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Interim Results 2024

Financial Planning | Retirement | Insurance | Health | Investments | Wealth | Credit

Interim results for the six months ended 30 June 2024 – **FINANCIAL INFORMATION**

Sanlam Interim Results 2024
Financial and strategic review

Basis of preparation

The Sanlam group's condensed consolidated interim financial statements are prepared in accordance with IFRS® Accounting Standards, IAS 34 – Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, for the six months ended 30 June 2024. The basis of presentation and accounting policies for the IFRS financial statements and shareholders' fund information are, in all material respects, consistent with those applied in the 2023 integrated report and annual financial statements, except for the division of the retail affluent segment into Sanlam Risk and Savings and Glacier, collectively referred to in the Financial and strategic review as 'affluent'. The financial and strategic review is prepared on a shareholders' fund basis. The basis of accounting for the shareholders' fund can be found on pages 15 to 25.

All references to 2024 and 2023 relate to the six months period, unless otherwise stated.

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, among others, on the financial results, to new business volumes and investment returns (including exchange-rate fluctuations). 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", "expect" 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 information contained in this document has not been reviewed and reported on by Sanlam's external auditors.

Constant currency information

The constant currency information included in this report has been presented to illustrate the impact of changes in the South African rand exchange rates.

It is presented for illustrative purposes only and, because of its nature, may not fairly present the group's financial position, changes in equity, result of operations or cash flows. All references to constant currency information are based on the translation of foreign currency results for the six months to 30 June 2024 at the weighted average exchange rate for the six months to 30 June 2023, which is also applied to the translation of comparative information.

The major currencies contributing to the exchange rate movements are the British pound, United States dollar, Botswana pula, Indian rupee, Moroccan dirham, Angolan kwanza, Nigerian naira and the Egyptian pound.

Foreign currency/ South African rand (ZAR)	United Kingdom	USA	Botswana	India	Morocco	Angola	Nigeria	Egypt
31/12/2023	23,31	18,29	1,37	0,22	1,86	0,02	0,02	0,60
30/06/2024	23,08	18,26	1,35	0,22	1,84	0,02	0,01	0,38
Rand strengthening	(1,0%)	(0,2%)	(1,5%)	(1,0%)	(1,4%)	(3,4%)	(42,1%)	(36,1%)
Average first six months 2023	22,42	18,20	1,38	0,22	1,79	0,03	0,04	0,60
Average six months 2024	23,69	18,73	1,37	0,23	1,87	0,02	0,01	0,47
(Strengthening)/ weakening	5,7%	2,9%	(0,6%)	1,6%	4,6%	(34,3%)	(62,2%)	(20,7%)

Contents

Financial and strategic review

Sanlam achieves robust operating performance across the group in the first half of 2024, enabling continued delivery on its strategy

Earnings and cash generation	Growth	Value creation	Capital strength and allocation
Net result from financial services (NRFFS)[1] **+14% (+19% per share)**	Life insurance new business volumes (PVNBP)[4] **+14%**	Return on group equity value (RoGEV) **9,2% for half year**	Group solvency cover ratio **166%**
Cash NRFFS[2] **+15% (+20% per share)**	Life insurance net value of new business (VNB) **+10%**	Adjusted RoGEV[5] **10,7% for half year**	Discretionary capital deployed **R1,3 billion**
Net operational earnings[3] **+8% (+12% per share)**	Net client cash flows (NCCF) **R24 billion** + >100%	Life insurance net new business margin **2,73%**	Discretionary capital balance **R3,8 billion**
Diluted EPS **+23%**			

1 A measure of operating performance of the Sanlam group that is better aligned to cash earnings that drive dividend distribution.
2 Cash NRFFS represents NRFFS as adjusted for the reversal of specific non-cash items: amortisation of capitalised IT projects and IFRS 17 specific and other non-cash adjustments.
3 NRFFS including investment return and project expenses.
4 On a present value of new business premiums basis.
5 Adjusted RoGEV excludes the impact of actual investment return relative to long-term assumptions, interest rate changes and other one-off effects not under managements control, tax changes and currency exchange rate movements.

Overview

The consistent implementation of our strategy in the last four years, which centres on enhancing organic growth while complementing this with strategic corporate activity, continues to yield positive results. The strategic choice to concentrate our efforts on fortifying our South Africa operations through leveraging our substantial scale and competitive edge, alongside focusing on Pan-Africa and Asia where we already have robust market positions in rapidly growing economies, continues to position our business favourably for long-term growth and value creation for all stakeholders.

Building on our track record of consistent performance

The group's key metric for value creation, adjusted RoGEV, was 10,7% for the six-month period, above the six-month hurdle rate of 7,5%. The performance was underpinned by:

- **Life insurance (covered) business:** robust new business and positive risk, working capital and credit spread experience.
- **Non-life (non-covered) business:** higher valuation of the Indian credit business (Shriram Finance Limited) due to improved performance and outlook, strong operating results from Santam, and cost efficiencies in the South Africa asset management operations.

The group's earnings momentum continued, growing NRFFS by 14% to a new high of over R7 billion for the first half of the year. This reflects strong trading performances across our businesses, the advantages of our scale and market positions, diversification by geography and line of business, and our continued focus on costs and efficiency. The impacts from currency translation were not significant on group earnings and new business.

Group metric	% change (actual)	% change (constant currency)
Cash NRFFS	15%	16%
New business volumes	7%	7%
Life insurance new business volumes (PVNBP)	14%	16%
Net client cash flows	111%	115%

Our life insurance and health operations grew NRFFS by 14%, new business volumes by 14% on a PVNBP basis, and value of new business by 10%. **South Africa's** contribution to NRFFS was satisfactory, benefiting from favourable risk experience and overall book growth, with new business volumes remaining stellar and maintaining healthy margins. Our **Pan-Africa** operations performed very well over the period, with significant earnings growth on the back of cost savings, strong risk experience, overall book growth and higher asset-based fee income. **Asia's** new business volume growth remained strong at more than 50%, although earnings and new business margins were impacted by investment in growing distribution to capture the growth opportunity in India, as well as weaker performance in Malaysia.

General insurance reported a 16% rise in NRFFS, highlighted by a particularly robust performance in South Africa (Santam) where effective management actions and lower attritional losses offset the impact of continued adverse weather-related claims. Santam reported a 34% increase in NRFFS and grew its conventional insurance business net earned premiums by 7% with good contributions from most businesses. The Pan-Africa operations recorded improved NRFFS supported by higher investment return margin on insurance funds. Asia continued its rapid growth trajectory showing 32% growth in net earned premiums propelled by significant growth in India. Asia's NRFFS was, however, dampened by the non-repeat of positive modelling changes impact in 2023 in India.

Investment management performance was satisfactory with 10% growth in NRFFS and net client cash inflows of R4,1 billion for the six-month period, from outflows of R4,8 billion in the prior period. NRFFS growth was supported by a strong improvement in the international operations due to improved cost management and a steady performance from the asset management operations in South Africa. The improvement in net client cash flows emanated from strong inflows in South Africa wealth management, the international and the Pan-Africa operations.

The group's **credit and structuring** operations recorded growth in NRFFS of 9% as double-digit growth in India and Namibia was dampened by underperformance in other Africa regions.

Diversified insurer with strong organic growth, supported by corporate activity

Our distinctive business model, which represents a significant competitive advantage, played a crucial role in achieving these positive outcomes. Our portfolio is diversified across **South Africa, Pan-Africa** and **Asia**, where we have market-leading positions and tangible opportunities to capture the growth opportunity. We look after a wide range of customer needs across insurance, investments and credit, supported by financial planning and advice. These multiple lines of business and geographies give Sanlam's earnings resilience and provide holistic, integrated solutions to our customers.

In addition to organic growth, the group has invested in and is seeing the benefits of our structural growth activity. The **BrightRock** and **Capital Legacy** transactions closed in 2023 and both have contributed to the group's performance. Capital Legacy's product range has been actively sold into the Sanlam client base and these products have been well received by the Sanlam distribution. This business contributed 4% to group VNB. The **Absa** and **Alexforbes** retail investment platform businesses, both acquired in 2023, have contributed 5% to the group's new business volumes.

The final step of the **Absa asset management** business integration into Sanlam's investment operations took place with the merger of the Absa Fund Managers platform into the Sanlam Collective Investments platform in March 2024. The realisation of synergy benefits from the integration resulted in an uplift to group GEV.

Afrocentric continues to experience challenging trading conditions and margin pressure from increased competition and lower pricing in the pharmaceuticals business, as well as higher investment required in the administration business. Sanlam remains confident of the value that Afrocentric will add to the Sanlam group in the long run, particularly through its contribution to our holistic and integrated product offering. The new leadership team at Afrocentric has transitioned into their roles with a renewed commitment to enhance performance. As a result of recent underperformance relative to business plans, the Afrocentric GEV was impaired by R910 million.

The **SanlamAllianz** joint venture (JV) integration is progressing well, with the focus continuing on operational synergies. First regulatory approvals were received in Côte d'Ivoire, Senegal, Ghana and Cameroon and in-country mergers are completed.

Sanlam Interim Results 2024
Financial and strategic review

Financial and strategic review continued

Capital deployment over the period

The group's discretionary capital balance rose to R3,8 billion at 30 June 2024, up from R2,7 billion at the end of December 2023. This increase stems from funds generated from the sale of a portion of our direct stake in Shriram Finance Limited (SFL) and net investment return. The total was partially offset by an outlay of R1,3 billion associated with the offer to buy out minority shareholders in Sanlam Maroc S.A, as part of the broader SanlamAllianz transaction, alongside other smaller activities.

Transactions that strengthen our positions in our core regions: South Africa, Pan-Africa and Asia

In April 2024, the group announced the intention to increase its effective economic shareholding to more than 50% in the group's India insurance businesses, Shriram Life Insurance and Shriram General Insurance. This transaction would increase the group's exposure to the fast-growing Indian insurance sector. The transaction is conditional on regulatory approvals being received in India, which is expected to take some time. The consideration payable would be funded using the net proceeds from disposal of part of the group's shareholding in SFL (currently held in discretionary capital) and an additional cash consideration of R2,0 billion.

In June 2024, the group announced the intention to acquire 60% of the insurance business of Multichoice group. The transaction offers significant cross-sell opportunities into Multichoice's extensive client base across the continent, utilising a differentiated distribution and premium collection model. The upfront cash consideration for the transaction is R1,2 billion, with an additional growth-based cash earn-out of up to a maximum of R1,5 billion by 31 December 2026. Completion of the transaction is targeted for the fourth quarter of 2024, subject to regulatory approval.

The transactions are expected to be financed by discretionary capital, supplemented by short-term bridging finance and debt finance. Presently, the group carries low debt levels and has ample funding capacity for these ventures. The increase in short-term financing will not impact the group's dividend capacity.

On 26 June 2024, Sanlam repurchased around 86 million ordinary shares held in treasury by its wholly owned subsidiary, SU BEE Investments SPV (RF) Proprietary Limited (SU BEE SPV). These shares were subsequently cancelled and delisted. As stated in the announcement to shareholders on 28 March 2024 regarding the specific repurchase of Sanlam shares, there was no additional outlay of funds by Sanlam since the full proceeds from the sale of the Sanlam shares by SU BEE SPV were used to partially settle the obligations of the holding company of SU BEE SPV in terms of preference shares owned by other entities in the Sanlam group.

Events post reporting period

Sanlam Life issues subordinated debt

On 8 August 2024, Sanlam Life issued subordinated debt to the amount of R2 billion at favourable terms.

Contribution of Sanlam's Namibian assets to SanlamAllianz

As indicated in the announcement to shareholders on 4 May 2022, the initial shareholding split of SanlamAllianz was 60% and 40% to Sanlam and Allianz SE (Allianz) respectively, subject to certain post-closing adjustments, and excluded Sanlam's holdings in Namibia which were to be contributed at a later stage. Post-closing adjustments relating to movements in net asset value and corporate actions between initial agreement and transaction conclusion resulted in a final shareholding split of 59,6% and 40,4% to Sanlam and Allianz respectively.

Shareholders and noteholders are notified that Sanlam integrated its Namibian holdings into SanlamAllianz at an initial valuation of R6,2 billion, subject to post-closing adjustments. To maintain the shareholding distribution of SanlamAllianz at 59,6% for Sanlam and 40,4% for Allianz, Sanlam will subscribe for additional shares in SanlamAllianz, representing 59,6% of the valuation, and receive a cash consideration of R2,5 billion from SanlamAllianz, representing 40,4% of the valuation. SanlamAllianz intends to finance this payment using a capital raise through a share issue to Allianz for cash. This transaction is subject to post-closing adjustments and obtaining necessary regulatory approvals and is anticipated to take effect in September 2024.

Allianz retains the option to raise its stake in SanlamAllianz to 49,0% within six months of the completion of the Namibia transaction.

Assupol transaction receives Competition Tribunal approval

In February 2024, the group announced the intention to acquire the South African mass market focused insurer Assupol Holdings (Assupol) for R6,5 billion, pending approval from regulators and Assupol shareholders. This proposal received Assupol shareholder support on 17 April 2024. The transaction received Competition Tribunal approval on 22 August 2024 and is subject to an employment related condition. Remaining regulatory approvals are expected imminently.

Acquisition of 25% shareholding in African Rainbow Capital Financial Services Holdings

On 2 September 2024 Sanlam Limited announced Sanlam Life Insurance Limited's' intention to acquire a 25% interest in African Rainbow Capital Financial Services Holdings Proprietary (ARC FSH). All the conditions precedent to the transaction have been fulfilled and the transaction became unconditional, and was implemented according to its terms, with an effective date of 2 September 2024. The transaction was partially funded through a cash consideration of R2,4 billion and an asset-for-share transaction of R1,5 billion for the 25% interest Sanlam Life Insurance Limited has in ARC Financial Services Investments Proprietary Limited (ARC FSI). The transaction is a natural extension of Sanlam's existing interest in ARC FSI. Sanlam will continue to explore ways to collaborate strategically with ARC FSH and its portfolio investments to enhance competition and to assist Sanlam in providing holistic and integrated product offerings to its clients. Sanlam Life Insurance Limited's 25% shareholding in ARC FSH shall be treated as an investment in an associate.

Confidence in Sanlam's outlook

In **South Africa**, the retail mass segment has seen an improvement in persistency trends since the second quarter of 2024, with fewer policy cancellations and lapses recorded in the individual life business. Management's focus on improving persistency in this segment will continue. The affluent segment has maintained stable persistency.

The conclusion of the Capitec funeral JV at the end of October 2024, is expected to result in a reinsurance recapture fee of R1,9 billion (gross of tax) being paid to Sanlam's retail mass business in November 2024. While International Financial Reporting Standards (IFRS) requires that the group recognise part of this recapture fee in attributable earnings at the half year, consistent with shareholders' fund reporting, this amount will not be recognised in NRFFS until the cash payment is received in November 2024. The conclusion of this JV will reduce full year VNB and new business volume trends.

Sanlam is prepared for the implementation of the 'two-pot' retirement fund legislation[6] in South Africa, allowing members access to a portion of their accumulated retirement fund savings before retirement. The group expects a modest outflow of assets from retirement funds in the short-term but for improved asset accumulation in the long term through increased preservation. The group does not expect a material impact on 2024 earnings from this implementation.

The proposed acquisition of Assupol, will require focus and attention within the South Africa life insurance operations, with limited to no disruption to operational results.

We remain committed to supporting, and benefiting from, an improved growth rate for the South African economy and continue to support initiatives to improve energy supply and logistics, reduce crime and corruption and to create and increase employment.

In our **Pan-Africa** operations, SanlamAllianz's businesses are focused on integration and realising synergies. We remain positive about the growth prospects for the African countries in which we operate, despite the short-term challenges posed by sustained high interest rates and inflation in many countries, as well as continued pressure on currency exchange rates. The continued diversification of this portfolio is expected to provide some buffer to the regional performance volatility.

In **Asia**, we are very positive about the prospects of our Indian operations, with continued momentum in the economy and the expansion of distribution channels in the Shriram insurance businesses.

With our strong momentum and continued investment in the business, we have confidence in the group's overall performance for the remainder of 2024. The earnings growth rate in the first half of the year is however slightly ahead of our full year expectations. The group expects NRFFS for the second half of the year to be at a similar level to the first half, excluding the Capitec reinsurance recapture fee.

We remain concerned about the risks posed by global geopolitics and the risks of a global recession as the global economy brings inflation under control while managing high levels of government debt. However, the group's balance sheet remains strong and able to withstand macro shocks. The group's earnings remain sensitive to significant moves in global investment market levels.

[6] The Two-Pot Retirement System enables members of a retirement fund to access a small portion of their retirement savings, for emergency purposes, before they retire. Most members' retirement savings will remain "preserved," until the member retires. It divides members' benefits into two separate pots: a savings pot and a retirement pot. This will start from 1 September 2024.

Financial and strategic review continued

Additional information

Key performance indicators

For the six months ended 30 June	Unit	2024	2023	Δ
Earnings				
Shareholders' fund information				
Net result from financial services	R million	7 056	6 177	14%
Cash net result from financial services	R million	7 181	6 256	15%
Net operational earnings	R million	8 087	7 486	8%
Headline earnings	R million	9 838	6 902	43%
Weighted average number of shares	million	2 108	2 068	2%
Adjusted weighted number of shares	million	2 116	2 204	(4%)
Net result from financial services per share	cents	333	280	19%
Cash net result from financial services per share	cents	339	284	20%
Net operational earnings per share	cents	382	340	12%
Headline earnings per share	cents	473	339	40%
Diluted headline earnings per share	cents	467	334	40%
IFRS information				
Basic profit attributable to shareholders per share	cents	478	389	23%
Diluted profit attributable to shareholders per share	cents	471	383	23%
Business volumes				
Total new business volumes	R million	203 992	190 793	7%
Total net client cash flows	R million	23 972	11 357	111%
Life insurance				
New business volumes (PVNBP)	R million	51 044	44 751	14%
Value of new covered business	R million	1 394	1 265	10%
New covered business margin	%	2,73	2,83	
Life insurance net client cash flows	R million	10 570	7 465	42%
General insurance				
New business volumes	R million	23 667	24 039	(2%)
Net client cash flows	R million	9 254	8 698	6%
Investment management				
New business volumes	R million	143 129	134 317	7%
Net client cash flows	R million	4 148	(4 806)	186%
Group equity value				
Group equity value[7]	R million	155 270	149 904	
Group equity value per share[7]	cents	7 341	7 086	
Return on group equity value per share	%	9,3	12,0	
Adjusted return on group equity value per share	%	10,7	8,5	
Solvency cover				
Sanlam Group[7]	%	166	170	
Sanlam Life Insurance Limited[7]	%	246	245	
Sanlam Life Insurance Limited covered business[7]	%	170	170	

[7] Comparative figures on 31 December 2023.

Sanlam at a glance

Group line of business and geographic footprint

Life insurance and health

South Africa
- Sanlam Life and Savings
  - Risk and Savings[8]
  - Glacier[8]
  - SA Retail Mass
  - Sanlam Corporate
- Sanlam Specialised Finance (SanFin)

Pan-Africa
- SanlamAllianz
- Namibia

Asia
- India
- Malaysia

General insurance

South Africa
- Santam

Pan-Africa
- SanlamAllianz

Asia
- India
- Malaysia

Investment management

South Africa
- Sanlam Investments Management
- Wealth management
- International

Pan-Africa
- SanlamAllianz

Credit and structuring

South Africa
- Sanlam Personal Loans
- Sanlam Specialised Finance (SanFin)

Pan-Africa
- SanlamAllianz

Asia
- India

[8] Retail affluent segment split into Risk and Savings and Glacier, collectively referred to as 'affluent'.

Line of business analysis

In this analysis, all reference to South Africa includes Sanlam Life and Savings, Sanlam Investment Group and Santam. Pan-Africa refers to the Sanlam Emerging Markets (SEM) operations in Africa outside of South Africa (SanlamAllianz) and includes Namibia, while Asia refers to our operations in India and Malaysia.

SanlamAllianz impact on Sanlam group reporting

The SanlamAllianz JV became effective 1 October 2023 resulting in the JV being equity accounted. Prior to this the Sanlam Pan-Africa businesses were consolidated and as a result, the first six months of 2024 is not comparable to the first six months of 2023.

For the six-month period to 30 June 2023, SEM consisted of Sanlam Pan Africa (SPA) including Namibia and Asia. All the assets of Sanlam Pan Africa (SPA), except the Namibian assets, were contributed to SanlamAllianz. From 1 October 2023 the SEM cluster consisted of SanlamAllianz, Namibia as a standalone business and Asia as illustrated below:

<table>
<tr><th colspan="12">2023</th><th colspan="6">2024</th></tr>
<tr><td>Jan</td><td>Feb</td><td>Mar</td><td>Apr</td><td>May</td><td>Jun</td><td>Jul</td><td>Aug</td><td>Sep</td><td>Oct</td><td>Nov</td><td>Dec</td><td>Jan</td><td>Feb</td><td>Mar</td><td>Apr</td><td>May</td><td>Jun</td></tr>
<tr><td colspan="9">SEM cluster</td><td colspan="9">SEM cluster</td></tr>
<tr><td colspan="9">Sanlam Pan-Africa (SPA), including Namibia
India
Malaysia</td><td colspan="9">SanlamAllianz JV
Namibia
Asia (India and Malaysia)</td></tr>
</table>

Considering the materiality of the SanlamAllianz joint venture to the Sanlam group and due to the non-comparability of the portfolio between 2024 and 2023, an analysis of the performance of SanlamAllianz on a pro forma basis is included on page 9.

Sanlam Interim Results 2024
Financial and strategic review

Financial and strategic review continued

Life insurance and health

NRFFS for life insurance and health increased by 14%, driven by good performance from life insurance and an increased shareholding in Afrocentric in the health portfolio.

NRFFS for life insurance increased by 13% supported by 6% growth in South Africa and more than doubling in Pan-Africa, dampened by lower earnings in Asia.

South Africa benefited from favourable risk experience, premium growth and a larger book size.

Pan-Africa benefited from cost saving initiatives, favourable risk experience, particularly in Namibia and Morocco, with Morocco further benefiting from a recovery in investment markets, while Botswana also recorded strong performance.

In the **Asia** market, India maintained performance consistent with that of 2023, balancing sustained growth in its book and enhanced investment income, against the costs associated with expanding distribution to bolster continued robust new business sales. Malaysia however, experienced a downturn in earnings due to a challenging claims environment in the health portfolio as well as elevated expenses, partly due to regulatory changes.

NRFFS in the health portfolio increased by 83% due to the rise in Afrocentric ownership, which increased from 28,0% to 59,8% in May 2023. Afrocentric is however still navigating challenging trading conditions. The new leadership at Afrocentric are prioritising performance enhancement which necessitates a short-term rise in operational expenses due to essential business improvement investments.

Life insurance new business volumes increased by 15% (14% on a present value of new business premiums (PVNBP) basis) with good growth recorded across all regions. **South Africa** saw a 17% increase (15% on a PVNBP basis) with good support from all businesses. Retail mass experienced 10% growth (11% on PVNBP basis) with the Capitec business providing strong support to individual life. The individual life business, also in this entry level segment, experienced moderate growth despite steps taken by management to reduce policy churn. In affluent, growth in single premiums was driven by improved international sales and continued strong guaranteed annuity sales. Although recurring premiums were subdued, we continue to see market share gains in individual underwritten life. Corporate single premiums benefited from annuities and guaranteed investment sales, although recurring premium growth was also muted due to timing between securing and receipting new business.

In the **Pan-Africa** portfolio, comparison with 2023 is impacted by the structural change in the portfolio post implementation of the SanlamAllianz transaction. The portfolio however recorded good performance across most countries. Of the larger contributors, Botswana and Namibia recorded strong annuity and group risk sales, which was further augmented by growth in annuity and unit linked business sales in Morocco, Nigeria, as well as unit-linked business in Egypt.

The 58% growth in **Asia** is a result of substantial volume increases in India through Shriram ecosystem distribution channels as well as implementing new external distribution partnerships. This was augmented by increased sales through group and agency channels in Malaysia.

Group net VNB increased by 10%, with **South Africa** growing by 9%, propelled by improved performance in both affluent and corporate. The retail mass business maintained its prior year levels, as enhancements in product mix and increased business volumes were balanced by the impacts of persistency basis changes made in December 2023.

Pan-Africa VNB contribution increased by 25%, supported by good new business volume growth across the portfolio as well as a shift to higher margin product sales in Namibia.

Asia's VNB contribution was in line with prior year, with growth impacted by costs of establishing new distribution channels in India and a shift to lower margin sales in Malaysia.

Group net VNB margin of 2,73% was recorded, with South Africa at 2,34%, Pan-Africa at 5,34% and Asia delivering 4,15%.

Life insurance net client cash flows increased by 42% to R10,6 billion. The higher net inflows were due to stronger performance in South Africa and Asia, benefiting from robust new business inflows. Pan-Africa benefited from the inclusion of Egypt into the portfolio, along with strong contributions from most regions.

General insurance

NRFFS increased by 16% supported by strong performance from Africa.

South Africa (Santam) recorded a 34% increase in NRFFS, achieving a strong underwriting performance despite continued weather-related claims across South Africa during the period. The underwriting margin improved to 6,5% (2023: 3,8%) for its conventional insurance operations. Benefits are being realised from the corrective underwriting actions implemented over the past 18 months, augmented by lower attritional loss experience in the second quarter. The investment return on insurance funds margin of 2,3% of net earned premium was in line with 2023. Shareholders and note holders should consult Santam's interim results published on 29 August 2024 for further details (https://www.santam.co.za/about-us/investor-relations/).

Pan-Africa earnings growth was supported by an improved investment return on insurance funds margin. The business recorded a net insurance margin of 11,3% with good performance recorded in SanlamAllianz Re, Morocco and Egypt, which was dampened by weaker results in Kenya and Côte d'Ivoire.

In **Asia**, the NRFFS decreased slightly due to the non-repeat of positive modelling changes impact in 2023, which offset improvements in underwriting experience. Malaysia benefited from improved experience in the motor book.

New business volumes (net earned premiums) decreased by 2% impacted by structural changes in the Pan-Africa portfolio.

In **South Africa**, Santam saw its conventional insurance business net earned premiums grow by 7%, with most business units contributing to the growth.

In the **Pan-Africa** portfolio, volume comparison with 2023 is impacted by the structural change in the portfolio. The portfolio however recorded strong contributions from SanlamAllianz Re and Egypt, as well as stronger growth in motor and commercial sales in Morocco. Net earned premiums growth was dampened by underperformance in Angola, Côte d'Ivoire and Kenya.

Asia enjoyed a 32% rise primarily fuelled by agency and Shriram group channels across all product lines in India.

Investment management

NRFFS increased by 10%, supported by improved performance in the international asset management operations.

South Africa recorded growth of 4% despite lower private equity carry fees in the alternatives business and lower performance fees in the active asset manager. The business benefited from improved base fee income and realising further expense efficiencies. Wealth business performance remained steady while the international business recorded a 32% rise due to equity fee income growth and effective cost management of the wound-up UK wealth management business.

Pan-Africa recorded improved growth having benefited from higher market-related fee income and book growth.

New business volumes increased by 7% to R143 billion, with good growth from South Africa, supported by the retail platform and asset management businesses, as well as strong international inflows, translating into a strong rebound in **net client cash flows** to R4,1 billion. The international business delivered a recovery from 2023 outflows to achieve net inflows of R910 million in 2024.

In **South Africa**, there was R2,6 billion in net inflows, relative to R967 million in 2023. Growth was driven by wealth management, which attracted significant structured product inflows in the first half of the year. Asset management in South Africa experienced good growth through Multi-Manager and Satrix contributions. Our **Pan-Africa** operations benefited from strong inflows in Botswana and Kenya.

Credit and structuring

NRFFS increased by 9% with India showing 16% growth from higher advances and improved collections. South Africa recorded a 10% increase. Higher structured transaction fee income, lower loan write-offs and higher earnings from a larger stake in Sanlam Personal Loans was dampened by investments in technology and muted credit book growth. Pan-Africa's 25% decrease is attributed to higher loan write-offs and elevated operating costs.

Pro forma operational performance of SanlamAllianz

The pro forma financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the directors. It has been prepared for illustrative purposes only, to provide information on how SanlamAllianz may have affected Sanlam's financial position and financial performance for the six months ended 30 June 2024, had the effective date occurred on 1 January 2023 for statement of profit or loss purposes. The pro forma financial information has not been reviewed or reported on by Sanlam's external auditors.

On a pro forma basis, comparing 100% of SanlamAllianz (including Namibia) for 2024 and 2023:

Performance on key metrics relative to targets in constant currency

- Life insurance new business volumes grew above the 12% – 15% medium-term target range at 24% (8% in actual currency, largely impacted by Egypt and Nigeria currency devaluations).
- Life value of new business grew above the 15% – 20% medium-term target range at 36% (13% in actual currency, due to Egypt and Nigeria currency devaluations).
- General insurance net earned premium growth below the 12% – 15% medium-term target range at 9% (5% in actual currency, mainly due to underperformance in Angola, Côte d'Ivoire and Kenya).
- Net insurance ratio within the 10% – 15% target range at 11,5%.
- NRFFS increased by 58% (41% in actual currency), well above the 15% – 20% medium-term target range.

