



Sanlam

Interim results
for the six months ended 30 June 2013

Blueprint for Success



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KEY FEATURES

Earnings

- Net result from financial services per share increased by **23%**
 - Normalised diluted headline earnings per share up **35%**
-

Business volumes

- New business volumes up 37% to **R83 billion**
 - Net value of new covered business up 20% to **R587 million**
 - Net new covered business margin of **2,83%**
 - Net fund inflows of **R13 billion**
-

Group Equity Value

- Group Equity Value per share of **R37,47**
 - Annualised return on Group Equity Value per share of **14,3%**
-

Capital management

- Discretionary capital of **R3,2 billion** at 30 June 2013
 - Sanlam Life Insurance Limited CAR cover of **3,9 times**
-

SALIENT RESULTS

for the six months ended 30 June 2013

| | | 2013 | 2012 | % Δ |
|--|-----------|---------------|--------|-----|
| Sanlam Group | | | | |
| Earnings | | | | |
| Net result from financial services per share | cents | 118,1 | 96,2 | 23 |
| Normalised diluted headline earnings per share ⁽¹⁾ | cents | 169,1 | 125,5 | 35 |
| Diluted headline earnings per share | cents | 171,4 | 120,1 | 43 |
| Net result from financial services | R million | 2 409 | 1 946 | 24 |
| Normalised headline earnings ⁽¹⁾ | R million | 3 449 | 2 539 | 36 |
| Headline earnings | R million | 3 474 | 2 408 | 44 |
| Group administration cost ratio ⁽²⁾ | % | 29,3 | 30,4 | |
| Group operating margin ⁽³⁾ | % | 20,5 | 19,9 | |
| Business volumes | | | | |
| New business volumes | R million | 83 244 | 60 977 | 37 |
| Net fund inflows | R million | 12 611 | 10 183 | 24 |
| Net new covered business | | | | |
| Value of new covered business | R million | 587 | 491 | 20 |
| Covered business PVNBP ⁽⁴⁾ | R million | 20 731 | 17 150 | 21 |
| New covered business margin ⁽⁵⁾ | % | 2,83 | 2,86 | |
| Group Equity Value | | | | |
| Group Equity Value ⁽⁶⁾ | R million | 76 609 | 75 352 | |
| Group Equity Value per share ⁽⁶⁾ | cents | 3 747 | 3 707 | |
| Annualised return on Group Equity Value per share ⁽⁷⁾ | % | 14,3 | 18,4 | |
| Sanlam Life Insurance Limited | | | | |
| Shareholders' fund ⁽⁶⁾ | R million | 55 481 | 55 466 | |
| Capital Adequacy Requirements (CAR) ⁽⁶⁾ | R million | 7 250 | 7 125 | |
| CAR covered by prudential capital ⁽⁶⁾ | times | 3,9 | 4,3 | |

Notes

⁽¹⁾ Normalised headline earnings = headline earnings, excluding fund transfers.

⁽²⁾ Administration costs as a percentage of income after sales remuneration.

⁽³⁾ Result from financial services as a percentage of income after sales remuneration.

⁽⁴⁾ PVNBP = present value of new business premiums and is equal to the present value of new recurring premiums plus single premiums.

⁽⁵⁾ New covered business margin = value of new covered business as a percentage of PVNBP.

⁽⁶⁾ Comparative figures are as at 31 December 2012.

⁽⁷⁾ Growth in Group Equity Value per share (with dividends paid, capital movements and cost of treasury shares acquired reversed) as a percentage of Group Equity Value per share at the beginning of the year.

EXECUTIVE REVIEW

2013 marks the tenth anniversary of the introduction of the current Sanlam Group strategy. A strong commitment to this strategy across the Group is evident in its steady and successful implementation over this period. Consistent delivery has also become a key feature of the Group's financial performance and it is particularly satisfactory to report another set of strong financial results for the six months ended 30 June 2013.

As anticipated, the challenging operating environment of 2012 persisted during the six months ended 30 June 2013. Developed market economies failed to find noticeable traction to generate growth while growth in the Chinese economy also experienced a slowdown. Demand for resources from Africa commensurately remained subdued. Investor appetite for emerging markets diminished on concerns over the possible impact of a slowdown in emerging market growth, as well as uncertainty around the unwinding of quantitative easing in the United States. As a consequence, equity and bond markets in most major emerging countries underperformed relative to 2012, with currencies also depreciating sharply on the back of capital outflows and risk aversion. The South African financial markets were no exception. Recent labour unrest in South Africa and concerns around a potential unsecured credit bubble added to international investors' cautious approach. The difficult underwriting conditions in the South African general insurance industry also persisted. These challenges were partly alleviated by a higher level of assets under management in the first half of 2013 relative to the same period in 2012, following the strong investment market performance in the latter part of 2012, as well as underwriting experience in Sanlam Personal Finance. Notwithstanding the challenging environment, the Group's diversification across business lines and geographies provided significant resilience and enabled Sanlam to deliver overall satisfactory results for the period.

Optimising shareholder value, as measured by the Return on Group Equity Value

(RoGEV) per share, is our primary performance target. RoGEV per share of 6,9% (annualised 14,3%) for the first six months of 2013 exceeded the six-month target of 5,3% (annualised 10,8%), despite the negative impact of higher long-term interest rates on the valuation of businesses based on discounted cash flows. The adjusted RoGEV per share, which excludes the impact of investment markets during the period, amounted to 7,3%, also well in excess of the target.

The net result from financial services grew by 23% on a per share basis. Other salient results are:

- New business volumes increased by 37% to R83 billion;
- Net value of new covered business up 20%; and
- Net VNB margin of 2,83%, in line with 2012.

2013 strategic initiatives

We identified the following priorities for the 2013 financial year:

- Focus on top-line sales growth as well as operating and cost efficiencies;
- Improving capital efficiency on an ongoing basis;
- Pursuit of international strategy in emerging markets;
- Continued focus on efficient and effective management of existing South African businesses; and
- Compliance with regulatory reform, in particular alignment with proposed TCF legislation.

Earnings growth

The Sanlam Group delivered strong growth in both new business volumes and operating earnings in the first half of 2013.

New business volumes increased by 37%, with Sanlam Investments (SI) delivering exemplary growth of 58%. Product innovation had a positive impact on Sanlam Personal Finance's (SPF) new business growth of 27%, with the Cumulus and Nimbus product ranges continuing to attract strong demand. Sanlam Emerging

Markets (SEM) recorded 20% growth in new life recurring premiums. Large single premium business volumes achieved by SEM in the first half of 2012 did, however, not repeat to the same extent in 2013. Single premium flows are more volatile in nature and the lower single premium sales do not reflect any deterioration in the underlying operational performance.

Strong persistency levels were maintained across all market segments as the focus remained on client retention and on writing only quality new business that provides clients with affordable and appropriate products for their specific needs.

The net result from financial services increased by 24% (23% per share), with most businesses contributing to the growth. This is the combined result of higher fee income earned on a higher asset base as well as a focus in all businesses on delivering improved cost efficiencies. The Group administration cost ratio declined from 30,4% in the first half of 2012 to 29,3% in 2013 as a result.

Capital efficiency

Capital efficiency is a key component of the Group's strategy to maximise RoGEV. This is achieved through the allocation of capital to those areas that yield the highest risk adjusted return. Discretionary capital that is not required to support the Group operations is managed at a central Group level, with investment in value-adding future growth opportunities the preferred application.

The Sanlam Group held discretionary capital of R4,2 billion at the end of December 2012. Major changes during the six months to 30 June 2013 include R1,1 billion utilised for the special dividend payment in April, R1,1 billion utilised to

acquire a direct stake of 4,1% in Shriram Transport Finance, and R412 million in discretionary capital released through the disposal of non-core operations. Remaining discretionary capital of R3,2 billion at 30 June 2013 is substantially earmarked for expansion in Africa, India and South-East Asia.

Pursuit of international strategy in emerging markets

Our presence in emerging markets outside of South Africa was bolstered by the successful execution of two major investment transactions in India and Malaysia.

In India we increased our exposure to the credit operations of Shriram, our strategic partners in India, by the investment of R1,1 billion in Shriram Transport Finance shares. This added to the R2,1 billion invested in Shriram Capital in the latter half of 2012. These investments contributed R151 million to SEM's net result from financial services in the first half of 2013, an annualised operating earnings yield of some 10%.

We also concluded the acquisition of a 49% stake in Pacific & Orient Insurance Co Berhad (P&O), a niche short-term insurance business in Malaysia. The effective date of the transaction was 1 May 2013 and contributed R9 million to SEM's net result from financial services.

We are confident of the growth prospects in both these regions and look forward to building our working relationship with the P&O management team and further strengthening the excellent relationship established over a number of years with the Shriram Group.

We are evaluating a number of other possible emerging market opportunities.

Efficient and effective management of South African businesses

The majority of the Group's earnings still comes from the more mature South African market. As is evident from the strong growth reported by SPF over the last number of years, South Africa is by no means ex-growth and remains a key focus area for the Group. Nevertheless, acquisitions of scale are not possible in this market given Sanlam's large market share. Organic growth will therefore be the driver of future earnings with a strong focus on product innovation, cost efficiencies, cross selling and improved cooperation between the various business units. Sanlam is a formidable competitor in the South African market and we still anticipate good growth from this region over the medium term, in particular the entry-level market.

Regulatory changes

The regulatory environment in South Africa continues to change in line with similar international developments. The Financial Services Board's (FSB) proposed Treating Customers Fairly (TCF) regime is important market conduct legislation that will come into effect in 2014. Sanlam is supportive of the initiative as putting the needs of our clients first is an integral part of our business philosophy and will benefit the industry in the longer term. We made good progress in analysing the regulations and identifying the few minor areas where we need to fully align our approach with the new requirements. These will be implemented over the next few months.

Looking ahead

The operating environment in the second half of the year is expected to remain difficult with weak economic growth in the Group's core markets and investment market volatility likely to continue. These conditions, combined with a higher comparative base in the second half of the year and some once-off items impacting the results for the first six months of 2013 (refer below), are likely to impact the Group's ability to maintain the strong growth achieved in the key performance metrics. However, we remain confident that we have the strategy and depth of skills and experience to face these challenges and to continue in pursuit of sustainable delivery.

Forward-looking statements

In this report we make certain statements that are not historical facts and relate to analyses and other information based on forecasts of future results not yet determinable, relating, amongst others, to new business volumes, investment returns (including exchange rate fluctuations) and actuarial assumptions. These statements may also relate to our future prospects, developments and business strategies. These are forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. Forward-looking statements involve inherent risks and uncertainties and, if one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. Forward-looking statements apply only as of the date on which they are made, and Sanlam does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Any forward-looking statements in this announcement have not been reviewed and reported on by Sanlam's external auditor.

COMMENTS ON THE RESULTS

Introduction

The Sanlam Group results for the six months ended 30 June 2013 are presented based on and in compliance with International Financial Reporting Standards (IFRS), specifically IAS 34 on Interim Financial Reporting. The basis of preparation and accounting policies for the IFRS financial statements and Shareholders' information are in all material respects consistent with those applied in the 2012 annual report, apart from the following:

- The adoption of new IFRSs that became effective during the 2013 financial year (refer page 20), that impacted the IFRS financial statements but did not have any effect on the presentation of the Shareholders' information.
- The presentation within Group Equity Value (GEV) of non-life Group operations that are not valued at listed market value was amended to align with the treatment of covered business. The fair value of these non-life operations previously comprised their base valuation to which the year to date earnings were added. The year to date earnings essentially constituted the dividend payment expected from the businesses in terms of the Group's dividend policy. This presentation format is not consistent with covered business, where the operations are reflected at base valuation with year to date earnings (potential dividend) included in Other capital within the GEV statement. With effect from 30 June 2013, non-life Group operations are also reflected at base valuation, with year to date earnings included in Other capital. Comparative information has not been restated as the change in presentation does not have an impact on the overall GEV, GEV earnings and RoGEV.

Operating environment

Economic conditions

Economic conditions remained strained during the first half of 2013, with the low

demand for resources impacting economic growth in many of the countries where the Group operates. The Group's largest exposure is to the economies of South Africa, Namibia, Botswana and India. The South African and Namibian economies continued to deliver low growth, impacting negatively on job creation and overall disposable income. The Botswana economy also remains impacted by low diamond prices, the backbone of economic growth for the country, while growth in India slowed down from its previous high base.

Equity markets

The South African equity market underperformed relative to developed markets and the prior year performance as investor risk aversion impacted most major emerging markets. The FTSE/JSE All Share Index closed 0,8% up on its 31 December 2012 level, with a total return of 2,3% for the six months to 30 June 2013. This compares to a return of 7% from this index in the first six months of 2012. The MSCI World Index returned 26,9% in rand terms compared to 7,3% in 2012, reflecting both good underlying market performance and a sharp depreciation in the relative value of the rand.

Interest rates

South African long-term interest rates increased markedly since the end of December 2012 as international investors disinvested from emerging markets and inflationary risk increased due to the weakening of the rand. This had a negative impact on the valuation of in-force covered business as well as other Group operations valued on a discounted cash flow basis, with a commensurate impact on RoGEV for the period. The rise in long-term interest rates contributed to a negative return in the All Bond Index of 1,3% for the first six months of 2013, compared to a positive return of 7,7% in 2012.

Foreign currency exchange rates

The rand weakened against most major currencies to which the Group has exposure. This had a positive impact on the growth in new business volumes, value of new life business and earnings reported for the non-South African operations.

| Foreign currency/ ZAR | Europe EUR | United Kingdom GBP | USA USD | Botswana BWP | India INR | Rest of Africa (weighted) |
|-----------------------------|---------------|--------------------------|--------------|-----------------|--------------|---------------------------------|
| 31/12/2012 | 11,18 | 13,79 | 8,48 | 1,11 | 0,16 | |
| 30/6/2013 | 12,90 | 15,06 | 9,93 | 1,18 | 0,17 | |
| Weakening | 15,4% | 9,2% | 17,1% | 6,3% | 7,1% | 15,3% |
| Average first half 2012 | 10,29 | 12,51 | 7,93 | 1,09 | 0,15 | |
| Average first half 2013 | 12,10 | 14,15 | 9,19 | 1,14 | 0,17 | |
| Weakening | 17,6% | 13,1% | 15,9% | 4,8% | 10,6% | 4,7% |

Group Equity Value

As at 30 June 2013 total GEV amounted to R76,6 billion or 3 747 cents per share. Growth of 7,3% and 6,9% respectively on the R75,4 billion and 3 707 cents per share GEV in December 2012 was achieved, both well above the 2013 performance hurdle for the six months of 5,3%.

The Group has a significant exposure to investment markets, both in the shareholder capital portfolio that is invested in financial instruments, as well as a significant portion of the fee income base that is linked to the level of assets under management. The weak investment market performance during the first half of 2013 had a marked negative impact on the RoGEV for the period. This was aggravated by the increase in long-term interest rates that reduced the valuation of the in-force life book and other operations valued on a discounted cash flow basis. An adjusted RoGEV per share of 7,3% that excludes the impact of investment returns that were below long-term expectations, the higher long-term interest rates and certain other once-off effects, is also well in excess of the return target.

Group Equity Value at 30 June 2013

| R million | Group Equity Value | | RoGEV % (six months) | |
|--|--------------------|--------|-------------------------|-------|
| | 2013 | 2012* | 2013 | 2012 |
| Group operations | 71 808 | 68 166 | 8,2 | 10,7 |
| Sanlam Personal Finance | 33 155 | 32 762 | 6,8 | 8,9 |
| Sanlam Emerging Markets | 9 356 | 6 105 | 22,0 | 6,3 |
| Sanlam Investments | 16 328 | 16 424 | 9,2 | 6,3 |
| Sanlam | 12 969 | 12 875 | 2,9 | 24,3 |
| Covered business | 39 927 | 38 996 | 7,8 | 8,4 |
| Value of in-force | 24 702 | 24 050 | 9,1 | 11,9 |
| Net worth | 15 225 | 14 946 | 5,7 | 3,6 |
| Other operations | 31 881 | 29 170 | 8,8 | 14,3 |
| | 71 808 | 68 166 | 8,2 | 10,7 |
| Discretionary capital and other | 4 801 | 7 186 | (2,5) | (3,1) |
| Group Equity Value | 76 609 | 75 352 | 7,3 | 9,2 |
| <i>Per share (cents)</i> | 3 747 | 3 707 | 6,9 | 8,8 |

* Comparative information as at 31 December 2012.

COMMENTS ON THE RESULTS continued

Group operations yielded an overall return of 8,2% in the first half of 2013, compared to 10,7% in the 2012 comparable period. The return on covered business for the first six months of 2013 of 7,8% is characterised by strong growth in VNB and a continuance of positive operating experience variances, with risk and persistency the main contributors. Operating assumption changes of R289 million in 2013 also exceed the comparative period's R68 million. The new HIV/Aids tables issued by the Actuarial Society of South Africa, which assume lower Aids-related mortality, were implemented in 2013 and contributed R552 million in positive operating assumption changes for risk experience. This was partly offset by additional provisions for project expenses relating to the changing regulatory environment in South Africa. The increase in long-term interest rates resulted in negative economic assumptions changes of R888 million compared to positive economic assumption changes of R375 million in 2012. Excluding these, covered business outperformed the 2012 comparative return.

Other Group operations provided a return of 8,8% compared to 14,3% in 2012. The lower return is mainly due to the listed Santam share price delivering a return of only 2,9% in the first half of 2013 compared to 24,3% in 2012. All other operations delivered good returns, with valuations generally supported by an increase in assets under management and administration.

A low return on discretionary and other capital is essentially the combined effect of the investment return earned on surplus capital (substantially invested in low yielding liquid assets), offset by corporate costs and timing differences in the recognition of the share-based payment expense relating to the Group's long-term incentive schemes, which are weighted towards the first half of the year.

