

SANLAM INVESTOR PRESENTATION

thinking ahead

2001 ANNUAL RESULTS

Welcome

Sanlam Annual Results

March 2002

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NOTES:

Agenda

- Overview
- Financial Results and Embedded Value
- Review of Businesses
- Strategic Focus

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NOTES:

Highlights

- Sound results and growth
 - ◆ However business flows need attention
- Vision rolled out, enthusiastic response
- Wealth creation model progressed
- Improvement in investment returns, strengthening management
- Innovation continuing : i.e. international retirement annuity
- Internationalisation : fundamental research done

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NOTES:

Financial Results

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NOTES:

Detail :

Gensec Property Services : p. 72

Innofin : p. 74

Salient Features

		2001	2000 *
New Business EV	R'm	290	240 *
NUBEV margin	%	13,2	9,7
Life insurance new business APE	R'm	2 204	2 477
Total new business	R'm	37 605	37 700
Net (outflow) / inflow of funds	R'm	(1 654)	832
Net operating profit	cps	61,9	46,3
LTRR headline earnings	cps	133,2	131,5
Attributable earnings	R'm	4 009	2 209

* 2000 Restated

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NOTES:

Further detail :

Analysis of new business : p. 55

Analysis of net inflow of funds : p. 56

Analysis of gross funds received : p. 57

Analysis of payments to clients : p. 58

Income Statement

Rand Million	2001	2000	%△
Gross Funds received	47 148	46 926	0,5
Operating profit	2 011	1 656	21,4
Tax	(303)	(180)	68,3
Minorities	(65)	(246)	-73,6
Net operating profit	1 643	1 230	33,6
LTRR investment return	1 891	2 265	-16,5
Headline earnings	3 534	3 495	1,1

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NOTES:

Rand Million	2001	2000
NET LTRR INVESTMENT RETURN		
Investment return	3 084	1 322
Normal and deferred tax	(332)	(326)
Deferred capital gains tax	(221)	-
Minorities	(310)	(33)
Net Investment return	2 221	963
Deferred tax reversal	99	124
LTRR adjustment	(429)	1 178
Net LTRR investment return	1 891	2 265

Further detail :

Full Income Statement : p. 52

Segmental Investment Return : p. 54

Gross Investment Return by Asset Class : p. 63

Operating Profit Contribution

Rand Million	2001	2000	%△
Sanlam Life	1 452	1 246	16,5
Sanlam Investment Management	254	263	-3,4
Gensec Bank	191	239	-20,1
Santam	97	100	-3,0
Other	93	23	304,3
Gensec Corporate and Trading	–	(146)	-100
Net Corporate	(76)	(69)	10,1
Group Operating Profit	2 011	1 656	21,4

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NOTES:

Rand Million	2001	2000	%△
Other			
Gensec Properties	72	59	22
Health	33	15	120
Other activities	(12)	(51)	76
	93	23	304

Further detail :

Segmental Operating Profit : p. 53

Corporate Costs : p. 60

Headcount : p. 64

Impact of abnormal items

Rand Million

	2001	2000	%Δ
Net operating profit	1 643	1 230	33,6
• Tax reversal	(185)	(230)	-19,6
• Gensec minorities	–	190	-100
	<u>1 458</u>	<u>1 190</u>	<u>22,5</u>
Investment return	1 891	2 265	-16,5
• Tax reversal	(99)	(124)	-20,2
• Effect of buy-out of Gensec	–	(354)	-100
	<u>1 792</u>	<u>1 787</u>	<u>0,3</u>

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NOTES:

Cents per share

	2001	2000
Net operating profit	61.9	46.3
• Tax reversal	(7.0)	(8.7)
• Gensec minorities	–	7.2
	<u>54.9</u>	<u>44.8</u>
Investment return	71.2	85.2
• Tax reversal	(3.7)	(4.7)
• Gensec minorities	–	(13.3)
	<u>67.4</u>	<u>67.2</u>
Adjusted headline earnings	122.3	112.0

Key Ratios

		2001	2000
Average Shareholders' fund	R'm	20 351	18 712
Gross Operating profit ROE	%	9,5	6,7
Net Operating profit ROE	%	8,1	6,6
LTRR Investment Return	%	9,3	12,1
Headline ROE	%	17,4	18,7
Return on embedded value	%	12,3	6,5
Admin ratio	%	33,4	32,3
Operating margin	%	17,7	16,5
Return on Sanlam share price	%	17,0	26,6

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NOTES:

Further detail :

Return analysis of businesses : p. 63

Analysis of capital deployment : 31 December 2001

	Rand Million	%
Balanced Portfolio and cash	12 031	49,0
Illiquid portfolio	4 902	20,4
Business and Strategic	7 466	30,6
• Sanlam Investment Management	3 552	14,6
• Gensec Bank	1 442	5,9
• Santam	1 709	7,0
• Gensec Properties	35	0,1
• Sanlam Unit Trust	674	2,8
• Other assets	54	0,2
Total	<u>24 399</u>	0,1

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NOTES:

- Gensec Properties differs from value per financial statements due to transfer of Gensec Property Asset Management to Sanlam Investment Management at R140 million.
- Sanlam Unit Trust differs from value per financial statements due to transfer of R200 million excess cash from Sanlam Unit Trust to Sanlam Limited.

Issues regarding capital management

- Surplus cash resources migrated to the centre
- Excess capital in Life restrained by illiquidity and overweight positions
- Improving liquidity of life assets remains a priority
- Structural growth prioritisation driven by Group Exco
- Implement return measures in 2002
- Approval for rationalisation scheme to implement restructuring

NOTES:

Actuarial Review

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NOTES:

Embedded Value: *Restatement*

Rand Million	Net Assets	VIF	EV	NUBEV
December 2000	20 512	6 726	27 238	209
Dividend adjustment	790		790	
SUT at fair value	572		572	
Corporate expense adj.	(778)	256	(522)	31
Restated	21 096	6 982	28 078	240

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NOTES:

VIF = Value of In-force

EV = Embedded value

NUBEV = New Business Embedded Value

The 2000 published values were restated for:

- dividends declared in 2001 for 2000 (accounting requirement);
- revaluation of Sanlam Unit Trusts to fair value;
- allocation of corporate expenses attributable to life business to VIF and NUBEV and other corporate expenses to net assets, previously most corporate expenses were allocated to VIF and NUBEV.

Embedded Value

Rand Million

	2001	2000 <i>Restated</i>
Shareholders' net assets at fair value	24 399	21 874
Adjustment for future corporate expenses	(664)	(778)
Adjustment for discounting capital gains tax	61	
Adjusted net assets	23 796	21 096
Value of existing business	6 941	6 982
• Gross value of existing business	8 756	8 156
• Cost of holding prudential reserves	(1 815)	(1 174)
Embedded value	30 737	28 078
Value of new business	290	240
• Gross value of new business	359	276
• Cost of holding prudential reserves	(69)	(36)

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NOTES:

- Other corporate expenses are expenses not attributable to the life business. The adjustment is calculated as other expenses (after tax) multiplied by the lower of the market price or embedded value per share divided by the headline earnings per share based on a long term rate of return.
- Allowing for capital gains tax reduced the value of existing business by R613 million.
- Risk discount rate : 2001 – 14,3% 2000 – 15,6%.
- The new business margin increased to 13,2% from 9,7% whilst the APE decreased to R2 204 million from R2 477 million.
- The main reason for the increase in new business cost of holding prudential reserves is capital gains tax.

Further detail :

Shareholders' Fund Balance Sheet @ fair value, NAV : p. 59 & 60

Capital adequacy requirements (CAR) and CAR cover : p. 61

Embedded Value : Segmental Analysis : p. 61

Net value of new life business as % of APE : p. 61

EV Sensitivities : p. 62

Assumptions for gross investment returns and inflation : p. 62

Prudential reserves asset mix : p. 63

Analysis of Embedded Value Earnings

Rand Million

EV of new business

EV earnings from existing business

- Expected return
- Operating experience variations
- Operating assumption changes

EV earnings from operations

2001
2000
Restated

290 240

1 111 1 279

1 204 1 214

32 45

(125) 20

1 401 1 519

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NOTES:

- The main contributors to the operating experience were positive risk experience of R220 million, offset inter alia by reserves set up in respect of maturity guarantees and strengthening of the asset default provision.
- The main contributors to the operating assumption changes are, allowance for future expenses of negative R34 million, termination of reinsurance of negative R52 million and strengthening of annuity mortality assumptions of negative R43 million.

Analysis of Embedded Value Earnings: *Continued*

Rand Million	2001	2000 <i>Restated</i>
EV earnings from operations	1 401	1 519
Economic & other assumption changes	105	289
Tax changes	(613)	(22)
Investment variances	200	(304)
Investment return on adj net worth	2 356	332
Total embedded value earnings	<u>3 449</u>	<u>1 814</u>

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NOTES:

- Allowing for capital gains tax reduced the EV by R613 million. This reduction was due to lower net of tax investment return both on assets supporting prudential reserves which increased CPR (by R478 million), and on policyholders' fund assets which decreased future fund charges (reduction of R135 million).