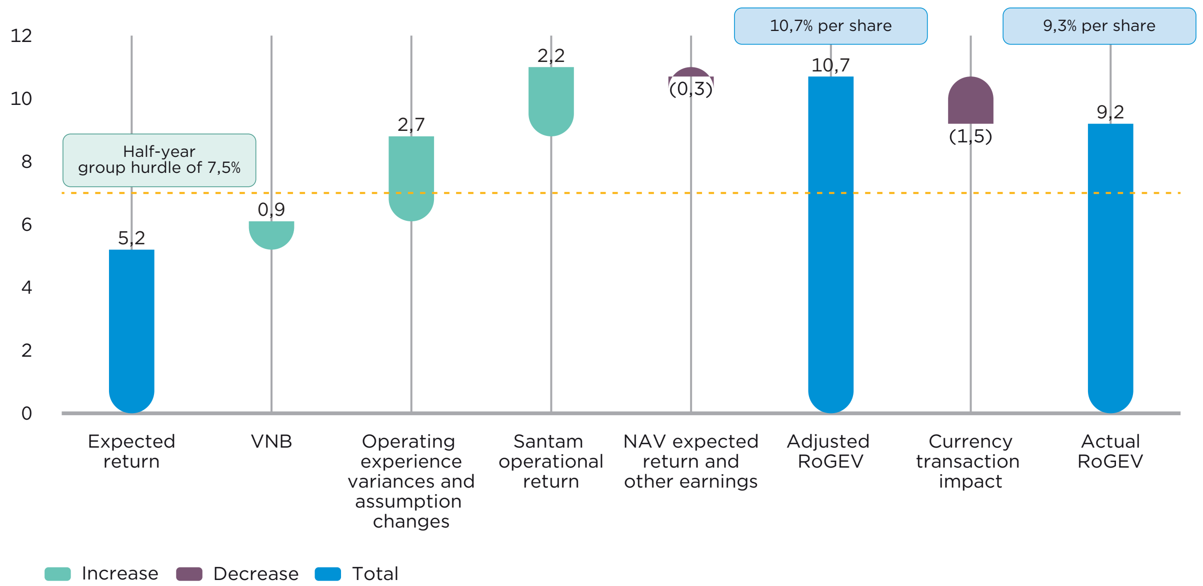
Financial and strategic review continued

Group equity value

Group equity value amounted to R155,3 billion or 7,341 cents per share at 30 June 2024, with RoGEV of 9,2% and adjusted RoGEV of 10,7%, both above the hurdle rate of 7,5%. On a per share basis, actual RoGEV was 9,3% and adjusted RoGEV was 10,7%.

Analysis of RoGEV

Return on group equity value (%)



The key drivers of RoGEV were as follows:
- VNB contributed 0,9%, benefiting from satisfactory levels of new business volumes, with the South Africa affluent and corporate businesses, as well as Namibia and various other entities in Africa, contributing to the strong performance.
- Operating experience variances and assumption changes together contributed 2,7% (0,5% from experience variances and 2,2% from assumption changes).
- Negative currency translation from the rand strengthening against most of the exposed currencies, with the most significant impact from the Egyptian pound and the Indian rupee exposure.

Operating experience variances

- Positive risk experience variance of R538 million on covered business (2023: positive R630 million) with a strong contribution from South Africa.
- Persistency experience variances improved, albeit still slightly negative (2024: negative R40 million, 2023: negative R647 million). In South Africa, basis strengthening in December 2023 in the retail mass business resulted in improved variance recorded. The retail mass individual life business has shown benefits of management actions implemented in the second quarter of 2024; however, experience has weakened on the Capitec and entry-level group businesses over the six-month period. Persistency experience remained positive in the affluent business while Pan-Africa recorded improved persistency experience and Asia recording slight negative experience in Malaysia.
- Higher positive credit spread and working capital profits due to increased margin income in the credit portfolio and the impact of high interest rates on working capital.
- Slight negative experience variances in the non-covered business mainly due to lower net fund inflows than expected in South Africa asset management and lower-than-expected premium growth in Pan-Africa general insurance.

Operating assumption changes

- The non-covered business operations recorded strong positive assumption changes of R3,3 billion mainly due to higher loan book growth and improved growth outlook in India, with a positive contribution from synergy benefits in South Africa asset management. This was partly offset by the write-down in Afrocentric.
- Positive contribution from Santam due to return on capital outperformance against its target over the period.

Sanlam Interim Results **2024**
Financial and strategic review

Reconciliation of IFRS and shareholders' fund (SHF) NRFFS

The main difference between the two earnings metrics is the exclusion of investment return on shareholder capital and shareholder-specific adjustments in NRFFS. SHF adjustments for the six months ended 30 June 2024 include excess investment returns absorbed by the asset mismatch reserve and the acceleration of profit recognition required under IFRS of the Capitec funeral cover JV reinsurance recapture fee.

In April 2024, the regulatory approval of the termination of the Capitec funeral cover JV agreement in the retail mass business triggered the accelerated profit recognition of the reinsurance recapture fee. This fee has been excluded from the NRFFS in shareholders' fund reporting, being a non-cash earnings figure. When the cash is received in November 2024, this amount will be reflected in NRFFS of the retail mass business.

R million for the six months ended 30 June	2024	2023	Δ
Attributable earnings	9 932	7 916	25%
Adjustments	(2 876)	(1 739)	
Net investment return	(1 212)	(1 538)	
SHF adjustments	(1 898)	(158)	
Net other earnings[9]	234	(43)	
Net result from financial services	7 056	6 177	14%

[9] Includes SHF line items below net operational earnings including shareholders' fund adjustments, net amortisation of value of business acquired and other intangibles, net equity-accounted earnings, net profit on disposal of subsidiaries and associated companies and fund transfers, excluding specific shareholders' fund adjustments.

Board changes

Mr Temba Mvusi was appointed as independent non-executive director to the board of Sanlam and Sanlam Life effective 7 March 2024, and chair of the board from 1 April 2024. Mr Mvusi succeeded Mr Elias Masilela, who stepped down as chair of the board on 31 March 2024. Mr Masilela remains an independent non-executive director of the board. The appointment of Mr Mvusi as an independent non-executive director was done in accordance with Sanlam's Policy for Selection and (Re)-Appointment of directors.

Sanlam Interim Results 2024
Shareholders' fund information

Shareholders' fund **information**

Contents

Independent auditors' review report on the shareholders' fund information report of Sanlam Limited

To the directors of Sanlam Limited

Introduction

We have reviewed the shareholders' fund information report of Sanlam Limited for the six months ended 30 June 2024, as set out on pages 15 to 81. The shareholders' fund information report is prepared for the purpose of providing additional information to users in respect of the group shareholders' fund in a format that corresponds to that used by management in evaluating the performance of the group and is information to the condensed consolidated interim financial statements. Our responsibility is to express a conclusion on this shareholders' fund information report based on our review.

Directors' responsibility for the shareholders' fund information report.

The directors of Sanlam Limited are responsible for the preparation and presentation of the shareholders' fund information report in accordance with the basis set out in the section "basis of accounting – shareholders' fund information" to the shareholders' fund information report and for determining that the basis of preparation is acceptable in the circumstances.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of 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 shareholders' fund information is not prepared, in all material respects, in accordance with the basis set out in the section "basis of accounting – shareholders' fund information" to the shareholders' fund information report.

Basis of accounting and restriction of use

Without modifying our conclusion, we draw attention to the section "Basis of accounting – shareholders' fund information" to the shareholders' information report, which describes the basis of accounting. The shareholders' fund information report is prepared to provide additional information to users in respect of the Group shareholders' fund in a format that corresponds to that used by management in evaluating the performance of the Group and is additional information to the condensed consolidated interim financial statements. As a result, the shareholders' fund information report may not be suitable for another purpose. Our report is intended solely for the directors of Sanlam Limited and should not be used by any other parties.

KPMG Inc.

KPMG Inc.
Director: Pierre Fourie
Registered Auditor
4 Christiaan Barnard Street
Cape Town City Centre
Cape Town

4 September 2024

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Alsue du Preez
Registered Auditor
5 Silo Square
V&A Waterfront
Cape Town

4 September 2024

Sanlam Interim Results 2024
Shareholders' fund information

Basis of accounting – shareholders' fund information

The purpose of this section is to provide additional information to users of the group shareholders' fund in a format that corresponds to that used by management in evaluating the performance of the group and is additional information to the Sanlam condensed consolidated interim financial statements prepared in terms of IFRS® Accounting Standards, IAS 34 – Interim Financial Reporting.

It includes analysis of the group shareholders' fund consolidated financial position and results in a similar format to that used by the group for internal management purposes. The group condensed consolidated interim financial statements are prepared in accordance with IFRS and include the consolidated results and financial position of both the shareholder and policyholder activities. The IFRS financial statements also do not distinguish between the shareholders' operational and investment activities, which are separate areas of management focus and an important distinction in evaluating the Sanlam group's financial performance. Information is presented in this section to provide shareholders' fund information to users of Sanlam's financial information.

The group also discloses group equity value (GEV) information in accordance with the requirements of Actuarial Practice Note (APN 107). The group's key strategic objective is to maximise returns to shareholders. GEV has been identified by management as the primary measure of value and return on GEV (RoGEV) is used by the group as the main performance measure to evaluate the success of its strategies toward sustainable value creation in excess of its cost of capital. For the purpose of internal monitoring, the directors make use of GEV to reflect the performance of the group. This is considered to provide meaningful basis of reporting the underlying value of the group's operations and the related performance drivers. This basis explicitly allows for the impact of uncertainty in future investment returns and is consistent with the group's operational management structure.

The shareholders' fund information also includes the embedded value of covered business (EV), change in EV and value of new business.

Basis of accounting – shareholders' fund information

The basis of accounting and accounting policies in respect of the financial information of the shareholders' fund are the same as those set out in the financial statements, apart from the specific items described under separate headings. Management considers this basis of accounting applied for the shareholders' fund information to be suitable for the intended users of this financial information. The shareholders' fund information is prepared on a going concern basis.

The application of the basis of accounting of the shareholders' fund information is also consistent with that applied in the prior year apart from the following:

- The Sanlam Life and Savings (SLS) is one cluster from 2024 onwards and will be presented as such. The prior years reflected the three clusters within SLS.
- The Sanlam Emerging Markets (SEM) cluster includes the following and is presented as such:
  - For the period to 30 June 2023, SEM consisted of Sanlam Pan-Africa (SPA) including Namibia, Sanlam Allianz and Asia (India and Malaysia). All of the assets of SPA, except the Namibian assets, were contributed to the SanlamAllianz JV. From 1 October 2023, the SEM cluster consists of the SanlamAllianz JV, Namibia as a standalone business and Asia as illustrated below:

2023 Jan – Sept SEM cluster	2023 Oct – Dec	2024 Full year SEM cluster
Sanlam Pan-Africa including Namibia India Malaysia	SanlamAllianz JV Namibia Asia (India and Malaysia)	SanlamAllianz JV Namibia Asia (India and Malaysia)

  - The SanlamAllianz JV transaction involved multiple African geographies with multiple regulatory requirements. The integration of the businesses, including financial reporting, could only commence after the effective date and is progressing well. As a consequence, Sanlam can only disclose summarised information until the processes are fully aligned over the next twelve months to allow reporting at the detailed level that is customary for Sanlam's disclosure. We anticipate that the detailed disclosures will be available when results for the financial year ending 31 December 2024 will be reported. This will also allow for a longer period to establish meaningful trends.
  - In the financial commentary provided on page 2, all references to Pan-Africa refer to the Sanlam Emerging Markets operations in Africa outside of South Africa (SanlamAllianz) and including Namibia. Commentary relating to 2024 and 2023 refers to the six months to June, unless otherwise indicated. As a result, the Pan-Africa results reported in 2024 reflect six months of Namibia as a standalone (as this business is not yet part of the JV), and Sanlam's effective share of SanlamAllianz.

Basis of accounting – shareholders' fund information continued

Group equity value

GEV is the aggregate of:

- The embedded value of covered business, which comprises the required capital supporting these operations (also referred to as adjusted net worth) and their net value of in-force business;
- The fair value of other group operations based on longer-term assumptions, which includes the investment management, capital markets, general insurance and the non-covered wealth management operations of the group; and
- The fair value of discretionary and other capital. Discretionary capital represents management's assessment of capital in excess of that required for current operations of the group. Such capital may be used to fund future operations and acquisitions or be returned to shareholders.

GEV is calculated by adjusting the shareholders' fund at net asset value with the following:

- Adjustments in respect of covered business:
  - Elimination of goodwill and other intangible assets in respect of investment contracts are measured under IFRS 9 *Financial Instruments*, as these assets are replaced by the value of the in-force book.
  - Elimination of some insurance contract assets recognised in terms of IFRS 17 *Insurance Contracts*, as these assets are included in the calculation of the value of the in-force book.
  - Elimination of the asset mismatch reserve and other specific shareholders' fund reserves held as part of the capital allocated to contracts measured under IFRS 17 and IFRS 9, as these reserves are included in the calculation of the value of the in-force book.
  - Adding the value of the in-force book.
- Adjustments in respect of non-covered operations:
  - Adding the fair value adjustment for other operations, comprising the difference between the fair value of these operations and the corresponding net asset value included in the shareholders' fund at net asset value.
  - Adjustments to net worth, including allowance for the present value of holding company expenses.

Although being a measure of value, GEV is not equivalent to the economic value of the group as the embedded value of covered business does not allow for the value of future new business. An economic value may be derived by adding to the GEV an estimate of the value of the future sales of new covered business, often calculated as a multiple of the value of new covered business written during the past year.

The GEV is inherently based on estimates and assumptions set out in this basis of preparation and also as disclosed under critical accounting estimates and judgements in the condensed consolidated interim financial statements. It is reasonably possible that outcomes in future financial years will be different to the current assumptions and estimates, possibly significantly, impacting on the reported GEV. Accordingly, sensitivity analyses are provided for changes from the base estimates and assumptions (refer to note 5 for covered operations and note 6 for non-covered operations).

Fair value of businesses included in GEV

Fair values for listed businesses are determined by using stock exchange prices or directors' valuations and for unlisted businesses by using directors' valuations. Where directors' valuations are used for listed businesses, the listed values of these businesses are disclosed for information purposes.

The valuation of businesses is based on generally accepted and applied investment valuation techniques, but is subject to judgement to allow for perceived risks. Estimates and assumptions are an integral part of business valuations and as such have an impact on the amounts reported. Management applies judgement in determining the appropriate valuation technique to be used. In addition, in applying the valuation techniques, judgement is utilised in setting assumptions of future events and experience and, where applicable, risk-adjusted discount rates.

Estimates and judgements are regularly updated to reflect latest experience. Actual outcomes in future financial years may differ from current estimates and assumptions, possibly significantly, which could require a material adjustment to the business valuations.

The appropriateness of the valuations is regularly tested through the group's approval framework, in terms of which the valuations of investments is reviewed and recommended for approval by the audit, actuarial and finance committee of the board by the Sanlam Non-Listed Asset Controlling Body.

Businesses may comprise legal entities or components of legal entities as determined by the directors.

Adjustments to net worth

Present value of corporate expenses

GEV is determined by deducting the present value of corporate expenses, by applying a multiple to the after-tax corporate expenses. This adjustment is made as the embedded value of covered business and the fair value of other group operations do not allow for an allocation of corporate expenses.

Share incentive schemes granted on subsidiaries' own shares

Where group subsidiaries grant share incentives to staff on the entities' own shares, the fair value of the outstanding incentives at period end is deducted in determining GEV. The expected cost of future grants in respect of these incentive schemes is allowed for in the calculation of the value of in-force covered business and the fair value of other group operations as appropriate.

Share incentive schemes granted on Sanlam shares

Long-term incentives granted by the group on Sanlam shares are accounted for as dilutive instruments. The GEV is accordingly not adjusted for the fair value of these outstanding shares, but the number of issued shares used to calculate GEV per share is adjusted for the dilutionary effect of the outstanding instruments at period end. The expected cost of future grants in respect of these incentive schemes is allowed for in the calculation of the value of in-force covered business and the fair value of other group operations.

Change in group equity value

The change in GEV consists of the embedded value earnings from covered business, earnings from other group operations on a fair value basis and earnings on discretionary and other capital and capital transactions with shareholders.

Return on group equity value

The RoGEV is equal to the change in GEV during the reporting period, after adjustment for dividends paid and changes in issued share capital, as a percentage of GEV at the beginning of the period, adjusted for changes in issued share capital during the year.

Shareholders' fund at net asset value, income statement and related information

The analysis of the shareholders' fund at net asset value and the related shareholders' fund income statement reflect the consolidated financial position and earnings of the shareholders' fund, based on accounting policies consistent with those contained in the Sanlam financial statements, apart from the ones discussed below.

Basis of consolidation

The shareholders' funds of group companies are consolidated in the analysis of the Sanlam group shareholders' fund at net asset value. The policyholders' and outside shareholders' interests in these companies are treated as non-controlling shareholders' interest on consolidation.

The analysis of the shareholders' fund at net asset value is consistent with the group's operational management structure.

Consolidation reserve

A consolidation reserve is created as part of shareholders' equity in the group statement of financial position for the IFRS accounting mismatches outlined below that are regarded as non-economical in management's view. The consolidation reserve is not recognised in the shareholders' fund at net asset value. The fund transfers between the shareholders' and policyholders' fund relating to movements in the consolidation reserve are commensurately also not recognised in the shareholders' fund's normalised attributable earnings.

- In terms of IFRS, deferred tax assets are recognised in respect of assessed tax losses in policyholder funds, which increases the group's equity value, whereas the policy liabilities are not increased correspondingly. This leads to an artificial mismatch, with a consequential impact on the group's shareholders' fund and earnings.
- The consolidation of the broad-based black economic empowerment special purpose vehicle (B-BBEE SPV Group) to which 111 349 000 shares were issued in March 2019, was treated similarly and was also recognised in the consolidation reserve and fund transfers respectively up to 30 June 2023.

At 30 June 2023, the B-BBEE SPV Group was not consolidated in the shareholders' fund as it was 50% funded by external parties and therefore no value was recognised for shareholders reporting. Following the A-preference share acquisition in August 2023, entities in the Sanlam group owns both the A-preference shares and the B-preference shares. As at 30 June 2024, the B-BBEE SPV Group is consolidated and includes the repurchase and cancellation of the Sanlam shares during June 2024.

Basis of accounting – shareholders' fund information continued

Specific shareholders fund reserves

Asset mismatch reserve

An asset mismatch reserve is created in the group statement of financial position for investment variances emanating from insurance and investment contracts measured under IFRS 17 and IFRS 9 respectively. Although the group follows a policy of matching insurance and investment contract cash flows on a duration-matched basis, complete matching is not possible for all lines of business given unique product features and/or the availability of matching assets. This results in mismatch profits or losses being recognised in earnings as changes in the measurement of insurance and investment contract liabilities and the underlying matching assets will not fully offset. In addition, investments in corporate credit instruments measured at fair value also result in earnings volatility due to movements in market spreads and credit default provisions. The difference between the assumed and actual investment return earned on asset classes is another source of mismatch profits and losses. Changes in the cost of investment guarantees is another source of earnings volatility, with these variances being mainly driven by economic impacts such as changes in equity market levels, interest rates and equity volatility. Excess claims related to the payment of investment guarantees and/or any capital injections due to shortfalls arising from inadequate funding levels, will be recognised as losses in earnings. Changes in the estimates of the future cost of investment guarantees are absorbed by the CSM and deferred over the lifetime of the insurance contracts, impacting the:

- amount of the CSM recognised in net result from financial services in the current reporting period; and
- the amounts of the CSM expected to be recognised in net result from financial services in future reporting periods.

The asset mismatch reserve is utilised to absorb the earnings volatility described above, supporting the group's strategic objective of increasing dividends to shareholders by between 2% and 4% in real terms over a three-year rolling basis.

The asset mismatch reserve is recognised in the shareholders' fund at net asset value. Movements in the asset mismatch reserve are recognised in a separate line item in the shareholders' fund's income statement, outside of net operational earnings with corresponding adjustments to net result from financial services. The adjustments related to insurance contracts are included in the following line items in net result from financial services:

- insurance revenue for the effect of changes in the cost of investment guarantees on CSM recognition amounts if the mismatch profits or losses are outside a specific range;
- insurance service expenses for excess claims/capital injections due to shortfalls related to investment guarantees if the mismatch profits or losses are outside a specific range; and
- insurance investment result for other investment mismatch profits or losses as covered below.

The asset mismatch reserve is increased or reduced for insurance contracts by allowing for the following:

- economic mismatch profits or losses due to duration mismatching of the assets backing the fulfilment cash flows and CSM;
- investment variances arising from actual investment returns on the assets backing the liabilities being different from those expected, including the risk-free rate component of corporate credit exposures;
- movements in credit spreads and default provisions relating to corporate credit exposures;
- mismatch profits or losses due to changes in the cost of investment guarantees for insurance contracts measured under the variable fee approach (VFA); and
- net investment return earned on the assets backing the asset mismatch reserve.

For insurance contracts measured under the VFA, the investment variances described above are only adjusted for in the asset mismatch reserve if they arise from holding assets not related to the underlying items.

The asset mismatch reserve is increased or reduced for investment contracts in SLS by allowing for economic mismatch profits or losses and investment variances (as described above) specifically related to the assets backing the contract cash flows for vesting bonuses and tax credits.

The asset mismatch reserve is recycled (released) to net result from financial services in insurance investment result based on the reserve balance at the end of the previous month/quarter and a rate of release of approximately 10% per annum, which considers:

- the expected volatility of the items that will be transferred to the asset mismatch reserve driven by the underlying asset mix and the general economic environment that the relevant business operates in;
- the prevailing interest rate environment and the underlying asset mix, and therefore the expected growth in the asset mismatch reserve from the investment returns on the backing assets (before allowing for the release in the asset mismatch reserve);
- the mix and duration of the insurance business (for example, general insurance business relative to life insurance business); and
- the projected solvency cover level compared to target ranges based on a specified release pattern.

Other shareholders' fund reserves

Other shareholders' fund reserves were created on transition to IFRS 17 for specific future events such as pandemics and digital transformation (future-fit) projects related to insurance business, as well as the recognition of shareholders' fund reserves backed by some insurance contract assets (ie, negative insurance liabilities). These shareholders' fund reserves are held in addition to the insurance liabilities.

Similar to the asset mismatch reserve above, other shareholders' fund reserves are recognised in the shareholders' fund at net asset value. Movements in these reserves are recognised in a separate line item in the shareholders' fund income statement, outside of net operational earnings with a corresponding adjustment to net result from financial services. The adjustments related to insurance contracts are included in the following line items in net result from financial services:

- Insurance service expenses for adjustments related to pandemic events;
- Other expenses relating to insurance operations for adjustments related to future-fit project expenses; and
- Insurance investment result for adjustments related to insurance contract asset economic impacts.

The future release pattern of the reserves for future project expenses is consistent with the related expenses incurred over time. These reserves will also absorb excess claims in a future pandemic. The purpose of these reserves is therefore to manage volatility in cash earnings available for dividend distribution.

Reserves in respect of future-fit projects originated on transition to IFRS 17 where specific policyholder reserves were released to equity and investment return on the assets backing this reserve will also be used to fund these project expenses. This reserve is used to absorb costs directly expensed in the income statement and expenses capitalised to manage the impact on dividend volatility. The utilisation of this reserve is presented in the shareholders' fund income statement by reducing the related expenses included in net result from financial services, with a corresponding adjustment in net movement in other shareholders' fund reserves (outside of operational earnings), resulting in a decrease in the reserve. Future-fit expenses capitalised are also funded from this reserve to manage the impact on dividend distribution.

Sanlam re-established a pandemic reserve in 2022, presented as a reduction in net result from financial services with a corresponding increase in the net movement in other shareholders' fund reserves (outside of operational earnings), with a zero impact on attributable earnings. The utilisation of this reserve is presented in the shareholders' fund income statement on a similar basis, resulting in a decrease in the reserve. Investment returns on the assets backing the pandemic reserves will be released to net result from financial services over time.

The other shareholders' fund reserves are increased or reduced by the changes in the backing insurance contract assets. The economic impacts on these insurance contract assets are adjusted for in net result from financial services, including the unwind/accretion of interest on the negative insurance liabilities and the impact of economic assumption changes. Other non-cash changes in these insurance contract assets are adjusted for in cash net result from financial services.

Accounting mismatch

For insurance contracts measured under the General Measurement Model (GMM) in terms of IFRS 17, changes in estimates of the fulfilment cash flows related to future service (eg, changes due to non-financial assumption changes) are reflected in the CSM. However, these changes are measured at the locked-in interest rates that were applied at the initial recognition date of each group of insurance contracts, which results in a mismatch between the movements in the fulfilment cash flows (at current interest rates) and the adjustments to the CSM (at locked-in interest rates). These accounting mismatches are removed from net result from financial services in insurance investment result with a corresponding adjustment to other shareholders' fund reserves outside of operational earnings.

Target shares

Strategic diversification activities between SEM and Santam consist of the investment in target shares issued by SEM to Santam and vice versa. These shares give the holder the right to participate in the growth of the underlying short-term insurance investments. For purposes of the group's shareholders' fund income statement, the total return on these short-term insurance investments are therefore split between SEM and Santam, after consideration of the respective non-controlling interests.

Segregated funds

Sanlam also manages and administers assets in terms of third-party mandates, which are for the account of and at the risk of the clients. As these are not the assets of the Sanlam group, they are not recognised in the Sanlam group statement of financial position in terms of IFRS and are also excluded from the shareholders' fund at net asset value and fair value. Fund flows relating to segregated funds are however included in the notes to the shareholders' fund information to reflect all fund flows relating to the group's assets under management.

Sanlam Interim Results 2024
Shareholders' fund information

Basis of accounting – shareholders' fund information continued

Net result from financial services

Net result from financial services is a measure of operating performance of the Sanlam group that is better aligned to cash earnings that drive dividend distribution. Investment return on assets held in the capital portfolio are excluded from net result from financial services. The specific shareholders' fund adjustments described above are included in net result from financial services to reflect earnings that are closely aligned to cash earnings for dividend distribution:

- Asset mismatch reserve movements; and
- Other shareholders' fund reserve movements related to:
  - Pandemic events;
  - Future-fit project expenses;
  - Insurance contract asset economic impacts; and
  - Accounting mismatch impacts related to locked-in interest rates in terms of IFRS 17 as described above.

The following shareholders' fund adjustments have net zero impact on net result from financial services:

- The CSM is accreted with interest based on locked-in interest rates for GMM products. The difference between accreting interest on the CSM at locked-in interest rates and current interest rates is shifted from the insurance investment result to insurance revenue with net zero impact on net result from financial services. Insurance revenue in the shareholders' fund income statement therefore presents CSM recognition amounts at current interest rates.

Further adjustments are made to net result from financial services to remove remaining components of non-cash related earnings. These adjustments will not be presented in the shareholders' fund income statement and are being disclosed in a note which shows the reconciliation between net result from financial services and cash earnings (see note 1 on page 42 for further details).

Shareholders' fund adjustments in the income statement

Sanlam's dividend policy is supported by sustainable operating performance. Consequently, net result from financial services is adjusted for short-term market volatility (eg, as a result of investment variances), accounting mismatches because of adjusting the CSM at locked-in rates, and other amounts as specified in the sections below. These adjustments are reversed in the shareholders' fund income statement outside of operational earnings to have a zero impact on the IFRS income statement. Additional disclosures are provided on page 42 on the specific shareholders' fund income statement adjustments.

Equity-accounted earnings

Equity-accounted earnings are presented in the shareholders' fund income statement based on the allocation of the group's investments in associates and joint ventures between operating and non-operating entities:

- At 30 June 2024, operating associates and joint ventures include investments in strategic operational businesses, namely SanlamAllianz, Shriram Finance Limited (including the group's direct interest in Shriram Transport Finance Company), Shriram General Insurance and Shriram Life Insurance direct investments, African Rainbow Capital Financial Services Investments and Pacific & Orient. The equity-accounted operating earnings and investment return on capital from operating associates and joint ventures are included in the net result from financial services and net investment return respectively.
- Non-operating associates and joint ventures include investments held as part of the group's balanced investment portfolio. The Santam group's equity-accounted investments are the main non-operating associates and joint ventures. The group's share of earnings from these entities are reflected as equity-accounted earnings.

Normalised earnings per share

As discussed under the policy note for 'Consolidation reserve' above, the IFRS prescribed accounting treatment of the B-BBEE SPV up to 30 June 2023 creates a small artificial accounting mismatch with a consequential impact on the group's IFRS earnings. However, the group calculates normalised diluted earnings per share (a non-IFRS measure) to eliminate fund transfers relating to the B-BBEE SPV. This is, in the group's opinion, a better representation of the earnings attributable to the group's shareholders.

Fund flows

The notes to the shareholders' fund information also provide information in respect of fund flows relating to the group's assets under management. These fund flows have been prepared in terms of the following bases:

Funds received from clients

Funds received from clients includes single and recurring life and general insurance premium income from insurance and investment policy contracts, which are recognised in the financial statements. It also includes contributions to collective investment schemes and non-life insurance linked-products as well as inflows of segregated funds, which are not otherwise recognised in the financial statements as they are funds held on behalf of and at the risk of clients. Funds received in respect of non-annuity assets under administration are excluded from funds received from clients. Transfers between the various types of business, other than those resulting from a specific client instruction, are eliminated. Funds received from clients include the group's effective share of funds received from clients by strategic operational associates and joint ventures.

New business

In the case of long-term insurance business, the annualised value of all new policies (insurance and investment contracts) that have been issued during the financial year according to the group's embedded value assumptions and have not subsequently been refunded, is regarded as new business.

All segregated fund inflows (excluding those related to assets under administration), inflows to collective investment schemes and short-term insurance premiums (also called net earned premiums) are regarded as new business.

New business includes the group's share of new business written by strategic operational associates and joint ventures.

Payments to clients

Payments to clients includes policy benefits paid in respect of life and general insurance and investment policy contracts, which are recognised in the financial statements. It also includes withdrawals from collective investment schemes and non-life insurance linked-products as well as outflows of segregated funds, which are not otherwise recognised in the financial statements as they relate to funds held on behalf of and at the risk of client withdrawals of non-annuity funds under administration are excluded. Transfers between the various types of business, other than those resulting from a specific client instruction, are eliminated.

Payments to clients include the group's effective share of payments to clients by strategic operational associates and joint ventures.

Basis of accounting and presentation – embedded value of covered business

The group's embedded value of covered business information is prepared in accordance with APN107, the guidance note on embedded value financial disclosures of South African long-term insurers issued by the Actuarial Society of South Africa (Actuarial Society). Covered business represents the group's long-term insurance business for which the value of new and in-force contracts is attributable to shareholders.

The embedded value results of the group's covered business are included in the shareholders' information as it forms an integral part of GEV and the information used by management in evaluating the performance of the group. The embedded value of covered business does not include the contribution to GEV relating to other group operations or discretionary and other capital, which are included separately in the analysis of GEV.

The basis of presentation for the embedded value of covered business is consistent with that applied in the 2023 financial statements.

Covered business

Covered business includes all material long-term insurance business that is recognised in the Sanlam group financial statements. This business includes individual stable bonus, linked and market-related business, group stable bonus business, annuity business and other non-participating business written by Sanlam Risk and Savings, Glacier, Sanlam Retail Mass, Sanlam Corporate and Sanlam Emerging Markets.