Earnings

Shareholders' fund income statement for the six months ended 30 June 2013

| R million | 2013 | 2012 | % Δ |
|---|--------------|--------------|-----------|
| Net result from financial services | 2 409 | 1 946 | 24 |
| Sanlam Personal Finance | 1 409 | 1 077 | 31 |
| Sanlam Emerging Markets | 231 | 183 | 26 |
| Sanlam Investments | 523 | 471 | 11 |
| Corporate and other | (42) | (59) | 29 |
| | 2 121 | 1 672 | 27 |
| Sanlam Emerging Markets acquired earnings | 160 | — | |
| Santam | 128 | 274 | (53) |
| Net investment return | 1 150 | 891 | 29 |
| Project costs and amortisation | (101) | (68) | (49) |
| Equity participation costs | (9) | (1) | >(100) |
| Secondary Tax on Companies | — | (229) | 100 |
| Normalised headline earnings | 3 449 | 2 539 | 36 |
| <i>Per share (cents)</i> | 169,1 | 125,5 | 35 |

Net result from financial services (net operating profit) of R2,4 billion increased by 24% on the first half of 2012. All clusters reported satisfactory growth, apart from Santam where the high claims experience of the second half of 2012 continued into the first six months of 2013. SEM's net operating profit more than doubled, assisted by a maiden contribution from the investments in India and Malaysia during 2012 and 2013 (refer above). Excluding these impacts from Santam and SEM's acquired earnings, net result from financial services increased by a satisfactory 27%. The individual cluster results are discussed in more detail below.

Normalised headline earnings of R3,4 billion are 36% higher than in 2012, largely attributable to the following:

- The 24% increase in net result from financial services.
- A 29% increase in the net investment return earned on the capital portfolio. Investment income declined by 31%, largely due to a lower level of discretionary capital following the utilisation of capital for acquisitions and the special dividend, but net investment surpluses more than doubled on the first half of 2012. The relatively weaker equity and bond market performance in South Africa in 2013 was offset by good returns on the international exposure in the portfolio and once-off investment gains of some R215 million realised in 2013. The latter includes an increase in the valuation of the Group's interest in Capricorn following the recent listing of Bank Windhoek in Namibia and a sizable recovery of a previously impaired portfolio investment.
- The abolishment of Secondary Tax on Companies (STC) in South Africa during 2012. No STC expense is recognised in the income statement with effect from the 2013 dividend compared to an expense of R229 million in 2012.

Business volumes

The Group achieved overall growth of 34% in new business volumes (excluding white label), a solid performance in the difficult operating environment. SEM was the only business reporting lower new business sales, attributable to lower single premiums in most regions. This was partly compensated for by strong new recurring premium sales in all SEM operations. The strategic focus on the quality of new business written is reflected in good retention levels and a continuance of strong net fund inflows. Overall net fund inflows achieved of R13,7 billion (excluding white label) is a commendable performance. SIM received notice from the Public Investment Corporation of the imminent withdrawal of an investment mandate of some R9,5 billion due to the restructuring of its portfolios. This outflow will put severe pressure on the Group's ability to repeat the level of net inflows achieved in the second half of 2013. The individual business performance is discussed in more detail below.

Business volumes for the six months ended 30 June 2013

| R million | New business | | | Net inflows | | |
|--------------------------------------|---------------|---------------|-----------|---------------|--------------|-----------|
| | 2013 | 2012 | % Δ | 2013 | 2012 | % Δ |
| Sanlam Personal Finance | 19 239 | 15 192 | 27 | 6 564 | 3 615 | 82 |
| Sanlam Emerging Markets | 5 933 | 6 483 | (8) | 607 | 2 296 | (74) |
| Sanlam Investments | 42 528 | 27 396 | 55 | 4 194 | 1 027 | 308 |
| Santam | 8 096 | 7 703 | 5 | 2 381 | 2 614 | (9) |
| Total (excluding white label) | 75 796 | 56 774 | 34 | 13 746 | 9 552 | 44 |
| Covered business | 14 956 | 12 159 | 23 | 5 159 | 4 433 | 16 |
| Investment business | 52 436 | 36 759 | 43 | 6 160 | 2 459 | 151 |
| Short-term insurance | 8 404 | 7 856 | 7 | 2 427 | 2 660 | (9) |
| Total (excluding white label) | 75 796 | 56 774 | 34 | 13 746 | 9 552 | 44 |

COMMENTS ON THE RESULTS continued

Value of new covered business

The value of new life business (VNB) written during the first six months of 2013 increased by 20% on 2012 gross and net of non-controlling interest. Margins were maintained at a level similar to 2012. The individual business performance is discussed in more detail below.

Value of new covered business for the six months ended 30 June 2013

| R million | 2013 | 2012 | % Δ |
|--|--------|--------|-----|
| Value of new covered business | 639 | 533 | 20 |
| Sanlam Personal Finance | 450 | 390 | 15 |
| Sanlam Emerging Markets | 136 | 108 | 26 |
| Sanlam Investments | 53 | 35 | 51 |
| Net of non-controlling interest | 587 | 491 | 20 |
| Present value of new business premiums | 21 455 | 17 930 | 20 |
| Sanlam Personal Finance | 14 667 | 12 680 | 16 |
| Sanlam Emerging Markets | 2 085 | 2 199 | (5) |
| Sanlam Investments | 4 703 | 3 051 | 54 |
| Net of non-controlling interest | 20 731 | 17 150 | 21 |
| New covered business margin | 2,98% | 2,97% | |
| Sanlam Personal Finance | 3,07% | 3,08% | |
| Sanlam Emerging Markets | 6,52% | 4,91% | |
| Sanlam Investments | 1,13% | 1,15% | |
| Net of non-controlling interest | 2,83% | 2,86% | |

Cluster performance

Sanlam Personal Finance

Key performance indicators for the six months ended 30 June 2013

| R million | 2013 | 2012 | % Δ |
|---|--------|--------|--------|
| Group Equity Value | | | |
| Group Equity Value* | 33 155 | 32 762 | 1 |
| Covered business | 30 524 | 30 144 | 1 |
| Other operations | 2 631 | 2 618 | 1 |
| Return on Group Equity Value (6 months) | 6,8% | 8,9% | |
| Covered business | 6,2% | 9,1% | |
| Other operations | 13,8% | 7,0% | |
| Business volumes | | | |
| New business volumes | 19 239 | 15 192 | 27 |
| Life business | 10 114 | 8 733 | 16 |
| Entry-level market | 503 | 430 | 17 |
| <i>Individual life</i> | 353 | 337 | 5 |
| <i>Group life</i> | 150 | 93 | 61 |
| Middle-income market | 5 200 | 4 464 | 16 |
| <i>Recurring premiums</i> | 628 | 594 | 6 |
| <i>Single premiums</i> | 4 572 | 3 870 | 18 |
| Affluent market | 4 411 | 3 839 | 15 |
| Investment business | 9 125 | 6 459 | 41 |
| Middle-income market | 168 | 136 | 24 |
| Affluent market | 8 957 | 6 323 | 42 |
| Net fund flows | 6 564 | 3 615 | 82 |
| Life business | 3 197 | 2 913 | 10 |
| Entry-level market | 1 410 | 867 | 63 |
| Middle-income market | (791) | (125) | >(100) |
| Affluent market | 2 578 | 2 171 | 19 |
| Investment business | 3 367 | 702 | 380 |
| Value of new covered business | | | |
| Value of new business | 450 | 390 | 15 |
| Entry-level market | 146 | 150 | (3) |
| Middle-income market | 240 | 186 | 29 |
| Affluent market | 64 | 54 | 19 |
| Present value of new business premiums | 14 667 | 12 680 | 16 |
| Entry-level market | 1 956 | 1 839 | 6 |
| Middle-income market | 8 300 | 7 002 | 19 |
| Affluent market | 4 411 | 3 839 | 15 |
| New business margin | 3,07% | 3,08% | |
| Entry-level market | 7,46% | 8,16% | |
| Middle-income market | 2,89% | 2,66% | |
| Affluent market | 1,45% | 1,41% | |
| Earnings | | | |
| Gross result from financial services | 1 941 | 1 499 | 29 |
| Entry-level market | 360 | 199 | 81 |
| Middle-income market | 1 459 | 1 209 | 21 |
| Affluent market | 122 | 91 | 34 |
| Net result from financial services | 1 409 | 1 077 | 31 |

* Comparative information as at 31 December 2012

COMMENTS ON THE RESULTS continued

SPF achieved strong growth in all performance metrics for the six months to 30 June 2013. All market segments contributed to the high level of growth, a particularly pleasing result.

SPF achieved a **RoGEV** of 6,8% for the six months to June 2013, compared to 8,9% for the comparable period in 2012. Covered business return was negatively affected in 2013 by the increase in long-term rates that resulted in negative economic assumption changes. A decline in rates had the opposite effect in the comparable 2012 return. Strong growth in the value of new life business, continued positive experience variances and positive operating assumption changes, substantially related to the introduction of the new HIV/Aids tables, supported the results in 2013. Investment return on the capital portfolio also exceeded the expected return for the period, attributable to an outperformance of benchmarks by Sanlam Investments and a good return achieved on the international exposure in the portfolio. The return on the non-life operations were positively impacted by an increase in the valuation of Glacier and Sanlam Personal Loans, due to an increase in the level of assets under management and the size of the loan book respectively.

New business volumes increased by 27% on the first half of 2012, with new life business up 16% and new investment business sales increasing by 41%.

Sanlam SKY achieved growth of 17% in the entry-level market, the combined result of a 5% increase in individual life sales and growth of 61% in group life business. The Sanlam SKY agency channel achieved 21% growth in individual life sales, offset by a 25% decline in the broker channel. The increased compliance burden is resulting in many brokers leaving the industry or converting to tied agents, contributing to the decline in brokers' contribution. The impact on overall growth should normalise over time as the structural change in distribution model to agents progresses. Compared to a slow start in 2012, group life business, specifically credit life sales and Safrican business, recorded good growth in the first six months of 2013. The bi-annual ZCC premium renewal occurred in the first half of 2013, also supporting the growth in

group life business. VNB declined by 3%, partly attributable to an increase in the five-year long-term interest rate used to calculate VNB. On a comparable basis, VNB grew by 9% at slightly reduced margins, with lower margin group life business contributing relatively more to the overall margin in 2013.

Middle-income market sales increased by 17%, driven by 18% growth in single premiums. New recurring premium life business increased by 6%, largely attributable to the newly launched Cumulus retirement annuity attracting strong new business. New recurring premium risk business declined marginally on 2012, the combined result of competitive market rates and a change in business mix from level to escalating premiums. VNB increased by 28% following the strong new business sales.

Glacier's non-life linked products remain popular in the affluent market, supporting the overall 32% growth in Glacier's new business.

The strategic focus on writing quality new business continues to impact positively on retention, with all market segments maintaining persistency levels. **Net fund flows** commensurately benefited and increased by 82%. The only segment experiencing net outflows was the middle-income market, where the strong single premium sales of the past five years have started to mature with a resulting increase in benefit payments.

Gross result from financial services increased by 29% (31% on a net of tax and non-controlling interest basis). Entry-level market earnings were up 81%, primarily due to the growth in the in-force book over the last number of years, positive mortality experience and the Channel4Life loss recognised in 2012 that reduced the comparative base. Middle-income market profit grew by 20%, supported by positive mortality claims experience and higher fund-based fee income earned on the higher average level of assets under management. Higher assets under management also impacted positively on Glacier's fee income, which together with good cost control increased affluent market earnings by 34%.

Sanlam Emerging Markets

Key performance indicators for the six months ended 30 June 2013

| R million | 2013 | 2012 | % Δ |
|---|-------|---------|-------|
| Group Equity Value | | | |
| Group Equity Value* | 9 356 | 6 105 | 53 |
| Covered business | 2 982 | 2 647 | 13 |
| Other operations | 6 374 | 3 458 | 84 |
| Return on Group Equity Value (6 months) | 22,0% | 6,3% | |
| Covered business | 21,6% | 7,8% | |
| Other operations | 22,2% | 3,0% | |
| Business volumes | | | |
| New business volumes | 5 933 | 6 483 | (8) |
| Namibia | 4 263 | 4 599 | (7) |
| Botswana | 871 | 1 200 | (27) |
| Rest of Africa | 436 | 465 | (6) |
| India/Malaysia | 363 | 219 | 66 |
| Net fund flows | 607 | 2 296 | (74) |
| Namibia | (419) | 648 | (165) |
| Botswana | 460 | 1 012 | (55) |
| Rest of Africa | 530 | 554 | (4) |
| India/Malaysia | 36 | 82 | (56) |
| Value of new covered business | | | |
| Value of new business | 136 | 108 | 26 |
| Namibia | 44 | 24 | 83 |
| Botswana | 37 | 39 | (5) |
| Rest of Africa | 55 | 46 | 20 |
| India | — | (1) | |
| Present value of new business premiums | 2 085 | 2 199 | (5) |
| Namibia | 444 | 502 | (12) |
| Botswana | 809 | 832 | (3) |
| Rest of Africa | 720 | 739 | (3) |
| India | 112 | 126 | (11) |
| New business margin | 6,52% | 4,91% | |
| Namibia | 9,91% | 4,78% | |
| Botswana | 4,57% | 4,69% | |
| Rest of Africa | 7,64% | 6,22% | |
| India | 0,00% | (0,79)% | |
| Earnings | | | |
| Gross result from financial services | 697 | 381 | 83 |
| Namibia | 112 | 97 | 15 |
| Botswana | 276 | 247 | 12 |
| Rest of Africa | 76 | 38 | 100 |
| India/Malaysia | 244 | 7 | >100 |
| Corporate | (11) | (8) | (38) |
| Net result from financial services | 391 | 183 | 114 |

* Comparative information as at 31 December 2012

COMMENTS ON THE RESULTS continued

The SEM results for the first half of 2013 include maiden contributions from the R3 billion additional investment in Shriram in 2012 and 2013 as well as two months' contribution from the P&O investment in Malaysia, effective 1 May 2013. The weakening of the rand exchange rate also had a positive impact on the growth reported for 2013.

SEM's **RoGEV** for the period benefited from the weaker rand exchange rate. The return on covered business was also supported by strong growth in VNB, positive experience variances as well as the abnormal value appreciation of the Capricorn investment held within the Namibian capital portfolio (refer above). The investment in Shriram Capital is the main contributor to the return on Other operations, with all valuations increasing in line with the growth in the underlying businesses.

New business volumes declined by 8%, with new single premium sales 13% lower from a high base in 2012. Single premiums are more volatile in nature, with anticipated lower new business volumes in some periods. The challenging economic environment in Botswana continues to impact new business volumes, with lower single premium annuity business the main contributor to the 32% decline in new single premium business in this market. Kenya received a large bulk annuity mandate in 2012 that did not repeat in 2013, resulting in a 22% decline in Rest of Africa single premiums. New recurring premium life business increased by a

healthy 20% and short-term insurance premiums doubled (50% increase excluding the newly acquired P&O). The Botswana business has done well to grow recurring premium sales by 24%. The growth trajectory in Rest of Africa also remains intact with new recurring premium sales increasing by 23%. VNB grew by 26% on 2012, with VNB margins increasing from 4,91% in the first half of 2012 to 6,51% in 2013. The change in mix to more profitable recurring premium business supported the higher overall margins. Botswana was the only region experiencing a decline in VNB and margins, attributable to the lower annuity sales.

The lower single premium sales resulted in a marked decline in **net fund flows** across all regions.

SEM delivered exceptional growth of 83% in gross **result from financial services** (114% net of tax and non-controlling interest). This includes the maiden contributions from India and Malaysia as referred to above. Excluding earnings from structural growth, comparable gross earnings improved by 22%. The earnings growth reflects the increasing in-force book across Africa as well as higher fee income in the asset management operations from a higher level of assets under management. Excluding new acquisitions, operating earnings in India more than doubled off a relatively low base, with Shriram General Insurance in particular achieving good profit growth.

Key performance indicators for the six months ended 30 June 2013

| R million | 2013 | 2012 | % Δ |
|---|----------------|--------|-------|
| Group Equity Value | | | |
| Group Equity Value* | 16 328 | 16 424 | (1) |
| Covered business | 6 421 | 6 205 | 3 |
| Other operations | 9 907 | 10 219 | (3) |
| Return on Group Equity Value (6 months) | 9,2% | 6,3% | |
| Covered business | 9,5% | 5,6% | |
| Other operations | 9,1% | 6,8% | |
| Business volumes | | | |
| Net fund flows (excluding white label) | 4 194 | 1 027 | 308 |
| Investments | 2 959 | 683 | 333 |
| Asset management | (2 828) | 1 751 | (262) |
| Wealth management | 2 457 | (328) | 849 |
| Investment services | 2 018 | (744) | 371 |
| International | 1 312 | 4 | >100 |
| Life business | 1 235 | 344 | 259 |
| New life business volumes | 3 644 | 1 933 | 89 |
| Recurring premiums | 178 | 194 | (8) |
| Single premiums | 3 466 | 1 739 | 99 |
| Value of new covered business | | | |
| Value of new business | 53 | 35 | 51 |
| Present value of new business premiums | 4 703 | 3 051 | 54 |
| New business margin | 1,13% | 1,15% | |
| Earnings | | | |
| Gross result from financial services | 687 | 631 | 9 |
| Investment management | 451 | 369 | 22 |
| Employee Benefits | 174 | 189 | (8) |
| Capital Management | 62 | 73 | (15) |
| Net result from financial services | 523 | 471 | 11 |

* Comparative information as at 31 December 2012

SI delivered exemplary new business and net fund flow performances. The weaker rand exchange rate had a positive impact on the results of the cluster's international businesses but an allowance for the impairment of the Capital Management unit's exposure to the First Strut bonds limited the increase in the cluster's gross result from financial services to 9%.

SI achieved a **RoGEV** of 9,2% for the six months to June 2013, with both covered and other operations contributing to the growth. The valuation of SI's operations benefited from an increase in the level of assets under management, following a continuance of net fund inflows and net positive investment returns. Good growth in operating profit in the investment management operations also contributed to the RoGEV.

New business volumes increased by 58% with all business units delivering growth in excess of 20%. The international businesses more than doubled their new business sales, with Wealth management and Investment services achieving growth of 79% and 70% respectively, a particularly satisfactory achievement in a very competitive market.

The strong new business performance flowed through to the cluster's **net fund flows**, which increased from R1 billion in the first six months of 2012 to more than R4 billion in 2013 (excluding white label).

COMMENTS ON THE RESULTS continued

Asset management is the only business reporting worse net flows, declining from a net inflow of R1,8 billion in 2012 to a net outflow of R2,8 billion in the first half of 2013. This is due to two clients withdrawing R4,3 billion during the period, essentially due to portfolio restructuring.