Growth in Life Business

Rand Million

	2001	2000 <i>Restated</i>
VIF at end of accounting period	6 941	6 982
Plus: Net operating profit transferred to current period's earnings	1 134	998
Less: VIF at beginning of accounting period	(6 982)	(6 498)
Growth in life business	1 093	1 482
% growth in life business ⁽²⁾	15,7%	22,8%

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NOTES:

1. Net operating profit after tax with R28 million- added back for other corporate expenses (i.e. not attributable to life business) less corporate income.
2. Growth from life business expressed as a percentage of VIF at the beginning of the year

Sanlam Life

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NOTES:

Further detail on Sanlam Life : p. 66 to 68

Operating Environment

- Market volatility
- Individual choice, flexibility and transparency
- Need for trusted advice
- Emerging black middle market

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NOTES:

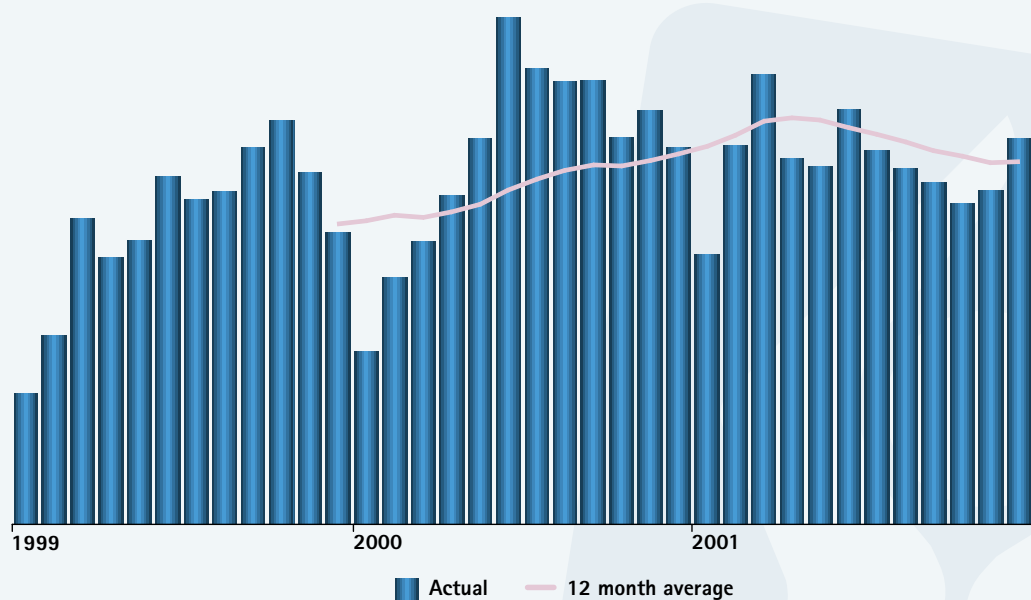
Highlights

- Operating profit growth of 17%
- New business embedded value increase by 21%
- Embedded value margin increase from 9,7% to 13,2%
- SEB and SPF merger : integrated management
- Innovative new products

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NOTES:

Individual: Single premiums* - per month

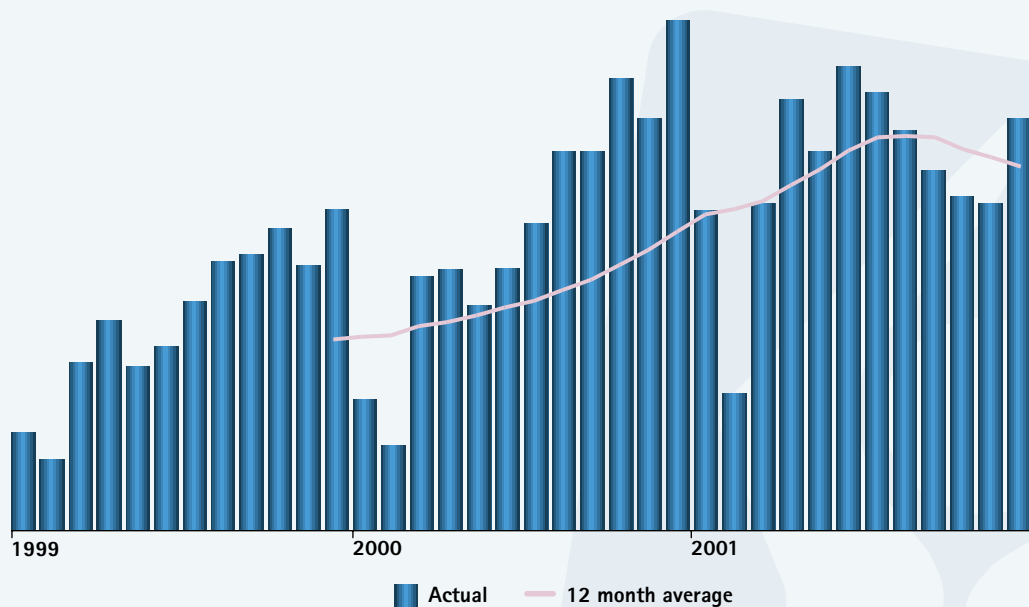


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NOTES:

* Excludes continuations.

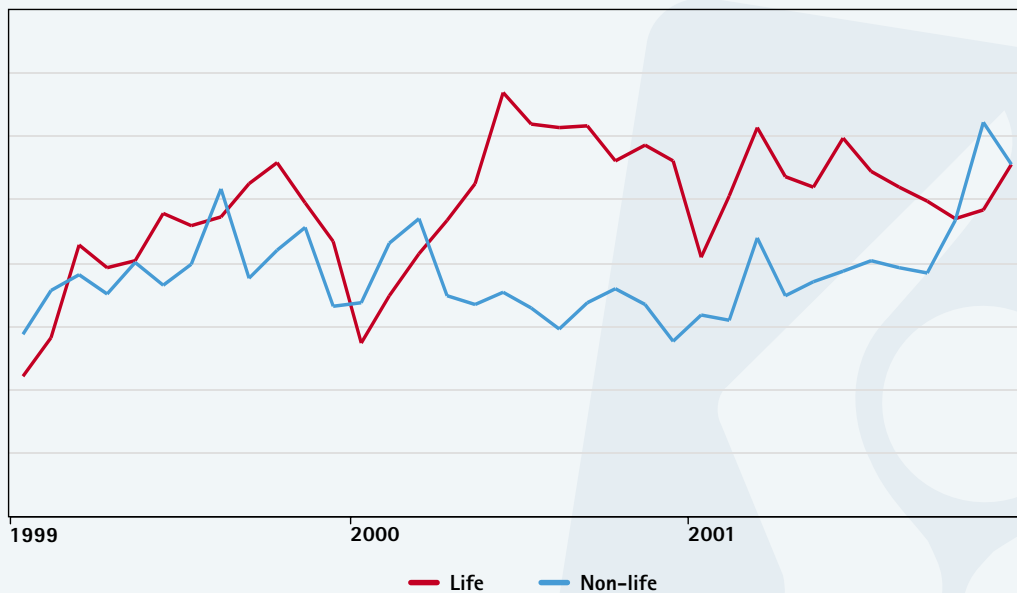
Individual: Net new recurring premiums - *per month*



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NOTES:

Total new business*

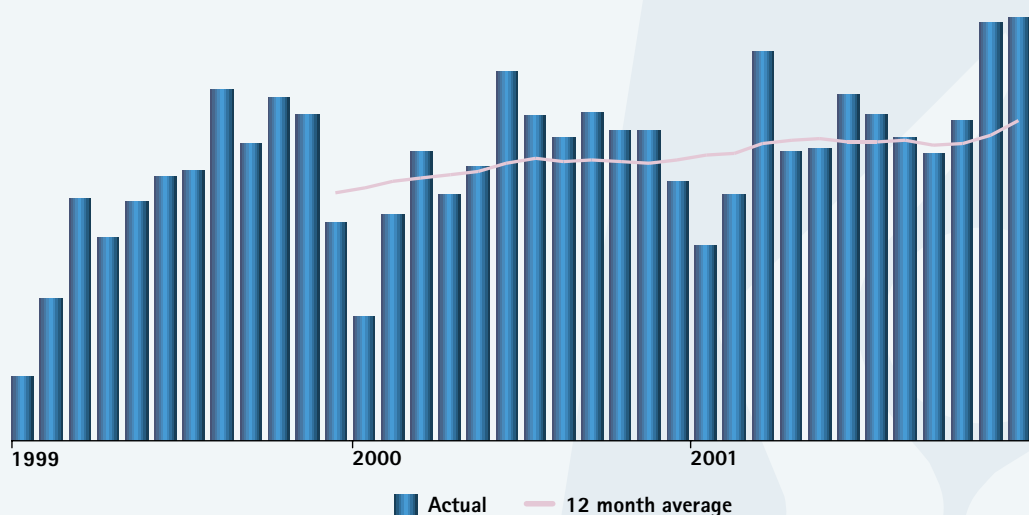


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NOTES:

- * Excludes new business inflows into white label and institutional unit trusts and other irregular unit trust inflows.

Total new business: *Individual**



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NOTES:

- * Excludes new business inflows into white label and institutional unit trusts and other irregular unit trust inflows.

Sources of Operating Profit

Rand Million	2001	2000	Change
Administration surplus	131	142	-8%
Risk profits	497	484	3%
Market-related income	1 015	909	12%
	1 643	1 535	7%
Exceptional items	(191)	(289)	
Operating profit	1 452	1 246	17%

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NOTES:

Rand Million	2001	2000	Change
INDIVIDUAL BUSINESS			
Administration surplus	116	123	-6%
Risk profits	412	404	2%
Market-related income	885	778	14%
	1 413	1 305	8%
Exceptional items	(146)	(261)	44%
Operating profit	1 267	1 044	21%

GROUP BUSINESS

Administration surplus	15	19	-21%
Risk profits	85	80	6%
Market-related income	130	131	-1%
	230	230	
Systems/projects	(35)	(32)	-9%
Other exceptional items	(10)	4	
Operating profit	185	202	-8%

Financial Features

Rand Million		2001	2000	Change
Operating profit margin		26,7%	23,6%	
Admin Ratio		33,4%	32,6%	
Return on EV		12,3%	6,5%	
EV of new business	R'm	290	240 ⁽¹⁾	21%
NUBEV margin		13,2%	9,7% ⁽¹⁾	
Net funds flow	R'm	368	38	
New business APE	R'm	2 204	2 227 ⁽²⁾	-1%

(1) Restated

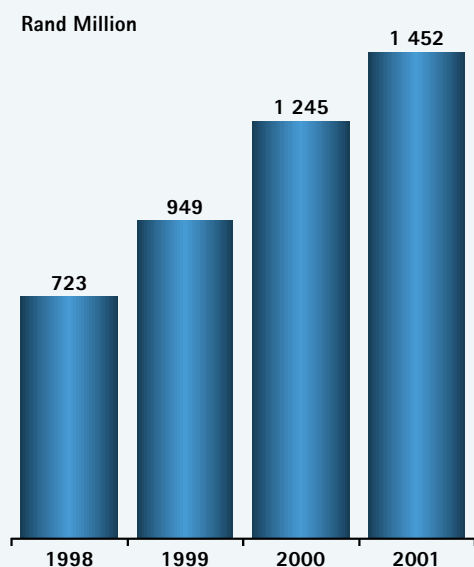
(2) Excludes recurring institutional policy of R250 million