Acquisitions, disposals and other movements

The embedded value of covered business results are prepared taking cognisance of changes in the group's effective shareholding in covered business operations.

Methodology

Embedded value of covered business

The embedded value of covered business is a measure of the consolidated value of shareholders' interests in the covered business, excluding any value that may be attributed to future new business. It is calculated on an after-tax basis taking into account current legislation and known future changes.

The embedded value of covered business comprises the following components:

- Adjusted net worth; and
- The net value of in-force business.

Adjusted net worth

Adjusted net worth comprises the required capital supporting the covered business and is equal to the net value of assets allocated to covered business that does not back policy liabilities, asset mismatch reserves or other shareholders' fund reserves (refer to page 26).

The required capital allocated to covered business reflects the level of capital considered sufficient to support the covered business, allowing for an assessment of the market, credit, insurance and operational risks inherent in the underlying products, subject to a minimum level of the local statutory solvency requirement for each business.

Sanlam Interim Results 2024
Shareholders' fund information

Basis of accounting – shareholders' fund information continued

For South African insurance businesses (and businesses with similar regulatory regimes) the level of required capital for covered business is set to ensure that own funds attributable to in-force covered business maintains a solvency cover ratio within a specific range, eg, between 150% and 200% for Sanlam Life, over the next 10 years. The minimum end of the targeted cover range is set such that Sanlam Life's covered business is expected to be able to absorb a combined economic shock, a pandemic/catastrophe shock, and an operational risk event without breaching 100% of regulatory SCR cover. A similar methodology was followed to set ranges for the other South African life insurers.

The capital allocated to covered business is funded from a balanced investment portfolio, comprising investments in equities, hedged equities, fixed-interest securities, cash and subordinated debt funding. The subordinated debt funding liability is matched by ring-fenced bonds and other liquid assets held as part of the balanced investment portfolio.

Transfers are made to or from adjusted net worth on an annual basis for the following:
- Transfers of net operating profit. These transfers relate to dividends paid from covered business in terms of the group's internal dividend policy to fund the dividend payable to Sanlam Limited shareholders; and
- Transfers to or from the balanced investment portfolio. Any capital in the portfolio that is in excess of the requirements of the covered business is transferred to discretionary capital in terms of the group's capital management framework.

Net value of in-force business
The net value of in-force business (PVIF) consists of the present value of future shareholder profits from in-force covered business (PVFP), after allowance for the cost of required capital supporting the covered business.

Present value of future shareholder profits from in-force covered business
The policy liabilities are valued based on IFRS 17 for life insurance contracts and IFRS 9 for investment contracts. The adjusted net worth incorporates certain adjustments from the shareholders' fund at net asset value as outlined above. The policy liabilities include profit margins, which can be expected to emerge as profits in future. For insurance contracts measured under the GMM and VFA, these profit margins mainly comprise of the CSM and the risk adjustment for non-financial risk. The assets backing the asset mismatch reserves can be expected to emerge as profits in the future, excluding the portion of the assets earmarked to absorb variances in the cost of investment guarantees. This investment guarantee surplus included in the asset mismatch reserves will absorb the variances in the estimates of the future cost of investment guarantees as described on page 18, where relevant. If the estimates of the future cost of investment guarantees are higher than expected, therefore reducing the CSM and PVIF, the PVIF on the asset mismatch reserves will be increased to offset this variance by reducing the investment guarantee surplus (and vice versa if the estimates of the future cost of investment guarantees are lower than expected). The investment returns on the assets backing the pandemic reserves can also be expected to emerge as profit. The other shareholders' reserves backed by some insurance contract assets is another source of expected profits expected to emerge in future as these negative liabilities unwind over the lifetime of the contracts. For investment contracts measured under IFRS 9, future fund-based charges less expenses will emerge as profit margins. The discounted value, using a risk-adjusted discount rate, placed on these expected future profits, after taxation, is the PVIF.

The PVFP excludes the cost of required capital, which is separately disclosed.

Cost of required capital
A charge is deducted from the embedded value of covered business for the cost of required capital supporting the group's existing covered business. The cost is the difference between the carrying value of the required capital at the valuation date and the discounted value, using a risk-adjusted discount rate, of the projected releases of the capital allowing for the assumed after-tax investment return on the assets deemed to back the required capital over the life of the in-force business.

Value of new business
The value of new business is calculated as the discounted value, at point of sale, using a risk-adjusted discount rate, of the projected stream of after-tax profits for new covered business issued during the financial period under review. The value of new business is also reduced by the cost of required capital for new covered business.

In determining the value of new business:
- A policy is only taken into account if at least one premium, that is not subsequently refunded, is recognised in the financial statements;
- Premium increases that have been allowed for in the value of in-force covered business are not counted again as new business at inception;
- Increases in recurring premiums associated with indexation arrangements are not included, but instead allowed for in the value of in-force covered business;
- The expected value of future premium increases resulting from premium indexation on the new recurring premium business written during the financial period under review is included in the value of new business;
- Continuations of individual policies and deferrals of retirement annuity policies after the maturity dates in the contract are treated as new business if they have been included in policy benefit payments at their respective maturity dates;
- For employee benefits, increases in business from new schemes or new benefits on existing schemes are included and new members or salary-related increases under existing schemes are excluded and form part of the in-force value;
- Annuities purchased by retirement fund members using in-fund options are treated as new business;
- Renewable recurring premiums under group insurance contracts are treated as in-force business; and
- Assumptions are consistent with those used for the calculation of the value of in-force covered business at the end of the period.

Profitability of new covered business is measured by the ratio of the net value of new business to the present value of new business premiums (PVNBP). The PVNBP is defined as new single premiums plus the discounted value, using a risk-adjusted discount rate, of expected future premiums on new recurring premium business. The premiums used for the calculation of PVNBP are based on the life insurance new business premiums disclosed in note 7 on page 52, excluding white label new business.

Risk discount rates and allowance for risk
In accordance with the actuarial guidance, the underlying risks within the covered business are allowed for within the embedded value calculations through a combination of the following:
- Explicit allowances within the projected shareholder cash flows;
- The level of required capital and the impact on cost of required capital; and
- The risk discount rates, intended to cover all residual risks not allowed for elsewhere in the valuation.

The risk margins are set using a top-down approach based on Sanlam Limited's weighted average cost of capital (WACC), which is calculated based on a gross risk-free interest rate, an assumed equity risk premium, a market assessed risk factor (beta), and an allowance for subordinated debt on a market value basis. The beta provides an assessment of the market's view of the effect of all types of risk on the group's operations, including operational and other non-economic risk.

To derive the risk discount rate assumptions for covered business, an adjusted WACC is calculated to exclude the non-covered group operations included in Sanlam Limited's WACC and to allow for future new covered business. The covered business operations of the group use risk margins of between 2,5% and 7,0% and the local gross risk-free rate at the valuation date.

Minimum investment guarantees to policyholders
An investment guarantee reserve is included in the reserving basis for policy liabilities, which makes explicit allowance for the best estimate cost of all material investment guarantees. A stochastic modelling approach is used to provide for the possible cost of minimum investment return guarantees on insurance contracts, where relevant. These reserves are determined on a consistent basis in accordance with actuarial guidance from the Actuarial Society (APN110). No further deduction from the embedded value of covered business is therefore required.

Share incentive schemes
The embedded value of covered business assumes the payment of long-term incentives in the future and allows for the expected cost of future grants within the value of in-force covered business and value of new business.

Sensitivity analysis
Sensitivities are determined at the risk discount rates used to determine the base values, unless stated otherwise. For each of the sensitivities, all other assumptions are left unchanged. The different sensitivities do not imply that they have a similar chance of occurring.

The risk discount rate appropriate to an investor will depend on the investor's own requirements, tax position and perception of the risk associated with the realisation of the future profits from the covered business. The disclosed sensitivities to changes in the risk discount rate provide an indication of the impact of changes in the applied risk discount rate.

Risk premiums relating to mortality and morbidity are assumed to be increased consistent with mortality and morbidity experience respectively, where appropriate.

Foreign currencies
Changes in the embedded value of covered business, as well as the PVNBP, of foreign operations are converted to South African rand at the weighted average exchange rates for the financial year, except where the average exchange rate is not representative of the timing of specific changes in the embedded value of covered business, in which instances the exchange rate on transaction date is used. The closing rate is used for the conversion of the embedded value of covered business at the end of the financial year.

Sanlam Interim Results 2024
Shareholders' fund information

Basis of accounting – shareholders' fund information continued

Assumptions

Best estimate assumptions

The embedded value calculation is based on best estimate assumptions. The assumptions are reviewed actively and changed when evidence exists that material changes in the expected future experience are reasonably certain. The best estimate assumptions are also used as basis for the statutory valuation method.

It is reasonably possible that outcomes in future financial years will be different to these current best estimate assumptions, possibly significantly, impacting on the reported embedded value of covered business. Accordingly, sensitivity analyses are provided for the value of in-force and value of new business.

Economic assumptions

The assumed investment return on assets supporting the policy liabilities and required capital is based on the assumed long-term asset mix for these funds.

Inflation assumptions for unit cost, policy premium indexation and employee benefits salary inflation are based on an assumed long-term gap relative to fixed-interest securities, however term-dependent inflation assumptions are used where market observable data is available.

Future rates of bonuses for stable bonus business and participating annuities are set at levels that are supportable by the assets backing the respective product asset funds at each valuation date.

Assets backing required capital

The assumed composition of the assets backing the required capital is consistent with Sanlam's practice and with the assumed long-term asset distribution used to calculate the statutory capital requirements and internal required capital assessments of the group's covered business.

Demographic assumptions

Future mortality, morbidity and discontinuance rates are based on recent experience, adjusted for expected future trends where appropriate. Future mortality rates also include an allowance for the impact of future pandemics.

HIV/Aids

Allowance is made, where appropriate, for the impact of expected HIV/Aids-related claims, using models developed by the Actuarial Society, adjusted for Sanlam's practice and product design.

Expense assumptions

Future expense assumptions reflect the expected level of expenses required to manage the in-force covered business, including investment in systems required to support that business, and allow for future inflation. The rate of inflation is higher for business written on legacy systems. The allocation between acquisition and maintenance expenses is based on functional cost analyses and reflects actual expenses incurred in 2023. Expense assumptions include those expenses deemed to be not directly attributable to the fulfilment of insurance contracts under IFRS 17.

Investment management fees

Future investment expenses are based on the current scale of fees payable by the group's life insurance businesses to the relevant asset managers. To the extent that this scale of fees includes profit margins for Sanlam Investment Group, these margins are not included in the value of in-force covered business and value of new business, as they are incorporated in the valuation of the Sanlam Investment Group businesses at fair value.

Taxation

Projected taxation is based on the current tax basis that applies in each country.

Allowance has been made for the impact of capital gains tax on investments in South Africa, assuming a five-year roll-over period.

Earnings from covered business

The embedded value earnings from covered business for the period are equal to the change in embedded value, after adjustment for any transfers to or from discretionary capital, and are analysed into the following main components:

Value of new business

The value of new business is calculated at point of sale using assumptions applicable at the end of the reporting period.

Net earnings from existing covered business

Expected return on value of covered business

The expected return on value of covered business comprises the expected return on the starting value of in-force covered business and the accumulation of value of new business from point of sale to the valuation date.

Operating experience variances

The calculation of embedded values is based on assumptions regarding future experiences including discontinuance rates (how long policies will stay in force), risk (mortality and morbidity) and future expenses. Actual experience may differ from these assumptions. The impact of the difference between actual and assumed experience for the period is reported as operating experience variances.

Operating assumption changes

Operating assumption changes consist of the impact of changes in assumptions at the end of the reporting period (compared to those used at the end of the previous reporting period) for operating experience, excluding economic or taxation assumptions. It also includes model refinements where relevant.

Expected investment return on adjusted net worth

The expected investment return on adjusted net worth attributable to shareholders is calculated using the future investment return assumed at the start of the reporting period.

The total embedded value earnings from covered business include two further main items:

Economic assumption changes

The impact of changes in external economic conditions, including the effect that changes in interest rates have on risk discount rates and future investment return and inflation assumptions, on the embedded value of covered business.

Investment variances

Investment variances – value of in-force

The impact on the value of in-force business caused by differences between the actual investment return earned on policyholder fund assets during the reporting period and the expected return based on the economic assumptions used at the start of the reporting period.

Investment variances – investment return on adjusted net worth

Investment return variances caused by differences between the actual investment return earned on shareholders' fund assets during the reporting period and the expected return based on economic assumptions used at the start of the reporting period.

Sanlam Interim Results 2024
Shareholders' fund information

Group equity value

R million	Notes	Group equity value Reviewed 30 June 2024	Group equity value Audited 31 December 2023	Value of in-force/ fair value adjustment Reviewed 30 June 2024	Value of in-force/ fair value adjustment Audited 31 December 2023	Adjusted net asset value Reviewed 30 June 2024	Adjusted net asset value Audited 31 December 2023	Elimination of specific shareholders' fund reserves Reviewed 30 June 2024	Elimination of specific shareholders' fund reserves Audited 31 December 2023	Elimination of goodwill Reviewed 30 June 2024	Elimination of goodwill Audited 31 December 2023	Shareholders' fund at net asset value Reviewed 30 June 2024	Shareholders' fund at net asset value Audited 31 December 2023
Sanlam Life and Savings		58 107	57 692	48 225	47 664	9 882	10 028	(14 648)	(12 732)	(1 084)	(1 067)	25 614	23 827
Covered business[1]	8.1.4	50 914	49 852	46 160	45 140	4 754	4 712	(14 648)	(12 732)	(1 084)	(1 067)	20 486	18 511
SA Retail Mass		11 717	11 601	10 282	10 143	1 435	1 458	(6 343)	(5 378)	(76)	(76)	7 854	6 912
Sanlam Risk and Savings		25 180	24 892	23 634	23 414	1 546	1 478	(8 305)	(7 354)	(519)	(494)	10 370	9 326
Glacier		7 815	7 443	7 130	6 755	685	688	—	—	(270)	(270)	955	958
Sanlam Corporate		6 202	5 916	5 114	4 828	1 088	1 088	—	—	(219)	(227)	1 307	1 315
Non-covered business		7 193	7 840	2 065	2 524	5 128	5 316	—	—	—	—	5 128	5 316
Glacier		3 322	3 136	2 723	2 577	599	559	—	—	—	—	599	559
Sanlam Personal Loans		2 080	2 066	(441)	(124)	2 521	2 190	—	—	—	—	2 521	2 190
Sanlam Corporate: Afrocentric and other		1 363	2 278	(615)	(179)	1 978	2 457	—	—	—	—	1 978	2 457
Other operations		428	360	398	250	30	110	—	—	—	—	30	110
Sanlam Emerging Markets		51 206	47 157	16 908	11 823	34 298	35 334	(1 178)	(1 171)	(877)	(1 319)	36 353	37 824
Covered business	8.2.2.4	10 509	10 151	4 618	4 239	5 891	5 912	(1 178)	(1 171)	(877)	(1 319)	7 946	8 402
SanlamAllianz		4 722	4 710	1 436	1 389	3 286	3 321	(713)	(736)	(352)	(791)	4 351	4 848
Namibia		3 102	2 785	1 987	1 675	1 115	1 110	(465)	(435)	—	—	1 580	1 545
Asia: India		1 659	1 552	800	747	859	805	—	—	(329)	(332)	1 188	1 137
Asia: Malaysia		1 026	1 104	395	428	631	676	—	—	(196)	(196)	827	872
Non-covered business		40 697	37 006	12 290	7 584	28 407	29 422	—	—	—	—	28 407	29 422
SanlamAllianz		18 777	16 901	1 820	(96)	16 957	16 997	—	—	—	—	16 957	16 997
Namibia		1 456	1 524	52	(82)	1 404	1 606	—	—	—	—	1 404	1 606
Asia: India		21 767	19 756	10 441	7 791	11 326	11 965	—	—	—	—	11 326	11 965
Asia: Malaysia		271	299	(23)	(29)	294	328	—	—	—	—	294	328
SEM other operations		(1 574)	(1 474)	—	—	(1 574)	(1 474)	—	—	—	—	(1 574)	(1 474)
Sanlam Investment Group		14 366	13 466	8 477	7 897	5 889	5 569	—	—	—	—	5 889	5 569
Covered business	8.3.4	1 367	1 314	(729)	(782)	2 096	2 096	—	—	—	—	2 096	2 096
Non-covered business		12 999	12 152	9 206	8 679	3 793	3 473	—	—	—	—	3 793	3 473
Sanlam Investments[2]		3 764	3 293	807	1 165	2 957	2 128	—	—	—	—	2 957	2 128
Wealth Management		3 762	3 424	3 529	3 202	233	222	—	—	—	—	233	222
International		3 595	3 640	3 147	2 704	448	936	—	—	—	—	448	936
Sanlam Specialised Finance		1 878	1 795	1 723	1 608	155	187	—	—	—	—	155	187
Santam		22 085	19 433	15 502	13 200	6 583	6 233	—	—	—	—	6 583	6 233
Discretionary capital		3 825	2 710	—	—	3 825	2 710	—	—	—	—	3 825	2 710
Other capital		8 366	12 117	—	—	8 366	12 117	—	—	(1 197)	(1 197)	9 563	13 314
Present value of holding company expenses	12	(2 685)	(2 671)	(2 685)	(2 671)	—	—	—	—	—	—	—	—
Group equity value		155 270	149 904	86 427	77 913	68 843	71 991	(15 826)	(13 903)	(3 158)	(3 583)	87 827	89 477
Covered business	4	62 790	61 317	50 049	48 597	12 741	12 720	(15 826)	(13 903)	(1 961)	(2 386)	30 528	29 009
Non-covered business	6.1	82 974	76 431	39 063	31 987	43 911	44 444	—	—	—	—	43 911	44 444
Group operations		145 764	137 748	89 112	80 584	56 652	57 164	(15 826)	(13 903)	(1 961)	(2 386)	74 439	73 453
Discretionary, other capital and PV of holding company expenses		9 506	12 156	(2 685)	(2 671)	12 191	14 827	—	—	(1 197)	(1 197)	13 388	16 024
Group equity value		155 270	149 904	86 427	77 913	68 843	71 991	(15 826)	(13 903)	(3 158)	(3 583)	87 827	89 477
Value per share	11	73,41	70,86									41,53	42,29

[1] Excludes subordinated debt funding of Sanlam Life.
[2] Includes Sanlam 66% share of the third-party asset management business of R4 376 million (31 December 2023: R3 684 million).

Analysis of group equity value by line of business

R million	Total: Reviewed 30 June 2024	Total: Audited 31 December 2023	Life business: Reviewed 30 June 2024	Life business: Audited 31 December 2023	General insurance: Reviewed 30 June 2024	General insurance: Audited 31 December 2023
South Africa	100 651	98 959	52 281	51 166	22 085	19 433
Pan-Africa	26 191	24 453	7 824	7 495	19 068	17 161
Other International	28 428	26 492	2 685	2 656	4 201	3 662
Total	155 270	149 904	62 790	61 317	45 354	40 256

R million	Investment management: Reviewed 30 June 2024	Investment management: Audited 31 December 2023	Credit and structuring: Reviewed 30 June 2024	Credit and structuring: Audited 31 December 2023	Administration and health: Reviewed 30 June 2024	Administration and health: Audited 31 December 2023
South Africa	8 131	7 266	3 489	3 359	4 867	5 586
Pan-Africa	797	726	1 786	1 826	131	106
Other International	3 705	3 781	17 837	16 393	—	—
Total	12 633	11 773	23 112	21 578	4 998	5 692

R million	Discretionary capital and other: Reviewed 30 June 2024	Discretionary capital and other: Audited 31 December 2023
South Africa[1]	9 798	12 149
Pan-Africa[1]	(3 415)	(2 861)
Total	6 383	9 288

[1] Prior year corporate costs relating to Sanlam Allianz has been transferred to Pan Africa in line with current year.

Change in group equity value

for the six months ended 30 June 2024 (reviewed)

R million	GEV at the beginning of the period	Earnings	Net capital investment	Dividend paid	GEV at the end of the period
Sanlam Life and Savings	57 692	3 820	(221)	(3 184)	58 107
Covered business	49 852	4 482	(221)	(3 199)	50 914
SA Retail Mass	11 601	1 122	(88)	(918)	11 717
Sanlam Risk and Savings	24 892	1 740	(69)	(1 383)	25 180
Glacier	7 443	859	(27)	(460)	7 815
Sanlam Corporate	5 916	761	(37)	(438)	6 202
Non-covered business	7 840	(662)	—	15	7 193
Glacier	3 136	244	—	(58)	3 322
Sanlam Personal Loans	2 066	3	—	11	2 080
Other operations	360	47	—	21	428
Sanlam Corporate: Afrocentric and other	2 278	(956)	—	41	1 363
Sanlam Emerging Markets	47 157	5 714	(953)	(712)	51 206
Covered business	10 151	510	429	(581)	10 509
SanlamAllianz	4 710	(16)	422	(394)	4 722
Namibia	2 785	488	(10)	(161)	3 102
Asia: India	1 552	116	47	(56)	1 659
Asia: Malaysia	1 104	(78)	(30)	30	1 026
Non-covered business	37 006	5 204	(1 382)	(131)	40 697
SanlamAllianz	16 901	455	1 272	149	18 777
Namibia	1 524	30	—	(98)	1 456
Asia: India	19 756	4 794	(2 654)	(129)	21 767
Asia: Malaysia	299	(28)	—	—	271
SEM other operations	(1 474)	(47)	—	(53)	(1 574)
Sanlam Investment Group	13 466	1 599	(220)	(479)	14 366
Covered business	1 314	297	(67)	(177)	1 367
Non-covered business	12 152	1 302	(153)	(302)	12 999
Sanlam Investments	3 293	527	—	(56)	3 764
Wealth Management	3 424	451	—	(113)	3 762
International	3 640	134	(153)	(26)	3 595
Sanlam Specialised Finance	1 795	190	—	(107)	1 878
Santam	19 433	3 266	—	(614)	22 085
Discretionary capital	2 710	(65)	1 180	—	3 825
Other capital	12 117	(541)	5 106	(8 316)	8 366
Present value of holding company expenses	(2 671)	(14)	—	—	(2 685)
Intergroup dividends	—	—	(4 989)	4 989	—
Group equity value	149 904	13 779	(97)	(8 316)	155 270
Covered business	61 317	5 289	141	(3 957)	62 790
Non-covered business	76 431	9 110	(1 535)	(1 032)	82 974
Group operations	137 748	14 399	(1 394)	(4 989)	145 764
Discretionary and other capital	12 156	(620)	6 286	(8 316)	9 506
Intergroup dividends	—	—	(4 989)	4 989	—
Group equity value	149 904	13 779	(97)	(8 316)	155 270

Change in group equity value continued

for the six months ended 30 June 2023 (reviewed)

R million	GEV at the beginning of the period	Earnings	Net capital investment	Dividend paid	GEV at the end of the period
Sanlam Life and Savings	54 415	3 214	1 836	(3 187)	56 278
Covered business	49 386	2 943	126	(2 994)	49 461
SA Retail Mass	11 682	531	(34)	(748)	11 431
Sanlam Risk and Savings	26 416	(1 770)	527	(1 352)	23 821
Glacier	5 447	2 992	(284)	(444)	7 711
Sanlam Corporate	5 841	1 190	(83)	(450)	6 498
Non-covered business	5 029	271	1 710	(193)	6 817
Glacier	2 647	262	—	(154)	2 755
Sanlam Personal Loans	1 219	49	—	(67)	1 201
Other operations	297	47	160	(22)	482
Sanlam Corporate	866	(87)	1 550	50	2 379
Sanlam Emerging Markets	42 302	6 685	320	(820)	48 487
Covered business	9 025	935	247	(441)	9 766
SanlamAllianz	4 626	665	(409)	(275)	4 607
Namibia	2 151	(85)	633	(106)	2 593
Asia: India	1 203	297	(2)	(56)	1 442
Asia: Malaysia	1 045	58	25	(4)	1 124
Non-covered business	33 277	5 750	73	(379)	38 721
SanlamAllianz	18 702	1 780	73	(36)	20 519
Namibia	1 472	112	—	(162)	1 422
Asia: India	14 200	3 912	—	(153)	17 959
Asia: Malaysia	300	(5)	—	—	295
SEM other operations	(1 397)	(49)	—	(28)	(1 474)
Sanlam Investment Group	13 752	1 885	(84)	(679)	14 874
Covered business	1 747	349	(116)	(195)	1 785
Non-covered business	12 005	1 536	32	(484)	13 089
Sanlam Investments	3 137	327	32	(78)	3 418
Wealth Management	3 138	555	—	(143)	3 550
International	4 201	405	—	(128)	4 478
Sanlam Specialised Finance	1 529	249	—	(135)	1 643
Santam	17 391	2 780	—	(573)	19 598
Discretionary capital	5 274	83	(2 173)	—	3 184
Other capital	10 170	1 249	115	(7 870)	3 664
Present value of holding company expenses	(2 528)	(13)	—	—	(2 541)
Intergroup dividends	—	—	(5 259)	5 259	—
Group equity value	140 776	15 883	(5 245)	(7 870)	143 544
Covered business	60 158	4 227	257	(3 630)	61 012
Non-covered business	67 702	10 337	1 815	(1 629)	78 225
Group operations	127 860	14 564	2 072	(5 259)	139 237
Discretionary and other capital	12 916	1 319	(2 058)	(7 870)	4 307
Intergroup dividends	—	—	(5 259)	5 259	—
Group equity value	140 776	15 883	(5 245)	(7 870)	143 544

Return on group equity value

%	Six months reviewed 30 June 2024	Six months reviewed 30 June 2023	12 months audited 31 December 2023
Sanlam Life and Savings	6,6	5,9	14,8
Covered business	9,0	6,0	14,4
SA Retail Mass	9,7	4,5	13,5
Sanlam Risk and Savings	7,0	(6,7)	1,0
Glacier	11,5	54,9	62,4
Sanlam Corporate	12,9	20,4	32,4
Non-covered business	(8,4)	5,0	18,1
Glacier	7,8	9,9	25,8
Sanlam Personal Loans	0,1	4,0	31,7
Other operations	13,1	12,5	30,7
Sanlam Corporate: Afrocentric and other	(42,0)	(7,7)	(5,7)
Sanlam Emerging Markets	11,8	15,8	15,8
Covered business	5,0	10,4	12,4
SanlamAllianz	(0,3)	14,4	3,7
Namibia	17,5	(4,0)	17,7
Asia: India	7,5	24,7	36,8
Asia: Malaysia	(7,1)	5,6	11,7
Non-covered business	13,7	17,3	16,8
SanlamAllianz	2,5	9,8	(5,5)
Namibia	2,0	7,6	9,1
Asia: India	24,3	27,5	46,3
Asia: Malaysia	(9,4)	(1,7)	(0,3)
SEM other operations	3,2	3,5	7,2
Sanlam Investment Group	11,9	13,7	15,3
Covered business	22,6	20,0	46,4
Non-covered business	10,8	12,8	10,7
Sanlam Investments	16,0	10,1	14,2
Wealth Management	13,2	17,7	17,0
International	3,8	9,8	(6,4)
Sanlam Specialised Finance	10,6	16,3	37,3
Santam	16,8	16,0	23,9
Discretionary capital and other	(5,5)	10,5	7,9
Group equity value[1]	9,2	11,3	15,7
Covered business	8,6	7,0	15,1
Non-covered business	11,8	15,2	17,6
Group operations	10,4	11,4	16,4
Discretionary and other capital	(5,5)	10,5	7,9
Group equity value	9,2	11,3	15,7
RoGEV per share	9,3	12,0	16,7
Sanlam group hurdle rate	7,5	7,5	15,5

[1] Refer to the financial and strategic review on page 2 for adjusted RoGEV information.

Sanlam Interim Results 2024
Shareholders' fund information

Analysis of group equity value earnings

Covered business[1]

R million	Total Reviewed 30 June 2024	Total Reviewed 30 June 2023	Gross value of in-force Reviewed 30 June 2024	Gross value of in-force Reviewed 30 June 2023	Cost of capital Reviewed 30 June 2024	Cost of capital Reviewed 30 June 2023	Adjusted net asset value Reviewed 30 June 2024	Adjusted net asset value Reviewed 30 June 2023	Total Audited 31 December 2023
Operational earnings	6 163	4 774	1 738	1 255	296	(112)	4 129	3 631	10 025
Value of new life insurance business[2]	1 394	1 265	2 882	2 473	(166)	(128)	(1 322)	(1 080)	2 853
Unwinding of discount rate	3 585	3 370	3 564	3 269	21	101	—	—	6 864
Expected profit	—	—	(4 517)	(4 278)	—	—	4 517	4 278	—
Operating experience variances	1 223	332	353	(199)	43	(14)	827	545	1 272
Risk experience	538	630	102	122	(18)	12	454	496	1 480
Persistency	(40)	(647)	10	(441)	91	(26)	(141)	(180)	(810)
Maintenance expenses	(52)	(111)	(4)	—	(1)	(1)	(47)	(110)	(208)
Working capital management	281	236	—	—	—	—	281	236	508
Credit spreads	235	195	—	—	—	—	235	195	443
Other	261	29	245	120	(29)	1	45	(92)	(141)
Operating assumption changes	(39)	(193)	(544)	(10)	398	(71)	107	(112)	(964)
Risk experience	(7)	(20)	(19)	(12)	1	(1)	11	(7)	124
Persistency	(6)	(65)	(13)	(46)	5	(3)	2	(16)	(837)
Maintenance expenses	(100)	(39)	(118)	(51)	—	(2)	18	14	(421)
Modelling changes and other	74	(69)	(394)	99	392	(65)	76	(103)	170
Net investment return	(125)	670	—	—	—	—	(125)	670	1 030
Expected return on adjusted net asset value	551	583	—	—	—	—	551	583	1 106
Investment variances on adjusted net asset value	(676)	87	—	—	—	—	(676)	87	(76)
Valuation and economic basis	(668)	280	(638)	267	142	14	(172)	(1)	435
Investment variances on in-force business	(56)	174	102	197	(3)	(21)	(155)	(2)	339
Economic assumption changes	(381)	(52)	(368)	(88)	4	35	(17)	1	128
Investment yields	(385)	(52)	(368)	(88)	—	35	(17)	1	128
Long-term asset mix assumptions and other	4	—	—	—	4	—	—	—	—
Foreign currency translation differences	(231)	158	(372)	158	141	—	—	—	(32)
Change in tax basis	2	—	2	—	—	—	—	—	—
IFRS 17 and related tax changes	—	(1 486)	—	(1 206)	—	(280)	—	—	(1 452)
Loss on disposal of subsidiaries and associated companies	—	—	—	—	—	—	—	—	(958)
Goodwill from business	(82)	—	(82)	—	—	—	—	—	—
Net project expenses	(1)	(11)	—	—	—	—	(1)	(11)	(19)
GEV earnings: covered business	5 289	4 227	1 020	316	438	(378)	3 831	4 289	9 061
Acquired value of in-force	327	395	144	394	(29)	(11)	212	12	2 259
Transfers from/(to) other group operations	—	—	(121)	—	—	—	121	—	(2 000)
Transfers from covered business	(4 143)	(3 768)	—	—	—	—	(4 143)	(3 768)	(8 161)
Embedded value of covered business at the beginning of the year	61 317	60 158	52 509	50 018	(3 912)	(3 640)	12 720	13 780	60 158
Embedded value of covered business at the end of the year	62 790	61 012	53 552	50 728	(3 503)	(4 029)	12 741	14 313	61 317

[1] Refer to note 8 for a detailed analysis per cluster.
[2] Refer to note 3 for additional information.