Gross **result from financial services** increased by 9%. The strong investment market performance in the second half of 2012 supported a higher level of assets under management in 2013 across all businesses in the cluster, resulting in a 22% increase in earnings from the investment management businesses. Cost efficiency improvements also contributed to the growth and remains a key focus area for the cluster. Sanlam Employee Benefits (SEB)'s operating earnings declined by 8%, attributable to once-off fee income in the first half of 2012 that increased the comparative base, as well as a 15% decline in risk underwriting profit due to weaker claims experience. Operating profit in the Capital Management business declined by 15%, attributable to a provision created against its exposure to First Strut, which went into liquidation, partly offset by a partial recovery of a previously impaired investment. Excluding these two exceptional items, Capital Management improved its operating earnings by 92%, with strong growth in both the equities and debt divisions.

Santam

Key performance indicators for the six months ended 30 June 2013

| R million | 2013 | 2012 | % Δ |
|---|--------|--------|------|
| Group Equity Value | | | |
| Group Equity Value* | 12 969 | 12 875 | 1 |
| Return on Group Equity Value (6 months) | 2,9% | 24,3% | |
| Business volumes | | | |
| Net earned premiums | 8 096 | 7 703 | 5 |
| Net fund flows | 2 381 | 2 614 | (9) |
| Earnings | | | |
| Gross result from financial services | 296 | 672 | (56) |
| Net result from financial services | 128 | 274 | (53) |
| Ratios | | | |
| Claims | 70,6% | 66,1% | |
| Administration costs | 17,2% | 16,3% | |
| Combined | 98,8% | 93,9% | |
| Underwriting | 1,3% | 6,1% | |

* Comparative information as at 31 December 2012.

The **RoGEV** of the short-term insurance cluster reflects the investment return earned on the listed Santam shares, which marginally outperformed the South African equity market.

The high claims experience in the South African short-term insurance industry continued into the first six months of 2013. The agricultural business, in particular, incurred significant losses from hail damage to summer crops and drought in other parts of the country. At the same time the claims experience in the motor book was adversely affected by the high replacement cost of imported vehicle parts following the sharp depreciation in the rand exchange rate. The competitive environment in the mature South African market remains challenging. Gross written premiums increased by 9%; higher reinsurance costs, however, limited the growth in net earned premiums to 5%.

Capital and solvency

Optimal capital management remains a key strategic priority for the Group, with specific focus on the following:

- *Optimising the capital allocated to Group operations*, taking account of the applicable regulatory requirements. Continuous attention is given to businesses and individual products attracting suboptimal levels of capital and thus diluting RoGEV. Product design, pricing and new business targets are therefore linked to capital required and the meeting of return hurdles. The Financial Services Board's implementation of a third country equivalent of the European Solvency II regime in South Africa (Solvency Assessment and Management (SAM)) is a major consideration. Sanlam is an active participant in this process with our own SAM implementation project running according to plan. The FSB conducted its second quantitative impact study in South Africa in 2012, which confirmed the Group's view that the capital allocated to its life insurance operations is appropriate based on the standard formula prescribed in this study. The standard formula is still developing with a third quantitative impact study planned for submission to the FSB in April 2014. Until the FSB has finalised the basis for determining the required capital for the Life Insurance operations, the Group will maintain its prudent approach to capital management.
- **Releasing capital from illiquid and non-core investments.** R412 million was released during the first half of 2013 through the disposal of non-core operations in the United Kingdom and illiquid investments.
- **Optimal utilisation of discretionary capital.** The Group's preference remains to invest its discretionary capital in value-adding growth opportunities, with specific focus on the identified growth markets. R1,1 billion was utilised in 2013 to acquire a direct interest of 4,1% in Shriram Transport Finance (refer Executive Review above). Discretionary capital invested in cash

yields suboptimal return and any amount that is not expected to be utilised for acquisitions in the foreseeable future will be returned to shareholders. Excess investment return of some R1,1 billion earned during 2012 was returned to shareholders in 2013 through a special dividend of 50 cents per share.

At the end of December 2012 the Group held discretionary capital of R4,2 billion. Taking into account the movement set out above, as well as the investment return earned by the discretionary capital portfolio and the cash operating profit retained in the 2012 dividend earnings cover, the level of discretionary capital decreased to some R3,2 billion at the end of June 2013. This amount is substantially earmarked for acquisitions in Africa, India and South-East Asia.

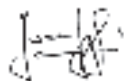
All of the life insurance businesses within the Group were sufficiently capitalised at the end of June 2013. The total admissible regulatory capital (including identified discretionary capital) of Sanlam Life Insurance Limited, the holding company of the Group's major life insurance subsidiaries, of R28,5 billion covered its capital adequacy requirements (CAR) 3,9 times. No policyholder portfolio had a negative bonus stabilisation reserve at the end of June 2013.

Dividend

The Group only declares an annual dividend due to the costs involved in distributing an interim dividend to our large shareholder base.



Desmond Smith
Chairman



Johan van Zyl
Group Chief Executive

Sanlam Limited
Bellville

4 September 2013

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Sanlam Group

Interim financial statements
for the six months ended 30 June 2013



ACCOUNTING POLICIES AND BASIS OF PREPARATION

The preparation of the Group's reviewed interim financial statements was supervised by the Financial Director, Kobus Möller CA(SA).

The basis of presentation applied for purposes of the interim condensed consolidated financial statements is in accordance with and contain the information required by International Financial Reporting Standards (IFRS), specifically IAS 34 on interim financial reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies are consistent with those applied in the 2012 financial statements, apart from the changes indicated below. The policy liabilities and profit entitlement rules are determined in accordance with prevailing legislation, generally accepted actuarial practice and the stipulations contained in the demutualisation proposal. There have been no material changes in the financial soundness valuation basis since 31 December 2012, apart from changes in the assumptions.

Application of new and revised IFRSs and interpretations

The following new or revised IFRSs and interpretations are applied in the Group's 2013 financial year:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IAS 19 Employee Benefits – Amendment regarding removal of corridor method and other comprehensive income treatment
- Amendment to IFRS 7 – Disclosures relating to offsetting of financial assets and liabilities
- Amendments to IAS 1 – Financial statement presentation

- IAS 27 Separate Financial Statements – Consequential amendments resulting from consolidation project
- IAS 28 Investments in Associates and Joint Ventures – Consequential amendments resulting from consolidation project
- May 2012 Improvements to IFRS

The retrospective application of IFRS 10 required restatement of the Group's previous IFRS financial statements. The nature and the effect of this change are disclosed below.

The application of the remainder of the new standards and interpretations did not have a significant impact on the Group's financial position, reported results and cash flows. Certain of these new standards will, however, require additional disclosures in the annual financial statements. The additional fair value disclosures have, however, as required, been presented as part of this interim financial statements.

IFRS 10 Consolidated financial statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Previously, only holdings in investment funds of greater than 50% were consolidated. As a result of the adoption of IFRS 10 the Group consolidated a number of additional funds, effectively leading to reclassifications of line items on the Statement of Financial Position and the Statement of Comprehensive Income.

This change has been applied retrospectively, as required by the transitional arrangements of IFRS 10, and hence led to reclassifications of the 2012 comparative information. The impact of these reclassifications on the Statement of Financial Position as at 31 December

2012, the Statement of Comprehensive Income and the Cash Flow Statement for the six months ended 30 June 2012 is disclosed in note 6.

These reclassifications in the current and prior period had no impact on the Group's total comprehensive income, shareholders' fund or net asset value.

Additional disclosures

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change the requirements of when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted.

The application of IFRS 13 did not materially impact the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34, thereby affecting the interim condensed consolidated financial statements. The Group provides these disclosures in note 5.

The following new or revised IFRSs and interpretations have effective dates applicable to future financial years and have not been early adopted:

- Amendment to IAS 32 – Clarification of the instances in which the set off of financial assets and liabilities is allowed (effective 1 January 2014)
- Amendment to IFRS 10 – Investment entities exemption (effective 1 January 2014)
- IFRS 9 Financial Instruments (effective 1 January 2015)

The application of these revised standards and interpretations in future financial reporting periods is not expected to have a significant impact on the Group's reported results, financial position and cash flows.

The basis of preparation of the Shareholders' information is also consistent with that applied in the 2012 annual report, apart from the following:

- The presentation within Group Equity Value (GEV) of non-life Group operations that are not valued at listed market value was amended to align with the treatment of covered business. The fair value of these non-life operations previously comprised their base valuation to which the year to date earnings were added. The year to date earnings essentially constituted the dividend payment expected from the businesses in terms of the Group's dividend policy. This presentation format is not consistent with covered business, where the operations are reflected at base valuation with year to date earnings (potential dividend) included in Other capital within the GEV statement. With effect from 30 June 2013, non-life Group operations are also reflected at base valuation, with year to date earnings included in Other capital. This change in presentation was also applied to the Shareholders' Fund at fair value. Comparative information has not been restated as the change in presentation does not have an impact on the overall GEV, GEV earnings and RoGEV.

EXTERNAL AUDIT REVIEW

The appointed auditors, Ernst & Young Inc, reviewed the interim condensed financial statements and Shareholders' information of the Group at 30 June 2013. These reviews were conducted in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Copies of the unqualified audit reports of Ernst & Young Inc are presented on pages 23 and 58.

SHAREHOLDERS' INFORMATION

for the six months ended 30 June 2013

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REPORT ON REVIEW OF SANLAM LIMITED INTERIM SHAREHOLDERS' INFORMATION

To the directors of Sanlam Limited

Introduction

We have reviewed the accompanying interim Shareholders' Information of Sanlam Limited for the six months ended 30 June 2013, comprising Group Equity Value; Change in Group Equity Value; Return on Group Equity Value; Shareholders' fund at fair value; Shareholders' fund income statement; Notes to the shareholders' fund information; and Embedded Value of covered business, Change in Embedded Value of covered business, Value of New Business and Notes to the Embedded Value of covered business; as set out on pages 24 to 56. The directors are responsible for the preparation and presentation of this interim financial information in accordance with the basis of accounting set out on pages 20 to 21. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

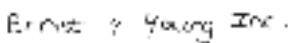
We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim Shareholders' Information is not prepared, in all material respects, in accordance with the basis of accounting set out on pages 20 to 21.

Basis of accounting

Without modifying our opinion, we draw attention to the basis of accounting set out on pages 20 to 21. The Sanlam Limited Interim Shareholders' Information are prepared to provide additional information in respect of the Group shareholders' fund in a format that corresponds with that used by management in evaluating the performance of the Group. As a result the Sanlam Limited Interim Shareholders' information may not be suitable for another purpose.



Ernst & Young Inc.

Director: Johanna Cornelia de Villiers

Registered Auditor

Chartered Accountant (SA)

Ernst & Young House
35 Lower Long Street
Cape Town

4 September 2013

GROUP EQUITY VALUE

at 30 June 2013

| R million | Note | June reviewed | | |
|---|------|---------------|----------------------|-------------------|
| | | 2013 | | |
| | | Total | Fair value of assets | Value of in-force |
| Sanlam Personal Finance | | 33 155 | 11 382 | 21 773 |
| Covered business ⁽¹⁾ | | 30 524 | 8 751 | 21 773 |
| Glacier | | 1 368 | 1 368 | — |
| Sanlam Personal Loans | | 822 | 822 | — |
| Other operations | | 441 | 441 | — |
| Sanlam Emerging Markets | | 9 356 | 7 708 | 1 648 |
| Covered business ⁽¹⁾ | | 2 982 | 1 334 | 1 648 |
| Shriram Capital | | 4 190 | 4 190 | — |
| Letshego | | 663 | 663 | — |
| Pacific & Orient | | 872 | 872 | — |
| Other operations | | 649 | 649 | — |
| Sanlam Investments | | 16 328 | 15 047 | 1 281 |
| Covered business ⁽¹⁾ | | 6 421 | 5 140 | 1 281 |
| <i>Sanlam Employee Benefits</i> | | 5 419 | 4 825 | 594 |
| <i>Sanlam UK</i> | | 1 002 | 315 | 687 |
| Investment Management | | 9 298 | 9 298 | — |
| Capital Management | | 609 | 609 | — |
| Sanlam | | 12 969 | 12 969 | — |
| Group operations | | 71 808 | 47 106 | 24 702 |
| Discretionary capital | | 3 188 | 3 188 | — |
| Balanced portfolio – other | | 2 899 | 2 899 | — |
| Group Equity Value before adjustments to net worth | | 77 895 | 53 193 | 24 702 |
| Net worth adjustments – present value of holding company expenses | | (1 286) | (1 286) | — |
| Group Equity Value | | 76 609 | 51 907 | 24 702 |
| Value per share (cents) | 4 | 3 747 | 2 539 | 1 208 |
| Analysis per type of business | | | | |
| Covered business ⁽¹⁾ | | 39 927 | 15 225 | 24 702 |
| Sanlam Personal Finance | | 30 524 | 8 751 | 21 773 |
| Sanlam Emerging Markets | | 2 982 | 1 334 | 1 648 |
| Sanlam Investments | | 6 421 | 5 140 | 1 281 |
| Other Group operations | | 31 881 | 31 881 | — |
| Discretionary and other capital | | 4 801 | 4 801 | — |
| Group Equity Value | | 76 609 | 51 907 | 24 702 |

⁽¹⁾ Refer embedded value of covered business on page 49.

⁽²⁾ Refer to note 2.4 for a description of the impact of the change in presentation format of non-life Group operations applied to June 2013 values.

| June reviewed | | | December audited | | |
|---------------|----------------------|-------------------|------------------|----------------------|-------------------|
| 2012 | | | 2012 | | |
| Total | Fair value of assets | Value of in-force | Total | Fair value of assets | Value of in-force |
| 30 053 | 10 789 | 19 264 | 32 762 | 11 299 | 21 463 |
| 27 819 | 8 555 | 19 264 | 30 144 | 8 681 | 21 463 |
| 1 206 | 1 206 | — | 1 338 | 1 338 | — |
| 620 | 620 | — | 816 | 816 | — |
| 408 | 408 | — | 464 | 464 | — |
| 3 443 | 2 118 | 1 325 | 6 105 | 4 603 | 1 502 |
| 2 345 | 1 020 | 1 325 | 2 647 | 1 145 | 1 502 |
| 153 | 153 | — | 2 398 | 2 398 | — |
| 512 | 512 | — | 602 | 602 | — |
| — | — | — | — | — | — |
| 433 | 433 | — | 458 | 458 | — |
| 15 064 | 14 132 | 932 | 16 424 | 15 339 | 1 085 |
| 5 909 | 4 977 | 932 | 6 205 | 5 120 | 1 085 |
| 5 132 | 4 741 | 391 | 5 301 | 4 825 | 476 |
| 777 | 236 | 541 | 904 | 295 | 609 |
| 8 464 | 8 464 | — | 9 406 | 9 406 | — |
| 691 | 691 | — | 813 | 813 | — |
| 11 134 | 11 134 | — | 12 875 | 12 875 | — |
| 59 694 | 38 173 | 21 521 | 68 166 | 44 116 | 24 050 |
| 4 000 | 4 000 | — | 4 200 | 4 200 | — |
| 4 441 | 4 441 | — | 4 139 | 4 139 | — |
| 68 135 | 46 614 | 21 521 | 76 505 | 52 455 | 24 050 |
| (1 315) | (1 315) | — | (1 153) | (1 153) | — |
| 66 820 | 45 299 | 21 521 | 75 352 | 51 302 | 24 050 |
| 3 293 | 2 232 | 1 061 | 3 707 | 2 524 | 1 183 |
| 36 073 | 14 552 | 21 521 | 38 996 | 14 946 | 24 050 |
| 27 819 | 8 555 | 19 264 | 30 144 | 8 681 | 21 463 |
| 2 345 | 1 020 | 1 325 | 2 647 | 1 145 | 1 502 |
| 5 909 | 4 977 | 932 | 6 205 | 5 120 | 1 085 |
| 23 621 | 23 621 | — | 29 170 | 29 170 | — |
| 7 126 | 7 126 | — | 7 186 | 7 186 | — |
| 66 820 | 45 299 | 21 521 | 75 352 | 51 302 | 24 050 |

CHANGE IN GROUP EQUITY VALUE

for the six months ended 30 June 2013

| R million | Six months reviewed | Full year audited | |
|--|---------------------|-------------------|---------|
| | 2013 | 2012 | 2012 |
| Earnings from covered business⁽¹⁾ | 3 038 | 2 941 | 7 908 |
| Earnings from other Group operations | 2 627 | 3 133 | 6 395 |
| Operations valued based on ratio of price to assets under management | 733 | 588 | 1 450 |
| Assumption changes | (142) | 44 | 4 |
| Change in assets under management | 371 | 355 | 813 |
| Earnings for the year and changes in capital requirements | 142 | 165 | 497 |
| Foreign currency translation differences and other | 362 | 24 | 136 |
| Operations valued based on discounted cash flows | 1 307 | 106 | 628 |
| Expected return | 552 | 250 | 618 |
| Operating experience variances and other | 175 | 40 | 129 |
| Assumption changes | 173 | (203) | (226) |
| Foreign currency translation differences | 407 | 19 | 107 |
| Operations valued at net asset value – earnings for the year | 215 | 58 | 84 |
| Listed operations – investment return | 372 | 2 381 | 4 233 |
| Earnings from discretionary and other capital | (160) | (207) | 7 |
| Portfolio investments and other | 128 | 65 | 149 |
| Net corporate expenses | (42) | (59) | (129) |
| Share-based payments transactions | (113) | (97) | (59) |
| Change in net worth adjustments | (133) | (116) | 46 |
| Group Equity Value earnings | 5 505 | 5 867 | 14 310 |
| Dividends paid | (4 309) | (2 581) | (2 581) |
| Cost of treasury shares sold/(acquired) | 61 | 13 | 102 |
| Sanlam share buy back | — | (22) | (26) |
| Share incentive scheme and other | 61 | 35 | 128 |
| Group Equity Value at the beginning of the year | 75 352 | 63 521 | 63 521 |
| Group Equity Value at the end of the period | 76 609 | 66 820 | 75 352 |

⁽¹⁾ Refer embedded value of covered business on page 50.