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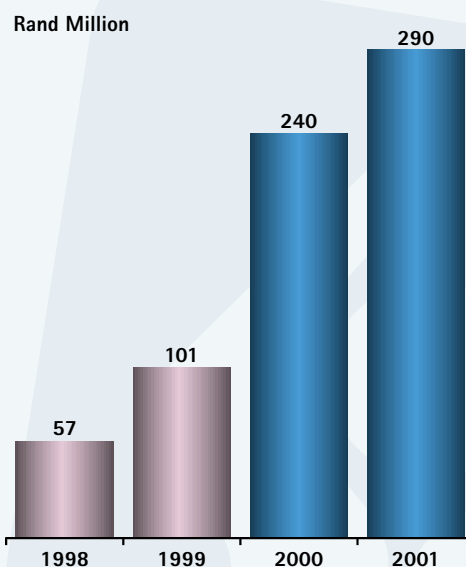
NOTES:

		2001	2000	Change
INDIVIDUAL BUSINESS				
Operating profit margin	%	32.3	27.8	16.2%
Admin Ratio	%	38.0	37.7	-0.9%
EV of new business	R'm	208	171	21.6%
NUBEV margin	%	12.0	8.8	36.4%
GROUP BUSINESS				
Operating profit margin	%	12.2	13.3	-8.2%
Admin Ratio	%	21.3	19.9	-7.3%
EV of new business	R'm	82	69	19.1%
NUBEV margin	%	17.6	12.9	36.4%

Operating profit



NUB embedded value



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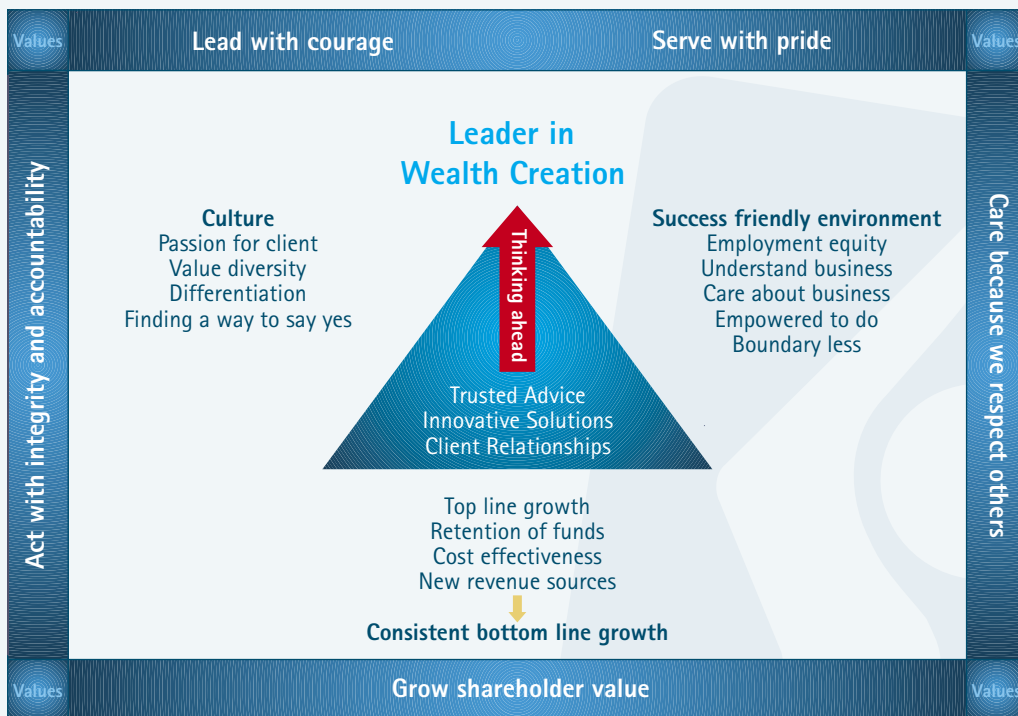
NOTES:

OPERATING PROFIT

	1998	1999	2000	2001
Individual business	608	781	1 044	1 267
Group business	115	168	202	185
	723	949	1 246	1 452

NUBEV :

- 2000 : R209 million restated to R240 million for new treatment of corporate costs.
- 1998 & 1999 has not been restated.



NOTES:

Focus

- Trusted advice
- Innovative solutions
- Client relationships
- Market segmentation
- Transformation
- Cross-selling
- Retention of funds
- New revenue sources

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NOTES:

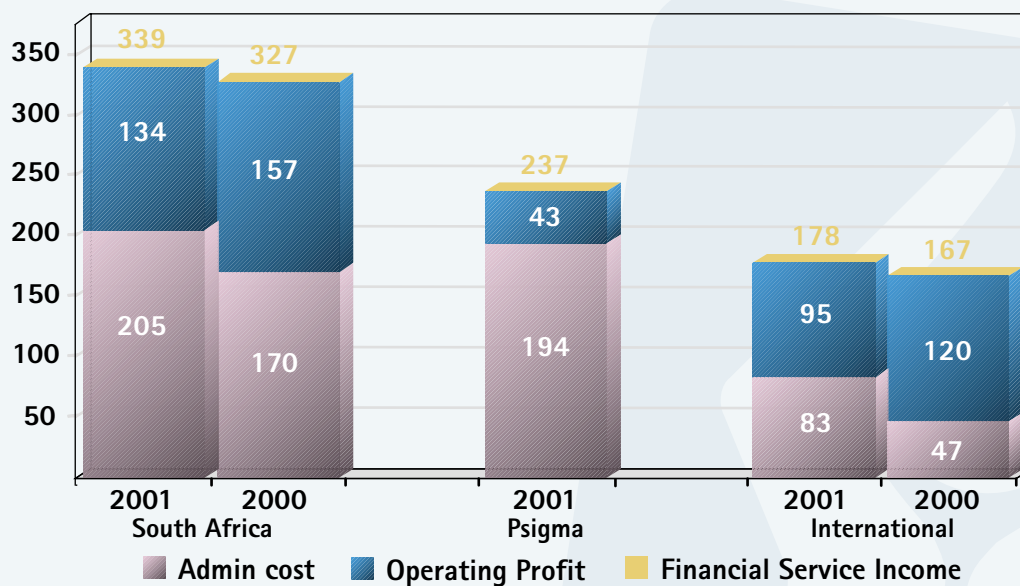
Sanlam Investment Management

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NOTES:

Further detail on Sanlam Investment Management : p. 69

Profitability : *Geographic*

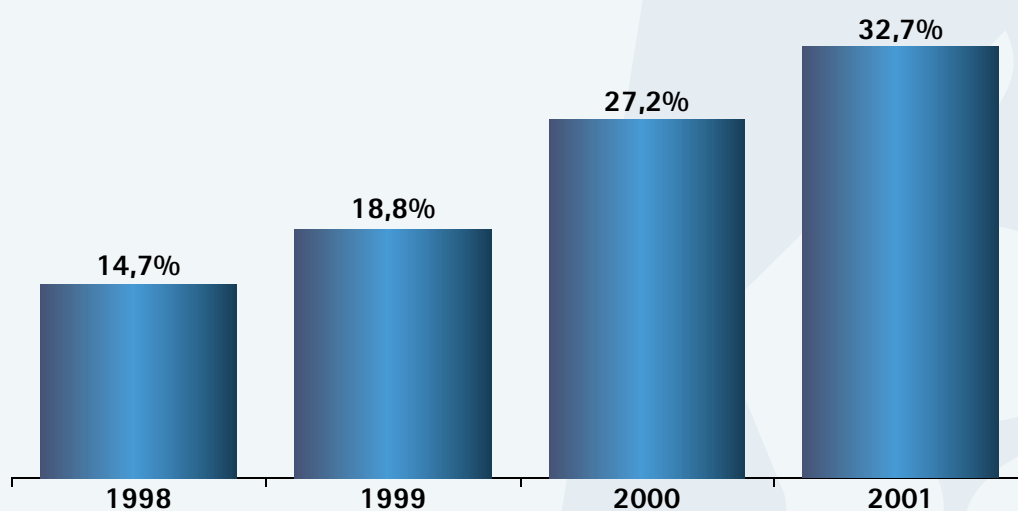


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NOTES:

Changing Source of Income

Segregated income as % of total fee income

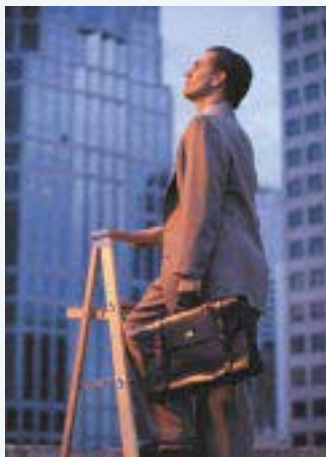


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NOTES:

Investment Excellence : Our progress

Ranking in AF LMW



Period	January 2002	
	Equities	Global
1 month	3	5
3 months	2	6
6 months	6	5
9 months	7	8
12 months	8	9

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NOTES:

South African Business

Environment

- Static Retirement and Savings Market
- Margins under pressure
- Concentration of investment consultants
- Flexible investment choice
- Transformation of parastatals

Management strategies

- Focus on efficiency
- Specialised products
- Retail Focus
- Scalable Investment Platform
- JV's and aggressive Employment Equity Programme

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NOTES:

International

Financial impact of Punter Southall

- Slightly dilutive, neutrality by year 2
- Continue 25% CAGR

Management strategies

- Develop an integrated business platform
- Development of fund distribution capabilities via PS Group
- High value added pension fund advisory services
- Launch investment product range into Europe
- Develop discretionary private client business

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NOTES:

CAGR = Compound annual growth rate

Focus Areas

- Consistent investment performance
- Expand distribution
- Enhance operational efficiency and profitability
- Continue internationalisation
- Strengthen retail proposition
- Leverage talent

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NOTES:

Gensec Bank

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NOTES:

Further detail on Gensec Bank : p. 71

Gensec Bank : Operating Environment

- General conditions
 - ◆ Depressed banking environment
 - ◆ Volatile financial markets
 - ◆ Deteriorating economic conditions
- International
 - ◆ September 11
 - ◆ Enron
- South Africa
 - ◆ Crisis in micro lending industry
 - ◆ Fall in the value of the Rand

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NOTES:

Gensec Bank : Achievements

- Satisfactory ROE achieved in difficult markets
- Successful diversification into debt markets
- Strong performance by equity derivatives business
- International business expanded

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NOTES:

Gensec Bank : Income Statement

Rand Million

	2001	2000	%Δ
Revenue	508	481	6
• Market Activity	259	130	99
• Investment banking	125	240	-48
• Risk management solutions	75	96	-22
• Arbitrage	49	15	227
Expenses	(317)	(242)	-31
Net operating income	191	239	-20

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NOTES:

Gensec Bank : Looking forward

- Continued difficult conditions in investment banking
 - ◆ Uncertain economic prospects
 - ◆ Volatile markets
- Diversify revenue
 - ◆ Client base
 - ◆ Product range
- Group Synergies
- Continue international expansion

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NOTES:

Santam

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NOTES:

Further detail on Santam : p. 75

Financial Achievements

- 35% increase in gross premium, 24% on a comparative basis
- E.p.s. growth of 9% to 282cps
- Underwriting profit of R97 million
- Cash generated of R225 million

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NOTES:

Focus

- Continue to apply strict and suitable underwriting measures
- Strategic business objectives
 - ◆ Transforming into a client-focused business
 - ◆ Optimising business process efficiency
 - ◆ Diversifying the income base by leveraging existing competencies and business processes
 - ◆ Developing business partner model
 - ◆ Fast-tracking human capital

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NOTES:

Strategic Focus

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NOTES:

ABSA

- Unifer
 - ◆ Board committee review
 - ◆ Uncertainty
- Equity market instability
- Universa unbundling
- Evaluate ABSA versus alternatives

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NOTES:

Focus : *Rolling out the strategy*

- Continue cost efficiency and productivity drive
- Grow revenue
 - ◆ Market share; share of wallet
 - ◆ Innovation
 - ◆ Exploit cross-selling and synergies
- Executing on wealth creation strategy : banking products
- People management
 - ◆ Employer of choice
 - ◆ One vision

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NOTES:

Focus : *Rolling out the strategy (.../continued)*

- Internationalisation
- Black Economic Empowerment
- Capital efficiency and returns

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NOTES:

Conclusion

- Environment
 - ◆ Volatile markets and uncertainty
 - ◆ Sound South African fundamentals
- Targets
 - ◆ Real growth of 10% in operating profit
 - ◆ ROE of 10% real
 - ◆ Value of in-force : 10% real

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NOTES:

APPENDICES SANLAM GROUP



INCOME STATEMENT

Rand Million

	2001	2000
Net operating profit	1 643	1 230
Operating profit before tax	2 011	1 656
Normal & deferred tax	(488)	(410)
Minority interest	(65)	(246)
Net operating profit before tax reversal	1 458	1 000
Deferred tax reversal	185	230
Net LTRR Investment Return	1 891	2 265
Investment return	3 084	1 322
• Investment income	1 356	1 427
• Investment surpluses	1 728	(105)
Normal & deferred tax	(553)	(326)
• Investment income	(314)	(329)
• Investment surpluses	(18)	(3)
• Deferred capital gains tax	(221)	–
Minorities	(310)	(33)
• Investment income	(156)	(138)
• Investment surpluses	(154)	105
Net investment return before tax reversal	2 221	963
Deferred tax reversal	99	124
Actual investment return after tax reversal	2 320	1 087
Long term rate of return adjustment	(429)	1 178
• Investment income	(606)	1 598
• Taxation	116	(105)
• Minorities	61	(315)
LTRR Headline Earnings	3 534	3 495
Short term investment fluctuations after tax & minorities	429	(1 178)
Amortisation of goodwill	(215)	–
Accounting policy change by subsidiary	(62)	–
Net investment return on investment in associated companies	323	(108)
Attributable earnings	4 009	2 209
Headline earnings after tax reversal (cps)	133.2	131.5
Headline earnings before tax reversal (cps)	122.5	118.2
Adjusted weighted average number of shares (million)	2 653	2 657

SEGMENTAL OPERATING PROFIT

	Life		Investment Management		Gensec Bank		Gensec Properties		Santam		Sanlam Health		Corporate & other ⁽¹⁾		TOTAL	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
<i>R million</i>																
Financial services income	6 466	6 360	754	494	508	481	201	184	4 760	3 836	147	143	233	116	13 069	11 614
Sales remuneration	(1 034)	(1 091)	-	-	-	-	-	-	(636)	(444)	-	-	(16)	(18)	(1 686)	(1 553)
Income after sales remuneration	5 432	5 269	754	494	508	481	201	184	4 124	3 392	147	143	217	98	11 383	10 061
Underwriting policy benefits	(1 976)	(2 018)	-	-	-	-	-	-	(3 367)	(2 763)	-	-	(3)	(4)	(5 346)	(4 785)
Administration costs	(1 813)	(1 716)	(482)	(217)	(317)	(238)	(120)	(111)	(660)	(529)	(114)	(128)	(296)	(313)	(3 802)	(3 252)
Profit before exceptionals	1 643	1 535	272	277	191	243	81	73	97	100	33	15	(82)	(219)	2 235	2 024
Exceptional items	(191)	(289)	(18)	(14)	-	(4)	(9)	(14)	-	-	-	-	(6)	(47)	(224)	(368)
Operating profit before tax	1 452	1 246	254	263	191	239	72	59	97	100	33	15	(88)	(266)	2 011	1 656
Tax on operating profit	(202)	(110)	(62)	(58)	18	(5)	(21)	(20)	(30)	(21)	-	-	(6)	34	(303)	(180)
Operating profit after tax	1 250	1 136	192	205	209	234	51	39	67	79	33	15	(94)	(232)	1 708	1 476
Minority interest	-	-	(13)	(102)	-	(117)	-	(19)	(52)	(56)	-	-	-	48	(65)	(246)
Net operating profit	1 250	1 136	179	103	209	117	51	20	15	23	33	15	(94)	(184)	1 643	1 230

Ratios

Admin ratio ⁽²⁾	33.4%	32.6%	63.9%	43.9%	62.4%	49.5%	59.7%	60.3%	16.0%	15.6%	77.6%	89.5%			33.4%	32.3%
Operating margin ⁽²⁾	26.7%	23.6%	33.7%	53.2%	37.6%	49.7%	35.8%	32.1%	2.4%	2.9%	22.4%	10.5%			17.7%	16.5%

Operating profit eps

Net Operating profit before tax one-offs	40.1	33.8	6.7	3.9	7.9	4.4	1.9	0.8	0.6	0.9	1.2	0.6	-3.5	-6.7	55.0	37.6
Operating profit after tax one-offs	47.1	42.8	6.7	3.9	7.9	4.4	1.9	0.8	0.6	0.9	1.2	0.6	-3.5	-6.9	61.9	46.3

Return on equity

Operating profit before tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.5%	6.7%
Operating profit after tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.1%	6.6%

(1) Corporate & other includes Corporate income and expenses, the previous Gensec corporate and other smaller businesses.

(2) Calculated as a percentage of income earned by the shareholders less sales remuneration.

SEGMENTAL INVESTMENT RETURN

R million	Gensec ⁽¹⁾		Santam		Sanlam Health		Remainder of Sanlam Group		Total	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Investment return	303	(26)	630	155	43	17	2 108	1 176	3 084	1 322
• Investment income	90	54	321	238	17	47	307	665	735	1 004
• Equity accounting	-	-	2	3	-	-	619	420	621	423
• Investment surpluses	213	(80)	307	(86)	26	(30)	1 182	91	1 728	(105)
Tax on investment return	6	23	(111)	(95)	-	-	(349)	(130)	(454)	(202)
• Investment income	(25)	(15)	(61)	(60)	-	-	(129)	(130)	(215)	(205)
• Normal tax	(25)	(15)	(61)	(60)	-	-	(228)	(254)	(314)	(329)
• Deferred tax reversal	-	-	-	-	-	-	99	124	99	124
• Investment surpluses	31	38	(50)	(35)	-	-	(220)	-	(239)	3
Minorities	-	3	(310)	(36)	-	-	-	-	(310)	(33)
Net actual investment return	309	-	209	24	43	17	1 759	1 046	2 320	1 087
Long term rate of return (LTRR) adjustment	(111)	129	(50)	92	(12)	70	(256)	887	(429)	1 178
NET LTRR INVESTMENT RETURN	198	129	159	116	31	87	1 503	1 933	1 891	2 265

(1) Includes the net investment return of Gensec private and underwriting equity and corporate cash portfolios.

ANALYSIS OF NEW BUSINESS

Rand Million	Total		Life Insurance *		Life Licence*		Other	
	2001	2000	2001	2000	2001	2000	2001	2000
Sanlam Life	21 910	21 539	11 701	12 465	-	-	10 209	9 074
Individual Life	8 569	8 871	8 569	8 871	-	-	-	-
• Recurring	1 495	1 642	1 495	1 642	-	-	-	-
• Single	4 880	4 989	4 880	4 989	-	-	-	-
• Continuations	2 194	2 240	2 194	2 240	-	-	-	-
Unit Trust	10 209	9 074	-	-	-	-	10 209	9 074
Group Life	3 132	3 594	3 132	3 594	-	-	-	-
• Recurring	171	195	171	195	-	-	-	-
• Single	2 961	3 399	2 961	3 399	-	-	-	-
SIM	6 702	8 778	-	-	384	805	6 318	7 973
Life	384	805	-	-	384	805	-	-
• Recurring	-	24	-	-	-	24	-	-
• Single	459	781	-	-	459	781	-	-
• Less: Inter group switches	(75)	-	-	-	(75)	-	-	-
Segregated	6 318	7 973	-	-	-	-	6 318	7 973
• Total inflow	7 657	9 066	-	-	-	-	7 657	9 066
• Less: Inter group switches	(1 339)	(1 093)	-	-	-	-	(1 339)	(1 093)
Innofin	2 771	2 449	-	-	860	762	1 911	1 687
Sanlam Health	547	668	-	-	-	-	547	668
Santam	4 760	3 836	-	-	-	-	4 760	3 836
Other	915	430	247	162	105	-	563	268
	37 605	37 700	11 948	12 627	1 349	1 567	24 308	23 506

* Life license business relates to investment products provided by Sanlam Investment Management and Innofin by means of a life insurance policy where there is very little or no insurance risk. The group life investment products provided by means of an insurance policy was previously reported as group life business. With effect from 1 January 2001, the responsibility for the bulk of this business was transferred to Sanlam Investment Management. For comparative purposes the 2000 new business figures were restated to reflect a reasonable approximation of the split in this business.