Covered business per cluster

R million	Total Reviewed 30 June 2024	Total Reviewed 30 June 2023	Gross value of in-force Reviewed 30 June 2024	Gross value of in-force Reviewed 30 June 2023	Cost of capital Reviewed 30 June 2024	Cost of capital Reviewed 30 June 2023	Adjusted net asset value Reviewed 30 June 2024	Adjusted net asset value Reviewed 30 June 2023	Total Audited 31 December 2023
Sanlam Life and Savings	50 914	49 461	47 703	45 287	(1 543)	(1 905)	4 754	6 079	49 852
Sanlam Emerging Markets	10 509	9 766	5 748	5 417	(1 130)	(1 181)	5 891	5 530	10 151
Sanlam Investment Group	1 367	1 785	101	24	(830)	(943)	2 096	2 704	1 314
Sanlam group	62 790	61 012	53 552	50 728	(3 503)	(4 029)	12 741	14 313	61 317

Sanlam Interim Results 2024
Shareholders' fund information

Analysis of group equity value earnings continued

Non-covered business

R million	Total		Sanlam Life and Savings		Sanlam Allianz including Namibia		Asia		Sanlam Investment Group		Santam		Total
	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Audited 31 December 2023
Earnings from operations valued at listed share prices	3 266	2 780	–	–	–	–	–	–	–	–	3 266	2 780	4 158
Earnings from operations valued at net asset value	(264)	118	–	–	(485)	(169)	170	178	51	109	–	–	131
Earnings from operations valued based on discounted cash flows	6 108	7 439	(662)	271	916	2 012	4 603	3 729	1 251	1 427	–	–	7 821
Unwinding of discount rate	4 217	3 618	734	480	1 285	1 302	1 235	964	963	872	–	–	7 577
Operating experience and investment variances[1]	(548)	(410)	(448)	40	17	(227)	150	197	(267)	(420)	–	–	712
General insurance	94	(323)	–	–	(2)	(291)	96	(32)	–	–	–	–	707
Investment management	(236)	(368)	–	–	31	52	–	–	(267)	(420)	–	–	(713)
Credit and banking	(70)	225	(112)	(16)	(12)	12	54	229	–	–	–	–	797
Administration, health and other	(336)	56	(336)	56	–	–	–	–	–	–	–	–	(79)
Operating assumption changes[2]	3 344	434	(948)	(142)	101	(304)	3 644	489	547	391	–	–	2 504
General insurance	320	(183)	–	–	202	(151)	118	(32)	–	–	–	–	369
Investment management	551	382	–	–	4	(9)	–	–	547	391	–	–	222
Credit and banking	3 350	346	(71)	(31)	(105)	(144)	3 526	521	–	–	–	–	1 756
Administration, health and other	(877)	(111)	(877)	(111)	–	–	–	–	–	–	–	–	157
Economic assumption changes	462	156	–	(107)	(99)	(293)	544	461	17	95	–	–	(2 684)
Change in tax basis	–	–	–	–	–	–	–	–	–	–	–	–	(38)
Impact of corporate activity	(346)	–	–	–	311	–	(657)	–	–	–	–	–	(1 985)
Foreign currency translation differences	(1 021)	3 641	–	–	(699)	1 534	(313)	1 618	(9)	489	–	–	1 735
GEV earnings: non-covered operations	9 110	10 337	(662)	271	431	1 843	4 773	3 907	1 302	1 536	3 266	2 780	12 110

R million	*Total*		*Sanlam Life and Savings*		*Sanlam Allianz including Namibia*		*Asia*		*Sanlam Investment Group*		*Total*
	Reviewed 30 June 2024	*Reviewed 30 June 2023*	*Reviewed 30 June 2024*	*Reviewed 30 June 2023*	*Reviewed 30 June 2024*	*Reviewed 30 June 2023*	*Reviewed 30 June 2024*	*Reviewed 30 June 2023*	*Reviewed 30 June 2024*	*Reviewed 30 June 2023*	*Audited 31 December 2023*
(1) Operating experience and investment variances	*(548)*	*(410)*	*(448)*	*40*	*17*	*(227)*	*150*	*197*	*(267)*	*(420)*	*712*
General insurance business	*94*	*(323)*	*–*	*–*	*(2)*	*(291)*	*96*	*(32)*	*–*	*–*	*707*
Risk experience	*54*	*103*	*–*	*–*	*40*	*106*	*14*	*(3)*	*–*	*–*	*101*
Premium income	*(99)*	*46*	*–*	*–*	*(138)*	*82*	*39*	*(36)*	*–*	*–*	*994*
Investment return	*8*	*11*	*–*	*–*	*14*	*26*	*(6)*	*(15)*	*–*	*–*	*99*
Maintenance expenses	*(15)*	*(77)*	*–*	*–*	*(15)*	*(77)*	*–*	*–*	*–*	*–*	*326*
Other	*146*	*(406)*	*–*	*–*	*97*	*(428)*	*49*	*22*	*–*	*–*	*(813)*
Investment management	*(236)*	*(368)*	*–*	*–*	*31*	*52*	*–*	*–*	*(267)*	*(420)*	*(713)*
Credit business	*(70)*	*225*	*(112)*	*(16)*	*(12)*	*12*	*54*	*229*	*–*	*–*	*784*
Administration, health and other	*(336)*	*56*	*(336)*	*56*	*–*	*–*	*–*	*–*	*–*	*–*	*(66)*
(2) Operating assumption changes	*3 344*	*434*	*(948)*	*(142)*	*101*	*(304)*	*3 644*	*489*	*547*	*391*	*2 504*
General insurance business	*320*	*(183)*	*–*	*–*	*202*	*(151)*	*118*	*(32)*	*–*	*–*	*369*
Risk experience	*150*	*(74)*	*–*	*–*	*142*	*(51)*	*8*	*(23)*	*–*	*–*	*1 886*
Premium income	*(318)*	*(6)*	*–*	*–*	*(499)*	*(18)*	*181*	*12*	*–*	*–*	*(1 247)*
Maintenance expenses	*546*	*(119)*	*–*	*–*	*546*	*(119)*	*–*	*–*	*–*	*–*	*(715)*
Modelling and other assumption changes	*(58)*	*16*	*–*	*–*	*13*	*37*	*(71)*	*(21)*	*–*	*–*	*445*
Investment management	*551*	*382*	*–*	*–*	*4*	*(9)*	*–*	*–*	*547*	*391*	*222*
Credit business	*3 350*	*346*	*(71)*	*(31)*	*(105)*	*(144)*	*3 526*	*521*	*–*	*–*	*1 756*
Income	*4 166*	*485*	*(15)*	*(29)*	*(10)*	*(118)*	*4 191*	*632*	*–*	*–*	*2 404*
Bad debts	*(761)*	*(104)*	*12*	*(13)*	*(24)*	*(4)*	*(749)*	*(87)*	*–*	*–*	*(713)*
Other	*(55)*	*(35)*	*(68)*	*11*	*(71)*	*(22)*	*84*	*(24)*	*–*	*–*	*65*
Administration, health and other	*(877)*	*(111)*	*(877)*	*(111)*	*–*	*–*	*–*	*–*	*–*	*–*	*157*

Sanlam Interim Results 2024
Shareholders' fund information

Analysis of group equity value earnings continued

Discretionary and other capital

R million	Total Reviewed 30 June 2024	Total Reviewed 30 June 2023	Total Audited 31 December 2023
Investment return and other[1]	(786)	176	510
B-BBEE SPV impairment reversal	—	948	948
Corporate expenses	(61)	(67)	(611)
Net group office expenses	(47)	(54)	(468)
Change in present value of holding company expenses	(14)	(13)	(143)
Share-based payment transactions	227	262	95
GEV earnings: discretionary and other capital	**(620)**	**1 319**	**942**

[1] Includes losses on treasury shares and other corporate related items.

Reconciliation of group equity value earnings

R million	Reviewed 30 June 2024	Reviewed 30 June 2023	Audited 31 December 2023
Earnings (excluding fund transfers)	6 831	9 731	13 845
Normalised attributable earnings per shareholders' fund income statement	9 913	9 567	16 557
Earnings recognised directly in equity			
Foreign currency translation differences	(249)	2 510	2 071
Net cost of treasury shares delivered	(570)	(213)	(326)
Share-based payments	227	261	421
Change in ownership of subsidiaries	(11)	(777)	(2 388)
Other comprehensive income and other	(2 479)	(1 617)	(2 490)
Fair value adjustments	8 534	5 241	7 219
Change in fair value adjustments: non-life	7 076	5 303	6 957
Earnings from covered business: value of in-force	1 458	(62)	262
Adjustments to net worth	(1 586)	911	1 049
Present value of holding company expenses	(14)	(13)	(143)
Movement in book value of treasury shares: non-life subsidiaries	(68)	(136)	(137)
Change in goodwill/value of business acquired less value of in-force acquired and change in shareholder fund reserves	(1 504)	1 060	1 329
Group equity value earnings	13 779	15 883	22 113

Sanlam Interim Results 2024
Shareholders' fund information

Analysis of shareholders' fund at net asset value

	Sanlam Life[1]		Sanlam Emerging Markets[2]		Sanlam Investment Group		Santam		Group office		Consolidation entries		Shareholders' fund at net asset value	
R million	**Reviewed 30 June 2024**	Audited 31 December 2023	**Reviewed 30 June 2024**	Audited 31 December 2023	**Reviewed 30 June 2024**	Audited 31 December 2023	**Reviewed 30 June 2024**	Audited 31 December 2023	**Reviewed 30 June 2024**	Audited 31 December 2023	**Reviewed 30 June 2024**	Audited 31 December 2023	**Reviewed 30 June 2024**	Audited 31 December 2023
Assets														
Goodwill	2 295	2 797	14	14	1 890	1 942	960	955	–	–	1 197	1 197	6 356	6 905
Equipment	904	841	34	36	89	100	190	573	–	–	–	–	1 217	1 550
Rights-of-use assets	434	487	7	16	61	60	638	637	–	–	–	–	1 140	1 200
Owner-occupied properties	818	817	–	–	157	156	–	1	–	–	–	–	975	974
Intangible assets	2 631	2 757	6	6	401	447	411	120	–	–	–	–	3 449	3 330
Contract costs for investment management services	2 393	2 422	3	4	–	–	–	–	–	–	–	–	2 396	2 426
Insurance contract assets	67	–	–	–	–	–	288	408	–	–	–	–	355	408
Reinsurance contract assets	–	–	–	–	–	–	7 666	9 361	–	–	–	–	7 666	9 361
Deferred tax	470	548	15	15	299	283	326	162	–	–	(61)	(55)	1 049	953
Investments	33 876	30 205	42 342	42 938	4 226	4 325	36 726	32 344	3 899	4 030	(4 570)	(4 513)	116 499	109 329
Investment properties	417	898	6	8	–	–	–	–	–	–	–	–	423	906
Associated companies	2 781	1 424	16 511	17 242	415	450	1 607	1 524	–	–	(919)	(866)	20 395	19 774
Joint ventures	–	–	23 782	23 782	204	203	–	–	–	–	–	–	23 986	23 985
Equities and similar securities	3 965	1 544	143	143	60	82	1 902	2 857	–	–	718	792	6 788	5 418
Interest-bearing investments	12 870	12 235	1 755	1 558	522	565	24 281	20 816	3 899	4 030	(4 489)	(4 558)	38 838	34 646
Structured transactions	824	647	6	4	–	27	316	296	–	–	–	–	1 146	974
Investment funds	12 409	8 217	36	37	2 895	2 732	5 749	2 786	–	–	120	119	21 209	13 891
Deposits and similar securities	610	5 240	103	164	130	266	2 871	4 065	–	–	–	–	3 714	9 735
Trading account assets	168	229	208	211	17 195	16 167	–	–	–	–	(3 117)	(2 863)	14 454	13 744
Advances to customers	4 108	4 065	–	–	–	–	–	–	–	–	–	–	4 108	4 065
Non-current assets reclassified as held for sale	–	–	1 792	1 893	–	–	–	–	–	–	–	–	1 792	1 893
Working capital assets	10 520	15 178	3 034	2 832	15 650	12 429	9 575	10 425	2 165	1 819	(681)	(309)	40 263	42 374
Trade and other receivables	5 661	8 320	1 876	1 421	8 640	8 292	4 443	6 051	1 905	1 607	(611)	(969)	21 914	24 722
Taxation	92	53	401	412	6	19	489	474	41	39	–	–	1 029	997
Cash and cash equivalents	4 767	6 805	757	999	7 004	4 118	4 643	3 900	219	173	(70)	660	17 320	16 655
Total assets	58 684	60 346	47 455	47 965	39 968	35 909	56 780	54 986	6 064	5 849	(7 232)	(6 543)	201 719	198 512
Equity and liabilities														
Shareholders' fund	36 857	37 994	39 081	40 179	6 884	6 742	6 583	6 233	2 711	2 475	(4 289)	(4 146)	87 827	89 477
Non-controlling interest	1 052	1 081	3 769	3 623	1 022	1 134	4 735	4 222	–	–	(1 914)	(1 764)	8 664	8 296
Total equity	37 909	39 075	42 850	43 802	7 906	7 876	11 318	10 455	2 711	2 475	(6 203)	(5 910)	96 491	97 773
Insurance contract liabilities	–	–	–	–	–	–	33 001	32 722	–	–	–	–	33 001	32 722
Reinsurance contract liabilities	–	–	–	–	–	–	2 952	2 889	–	–	–	–	2 952	2 889
Term finance	8 217	8 220	1 300	1 300	995	995	3 058	3 053	3 350	3 350	(3 164)	(3 178)	13 756	13 740
Lease liabilities	537	604	8	18	84	85	813	824	–	–	–	–	1 442	1 531
Structured transactions liabilities	424	205	–	–	35	1	–	7	–	–	–	–	459	213
Deferred tax	5 413	5 056	54	53	90	55	1 116	1 088	–	–	–	–	6 673	6 252
Trading account liabilities	–	–	117	118	22 527	18 392	835	690	–	–	(373)	(66)	23 106	19 134
Non-current liabilities reclassified as held for sale	19	13	250	259	–	–	–	–	–	–	–	–	269	272
Collateral guarantee contracts	–	–	–	–	–	–	114	113	–	–	–	–	114	113
Working capital liabilities	6 165	7 173	2 876	2 415	8 331	8 505	3 573	3 145	3	24	2 508	2 611	23 456	23 873
Trade and other payables	4 362	6 140	2 826	2 353	7 641	7 788	3 315	2 937	–	21	2 362	2 554	20 506	21 793
Provisions	39	40	–	–	1	1	171	126	3	3	19	18	233	188
Taxation	1 764	993	50	62	689	716	87	82	–	–	127	39	2 717	1 892
Total equity and liabilities	58 684	60 346	47 455	47 965	39 968	35 909	56 780	54 986	6 064	5 849	(7 232)	(6 543)	201 719	198 512
Analysis of shareholders' fund														
Covered business	20 486	18 511	7 946	8 402	2 096	2 096	–	–	–	–	–	–	30 528	29 009
Other operations	5 128	5 316	28 407	29 422	3 793	3 473	6 583	6 233	–	–	–	–	43 911	44 444
Discretionary and other capital	11 243	14 167	2 728	2 355	995	1 173	–	–	2 711	2 475	(4 289)	(4 146)	13 388	16 024
Shareholders' fund at net asset value	36 857	37 994	39 081	40 179	6 884	6 742	6 583	6 233	2 711	2 475	(4 289)	(4 146)	87 827	89 477
Consolidation reserve	547	564	87	87	–	–	–	–	–	–	263	(1 598)	897	(947)
Shareholders' fund per group statement of financial position on page 90	37 404	38 558	39 168	40 266	6 884	6 742	6 583	6 233	2 711	2 475	(4 026)	(5 744)	88 724	88 530

(1) Includes the operations of Sanlam Life and Savings and discretionary capital held by Sanlam Life.
(2) Includes discretionary capital held by Sanlam Emerging Markets.

Sanlam Interim Results 2024
Shareholders' fund information

Shareholders' fund income statement

	Sanlam Life and Savings		Sanlam Emerging Markets						Sanlam Investment Group		Santam		Group office and other		Total		Total
			SanlamAllianz[1]		Namibia		Asia										
R million	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Audited 31 December 2023
Result from life insurance operations	3 485	3 415	–	694	353	207	4	39	190	251	–	–	–	–	4 032	4 606	9 098
Insurance revenue	21 055	18 714	–	5 737	975	986	956	655	10	53	–	–	–	–	22 996	26 145	48 237
Insurance service expenses	(17 747)	(14 997)	–	(5 146)	(785)	(757)	(899)	(709)	(238)	(259)	–	–	–	–	(19 669)	(21 868)	(39 669)
Income or expense from reinsurance contracts	(125)	(332)	–	(207)	(27)	(48)	33	2	–	–	–	–	–	–	(119)	(585)	(1 107)
Insurance investment result	490	178	–	310	197	34	(86)	91	418	457	–	–	–	–	1 019	1 070	2 410
Other expenses relating to insurance operations	(188)	(148)	–	–	(7)	(8)	–	–	–	–	–	–	–	–	(195)	(156)	(773)
Result from general insurance operations	–	–	–	774	–	–	–	–	–	–	1 771	1 031	–	–	1 771	1 805	3 224
Insurance revenue	–	–	–	11 577	–	–	–	–	–	–	24 634	22 492	–	–	24 634	34 069	63 914
Insurance service expenses	–	–	–	(8 856)	–	–	–	–	–	–	(18 987)	(17 248)	–	–	(18 987)	(26 104)	(50 712)
Income or expense from reinsurance contracts	–	–	–	(1 991)	–	–	–	–	–	–	(3 734)	(4 102)	–	–	(3 734)	(6 093)	(10 351)
Insurance investment result	–	–	–	44	–	–	–	–	–	–	148	245	–	–	148	289	633
Other expenses relating to insurance operations	–	–	–	–	–	–	–	–	–	–	(290)	(356)	–	–	(290)	(356)	(260)
Result from other operations	1 148	971	1 429	(113)	46	82	1 625	1 493	1 001	893	96	180	(123)	(270)	5 222	3 236	7 408
Revenue	7 959	4 023	–	403	67	112	7	–	3 115	2 965	–	–	215	199	11 363	7 702	19 195
Net other income[2]	(35)	112	1 429	381	129	136	1 662	1 518	88	61	96	180	(58)	(203)	3 311	2 185	4 999
Sales remuneration	(543)	(480)	–	(89)	(43)	(55)	–	–	(35)	(7)	–	–	–	–	(621)	(631)	(1 186)
Administration costs	(6 233)	(2 684)	–	(808)	(107)	(111)	(44)	(25)	(2 167)	(2 126)	–	–	(280)	(266)	(8 831)	(6 020)	(15 600)
Result from financial services before tax	4 633	4 386	1 429	1 355	399	289	1 629	1 532	1 191	1 144	1 867	1 211	(123)	(270)	11 025	9 647	19 730
Tax on result from financial services	(1 258)	(1 211)	(392)	(603)	(40)	(43)	(458)	(386)	(286)	(282)	(416)	(302)	31	59	(2 819)	(2 768)	(5 312)
Non-controlling interest	(41)	9	(160)	(226)	(90)	(41)	(44)	(103)	(134)	(132)	(726)	(366)	45	157	(1 150)	(702)	(2 039)
Net result from financial services	3 334	3 184	877	526	269	205	1 127	1 043	771	730	725	543	(47)	(54)	7 056	6 177	12 379
Net investment income	303	215	366	23	8	38	(16)	13	35	62	47	160	(120)	146	623	657	1 136
Net investment surpluses	(2)	69	210	509	7	8	133	17	23	72	218	206	–	–	589	881	984
Project expenses	(13)	(49)	(95)	(72)	–	–	(30)	–	(6)	(27)	–	(4)	(37)	(77)	(181)	(229)	(610)
Net operational earnings	3 622	3 419	1 358	986	284	251	1 214	1 073	823	837	990	905	(204)	15	8 087	7 486	13 889
Shareholders' fund adjustments	1 740	(59)	185	277	(8)	63	(19)	(123)	–	–	–	–	–	–	1 898	158	1 776
Net amortisation of value of business acquired and other intangibles	(44)	(9)	–	–	–	–	–	–	(34)	(31)	(28)	(17)	–	–	(106)	(57)	(112)
Impairments	(488)	(8)	(25)	(253)	–	–	–	–	–	–	–	–	–	948	(513)	687	623
Net equity-accounted earnings	–	(7)	(267)	(3)	–	–	–	–	–	–	24	28	–	–	(243)	18	45
Net profit on disposal of subsidiaries and associated companies	3	(134)	–	1 310	–	–	793	–	(6)	14	–	85	–	–	790	1 275	336
Normalised attributable earnings	4 833	3 202	1 251	2 317	276	314	1 988	950	783	820	986	1 001	(204)	963	9 913	9 567	16 557
Fund transfers	(17)	(184)	–	(18)	–	–	–	–	(1)	–	7	(5)	30	(1 444)	19	(1 651)	(2 079)
Attributable earnings per group statement of comprehensive income	4 816	3 018	1 251	2 299	276	314	1 988	950	782	820	993	996	(174)	(481)	9 932	7 916	14 478
Diluted earnings per share																	
Weighted average number of shares for normalised earnings per share (million)															2 116,4	2 203,7	2 158,1
Net result from financial services (cents)	157,5	144,5	41,4	23,9	12,7	9,3	53,3	47,3	36,4	33,1	34,3	24,6	(2,2)	(2,5)	333,4	280,2	573,6

(1) Comparative information is the former SPA (excluding Namibia) prior to the merger with Allianz to form part of the Sanlam Allianz merger, refer to page 62 for additional information.
(2) Net other income includes equity-accounted earnings from strategic investments in associates and joint venture as disclosed in note 9.

Net results from financial services

Geographic analysis per line of business[1]

R million	Life business		General insurance		Investment management		Credit and structuring		Administration and health		Corporate expenses and other		Total		Total
	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Audited 31 December 2023
South Africa	3 350	3 158	725	543	359	344	137	125	131	190	(47)	(54)	4 655	4 306	8 456
Pan-Africa	553	268	569	545	44	40	105	140	—	—	(125)	(262)	1 146	731	1 463
Other International	26	60	153	158	128	97	876	757	—	—	72	68	1 255	1 140	2 460
Asia	26	60	153	158	—	—	876	757	—	—	72	68	1 127	1 043	2 226
Developed Markets	—	—	—	—	128	97	—	—	—	—	—	—	128	97	234
Net results from financial services	3 929	3 486	1 447	1 246	531	481	1 118	1 022	131	190	(100)	(248)	7 056	6 177	12 379
Net results from financial services before SHF adjustments	5 062	3 454	1 583	1 285	531	481	1 118	1 022	131	190	(100)	(248)	8 325	6 184	13 674
SHF adjustments	(1 133)	32	(136)	(39)	—	—	—	—	—	—	—	—	(1 269)	(7)	(1 295)
Impact of adjusting the CSM at locked-in interest rates	(44)	88	—	—	—	—	—	—	—	—	—	—	(44)	88	(178)
Insurance contracts economic impact	(47)	(143)	—	—	—	—	—	—	—	—	—	—	(47)	(143)	(597)
Asset mismatch reserve movements	(62)	76	(136)	(39)	—	—	—	—	—	—	—	—	(198)	37	(326)
Other adjustments[2]	(980)	11	—	—	—	—	—	—	—	—	—	—	(980)	11	(194)
Net results from financial services after SHF adjustments	3 929	3 486	1 447	1 246	531	481	1 118	1 022	131	190	(100)	(248)	7 056	6 177	12 379

[1] Refer to note 8 for an analysis per cluster.
[2] Includes the non-cash earnings impact in respect of Capitec recapture fee recognition of R875 million.

Notes to the shareholders' fund information

1 Cash earnings

R million	Reviewed 30 June 2024	Reviewed 30 June 2023	Audited 31 December 2023
Net result from financial services before shareholders' fund adjustments	8 325	6 184	13 674
Shareholders' fund adjustments	(1 269)	(7)	(1 295)
Net result from financial services	7 056	6 177	12 379
Amortisation of capitalised IT projects	118	62	142
IFRS 17 specific and other non-cash adjustments	7	17	(123)
Cash net result from financial services	7 181	6 256	12 398
Project expenses not included in net results from financial services	(166)	(154)	(339)
Project expenses per shareholders' fund income statement	(181)	(229)	(610)
Funded from discretionary capital	15	75	271
Cash generated	7 015	6 102	12 059

2 Net movement in specific shareholders' fund reserves

R million	Reviewed 30 June 2024	Audited 31 December 2023
Balance at the beginning of the period	14 578	11 735
Included in net results from financial services:	1 269	1 295
Asset mismatch and other shareholder fund reserves profit/(loss) adjustments recognised during the period	1 550	1 984
Asset mismatch reserves released during the period	(281)	(689)
Recognised in net investment return	629	481
Recognised directly in statement of changes in equity	(24)	1 033
Cash flow movements not in the income statement	(7)	34
Balance at the end of the period	16 445	14 578
Consisting of:		
Asset mismatch reserve	6 965	6 203
Life business	6 346	5 528
General insurance	619	675
Future-fit project expense reserve	1 660	1 660
Pandemic reserve	660	660
Reserves backed by insurance contract assets	6 997	5 866
Capitec recapture allowance[1]	875	—
Other	6 122	5 866
Other reserves	163	189

[1] The termination of the group's funeral joint venture with Capitec (31 October 2024) accelerated the recognition of the CSM for services provided in the period (refer to note 2.2.2 on page 100). This resulted in insurance contract assets being recognised for the Capitec portfolio of insurance contracts. A shareholders' fund reserve of R875 million has been established backed by these insurance contract assets, with a corresponding adjustment to net result from financial services to remove the non-cash earnings associated with the partial recognition of the recapture fee in the group statement of comprehensive income. This shareholders' fund reserve will not be required for the 2024 financial year-end.

Notes to the shareholders' fund information continued

3 Value of new covered business

	Total		Sanlam Life and Savings		Sanlam Emerging Markets					
					SanlamAllianz		Namibia		Asia	
R million	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023
Value of new covered business (at point of sale)										
Gross value of new covered business	1 575	1 600	986	1 005	157	242	226	150	206	203
Cost of capital	(69)	(169)	21	(74)	(30)	(45)	(16)	(12)	(44)	(38)
Value of new covered business	1 506	1 431	1 007	931	127	197	210	138	162	165
Value of new business attributable to										
Shareholders' fund	1 394	1 265	1 007	928	127	126	132	82	128	129
Non-controlling interest	112	166	–	3	–	71	78	56	34	36
Value of new covered business	1 506	1 431	1 007	931	127	197	210	138	162	165
Analysis of new business profitability										
Before non-controlling interest										
Present value of new business premiums	52 398	47 499	43 111	37 520	3 378	5 395	2 030	1 629	3 879	2 955
New business margin	2,87%	3,01%	2,34%	2,48%	3,76%	3,65%	10,34%	8,47%	4,18%	5,58%
After non-controlling interest										
Present value of new business premiums	51 044	44 751	43 111	37 430	3 378	3 889	1 473	1 171	3 082	2 261
New business margin	2,73%	2,83%	2,34%	2,48%	3,76%	3,24%	8,96%	7,00%	4,15%	5,71%
Capitalisation factor – recurring premiums	3,7	3,7	4,3	4,2	2,3	2,3	5,0	4,9	3,1	3,5

Geographical analysis

	Value of new covered business		Present value of new business premiums		New business margin	
R million	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023
Before non-controlling interest						
South Africa	1 007	931	43 111	37 520	2,34%	2,48%
SA Retail Mass	376	376	6 899	6 224	5,45%	6,04%
Sanlam Risk and Savings	163	147	7 039	6 488	2,32%	2,27%
Glacier	404	388	22 543	19 447	1,79%	2,00%
Sanlam Corporate	64	20	6 630	5 361	0,97%	0,37%
Pan-Africa – excluding South Africa	337	335	5 408	7 024	6,23%	4,77%
Asia	162	165	3 879	2 955	4,18%	5,58%
Total	1 506	1 431	52 398	47 499	2,87%	3,01%
After non-controlling interest						
South Africa	1 007	928	43 111	37 430	2,34%	2,48%
SA Retail Mass	376	376	6 899	6 224	5,45%	6,04%
Sanlam Risk and Savings	163	144	7 039	6 398	2,32%	2,25%
Glacier	404	388	22 543	19 447	1,79%	2,00%
Sanlam Corporate	64	20	6 630	5 361	0,97%	0,37%
Pan-Africa – excluding South Africa	259	208	4 851	5 060	5,34%	4,11%
Asia	128	129	3 082	2 261	4,15%	5,71%
Total	1 394	1 265	51 044	44 751	2,73%	2,83%

Sanlam Interim Results 2024
Shareholders' fund information

Notes to the shareholders' fund information continued

4 Covered business sensitivity analysis

	Gross value of in-force business		Cost of capital		Net value of in-force business		Change from base value %	
R million	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023
Value of in-force covered business sensitivity analysis								
Base value	53 552	52 509	(3 503)	(3 912)	50 049	48 597		
Risk discount rate increase by 1%	51 014	50 274	(3 859)	(4 270)	47 155	46 004	(6)	(5)
Gross value of in-force business profile								
Year 1 – 5	62%	61%						
Year 1	18%	18%						
Year 2	15%	14%						
Year 3	12%	12%						
Year 4	9%	9%						
Year 5	8%	8%						
Year 6 – 10	22%	22%						
Year 11 – 20	13%	14%						
Year 20+	3%	3%						

	Gross value of new business		Cost of capital		Net value of new business		Change from base value %	
R million	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023
Value of new covered business sensitivity analysis								
Base value	1 560	3 108	(166)	(255)	1 394	2 853		
Risk discount rate increase by 1%	1 426	2 843	(174)	(274)	1 252	2 569	(10)	(10)

5 Economic assumptions – covered business

5.1 Gross investment return, risk discount rate and inflation

%	Reviewed 30 June 2024	Audited 31 December 2023
Sanlam Life[1]		
Point used on the relevant yield curve	9 year	9 year
Fixed-interest securities	11,8	11,6
Equities	15,3	15,1
Offshore investments	14,3	14,1
Hedged equity	10,8	10,6
Property	12,8	12,6
Cash	10,8	10,6
Inflation rate[1]	9,8	9,6
Risk discount rate	14,3	14,1
Sanlam Developing Markets[2]		
Point used on the relevant yield curve	5 year	5 year
Fixed-interest securities	10,2	9,8
Equities and offshore investments	13,7	13,3
Hedged equities	9,2	8,8
Property	11,2	10,8
Cash	9,2	8,8
Inflation rate	8,2	7,8
Risk discount rate	12,7	12,3

[1] Expense inflation of CPI curve+1,5% (capped at 10%) plus an additional 13% is assumed for retail business administered on old platforms.
[2] Excludes the Sanlam Life products written on the SDM's licences.