RETURN ON GROUP EQUITY VALUE

for the six months ended 30 June 2013

| | Six months reviewed | | Full year audited | | | |
|--|-------------------------------|-------------|-------------------------------|-------------|-------------------------------|-------------|
| | 2013 Earnings R million | Return % | 2012 Earnings R million | Return % | 2012 Earnings R million | Return % |
| Sanlam Personal Finance | 2 241 | 6,8 | 2 583 | 8,9 | 6 862 | 23,8 |
| Covered business ⁽¹⁾ | 1 879 | 6,2 | 2 430 | 9,1 | 6 296 | 23,6 |
| Other operations | 362 | 13,8 | 153 | 7,0 | 566 | 25,9 |
| Sanlam Emerging Markets | 1 548 | 22,0 | 215 | 6,3 | 669 | 16,9 |
| Covered business ⁽¹⁾ | 572 | 21,6 | 182 | 7,8 | 628 | 27,1 |
| Other operations | 976 | 22,2 | 33 | 3,0 | 41 | 2,5 |
| Sanlam Investments | 1 504 | 9,2 | 940 | 6,3 | 2 539 | 16,9 |
| Covered business ⁽¹⁾ | 587 | 9,5 | 329 | 5,6 | 984 | 16,8 |
| Other operations | 917 | 9,1 | 611 | 6,8 | 1 555 | 16,9 |
| Sanlam Discretionary and other capital | 372 | 2,9 | 2 336 | 24,3 | 4 233 | 44,0 |
| | (160) | | (207) | | 7 | |
| Return on Group Equity Value | 5 505 | 7,3 | 5 867 | 9,2 | 14 310 | 22,5 |
| Return on Group Equity Value per share | | 6,9 | | 8,8 | | 22,0 |
| Annualised return on Group Equity Value per share | | 14,3 | | 18,4 | | 22,0 |

⁽¹⁾ Refer embedded value of covered business on page 50.

| | Six months reviewed | Full year audited |
|---|---------------------|-------------------|
| R million | 2013 | 2012 |
| Reconciliation of return on Group Equity Value: | | |
| The return on Group Equity Value reconciles as follows to normalised attributable earnings: | | |
| Normalised attributable earnings per shareholders' fund income statement on page 32 | 3 483 | 2 533 |
| Net foreign currency translation gains recognised in other comprehensive income | 571 | 15 |
| Earnings recognised directly in equity | (122) | (105) |
| Share-based payment transactions | (265) | (297) |
| Net cost of treasury shares delivered | 143 | 161 |
| Share-based payments | (36) | (2) |
| Movements in subsidiary interests | (36) | (26) |
| Recognised in Statement of Changes in Equity | — | 24 |
| Less: Included in value of in-force | | — |
| Movement in fair value adjustment – shareholders' fund at fair value | 1 040 | 2 344 |
| Movement in adjustments to net worth and other | (39) | (93) |
| Present value of holding company expenses and other | (133) | (118) |
| Movement in book value of treasury shares held by subsidiaries valued at fair value | 33 | 28 |
| Change in goodwill and value of business acquired adjustments less value of in-force acquired | 61 | (3) |
| Growth from covered business: value of in-force ⁽¹⁾ | 608 | 1 175 |
| Return on Group Equity Value | 5 505 | 5 867 |
| | | 14 310 |

⁽¹⁾ Refer embedded value of covered business on page 50.

SHAREHOLDERS' FUND AT FAIR VALUE

at 30 June 2013

| | | June reviewed | | |
|---|-------|---------------|-----------------------|-----------------|
| R million | Notes | 2013 | | |
| | | Fair value | Fair value adjustment | Net asset value |
| Covered business, discretionary and other capital | | 22 641 | 112 | 22 529 |
| Property and equipment | | 288 | — | 288 |
| Owner-occupied properties | | 570 | — | 570 |
| Goodwill ⁽²⁾ | | 474 | — | 474 |
| Value of business acquired ⁽²⁾ | | 637 | — | 637 |
| Other intangible assets | | 28 | — | 28 |
| Deferred acquisition costs | | 2 460 | — | 2 460 |
| Investments | | 21 003 | 112 | 20 891 |
| Equities and similar securities | | 8 685 | 112 | 8 573 |
| Associated companies | | 1 361 | — | 1 361 |
| Joint ventures – Shriram Life Insurance | | — | — | — |
| Public sector stocks and loans | | 333 | — | 333 |
| Investment properties | | 48 | — | 48 |
| Other interest-bearing and preference share investments | | 10 576 | — | 10 576 |
| Net term finance | | — | — | — |
| Term finance | | (3 083) | — | (3 083) |
| Assets held in respect of term finance | | 3 083 | — | 3 083 |
| Net deferred tax | | (375) | — | (375) |
| Net working capital | | (1 264) | — | (1 264) |
| Derivative liability | | (35) | — | (35) |
| Non-controlling interest | | (1 145) | — | (1 145) |
| Other Group operations | | 31 881 | 17 097 | 14 784 |
| Sanlam Investments | 2.3 | 9 907 | 6 724 | 3 183 |
| Investment Management | | 9 298 | 6 697 | 2 601 |
| Capital Management | | 609 | 27 | 582 |
| Sanlam Personal Finance | 2.1 | 2 631 | 1 858 | 773 |
| Glacier | | 1 368 | 1 105 | 263 |
| Sanlam Personal Loans ⁽³⁾ | | 822 | 397 | 425 |
| Other operations | | 441 | 356 | 85 |
| Sanlam Emerging Markets | 2.2 | 6 374 | 361 | 6 013 |
| Shriram Capital | | 4 190 | 463 | 3 727 |
| Letshego | | 663 | (10) | 673 |
| Pacific & Orient | | 872 | (17) | 889 |
| Other operations | | 649 | (75) | 724 |
| Sanlam | | 12 969 | 9 401 | 3 568 |
| Goodwill held on Group level in respect of the above businesses | | — | (1 247) | 1 247 |
| Shareholders' fund at fair value | | 54 522 | 17 209 | 37 313 |
| Value per share (cents) | 4 | 2 667 | 842 | 1 825 |

⁽¹⁾ Group businesses listed above are not consolidated, but reflected as investments at fair value.

⁽²⁾ The value of business acquired and goodwill relate mainly to the consolidation of Sanlam Sky Solutions, Channel Life and Sanlam Life and Pensions and are excluded in the build-up of the Group Equity Value, as the current value of in-force business for these life insurance companies are included in the embedded value of covered business.

⁽³⁾ The life insurance component of Sanlam Personal Loans' operations is included in the value of in-force business and therefore excluded from the Sanlam Personal Loans fair value.

| June reviewed | | | December audited | | |
|---------------|-----------------------|-----------------|------------------|-----------------------|-----------------|
| 2012 | | | 2012 | | |
| Fair value | Fair value adjustment | Net asset value | Fair value | Fair value adjustment | Net asset value |
| 24 360 | 112 | 24 248 | 24 631 | 112 | 24 519 |
| 282 | — | 282 | 271 | — | 271 |
| 547 | — | 547 | 569 | — | 569 |
| 472 | — | 472 | 474 | — | 474 |
| 692 | — | 692 | 643 | — | 643 |
| 26 | — | 26 | 28 | — | 28 |
| 2 132 | — | 2 132 | 2 244 | — | 2 244 |
| 21 993 | 112 | 21 881 | 22 360 | 112 | 22 248 |
| 7 955 | 112 | 7 843 | 9 210 | 112 | 9 098 |
| 847 | — | 847 | 1 182 | — | 1 182 |
| 267 | — | 267 | — | — | — |
| 105 | — | 105 | 225 | — | 225 |
| 57 | — | 57 | 106 | — | 106 |
| 12 762 | — | 12 762 | 11 637 | — | 11 637 |
| — | — | — | — | — | — |
| (4 917) | — | (4 917) | (3 737) | — | (3 737) |
| 4 917 | — | 4 917 | 3 737 | — | 3 737 |
| (107) | — | (107) | (256) | — | (256) |
| (751) | — | (751) | (563) | — | (563) |
| — | — | — | (95) | — | (95) |
| (926) | — | (926) | (1 044) | — | (1 044) |
| 23 621 | 13 702 | 9 919 | 29 170 | 16 057 | 13 113 |
| 9 155 | 5 747 | 3 408 | 10 219 | 6 333 | 3 886 |
| 8 464 | 5 660 | 2 804 | 9 406 | 6 253 | 3 153 |
| 691 | 87 | 604 | 813 | 80 | 733 |
| 2 234 | 1 402 | 832 | 2 618 | 1 668 | 950 |
| 1 206 | 920 | 286 | 1 338 | 995 | 343 |
| 620 | 198 | 422 | 816 | 349 | 467 |
| 408 | 284 | 124 | 464 | 324 | 140 |
| 1 098 | (10) | 1 108 | 3 458 | (31) | 3 489 |
| 153 | — | 153 | 2 398 | 93 | 2 305 |
| 512 | (52) | 564 | 602 | (4) | 606 |
| — | — | — | — | — | — |
| 433 | 42 | 391 | 458 | (120) | 578 |
| 11 134 | 7 810 | 3 324 | 12 875 | 9 334 | 3 541 |
| — | (1 247) | 1 247 | — | (1 247) | 1 247 |
| 47 981 | 13 814 | 34 167 | 53 801 | 16 169 | 37 632 |
| 2 365 | 681 | 1 684 | 2 646 | 795 | 1 851 |

SHAREHOLDERS' FUND AT FAIR VALUE continued

at 30 June 2013

| R million | June reviewed | | |
|--|---------------|----------------------|-------------------|
| | 2013 | | |
| | Total | Fair value of assets | Value of in-force |
| Reconciliation to Group Equity Value | | | |
| Group Equity Value before adjustments to net worth | 77 895 | 53 193 | 24 702 |
| Add: Goodwill and value of business acquired replaced by value of in-force | 1 329 | 1 329 | — |
| Sanlam Life and Pensions | 356 | 356 | — |
| Sanlam Developing Markets | 732 | 732 | — |
| Shriram Life Insurance ⁽⁴⁾ | 210 | 210 | — |
| Other | 31 | 31 | — |
| Less: Value of in-force | (24 702) | — | (24 702) |
| Shareholders' fund at fair value | 54 522 | 54 522 | — |

⁽⁴⁾ The carrying value of Shriram Life Insurance includes goodwill of R210 million (2012: R210 million) that is excluded in the build-up of the Group Equity Value, as the current value of in-force business for Shriram Life Insurance is included in the embedded value of covered business.

⁽⁵⁾ Refer to note 2.4 for a description of the impact of the change in presentation format for non-life Group operations applied to June 2013 values.

| June reviewed | | | December audited | | |
|---------------|----------------------------|----------------------|------------------|----------------------------|----------------------|
| 2012 | | | 2012 | | |
| Total | Fair value of assets | Value of in-force | Total | Fair value of assets | Value of in-force |
| 68 135 | 46 614 | 21 521 | 76 505 | 52 455 | 24 050 |
| 1 367 | 1 367 | — | 1 346 | 1 346 | — |
| 356 | 356 | — | 356 | 356 | — |
| 771 | 771 | — | 753 | 753 | — |
| 210 | 210 | — | 210 | 210 | — |
| 30 | 30 | — | 27 | 27 | — |
| (21 521) | — | (21 521) | (24 050) | — | (24 050) |
| 47 981 | 47 981 | — | 53 801 | 53 801 | — |

SHAREHOLDERS' FUND INCOME STATEMENT

for the six months ended 30 June 2013

| R million | Note | Sanlam Personal Finance | Sanlam Emerging Markets |
|--|------|----------------------------|----------------------------|
| | | 2013 | 2012 |
| Financial services income | | 6 240 | 5 496 |
| Sales remuneration | | (1 027) | (947) |
| Income after sales remuneration | | 5 213 | 4 549 |
| Underwriting policy benefits | | (1 632) | (1 435) |
| Administration costs | | (1 640) | (1 615) |
| Result from financial services before tax | | 1 941 | 1 499 |
| Tax on result from financial services | | (528) | (416) |
| Result from financial services after tax | | 1 413 | 1 083 |
| Non-controlling interest | | (4) | (6) |
| NET RESULT FROM FINANCIAL SERVICES | | 1 409 | 1 077 |
| Net investment income | | 482 | 489 |
| Dividends received – Group companies | | 253 | 157 |
| Other investment income | | 298 | 411 |
| Tax on investment income | | (69) | (79) |
| Non-controlling interest | | — | — |
| Project expenses | | (4) | (3) |
| Amortisation of value of business acquired and other intangibles | | (18) | (18) |
| Equity participation costs | | — | — |
| Net equity-accounted headline earnings | | — | — |
| Net investment surpluses | | 471 | 1 032 |
| Investment surpluses – Group companies | | 146 | 836 |
| Other investment surpluses | | 409 | 277 |
| Tax on investment surpluses | | (84) | (81) |
| Non-controlling interest | | — | — |
| Net Secondary Tax on Companies | | — | (81) |
| NORMALISED HEADLINE EARNINGS | | 2 344 | 2 499 |
| Net profit on disposal of associated companies | | — | — |
| Impairments | | — | — |
| NORMALISED ATTRIBUTABLE EARNINGS | | 2 344 | 2 499 |
| Fund transfers | | — | — |
| Attributable earnings per Group statement of comprehensive income | | 2 344 | 2 499 |
| Ratios | | | |
| Admin ratio ⁽¹⁾ | | 31,5% | 35,5% |
| Operating margin ⁽²⁾ | | 37,2% | 33,0% |
| Normalised diluted earnings per share | 3 | | |
| Adjusted weighted average number of shares (million) | | | |
| Net result from financial services (cents) | | 69,1 | 53,2 |
| | | | |

⁽¹⁾ Administration costs as a percentage of income earned by the shareholders' fund less sales remuneration.

⁽²⁾ Result from financial services before tax as a percentage of income earned by the shareholders' fund less sales remuneration.

⁽³⁾ Corporate and Other includes the consolidation entries in respect of the dividends received and the investment surpluses on the Sanlam Limited shares held by Sanlam Life Insurance Limited.

| Sanlam Investments | | Santam | | Corporate and Other ⁽³⁾ | | Total | |
|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------------|---------------------------|---------------------------------|---------------------------------|
| 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| 3 493 (77) | 3 152 (56) | 8 291 (1 027) | 7 906 (1 025) | 96 — | 79 — | 19 874 (2 444) | 17 933 (2 304) |
| 3 416 (1 064) (1 665) | 3 096 (967) (1 498) | 7 264 (5 715) (1 253) | 6 881 (5 089) (1 120) | 96 — (150) | 79 — (158) | 17 430 (8 750) (5 113) | 15 629 (7 780) (4 745) |
| 687 (152) | 631 (154) | 296 (69) | 672 (198) | (54) 12 | (79) 20 | 3 567 (895) | 3 104 (815) |
| 535 (12) | 477 (6) | 227 (99) | 474 (200) | (42) — | (59) — | 2 672 (263) | 2 289 (343) |
| 523 84 | 471 100 | 128 21 | 274 35 | (42) (280) | (59) (92) | 2 409 382 | 1 946 555 |
| — 110 (26) — | — 121 (21) — | — 33 6 (18) | — 57 4 (26) | (253) (11) (16) — | (157) 39 26 — | — 554 (129) (43) | — 675 (87) (33) |
| — (59) — — 175 | (5) (24) — — 57 | — (12) (9) 16 97 | — (12) (1) 23 50 | (2) — — — (143) | — — — — (874) | (6) (95) (9) 18 750 | (8) (60) (1) 24 312 |
| — 198 (21) (2) | — 71 (14) — | — 204 (43) (64) | — 178 (93) (35) | (146) 3 — — | (836) (40) 1 1 | — 974 (149) (75) | — 541 (191) (38) |
| — | (2) | — | (86) | — | (60) | — | (229) |
| 723 42 (1) | 597 — (6) | 241 — (7) | 283 — — | (467) — — | (1 085) — — | 3 449 42 (8) | 2 539 — (6) |
| 764 — | 591 | 234 — | 283 — | (467) 25 | (1 085) (131) | 3 483 25 | 2 533 (131) |
| 764 | 591 | 234 | 283 | (442) | (1 216) | 3 508 | 2 402 |
| 48,7% 20,1% | 48,4% 20,4% | 17,2% 4,1% | 16,3% 9,8% | | | 29,3% 20,5% | 30,4% 19,9% |
| 25,6 | 23,3 | 6,3 | 13,5 | (2,1) | (2,9) | 2 039,2 118,1 | 2 023,2 96,2 |

NOTES TO THE SHAREHOLDERS' FUND INFORMATION

for the six months ended 30 June 2013

1. BUSINESS VOLUMES

1.1 Analysis of new business and total funds received

Analysed per business, reflecting the split between life and non-life business

| R million | Life Insurance ⁽¹⁾ | | Other ⁽²⁾ | | Total | |
|---|-------------------------------|--------------|-------------------------|------------|----------------------------|--------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Sanlam Personal Finance | 10 114 | 8 733 | 9 125 | 6 459 | 19 239 | 15 192 |
| Entry-level ⁽³⁾ | 503 | 430 | — | — | 503 | 430 |
| Middle-income | 5 200 | 4 464 | 168 | 136 | 5 368 | 4 600 |
| Recurring Single ⁽³⁾ | 628 4 572 | 594 3 870 | 25 143 | 24 112 | 653 4 715 | 618 3 982 |
| Affluent | 4 411 | 3 839 | 8 957 | 6 323 | 13 368 | 10 162 |
| Sanlam Emerging Markets | 1 198 | 1 493 | 4 735 | 4 990 | 5 933 | 6 483 |
| Namibia | 155 | 284 | 4 108 | 4 315 | 4 263 | 4 599 |
| Recurring Single | 73 82 | 58 226 | — 4 108 | — 4 315 | 73 4 190 | 58 4 541 |
| Botswana | 561 | 657 | 310 | 543 | 871 | 1 200 |
| Recurring Single ⁽⁴⁾ | 87 474 | 69 588 | 25 285 | 21 522 | 112 759 | 90 1 110 |
| Rest of Africa | 402 | 465 | 34 | — | 436 | 465 |
| Recurring Single ⁽⁴⁾ | 204 198 | 166 299 | — 34 | — — | 204 232 | 166 299 |
| India | 80 | 87 | 204 | 132 | 284 | 219 |
| Recurring Single | 38 42 | 42 45 | 204 — | 132 — | 242 42 | 174 45 |
| South-East Asia | — | — | 79 | — | 79 | — |
| Sanlam Investments | 3 644 | 1 933 | 38 884 | 25 463 | 42 528 | 27 396 |
| Employee benefits | 1 157 | 943 | — | — | 1 157 | 943 |
| Recurring Single | 143 1 014 | 173 770 | — — | — — | 143 1 014 | 173 770 |
| Investment Management | 2 487 | 990 | 38 884 | 25 463 | 41 371 | 26 453 |
| Asset Management | — | — | 16 258 | 12 931 | 16 258 | 12 931 |
| Wealth Management | — | — | 9 874 | 5 502 | 9 874 | 5 502 |
| Investment Services | — | — | 9 455 | 5 578 | 9 455 | 5 578 |
| International | 2 487 | 990 | 3 297 | 1 452 | 5 784 | 2 442 |
| Recurring Single | 35 2 452 | 21 969 | — 3 297 | — 1 452 | 35 5 749 | 21 2 421 |
| Santam | — | — | 8 096 | 7 703 | 8 096 | 7 703 |
| New business excluding white label | 14 956 | 12 159 | 60 840 | 44 615 | 75 796 | 56 774 |
| White label | — | — | 7 448 | 4 203 | 7 448 | 4 203 |
| Total new business | 14 956 | 12 159 | 68 288 | 48 818 | 83 244 | 60 977 |

1. BUSINESS VOLUMES *(continued)*

1.1 Analysis of new business and total funds received *(continued)*

Analysed per business, reflecting the split between life and non-life business

| R million | Life Insurance ⁽¹⁾ | | Other ⁽²⁾ | | Total | |
|--|-------------------------------|------|----------------------|------|---------------|---------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Recurring premiums on existing funds: | | | | | | |
| Sanlam Personal Finance | | | | | 7 073 | 6 617 |
| Sanlam Emerging Markets | | | | | 1 091 | 1 042 |
| Sanlam Investments | | | | | 2 680 | 2 583 |
| Sanlam Employee Benefits | | | | | 1 656 | 1 655 |
| Sanlam Investment Management | | | | | 1 024 | 928 |
| Asset Management | | | | | 287 | 244 |
| Investment Services | | | | | 642 | 453 |
| International | | | | | 95 | 231 |
| Total funds received | | | | | 94 088 | 71 219 |

⁽¹⁾ Life insurance business relates to business written under a life licence that is included in the calculation of embedded value of covered business.