ANALYSIS OF NET INFLOW OF FUNDS

Rand Million	Total		Life Insurance *		Life Licence*		Other	
	2001	2000	2001	2000	2001	2000	2001	2000
Sanlam Life	368	38	(2 031)	(467)	-	-	2 399	505
Individual Life	(1 187)	(267)	(1 187)	(267)	-	-	-	-
Unit Trust	2 399	505	-	-	-	-	2 399	505
Group Life	(844)	(200)	(844)	(200)	-	-	-	-
SIM	(5 679)	(1 837)	-	-	(5 018)	(5 460)	(661)	3 623
Life	(5 018)	(5 460)	-	-	(5 018)	(5 460)	-	-
• Total	(6 355)	(6 167)	-	-	(6 355)	(6 167)	-	-
• Less: Inter group switches	1 337	707	-	-	1 337	707	-	-
Segregated	(661)	3 623	-	-	-	-	(661)	3 623
• Total	678	4 330	-	-	-	-	678	4 330
• Less: Inter group switches	(1 339)	(707)	-	-	-	-	(1 339)	(707)
Innofin	1 630	1 316	-	-	661	620	969	696
Sanlam Health	60	28	-	-	-	-	60	28
Santam	1 393	1 073	-	-	-	-	1 393	1 073
Other	574	214	216	105	78	-	280	109
	(1 654)	832	(1 815)	(362)	(4 279)	(4 840)	4 440	6 034

* Life license business relates to investment products provided by Sanlam Investment Management and Innofin by means of a life insurance policy where there is very little or no insurance risk. The group life investment products provided by means of an insurance policy was previously reported as group life business. With effect from 1 January 2001, the responsibility for the bulk of this business was transferred to Sanlam Investment Management. For comparative purposes the 2000 net inflow of funds figures were restated to reflect a reasonable approximation of the split in this business.

ANALYSIS OF GROSS FUNDS RECEIVED FROM CLIENTS

Rand Million	Total		Life Insurance *		Life Licence*		Other	
	2001	2000	2001	2000	2001	2000	2001	2000
Sanlam Life	30 792	30 458	20 583	21 384	-	-	10 209	9 074
Individual Life	15 331	15 630	15 331	15 630	-	-	-	-
• Recurring	8 257	8 401	8 257	8 401	-	-	-	-
• Single	7 074	7 229	7 074	7 229	-	-	-	-
Unit Trust	10 209	9 074	-	-	-	-	10 209	9 074
Group Life	5 252	5 754	5 252	5 754	-	-	-	-
• Recurring	2 291	2 355	2 291	2 355	-	-	-	-
• Single	2 961	3 399	2 961	3 399	-	-	-	-
SIM	7 307	9 063	-	-	989	1 090	6 318	7 973
Life	989	1 090	-	-	989	1 090	-	-
• Recurring	605	695	-	-	605	695	-	-
• Single	459	781	-	-	459	781	-	-
• Less: Inter group switches	(75)	(386)	-	-	(75)	(386)	-	-
Segregated	6 318	7 973	-	-	-	-	6 318	7 973
• Total inflow	7 657	9 066	-	-	-	-	7 657	9 066
• Less: Inter group switches	(1 339)	(1 093)	-	-	-	-	(1 339)	(1 093)
Innofin	2 771	2 449	-	-	860	762	1 911	1 687
Linked products	2 561	2 449	-	-	860	762	1 701	1 687
Cash management	210	-	-	-	-	-	210	-
Sanlam Health	547	668	-	-	-	-	547	668
Santam	4 760	3 836	-	-	-	-	4 760	3 836
Other	971	452	303	184	105	-	563	268
	47 148	46 926	20 886	21 568	1 954	1 852	24 308	23 506

* Life license business relates to investment products provided by Sanlam Investment Management and Innofin by means of a life insurance policy where there is very little or no insurance risk. The group life investment products provided by means of an insurance policy was previously reported as group life business. With effect from 1 January 2001, the responsibility for the bulk of this business was transferred to Sanlam Investment Management. For comparative purposes the 2000 gross funds received from clients figures were restated to reflect a reasonable approximation of the split in this business.

ANALYSIS OF PAYMENTS TO CLIENTS

Rand Million	Total		Life Insurance ⁽¹⁾		Life Licence ⁽¹⁾		Other	
	2001	2000	2001	2000	2001	2000	2001	2000
Sanlam Life	30 424	30 420	22 614	21 851	-	-	7 810	8 569
Individual Life	16 518	15 897	16 518	15 897	-	-	-	-
• Surrenders	4 155	3 672	4 155	3 672	-	-	-	-
• Other	12 363	12 225	12 363	12 225	-	-	-	-
Unit Trust	7 810	8 569	-	-	-	-	7 810	8 569
Group Life	6 096	5 954	6 096	5 954	-	-	-	-
• Terminations ⁽²⁾	2 240	2 214	2 240	2 214	-	-	-	-
• Other benefits	3 856	3 740	3 856	3 740	-	-	-	-
SIM	12 986	10 900	-	-	6 007	6 550	6 979	4 350
Life	6 007	6 550	-	-	6 007	6 550	-	-
• Terminations ⁽²⁾	5 863	5 782	-	-	5 863	5 782	-	-
• Other benefits	1 556	1 861	-	-	1 556	1 861	-	-
• Less: Inter group switches ⁽³⁾	(1 412)	(1 093)	-	-	(1 412)	(1 093)	-	-
Segregated	6 979	4 350	-	-	-	-	6 979	4 350
• Total outflow	6 979	4 736	-	-	-	-	6 979	4 736
• Less: Inter group switches	-	(386)	-	-	-	-	-	(386)
Innofin	1 141	1 133	-	-	199	142	942	991
Sanlam Health	487	640	-	-	-	-	487	640
Santam	3 367	2 763	-	-	-	-	3 367	2 763
Other	397	238	87	79	27	-	283	159
	48 802	46 094	22 701	21 930	6 233	6 692	19 868	17 472

(1) Life license business relates to investment products provided by Sanlam Investment Management and Innofin by means of a life insurance policy where there is very little or no insurance risk. The group life investment products provided by means of an insurance policy was previously reported as group life business. With effect from 1 January 2001, the responsibility for the bulk of this business was transferred to Sanlam Investment Management. For comparative purposes the 2000 gross funds paid to clients figures were restated to reflect a reasonable approximation of the split in this business

(2) Includes taxation paid on behalf of certain retirement funds

(3) Included in terminations

SHAREHOLDERS' FUND BALANCE SHEET AT FAIR VALUE

(Santam, Sanlam Unit Trust, Sanlam Investment Management, Gensec Bank & Gensec Properties not consolidated and reflected as investments at fair value)

Rand Million	2001	2000 ⁽¹⁾
ASSETS		
Fixed assets	157	144
Investments	28 460	26 607
Sanlam businesses		
• Sanlam Investment Management ⁽²⁾	3 412	3 588
• Gensec Bank ⁽²⁾	1 442	1 600
• Gensec Properties ⁽²⁾	175	225
• Sanlam Unit Trust ⁽²⁾	874	961
Strategic investment – Santam ⁽²⁾	1 709	1 274
Associated company – ABSA	4 036	2 751
Other investments		
• Other equities	7 250	6 741
• Public sector stocks and loans	1 859	1 909
• Properties	1 018	1 074
• Other interest-bearing investments	6 685	6 484
Deferred tax	88	146
Current assets	4 485	4 580
TOTAL ASSETS	33 190	31 477
EQUITY AND LIABILITIES		
Shareholders' Funds	24 399	21 874
Term Finance	4 331	4 711
Deferred Tax	244	284
Current Liabilities	4 216	4 608
TOTAL EQUITY AND LIABILITIES	33 190	31 477

Notes :

1. During 2001 the Gensec Group activities were integrated into the Sanlam activities. Previously it was treated as a separate entity. The restated 2000 results reflect the balance sheet after the integration of the Gensec activities

2. Excess of fair value over net asset value

Fair value of these businesses per above	7 612	7 648
Less : Tangible Net Asset Value	3 904	3 074
Santam	1 387	1 066
Sanlam Unit Trust	462	389
Sanlam Investment Management	519	323
Gensec Bank	1 444	1 234
Gensec Properties	92	62
Less : Goodwill in respect of above businesses	1 540	1 711
Excess of fair value over net asset value	2 168	2 863

SHAREHOLDERS' FUND BALANCE SHEET AT NET ASSET VALUE

Rand Million	2001	2000
ASSETS		
Fixed assets	294	256
Goodwill	1 840	1 711
Investments	26 219	24 224
• Properties	1 021	1 074
• Equities	13 509	11 413
• Public sector stocks and loans	2 479	2 958
• Other interest-bearing investments	9 210	8 779
Deferred tax	146	115
General reinsurance provision	1 718	1 274
Current assets	24 261	17 641
TOTAL ASSETS	54 478	45 221

EQUITY AND LIABILITIES

Capital and reserves : Shareholders' Funds	22 231	19 012
Minority shareholders and policyholders' interest	2 049	1 897
Term Finance	4 936	4 698
Deferred Tax	346	284
Gross general insurance provisions	3 376	3 067
Current Liabilities	21 540	16 263
TOTAL EQUITY AND LIABILITIES	54 478	45 221

CORPORATE COSTS

Rand Million	2001	2000
Corporate marketing	45	45
Shareholder costs	23	28
Corporate support services	79	84
Shared services & Other	27	33
Total	174	190

BALANCE SHEET ANALYSIS : Life fund

		2001	2000
Shareholders' funds ⁽¹⁾	R'm	19 909	17 300
Capital Adequacy Requirement	R'm	7 102	6 996
CAR Cover	times	2,8	2,5
Shareholders' funds/policy liabilities	%	13,7	12,9
Shareholders' funds/non-market-related liabilities	%	21,6	21,3

1. 2000 restated. Dividends are now provided when declared and the 2000 dividend declared in March 2001 have consequently been added back to the shareholders' fund of R16 640m previously disclosed.

EMBEDDED VALUE : Segmental analysis

Rand Million	2001	2000 (Restated)	2000 (Published)
Net value of in-force business			
Individual	6 144	6 152	6 152
Group	848	897	897
Corporate	(51)	(67)	(323)
Sanlam Group	<u>6 941</u>	<u>6 982</u>	<u>6 726</u>
Net value of new business			
Individual	208	171	142
Group	82	69	67
Sanlam Group	<u>290</u>	<u>240</u>	<u>209</u>

EMBEDDED VALUE : Net value of new life business as % of annual premium equivalent

Rand Million	2001	2000 (Restated)	2000 (Published)
% of APE			
Individual	12.0%	8.8%	9.8%
Group	17.6%	12.9%	11.1%
Sanlam Group	13.2%	9.7%	8.0%

The Annual Premium Equivalent definition changed and therefore the 31 December 2000 Annual Premium Equivalent and margins were restated.