Illiquidity premiums

Investment returns on non-participating, individual risk and inflation-linked annuities, as well as guarantee plans include assumed illiquidity premiums due to matching assets being held to maturity.

Assumed illiquidity premiums generally amount to between 25bps and 70bps (2023: 25bps and 70bps) for non-participating annuities, between 0bps and 70bps (2023: 0bps and 70bps) for individual risk business, between 25bps and 75bps (2023: 25bps to 75bps) for inflation-linked annuities and capped at 120bps (2023: 120bps), reflecting both illiquidity premiums and credit risk premium for guarantee plans.

Sanlam Interim Results 2024
Shareholders' fund information

Notes to the shareholders' fund information continued

5 Economic assumptions – covered business continued

5.2 Asset mix of the assets supporting adjusted net asset value – covered business

	R million		Fixed-interest securities %		Equities %		Hedged equities %		Property %		Cash %		Total %	
	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023
Required capital														
South Africa[1]	6 885	6 825	–	–	4	4	86	87	–	–	10	9	100	100
Namibia	1 115	1 109	15	14	22	25	–	–	–	–	63	61	100	100
Africa – excluding South Africa and Namibia	1 761	1 821	73	73	2	2	–	–	9	10	16	15	100	100
Shriram Life Insurance (India)	824	616	100	100	–	–	–	–	–	–	–	–	100	100
MCIS (Malaysia)	747	798	67	68	19	17	–	–	–	–	14	15	100	100
Total required capital	11 332	11 169												
Free surplus	1 409	1 551												
Adjusted net asset value	12 741	12 720												

(1) At 30 June 2024 asset mix backing the Sanlam Life required capital is 99% hedged (31 December 2023: 98%).

5.3 Assumed long-term expected return on required capital

	Gross %		Net %	
	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023
Sanlam Life	10,8	10,6	9,1	8,9
Sanlam Developing Markets	10,1	9,7	7,9	7,5
Sanlam Namibia	12,8	12,6	11,5	11,3
Sanlam Namibia Holdings	10,9	10,5	9,5	9,2
Shriram Life Insurance (India)	6,6	7,6	5,6	6,5
MCIS (Malaysia)	4,4	4,4	4,1	4,1

Notes to the shareholders' fund information continued

6 Value of non-covered operations sensitivity analysis

6.1 Valuation methodology

R million	Total Reviewed 30 June 2024	 Audited 31 December 2023
Listed share price – Santam	22 085	19 433
Discounted cash flows	59 636	55 743
Sanlam Life and Savings	7 193	7 840
Glacier	3 322	3 136
Sanlam Personal Loans	2 080	2 066
Sanlam Corporate	1 363	2 278
Other operations	428	360
Sanlam Emerging Markets	40 186	36 387
SanlamAllianz	17 574	16 910
Namibia	1 370	1 320
Asia: India	20 971	17 858
Asia: Malaysia	271	299
Sanlam Investment Group	12 257	11 516
Sanlam Investments	3 576	3 211
Wealth Management	3 762	3 424
International	3 431	3 476
Sanlam Specialised Finance	1 488	1 405
Net asset value	1 253	1 255
Sanlam Investment Group	742	636
Sanlam Emerging Markets	511	619
Total	82 974	76 431

6.2 Sensitivity analysis: businesses valued at discounted cash flows

R million	Base value Reviewed 30 June 2024	 Audited 31 December 2023	Risk discount rate +1% Reviewed 30 June 2024	 Audited 31 December 2023	Perpetuity growth rate +1% Reviewed 30 June 2024	 Audited 31 December 2023
Sanlam Life and Savings	7 193	7 840	6 673	7 252	7 384	8 049
Glacier	3 322	3 136	3 068	2 890	3 421	3 238
Sanlam Personal Loans	2 080	2 066	1 936	1 983	2 125	2 095
Sanlam Corporate	1 363	2 278	1 253	2 095	1 406	2 348
Other operations	428	360	416	284	432	368
Sanlam Emerging Markets	40 186	36 387	35 529	32 279	43 953	39 981
SanlamAllianz	17 574	16 910	16 459	15 523	18 330	18 227
Namibia	1 370	1 320	1 244	1 207	1 433	1 377
Asia: India	20 971	17 858	17 555	15 302	23 919	20 058
Asia: Malaysia	271	299	271	247	271	319
Sanlam Investment Group	12 257	11 516	11 238	10 578	12 706	11 964
Sanlam Investments[(1)]	3 576	3 211	3 295	2 995	3 680	3 298
Wealth Management	3 762	3 424	3 437	3 120	3 909	3 570
International	3 431	3 476	3 121	3 158	3 591	3 652
Sanlam Specialised Finance	1 488	1 405	1 385	1 305	1 526	1 444
	59 636	55 743	53 440	50 109	64 043	59 994
Weighted average assumption			16,1%	16,1%	2 — 7%	2 — 7%

R million	Equities and properties -10% Reviewed 30 June 2024	 Audited 31 December 2023	Risk discount rate -1% Reviewed 30 June 2024	 Audited 31 December 2023	Rand exchange rate depreciation +10% Reviewed 30 June 2024	 Audited 31 December 2023
Sanlam Life and Savings	6 802	7 552	7 797	8 460	7 193	7 840
Glacier	2 931	2 848	3 618	3 424	3 322	3 136
Sanlam Personal Loans	2 080	2 066	2 245	2 161	2 080	2 066
Sanlam Corporate	1 363	2 278	1 491	2 488	1 363	2 278
Other operations	428	360	443	387	428	360
Sanlam Emerging Markets	40 186	36 387	46 560	42 326	44 036	39 874
SanlamAllianz	17 574	16 910	19 112	19 166	19 300	18 581
Namibia	1 370	1 320	1 520	1 455	1 370	1 320
Asia: India	20 971	17 858	25 657	21 345	23 068	19 644
Asia: Malaysia	271	299	271	360	298	329
Sanlam Investment Group	10 929	10 234	13 476	12 638	12 636	11 902
Sanlam Investments[(1)]	3 098	2 829	3 908	3 463	3 610	3 242
Wealth Management	3 569	3 200	4 149	3 787	3 773	3 438
International	2 872	2 905	3 811	3 868	3 765	3 817
Sanlam Specialised Finance	1 390	1 300	1 608	1 520	1 488	1 405
	57 917	54 173	67 833	63 424	63 865	59 616

(1) Includes third-party asset management business based on the following main assumptions:
- Weighted average discount rate: 19,5% (December 2023: 19,3%)
- Weighted average perpetuity growth rate: 5,0% (December 2023: 5,0%)

Notes to the shareholders' fund information continued

7 Business volumes

7.1 Analysis of new business and total funds received

R million	Life business[1] Reviewed 30 June 2024	Life business[1] Reviewed 30 June 2023	General insurance Reviewed 30 June 2024	General insurance Reviewed 30 June 2023	Investment business[2] Reviewed 30 June 2024	Investment business[2] Reviewed 30 June 2023	Total Reviewed 30 June 2024	Total Reviewed 30 June 2023	Total Audited 31 December 2023
Sanlam Life and Savings	31 611	26 926	—	—	33 446	28 424	65 057	55 350	125 496
Sanlam Risk and Savings	1 749	1 708	—	—	65	65	1 814	1 773	3 396
Recurring	1 022	1 050	—	—	5	9	1 027	1 059	2 134
Single	727	658	—	—	60	56	787	714	1 262
Glacier: Single	22 199	19 180	—	—	29 059	24 053	51 258	43 233	91 634
SA Retail Mass: Recurring	2 256	2 045	—	—	—	—	2 256	2 045	4 417
Sanlam Corporate	5 407	3 993	—	—	4 322	4 306	9 729	8 299	26 049
Recurring	219	252	—	—	232	95	451	347	886
Single	5 188	3 741	—	—	4 090	4 211	9 278	7 952	25 163
Sanlam Emerging Markets	5 585	5 511	7 649	9 662	7 972	8 961	21 206	24 134	48 440
Sanlam Allianz	2 666	3 461	6 364	8 690	6 183	7 099	15 213	19 250	38 633
Recurring	1 201	1 459	6 364	8 690	—	—	7 565	10 149	17 904
Single	1 465	2 002	—	—	6 183	7 099	7 648	9 101	20 729
Namibia	1 194	961	—	—	1 789	1 862	2 983	2 823	5 312
Recurring	209	171	—	—	—	—	209	171	342
Single	985	790	—	—	1 789	1 862	2 774	2 652	4 970
Asia: India	964	653	1 146	851	—	—	2 110	1 504	3 330
Recurring	588	384	1 146	851	—	—	1 734	1 235	2 811
Single	376	269	—	—	—	—	376	269	519
Asia: Malaysia	761	436	139	121	—	—	900	557	1 165
Recurring	446	352	139	121	—	—	585	473	867
Single	315	84	—	—	—	—	315	84	298
Sanlam Investment Group	—	—	—	—	101 711	96 932	101 711	96 932	192 947
Investment Management SA	—	—	—	—	86 009	84 063	86 009	84 063	164 919
Wealth Management	—	—	—	—	6 633	5 466	6 633	5 466	11 115
International	—	—	—	—	9 069	7 403	9 069	7 403	16 913
Santam	—	—	16 018	14 377	—	—	16 018	14 377	29 707
Total new business	37 196	32 437	23 667	24 039	143 129	134 317	203 992	190 793	396 590
Recurring premiums on existing funds:									
Sanlam Life and Savings	19 325	18 454	—	—	2 888	2 396	22 213	20 850	41 603
SA Retail Mass	5 788	5 184	—	—	—	—	5 788	5 184	10 432
Sanlam Risk and Savings	8 455	8 177	—	—	74	70	8 529	8 247	16 736
Glacier	130	113	—	—	—	—	130	113	(222)
Sanlam Corporate	4 952	4 980	—	—	2 814	2 326	7 766	7 306	14 657
Sanlam Emerging Markets	5 154	5 028	—	—	—	—	5 154	5 028	9 509
SanlamAllianz	2 511	2 675	—	—	—	—	2 511	2 675	4 849
Namibia	800	729	—	—	—	—	800	729	1 534
Asia: India	987	828	—	—	—	—	987	828	1 406
Asia: Malaysia	856	796	—	—	—	—	856	796	1 720
Total funds received	61 675	55 919	23 667	24 039	146 017	136 713	231 359	216 671	447 702

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

Sanlam Interim Results 2024
Shareholders' fund information

Notes to the shareholders' fund information continued

7 Business volumes continued

7.2 Analysis of payments to clients

R million	Life business[1] Reviewed 30 June 2024	Life business[1] Reviewed 30 June 2023	General insurance Reviewed 30 June 2024	General insurance Reviewed 30 June 2023	Investment business[2] Reviewed 30 June 2024	Investment business[2] Reviewed 30 June 2023	Total Reviewed 30 June 2024	Total Reviewed 30 June 2023	Total Audited 31 December 2023
Sanlam Life and Savings	44 240	41 223	—	—	35 787	29 755	80 027	70 978	150 703
SA Retail Mass	4 719	3 994	—	—	—	—	4 719	3 994	8 322
Surrenders	243	253	—	—	—	—	243	253	513
Other	4 476	3 741	—	—	—	—	4 476	3 741	7 809
Sanlam Risk and Savings	11 087	10 989	—	—	148	171	11 235	11 160	22 365
Surrenders	736	791	—	—	—	—	736	791	1 598
Other	10 351	10 198	—	—	148	171	10 499	10 369	20 767
Glacier	17 424	16 525	—	—	29 826	23 203	47 250	39 728	85 881
Surrenders	4 976	5 026	—	—	—	—	4 976	5 026	11 667
Other	12 448	11 499	—	—	29 826	23 203	42 274	34 702	74 214
Sanlam Corporate	11 010	9 715	—	—	5 813	6 381	16 823	16 096	34 135
Surrenders	1 874	1 976	—	—	1 534	1 216	3 408	3 192	6 068
Other	9 136	7 739	—	—	4 279	5 165	13 415	12 904	28 067
Sanlam Emerging Markets	6 865	7 231	4 552	5 850	7 356	10 834	18 773	23 915	47 223
SanlamAllianz	3 033	4 022	3 764	5 243	5 005	8 055	11 802	17 320	33 346
Surrenders	—	706	—	—	—	—	—	706	1 099
Other	3 033	3 316	3 764	5 243	5 005	8 055	11 802	16 614	32 247
Namibia	1 863	1 494	—	—	2 351	2 779	4 214	4 273	8 939
Surrenders	92	96	—	—	—	—	92	96	187
Other	1 771	1 398	—	—	2 351	2 779	4 122	4 177	8 752
Asia: India	510	400	689	521	—	—	1 199	921	2 019
Surrenders	101	77	—	—	—	—	101	77	159
Other	409	323	689	521	—	—	1 098	844	1 860
Asia: Malaysia	1 459	1 315	99	86	—	—	1 558	1 401	2 919
Surrenders	365	368	—	—	—	—	365	368	914
Other	1 094	947	99	86	—	—	1 193	1 033	2 005
Sanlam Investment Group	—	—	—	—	98 726	100 930	98 726	100 930	194 362
Investment Management SA	—	—	—	—	86 072	84 523	86 072	84 523	161 004
Wealth Management	—	—	—	—	4 495	5 104	4 495	5 104	9 371
International	—	—	—	—	8 159	11 303	8 159	11 303	23 987
Santam	—	—	9 861	9 491	—	—	9 861	9 491	19 742
Total payments to clients	51 105	48 454	14 413	15 341	141 869	141 519	207 387	205 314	412 030

[1] Life 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 and investment business. Life licence business relates to investment products provided by means of a policy where there is very little or no insurance risk excluded from the calculation of embedded value of covered business.

Sanlam Interim Results **2024**
Shareholders' fund information

Notes to the shareholders' fund information continued

7 Business volumes continued

7.3 Analysis of net inflow/(outflow) of funds

R million	Life business[1]		General insurance		Investment business[2]		Total		Total
	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Audited 31 December 2023
Sanlam Life and Savings	6 696	4 157	—	—	547	1 065	7 243	5 222	16 396
SA Retail Mass	3 325	3 235	—	—	—	—	3 325	3 235	6 527
Sanlam Risk and Savings	(883)	(1 104)	—	—	(9)	(36)	(892)	(1 140)	(2 233)
Glacier	4 905	2 768	—	—	(767)	850	4 138	3 618	5 531
Sanlam Corporate	(651)	(742)	—	—	1 323	251	672	(491)	6 571
Sanlam Emerging Markets	3 874	3 308	3 097	3 812	616	(1 873)	7 587	5 247	10 726
SanlamAllianz	2 144	2 114	2 600	3 447	1 178	(956)	5 922	4 605	10 136
Namibia	131	196	—	—	(562)	(917)	(431)	(721)	(2 093)
Asia: India	1 441	1 081	457	330	—	—	1 898	1 411	2 717
Asia: Malaysia	158	(83)	40	35	—	—	198	(48)	(34)
Sanlam Investment Group	—	—	—	—	2 985	(3 998)	2 985	(3 998)	(1 415)
Investment Management SA	—	—	—	—	(63)	(460)	(63)	(460)	3 915
Wealth Management	—	—	—	—	2 138	362	2 138	362	1 744
International	—	—	—	—	910	(3 900)	910	(3 900)	(7 074)
Santam	—	—	6 157	4 886	—	—	6 157	4 886	9 965
Total net fund inflows/(outflows)	10 570	7 465	9 254	8 698	4 148	(4 806)	23 972	11 357	35 672

[1] Life 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 and investment business. Life licence business relates to investment products provided by means of a policy where there is very little or no insurance risk excluded from the calculation of embedded value of covered business.

Notes to the shareholders' fund information continued

8 Cluster information

8.1 Sanlam Life and Savings

8.1.1 Analysis of earnings

R million	Life business Reviewed 30 June 2024	Life business Reviewed 30 June 2023	Credit and structuring Reviewed 30 June 2024	Credit and structuring Reviewed 30 June 2023	Administration and health Reviewed 30 June 2024	Administration and health Reviewed 30 June 2023	Total Reviewed 30 June 2024	Total Reviewed 30 June 2023	Total Audited 31 December 2023
Net result from financial services[1]	3 173	2 963	30	31	131	190	3 334	3 184	6 612
Risk and Savings [2]	1 390	1 260	—	—	10	7	1 400	1 267	2 721
Glacier	464	456	—	—	140	121	604	577	1 054
Other	58	49	30	31	(94)	21	(6)	101	252
SA Retail Mass	823	748	—	—	—	—	823	748	1 553
Sanlam Corporate	438	450	—	—	75	41	513	491	1 032
Net investment return	175	248	—	—	126	36	301	284	692
Net other earnings[3]	1 728	(89)	—	—	(533)	(44)	1 195	(133)	1 082
Net profit on disposal of subsidiaries, associated companies and joint ventures	3	—	—	—	—	(133)	3	(133)	845
Normalised attributable earnings	5 079	3 122	30	31	(276)	49	4 833	3 202	9 231

[1] For life business, this includes non-cash items (eg amortisation of project expenses, impacts related to insurance contract assets) and will therefore not reconcile to embedded value adjusted net asset earnings which only includes cash earnings.
[2] Risk and savings was previously disclosed as recurring premium.
[3] The termination of the group's funeral joint venture with Capitec (31 October 2024) accelerated the recognition of the CSM for services provided in the period (refer to note 2.2.2 on page 100). This resulted in insurance contract assets being recognised for the Capitec portfolio of insurance contracts. A shareholders' fund reserve of R875 million has been established backed by these insurance contract assets, with a corresponding adjustment to net result from financial services to remove the non-cash earnings associated with the partial recognition of the recapture fee in the group statement of comprehensive income. This does not impact IFRS reporting earnings.

8.1.2 Assets under management

R million	SA Retail Mass Reviewed 30 June 2024	SA Retail Mass Audited 31 December 2023	Risk and Savings Reviewed 30 June 2024	Risk and Savings Audited 31 December 2023	Glacier Reviewed 30 June 2024	Glacier Audited 31 December 2023	Sanlam Corporate Reviewed 30 June 2024	Sanlam Corporate Audited 31 December 2023	Total Reviewed 30 June 2024	Total Audited 31 December 2023
Life business	4 888	4 963	172 389	169 811	316 784	297 518	170 796	160 529	664 857	632 821
Investment operations	—	—	1 803	1 756	394 326	376 200	—	—	396 129	377 956
Total assets under management	4 888	4 963	174 192	171 567	711 110	673 718	170 796	160 529	1 060 986	1 010 777

8.1.3 Credit business

R million	Gross size of loan book Reviewed 30 June 2024	Gross size of loan book Audited 31 December 2023	Interest margin Reviewed 30 June 2024	Interest margin Audited 31 December 2023	Bad debt ratio Reviewed 30 June 2024	Bad debt ratio Audited 31 December 2023	Administration cost as % of net interest Reviewed 30 June 2024	Administration cost as % of net interest Audited 31 December 2023
Sanlam Personal Loans	5 221	5 163	15,7%	15,4%	6,6%	6,4%	43,1%	42,2%

Sanlam Interim Results 2024
Shareholders' fund information

Notes to the shareholders' fund information continued

8 Cluster information continued

8.1 Sanlam Life and Savings continued

8.1.4 Analysis of change in GEV – covered business

R million	Total		Gross value of in-force		Cost of capital		Adjusted net asset value		Total
	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Audited 31 December 2023
Operational earnings	4 915	4 156	1 478	1 181	117	(35)	3 320	3 010	8 273
Value of new life insurance business	1 007	928	2 176	1 951	(84)	(63)	(1 085)	(960)	2 153
Unwinding of discount rate	3 146	2 913	3 133	2 887	13	26	—	—	6 022
Expected profit	—	—	(3 849)	(3 709)	—	—	3 849	3 709	—
Operating experience variances	901	317	358	(80)	18	10	525	387	729
Risk experience	574	560	90	84	(19)	3	503	473	1 406
Persistency	(57)	(412)	23	(284)	61	2	(141)	(130)	(796)
Maintenance expenses	(44)	(66)	—	—	—	—	(44)	(66)	(153)
Working capital management	240	196	—	—	—	—	240	196	387
Other	188	39	245	120	(24)	5	(33)	(86)	(115)
Operating assumption changes	(139)	(2)	(340)	132	170	(8)	31	(126)	(631)
Risk experience	—	—	—	—	—	—	—	—	192
Persistency	(1)	—	(1)	—	—	—	—	—	(704)
Maintenance expenses	(87)	4	(101)	(4)	—	—	14	8	(325)
Modelling changes and other	(51)	(6)	(238)	136	170	(8)	17	(134)	206
Net investment return	175	246	—	—	—	—	175	246	452
Expected return on adjusted net asset value	192	249	—	—	—	—	192	249	528
Investment variances on adjusted net asset value	(17)	(3)	—	—	—	—	(17)	(3)	(76)
Valuation and economic basis	(584)	(167)	(474)	(145)	11	(6)	(121)	(16)	72
Investment variances on in-force business	(127)	(29)	(7)	(2)	3	(8)	(123)	(19)	(4)
Economic assumption changes	(457)	(138)	(467)	(143)	8	2	2	3	76
IFRS 17 and related tax changes	—	(1 292)	—	(1 278)	—	(14)	—	—	(1 292)
Profit on disposal of subsidiaries and associated companies	—	—	—	—	—	—	—	—	(372)
Goodwill from business	(24)	—	(24)	—	—	—	—	—	—
GEV earnings: covered business	4 482	2 943	980	(242)	128	(55)	3 374	3 240	7 133
Acquired value of in-force	40	395	34	394	(1)	(11)	7	12	1 482
Transfers from/(to) other group operations	—	—	(121)	—	—	—	121	—	(1 392)
Transfers from covered business	(3 460)	(3 263)	—	—	—	—	(3 460)	(3 263)	(6 757)
Embedded value of covered business at the beginning of the period	49 852	49 386	46 810	45 135	(1 670)	(1 839)	4 712	6 090	49 386
Embedded value of covered business at the end of the period	50 914	49 461	47 703	45 287	(1 543)	(1 905)	4 754	6 079	49 852

Notes to the shareholders' fund information continued

8 Cluster information continued

8.2 Sanlam Emerging Markets

8.2.1 Analysis of net result from financial services and investment return

R million	Life business Reviewed 30 June 2024	Life business Reviewed 30 June 2023	General insurance Reviewed 30 June 2024	General insurance Reviewed 30 June 2023	Investment management Reviewed 30 June 2024	Investment management Reviewed 30 June 2023	Credit and structuring Reviewed 30 June 2024	Credit and structuring Reviewed 30 June 2023	Corporate and other Reviewed 30 June 2024	Corporate and other Reviewed 30 June 2023	Total Reviewed 30 June 2024	Total Reviewed 30 June 2023	Total Audited 31 December 2023
Sanlam Pan-Africa													
SanlamAllianz	393	155	569	545	33	31	7	57	(125)	(262)	877	526	939
Namibia	160	113	—	—	11	9	98	83	—	—	269	205	495
Asia	26	60	153	158	—	—	876	757	72	68	1 127	1 043	2 166
Net result from financial services	579	328	722	703	44	40	981	897	(53)	(194)	2 273	1 774	3 600
Sanlam Pan-Africa													
SanlamAllianz	287	159	278	540	21	18	—	1	(10)	(186)	576	532	175
Namibia	15	45	—	—	—	—	—	1	—	—	15	46	66
Asia	25	32	153	12	—	—	7	3	(68)	(17)	117	30	193
Net investment return	327	236	431	552	21	18	7	5	(78)	(203)	708	608	434

8.2.2 Analysis of Sanlam Pan-Africa key performance indicators

8.2.2.1 Analysis of general insurance and reinsurance

R million	Gross written premiums Reviewed 30 June 2024	Gross written premiums Reviewed 30 June 2023	Insurance revenue Reviewed 30 June 2024	Insurance revenue Reviewed 30 June 2023	Underwriting result Reviewed 30 June 2024	Underwriting result Reviewed 30 June 2023	Claims ratio (%) Reviewed 30 June 2024	Claims ratio (%) Reviewed 30 June 2023	Underwriting margin (%) Reviewed 30 June 2024	Underwriting margin (%) Reviewed 30 June 2023	Investment return on insurance funds margin (%) Reviewed 30 June 2024	Investment return on insurance funds margin (%) Reviewed 30 June 2023	Net insurance result (%) Reviewed 30 June 2024	Net insurance result (%) Reviewed 30 June 2023
Sanlam Allianz (100%)[1]	18 328	14 655	15 012	13 500	677	638	60,2%	60,2%	6,4%	7,3%	4,9%	2,2%	11,3%	9,5%

[1] June 2023 does not include any results from the SanlamAllianz JV.

8.2.2.2 Assets under management – Associates, Joint Ventures and Subsidiaries

R million	SanlamAllianz Reviewed 30 June 2024	SanlamAllianz Audited 31 December 2023	Namibia Reviewed 30 June 2024	Namibia Audited 31 December 2023
Life business	61 760	63 583	7 903	5 679
Investment operations	111 645	111 487	30 802	29 685
Total assets under management	173 405	175 070	38 705	35 364

8.2.2.3 Credit and structuring – Namibia

R million	Size of loan books (Sanlam share) Reviewed 30 June 2024	Size of loan books (Sanlam share) Audited 31 December 2023	Net interest margin Reviewed 30 June 2024	Net interest margin Audited 31 December 2023	Bad debt ratio Reviewed 30 June 2024	Bad debt ratio Audited 31 December 2023	Administration cost as % of net interest margin Reviewed 30 June 2024	Administration cost as % of net interest margin Audited 31 December 2023
Capricorn Investment Holdings	11 738	11 181	6,7%	6,4%	0,9%	0,7%	89,7%	89,8%

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Shareholders' fund information

Notes to the shareholders' fund information continued

8 Cluster information continued

8.2 Sanlam Emerging Markets continued

8.2.2 Analysis of Sanlam Pan-Africa key performance indicators continued

8.2.2.4 Analysis of change in GEV – covered business

R million	Total		Value of in-force		Cost of capital		Adjusted net asset value	
	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023
Operational earnings	947	328	194	13	235	(31)	518	346
Value of new life insurance business	259	208	362	296	(48)	(36)	(55)	(52)
Unwinding of discount rate	348	366	342	317	6	49	–	–
Expected profit	–	–	(381)	(390)	–	–	381	390
Operating experience variances	176	(107)	13	(92)	29	(1)	134	(14)
Risk experience	(14)	83	7	30	–	4	(21)	49
Persistency	52	(182)	5	(124)	32	–	15	(58)
Maintenance expenses	10	(41)	1	–	(1)	(1)	10	(40)
Working capital management	41	40	–	–	–	–	41	40
Credit spread	2	–	–	–	–	–	2	–
Other	85	(7)	–	2	(2)	(4)	87	(5)
Operating assumption changes	164	(139)	(142)	(118)	248	(43)	58	22
Risk experience	(8)	(4)	(8)	(3)	–	(1)	–	–
Persistency	1	(40)	(3)	(31)	4	–	–	(9)
Maintenance expenses	(15)	(41)	(14)	(43)	–	(2)	(1)	4
Modelling changes and other	186	(54)	(117)	(41)	244	(40)	59	27
Net investment return	(360)	172	–	–	–	–	(360)	172
Expected return on adjusted net asset value	252	179	–	–	–	–	252	179
Investment variances on adjusted net asset value	(612)	(7)	–	–	–	–	(612)	(7)
Valuation and economic basis	(59)	283	(227)	258	131	(10)	37	35
Investment variances on in-force business	47	180	12	165	(6)	(13)	41	28
Economic assumption changes	101	29	102	36	3	(14)	(4)	7
Investment yields	97	29	102	36	(1)	(14)	(4)	7
Long-term asset mix assumptions and other	4	–	–	–	4	–	–	–
Foreign currency translation differences	(207)	74	(341)	57	134	17	–	–
Change in tax basis	2	–	2	–	–	–	–	–
IFRS 17 and related tax changes	–	(194)	–	72	–	(266)	–	–
Goodwill from business	(58)	–	(58)	–	–	–	–	–
Net project expenses	–	(9)	–	–	–	–	–	(9)
GEV earnings: covered business	472	580	(89)	343	366	(307)	195	544
Acquired value of in-force	287	–	110	–	(28)	–	205	–
Transfers from covered business	(430)	(157)	–	–	–	–	(430)	(157)
Embedded value of covered business at the beginning of the period	7 495	6 777	4 222	3 749	(1 158)	(626)	4 431	3 654
Embedded value of covered business at the end of the period	7 824	7 200	4 243	4 092	(820)	(933)	4 401	4 041

Notes to the shareholders' fund information continued

8 Cluster information continued

8.2 Sanlam Emerging Markets continued

8.2.3 Analysis of India key performance indicators

India is reported with a three month lag

8.2.3.1 Analysis of net results from financial services

	Net result from financial services		
R million	Reviewed 30 June 2024	Reviewed 30 June 2023	Audited 31 December 2023
Life business	56	56	97
General insurance	159	168	337
Credit and structuring	876	757	1 573
Corporate and other	89	68	141
Total net result from financial services[1]	**1 180**	**1 049**	**2 148**

[1] On 28 March 2024 the indirect shareholding of Shriram Finance Limited (SFL) changed from 8,18% to 9,13% and the direct shareholding of SFL changed from 2,01% to 0,41%. Size of loanbook (Sanlam share) is calculated on the new shareholding. The credit and structuring net result from financial services includes three months results on new shareholding and three months results on the old shareholding.