⁽²⁾ Includes life licence, investment and short-term insurance business. Life licence business relates to investment products provided by means of a life insurance policy where there is very little or no insurance risk. Life licence business is excluded from the calculation of embedded value of covered business.

⁽³⁾ Comparative information for entry-level market single premiums have been reclassified as middle-income market single premiums to align with December 2012 disclosures.

⁽⁴⁾ Comparative information have been restated for Botswana's Zambian asset management operations (previously included in Rest of Africa) to align with December 2012 disclosures.

NOTES TO THE SHAREHOLDERS' FUND

INFORMATION continued

for the six months ended 30 June 2013

1. BUSINESS VOLUMES (continued)

1.2 Analysis of payments to clients

| R million | Life Insurance ⁽¹⁾ | | Other ⁽²⁾ | | Total | |
|--|-------------------------------|--------|----------------------|--------|---------------|--------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Sanlam Personal Finance | 13 874 | 12 323 | 5 874 | 5 870 | 19 748 | 18 193 |
| Entry-level ⁽³⁾ | 828 | 1 082 | — | — | 828 | 1 082 |
| Middle-income | 11 213 | 9 573 | 194 | 176 | 11 407 | 9 749 |
| Surrenders ⁽³⁾ | 1 751 | 1 690 | — | — | 1 751 | 1 690 |
| Other | 9 462 | 7 883 | 194 | 176 | 9 656 | 8 059 |
| Affluent | 1 833 | 1 668 | 5 680 | 5 694 | 7 513 | 7 362 |
| Sanlam Emerging Markets | 1 562 | 1 360 | 4 855 | 3 870 | 6 417 | 5 230 |
| Namibia | 672 | 660 | 4 338 | 3 604 | 5 010 | 4 264 |
| Surrenders | 94 | 336 | — | — | 94 | 336 |
| Other | 578 | 324 | 4 338 | 3 604 | 4 916 | 3 928 |
| Botswana | 546 | 446 | 267 | 178 | 813 | 624 |
| Surrenders | 147 | 130 | — | — | 147 | 130 |
| Other | 399 | 316 | 267 | 178 | 666 | 494 |
| Rest of Africa | 230 | 155 | — | 2 | 230 | 157 |
| Surrenders | 29 | 15 | — | — | 29 | 15 |
| Other | 201 | 140 | — | 2 | 201 | 142 |
| India | 114 | 99 | 199 | 86 | 313 | 185 |
| Surrenders | 90 | 75 | — | — | 90 | 75 |
| Other | 24 | 24 | 199 | 86 | 223 | 110 |
| South-East Asia | — | — | 51 | — | 51 | — |
| Sanlam Investments | 4 160 | 3 475 | 36 854 | 25 477 | 41 014 | 28 952 |
| Sanlam Employee Benefits | 2 967 | 2 626 | — | — | 2 967 | 2 626 |
| Terminations | 973 | 253 | — | — | 973 | 253 |
| Other | 1 994 | 2 373 | — | — | 1 994 | 2 373 |
| Investment Management | 1 193 | 849 | 36 854 | 25 477 | 38 047 | 26 326 |
| Asset Management | — | — | 19 373 | 11 424 | 19 373 | 11 424 |
| Wealth Management | — | — | 7 417 | 5 830 | 7 417 | 5 830 |
| Investment Services | — | — | 8 079 | 6 775 | 8 079 | 6 775 |
| International | 1 193 | 849 | 1 985 | 1 448 | 3 178 | 2 297 |
| Santam | — | — | 5 715 | 5 089 | 5 715 | 5 089 |
| Payments to clients excluding white label | 19 596 | 17 158 | 53 298 | 40 306 | 72 894 | 57 464 |
| White label | — | — | 8 583 | 3 572 | 8 583 | 3 572 |
| Total payments to clients | 19 596 | 17 158 | 61 881 | 43 878 | 81 477 | 61 036 |

⁽¹⁾ Life insurance business relates to business written under a life licence that is included in the calculation of embedded value of covered business.

⁽²⁾ Includes life licence, investment and short-term insurance business. Life licence business relates to investment products provided by means of a life insurance policy where there is very little or no insurance risk. Life licence business is excluded from the calculation of embedded value of covered business.

⁽³⁾ Comparative information for entry-level surrenders have been reclassified as middle-income surrenders to align with December 2012 disclosures.

1. BUSINESS VOLUMES (continued)

1.3 Analysis of net inflow/(outflow) of funds

| R million | Life Insurance ⁽¹⁾ | | Other ⁽²⁾ | | Total | |
|---|-------------------------------|-------|----------------------|-------|----------------|--------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Sanlam Personal Finance | 3 197 | 2 913 | 3 367 | 702 | 6 564 | 3 615 |
| Entry-level ⁽³⁾ | 1 410 | 867 | — | — | 1 410 | 867 |
| Middle-income ⁽³⁾ | (791) | (125) | 90 | 73 | (701) | (52) |
| Affluent | 2 578 | 2 171 | 3 277 | 629 | 5 855 | 2 800 |
| Sanlam Emerging Markets | 727 | 1 176 | (120) | 1 120 | 607 | 2 296 |
| Namibia | (189) | (63) | (230) | 711 | (419) | 648 |
| Botswana ⁽⁴⁾ | 417 | 647 | 43 | 365 | 460 | 1 012 |
| Rest of Africa ⁽⁴⁾ | 496 | 556 | 34 | (2) | 530 | 554 |
| India | 3 | 36 | 5 | 46 | 8 | 82 |
| South-East Asia | — | — | 28 | — | 28 | — |
| Sanlam Investments | 1 235 | 344 | 2 959 | 683 | 4 194 | 1 027 |
| Sanlam Employee Benefits | (154) | (28) | — | — | (154) | (28) |
| Investment Management | 1 389 | 372 | 2 959 | 683 | 4 348 | 1 055 |
| Asset Management | — | — | (2 828) | 1 751 | (2 828) | 1 751 |
| Wealth Management | — | — | 2 457 | (328) | 2 457 | (328) |
| Investment Services | — | — | 2 018 | (744) | 2 018 | (744) |
| International | 1 389 | 372 | 1 312 | 4 | 2 701 | 376 |
| Santam | — | — | 2 381 | 2 614 | 2 381 | 2 614 |
| Net inflow excluding white label | 5 159 | 4 433 | 8 587 | 5 119 | 13 746 | 9 552 |
| White label | — | — | (1 135) | 631 | (1 135) | 631 |
| Total net inflow | 5 159 | 4 433 | 7 452 | 5 750 | 12 611 | 10 183 |

⁽¹⁾ Life insurance business relates to business written under a life licence that is included in the calculation of embedded value of covered business.

⁽²⁾ Includes life licence, investment and short term insurance business. Life licence business relates to investment products provided by means of a life insurance policy where there is very little or no insurance risk. Life licence business is excluded from the calculation of embedded value of covered business.

⁽³⁾ Comparative information for entry-level market single premiums have been reclassified as middle-income market single premiums to align with December 2012 disclosures.

⁽⁴⁾ Comparative information have been restated for Botswana's Zambian asset management operations (previously included in Rest of Africa) to align with December 2012 disclosures.

NOTES TO THE SHAREHOLDERS' FUND INFORMATION continued

for the six months ended 30 June 2013

2. CLUSTER INFORMATION

2.1 Sanlam Personal Finance

| R million | Life operations | | Non-life operations | | Total | |
|---|-----------------|--------------|---------------------|------------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Analysis of attributable earnings | | | | | | |
| Gross result from financial services | 1 715 | 1 304 | 226 | 195 | 1 941 | 1 499 |
| Entry-level market | 360 | 199 | — | — | 360 | 199 |
| Middle-income market life and investments | 1 251 | 1 033 | 16 | 10 | 1 267 | 1 043 |
| Administration | 338 | 260 | — | — | 338 | 260 |
| Risk underwriting – long-term insurance | 414 | 342 | — | — | 414 | 342 |
| Asset-mismatch reserve | 251 | 223 | — | — | 251 | 223 |
| Working capital management | 143 | 139 | — | — | 143 | 139 |
| Other | 105 | 69 | 16 | 10 | 121 | 79 |
| Glacier | 51 | 37 | 71 | 54 | 122 | 91 |
| Sanlam Personal Loans | 53 | 35 | 104 | 98 | 157 | 133 |
| Other operations | — | — | 35 | 33 | 35 | 33 |
| Tax on result from financial services | (465) | (364) | (63) | (52) | (528) | (416) |
| Non-controlling interest | — | (3) | (4) | (3) | (4) | (6) |
| Net result from financial services | 1 250 | 937 | 159 | 140 | 1 409 | 1 077 |
| Net investment return | 949 | 1 518 | 4 | 3 | 953 | 1 521 |
| Net investment income | 478 | 486 | 4 | 3 | 482 | 489 |
| Net investment surpluses | 471 | 1 032 | — | — | 471 | 1 032 |
| Net other earnings | (18) | (99) | — | — | (18) | (99) |
| Amortisation of intangibles | (18) | (18) | — | — | (18) | (18) |
| Secondary tax on companies | — | (81) | — | — | — | (81) |
| Normalised attributable earnings | 2 181 | 2 356 | 163 | 143 | 2 344 | 2 499 |

2. CLUSTER INFORMATION *(continued)*

2.1 Sanlam Personal Finance *(continued)*

Analysis of Group Equity Value (GEV)

| R million | GEV at the beginning of the period | Earnings | Capital investment | Dividend paid | GEV at the end of the period |
|---------------------------|------------------------------------|--------------|--------------------|----------------|------------------------------|
| 30 June 2013 | | | | | |
| Life insurance operations | 30 144 | 1 879 | 44 | (1 543) | 30 524 |
| Non-life operations | 2 618 | 362 | (67) | (282) | 2 631 |
| Glacier | 1 338 | 184 | — | (154) | 1 368 |
| Sanlam Personal Loans | 816 | 164 | (86) | (72) | 822 |
| Other | 464 | 14 | 19 | (56) | 441 |
| Group Equity Value | 32 762 | 2 241 | (23) | (1 825) | 33 155 |
| 30 June 2012 | | | | | |
| Life insurance operations | 26 687 | 2 430 | 41 | (1 339) | 27 819 |
| Non-life operations | 2 189 | 153 | 36 | (144) | 2 234 |
| Glacier | 1 169 | 117 | — | (80) | 1 206 |
| Sanlam Personal Loans | 494 | 129 | 36 | (39) | 620 |
| Other | 526 | (93) | — | (25) | 408 |
| Group Equity Value | 28 876 | 2 583 | 77 | (1 483) | 30 053 |

NOTES TO THE SHAREHOLDERS' FUND INFORMATION *continued*

for the six months ended 30 June 2013

2. CLUSTER INFORMATION *(continued)*

2.2 Sanlam Emerging Markets

| R million | 2013 | 2012 |
|---|------------|------|
| Analysis of attributable earnings | | |
| Net result from financial services | 391 | 183 |
| Life insurance | 180 | 144 |
| Short-term insurance | 5 | (12) |
| Investment management | 16 | 12 |
| Credit and banking | 179 | 42 |
| Other | 11 | (3) |
| Net investment return | 225 | 70 |
| Net investment income | 75 | 23 |
| Net investment surpluses | 150 | 47 |
| Net other earnings | (8) | (8) |
| Amortisation of intangibles and impairments | (6) | (6) |
| Project expenses and other | (2) | (2) |
| Normalised attributable earnings | 608 | 245 |
| Analysis of net result from financial services | | |
| Life insurance operations | 180 | 144 |
| Namibia | 64 | 59 |
| Botswana | 56 | 55 |
| Rest of Africa | 49 | 20 |
| India | 11 | 10 |
| Non-life operations | 211 | 39 |
| Namibia | 8 | 7 |
| Botswana | 52 | 44 |
| Rest of Africa | — | — |
| India/Malaysia | 160 | (6) |
| Corporate | (9) | (6) |
| Net result from financial services | 391 | 183 |

Analysis of Group Equity Value (GEV)

| R million | GEV at the beginning of the period | Earnings | Capital movement | Dividend paid | GEV at the end of the period |
|---------------------------|------------------------------------|--------------|------------------|---------------|------------------------------|
| 30 June 2013 | | | | | |
| Life insurance operations | 2 647 | 572 | — | (237) | 2 982 |
| Non-life operations | 3 458 | 976 | 2 009 | (69) | 6 374 |
| Shriram Capital | 2 398 | 710 | 1 104 | (22) | 4 190 |
| Pacific & Orient | — | 55 | 817 | — | 872 |
| Letshego | 602 | 82 | — | (21) | 663 |
| Other operations | 458 | 129 | 88 | (26) | 649 |
| Group Equity Value | 6 105 | 1 548 | 2 009 | (306) | 9 356 |
| 30 June 2012 | | | | | |
| Life insurance operations | 2 320 | 182 | (5) | (152) | 2 345 |
| Non-life operations | 1 089 | 33 | — | (24) | 1 098 |
| Shriram Capital | 152 | 1 | — | — | 153 |
| Letshego | 465 | 47 | — | — | 512 |
| Other operations | 472 | (15) | — | (24) | 433 |
| Group Equity Value | 3 409 | 215 | (5) | (176) | 3 443 |

2. CLUSTER INFORMATION *(continued)*
2.2 Sanlam Emerging Markets *(continued)*
Analysis of business volumes

| R million | Life Insurance | | Other | | Total | |
|--|----------------|--------------|--------------|--------------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Recurring premiums | 402 | 335 | 308 | 153 | 710 | 488 |
| Risk | 248 | 213 | — | — | 248 | 213 |
| Investment | 154 | 111 | — | — | 154 | 111 |
| Short-term | — | — | 308 | 153 | 308 | 153 |
| Annuities | — | 11 | — | — | — | 11 |
| Single premiums | 796 | 1 158 | 4 427 | 4 837 | 5 223 | 5 995 |
| Risk | 369 | 423 | — | — | 369 | 423 |
| Savings | 424 | 710 | — | — | 424 | 710 |
| Continuations | 3 | 25 | — | — | 3 | 25 |
| Other | — | — | 4 427 | 4 837 | 4 427 | 4 837 |
| Total new business | 1 198 | 1 493 | 4 735 | 4 990 | 5 933 | 6 483 |
| Recurring premiums on existing business | 1 091 | 1 042 | — | — | 1 091 | 1 042 |
| Risk | 563 | 579 | — | — | 563 | 579 |
| Investment | 428 | 368 | — | — | 428 | 368 |
| Annuities | 100 | 95 | — | — | 100 | 95 |
| Total funds received from clients | 2 289 | 2 535 | 4 735 | 4 990 | 7 024 | 7 525 |
| Death and disability benefits | 390 | 309 | — | — | 390 | 309 |
| Maturity benefits | 502 | 204 | — | — | 502 | 204 |
| Life and term annuities | 226 | 197 | — | — | 226 | 197 |
| Surrenders | 360 | 556 | — | — | 360 | 556 |
| Other | 84 | 94 | 4 855 | 3 870 | 4 939 | 3 964 |
| Total payments to clients | 1 562 | 1 360 | 4 855 | 3 870 | 6 417 | 5 230 |

NOTES TO THE SHAREHOLDERS' FUND INFORMATION continued

for the six months ended 30 June 2013

2. CLUSTER INFORMATION (continued)

2.3 Sanlam Investments

Analysis of attributable earnings

| R million | Investment Management | | Capital Management | |
|---|-----------------------|------------|--------------------|-----------|
| | 2013 | 2012 | 2013 | 2012 |
| Financial services income* | 1 621 | 1 408 | 214 | 230 |
| Sales remuneration | (57) | (32) | — | — |
| Income after sales remuneration | 1 564 | 1 376 | 214 | 230 |
| Underwriting policy benefits | — | — | — | — |
| Administration cost* | (1 144) | (1 032) | (152) | (157) |
| Results from financial services before performance fees | 420 | 344 | 62 | 73 |
| Net performance fees | 31 | 25 | — | — |
| Results from financial services | 451 | 369 | 62 | 73 |
| Tax on result from financial services | (104) | (87) | 1 | (14) |
| Non-controlling interest | (12) | (6) | — | — |
| Net result from financial services | 335 | 276 | 63 | 59 |
| Net investment return | 42 | (22) | 2 | 4 |
| Net investment income | 10 | 7 | 2 | 4 |
| Net investment surpluses | 32 | (29) | — | — |
| Net other earnings | (18) | (37) | — | 1 |
| Normalised attributable earnings | 359 | 217 | 65 | 64 |

* Financial service income and administration cost on page 32 includes performance fees and related administration costs respectively.