EMBEDDED VALUE : Sensitivity of value at 31 December 2001

Value of in-force	R million	% Change from Base
Base value	6 941	
Increase risk discount rate by 1,5% to 15,8%	5 753	-17%
Decrease risk discount rate by 1,5% to 12,8%	8 329	20%
Increase investment return (and inflation) by 1,5%, coupled with an increase in risk discount rate of 1,5% to 15,8%, and with bonus rates changing commensurately	6 610	-5%
Increase inflation by 1,5%, without adjustment to real investment return	6 911	0%
Non-commission expenses (excluding investment expenses) increase by 10%	6 715	-3%
Discontinuance rates increase by 10%	6 822	-2%
Increase mortality of products providing death benefits by 10%	6 672	-4%

Value of new business	R million	% Change from Base
Base value	290	
Increase risk discount rate by 1,5% to 15,8%	224	-23%
Decrease risk discount rate by 1,5% to 12,8%	367	27%
Increase investment return (and inflation) by 1,5%, coupled with an increase in risk discount rate of 1,5% to 15,8%, and with bonus rates changing commensurately	264	-9%
Increase inflation by 1,5%, without adjustment to real investment return	287	-1%
Non-commission expenses (excluding investment expenses) increase by 10%	231	-20%
New business volumes decrease by 10%	231	-20%
Increase mortality of products providing death benefits by 10%	261	-10%

EMBEDDED VALUE : Assumptions

GROSS INVESTMENT RETURNS AND INFLATION

The more significant assumptions used in the determination of the embedded value are:

% per annum	31 Dec 2001	31 Dec 2000
Fixed-interest securities	11.8	13.1
Equities and off-shore investments	13.8	15.1
Hedged equities ⁽¹⁾	10.8	12.1
Property	12.8	14.1
Cash	9.8	11.1
Risk Discount Rate	14.3	15.6
Prudential reserves asset returns ⁽²⁾	12.7	14.1
Unit cost inflation	7.3	6.6
Consumer Price Index inflation ⁽³⁾	5.8	6.6

1. The assumed future return for these assets is lower than that of equities which are not hedged, reflecting the cost of the derivative instruments.

2. The investment return on assets supporting the prudential reserves is based on the long-term asset mix for these funds (as shown below)

3. Premium indexation inflation for individual business is assumed to be equal to Consumer Price Index inflation.

LONG-TERM ASSET MIX FOR FUNDS SUPPORTING PRUDENTIAL RESERVES

%	31 Dec 2001	31 Dec 2000
Equities and off-shore investments	54	54
Hedged equities	18	18
Property	16	16
Fixed-interest securities	10	10
Cash	2	2
Total	100	100

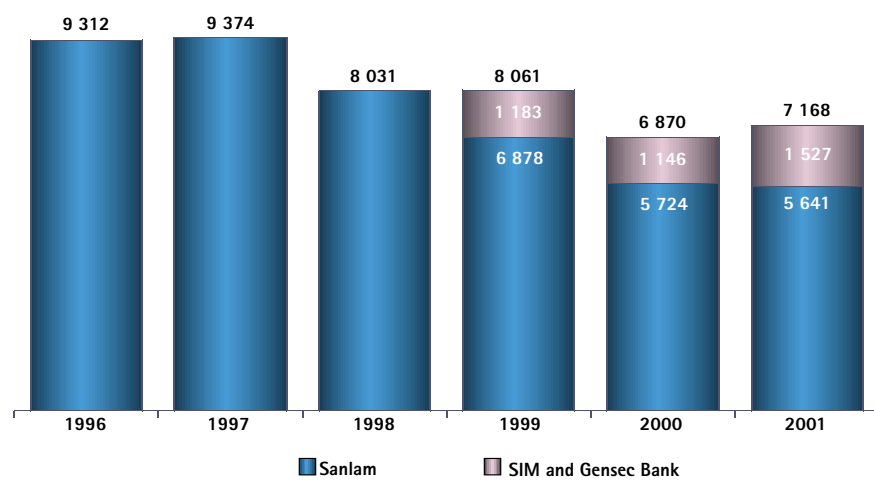
GROSS INVESTMENT RETURN BY ASSET CLASS

Rand Million	Inv. Income		Inv. surpluses		LTRR Adj		Total	
	2001	2000	2001	2000	2001	2000	2001	2000
Equities	245	214	1 512	(57)	(797)	1 101	960	1 258
Interest bearing	181	498	(53)	11	249	139	377	648
Properties	80	69	(27)	21	87	15	140	105
Private equity	7	17	53	(180)	29	262	89	99
Underwriting	12	(12)	(160)	(15)	175	127	27	100
Gensec cash	84	49	403	115	(349)	(46)	138	118
Total LTRR investments	609	835	1 728	(105)	(606)	1 598	1 731	2 328
Equity accounted earnings	621	423	–	–	–	–	621	423
Free float of subsidiary	139	116	–	–	–	–	139	116
Other	(13)	53	–	–	–	–	(13)	53
Total	1 356	1 427	1 728	(105)	(606)	1 598	2 478	2 920

RETURN ANALYSIS : Based on NAV of capital allocated to business

	Operating Profit Return Gross %	Net %	LTRR Investment Return %	LTRR Headline Return %
Sanlam Life	10,2	8,8	12,0	20,8
Investment Management	48,8	34,4	–	34,4
Gensec Bank – own capital	15,9	17,4	–	17,4
Santam	2,7	1,8	13,4	15,2
Gensec Properties	94,1	66,7	–	66,7
Sanlam Group	9,9	8,1	9,3	17,4

COST CONTROL: Headcount



APPENDICES INDIVIDUAL BUSINESSES

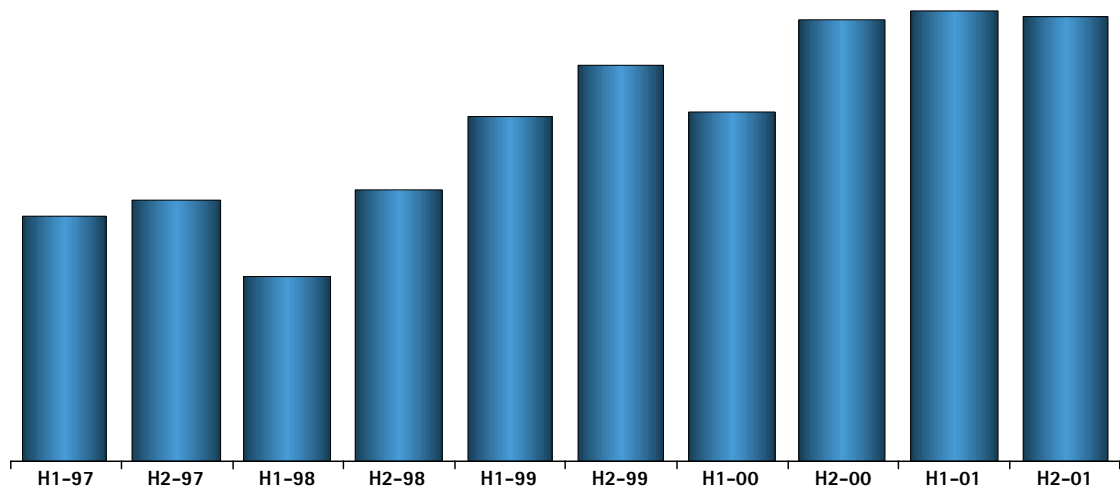


NET FUNDS FLOW

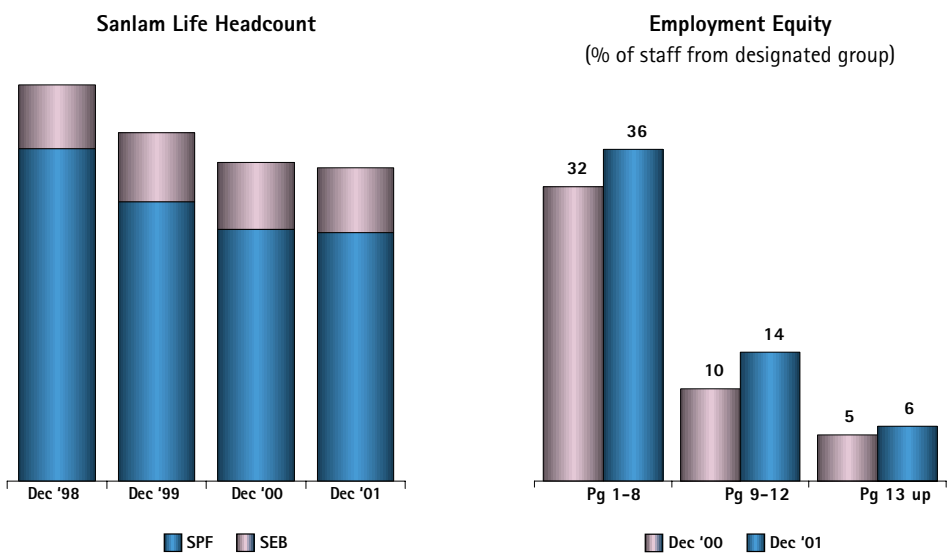
Rand Million	2001	2000	Change
LIFE			
Inflows			
Single	7 841	8 388	-7%
Continuations	2 194	2 240	-2%
Recurring	10 548	10 756	-2%
Total life inflows	20 583	21 384	-4%
Unit Trusts inflows	10 209	9 074	13%
Gross funds received	30 792	30 458	1%
New recurring premiums (Incl institutional)	1 666	1 834	-9%
New recurring premiums (Excl institutional)	1 666	1 587	5%
Outflows			
Benefits	(20 374)	(19 637)	-4%
Terminations	(2 240)	(2 214)	-1%
SUT Outflows	(7 810)	(8 569)	9%
	(30 424)	(30 420)	0%
Net inflow	368	38	