8.2.3.2 Credit and structuring

	Size of loan books (Sanlam share)		Net interest margin		Bad debt ratio		Administration cost as % of net interest margin	
R million	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023
Shriram Finance Limited	47 062	47 191	9,0%	8,9%	2,7%	2,8%	29,1%	30,0%

8.2.3.3 Insurance activities

Analysis of net result from financial services (Shriram General Insurance) (100%)

R million	Reviewed 30 June 2024	Reviewed 30 June 2023
Gross written premium	**3 885**	2 580
Underwriting result	**(127)**	(72)
Investment return on insurance funds	793	613
Net insurance result (100%)[1]	**666**	541
Sanlam share of the after-tax net insurance result (before shareholders' fund adjustments)	**203**	218
Shareholders' fund adjustments	19	112
IFRS 17 adjustments	15	(40)
Net result from financial services per SHF IS	**237**	290

[1] The net insurance result is based on local results as per local accounting standards.

Ratios (Shriram General Insurance)	Reviewed 30 June 2024	Reviewed 30 June 2023
Underwriting margin	(4,5%)	(5,7%)
Investment return on insurance funds margin	27,9%	31,6%

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Notes to the shareholders' fund information continued

8 Cluster information continued

8.2 Sanlam Emerging Markets continued

8.2.3 Analysis of India key performance indicators continued

8.2.3.4 Analysis of change in GEV (Asia) – covered business

R million	Total Reviewed 30 June 2024	Total Reviewed 30 June 2023	Value of in-force Reviewed 30 June 2024	Value of in-force Reviewed 30 June 2023	Cost of capital Reviewed 30 June 2024	Cost of capital Reviewed 30 June 2023	Adjusted net asset value Reviewed 30 June 2024	Adjusted net asset value Reviewed 30 June 2023
Operational earnings	54	128	68	61	(68)	(13)	54	80
Value of new life insurance business	128	129	344	226	(34)	(29)	(182)	(68)
Unwinding of discount rate	85	91	86	65	(1)	26	—	—
Expected profit	—	—	(283)	(179)	—	—	283	179
Operating experience variances	(84)	(73)	(18)	(27)	(1)	(23)	(65)	(23)
Risk experience	(22)	(13)	5	8	1	5	(28)	(26)
Persistency	(35)	(53)	(18)	(33)	(2)	(28)	(15)	8
Maintenance expenses	(18)	(4)	(5)	—	—	—	(13)	(4)
Other	(9)	(3)	—	(2)	—	—	(9)	(1)
Operating assumption changes	(75)	(19)	(61)	(24)	(32)	13	18	(8)
Risk experience	1	(16)	(11)	(9)	1	—	11	(7)
Persistency	(6)	(25)	(9)	(15)	1	(3)	2	(7)
Maintenance expenses	2	(2)	(3)	(4)	—	—	5	2
Modelling changes and other	(72)	24	(38)	4	(34)	16	—	4
Net investment return	(7)	136	—	—	—	—	(7)	136
Expected return on adjusted net asset value	24	38	—	—	—	—	24	38
Investment variances on adjusted net asset value	(31)	98	—	—	—	—	(31)	98
Valuation and economic basis	(8)	93	13	132	7	(19)	(28)	(20)
Investment variances on in-force business	34	1	47	12	—	—	(13)	(11)
Economic assumption changes	(18)	8	(3)	19	—	(2)	(15)	(9)
Foreign currency translation differences	(24)	84	(31)	101	7	(17)	—	—
Net project expenses	(1)	(2)	—	—	—	—	(1)	(2)
GEV earnings: covered business	38	355	81	193	(61)	(32)	18	194
Transfers from covered business	(9)	(37)	—	—	—	—	(9)	(37)
Embedded value of covered business at the beginning of the period	2 656	2 248	1 424	1 132	(249)	(216)	1 481	1 332
Embedded value of covered business at the end of the period	2 685	2 566	1 505	1 325	(310)	(248)	1 490	1 489

Sanlam Investment Group

SIG

Notes to the shareholders' fund information continued

8 Cluster information continued

8.3 Sanlam Investment Group

8.3.1 Analysis of earnings

	Sanlam investments		Wealth management		International		SanFin		Corporate services		Consolidation		Total		Total
R million	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023	Audited 31 December 2023
Result from life insurance contracts	—	—	—	—	—	—	190	252	—	—	—	—	190	252	509
Result from other operations	486	456	198	200	146	132	187	129	(19)	(35)	—	—	998	882	1 864
Revenue[1]	1 646	1 544	722	705	417	465	340	260	—	—	(13)	(20)	3 112	2 954	6 195
Net other income	73	44	—	—	15	17	—	—	—	—	—	—	88	61	198
Sales remuneration	—	—	—	—	(35)	(7)	—	—	—	—	—	—	(35)	(7)	(11)
Administration costs[1]	(1 233)	(1 132)	(524)	(505)	(251)	(343)	(153)	(131)	(19)	(35)	13	20	(2 167)	(2 126)	(4 518)
Gross result from financial services before performance fees	485	456	198	200	146	132	377	381	(19)	(35)	—	—	1 187	1 134	2 373
Performance fees	2	8	1	2	—	—	—	—	—	—	—	—	3	10	47
Gross result from financial services	487	464	199	202	146	132	377	381	(19)	(35)	—	—	1 190	1 144	2 420
Tax on result from financial services	(127)	(113)	(53)	(54)	(18)	(35)	(93)	(92)	5	12	—	—	(286)	(282)	(577)
Non-controlling interest	(134)	(132)	—	—	—	—	—	—	—	—	—	—	(134)	(132)	(261)
Net result from financial services	227	219	146	148	128	97	284	289	(14)	(23)	—	—	771	730	1 582
Life business	—	—	—	—	—	—	177	195	—	—	—	—	177	195	435
Investment management	227	219	146	148	128	97	—	—	(14)	(23)	—	—	487	441	908
Credit and structuring	—	—	—	—	—	—	107	94	—	—	—	—	107	94	239
Net investment return	(24)	(34)	4	(1)	(2)	81	67	124	13	(36)	—	—	58	134	240
Life business	—	—	—	—	—	—	67	124	—	—	—	—	67	124	200
Investment management	(24)	(34)	4	(1)	(2)	81	—	—	13	(36)	—	—	(9)	10	40
Project expenses	(6)	(27)	—	—	—	—	—	—	—	—	—	—	(6)	(27)	(59)
Net operational earnings	197	158	150	147	126	178	351	413	(1)	(59)	—	—	823	837	1 763
Amortisation of intangible assets	(4)	(5)	(11)	(9)	(6)	(5)	—	—	(13)	(12)	—	—	(34)	(31)	(64)
Profit on disposal of subsidiaries and associates	—	—	—	—	—	14	—	—	(6)	—	—	—	(6)	14	15
Impairments and other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(23)
Normalised attributable earnings	193	153	139	138	120	187	351	413	(20)	(71)	—	—	783	820	1 691

[1] Revenue and administration costs on page 40 include performance fees and the related administration costs.

Sanlam Investment Group

Notes to the shareholders' fund information continued

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8 Cluster information continued

8.3 Sanlam Investment Group continued

8.3.2 Assets under management

	Assets under management		Fee income		Administration cost	
	Reviewed 30 June 2024 R million	Audited 31 December 2023 R million	**Reviewed 30 June 2024 %**	Audited 31 December 2023 %	**Reviewed 30 June 2024 %**	Audited 31 December 2023 %
Sanlam Investments[1]	992 084	962 767	0,35	0,36	0,22	0,25
Wealth Management	135 226	127 129	1,10	1,18	0,80	0,86
International[2]	153 739	159 481	0,38	0,51	0,19	0,33
Intra-cluster eliminations	(31 540)	(33 793)				
Asset management operations	1 249 509	1 215 584				
Covered business SanFin	79 553	70 452				
Assets under management	1 329 062	1 286 036				

[1] Includes Sanlam assets of R220 billion (2023: R207 billion).
[2] Includes Sanlam assets of R69 billion (2023: R77 billion).

8.3.3 Asset mix of assets under management

R million	Fixed interest	Equities	Offshore	Properties	Cash	Total
Reviewed 30 June 2024						
Sanlam Investments	250 953	369 988	159 368	32 214	179 561	992 084
Wealth Management	—	61 738	70 206	—	3 282	135 226
International	—	—	153 739	—	—	153 739
Intra-cluster consolidation						(31 540)
Assets under management – asset management operations	250 953	431 726	383 313	32 214	182 843	1 249 509
Audited 31 December 2023						
Sanlam Investments	253 556	365 817	145 962	31 843	165 589	962 767
Wealth Management	—	58 906	64 074	—	4 149	127 129
International	—	—	159 481	—	—	159 481
Intra-cluster consolidation						(33 793)
Assets under management – asset management operations	253 556	424 723	369 517	31 843	169 738	1 215 584

Sanlam Interim Results 2024
Shareholders' fund information

Sanlam Investment Group

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Notes to the shareholders' fund information continued

8 Cluster information continued

8.3 Sanlam Investment Group continued

8.3.4 Analysis of change in GEV – covered business

R million	Total		Gross value of in-force		Cost of capital		Adjusted net asset value		Total
	Reviewed 30 June 2024	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023	**Reviewed 30 June 2024**	Reviewed 30 June 2023	Audited 31 December 2023
Operational earnings	**247**	162	**(2)**	—	**12**	(33)	**237**	195	495
Unwinding of discount rate	**6**	—	**3**	—	**3**	—	**—**	—	(3)
Expected profit	**—**	—	**(4)**	—	**—**	—	**4**	—	—
Operating experience variances	**230**	195	**—**	—	**(3)**	—	**233**	195	436
Credit spread	**233**	195	**—**	—	**—**	—	**233**	195	433
Other	**(3)**	—	**—**	—	**(3)**	—	**—**	—	3
Operating assumption changes	**11**	(33)	**(1)**	—	**12**	(33)	**—**	—	62
Net investment return	**67**	116	**—**	—	**—**	—	**67**	116	200
Expected return on adjusted net asset value	**83**	117	**—**	—	**—**	—	**83**	117	239
Investment variances on adjusted net asset value	**(16)**	(1)	**—**	—	**—**	—	**(16)**	(1)	(39)
Valuation and economic basis	**(17)**	71	**50**	22	**(7)**	49	**(60)**	—	115
Investment variances on in-force business	**(10)**	22	**50**	22	**—**	—	**(60)**	—	52
Economic assumption changes	**(7)**	49	**—**	—	**(7)**	49	**—**	—	63
GEV earnings: covered business	**297**	349	**48**	22	**5**	16	**244**	311	810
Transfers to other covered business Group operations	**—**	—	**—**	—	**—**	—	**—**	—	(608)
Transfers from covered business	**(244)**	(311)	**—**	—	**—**	—	**(244)**	(311)	(635)
Embedded value of covered business at the beginning of the period	**1 314**	1 747	**53**	2	**(835)**	(959)	**2 096**	2 704	1 747
Embedded value of covered business at the end of the period	**1 367**	1 785	**101**	24	**(830)**	(943)	**2 096**	2 704	1 314

Notes to the shareholders' fund information continued

8 Cluster information continued

8.4 Santam

8.4.1 Insurance activities

R million	Gross written premium Reviewed 30 June 2024	Gross written premium Reviewed 30 June 2023	Underwriting result Reviewed 30 June 2024	Underwriting result Reviewed 30 June 2023
Motor	8 190	7 787	852	93
Property	7 407	6 622	(209)	(312)
Engineering	1 143	1 030	244	162
Liability	1 091	911	131	374
Transportation	770	757	(16)	104
Accident and health	347	397	32	94
Guarantee	6	23	1	3
Other	130	130	(14)	41
Total: conventional insurance	**19 084**	17 657	**1 021**	559

Ratios[1]	Reviewed 30 June 2024	Reviewed 30 June 2023
Administration cost ratio	15,9%	15,8%
Claims ratio	62,3%	66,0%
Underwriting margin	6,5%	3,8%
Investment return on insurance funds margin	2,3%	2,2%

R million	Reviewed 30 June 2024	Reviewed 30 June 2023	Audited 31 December 2023
Conventional insurance			
Insurance revenue	19 107	17 566	36 895
Gross written premium	19 084	17 657	37 368
Less: unearned premium and experience adjustments	23	(91)	(473)
Net earned premiums	15 395	14 377	29 335
Net claims incurred	(9 595)	(9 491)	(19 420)
Net commission	(2 392)	(2 070)	(4 049)
Management expenses	(2 387)	(2 257)	(4 816)
Underwriting result: conventional insurance	1 021	559	1 050
Investment return on insurance funds	359	319	759
Net insurance result	1 380	878	1 809
Net other income	391	153	361
Alternative risk[2]	312	174	443
Other	79	(21)	(82)
Strategic participations	96	180	207
Saham	—	65	82
SEM target shares	96	115	125
Gross result from financial services	1 867	1 211	2 377
Tax and non-controlling interest	(1 142)	(668)	(1 324)
Net result from financial services	725	543	1 053

[1] Ratios are calculated as a percentage of net earned premiums for the conventional business.
[2] Includes operating income and expenses relating to ART business and other operating income and expenses not related to underwriting results.

8.5 Group office analysis of earnings

R million	Corporate expenses and other Reviewed 30 June 2024	Corporate expenses and other Reviewed 30 June 2023	Consolidation[1] Reviewed 30 June 2024	Consolidation[1] Reviewed 30 June 2023	Total Reviewed 30 June 2024	Total Reviewed 30 June 2023	Total Audited 31 December 2023
Result from other operations	(65)	(67)	(58)	(203)	(123)	(270)	(684)
Revenue	215	199	—	—	215	199	229
Net other income	—	—	(58)	(203)	(58)	(203)	(42)
Administration costs	(280)	(266)	—	—	(280)	(266)	(871)
Results from financial services	(65)	(67)	(58)	(203)	(123)	(270)	(684)
Tax on result from financial services	18	13	13	46	31	59	193
Non-controlling interest	—	—	45	157	45	157	23
Net result from financial services	(47)	(54)	—	—	(47)	(54)	(468)
Net investment income	(120)	146	—	—	(120)	146	367
Project expenses	(37)	(77)	—	—	(37)	(77)	(340)
Net operational earnings	(204)	15	—	—	(204)	15	(441)
Impairment reversal[2]	—	948	—	—	—	948	948
Normalised attributable earnings	(204)	963	—	—	(204)	963	507

[1] Includes the consolidation entries relating to SEM target shares and Saham Finances included within the Santam results.
[2] An impairment reversal of R948 million in respect of the Broad-Based Black Economic Empowerment Special Purpose Vehicle (B-BBEE SPV) was recognised in 2023.

9 Equity-accounted earnings included in result from financial services before tax

R million	Reviewed 30 June 2024	Audited 31 December 2023
Equity-accounted earnings included in result from financial services before tax:		
Sanlam Life and Savings	8	180
Sanlam Personal Loans	—	105
Capital Legacy Solutions	8	—
Sanlam Corporate – Afrocentric	—	75
Sanlam Emerging Markets	3 220	4 322
SanlamAllianz	1 429	1 061
Namibia	129	233
Asia	1 662	3 028
Shriram Capital Private Limited	1 325	2 241
Shriram Finance Limited	139	416
Shriram General Insurance Limited	175	330
Shriram Life Insurance Limited	37	64
Pacific & Orient	(14)	(23)
Sanlam Investment Group	101	174
Santam	45	165
Total	**3 374**	4 841

Notes to the shareholders' fund information continued

10 Normalised diluted earnings per share

Cents	Reviewed 30 June 2024	Reviewed 30 June 2023	Audited 31 December 2023
Normalised diluted earnings per share:			
Net result from financial services	333,4	280,3	573,6
Net operational earnings	382,1	339,7	643,6
Profit attributable to shareholders' fund	468,4	434,1	767,2
R million			
Analysis of operational earnings (refer shareholders' fund income statement on page 40):			
Net result from financial services	7 056	6 177	12 379
Net operational earnings	8 087	7 486	13 889
Normalised profit attributable to shareholders' fund	9 913	9 567	16 557
Reconciliation of operational earnings:			
Headline earnings per note 5 on page 128 of the Sanlam condensed consolidated interim financial statements	9 838	6 902	14 467
Add/(Less):	(1 751)	584	(578)
Fund transfers	(19)	1 651	2 079
B-BEE SPV impairment reversal	–	(948)	(948)
Shareholders' fund adjustments	(1 898)	(158)	(1 776)
Net equity-accounted earnings	60	(18)	(45)
Net amortisation of value of business acquired and other intangibles	106	57	112
Net operational earnings	8 087	7 486	13 889
	Million	Million	Million
Adjusted number of shares:			
Weighted average number of shares for diluted earnings per share (refer note 5 on page 128 of the Sanlam condensed consolidated interim financial statements)	2 108,1	2 068,4	2 089,3
Add: Weighted average Sanlam shares held by policyholders and B-BBEE SPV[1]	8,3	135,3	68,8
Adjusted weighted average number of shares for normalised diluted earnings per share	2 116,4	2 203,7	2 158,1

[1] For more information refer to note 13.

11 Value per share

R million	Reviewed 30 June 2024	Audited 31 December 2023
Net asset value per share is calculated on the group shareholders' fund at net asset value	87 827	89 477
Equity value per share is calculated based on the group equity value	155 270	149 904
	Million	Million
Number of shares for value per share		
Number of ordinary shares in issue	2 117,1	2 202,9
Shares held by subsidiaries in shareholders' fund	(31,3)	(116,1)
Outstanding shares in respect of Sanlam Limited long-term incentive schemes	29,2	28,8
Adjusted number of shares for value per share	2 115,0	2 115,6

12 Present value of holding company expenses

The present value of holding company expenses has been calculated by applying a multiple of 7,6 (31 December 2023: 7,8) to the after tax recurring corporate expenses.

13 Share transactions

13.1 Shares repurchased and issued

Sanlam shareholders granted specific approval under special resolution number 3 adopted at the last annual general meetings to repurchase Sanlam shares from its wholly owned subsidiary (SU BEE Investment).

A cumulative 85,7 million ordinary shares were repurchased on 26 June 2024.

13.2 Shares cancelled

In June 2024, 85,7 million treasury shares were cancelled.

13.3 Shares issued

Following the cancellation of treasury shares, the issued share capital of the company now comprises 2 117,1 million ordinary shares of 1 cent each.

Sanlam Interim Results 2024

Shareholders' fund information

Notes to the shareholders' fund information continued

14 Reconciliation between group statement of comprehensive income and shareholders' fund income statement

R million	Reviewed 30 June 2024 IFRS total[1] (A)	Total shareholders' fund[2] (B)	Shareholders' activities (C)	Shareholders' fund adjustments (D)	Policyholder activities[3] (E)	IFRS adjustments[4] (F)	Reviewed and re-presented 30 June 2023 IFRS total[1] (A)	Total shareholders' fund[2] (B)	Shareholders' activities (C)	Shareholders' fund adjustments (D)	Policyholder activities[3] (E)	IFRS adjustments[4] (F)
Result from insurance operations	6 496	5 803	7 319	(1 516)	–	693	3 723	6 411	6 705	(294)	–	(2 688)
Result from insurance contracts	7 259	6 288	7 910	(1 622)	–	971	4 226	6 923	7 217	(294)	–	(2 697)
Insurance service result	6 367	5 121	6 317	(1 196)	–	1 246	4 356	5 564	5 517	47	–	(1 208)
Insurance revenue	47 741	47 630	48 826	(1 196)	–	111	41 900	60 214	60 167	47	–	(18 314)
Insurance service expenses	(37 834)	(38 656)	(38 656)	–	–	822	(33 490)	(47 972)	(47 972)	–	–	14 482
Income or expense from reinsurance contracts	(3 540)	(3 853)	(3 853)	–	–	313	(4 054)	(6 678)	(6 678)	–	–	2 624
Insurance investment result	892	1 167	1 593	(426)	–	(275)	(130)	1 359	1 700	(341)	–	(1 489)
Other expenses relating to insurance operations	(763)	(485)	(591)	106	–	(278)	(503)	(512)	(512)	–	–	9
Result from other operations	7 081	7 090	7 924	(834)	1 072	(1 081)	4 593	5 954	6 012	(58)	1 093	(2 454)
Revenue	11 033	11 363	11 363	–	472	(802)	7 146	7 702	7 702	–	17	(573)
Investment income	15 196	914	1 155	(241)	9 639	4 643	11 931	1 062	1 250	(188)	8 205	2 664
Investment surpluses	11 052	954	1 547	(593)	9 275	823	38 075	1 656	1 526	130	37 941	(1 522)
Finance cost – margin business	(209)	–	–	–	–	(209)	(186)	–	–	–	–	(186)
Change in fair value of investment contract liabilities	(27 123)	–	–	–	(27 745)	622	(40 517)	–	–	–	(41 514)	997
Change in fair value of external investors' liabilities	7 625	–	–	–	10 138	(2 513)	(5 178)	–	–	–	(3 225)	(1 953)
Net other income	–	3 311	3 311	–	–	(3 311)	–	2 185	2 185	–	–	(2 185)
Sales remuneration	(578)	(621)	(621)	–	–	43	(488)	(631)	(631)	–	–	143
Administration costs	(9 915)	(8 831)	(8 831)	–	(707)	(377)	(6 190)	(6 020)	(6 020)	–	(331)	161
Shareholders' fund adjustments	–	1 898	–	1 898	–	(1 898)	–	158	–	158	–	(158)
Impairments	(485)	(513)	(513)	–	–	28	(22)	687	687	–	–	(709)
Net impairment losses on financial and contract assets	(6)	–	–	–	–	(6)	(1)	–	–	–	–	(1)
Other impairments	(479)	(513)	(513)	–	–	34	(21)	687	687	–	–	(708)
Project expenses	–	(181)	(181)	–	–	181	–	–	–	–	–	–
Net profit on disposal of subsidiaries and associated companies	–	790	790	–	–	(790)	–	–	–	–	–	–
Amortisation of intangibles	(322)	(106)	(106)	–	–	(216)	(119)	(57)	(57)	–	–	(62)
Net operating result	12 770	14 781	15 233	(452)	1 072	(3 083)	8 175	13 153	13 347	(194)	1 093	(6 071)
Equity-accounted earnings	2 935	(243)	75	(318)	–	3 178	940	18	18	–	–	922
Finance cost – other	(609)	–	–	–	–	(609)	(470)	–	–	–	–	(470)
Profit before tax	15 096	14 538	15 308	(770)	1 072	(514)	8 645	13 171	13 365	(194)	1 093	(5 619)
Taxation	(4 210)	(3 209)	(3 979)	770	(1 072)	71	(3 586)	(3 224)	(3 418)	194	(1 093)	731
Shareholders' fund	(3 024)	(3 209)	(3 979)	770	–	185	(2 091)	(3 224)	(3 418)	194	–	1 133
Policyholders' fund	(1 186)	–	–	–	(1 072)	(114)	(1 495)	–	–	–	(1 093)	(402)
Profit from the year from discontinued operations	435	–	–	–	–	435	4 639	–	–	–	–	4 639
Profit for the period	11 321	11 329	11 329	–	–	(8)	9 698	9 947	9 947	–	–	(249)
Attributable to:												
Shareholders' fund	9 932	9 913	–	–	–	19	7 916	8 331	–	–	–	(415)
Profit from continuing operations	9 636	9 913	–	–	–	(277)	4 596	8331	–	–	–	(3 735)
Profit from discontinued operations	296	–	–	–	–	296	3 320	–	–	–	–	3 320
Non-controlling interest	1 389	1 416	–	–	–	(27)	1 782	1 616	–	–	–	166
	11 321	11 329	–	–	–	(8)	9 698	9 947	–	–	–	(249)

[1] IFRS total (A) = (B)+(E)+(F)
[2] Total shareholders' fund (B) = (C)+(D)
[3] Policyholder activities relate to the inclusion of policyholders' after-tax investment return in respect of investment contracts, and the allocation thereof to policy liabilities, in the group statement of comprehensive income.
[4] IFRS adjustments relate to amounts that have been set off in the shareholders' fund income statement that is not permitted in terms of IFRS and fund transfers.

Condensed consolidated interim financial statements

Contents

Salient features on the condensed consolidated interim financial statements

Earnings performance

The group achieved a robust operating performance reflecting strong trading performances across our businesses and across all lines of business, with notable growth from life insurance and general insurance operations. Corporate activity continues to impact the comparability of results.

Result from insurance operations (life and general insurance)

Strong growth of 74% in 1H2024 compared to 1H2023 mainly driven by the partial recognition of the Capitec recapture fee of R1,2 billion (gross of tax) following regulatory approval in April 2024 of the termination of the Capitec agreement, much higher insurance investment result due to the positive impact of changes in interest rates as well as a strong increase in result from general insurance at Santam where effective management actions and lower attritional losses offset the impact of continued adverse weather-related claims. The result from insurance operations excludes discontinued operations and the insurance businesses held by Sanlam's strategic joint venture (SanlamAllianz) and associates (India, Pacific and Orient) as the results are equity-accounted in the statement of comprehensive income.

Results from other operations (health, investments and administration)

Increase of 54% (R2,5 billion) in 1H2024 compared to 1H2023 mainly due to:
- R1,2 billion profit on partial sale of direct shareholding in Shriram Finance Limited;
- R158 million increase in Glacier's life investments due to fixed returns;
- R183 million increase in Sanlam Risk and Savings' Individual life business mainly due to Capital Legacy reinsurance arrangement; and
- Afrocentric and Sanlam Personal Loans contributing R368 million and R103 million respectively to other operations which was included in equity-accounted earnings previously.

Total gross assets impaired and amortisation

The current year income statement impairment relates mainly to Afrocentric (R499 million) due to underperformance in the business. The prior year includes the net impairment reversal mainly due to B-BBEE SPV impairment reversal (R948 million), partially offset by the impairment of aYo (R240 million) driven by the devaluation of the Nigerian Naira (45%) to which a significant component of aYo's valuation is exposed to.

Overall increase of R203 million of amortisation of intangible assets with main contributors being Afrocentric that is consolidated for the full term in 1H2024 compared to one month in 1H2023:

Equity accounted earnings

The R2 billion increase in 1H2024 compared to 1H2023 is mainly due to the SanlamAllianz joint venture (JV) being equity-accounted in 2024 (Sanlam Pan-Africa (SPA) was fully consolidated in the prior year) as well as the growth in the India business as mentioned below in profit before tax from continuing operations.

Profit before tax

- From continuing activities
  The strong growth in the net operating result was augmented by strong growth in Sanlam's equity-accounted strategic associates and joint ventures. The credit business in India contributed strongly on the back of higher loan book growth, improvement in the quality of the credit book as well as higher net interest margins. The SanlamAllianz JV distorts comparisons with prior year due to classification as discontinued operations in 2023.

- From discontinued activities
  Profit from discontinued operations includes only Namibia in the current year. Prior year included Namibia as well as the SPA entities included in Sanlam Emerging Markets that now form part of the SanlamAllianz JV. Prior year also included profit on sale of subsidiaries (LIA) and associates (Botswana) of R1,6 billion.

Overall profit for the period

Attributable earnings from continuing and discontinued operations are aligned to shareholders' fund attributable earnings, reflecting the strong growth in businesses over the half year.

Other comprehensive income (OCI)

The movement in OCI is mostly attributable to the impact of the devaluation of the Egyptian Pound within the SanlamAllianz JV.

Per share metrics

The rise in earnings per share (EPS) from continuing and diluted EPS is attributed to robust operating results which was partially reduced by a lower accounting gain from the disposal of businesses in 2024 relative to 2023.

The decrease in EPS from discontinued operations is due to only Namibia being included for 1H2024, compared to 1H2023 including the SPA entities disposed of to the SanlamAllianz JV.

During H1 2024, the following share transactions occurred:
- In June 2024 Sanlam repurchased 85,8 million ordinary shares from its wholly owned subsidiary, the B-BBEE SPV at a repurchase price of R72,97 per share.
- The 85,8 million shares were subsequently cancelled at the same price.

The net effect of the above was that Sanlam Limited issued shares decreased from 2 202,9 to 2 117,1 at 30 June 2024.

Refer the EPS note 5 on page 128 for additional information.

Independent auditors' review report on the condensed consolidated interim financial statements

To the shareholders of Sanlam Limited

We have reviewed the condensed consolidated interim financial statements of Sanlam Limited, set out on pages 88 to 166, which comprise the condensed group statement of financial position as at 30 June 2024 and the condensed group statements of comprehensive income, condensed group changes in equity and condensed group statement of cash flows for the six months then ended, and notes to the condensed consolidated interim financial statements including a summary of material accounting policies.

Directors' responsibility for the interim financial statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the IFRS® Accounting Standard (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Scope of review

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Sanlam Limited for the six months ended 30 June 2024 are not prepared, in all material respects, in accordance with the IFRS® Accounting Standard (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

KPMG Inc.

KPMG Inc.
Director: Pierre Fourie
Registered Auditor
4 Christiaan Barnard Street
Cape Town City Centre
Cape Town

4 September 2024

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Alsue du Preez
Registered Auditor
5 Silo Square
V&A Waterfront
Cape Town

4 September 2024

Sanlam Interim Results 2024
Condensed consolidated interim financial statements

Accounting policies and basis of preparation

The preparation of the group's reviewed condensed consolidated interim financial statements was supervised by the Group Finance Director, AM Mukhuba CA(SA).