| | Net result from financial services | | Assets under management | |
|--|------------------------------------|------------------------|-------------------------|----------------------------|
| | June 2013 R million | June 2012 R million | June 2013 R million | December 2012 R million |
| Asset management | | | | |
| Investment management | 307 | 248 | 618 500 | 593 582 |
| Asset Management | 135 | 132 | 354 031 | 356 605 |
| Wealth Management | 53 | 22 | 121 465 | 107 187 |
| Investment Services | 32 | 33 | 133 453 | 123 737 |
| International | 82 | 78 | 82 839 | 69 722 |
| Support Services | 5 | (17) | — | — |
| Intra-cluster eliminations | — | — | (73 288) | (63 669) |
| Capital Management | 63 | 59 | 2 793 | 2 863 |
| Asset management operations | 370 | 307 | 621 293 | 596 445 |
| Covered business: Sanlam Employee Benefits | 125 | 136 | 54 202 | 52 822 |
| Covered business: Sanlam UK | 28 | 28 | 28 689 | 24 385 |
| Sanlam Investments total | 523 | 471 | 704 184 | 673 652 |

| Sanlam Employee Benefits | | Intra-cluster eliminations | | Total | |
|---------------------------|-------------------------|----------------------------|-----------------|-----------------------------|---------------------------|
| 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| 1 600 (20) | 1 491 (24) | (8) — | (17) — | 3 427 (77) | 3 112 (56) |
| 1 580 (1 064) (342) | 1 467 (967) (311) | (8) — 8 | (17) — 17 | 3 350 (1 064) (1 630) | 3 056 (967) (1 483) |
| 174 — | 189 — | — — | — — | 656 31 | 606 25 |
| 174 (49) — | 189 (53) — | — — — | — — — | 687 (152) (12) | 631 (154) (6) |
| 125 215 | 136 175 | — — | — — | 523 259 | 471 157 |
| 72 143 | 89 86 | — — | — — | 84 175 | 100 57 |
| — | (1) | — | — | (18) | (37) |
| 340 | 310 | — | — | 764 | 591 |

| Fee income | | Administration cost | |
|------------------------------|------------------------------|------------------------------|------------------------------|
| June 2013 % | December 2012 % | June 2013 % | December 2012 % |
| 0,25 0,72 0,71 0,73 | 0,23 0,73 0,73 0,74 | 0,15 0,59 0,64 0,49 | 0,14 0,65 0,66 0,50 |
| 1,26 | 1,11 | 0,81 | 0,72 |

NOTES TO THE SHAREHOLDERS' FUND INFORMATION *continued*

for the six months ended 30 June 2013

2. CLUSTER INFORMATION *(continued)*

2.3 Sanlam Investments *(continued)*

Asset mix of assets under management

| R million | Fixed Interest | Equities | Off-shore | Pro-perties | Cash | Total |
|---|----------------|----------------|----------------|---------------|---------------|----------------|
| June 2013 | | | | | | |
| Asset Management | 92 418 | 149 566 | 36 360 | 9 425 | 66 262 | 354 031 |
| Wealth Management | — | 76 938 | 41 229 | — | 3 298 | 121 465 |
| Investment Services | 37 101 | 63 850 | 12 215 | 5 410 | 14 877 | 133 453 |
| International | — | — | 82 839 | — | — | 82 839 |
| Capital Management | — | 2 784 | — | — | 9 | 2 793 |
| Intra-cluster eliminations | | | | | | (73 288) |
| Assets under management – Sanlam Investments | 129 519 | 293 138 | 172 643 | 14 835 | 84 446 | 621 293 |
| December 2012 | | | | | | |
| Asset Management | 93 445 | 151 181 | 31 954 | 11 011 | 69 014 | 356 605 |
| Wealth Management | — | 68 775 | 35 396 | — | 3 016 | 107 187 |
| Investment Services | 30 609 | 69 086 | 11 844 | 4 458 | 7 740 | 123 737 |
| International | — | — | 69 722 | — | — | 69 722 |
| Capital Management | 513 | 2 341 | — | — | 9 | 2 863 |
| Intra-cluster eliminations | | | | | | (63 669) |
| Assets under management – Sanlam Investments | 124 567 | 291 383 | 148 916 | 15 469 | 79 779 | 596 445 |

Sanlam Employee Benefits

| | 2013 | 2012 |
|--|-------|------|
| Analysis of attributable earnings | | |
| Net result from financial services | 125 | 136 |
| Risk underwriting | 61 | 73 |
| Investment and other | 67 | 70 |
| Working capital management | 15 | 14 |
| Administration | (18) | (21) |
| Analysis of new business per product line | | |
| Recurring premiums | 143 | 173 |
| Guaranteed | 31 | 71 |
| Risk | 112 | 102 |
| Single premiums | 1 014 | 770 |
| Guaranteed | 726 | 621 |
| Annuity | 56 | 149 |
| Special structures | 232 | — |

2. CLUSTER INFORMATION *(continued)*

2.3 Sanlam Investments *(continued)*

Analysis of Group Equity Value (GEV)

| R million | GEV at the beginning of the period | Earnings | Capital move-ment | Dividend paid | GEV at the end of the period |
|--|------------------------------------|--------------|-------------------|----------------|------------------------------|
| 30 June 2013 | | | | | |
| Investment Management | 10 310 | 969 | (312) | (667) | 10 300 |
| Asset Management | 3 919 | 58 | — | (295) | 3 682 |
| Wealth Management | 1 558 | 232 | 22 | (87) | 1 725 |
| Investment Services | 995 | 36 | — | (96) | 935 |
| International | 3 838 | 643 | (334) | (189) | 3 958 |
| Covered business | 904 | 133 | — | (35) | 1 002 |
| Other operations | 2 934 | 510 | (334) | (154) | 2 956 |
| Sanlam Employee Benefits: | | | | | |
| Covered business | 5 301 | 454 | — | (336) | 5 419 |
| Capital Management | 813 | 81 | 75 | (360) | 609 |
| Group Equity Value | 16 424 | 1 504 | (237) | (1 363) | 16 328 |
| 30 June 2012 | | | | | |
| Investment Management | 9 031 | 576 | 142 | (508) | 9 241 |
| Asset Management | 3 411 | 162 | — | (138) | 3 435 |
| Wealth Management | 1 259 | 78 | 12 | (35) | 1 314 |
| Investment Services | 865 | 70 | — | (60) | 875 |
| International | 3 496 | 266 | 130 | (275) | 3 617 |
| Covered business | 791 | 35 | — | (49) | 777 |
| Other operations | 2 705 | 231 | 130 | (226) | 2 840 |
| Sanlam Employee Benefits: Covered business | 5 077 | 296 | — | (241) | 5 132 |
| Capital Management | 801 | 67 | — | (177) | 691 |
| Group Equity Value | 14 909 | 939 | 142 | (926) | 15 064 |

NOTES TO THE SHAREHOLDERS' FUND INFORMATION continued

for the six months ended 30 June 2013

2. CLUSTER INFORMATION (continued)

2.4 Valuation methodology

The fair value of unlisted businesses has been determined by the application of the following valuation methodologies:

| R million | Fair value | |
|--|---------------|---------------|
| | June 2013 | December 2012 |
| Valuation method | | |
| Ratio of price to assets under management | 8 520 | 8 385 |
| Sanlam Investments | 8 074 | 7 917 |
| Asset Management | 3 423 | 3 640 |
| Wealth Management | 1 515 | 1 335 |
| Investment Services | 949 | 1 003 |
| International | 2 103 | 1 844 |
| Capital Management | 84 | 95 |
| Sanlam Emerging Markets | 446 | 468 |
| Discounted cash flows | 9 257 | 6 983 |
| Sanlam Investments | 1 168 | 1 409 |
| Asset Management | 217 | 222 |
| Wealth Management | 210 | 223 |
| International | 741 | 964 |
| Sanlam Emerging Markets | 5 458 | 2 956 |
| Shriram Capital | 4 190 | 2 398 |
| Pacific & Orient | 872 | — |
| Other operations | 396 | 558 |
| Sanlam Personal Finance | 2 631 | 2 618 |
| Glacier | 1 368 | 1 338 |
| Sanlam Personal Loans | 822 | 816 |
| Other operations | 441 | 464 |
| Net asset value | 1 135 | 927 |
| Sanlam Investments | 665 | 893 |
| Asset Management | 42 | 57 |
| Investment Services | (14) | (8) |
| International | 112 | 126 |
| Capital Management | 525 | 718 |
| Sanlam Emerging Markets | 470 | 34 |
| | 18 912 | 16 295 |

As described in the accounting policies section the presentation format of non-life Group operations has been changed with effect from June 2013 to base valuations, with year to date earnings reflected as Other capital on the GEV statement and Net working capital on the Shareholders' fund at fair value. Comparative information has not been restated as the change in presentation does not have an impact on total GEV, GEV earnings and RoGEV.

2. CLUSTER INFORMATION (continued)

2.4 Valuation methodology (continued)

The main assumptions applied in the primary valuation for the unlisted businesses are presented below. The sensitivity analysis is based on the following changes in assumptions:

| % | Change in assumption | |
|---|----------------------|---------------|
| | June 2013 | December 2012 |
| Ratio of price to assets under management (P/AuM) | 0,1 | 0,1 |
| Risk discount rate (RDR) | 1,0 | 1,0 |
| Perpetuity growth rate (PGR) | 1,0 | 1,0 |

| R million | Weighted average assumption | Base value | Decrease in assumption | Increase in assumption |
|---|--|------------|------------------------|------------------------|
| Ratio of price to assets under management | P/AuM = 1,06% (Dec 2012: 1,06%) | 8 520 | 7 715 | 9 325 |
| Discounted cash flows | RDR = 16,2% (Dec 2012: 16,4%) PGR = 2,5 – 5% (Dec 2012: 2,5 – 5%) | 9 257 | 10 311 | 8 324 |
| | | 9 257 | 8 686 | 9 929 |

3. NORMALISED DILUTED EARNINGS PER SHARE

| Cents | June 2013 | June 2012 |
|---|-----------|-----------|
| Normalised diluted earnings per share: | | |
| Net result from financial services | 118,1 | 96,2 |
| Normalised headline earnings | 169,1 | 125,5 |
| Profit attributable to shareholders' fund | 170,8 | 125,2 |

| R million | June 2013 | June 2012 |
|--|--------------|--------------|
| Analysis of normalised earnings (refer shareholders' fund income statement on page 32): | | |
| Net result from financial services | 2 409 | 1 946 |
| Headline earnings | 3 449 | 2 539 |
| Profit attributable to shareholders' fund | 3 483 | 2 533 |
| Reconciliation of normalised headline earnings: | | |
| Headline earnings per note 1 on page 62 | 3 474 | 2 408 |
| Fund transfers | (25) | 131 |
| Normalised headline earnings | 3 449 | 2 539 |

| Million | June 2013 | June 2012 |
|---|----------------|----------------|
| Adjusted number of shares: | | |
| Weighted average number of shares for diluted earnings per share (refer note 1 on page 62) | 2 026,6 | 2 005,3 |
| Add: Weighted average Sanlam shares held by policyholders | 12,6 | 17,9 |
| Adjusted weighted average number of shares for normalised diluted earnings per share | 2 039,2 | 2 023,2 |

NOTES TO THE SHAREHOLDERS' FUND INFORMATION continued

for the six months ended 30 June 2013

4. VALUE PER SHARE

Fair value per share is calculated on the Group shareholders' fund at fair value of R54 522 million (June 2012: R47 981 million), divided by 2 044,5 million (June 2012: 2 029,1 million) shares.

Net asset value per share is calculated on the Group shareholders' fund at net asset value of R37 313 million (June 2012: R34 167 million), divided by 2 044,5 million (June 2012: 2 029,1 million) shares.

Equity value per share is calculated on the Group Equity Value of R76 609 million (June 2012: R66 820 million), divided by 2 044,5 million (June 2012: 2 029,1 million) shares.

| Million | June | |
|---|----------------|----------------|
| | 2013 | 2012 |
| Number of shares for value per share: | | |
| Number of ordinary shares in issue | 2 100,0 | 2 100,0 |
| Shares held by subsidiaries in shareholders' fund | (148,7) | (154,5) |
| Outstanding shares in respect of Sanlam Limited long-term incentive schemes | 32,1 | 33,2 |
| Convertible deferred shares held by Ubuntu-Botho | 61,1 | 50,4 |
| Adjusted number of shares for value per share | 2 044,5 | 2 029,1 |

EMBEDDED VALUE OF COVERED BUSINESS

as at 30 June 2013

| R million | Note | June Reviewed 2013 | June Reviewed 2012 | December Audited 2012 |
|---|------|--------------------------|--------------------------|-----------------------------|
| Sanlam Personal Finance | | 30 524 | 27 819 | 30 144 |
| Adjusted net worth | | 8 751 | 8 555 | 8 681 |
| Net value of in-force covered business | | 21 773 | 19 264 | 21 463 |
| Value of in-force covered business | | 23 544 | 21 001 | 23 168 |
| Cost of capital | | (1 771) | (1 737) | (1 705) |
| Sanlam Emerging Markets | | 2 982 | 2 345 | 2 647 |
| Adjusted net worth | | 1 334 | 1 020 | 1 145 |
| Net value of in-force covered business | | 1 648 | 1 325 | 1 502 |
| Value of in-force covered business | | 2 802 | 2 240 | 2 534 |
| Cost of capital | | (297) | (235) | (273) |
| Non-controlling interest | | (857) | (680) | (759) |
| Sanlam UK⁽¹⁾ | | 1 002 | 777 | 904 |
| Adjusted net worth | | 315 | 236 | 295 |
| Net value of in-force covered business | | 687 | 541 | 609 |
| Value of in-force covered business | | 742 | 592 | 664 |
| Cost of capital | | (55) | (51) | (55) |
| Sanlam Employee Benefits⁽¹⁾ | | 5 419 | 5 132 | 5 301 |
| Adjusted net worth | | 4 825 | 4 741 | 4 825 |
| Net value of in-force covered business | | 594 | 391 | 476 |
| Value of in-force covered business | | 1 568 | 1 320 | 1 374 |
| Cost of capital | | (974) | (929) | (898) |
| Embedded value of covered business | | 39 927 | 36 073 | 38 996 |
| Adjusted net worth ⁽²⁾ | | 15 225 | 14 552 | 14 946 |
| Net value of in-force covered business | 1 | 24 702 | 21 521 | 24 050 |
| Embedded value of covered business | | 39 927 | 36 073 | 38 996 |

⁽¹⁾ Sanlam UK and Sanlam Employee Benefits are part of the Sanlam Investments cluster.

⁽²⁾ Excludes subordinated debt funding of Sanlam Life.

CHANGE IN EMBEDDED VALUE OF COVERED BUSINESS

for the six months ended 30 June 2013

Six months reviewed

| R million | Notes | 2013 | | | |
|--|-------|---------------|-------------------|-----------------|--------------------|
| | | Total | Value of in-force | Cost of capital | Adjusted net worth |
| Embedded value of covered business at the beginning of the period | | 38 996 | 26 897 | (2 847) | 14 946 |
| Value of new business | 2 | 587 | 1 499 | (68) | (844) |
| Net earnings from existing covered business | | 2 029 | (371) | 9 | 2 391 |
| Expected return on value of in-force business | | 1 269 | 1 192 | 77 | — |
| Expected transfer of profit to adjusted net worth | | — | (1 884) | — | 1 884 |
| Operating experience variances | 3 | 471 | (4) | (16) | 491 |
| Operating assumption changes | 4 | 289 | 325 | (52) | 16 |
| Expected investment return on adjusted net worth | | 462 | — | — | 462 |
| Embedded value earnings from operations | | 3 078 | 1 128 | (59) | 2 009 |
| Economic assumption changes | 5 | (888) | (850) | (46) | 8 |
| Tax changes | | 3 | 3 | — | — |
| Investment variances – value of in-force | | 316 | 323 | (35) | 28 |
| Investment variances – investment return on adjusted net worth | | 385 | — | — | 385 |
| Exchange rate movements | | 144 | 161 | (17) | — |
| Embedded value earnings from covered business | | 3 038 | 765 | (157) | 2 430 |
| Acquired value of in-force | | — | — | — | — |
| Transfers from/(to) other Group operations | | 44 | 44 | — | — |
| Transfers from covered business | | (2 151) | — | — | (2 151) |
| Embedded value of covered business at the end of the period | | 39 927 | 27 706 | (3 004) | 15 225 |
| Analysis of earnings from covered business | | | | | |
| Sanlam Personal Finance | | 1 879 | 332 | (66) | 1 613 |
| Sanlam Emerging Markets | | 572 | 161 | (15) | 426 |
| Sanlam UK | | 133 | 78 | — | 55 |
| Sanlam Employee Benefits | | 454 | 194 | (76) | 336 |
| Embedded value earnings from covered business | | 3 038 | 765 | (157) | 2 430 |

| Six months reviewed | | | | Full year Audited |
|---------------------|-------------------|-----------------|--------------------|-------------------|
| 2012 | | | | 2012 |
| Total | Value of in-force | Cost of capital | Adjusted net worth | Total |
| 34 875 | 23 145 | (2 823) | 14 553 | 34 875 |
| 491 | 1 272 | (68) | (713) | 1 176 |
| 1 557 | (524) | 101 | 1 980 | 3 210 |
| 1 259 | 1 197 | 62 | — | 2 560 |
| — | (1 641) | — | 1 641 | — |
| 230 | (175) | — | 405 | 555 |
| 68 | 95 | 39 | (66) | 95 |
| 528 | — | — | 528 | 1 075 |
| 2 576 | 748 | 33 | 1 795 | 5 461 |
| 375 | 401 | 41 | (67) | 874 |
| (234) | (83) | (91) | (60) | (228) |
| 207 | 202 | (39) | 44 | 1 344 |
| 54 | — | — | 54 | 460 |
| (37) | (41) | 4 | — | (3) |
| 2 941 | 1 227 | (52) | 1 766 | 7 908 |
| 36 | 25 | (1) | 12 | 47 |
| — | — | — | — | — |
| (1 779) | — | — | (1 779) | (3 834) |
| 36 073 | 24 397 | (2 876) | 14 552 | 38 996 |
| 2 430 | 1 188 | (16) | 1 258 | 6 296 |
| 182 | 21 | (1) | 162 | 628 |
| 33 | 17 | (17) | 33 | 162 |
| 296 | 1 | (18) | 313 | 822 |
| 2 941 | 1 227 | (52) | 1 766 | 7 908 |