Rand Million	2001	2000	Change
INDIVIDUAL BUSINESS (previously Sanlam Personal Finance)			
Inflow			
Individual life			
• Single	4 880	4 989	-2%
• Continuations	2 194	2 240	-2%
• Recurring	8 257	8 401	-2%
Total individual life	15 331	15 630	-2%
Unit Trusts inflows	10 209	9 074	13%
Gross funds received	25 540	24 704	3%
New recurring premiums (Incl institutional)	1 495	1 642	-9%
New recurring premiums (Excl institutional)	1 495	1 392	7%
Outflow			
Life benefits	(16 518)	(15 897)	-4%
SUT Outflows	(7 810)	(8 569)	9%
	(24 328)	(24 466)	1%
Net inflow			
Life business	(1 187)	(267)	-345%
SUT Outflows	2 399	505	-375
	1 212	238	-409
GROUP BUSINESS (previously Sanlam Employee Benefits)			
Inflow			
Recurring	2 291	2 355	-3%
Single premiums	2 961	3 399	-13%
Total inflow	5 252	5 754	-9%
New recurring premiums	171	195	-12%
Outflow			
Group benefits	(3 856)	(3 740)	-3%
Terminations	(2 240)	(2 214)	-1%
Total payments	(6 096)	(5 954)	-2%
Net outflow	(844)	(200)	

INDIVIDUAL LIFE: Surrenders (R'm)



SANLAM LIFE : Personnel



INCOME STATEMENT

Rand Million	Total		SA		International	
	2001	2000	2001	2000	2001	2000
Financial Services Income	754	494	339	327	415	167
Administration Costs	(482)	(217)	(205)	(170)	(277)	(47)
Profit before exceptionals	272	277	134	157	138	120
Exceptional items	(18)	(14)	(4)	(14)	(14)	0
Profit after exceptionals	254	263	130	143	124	120
Tax and minorities	(75)	(58)	(37)	(39)	(38)	(19)
Operating profit after Tax	179	205	93	104	86	101

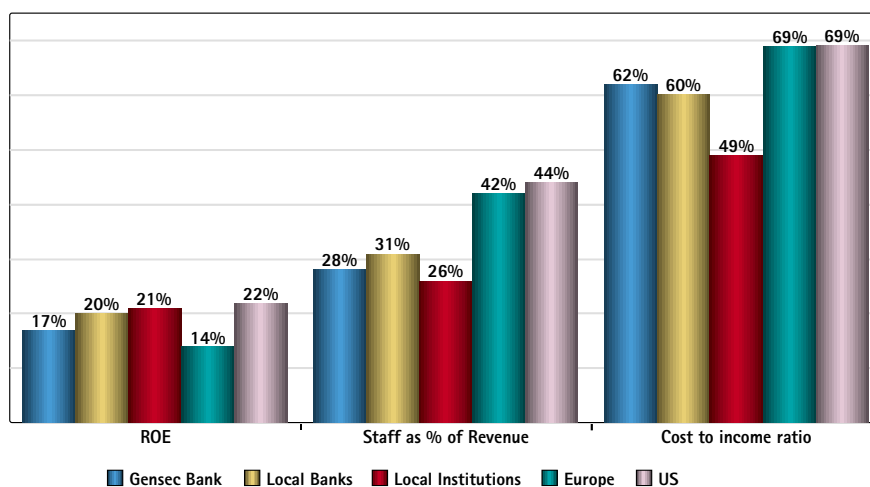
INCOME STATEMENT : International

Rand Million	Total	io	Psigma
Fee income	415	178	237
Admin costs	(277)	(83)	(194)
Profit before Exceptionals	138	95	43
Exceptionals	(14)	(14)	0
Profit after Exceptionals	124	81	43
Tax and minorities	(38)	(20)	(18)
Operating profit after tax	86	61	25

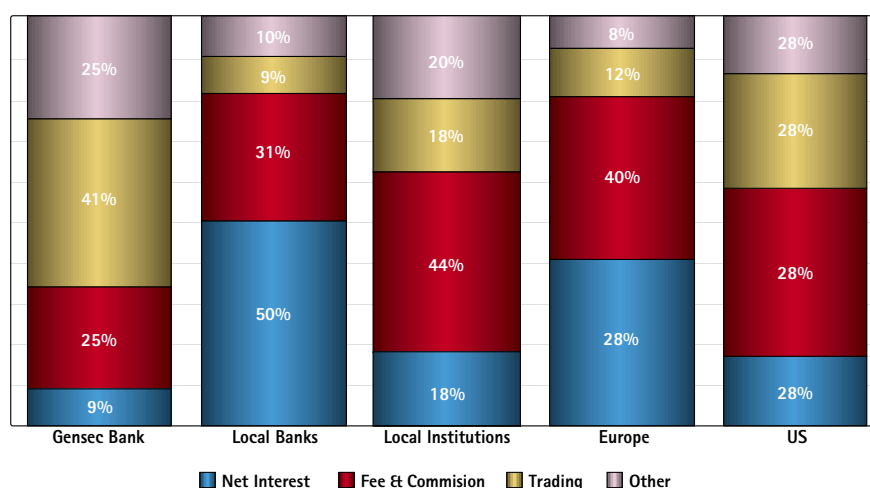
SPLIT IN ASSETS UNDER MANAGEMENT

Rand Billion	2001		2000		1999	
Total AUM	224,1	100%	202,0	100%	196	100%
Total International AUM (all SA business related)	37,8	17%	27,0	13%	23	12%
Total RSA AUM	186,3	83%	175,0	87%	173	88%
• Sanlam	142,9	64%	140,7	70%	146	75%
• Segregated	40,5	18%	34,3	17%	27	14%
• SPI : Sanlam Private Investments	2,9	1%	–	0%	–	0%

COMPETITIVE ANALYSIS



REVENUE SOURCES



INCOME STATEMENT

Rand Million		2001	2000
Operating revenue		462	472
Net interest revenue		46	9
Revenue		508	481
Expenses		(317)	(242)
Net operating income		191	239
Return On Equity	%	17	23
Expense / Income ratio	%	62	51

ACHIEVEMENTS & FOCUS

ACHIEVEMENTS

- Operating profit before tax : 26% increase
- Outperform the SAPIX results by 2%
- Group structure with effect from 2002
 - Gensec Property Services
 - Sanlam Property Asset Management (part of SIM)

FOCUS & OUTLOOK FOR 2002

- Focus on growth in non-Sanlam sources of income
- Pressure on GPS's profitability
- Unfavourable property market
- Sanlam focus : reduced exposure to property investment

INCOME STATEMENT

Rand Million June '01	2001 GPS	2001 SPAM	2001 Total	2000
Fee income	161	26	187	170
Net interest income	14	–	14	14
Financial services income	175	26	201	184
Admin costs	(118)	(2)	(120)	111
Operating profit	57	24	81	73
Exceptional items	(9)	–	(9)	(14)
Operating profit before tax	48	24	72	59
Tax	(14)	(7)	(21)	(20)
Operating profit after tax	34	17	51	39

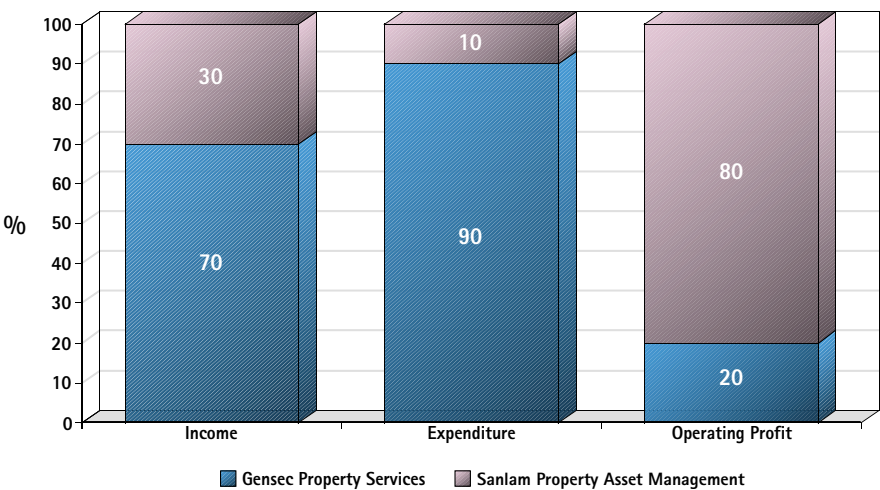
FINANCIAL FEATURES

		2001	2000
Admin cost ratio	%	60	60
Operating profit margin	%	36	32
Recurring income	%	70	70

Value of property under management

Sanlam Group	R'm	11 422	12 512
Other	R'm	1 500	1 131

ESTIMATED 2002 PROFITS



ACHIEVEMENTS

- New Products launched
 - First Cash Management Fund in SA : R129 million FUM
 - Money Market Fund : R190 million FUM
 - International Hedge Fund : US\$10 million sold in less than 6 weeks
- Net inflows : 40% increase
- Gross inflows : R3 billion

PROSPECTS

- Continued product innovation
- Break-even in 2003

INCOME STATEMENT

Rand Million	2001	2000
Fee income	38	–
Net interest income	6	3
Financial services income	44	3
Fee to sales organisation	(11)	–
Income after fee to sales organisation	33	3
Administration costs	(54)	(15)
Loss before exceptional items	(21)	(12)
Exceptional items	–	(7)
Operational loss before tax	(21)	(19)
Tax	8	4
Operational loss after tax	(13)	(15)

SP² included with effect from 1 July 2001

INCOME STATEMENT

Rand Million	2001	2000
Gross written premiums	6 205	4 603
Underwriting surplus	97	101
Investment income	315	238
Interest received	185	152
Dividends received	130	86
Income from associates	2	3
Income before taxation	414	342
Taxation	(92)	(84)
Income after taxation	322	258
Minority interest	(12)	(6)
Attributable income	310	252
Headline earnings per share (cents)	282	258
Dividends per share (cents)	154	140
Net asset value per share (cents)	2 914	2 546
Solvency margin	71%	74%