The condensed consolidated interim financial statements are prepared in accordance with IFRS® Accounting Standards, IAS 34 – Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

The accounting policies and basis of preparation for the condensed consolidated interim financial statements are in all material respects consistent with those applied in the 2023 annual report apart from the adoption of the amendments to IFRSs at the beginning of the 2024 financial year.

The following new or revised IFRSs and interpretations have been applied in the 2024 financial period, and do not have a material impact on the results:

- Effective 1 January 2024:
  - Non-current Liabilities with Covenants (Amendments to IAS 1)
  - Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
  - Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The following new or revised IFRSs and interpretations, effective in future years and not early adopted, may have an impact on future results:

- Effective 1 January 2025:
  - Lack of Exchangeability (Amendments to IAS 21)
- Effective 1 January 2026:
  - Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and IFRS 9)
  - Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7 and IFRS 9, IFRS 10 and IAS 7)
- Effective 1 January 2027:
  - Presentation and Disclosure in Financial Statements (IFRS 18)
  - Subsidiaries without Public Accountability: Disclosures (IFRS 19)

In August 2020, the International Accounting Standards Board (IASB®) published "phase 2" amendments introducing several changes applicable during the effective transition to the new benchmark interest rates. Interest rate benchmark reform – Phase 2 (Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39) became effective on 1 January 2021. The amendments allow for changes in the contractual cash flows of financial instruments resulting from the Interbank Offered Rates (IBOR) reform to be treated as a simple reset of their variable interest rate, provided, however, that such changes are made on an economically equivalent basis. The South African Revenue Bank (SARB) has indicated its intention to move away from the Johannesburg Interbank Average Rate (JIBAR) and to create an alternative reference rate for South Africa, namely the South African Overnight Index Average (ZARONIA). The transition from JIBAR to ZARONIA in South Africa is expected in 2025 – 2026. The impact on the group is still being assessed.

In 2021, the Organisation for Economic Co-operation and Development released the Global Anti-Base Erosion Model Rules (GloBE Rules), which rules introduce a global minimum tax of 15% in all jurisdictions in which a multi-national group with consolidated revenue exceeding €75 million, operates. In his budget speech on 21 February 2024, the Minister of Finance in South Africa announced that government proposes to introduce two measures (an income inclusion rule and a domestic minimum top-up tax rule) to give effect to the GloBE Rules in South Africa with effect from 1 January 2024. The draft legislation to give effect to the GloBE Rules in South Africa was published for comment on 21 February 2024 and has not been enacted as at 30 June 2024. The group is analysing the GloBE Rules as well as the draft South African legislation to ensure that the required processes will be in place to enable compliance when these rules become operational in South Africa and elsewhere.

Under IFRS 18, effective from 1 January 2027 the presentation of results on the statement of comprehensive income as well as the notes to the financial statements will change. There is a requirement to restate comparatives, however the group's profit for the year will not change. Presentational changes include the disclosure of certain "non-GAAP" measures – management performance measures (MPMs) which will form part of the audited financial statements – as well guidance on aggregation and disaggregation of subtotals and line items in the primary financial statements. The group is in the process of assessing the impact of the amendments, particularly with respect to the collation of additional information needed to meet the new disclosure requirements.

In May 2024 the IASB issued IFRS 19 which seeks to simplify the reporting systems and processes for companies without public accountability. This will be a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements which are available for public use that comply with IFRS Accounting Standards.

This standard will be applicable at a subsidiary level (if eligible) with no impact on the group financial statements.

The group does not expect other amendments to standards issued by the IASB, but not yet effective, to have a material impact.

Use of estimates, assumptions and judgements

The preparation of the condensed consolidated interim financial statements necessitates the use of estimates, assumptions and judgements. These estimates and assumptions affect items reported in the group statement of financial position and group statement of comprehensive income, as well as contingent liabilities.

Although estimates are based on management's best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may differ from these estimates. Refer to note 10 of the condensed consolidated interim financial statements for further information on significant changes since the previous reporting period in terms of critical estimates and judgements and note 11 of the condensed consolidated interim financial statements for information on contingencies.

External review

The jointly appointed auditors, KPMG Incorporated and PwC Incorporated, reviewed the condensed consolidated interim financial statements of the group as at 30 June 2024. These reviews were conducted in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Copies of the unqualified joint review reports of KPMG Incorporated and PwC Incorporated are presented on pages 86 and 87.

Condensed group statement of financial position

as at

R million	Note	Reviewed 30 June 2024	Audited 31 December 2023
ASSETS			
Goodwill	10.1	6 342	6 906
Equipment		1 196	1 535
Right-of-use assets		1 132	1 189
Owner-occupied properties		1 016	1 015
Intangible assets		3 450	3 331
Contract costs for investment management services		2 793	2 822
Insurance contract assets	1 and 2	10 068	9 478
Reinsurance contract assets	1 and 3	12 115	14 530
Deferred tax		1 593	1 619
Investments		867 152	827 309
Investment properties		8 088	7 913
Investment in associates and joint ventures	8	43 851	44 473
Equities and similar securities	8	171 997	159 385
Interest-bearing investments	8	269 330	249 372
Structured transactions	8	31 685	26 114
Investment funds	8	307 145	301 949
Deposits and similar securities	8	35 056	38 103
Trading account assets		14 113	13 554
Advances to customers		4 108	4 065
Non-current assets reclassified as held for sale		46 986	47 213
Working capital assets		52 139	55 886
Trade and other receivables	8	19 772	20 014
Taxation		986	954
Short-term investments	8	3 476	9 089
Cash and cash equivalents	8 and 9.4	27 905	25 829
Total assets		1 024 203	990 452
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium		12 525	13 033
Treasury shares		(1 942)	(6 658)
Other reserves		12 587	11 007
Retained earnings		65 554	71 148
Shareholders' fund		88 724	88 530
Non-controlling interest		8 912	8 375
Total equity		97 636	96 905
Insurance contract liabilities	1 and 2	203 924	193 374
Reinsurance contract liabilities	1 and 3	5 664	5 686
Investment contract liabilities	4 and 8	510 769	488 501
Term finance	8	13 756	14 936
Margin business		5 358	5 358
Other interest-bearing liabilities		8 398	9 578
Lease liabilities		1 434	1 519
Structured transactions liabilities	8	11 178	12 287
External investors in consolidated funds	8	75 609	76 468
Deferred tax		9 307	8 768
Trading account liabilities	8	23 389	19 567
Non-current liabilities reclassified as held for sale		39 795	39 403
Collateral guarantee contracts		113	112
Working capital liabilities		31 629	32 926
Trade and other payables	8	28 762	30 800
Provisions		233	188
Taxation		2 634	1 938
Total equity and liabilities		1 024 203	990 452

Condensed group statement of comprehensive income

for the six months ended 30 June

R million	Note	Reviewed 2024	Reviewed and re-presented[1] 2023
Result from insurance operations		6 496	3 723
Result from insurance contracts		7 259	4 226
Insurance service result		6 367	4 356
Insurance revenue		47 741	41 900
Insurance service expenses		(37 834)	(33 490)
Expense from reinsurance contracts		(3 540)	(4 054)
Insurance investment result		892	(130)
Insurance finance expense		(10 897)	(6 701)
Reinsurance finance income		17	341
Investment income on assets held in respect of insurance contracts		6 970	4 072
Investment surpluses on assets held in respect of insurance contracts		4 802	2 158
Other expenses relating to insurance operations		(763)	(503)
Result from other operations		7 081	4 593
Revenue	7	11 033	7 146
Investment income		15 196	11 931
Investment surpluses		11 052	38 075
Finance cost – margin business		(209)	(186)
Change in fair value of external investors' liabilities		7 625	(5 178)
Change in fair value of investment contract liabilities		(27 123)	(40 517)
Sales remuneration		(578)	(488)
Administration costs		(9 915)	(6 190)
Impairments		(485)	(22)
Amortisation of intangibles		(322)	(119)
Net operating result		12 770	8 175
Equity-accounted earnings		2 935	940
Finance cost – other		(609)	(470)
Profit before tax from continuing operations		15 096	8 645
Taxation		(4 210)	(3 586)
Shareholders' fund		(3 024)	(2 091)
Policyholders' fund		(1 186)	(1 495)
Profit for the period from continuing operations		10 886	5 059
Profit for the period from discontinued operations		435	4 639
Profit for the period		11 321	9 698
Other comprehensive (loss)/income: to be recycled through profit or loss in subsequent periods			
Movement in foreign currency translation reserve		(286)	2 943
Other comprehensive loss of equity-accounted investments		(2 515)	(1 380)
Movement in cash flow hedge		—	(123)
Other comprehensive income/(loss): not to be recycled through profit or loss in subsequent periods			
Employee benefits remeasurement gain/(loss)		71	(94)
Comprehensive income for the period		8 591	11 044
Allocation of comprehensive income:			
Profit for the period from continuing operations		10 886	5 059
Shareholders' fund		9 636	4 596
Non-controlling interest		1 250	463
Profit for the period from discontinued operations		435	4 639
Shareholders' fund		296	3 320
Non-controlling interest		139	1 319
Comprehensive income for the period		8 591	11 044
Shareholders' fund		7 239	8 884
Non-controlling interest		1 352	2 160
Earnings attributable to shareholders of the company (cents):			
Profit for the period:			
Basic earnings per share	5	478,0	388,6
Diluted earnings per share	5	471,0	382,7
Earnings attributable to shareholders (cents) of continuing operations:			
Profit for the period from continuing operations:			
Basic earnings per share from continuing operations	5	463,5	225,6
Diluted earnings per share from continuing operations	5	457,1	222,2

[1] Prior period re-presented due to the inclusion of Namibia into the discontinued operations. Refer to note 14 for additional information.

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Condensed consolidated interim financial statements

Condensed group statement of changes in equity

for the six months ended 30 June

R million	Share capital	Share premium	Treasury shares	Non-distributable reserve	Foreign currency translation reserve	Retained earnings	Subtotal: equity holders	Consolidation reserve	Total: equity holders	Non-controlling interest	Total equity
Balance at 1 January 2023	22	12 762	(2 888)	9 972	572	68 562	89 002	(4 178)	84 824	14 342	99 166
Comprehensive income	—	—	—	(150)	2 510	6 524	8 884	—	8 884	2 160	11 044
Profit for the period	—	—	—	—	—	7 916	7 916	—	7 916	1 782	9 698
Other comprehensive (loss)/income	—	—	—	(150)	2 510	(1 392)	968	—	968	378	1 346
Other comprehensive (loss)/income: to be recycled through profit or loss in subsequent periods											
Movement in foreign currency translation reserve[1]	—	—	—	—	2 510	—	2 510	—	2 510	433	2 943
Other comprehensive loss of equity-accounted investments	—	—	—	—	—	(1 380)	(1 380)	—	(1 380)	—	(1 380)
Movement in cash flow hedge	—	—	—	(76)	—	—	(76)	—	(76)	(47)	(123)
Other comprehensive loss: not to be recycled through profit or loss in subsequent periods											
Employee benefits remeasurement loss	—	—	—	(74)	—	(12)	(86)	—	(86)	(8)	(94)
Shares cancelled[2]	—	(185)	1 869	—	—	(1 684)	—	—	—	—	—
Shares issued	—	435	—	—	—	—	435	—	435	—	435
Net (acquisition)/disposal of treasury shares[3]	—	—	(952)	—	—	(265)	(1 217)	—	(1 217)	(84)	(1 301)
Share-based payments	—	—	—	—	—	261	261	—	261	21	282
Transfer to/(from) non-distributable reserve	—	—	—	10	—	(10)	—	—	—	—	—
Transfer (from)/to consolidation reserve	—	—	(4 811)	—	—	1 135	(3 676)	3 676	—	—	—
Dividends paid[4]	—	—	—	—	—	(7 420)	(7 420)	—	(7 420)	(1 030)	(8 450)
Acquisitions, disposals and other movements in interests	—	—	—	(102)	(2)	(673)	(777)	—	(777)	505	(272)
Balance at 30 June 2023	22	13 012	(6 782)	9 730	3 080	66 430	85 492	(502)	84 990	15 914	100 904
Balance at 1 January 2024	22	13 011	(6 658)	9 414	2 542	71 148	89 479	(949)	88 530	8 375	96 905
Comprehensive income	—	—	—	—	(249)	7 488	7 239	—	7 239	1 352	8 591
Profit for the period	—	—	—	—	—	9 932	9 932	—	9 932	1 389	11 321
Other comprehensive (loss)/income	—	—	—	—	(249)	(2 444)	(2 693)	—	(2 693)	(37)	(2 730)
Other comprehensive loss: to be recycled through profit or loss in subsequent periods											
Movement in foreign currency translation reserve	—	—	—	—	(249)	—	(249)	—	(249)	(37)	(286)
Other comprehensive loss of equity-accounted investments	—	—	—	—	—	(2 515)	(2 515)	—	(2 515)	—	(2 515)
Other comprehensive gain: not to be recycled through profit or loss in subsequent periods											
Employee benefits remeasurement gain	—	—	—	—	—	71	71	—	71	—	71
Shares cancelled[2]	(1)	(507)	5 110	—	—	(4 619)	(17)	—	(17)	—	(17)
Net (acquisition)/disposal of treasury shares[3]	—	—	(394)	—	—	(369)	(763)	1 835	1 072	(42)	1 030
Share-based payments	—	—	—	—	—	227	227	—	227	22	249
Transfer (from)/to consolidation reserve	—	—	—	—	—	(11)	(11)	11	—	—	—
Dividends paid[4]	—	—	—	—	—	(8 316)	(8 316)	—	(8 316)	(741)	(9 057)
Acquisitions, disposals and other movements in interests	—	—	—	—	(17)	6	(11)	—	(11)	(54)	(65)
Balance at 30 June 2024	21	12 504	(1 942)	9 414	2 276	65 554	87 827	897	88 724	8 912	97 636

[1] Movement in foreign currency translation reserve include foreign currency translation reserve recycle from profit on disposal of LIA.

[2] During June 2024, 86 million treasury shares were cancelled, following the unwinding of the SPV structure. Refer to note 12 for additional information. In June 2023, 31 million treasury shares were cancelled, pursuant to the General Authorities. Following the transactions, the issued share capital of the company now comprises 2 117 million ordinary shares of 1 cent each.

[3] Comprises movement in initial cost of shares held by subsidiaries (excluding policyholder funds) and the share incentive trust. Net acquisition of treasury shares comprises an acquisition of R488 million (2023: R1 301 million) and a disposal of R1 518 million in 2024 (2023: R0 million).

[4] A dividend of 400 cents per share (2023: 360 cents per share) was declared in 2024 in respect of the 2023 earnings. Based on the number of shares in issue on declaration date, the total dividend is R8,7 billion. Dividends paid included in the statement of changes in equity excludes treasury share dividends.

Condensed group statement of cash flow

for the six months ended 30 June

R million	Note	Reviewed 2024	Reviewed 2023
Cash flow from operating activities		662	(2 188)
Cash utilised in operations	9.1	(4 561)	(3 527)
Interest and preference share dividends received		13 368	7 715
Interest paid		(1 165)	(728)
Dividends received		4 951	5 580
Dividends paid		(8 884)	(8 453)
Taxation paid		(3 047)	(2 775)
Cash flow from investment activities		1 399	(1 002)
Payments made for the acquisition of equipment		(274)	(261)
Proceeds in respect of the sale of equipment		77	73
Payments made for the acquisition of owner-occupied properties		(6)	(17)
Proceeds in respect of the disposal of owner-occupied properties		—	58
Acquisition of subsidiaries and associated companies	9.2	(1 518)	(914)
Disposal of subsidiaries and associated companies	9.3	3 235	421
Payments made for the acquisition of intangible assets		(137)	(384)
Proceeds in respect of the sale of intangible assets		22	22
Cash flow from financing activities		(470)	(1 036)
Shares repurchased		(17)	—
Disposal of treasury shares		1 518	—
Acquisition of treasury shares		(488)	(1 301)
Acquisition of non-controlling interest		(45)	(400)
Term finance raised		—	1 344
Term finance repaid		(1 231)	(520)
Lease liabilities repaid		(207)	(159)
Net increase/(decrease) in cash and cash equivalents		1 591	(4 226)
Net foreign exchange difference		(45)	1 508
Cash and cash equivalents at beginning of the period		28 254	49 234
Cash and cash equivalents at end of the period	9.4	29 800	46 516

Notes to the condensed consolidated interim financial statements

1 Insurance and reinsurance contracts

Summary of net carrying amount

			Life insurance		
R million	Note	Total	Risk business	Savings business	General insurance
Reviewed – 30 June 2024					
Net insurance contract carrying amount		193 856	96 134	65 076	32 646
Insurance contract liabilities	2.1	203 924	105 847	65 076	33 001
Insurance contract assets	2.1	(10 068)	(9 713)	—	(355)
Net reinsurance contract carrying amount		(6 451)	(1 737)	—	(4 714)
Reinsurance contract liabilities	3.1	5 664	2 712	—	2 952
Reinsurance contract assets	3.1	(12 115)	(4 449)	—	(7 666)
Net carrying amount		187 405	94 397	65 076	27 932
Audited – 31 December 2023					
Net insurance contract carrying amount		183 896	86 400	65 182	32 314
Insurance contract liabilities	2.1	193 374	95 470	65 182	32 722
Insurance contract assets	2.1	(9 478)	(9 070)	—	(408)
Net reinsurance contract carrying amount		(8 844)	(2 372)	—	(6 472)
Reinsurance contract liabilities	3.1	5 686	2 797	—	2 889
Reinsurance contract assets	3.1	(14 530)	(5 169)	—	(9 361)
Net carrying amount		175 052	84 028	65 182	25 842

Sanlam Interim Results 2024
Condensed consolidated interim financial statements

Notes to the condensed consolidated interim financial statements continued

2 Insurance contract carrying amount

2.1 Analysis of net insurance contract carrying amount

Analysis per line of business and valuation method

			Liability for remaining coverage				Incurred claims[1]			Analysis of liability for remaining coverage		
R million	Note	Total	Subtotal[1]	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Loss component
Reviewed – 30 June 2024												
Life insurance – Risk business	2.2	96 134	80 221	45 392	8 117	27 183	15 913	15 361	552	80 221	79 612	609
Premium allocation approach[1]		11 178	(471)	—	—	—	11 649	11 202	447	(471)	(471)	—
General model		84 956	80 692	45 392	8 117	27 183	4 264	4 159	105	80 692	80 083	609
Life insurance – Savings business	2.3	65 076	64 080	59 508	309	4 263	996	992	4	64 080	64 080	—
Variable fee approach		65 076	64 080	59 508	309	4 263	996	992	4	64 080	64 080	—
General insurance	2.4	32 646	14 453	612	1	40	18 193	16 704	1 489	14 453	14 453	—
Premium allocation approach[1]		31 993	13 800	—	—	—	18 193	16 704	1 489	13 800	13 800	—
General model		653	653	612	1	40	—	—	—	653	653	—
Net insurance contract carrying amount		193 856	158 754	105 512	8 427	31 486	35 102	33 057	2 045	158 754	158 145	609
Premium allocation approach[1]		43 171	13 329	—	—	—	29 842	27 906	1 936	13 329	13 329	—
General model		85 609	81 345	46 004	8 118	27 223	4 264	4 159	105	81 345	80 736	609
Variable fee approach		65 076	64 080	59 508	309	4 263	996	992	4	64 080	64 080	—
Net insurance contract carrying amount		193 856	158 754	105 512	8 427	31 486	35 102	33 057	2 045	158 754	158 145	609
Insurance contract liability balances		203 924	170 486	123 792	5 958	26 821	33 438	31 420	2 018	170 486	169 918	568
Insurance contract asset balances		(10 068)	(11 732)	(18 280)	2 469	4 665	1 664	1 637	27	(11 732)	(11 773)	41
Net insurance contract carrying amount		193 856	158 754	105 512	8 427	31 486	35 102	33 057	2 045	158 754	158 145	609
Audited – 31 December 2023												
Life insurance – Risk business	2.2	86 400	70 891	37 500	8 666	25 410	15 509	14 978	531	70 891	70 353	538
Premium allocation approach[1]		10 782	(685)	—	—	—	11 467	11 037	430	(685)	(685)	—
General model		75 618	71 576	37 500	8 666	25 410	4 042	3 941	101	71 576	71 038	538
Life insurance – Savings business	2.3	65 184	64 193	59 603	309	4 281	991	987	4	64 193	64 193	—
Variable fee approach		65 184	64 193	59 603	309	4 281	991	987	4	64 193	64 193	—
General insurance	2.4	32 312	12 800	632	1	41	19 512	17 901	1 611	12 800	12 800	—
Premium allocation approach[1]		31 638	12 126	—	—	—	19 512	17 901	1 611	12 126	12 126	—
General model		674	674	632	1	41	—	—	—	674	674	—
Net insurance contract carrying amount		183 896	147 884	97 735	8 976	29 732	36 012	33 866	2 146	147 884	147 346	538
Premium allocation approach[1]		42 420	11 441	—	—	—	30 979	28 938	2 041	11 441	11 441	—
General model		76 292	72 250	38 132	8 667	25 451	4 042	3 941	101	72 250	71 712	538
Variable fee approach		65 184	64 193	59 603	309	4 281	991	987	4	64 193	64 193	—
Net insurance contract carrying amount		183 896	147 884	97 735	8 976	29 732	36 012	33 866	2 146	147 884	147 346	538
Insurance contract liability balances		193 374	158 970	114 104	6 631	26 116	34 404	32 295	2 109	158 970	158 412	558
Insurance contract asset balances		(9 478)	(11 086)	(16 369)	2 345	3 616	1 608	1 571	37	(11 086)	(11 066)	(20)
Net insurance contract carrying amount		183 896	147 884	97 735	8 976	29 732	36 012	33 866	2 146	147 884	147 346	538

[1] Only the incurred claims and the subtotal of liability for remaining coverage sections would be applicable to the premium allocation approach.

Notes to the condensed consolidated interim financial statements continued

2 Insurance contract carrying amount continued

2.2 Reconciliation of net carrying amount: Life insurance – Risk business

2.2.1 Premium allocation approach

Reconciliation per valuation component

R million	Reviewed – 30 June 2024						Audited – 31 December 2023					
		Liability for remaining coverage		Incurred claims				Liability for remaining coverage		Incurred claims		
	Total	Excluding loss component	Loss component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Loss component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk
Recognised in statement of comprehensive income	(1 771)	(6 725)	(14)	4 968	5 023	(55)	(3 386)	(14 580)	4	11 190	11 186	4
Recognised in insurance revenue	(6 954)	(6 954)	—	—	—	—	(15 804)	(15 804)	—	—	—	—
Recognised in insurance service expenses	4 807	218	(14)	4 603	4 673	(70)	11 809	1 211	4	10 594	10 616	(22)
Claims incurred during the period/year (excluding investment component)	4 879	—	—	4 879	4 946	(67)	10 444	—	—	10 444	10 450	(6)
Changes in incurred claims related to past service	(276)	—	—	(276)	(273)	(3)	150	—	—	150	166	(16)
Increase and reversal of losses on onerous contracts	(14)	—	(14)	—	—	—	4	—	4	—	—	—
Insurance acquisition cash flows expensed	218	218	—	—	—	—	1 211	1 211	—	—	—	—
Insurance finance income or (expenses)	376	11	—	365	350	15	609	13	—	596	570	26
Cash flow	2 425	7 300	—	(4 875)	(4 875)	—	4 814	14 892	—	(10 078)	(10 078)	—
Premiums received during the period/year	7 540	7 540	—	—	—	—	16 125	16 125	—	—	—	—
Incurred claims – investment components	—	(22)	—	22	22	—	—	(22)	—	22	22	—
Claims paid during the period/year	(4 897)	—	—	(4 897)	(4 897)	—	(10 100)	—	—	(10 100)	(10 100)	—
Insurance acquisition cash flows paid	(218)	(218)	—	—	—	—	(1 211)	(1 211)	—	—	—	—
Net movement for the period/year	654	575	(14)	93	148	(55)	1 428	312	4	1 112	1 108	4
Recognised in other comprehensive income – foreign currency translation differences	(5)	(7)	—	2	—	2	(4)	(20)	—	16	8	8
Reclassified as non-current liabilities held for sale	(253)	(354)	14	87	17	70	(1 229)	(168)	(10)	(1 051)	(838)	(213)
Balance at the beginning of the period/year	10 782	(685)	—	11 467	11 037	430	10 587	(809)	6	11 390	10 759	631
Balance at the end of the period/year	11 178	(471)	—	11 649	11 202	447	10 782	(685)	—	11 467	11 037	430

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Notes to the condensed consolidated interim financial statements continued

2 Insurance contract carrying amount continued

2.2 Reconciliation of net carrying amount: Life insurance – Risk business continued

2.2.2 General model

Reconciliation per valuation component

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin: Subtotal	Contractual service margin: Fair value transition approach	Contractual service margin: Other[1]	Total	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Incurred claims
Reviewed – 30 June 2024										
Non-onerous contracts recognised during the period[2]	–	(3 923)	1 127	2 796	–	2 796	–	–	–	–
Recognised in statement of comprehensive income	109	2 831	(323)	(2 399)	(415)	(1 984)	109	(12 494)	70	12 533
Recognised in insurance revenue[3]	(18 172)	(13 531)	(938)	(3 703)	(906)	(2 797)	(18 172)	(18 113)	(59)	–
Expected incurred claims excluding investment components	(13 229)	(13 229)	–	–	–	–	(13 229)	(13 188)	(41)	–
Expected administration and other expenses	(1 046)	(1 046)	–	–	–	–	(1 046)	(1 032)	(14)	–
Release of risk adjustment for risk expired	(938)	–	(938)	–	–	–	(938)	(934)	(4)	–
Recognition of contractual service margin for services provided[4]	(3 703)	–	–	(3 703)	(906)	(2 797)	(3 703)	(3 703)	–	–
Premium experience adjustments related to current service and other amounts	756	756	–	–	–	–	756	756	–	–
Amounts related to income tax that are specifically chargeable to the policyholder	(12)	(12)	–	–	–	–	(12)	(12)	–	–
Recognised in insurance service expenses[3]	12 554	12 481	73	–	–	–	12 554	–	90	12 464
Claims incurred during the period (excluding investment component)	12 531	12 531	–	–	–	–	12 531	–	–	12 531
Expected incurred claims excluding investment components	13 229	13 229	–	–	–	–	13 229	–	–	13 229
Experience adjustment	(698)	(698)	–	–	–	–	(698)	–	–	(698)
Changes in incurred claims related to past service[5]	(67)	(70)	3	–	–	–	(67)	–	–	(67)
Initial loss on onerous contracts recognised during the period[2]	92	36	56	–	–	–	92	–	92	–
Increase and reversal of losses on onerous contracts[2]	(2)	(16)	14	–	–	–	(2)	–	(2)	–
Insurance finance income or (expenses) – impact of unwinding discount rates and financial assumption changes	5 727	3 881	542	1 304	491	813	5 727	5 619	39	69
Changes in estimates recognised in contractual service margin[2] [6]	–	(220)	(1 321)	1 541	290	1 251	–	–	–	–
Cash flow	10 264	10 264	–	–	–	–	10 264	22 132	–	(11 868)
Premiums received during the period	24 933	24 933	–	–	–	–	24 933	24 933	–	–
Incurred claims – investment components	–	–	–	–	–	–	–	(381)	–	381
Claims paid during the period[7]	(12 249)	(12 249)	–	–	–	–	(12 249)	–	–	(12 249)
Insurance acquisition cash flows paid	(2 420)	(2 420)	–	–	–	–	(2 420)	(2 420)	–	–
Net movement for the period	10 373	8 952	(517)	1 938	(125)	2 063	10 373	9 638	70	665
Recognised in other comprehensive income – foreign currency translation differences	(4)	(3)	–	(1)	(5)	4	(4)	(3)	–	(1)
Reclassified as non-current liabilities held for sale	(1 031)	(839)	(28)	(164)	(37)	(127)	(1 031)	(590)	1	(442)
Balance at the beginning of the period	75 618	41 441	8 767	25 410	10 281	15 129	75 618	71 038	538	4 042
Balance at the end of the period	84 956	49 551	8 222	27 183	10 114	17 069	84 956	80 083	609	4 264

(1) Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
(2) Relates to future service. Line items without a superscript relate to current service.
(3) Line items do not align to the statement of comprehensive income due to the offsetting effect of the reallocation of premium relating to insurance acquisition cash flows and allocations to loss component presented in insurance revenue and insurance service expenses in the statement of comprehensive income but not included in these reconciliations, as well as administration and other expenses attributable to insurance contracts presented in insurance service expenses in the statement of comprehensive income but not included in these reconciliations.
(4) The termination of the group's funeral joint venture with Capitec (31 October 2024) resulted in the coverage units being updated to reflect the reduction in expected coverage. This resulted in an increase in the contractual service margin (CSM) recognised as income in insurance revenue of approximately R1,2 billion (gross of tax), representing partial recognition of the recapture fee.
(5) Relates to past service. Line items without a superscript relate to current service.
(6) The Capitec termination has also resulted in the contractual service margin being adjusted to reflect the recapture fee included in the best estimates of future cash flows and the risk adjustment for non-financial risk and the release of fulfilment cash flows that are no longer expected to occur after 31 October 2024. This resulted in an increase in the CSM of approximately R1,1 billion, with a corresponding reduction in the fulfilment cash flows.
(7) The repayments of investment components in the period are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the period).