VALUE OF NEW BUSINESS

for the six months ended 30 June 2013

| R million | Note | Six months Reviewed 2013 | Six months Reviewed 2012 | Full year Audited 2012 |
|--|------|--------------------------------|--------------------------------|---------------------------------|
| Value of new business (at point of sale): | | | | |
| Gross value of new business | | 713 | 610 | 1 443 |
| Sanlam Personal Finance | | 484 | 412 | 1 003 |
| Sanlam Emerging Markets | | 152 | 126 | 303 |
| Sanlam UK | | 25 | 10 | 17 |
| Sanlam Employee Benefits | | 52 | 62 | 120 |
| Cost of capital | | (74) | (77) | (165) |
| Sanlam Personal Finance | | (34) | (22) | (64) |
| Sanlam Emerging Markets | | (16) | (18) | (36) |
| Sanlam UK | | (2) | (2) | (3) |
| Sanlam Employee Benefits | | (22) | (35) | (62) |
| Value of new business | | 639 | 533 | 1 278 |
| Sanlam Personal Finance | | 450 | 390 | 939 |
| Sanlam Emerging Markets | | 136 | 108 | 267 |
| Sanlam UK | | 23 | 8 | 14 |
| Sanlam Employee Benefits | | 30 | 27 | 58 |
| <i>Value of new business attributable to:</i> | | | | |
| Shareholders' fund | 2 | 587 | 491 | 1 176 |
| Sanlam Personal Finance | | 450 | 390 | 939 |
| Sanlam Emerging Markets | | 84 | 66 | 165 |
| Sanlam UK | | 23 | 8 | 14 |
| Sanlam Employee Benefits | | 30 | 27 | 58 |
| Non-controlling interest | | 52 | 42 | 102 |
| Sanlam Personal Finance | | — | — | — |
| Sanlam Emerging Markets | | 52 | 42 | 102 |
| Sanlam UK | | — | — | — |
| Sanlam Employee Benefits | | — | — | — |
| Value of new business | | 639 | 533 | 1 278 |
| Geographical analysis: | | | | |
| South Africa | | 480 | 417 | 997 |
| Africa | | 136 | 109 | 266 |
| Other international | | 23 | 7 | 15 |
| Value of new business | | 639 | 533 | 1 278 |

R million

Six months
Reviewed
2013Six months
Reviewed
2012Full
year
Audited
2012**Analysis of new business
profitability:***Before non-controlling interest***Present value of new
business premiums**

| | | |
|--------|--------|--------|
| 21 455 | 17 930 | 38 129 |
|--------|--------|--------|

| | | | |
|--------------------------|--------|--------|--------|
| Sanlam Personal Finance | 14 667 | 12 680 | 27 332 |
| Sanlam Emerging Markets | 2 085 | 2 199 | 4 537 |
| Sanlam UK | 2 636 | 1 042 | 2 210 |
| Sanlam Employee Benefits | 2 067 | 2 009 | 4 050 |

New business margin

| | | |
|-------|-------|-------|
| 2,98% | 2,97% | 3,35% |
|-------|-------|-------|

| | | | |
|--------------------------|-------|-------|-------|
| Sanlam Personal Finance | 3,07% | 3,08% | 3,44% |
| Sanlam Emerging Markets | 6,52% | 4,91% | 5,88% |
| Sanlam UK | 0,87% | 0,77% | 0,63% |
| Sanlam Employee Benefits | 1,45% | 1,34% | 1,43% |

*After non-controlling interest***Present value of new
business premiums**

| | | |
|--------|--------|--------|
| 20 731 | 17 150 | 36 528 |
|--------|--------|--------|

| | | | |
|--------------------------|--------|--------|--------|
| Sanlam Personal Finance | 14 667 | 12 669 | 27 321 |
| Sanlam Emerging Markets | 1 361 | 1 430 | 2 947 |
| Sanlam UK | 2 636 | 1 042 | 2 210 |
| Sanlam Employee Benefits | 2 067 | 2 009 | 4 050 |

New business margin

| | | |
|-------|-------|-------|
| 2,83% | 2,86% | 3,22% |
|-------|-------|-------|

| | | | |
|--------------------------|-------|-------|-------|
| Sanlam Personal Finance | 3,07% | 3,08% | 3,44% |
| Sanlam Emerging Markets | 6,17% | 4,62% | 5,60% |
| Sanlam UK | 0,87% | 0,77% | 0,63% |
| Sanlam Employee Benefits | 1,45% | 1,34% | 1,43% |

NOTES TO THE EMBEDDED VALUE OF COVERED BUSINESS

for the six months ended 30 June 2013

| | Gross value of in-force business R million | Cost of capital R million | Net value of in-force business R million | Change from base value % |
|--|---|------------------------------|---|-----------------------------|
| 1. VALUE OF IN-FORCE SENSITIVITY ANALYSIS | | | | |
| Base value at 30 June 2013 | 27 706 | (3 004) | 24 702 | |
| ● Risk discount rate increase by 1% | 26 318 | (3 684) | 22 634 | (8) |
| Base value at 31 December 2012 | 26 897 | (2 847) | 24 050 | |
| ● Risk discount rate increase by 1% | 25 604 | (3 546) | 22 058 | (8) |

| | Gross value of new business R million | Cost of capital R million | Net value of new business R million | Change from base value % |
|--|--|------------------------------|--|-----------------------------|
| 2. VALUE OF NEW BUSINESS SENSITIVITY ANALYSIS | | | | |
| Base value | 655 | (68) | 587 | |
| ● Risk discount rate increase by 1% | 566 | (86) | 480 | (18) |

| R million | Six months Reviewed 2013 | Six months Reviewed 2012 | Full year Audited 2012 |
|---|-----------------------------|-----------------------------|---------------------------|
| 3. OPERATING EXPERIENCE VARIANCES | | | |
| Risk experience | 325 | 340 | 559 |
| Persistency | 123 | 65 | 26 |
| Working capital and other | 23 | (175) | (30) |
| Total operating experience variances | 471 | 230 | 555 |
| 4. OPERATING ASSUMPTION CHANGES | | | |
| Risk experience | 552 | (54) | 66 |
| Persistency | 45 | 29 | 52 |
| Modelling improvements and other | (308) | 93 | (23) |
| Total operating assumption changes | 289 | 68 | 95 |
| 5. ECONOMIC ASSUMPTION CHANGES | | | |
| Investment yields | (923) | 312 | 876 |
| Long-term asset mix assumptions and other | 35 | 63 | (2) |
| Total economic assumption changes | (888) | 375 | 874 |

| | | June Reviewed 2013 | June Reviewed 2012 | December Audited 2012 |
|---|----------------|--------------------------|--------------------------|-----------------------------|
| % | | | | |
| 6. ECONOMIC ASSUMPTIONS | | | | |
| Gross investment return, risk discount rate and inflation | | | | |
| Sanlam Life | | | | |
| Point used on the relevant yield curve | 9 year | 9 year | 9 year | 9 year |
| Fixed-interest securities | 7,8 | 7,6 | 6,8 | 6,8 |
| Equities and offshore investments | 11,3 | 11,1 | 10,3 | 10,3 |
| Hedged equities | 8,3 | 8,1 | 7,3 | 7,3 |
| Property | 8,8 | 8,6 | 7,8 | 7,8 |
| Cash | 6,8 | 6,6 | 5,8 | 5,8 |
| Return on required capital | 8,8 | 8,6 | 7,8 | 7,8 |
| Inflation rate ⁽¹⁾ | 5,8 | 5,6 | 4,8 | 4,8 |
| Risk discount rate | 10,3 | 10,1 | 9,3 | 9,3 |
| ⁽¹⁾ Expense inflation of 7,8% (December 2012: 6,8%) assumed for retail business administered on old platforms. | | | | |
| SDM Limited | | | | |
| Point used on the relevant yield curve | 5 year | 5 year | 5 year | 5 year |
| Fixed-interest securities | 7,2 | 6,7 | 5,9 | 5,9 |
| Equities and offshore investments | 10,7 | 10,2 | 9,4 | 9,4 |
| Hedged equities | n/a | n/a | n/a | n/a |
| Property | 8,2 | 7,7 | 6,9 | 6,9 |
| Cash | 6,2 | 5,7 | 4,9 | 4,9 |
| Return on required capital | 8,5 | 8,0 | 7,2 | 7,2 |
| Inflation rate | 5,2 | 4,7 | 3,9 | 3,9 |
| Risk discount rate | 9,7 | 9,2 | 8,4 | 8,4 |
| Sanlam Investments and Pensions | | | | |
| Point used on the relevant yield curve | 15 year | 15 year | 15 year | 15 year |
| Fixed-interest securities | 3,0 | 2,3 | 2,3 | 2,3 |
| Equities and offshore investments | 6,2 | 5,5 | 5,5 | 5,5 |
| Hedged equities | n/a | n/a | n/a | n/a |
| Property | 6,2 | 5,5 | 5,5 | 5,5 |
| Cash | 3,0 | 2,3 | 2,3 | 2,3 |
| Return on required capital | 3,0 | 2,3 | 2,3 | 2,3 |
| Inflation rate | 3,0 | 2,3 | 2,5 | 2,5 |
| Risk discount rate | 6,7 | 6,0 | 6,0 | 6,0 |

NOTES TO THE EMBEDDED VALUE OF COVERED BUSINESS continued

for the six months ended 30 June 2013

| % | June Reviewed 2013 | June Reviewed 2012 | December Audited 2012 |
|---|--------------------------|--------------------------|-----------------------------|
| 6. ECONOMIC ASSUMPTIONS <i>(continued)</i> | | | |
| Botswana Life Insurance | | | |
| Fixed-interest securities | 9,0 | 9,5 | 9,0 |
| Equities and offshore investments | 12,5 | 13,0 | 12,5 |
| Hedged equities | n/a | n/a | n/a |
| Property | 10,0 | 10,5 | 10,0 |
| Cash | 8,0 | 8,5 | 8,0 |
| Return on required capital | 9,1 | 9,6 | 9,1 |
| Inflation rate | 6,0 | 6,5 | 6,0 |
| Risk discount rate | 12,5 | 13,0 | 12,5 |
| Illiquidity premiums | | | |
| Investment returns on non-participating annuities and guarantee plans include assumed illiquidity premiums due to matching assets being held to maturity. Assumed illiquidity premiums generally amount to between 25 bps and 50 bps (2012: 25 bps and 50 bps) for non-participating annuities and between 25 bps and 110 bps (2012: 25 bps and 110 bps) for guarantee plans. | | | |
| Asset mix for assets supporting required capital | | | |
| Sanlam Life | | | |
| Equities | 26 | 26 | 26 |
| Offshore investments | 10 | 10 | 10 |
| Hedged equities | 13 | 13 | 13 |
| Fixed-interest securities | 15 | 15 | 15 |
| Cash | 36 | 36 | 36 |
| | 100 | 100 | 100 |
| SDM Limited | | | |
| Equities | 50 | 50 | 50 |
| Cash | 50 | 50 | 50 |
| | 100 | 100 | 100 |
| Sanlam Investments and Pensions | | | |
| Cash | 100 | 100 | 100 |
| | 100 | 100 | 100 |
| Botswana Life Insurance | | | |
| Equities | 15 | 15 | 15 |
| Property | 10 | 10 | 10 |
| Fixed-interest securities | 25 | 25 | 25 |
| Cash | 50 | 50 | 50 |
| | 100 | 100 | 100 |

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2013

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the directors of Sanlam Limited

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Sanlam Limited as of 30 June 2013 and the related statements of comprehensive income, changes in equity and cash flow for the six-month period then ended and other explanatory notes set out on pages 59 to 70 and the basis of accounting set out on pages 20 to 21.

The Group's directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard, IAS 34 – "Interim Financial Reporting", the SAICA Financial Reporting Guides as issued by the Accounting Practice Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard of Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical

and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of Sanlam Limited is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34, "Interim Financial Reporting", the SAICA Financial Reporting Guides as issued by the Accounting Practice Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young Inc.

Director: Johanna Cornelia de Villiers

Registered Auditor

Chartered Accountant (SA)

Ernst & Young House
35 Lower Long Street
Cape Town

4 September 2013

STATEMENT OF FINANCIAL POSITION

at 30 June 2013

| R million | June Reviewed 2013 | Restated December Reviewed 2012 |
|---|--------------------------|--|
| ASSETS | | |
| Property and equipment | 471 | 449 |
| Owner-occupied properties | 684 | 665 |
| Goodwill | 3 559 | 3 457 |
| Other intangible assets | 72 | 63 |
| Value of business acquired | 1 588 | 1 599 |
| Deferred acquisition costs | 2 826 | 2 717 |
| Long-term reinsurance assets | 760 | 746 |
| Investments | 439 543 | 426 745 |
| Properties | 19 081 | 18 372 |
| Equity-accounted investments | 8 047 | 5 412 |
| Equities and similar securities | 221 102 | 206 203 |
| Public sector stocks and loans | 65 143 | 64 617 |
| Debentures, insurance policies, preference shares and other loans | 59 510 | 64 678 |
| Cash, deposits and similar securities | 66 660 | 67 463 |
| Deferred tax | 416 | 450 |
| Non-current assets held for sale | — | 308 |
| Short-term insurance technical assets | 2 366 | 2 096 |
| Working capital assets | 52 486 | 50 958 |
| Trade and other receivables | 36 349 | 36 006 |
| Cash, deposits and similar securities | 16 137 | 14 952 |
| Total assets | 504 771 | 490 253 |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | | |
| Share capital and premium | 22 | 22 |
| Treasury shares | (3 539) | (3 632) |
| Other reserves | 9 635 | 9 156 |
| Retained earnings | 30 364 | 31 373 |
| Shareholders' fund | 36 482 | 36 919 |
| Non-controlling interest | 3 119 | 2 970 |
| Total equity | 39 601 | 39 889 |
| Long-term policy liabilities | 348 505 | 328 584 |
| Insurance contracts | 149 475 | 148 427 |
| Investment contracts | 199 030 | 180 157 |
| Term finance | 4 833 | 5 463 |
| Margin business | 905 | 1 487 |
| Other interest-bearing liabilities | 3 928 | 3 976 |
| Derivative liabilities | 11 192 | 16 507 |
| External investors in consolidated funds | 36 761 | 38 386 |
| Cell owners' interest | 722 | 688 |
| Deferred tax | 1 264 | 1 333 |
| Short-term insurance technical provisions | 9 870 | 9 877 |
| Working capital liabilities | 52 023 | 49 526 |
| Trade and other payables | 48 788 | 46 825 |
| Provisions | 402 | 396 |
| Taxation | 2 833 | 2 305 |
| Total equity and liabilities | 504 771 | 490 253 |

STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2013

| R million | Note | Reviewed 2013 | Restated Reviewed 2012 |
|---|------|------------------|------------------------------|
| Net income | | 40 431 | 36 894 |
| Financial services income | | 21 572 | 19 397 |
| Reinsurance premiums paid | | (2 582) | (2 188) |
| Reinsurance commission received | | 337 | 270 |
| Investment income | | 9 660 | 9 846 |
| Investment surpluses | | 13 025 | 11 088 |
| Finance cost – margin business | | (19) | (82) |
| Change in fair value of external investors' liability | | (1 562) | (1 437) |
| Net insurance and investment contract benefits and claims | | (26 524) | (24 589) |
| Long-term insurance and investment contract benefits | | (21 176) | (19 859) |
| Short-term insurance claims | | (6 892) | (5 859) |
| Reinsurance claims received | | 1 544 | 1 129 |
| Expenses | | (8 634) | (7 771) |
| Sales remuneration | | (2 774) | (2 589) |
| Administration costs | | (5 860) | (5 182) |
| Impairments | | (12) | (6) |
| Amortisation of intangibles | | (114) | (70) |
| Net operating result | | 5 147 | 4 458 |
| Equity-accounted earnings | | 505 | 271 |
| Finance cost – other | | (176) | (181) |
| Profit before tax | | 5 476 | 4 548 |
| Taxation | | (1 602) | (1 788) |
| Shareholders' fund | | (1 005) | (1 298) |
| Policyholders' fund | | (597) | (490) |
| Profit for the period | | 3 874 | 2 760 |
| Other comprehensive income | | | |
| Movement in foreign currency translation reserve | | 713 | 2 |
| Comprehensive income for the period | | 4 587 | 2 762 |
| Allocation of comprehensive income | | | |
| Profit for the period | | 3 874 | 2 760 |
| Shareholders' fund | | 3 508 | 2 402 |
| Non-controlling interest | | 366 | 358 |
| Comprehensive income for the period | | 4 587 | 2 762 |
| Shareholders' fund | | 4 079 | 2 417 |
| Non-controlling interest | | 508 | 345 |
| Earnings attributable to shareholders of the company (cents) | | | |
| Profit for the period: | | | |
| Basic earnings per share | 1 | 181,1 | 124,8 |
| Diluted earnings per share | 1 | 173,1 | 119,8 |

STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2013

| R million | Reviewed 2013 | Reviewed 2012 |
|---|------------------|------------------|
| Shareholders' fund | | |
| Balance at the beginning of the period | 36 919 | 33 822 |
| Comprehensive income | 4 079 | 2 417 |
| Profit for the period | 3 508 | 2 402 |
| Other comprehensive income: movement in foreign currency translation reserve | 571 | 15 |
| Net acquisition of treasury shares ⁽¹⁾ | (182) | (413) |
| Share-based payments | 143 | 161 |
| Acquisitions, disposals and other movements in interests | (194) | (28) |
| Dividends paid ⁽²⁾ | (4 283) | (2 556) |
| Balance at the end of the period | 36 482 | 33 403 |
| Non-controlling interest | | |
| Balance at the beginning of the period | 2 970 | 3 046 |
| Comprehensive income | 508 | 345 |
| Profit for the period | 366 | 358 |
| Other comprehensive income: movement in foreign currency translation reserve | 142 | (13) |
| Share-based payments | 18 | 15 |
| Dividends paid | (325) | (682) |
| Acquisitions, disposals and other movements in interests | (52) | (24) |
| Balance at the end of the period | 3 119 | 2 700 |
| Shareholders' fund | 36 919 | 33 822 |
| Non-controlling interest | 2 970 | 3 046 |
| Total equity at the beginning of the period | 39 889 | 36 868 |
| Shareholders' fund | 36 482 | 33 403 |
| Non-controlling interest | 3 119 | 2 700 |
| Total equity at the end of the period | 39 601 | 36 103 |

⁽¹⁾ Comprises movement in cost of shares held by subsidiaries and the share incentive trust.

