net client cash flows	R million	35 672	59 975	-41%
Life insurance				
New business volumes (PVNBP) ⁽³⁾	R million	100 241	87 814	14%
Value of new covered business	R million	2 853	2 388	19%
New covered business margin	%	2.85	2.72	
Life insurance net client cash flows	R million	18 678	21 615	-14%
General insurance				
New business volumes	R million	47 153	45 250	4%
Net client cash flows	R million	16 744	16 384	2%
Investment management				
New business volumes	R million	274,579	225,139	22%
Net client cash flows	R million	250	21 976	-99%
Group equity value				
Group equity value	R million	149 904	140 776	
Group equity value per share	cents	7 086	6 380	
Return on group equity value per share	%	16.7	4.2	
Adjusted return on group equity value per share	%	19.5	14.9	

For the 12 months ended 31 December	Unit	2023	2022	% change
Solvency cover				
Sanlam Group	%	170	169	
Sanlam Life Insurance Limited	%	245	230	
Sanlam Life Insurance Limited covered business	%	170	176	

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 shareholders' 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

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' fund 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 headline and attributable earnings or total IFRS profit after tax.

The group achieved record earnings, with net result from financial services and cash net result from financial services of R12,4 billion, 18% higher than 2022. Performance was broad based, with the life insurance portfolio growing by 19%, general insurance increasing by 21%, investment management rising by 14% and credit and structuring 29% higher. Growth was driven by strong life insurance risk experience, higher investment market levels and overall book growth supporting asset-based revenue in life and investment management, improved performance from the credit portfolio backing life insurance liabilities, and strong performance from our credit business in India.

Net result from financial services and cash net result from financial services on a per share basis, increased by 21%, lifted by a reduction in share count from share repurchases in 2022 and 2023, and the consolidation of the B-BBEE SPV in the shareholders' fund following acquisition of the senior ranking preference shares effective 30 June 2023.

Net operational earnings of R13,9 billion increased by 25% (28% higher on a per share basis). The higher growth relative to net result from financial services is due to higher investment return of R2,1 billion (2022: R1,1 billion) that benefited from the recovery in investment markets over the period, which also supported the growth in headline earnings.

Attributable earnings increased by 18% to R14,5 billion from R12,3 billion in 2022, due to strong operational performance, partly dampened by lower accounting profit on disposal of operations.

Total new business volumes were again strong in 2023, at just under R400 billion. Growth was underpinned by the life insurance and investment management operations. Life insurance new business volumes were solid in South Africa, driven by retail and corporate single premiums, with satisfactory growth in recurring premiums. India did very well on both recurring and single premiums. Investment management new business volumes benefited from good growth in the South Africa, supported by the inclusion of the Absa asset management business, and improved volumes in the Pan-Africa operations.

Sales mix shifts towards higher-margin products, resulted in improved value of new business and margins. Net value of new covered business (VNB) increased by 19% and was 16% higher on a constant economic basis, with a net new business margin of 2.85%.

The established asset gathering ability of the group ensured that despite the continued challenging consumer environment, that resulted in more clients accessing their savings, net client cash flows remained robust at R36 billion, with all lines of business recording positive net flows.

Group equity value (GEV) per share was R70,86 on 31 December 2023. RoGEV and adjusted RoGEV per share was 16,7% and 19,5% respectively for 2023, ahead of the hurdle rate of 15,5%. Positive contributors to the RoGEV came from value of new business, risk experience, working capital and credit spread experience in the life insurance operations, and in the non-life operations, a strong contribution from our credit business in India, the realisation of synergy benefits from the Absa asset management integration and an improved contribution from Santam.

Shareholders are advised that a final gross cash dividend of 400 cents per share was declared for the year ended 31 December 2023, an increase of 11% on the prior year dividend. The dividend is payable on Monday, 8 April 2024 by way of electronic bank transfers to ordinary shareholders recorded in the register of Sanlam at close of business on Friday, 5 April 2024. The last date to trade to qualify for this dividend will be Tuesday, 2 April 2024, and Sanlam shares will trade ex-dividend from Wednesday, 3 April 2024. Share certificates may not be dematerialised or rematerialised between Wednesday, 3 April 2024 and Friday, 5 April 2024, 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 results in a net dividend, to the shareholders who are not exempt from paying dividend tax, of 320 cents per share. The number of ordinary shares in issue in the company's share capital as at the date of the declaration is 2,060,609,562 excluding treasury shares of 142,306,438. The company's tax reference number is 9536/346/84/5.

Changes to the board of Sanlam and Sanlam Life

Shareholders and noteholders are advised of the appointment of Mr Temba Mvusi as independent non-executive director to the board of Sanlam and Sanlam Life effective 7 March 2024, and chair of the board from 1 April 2024. Mr Mvusi will succeed current chair of the board, Mr Elias Masilela, who will step down as chair of the board on 31 March 2024. Mr Masilela will remain as an independent non-executive director of the board.

The board welcomes Mr Mvusi and expresses appreciation to Mr Masilela for his leadership over the past four years and look forward to his continued contribution.

This short-form results announcement is the responsibility of the Sanlam board of directors and is a summary of the information contained in the long form summarised financial results which can be found at:

<https://senspdf.jse.co.za/documents/2024/jse/isse/slm/fy23.pdf>

Further commentary is also available on the Sanlam website at <http://sanl.am/2023AR>.

The audited consolidated annual financial statements, including restated comparatives for the year ended 31 December 2022 where applicable, have been independently audited by the group's joint auditors, PwC Inc. and KPMG Inc. Their audit report containing an unqualified opinion, along with the full 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/2023AFS>.

Copies of the full audited consolidated annual financial statements 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 audited consolidated annual financial statements.

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

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7 March 2024