THE SA ECONOMY

OUTLOOK FOR 2002/2003

- Stability gradually returning to the currency market, with the R/\$ exchange rate expected to move sideways around R11.50/\$ in the first half of 2002, then to strengthen moderately as the global recovery boosts export proceeds
- CPIX-inflation to rise sharply in H1 2002, peaking above 8%, but then to decline gradually as structural factors driving inflation down reassert their influence. Inflation target to be missed in 2002, but fair chance of meeting the target in 2003
- Interest rates to rise by a further 100 basis points in H1 2002 in reaction to higher inflation expectations, then move sideways until H2 2003
- GDP growth for 2002 at 2-2.5%, accelerating to 3-3.5% in 2003
- Household consumption expenditure benefiting from rising real disposable income because of tax relief and real wage increases compensating for erosive effect of higher inflation
- Government's contribution to growth set to rise
- Exports performing well, boosted by competitive exchange rate, and fixed capital formation picking up
- Bond yields under short-term upward pressure because of higher inflation, but shortage of paper will eventually drive yields down again
- Government searching for strategies to accelerate economic growth on a sustainable basis – emphasis moving to micro-economic policies as macro-economic stabilisation has been achieved. Focus this year is finding social accord among key role players, culminating in Growth and Development Summit

GOVERNMENT FINANCES

- 2002/03 budget deficit expected to be 2.1% of GDP in spite of massive personal tax relief and increased spending
- Increasing emphasis on capital/infrastructure spending to gain momentum
- Government debt continuing to decline, reducing debt service costs
- Fiscal consolidation of past five years now bearing fruit, providing room for more expansionary policy with increased spending in priority areas, including fighting crime
- Biggest challenge is to improve on delivery

EXCHANGE CONTROLS

- Government signalling a slowdown in pace of capital account liberalisation, greater emphasis on effective enforcement of current regulations
- Further relaxation depends on elimination of South African Reserve Bank's net open forward currency position (currently \$2.8 billion) which is expected before end 2002
- Declared policy remains gradual removal of all capital controls, but economic benefits of this policy to be questioned more vigorously

IMPACT OF AIDS

- HIV/AIDS more prevalent among low skilled workers, unemployed in rural areas
- Government and civil society gradually coming to grips with the pandemic
- Will not derail fiscal discipline
- Economic impact to some extent already in the numbers, expected to be limited
- Impact on companies being managed

POLITICAL STABILITY

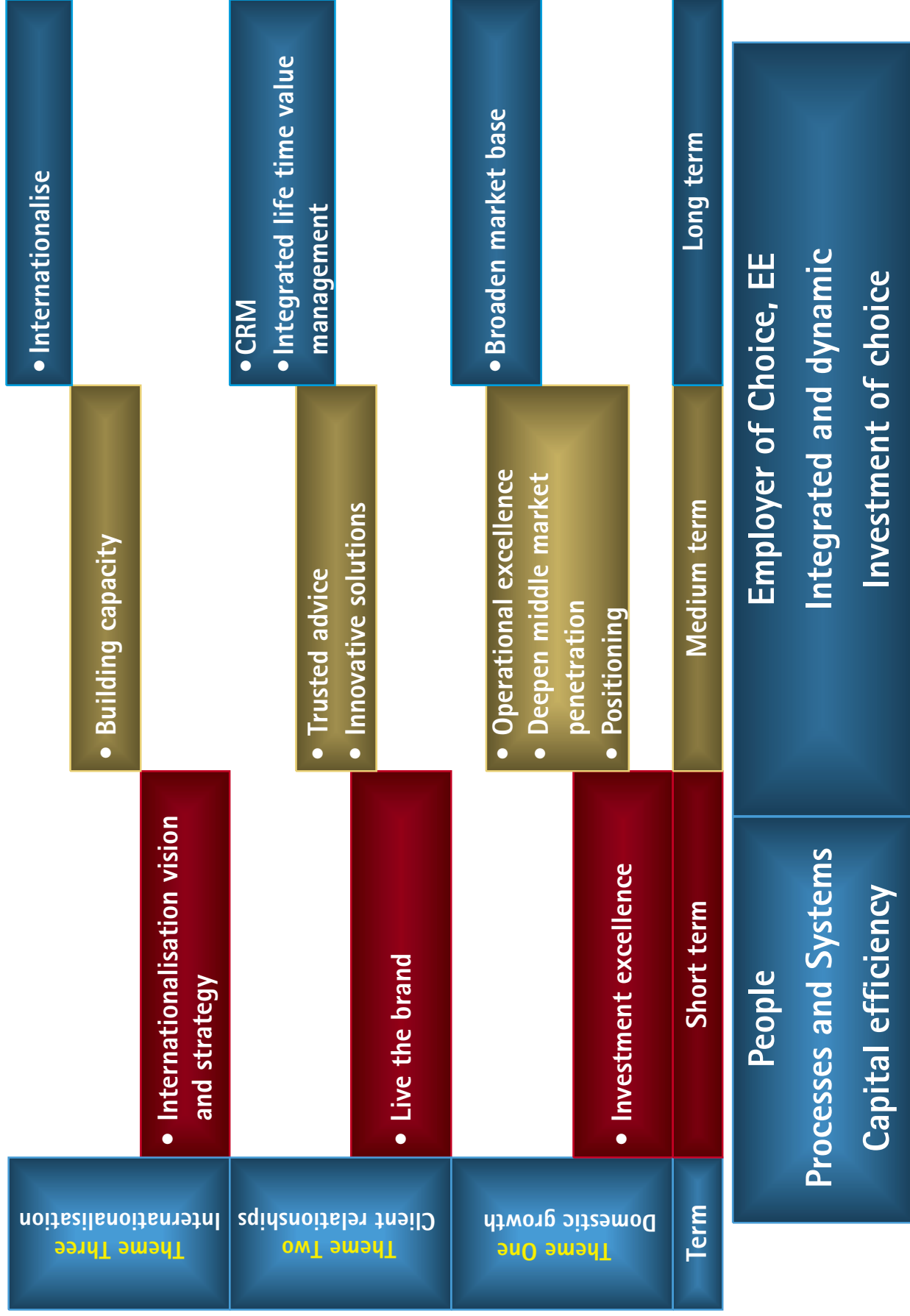
- Publicly voiced differences between factions in the ruling ANC give exaggerated impression of threat to political stability
- Cosatu and SACP playing second fiddle, with the ANC determining policy direction which remains decidedly non-populist
- Organised labour's interests have been well catered for, focus now on unemployed
- Growing realisation that biggest problem is not current policies as such, but effective implementation and service delivery

REGIONAL DEVELOPMENTS

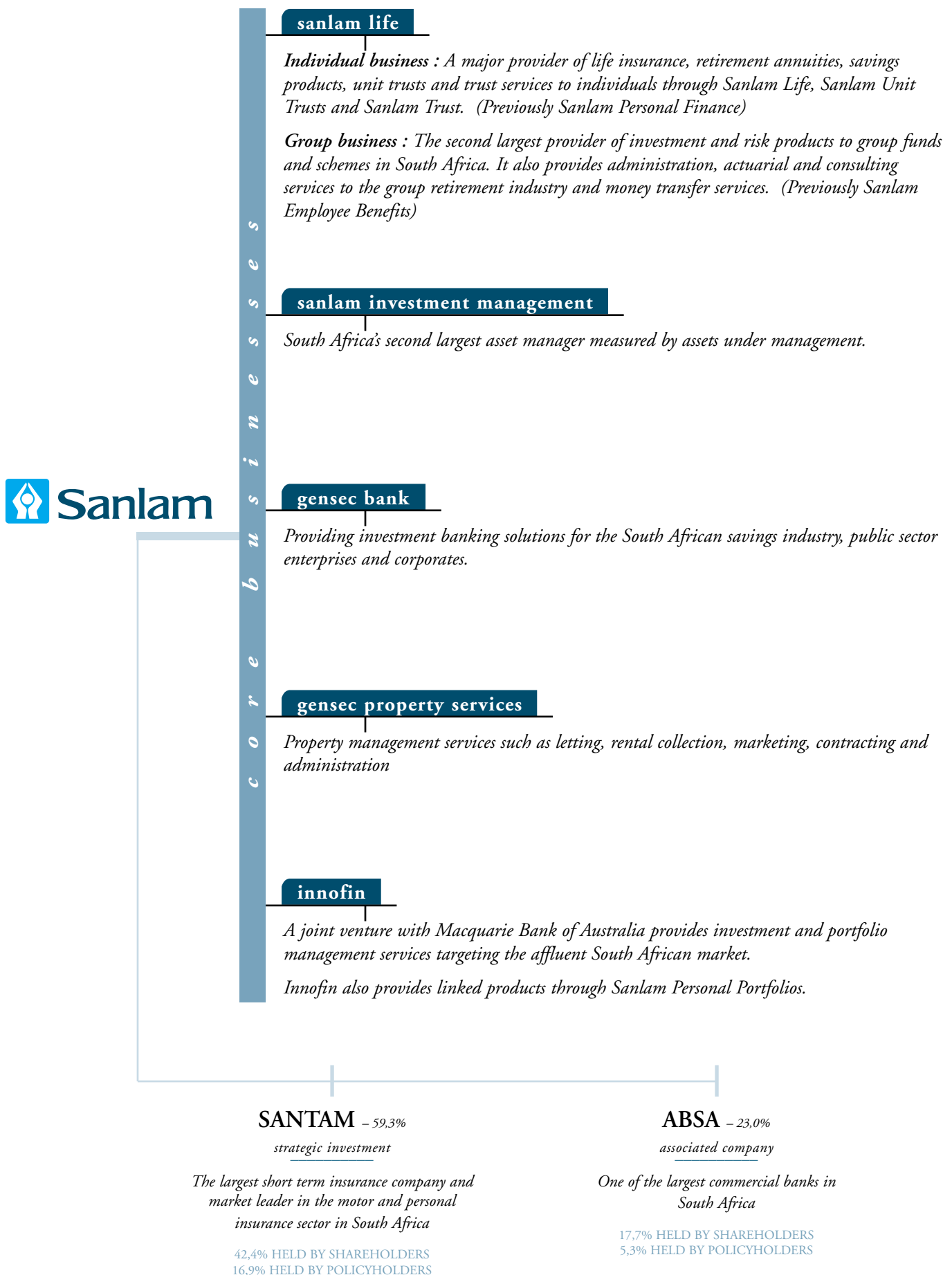
- Investors should distinguish to a greater extent between South Africa and the rest of the region
- SA's ability to influence events in other countries should not be overestimated
- SA playing leading role in African affairs, e.g. NEPAD

SA IN EMERGING MARKET CONTEXT

- The South African economy enjoys low volatility compared with the emerging market universe
- South Africa's macro-economic fundamentals are sound relative to international norms
- Now set to reap benefits of self imposed structural adjustment program of past six years



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