⁽²⁾ Dividend of 215 cents per share paid during 2013 in respect of the 2012 financial year (2012: 130 cents per share).

CASH FLOW STATEMENT

for the six months ended 30 June 2013

| R million | Reviewed 2013 | Restated Reviewed 2012 |
|---|------------------|------------------------------|
| Net cash flow from operating activities | 7 228 | 5 691 |
| Net cash flow from investment activities | (6 017) | (154) |
| Net cash flow from financing activities | (829) | (456) |
| Net increase in cash and cash equivalents | 382 | 5 081 |
| Cash, deposits and similar securities at the beginning of the period | 82 415 | 74 250 |
| Cash, deposits and similar securities at the end of the period | 82 797 | 79 331 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2013

1. EARNINGS PER SHARE

For basic earnings per share the weighted average number of ordinary shares is adjusted for the treasury shares held by subsidiaries and policyholders. Basic earnings per share is calculated by dividing earnings by the adjusted weighted average number of shares in issue.

For diluted earnings per share the weighted average number of ordinary shares is adjusted for the shares not yet issued under the Sanlam Share Incentive Scheme, treasury shares held by subsidiaries and the conversion of deferred shares. Diluted earnings per share is calculated by dividing earnings by the adjusted diluted weighted average number of shares in issue.

Refer to page 47 for normalised earnings per share, which is based on the economic earnings attributable to the shareholders' fund, and in management's view should be used when evaluating the Group's economic performance.

| Cents | Reviewed 2013 | Reviewed 2012 |
|--|------------------|------------------|
| Basic earnings per share: | | |
| Headline earnings | 179,4 | 125,1 |
| Profit attributable to shareholders' fund | 181,1 | 124,8 |
| Diluted earnings per share: | | |
| Headline earnings | 171,4 | 120,1 |
| Profit attributable to shareholders' fund | 173,1 | 119,8 |
| R million | | |
| Analysis of earnings: | | |
| Profit attributable to shareholders' fund | 3 508 | 2 402 |
| Less: Net profit on disposal of operations | (42) | — |
| Plus: Impairments | 8 | 6 |
| Impairments | 12 | 6 |
| Non-controlling interest | (4) | — |
| Headline earnings | 3 474 | 2 408 |
| Headline earnings includes remeasurements of investment properties, which are largely attributable to policyholders. | | |
| Million | | |
| Number of shares: | | |
| Number of ordinary shares in issue at the beginning of the period | 2 100,0 | 2 100,0 |
| Less: Weighted Sanlam shares held by subsidiaries (including policyholders) | (163,2) | (174,6) |
| Adjusted weighted average number of shares for basic earnings per share | 1 936,8 | 1 925,4 |
| Add: Weighted conversion of deferred shares | 57,7 | 46,7 |
| Add: Total number of shares in respect of Sanlam Limited long-term incentive schemes | 32,1 | 33,2 |
| Adjusted weighted average number of shares for incentive schemes diluted earnings per share | 2 026,6 | 2 005,3 |

2. RECONCILIATION OF SEGMENTAL INFORMATION

| R million | Reviewed 2013 | Reviewed 2012 |
|---|------------------|------------------|
| Segment financial services income (per shareholders' fund information) | 19 874 | 17 933 |
| Sanlam Personal Finance | 6 240 | 5 496 |
| Sanlam Emerging Markets | 1 754 | 1 300 |
| Sanlam Investments | 3 493 | 3 152 |
| Santam | 8 291 | 7 906 |
| Corporate, consolidation and other | 96 | 79 |
| IFRS adjustments | 1 698 | 1 464 |
| Total financial services income | 21 572 | 19 397 |
| Segment results (per shareholders' fund information after tax and non-controlling interest) | 3 483 | 2 533 |
| Sanlam Personal Finance | 2 344 | 2 499 |
| Sanlam Emerging Markets | 608 | 245 |
| Sanlam Investments | 764 | 591 |
| Santam | 234 | 283 |
| Corporate, consolidation and other | (467) | (1 085) |
| Non-controlling interest included in segment result | 366 | 358 |
| Fund transfers | 25 | (131) |
| Total profit for the period | 3 874 | 2 760 |

Additional segmental information is provided in the Shareholders' information (refer page 28 to 33).

3. CONTINGENT LIABILITIES

Shareholders are referred to the contingent liabilities disclosed in the 2012 integrated report. The circumstances surrounding the other contingent liabilities remain materially unchanged.

4. SUBSEQUENT EVENTS

No material facts or circumstances have arisen between the dates of the balance sheet and this report that affect the financial position of the Sanlam Group at 30 June 2013 as reflected in these financial statements. The SLI 1 listed bond issued by Sanlam Life Insurance Limited with a nominal value of R1,16 billion reached its first call date on 15 August 2013. This bond was redeemed on 15 August, but replaced by the successful issuance of a new bond to the same value.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the six months ended 30 June 2013

5. FAIR VALUE DISCLOSURES

Determination of fair value and fair value hierarchy

Below follows required disclosure of fair value measurements, using a three-level fair value hierarchy that reflects the significance of the inputs used in determining the measurements. It should be noted that these disclosure only cover instruments measured at fair value.

Included in **level 1** category are financial assets and liabilities that are measured by reference to unadjusted, quoted prices in an active market for identical assets and liabilities. Quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Included in **level 2** category are financial assets and liabilities measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). For example, instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are categorised as level 2.

Financial assets and liabilities measured using inputs that are not based on observable market data are categorised as **level 3**.

| R million | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|--------------|----------------|
| 30 June 2013 – Reviewed | | | | |
| Equities and similar securities | 205 166 | 13 169 | 2 767 | 221 102 |
| Public sector stocks and loans | 60 502 | 4 641 | — | 65 143 |
| Listed property companies and property collective investments | 9 301 | 1 643 | — | 10 944 |
| Debentures, insurance policies, preference shares and other loans | 17 346 | 41 469 | 166 | 58 981 |
| Trading account assets | 1 784 | 17 312 | — | 19 096 |
| Cash deposits and similar securities | 28 294 | 38 336 | 2 | 66 632 |
| Total financial assets | 322 393 | 116 570 | 2 935 | 441 898 |
| Investment contract liabilities | 2 791 | 195 527 | 712 | 199 030 |
| Term finance | 3 536 | 76 | 118 | 3 730 |
| Valued at stock exchange price | 3 402 | — | — | 3 402 |
| Based on internal valuation | 134 | 76 | 118 | 328 |
| Derivative liabilities | — | 11 192 | — | 11 192 |
| Trading account liabilities | 1 965 | 19 580 | — | 21 545 |
| Total financial liabilities | 8 292 | 226 375 | 830 | 235 497 |
| 31 December 2012 – Restated Reviewed | | | | |
| Equities and similar securities | 192 258 | 11 589 | 2 356 | 206 203 |
| Public sector stocks and loans | 55 579 | 9 038 | — | 64 617 |
| Listed property companies and property collective investments | 7 367 | 884 | — | 8 251 |
| Debentures, insurance policies, preference shares and other loans | 22 674 | 41 358 | 163 | 64 195 |
| Trading account assets | 2 729 | 16 817 | — | 19 546 |
| Cash deposits and similar securities | 28 354 | 38 942 | 2 | 67 298 |
| Total financial assets | 308 961 | 118 628 | 2 521 | 430 110 |
| Investment contract liabilities | 2 804 | 176 701 | 652 | 180 157 |
| Term finance | 3 281 | 77 | 97 | 3 455 |
| Valued at stock exchange price | 3 121 | — | — | 3 121 |
| Based on internal valuation | 160 | 77 | 97 | 334 |
| Derivative liabilities | — | 16 507 | — | 16 507 |
| Trading account liabilities | 2 701 | 18 649 | — | 21 350 |
| Total financial liabilities | 8 786 | 211 934 | 749 | 221 469 |

5. FAIR VALUE DISCLOSURES *(continued)*

Reconciliation of movements in level 3 financial instruments measured at fair value

| R million | Equities and similar securities | Public sector stocks and loans | Debt securities, insurance policies, preference shares and other loans | Cash, deposits and similar securities | Total financial assets |
|---|---------------------------------|--------------------------------|--|---------------------------------------|------------------------|
| 30 June 2013 | | | | | |
| – Reviewed | | | | | |
| Financial assets | | | | | |
| Balance at 1 January 2013 | 2 356 | — | 163 | 2 | 2 521 |
| Total gains/(loss) in statement of comprehensive income | 282 | — | 4 | — | 286 |
| Acquisitions | 742 | — | 3 | — | 745 |
| Disposals | (623) | — | (4) | — | (627) |
| Foreign exchange movements | 10 | — | — | — | 10 |
| Balance at 30 June 2013 | 2 767 | — | 166 | 2 | 2 935 |
| 31 December 2012 | | | | | |
| – Audited | | | | | |
| Financial assets | | | | | |
| Balance at 1 January 2012 | 3 349 | 1 | 625 | — | 3 975 |
| Total gains/(loss) in statement of comprehensive income | (54) | — | (216) | — | (270) |
| Acquisitions | 317 | — | 30 | 2 | 349 |
| Disposals | (798) | — | (276) | — | (1 074) |
| Foreign exchange movements | 38 | — | — | — | 38 |
| Transfers from level 1 and level 2 | (496) | (1) | — | — | (497) |
| Not significant (net in/out) | — | (1) | — | — | (1) |
| Significant – transfer out | (496) | — | — | — | (496) |
| Balance at 31 December 2012 | 2 356 | — | 163 | 2 | 2 521 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the six months ended 30 June 2013

5. FAIR VALUE DISCLOSURES *(continued)*

| R million | Investment contract liabilities | Term finance | Total financial liabilities |
|--|---------------------------------|--------------|-----------------------------|
| 30 June 2013 – Reviewed | | | |
| Financial liabilities | | | |
| Balance at 1 January 2013 | 652 | 97 | 749 |
| Total (gain)/loss in statement of comprehensive income | 51 | 18 | 69 |
| Foreign exchange movements | 9 | 3 | 12 |
| Balance at 30 June 2013 | 712 | 118 | 830 |
| 31 December 2012 – Audited | | | |
| Financial liabilities | | | |
| Balance at 1 January 2012 | 752 | 59 | 811 |
| Total (gain)/loss in statement of comprehensive income | 126 | 34 | 160 |
| Acquisitions | 128 | — | 128 |
| Disposals | (354) | — | (354) |
| Foreign exchange movements | — | 4 | 4 |
| Balance at 31 December 2012 | 652 | 97 | 749 |

| R million | Six months Reviewed 2013 | Full year Audited 2012 |
|--|--------------------------|------------------------|
| Gains and losses (realised and unrealised) included in profit and loss – level 3 | | |
| Total gains or losses included in profit or loss for the period | 217 | 411 |
| Total gains or losses included in profit or loss for the period for assets held at the end of the reporting period | 183 | 287 |

Transfers between categories

There were no transfers between categories during the six months ended 30 June 2013.

Full year – Audited 2012

| R million | Public sector stocks and loans | Cash, deposits and similar securities | Total financial assets |
|----------------------------------|--------------------------------|---------------------------------------|------------------------|
| Transfer from level 1 to level 2 | 103 | 59 | 162 |
| | 103 | 59 | 162 |

5. FAIR VALUE DISCLOSURES *(continued)*

Valuation techniques used in determining the fair value of financial asset and liabilities

| Instrument | Applicable to level | Valuation basis | Main assumptions |
|---|---------------------|---|--|
| Investment funds included in: | | | |
| – Equities | 2 | Quoted (exit) price | n/a |
| – Properties | 2 | provided by fund manager | |
| – Interest bearing | 2 | | |
| Equities and similar securities | 3 | Discounted cash flow model (DCF) Earnings multiple | Bond and interbank swap interest rate curve Cost of capital Consumer price index |
| Debentures, insurance policies, preference shares and other loans | | | |
| – Debentures, preference shares and other loans | 2 & 3 | DCF | Bond and forward rate Agreement interest curves Liquidity spread Credit ratings of issuer |
| – Insurance policies | 2 | Quoted put/surrender price by issuer | n/a |
| Trading account assets and liabilities | 2 | DCF | Forward rate Credit risk spread Liquidity spread |
| Unlisted term deposits | 2 | DCF | Bond and forward rate Agreement interest curves Liquidity spread Credit ratings of issuer |
| Investment contract liabilities | | | |
| – Unit-linked policies | 2 | Current unit price of underlying unitised financial asset, multiplied by the number of units held | n/a |
| – Other | 2 & 3 | DCF | Bond interest rate curves |
| Term finance | 2 | DCF | Bond and forward rate Agreement interest curves Liquidity spread Credit ratings of issuer |
| Derivative assets and liabilities | 2 | Option pricing models DCF | Bond and interbank swap interest rate curve Forward equity and currency rates Volatility factors |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the six months ended 30 June 2013

5. FAIR VALUE DISCLOSURES *(continued)*

Sensitivity of level 3 financial instruments measured at fair value to changes in key assumptions

R million

Six months – Reviewed

30 June 2013

Equities and similar securities

Debentures, insurance policies, preference shares and other loans

Financial assets

Investment contract liabilities

Term finance

Financial liabilities

Full year – Audited

31 December 2012

Equities and similar securities

Debentures, insurance policies, preference shares and other loans

Financial assets

Investment contract liabilities

Term finance

Financial liabilities

⁽¹⁾ Represents mainly private equity investments valued on earnings multiple, with sensitivities based on full valuation.

⁽²⁾ Represents mainly private equity investments valued on a discounted cash flow basis, with sensitivities based on changes in the discount rate.

| Carrying ⁽¹⁾ amount | Effect of a 10% increase in value | Effect of a 10% decrease in value | Carrying ⁽²⁾ amount | Effect of a 1% increase in discount rate | Effect of a 1% decrease in discount rate |
|-----------------------------------|---|--|-----------------------------------|---|---|
| 2 670 | 267 | (267) | 97 | — | — |
| — | — | — | 166 | 2 | (2) |
| 2 670 | 267 | (267) | 263 | 2 | (2) |
| 712 | 71 | (71) | — | — | — |
| 118 | 12 | (12) | — | — | — |
| 830 | 83 | (83) | — | — | — |
| 2 212 | 221 | (221) | 144 | 1 | (1) |
| — | — | — | 163 | 2 | (2) |
| 2 212 | 221 | (221) | 307 | 3 | (3) |
| 652 | 65 | (65) | — | — | — |
| 97 | 10 | (10) | — | — | — |
| 749 | 75 | (75) | — | — | — |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the six months ended 30 June 2013

6. RESTATEMENTS

Statement of financial position

| R million | 31 December 2012 | | |
|---|-----------------------------|--|-------------------|
| | Previously reported Audited | Reclassification of investment funds ⁽¹⁾ Reviewed | Restated Reviewed |
| Assets | | | |
| Investments | 314 792 | 41 924 | 356 716 |
| Properties | 17 678 | 694 | 18 372 |
| Equities and similar securities | 202 952 | 3 251 | 206 203 |
| Debentures, insurance policies, preference shares and other loans | 37 726 | 26 952 | 64 678 |
| Cash, deposits and similar securities | 56 436 | 11 027 | 67 463 |
| Working capital assets: Trade and other receivables | 31 241 | 4 765 | 36 006 |
| | 346 033 | 46 689 | 392 722 |
| Liabilities | | | |
| External investors in consolidated funds | 19 596 | 18 790 | 38 386 |
| Derivative liabilities | 610 | 15 897 | 16 507 |
| Working capital liabilities: Trade and other payables | 34 823 | 12 002 | 46 825 |
| | 55 029 | 46 689 | 101 718 |

Statement of comprehensive income

| R million | 30 June 2012 | | |
|---|------------------------------|--|-------------------|
| | Previously reported Reviewed | Reclassification of investment funds ⁽¹⁾ Reviewed | Restated Reviewed |
| Net income | | | |
| Investment income | 9 171 | 675 | 9 846 |
| Investment surpluses | 10 780 | 308 | 11 088 |
| Change in fair value of external investors' liability | (710) | (727) | (1 437) |
| Expenses | (5 597) | (256) | (5 853) |
| Administration costs | (4 953) | (229) | (5 182) |
| Finance cost: other | (163) | (18) | (181) |
| Taxation: policyholder's fund | (481) | (9) | (490) |

⁽¹⁾ The application of IFRS 10 has led to certain investments in investment funds being reclassified between investment categories and various income and expense items. Refer to the accounting policy section on page 20 for a detailed explanation.

ADMINISTRATION

Group secretary

Sana-Ullah Bray

Registered name

Sanlam Limited
(Registration number: 1959/001562/06)
JSE share code (primary listing): SLM
NSX share code: SLA
ISIN: ZAE000070660
Incorporated in South Africa

Registered office

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Fax +27 (0)21 947 3670

Postal address

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South Africa

Sponsor

Deutsche Securities (SA) (Pty) Limited

Transfer secretaries

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Internet address

<http://www.sanlam.co.za>

Board of directors

DK Smith (*Chairman*), PT Motsepe (*Deputy Chairman*), J van Zyl⁽¹⁾ (*Group Chief Executive*),
MMM Bakane-Tuoane, AD Botha, R Bradshaw^{(2) (4)}, A Duggal⁽³⁾, MV Moosa, JP Möller⁽¹⁾,
P Mthethwa, TI Mvusi⁽¹⁾, SA Nkosi, P Rademeyer, Y Ramiah⁽¹⁾, RV Simelane,
CG Swanepoel, ZB Swanepoel, PL Zim
I Plenderleith⁽²⁾ retired on 4 September 2013.

⁽¹⁾ Executive

⁽²⁾ British citizen

⁽³⁾ Indian citizen, appointed 15 January 2013

⁽⁴⁾ Appointed 7 August 2013

$$\begin{array}{c}
 \text{[Eagle]} + \text{[Eagle]}^3 + \text{[House]} + \text{[House]} \times 2 + \text{[Handshake]} + \left(\text{[Handshake]} \right)
 \end{array}$$

$$\begin{array}{c}
 \text{[Boat]} + \left(\text{[Traffic Light]} + \text{[Statue]} \right)^2 + \text{[Statue]} + \text{[Statue]} + \text{[Statue]}
 \end{array}$$