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Notes to the condensed consolidated interim financial statements continued

2 Insurance contract carrying amount continued

2.2 Reconciliation of net carrying amount: Life insurance – Risk business continued

2.2.2 General model continued

Reconciliation per valuation component continued

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin: Subtotal	Fair value transition approach	Other[1]	Total	Liability for remaining coverage: Excluding loss component	Loss component	Incurred claims
Audited – 31 December 2023										
Non-onerous contracts recognised during the year[2]	—	(7 173)	2 079	5 094	—	5 094	—	—	—	—
Recognised in statement of comprehensive income	(5 609)	(2 235)	(915)	(2 459)	(898)	(1 561)	(5 609)	(29 013)	555	22 849
Recognised in insurance revenue[3]	(33 459)	(27 060)	(1 474)	(4 925)	(1 953)	(2 972)	(33 459)	(33 332)	(127)	—
Expected incurred claims excluding investment components	(25 878)	(25 878)	—	—	—	—	(25 878)	(25 805)	(73)	—
Expected administration and other expenses	(2 126)	(2 126)	—	—	—	—	(2 126)	(2 077)	(49)	—
Release of risk adjustment for risk expired	(1 474)	—	(1 474)	—	—	—	(1 474)	(1 469)	(5)	—
Recognition of contractual service margin for services provided	(4 925)	—	—	(4 925)	(1 953)	(2 972)	(4 925)	(4 925)	—	—
Premium experience adjustments related to current service and other amounts	973	973	—	—	—	—	973	973	—	—
Amounts related to income tax that are specifically chargeable to the policyholder	(29)	(29)	—	—	—	—	(29)	(29)	—	—
Recognised in insurance service expenses[3]	23 276	23 230	46	—	—	—	23 276	(85)	612	22 749
Claims incurred during the period (excluding investment component)	22 649	22 649	—	—	—	—	22 649	(85)	—	22 734
Expected incurred claims excluding investment components	25 793	25 793	—	—	—	—	25 793	(85)	—	25 878
Experience adjustment	(3 144)	(3 144)	—	—	—	—	(3 144)	—	—	(3 144)
Changes in incurred claims related to past service[4]	15	74	(59)	—	—	—	15	—	—	15
Initial loss on onerous contracts recognised during the year[2]	219	137	82	—	—	—	219	—	219	—
Increase and reversal of losses on onerous contracts[2]	393	370	23	—	—	—	393	—	393	—
Insurance finance income or (expenses) – impact of unwinding discount rates and financial assumption changes	4 574	1 595	513	2 466	1 055	1 411	4 574	4 404	70	100
Changes in estimates recognised in contractual service margin[2]	—	(127)	656	(529)	(323)	(206)	—	—	—	—
Cash flow	17 199	17 199	—	—	—	—	17 199	41 270	—	(24 071)
Premiums received during the year	48 320	48 320	—	—	—	—	48 320	48 320	—	—
Incurred claims – investment components	—	—	—	—	—	—	—	(1 536)	—	1 536
Claims paid during the year[5]	(25 607)	(25 607)	—	—	—	—	(25 607)	—	—	(25 607)
Insurance acquisition cash flows paid	(5 514)	(5 514)	—	—	—	—	(5 514)	(5 514)	—	—
Net movement for the year	11 590	7 664	1 820	2 106	(1 221)	3 327	11 590	12 257	555	(1 222)
Recognised in other comprehensive income – foreign currency translation differences	—	2	—	(2)	29	(31)	—	15	(17)	2
Reclassified as non-current liabilities held for sale	(6 087)	(3 541)	(610)	(1 936)	(464)	(1 472)	(6 087)	(5 593)	(178)	(316)
Balance at the beginning of the year	70 115	37 316	7 557	25 242	11 937	13 305	70 115	64 359	178	5 578
Balance at the end of the year	75 618	41 441	8 767	25 410	10 281	15 129	75 618	71 038	538	4 042

[1] Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
[2] Relates to future service. Line items without a superscript relate to current service.
[3] Line items do not align to the statement of comprehensive income due to the offsetting effect of the reallocation of premium relating to insurance acquisition cash flows and allocations to loss component presented in insurance revenue and insurance service expenses in the statement of comprehensive income but not included in these reconciliations, as well as administration and other expenses attributable to insurance contracts presented in insurance service expenses in the statement of comprehensive income but not included in these reconciliations.
[4] Relates to past service. Line items without a superscript relate to current service.
[5] The repayments of investment components in the year are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the year).

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Notes to the condensed consolidated interim financial statements continued

2 Insurance contract carrying amount continued

2.3 Reconciliation of net carrying amount: Life insurance – Savings business

Variable fee approach

Reconciliation per valuation component

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin: Subtotal	Contractual service margin: Fair value transition approach	Contractual service margin: Other[1]	Total	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Incurred claims
Reviewed – 30 June 2024										
Non-onerous contracts recognised during the period[2]	–	(76)	19	57	–	57	–	–	–	–
Recognised in statement of comprehensive income	3 404	3 858	(18)	(436)	(329)	(107)	3 404	3 218	4	182
Recognised in insurance revenue[3]	(1 023)	(569)	(18)	(436)	(329)	(107)	(1 023)	(1 023)	–	–
Expected incurred claims excluding investment components	(136)	(136)	–	–	–	–	(136)	(136)	–	–
Expected administration and other expenses	(340)	(340)	–	–	–	–	(340)	(340)	–	–
Release of risk adjustment for risk expired	(18)	–	(18)	–	–	–	(18)	(18)	–	–
Recognition of contractual service margin for services provided	(436)	–	–	(436)	(329)	(107)	(436)	(436)	–	–
Premium experience adjustments related to current service and other amounts	(18)	(18)	–	–	–	–	(18)	(18)	–	–
Amounts related to income tax that are specifically chargeable to the policyholder	(75)	(75)	–	–	–	–	(75)	(75)	–	–
Recognised in insurance service expenses[3]	186	186	–	–	–	–	186	–	4	182
Claims incurred during the period (excluding investment component)	194	194	–	–	–	–	194	–	–	194
Expected incurred claims excluding investment components	136	136	–	–	–	–	136	–	–	136
Experience adjustment	58	58	–	–	–	–	58	–	–	58
Changes in incurred claims related to past service[4]	(12)	(12)	–	–	–	–	(12)	–	–	(12)
Initial loss on onerous contracts recognised during the period[2]	4	4	–	–	–	–	4	–	4	–
Insurance finance income or (expenses) – fair value returns on underlying items and finance amounts related to incurred claims[5]	4 241	4 241	–	–	–	–	4 241	4 241	–	–
Changes in estimates recognised in contractual service margin[3]	–	(660)	(6)	666	521	145	–	–	–	–
Cash flow	(3 892)	(3 892)	–	–	–	–	(3 892)	(3 669)	–	(223)
Premiums received during the period	3 291	3 291	–	–	–	–	3 291	3 291	–	–
Incurred claims – investment components[6]	–	–	–	–	–	–	–	(6 841)	–	6 841
Claims paid during the period	(7 064)	(7 064)	–	–	–	–	(7 064)	–	–	(7 064)
Insurance acquisition cash flows paid	(119)	(119)	–	–	–	–	(119)	(119)	–	–
Net movement for the period	(488)	(770)	(5)	287	192	95	(488)	(451)	4	(41)
Recognised in other comprehensive income – foreign currency translation differences	3	11	–	(8)	(8)	–	3	3	(1)	1
Reclassified as non-current liabilities held for sale	377	669	5	(297)	(312)	15	377	335	(3)	45
Balance at the beginning of the period	65 184	60 590	313	4 281	3 209	1 072	65 184	64 193	–	991
Balance at the end of the period	65 076	60 500	313	4 263	3 081	1 182	65 076	64 080	–	996

[1] Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
[2] Relates to future service. Line items without a superscript relate to current service.
[3] Line items do not align to the statement of comprehensive income due to the offsetting effect of the reallocation of premium relating to insurance acquisition cash flows and allocations to loss component presented in insurance revenue and insurance service expenses in the statement of comprehensive income but not included in these reconciliations, as well as administration and other expenses attributable to insurance contracts presented in insurance service expenses in the statement of comprehensive income but not included in these reconciliations.
[4] Relates to past service. Line items without a superscript relate to current service.
[5] Changes in the variable fee due to the effect of and changes in the time value of money and financial risks, including the effect of financial guarantees, are related to future service. These impacts are therefore presented as changes in estimates recognised in the contractual service margin and are excluded from the insurance finance income or expenses line item.
[6] The repayments of investment components in the period are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the period).

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Notes to the condensed consolidated interim financial statements continued

2 Insurance contract carrying amount continued

2.3 Reconciliation of net carrying amount: Life insurance – Savings business continued

Variable fee approach continued

Reconciliation per valuation component *continued*

				Contractual service margin				Liability for remaining coverage		
R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Subtotal	Fair value transition approach	Other[1]	Total	Excluding loss component	Loss component	Incurred claims
Audited – 31 December 2023										
Non-onerous contracts recognised during the year[2]	—	(332)	29	303	—	303	—	—	—	—
Recognised in statement of comprehensive income	6 294	7 525	(128)	(1 103)	(662)	(441)	6 294	5 807	13	474
Recognised in insurance revenue[3]	(2 930)	(1 699)	(128)	(1 103)	(662)	(441)	(2 930)	(2 930)	—	—
Expected incurred claims excluding investment components	(299)	(299)	—	—	—	—	(299)	(299)	—	—
Expected administration and other expenses	(859)	(859)	—	—	—	—	(859)	(859)	—	—
Release of risk adjustment for risk expired	(128)	—	(128)	—	—	—	(128)	(128)	—	—
Recognition of contractual service margin for services provided	(1 103)	—	—	(1 103)	(662)	(441)	(1 103)	(1 103)	—	—
Premium experience adjustments related to current service and other amounts	(428)	(428)	—	—	—	—	(428)	(428)	—	—
Amounts related to income tax that are specifically chargeable to the policyholder	(113)	(113)	—	—	—	—	(113)	(113)	—	—
Recognised in insurance service expenses[3]	475	475	—	—	—	—	475	—	13	462
Claims incurred during the year (excluding investment component)	323	323	—	—	—	—	323	—	—	323
Expected incurred claims excluding investment components	299	299	—	—	—	—	299	—	—	299
Experience adjustment	24	24	—	—	—	—	24	—	—	24
Changes in incurred claims related to past service[4]	139	139	—	—	—	—	139	—	—	139
Initial loss on onerous contracts recognised during the year[2]	7	7	—	—	—	—	7	—	7	—
Increase and reversal of losses on onerous contracts[2]	6	6	—	—	—	—	6	—	6	—
Insurance finance income or (expenses) – fair value returns on underlying items and finance amounts related to incurred claims[5]	8 749	8 749	—	—	—	—	8 749	8 737	—	12
Changes in estimates recognised in contractual service margin[2]	—	(1 015)	119	896	716	180	—	—	—	—
Cash flow	(8 007)	(8 007)	—	—	—	—	(8 007)	(7 613)	—	(394)
Premiums received during the year	11 146	11 146	—	—	—	—	11 146	11 146	—	—
Incurred claims – investment components[6]	—	—	—	—	—	—	—	(18 096)	—	18 096
Claims paid during the year	(18 490)	(18 490)	—	—	—	—	(18 490)	—	—	(18 490)
Insurance acquisition cash flows paid	(663)	(663)	—	—	—	—	(663)	(663)	—	—
Net movement for the year	(1 713)	(1 829)	20	96	54	42	(1 713)	(1 806)	13	80
Recognised in other comprehensive income – foreign currency translation differences	518	496	7	15	24	(9)	518	521	—	(3)
Reclassified as non-current liabilities held for sale	(15 307)	(14 555)	(212)	(540)	(328)	(212)	(15 307)	(15 561)	(128)	382
Balance at the beginning of the year	81 686	76 478	498	4 710	3 459	1 251	81 686	81 039	115	532
Balance at the end of the year	65 184	60 590	313	4 281	3 209	1 072	65 184	64 193	—	991

(1) Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
(2) Relates to future service. Line items without a superscript relate to current service.
(3) Line items do not align to the statement of comprehensive income due to the offsetting effect of the reallocation of premium relating to insurance acquisition cash flows and allocations to loss component presented in insurance revenue and insurance service expenses in the statement of comprehensive income but not included in these reconciliations, as well as administration and other expenses attributable to insurance contracts presented in insurance service expenses in the statement of comprehensive income but not included in these reconciliations.
(4) Relates to past service. Line items without a superscript relate to current service.
(5) Changes in the variable fee due to the effect of and changes in the time value of money and financial risks, including the effect of financial guarantees, are related to future service. These impacts are therefore presented as changes in estimates recognised in the contractual service margin and are excluded from the insurance finance income or expenses line item.
(6) The repayments of investment components in the year are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the year).

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Notes to the condensed consolidated interim financial statements continued

2 Insurance contract carrying amount continued

2.4 Reconciliation of net carrying amount: General Insurance

2.4.1 Premium allocation approach

Reconciliation per valuation component

	Reviewed – 30 June 2024					Audited – 31 December 2023				
		Liability for remaining coverage	Incurred claims				Liability for remaining coverage	Incurred claims		
R million	**Total**	**Excluding loss component**	**Subtotal**	**Best estimate of future cash flows**	**Risk adjustment for non-financial risk**	Total	Excluding loss component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk
Recognised in statement of comprehensive income	(3 803)	(17 506)	13 703	13 825	(122)	(8 945)	(51 247)	42 302	42 894	(592)
Recognised in insurance revenue	(21 158)	(21 158)	—	—	—	(57 038)	(57 038)	—	—	—
Recognised in insurance service expenses	16 453	3 155	13 298	13 460	(162)	46 502	5 251	41 251	41 938	(687)
Claims incurred during the period/year (excluding investment component)	12 185	—	12 185	11 365	820	41 024	—	41 024	40 110	914
Changes in incurred claims related to past service	1 113	—	1 113	2 095	(982)	227	—	227	1 828	(1 601)
Insurance acquisition cash flows paid or amortised	3 155	3 155	—	—	—	5 251	5 251	—	—	—
Insurance finance income or (expenses)	902	497	405	365	40	1 591	540	1 051	956	95
Cash flow	4 158	19 180	(15 022)	(15 022)	—	10 425	51 521	(41 096)	(41 096)	—
Premiums received during the period/year	23 290	23 290	—	—	—	56 772	56 772	—	—	—
Incurred claims – investment components	—	(758)	758	758	—	—	(505)	505	505	—
Claims paid during the period/year	(15 780)	—	(15 780)	(15 780)	—	(41 601)	—	(41 601)	(41 601)	—
Insurance acquisition cash flows	(3 352)	(3 352)	—	—	—	(4 746)	(4 746)	—	—	—
Net movement for the period/year	355	1 674	(1 319)	(1 197)	(122)	1 480	274	1 206	1 798	(592)
Recognised in other comprehensive income – foreign currency translation differences	—	—	—	—	—	(122)	—	(122)	(122)	—
Reclassified as non-current liabilities held for sale	—	—	—	—	—	(3 161)	—	(3 161)	(3 161)	—
Balance at the beginning of the period/year	31 638	12 126	19 512	17 901	1 611	33 441	11 852	21 589	19 386	2 203
Balance at the end of the period/year	31 993	13 800	18 193	16 704	1 489	31 638	12 126	19 512	17 901	1 611

Sanlam Interim Results 2024
Condensed consolidated interim financial statements

Notes to the condensed consolidated interim financial statements continued

2 Insurance contract carrying amount continued

2.4 Reconciliation of net carrying amount: General Insurance continued

2.4.2 General model

Reconciliation per valuation component

				Contractual service margin			Liability for remaining coverage	
R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Subtotal	Other[1]	Total	Excluding loss component	Incurred claims
Reviewed – 30 June 2024								
Recognised in statement of comprehensive income	44	45	—	(1)	(1)	44	(13)	57
Recognised in insurance revenue[2]	(48)	(45)	—	(3)	(3)	(48)	(48)	—
Expected incurred claims excluding investment components	(57)	(57)	—	—	—	(57)	(57)	—
Recognition of contractual service margin for services provided	(3)	—	—	(3)	(3)	(3)	(3)	—
Premium experience adjustments related to current service and other amounts	12	12	—	—	—	12	12	—
Recognised in insurance service expenses[2]	57	57	—	—	—	57	—	57
Claims incurred during the period (excluding investment component)	57	57	—	—	—	57	—	57
Expected incurred claims excluding investment components[3]	57	57	—	—	—	57	—	57
Insurance finance income or (expenses) – impact of unwinding discount rates and financial assumption changes	35	33	—	2	2	35	35	—
Cash flow	(65)	(65)	—	—	—	(65)	(8)	(57)
Claims paid during the period[4]	(57)	(57)	—	—	—	(57)	—	(57)
Insurance acquisition cash flows paid	(8)	(8)	—	—	—	(8)	(8)	—
Net movement for the period	(21)	(20)	—	(1)	(1)	(21)	(21)	—
Balance at the beginning of the period	674	632	1	41	41	674	674	—
Balance at the end of the period	653	612	1	40	40	653	653	—
Audited – 31 December 2023								
Recognised in statement of comprehensive income	88	69	—	19	19	88	88	—
Recognised in insurance revenue[2]	9	14	—	(5)	(5)	9	9	—
Recognition of contractual service margin for services provided	(5)	—	—	(5)	(5)	(5)	(5)	—
Premium experience adjustments related to current service and other amounts	14	14	—	—	—	14	14	—
Insurance finance income or (expenses) – impact of unwinding discount rates and financial assumption changes	79	55	—	24	24	79	79	—
Cash flow	(116)	(116)	—	—	—	(116)	(116)	—
Incurred claims – investment components	—	—	—	—	—	—	(116)	116
Claims paid during the year[4]	(116)	(116)	—	—	—	(116)	—	(116)
Net movement for the year	(28)	(47)	—	19	19	(28)	(28)	—
Balance at the beginning of the year	702	679	1	22	22	702	702	—
Balance at the end of the year	674	632	1	41	41	674	674	—

[1] Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
[2] Line items do not align to the statement of comprehensive income due to the offsetting effect of the reallocation of premium relating to insurance acquisition cash flows and allocations to loss component presented in insurance revenue and insurance service expenses in the statement of comprehensive income but not included in these reconciliations, as well as administration and other expenses attributable to insurance contracts presented in insurance service expenses in the statement of comprehensive income but not included in these reconciliations.
[3] Expected incurred claims excluding investment components approximate actual incurred claims excluding investment component.
[4] The repayments of investment components in the period are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the period).

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Condensed consolidated interim financial statements

Notes to the condensed consolidated interim financial statements continued

2 Insurance contract carrying amount continued

2.5 Expected recognition of contractual service margin

Analysis per line of business

Life insurance – Risk business

R million	Years <1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10	>10
Reviewed – 30 June 2024							
Balance at the beginning of the period	27 183	23 713	21 563	19 922	18 699	17 628	14 283
Accretion of interest on liabilities under the general model	2 089	1 895	1 997	2 114	2 019	9 489	25 169
Recognised in statement of comprehensive income	(5 559)	(4 045)	(3 638)	(3 337)	(3 090)	(12 834)	(39 452)
Balance at the end of the period	23 713	21 563	19 922	18 699	17 628	14 283	–
Audited and re-presented – 31 December 2023[1]							
Balance at the beginning of the year	25 410	22 902	20 780	18 936	17 744	16 707	13 396
Accretion of interest on liabilities under the general model	2 017	1 844	1 708	2 048	1 955	8 999	23 752
Recognised in statement of comprehensive income	(4 525)	(3 966)	(3 552)	(3 240)	(2 992)	(12 310)	(37 148)
Balance at the end of the year	22 902	20 780	18 936	17 744	16 707	13 396	–

Life insurance – Savings business

R million	Years <1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10	>10
Reviewed – 30 June 2024							
Balance at the beginning of the period	4 263	4 068	3 881	3 678	3 466	3 270	2 666
Allocation of investment return to contracts under the variable fee approach	531	509	459	412	391	1 528	6 248
Recognised in statement of comprehensive income	(726)	(696)	(662)	(624)	(587)	(2 132)	(8 914)
Balance at the end of the period	4 068	3 881	3 678	3 466	3 270	2 666	–
Audited and re-presented – 31 December 2023[1]							
Balance at the beginning of the year	4 281	4 104	3 941	3 782	3 591	3 421	2 958
Allocation of investment return to contracts under the variable fee approach	540	526	501	435	421	1 745	8 870
Recognised in statement of comprehensive income	(717)	(689)	(660)	(626)	(591)	(2 208)	(11 828)
Balance at the end of the year	4 104	3 941	3 782	3 591	3 421	2 958	–

General insurance

R million	Years <1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10	>10
Reviewed – 30 June 2024							
Balance at the beginning of the period	40	39	35	31	25	18	–
Accretion of interest on liabilities under the general model	3	3	4	3	3	3	–
Recognised in statement of comprehensive income	(4)	(7)	(8)	(9)	(10)	(21)	–
Balance at the end of the period	39	35	31	25	18	–	–
Audited and re-presented – 31 December 2023[1]							
Balance at the beginning of the year	41	37	33	29	23	16	–
Accretion of interest on liabilities under the general model	3	3	4	3	3	4	–
Recognised in statement of comprehensive income	(7)	(7)	(8)	(9)	(10)	(20)	–
Balance at the end of the year	37	33	29	23	16	–	–

Total

R million	Years <1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10	>10
Reviewed – 30 June 2024							
Balance at the beginning of the period	31 486	27 820	25 479	23 631	22 190	20 916	16 949
Accretion of interest on liabilities under the general model	2 092	1 898	2 001	2 117	2 022	9 492	25 169
Allocation of investment return to contracts under the variable fee approach	531	509	459	412	391	1 528	6 248
Recognised in statement of comprehensive income	(6 289)	(4 748)	(4 308)	(3 970)	(3 687)	(14 987)	(48 366)
Balance at the end of the period	27 820	25 479	23 631	22 190	20 916	16 949	–
Audited and re-presented – 31 December 2023[1]							
Balance at the beginning of the year	29 732	27 043	24 754	22 747	21 358	20 144	16 354
Accretion of interest on liabilities under the general model	2 020	1 847	1 712	2 051	1 958	9 003	23 752
Allocation of investment return to contracts under the variable fee approach	540	526	501	435	421	1 745	8 870
Recognised in statement of comprehensive income	(5 249)	(4 662)	(4 220)	(3 875)	(3 593)	(14 538)	(48 976)
Balance at the end of the year	27 043	24 754	22 747	21 358	20 144	16 354	–

[1] Prior year re-presented due the grouping of maturities 5 – 6 years, 6 – 7 years, 7 – 8 years, 8 – 9 years and 9 – 10 years in a new maturity named 5 – 10 years. Maturities were grouped as it was not providing useful information to the reader.

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Notes to the condensed consolidated interim financial statements continued

3 Reinsurance contract carrying amount

3.1 Analysis of net reinsurance contract carrying amount

Analysis per line of business and valuation method

			Remaining coverage component				Incurred claims component		
R million	Note	Total	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk
Reviewed – 30 June 2024									
Life insurance – Risk business	3.2	(1 737)	2 959	12 863	(2 197)	(8 311)	(4 696)	(4 573)	(123)
Premium allocation approach[1]		(2 039)	604	–	–	–	(2 643)	(2 551)	(92)
General model		302	2 355	12 863	(2 197)	(8 311)	(2 053)	(2 022)	(31)
General insurance	3.3	(4 714)	2 471	1 494	(1)	(39)	(7 185)	(6 596)	(589)
Premium allocation approach[1]		(6 179)	1 017	–	–	–	(7 196)	(6 607)	(589)
General model		1 465	1 454	1 494	(1)	(39)	11	11	–
Net reinsurance contract carrying amount		(6 451)	5 430	14 357	(2 198)	(8 350)	(11 881)	(11 169)	(712)
Premium allocation approach[1]		(8 218)	1 621	–	–	–	(9 839)	(9 158)	(681)
General model		1 767	3 809	14 357	(2 198)	(8 350)	(2 042)	(2 011)	(31)
Net reinsurance contract carrying amount		(6 451)	5 430	14 357	(2 198)	(8 350)	(11 881)	(11 169)	(712)
Reinsurance contract assets		(12 115)	(843)	(461)	(367)	343	(11 272)	(10 565)	(707)
Reinsurance contract liabilities		5 664	6 273	14 818	(1 831)	(8 693)	(609)	(604)	(5)
Net reinsurance contract carrying amount		(6 451)	5 430	14 357	(2 198)	(8 350)	(11 881)	(11 169)	(712)
Audited – 31 December 2023									
Life insurance – Risk business	3.2	(2 373)	1 550	10 084	(1 942)	(7 189)	(3 923)	(3 801)	(122)
Premium allocation approach[1]		(2 070)	597	–	–	–	(2 667)	(2 577)	(90)
General model		(303)	953	10 084	(1 942)	(7 189)	(1 256)	(1 224)	(32)
General insurance	3.3	(6 471)	2 334	1 511	(1)	(41)	(8 805)	(8 090)	(715)
Premium allocation approach[1]		(7 951)	865	–	–	–	(8 816)	(8 101)	(715)
General model		1 480	1 469	1 511	(1)	(41)	11	11	–
Net reinsurance contract carrying amount		(8 844)	3 884	11 595	(1 943)	(7 230)	(12 728)	(11 891)	(837)
Premium allocation approach[1]		(10 021)	1 462	–	–	–	(11 483)	(10 678)	(805)
General model		1 177	2 422	11 595	(1 943)	(7 230)	(1 245)	(1 213)	(32)
Net reinsurance contract carrying amount		(8 844)	3 884	11 595	(1 943)	(7 230)	(12 728)	(11 891)	(837)
Reinsurance contract assets		(14 530)	(2 370)	653	(826)	(1 761)	(12 160)	(11 323)	(837)
Reinsurance contract liabilities		5 686	6 254	10 942	(1 117)	(5 469)	(568)	(568)	–
Net reinsurance contract carrying amount		(8 844)	3 884	11 595	(1 943)	(7 230)	(12 728)	(11 891)	(837)

[1] Only the incurred claims and the subtotal of remaining coverage component sections would be applicable to the premium allocation approach.

Sanlam Interim Results 2024
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Notes to the condensed consolidated interim financial statements continued

3 Reinsurance contract carrying amount continued

3.2 Reconciliation of net carrying amount: Life insurance – Risk business

3.2.1 Premium allocation approach

Reconciliation per valuation component

	Reviewed – 30 June 2024					Audited – 31 December 2023				
			Incurred claims component					Incurred claims component		
R million	Total	Remaining coverage component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total	Remaining coverage component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk
Recognised in statement of comprehensive income	56	639	(583)	(572)	(11)	558	1 813	(1 255)	(1 259)	4
Income or (expense) from reinsurance contracts[1]	152	616	(464)	(458)	(6)	729	1 774	(1 045)	(1 056)	11
Reinsurance expenses for the portion of ceded premiums recovered during the period/year	610	610	—	—	—	1 766	1 766	—	—	—
Claims incurred during the period/year (excluding investment components) recoverable from reinsurance contracts	(579)	—	(579)	(569)	(10)	(1 145)	—	(1 145)	(1 143)	(2)
Changes in incurred claims related to past service	115	—	115	111	4	144	—	144	131	13
Other income or (expenses) from reinsurance contracts	6	6	—	—	—	(36)	8	(44)	(44)	—
Reinsurance finance income or (expense)	(96)	23	(119)	(114)	(5)	(171)	39	(210)	(203)	(7)
Cash flow	(15)	(741)	726	729	(3)	(709)	(1 300)	591	591	—
Premiums paid	(652)	(652)	—	—	—	(1 178)	(1 178)	—	—	—
Recoveries received under reinsurance contracts held	637	—	637	640	(3)	431	—	431	431	—
Incurred claims recoverable – investment components	—	(89)	89	89	—	—	(160)	160	160	—
Administration and other expenses	—	—	—	—	—	38	38	—	—	—
Net movement for the period/year	41	(102)	143	157	(14)	(151)	513	(664)	(668)	4
Recognised in other comprehensive income – foreign currency translation differences	(1)	2	(3)	(3)	—	5	(5)	10	11	(1)
Reclassified as non-current liabilities held for sale	(9)	107	(116)	(128)	12	(108)	(324)	216	198	18
Balance at the beginning of the period/year	(2 070)	597	(2 667)	(2 577)	(90)	(1 816)	413	(2 229)	(2 118)	(111)
Balance at the end of the period/year	(2 039)	604	(2 643)	(2 551)	(92)	(2 070)	597	(2 667)	(2 577)	(90)

[1] Reinsurance expenses are recognised similarly to insurance revenue, reflecting the portion of the premiums paid allocated in profit or loss for services provided by reinsurers in the period, with the other amounts representing the net amounts (income) recoverable from reinsurers.

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Notes to the condensed consolidated interim financial statements continued

3 Reinsurance contract carrying amount continued

3.2 Reconciliation of net carrying amount: Life insurance – Risk business continued

3.2.2 General model

Reconciliation per valuation component

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin: Subtotal	Contractual service margin: Fair value transition approach	Contractual service margin: Other[1]	Total	Remaining coverage component: Excluding loss recovery component	Remaining coverage component: Loss recovery component	Incurred claims component
Reviewed – 30 June 2024										
Contracts recognised during the period for future coverage	—	2 041	(571)	(1 470)	—	(1 470)	—	—	—	—
Recognised in statement of comprehensive income	969	291	306	372	8	364	969	4 163	13	(3 207)
Income or (expense) from reinsurance contracts[2]	930	(169)	413	686	10	676	930	4 124	7	(3 201)
Recognition of contractual service margin for services received	680	—	—	680	—	680	680	680	—	—
Release of risk adjustment for risk expired	412	—	412	—	—	—	412	412	—	—
Premium experience adjustments related to current service and other amounts	(102)	(102)	—	—	—	—	(102)	(102)	—	—
Expected incurred claims (excluding investment components) recoverable from reinsurance contracts	—	—	—	—	—	—	—	3 135	—	(3 135)
Claims experience adjustments related to current service	(92)	(92)	—	—	—	—	(92)	—	—	(92)
Changes in incurred claims related to past service[3]	26	25	1	—	—	—	26	—	—	26
Loss recovery component recognised during the period for future coverage[4]	(9)	—	—	(9)	—	(9)	(9)	—	(9)	—
Changes in estimates which adjust the loss recovery component[4]	15	—	—	15	10	5	15	—	15	—
Allocation of loss recovery component[4]	—	—	—	—	—	—	—	(1)	1	—
Reinsurance finance income or (expenses) – impact of unwinding discount rates and financial assumption changes	39	460	(107)	(314)	(2)	(312)	39	39	6	(6)
Changes in estimates recognised in contractual service margin[4]	—	34	3	(37)	(18)	(19)	—	—	—	—
Cash flow	(441)	(441)	—	—	—	—	(441)	(3 014)	—	2 573
Premiums paid	(3 117)	(3 117)	—	—	—	—	(3 117)	(3 117)	—	—
Recoveries received under reinsurance contracts held	2 671	2 671	—	—	—	—	2 671	—	—	2 671
Administration and other expenses	5	5	—	—	—	—	5	5	—	—
Incurred claims recoverable – investment components	—	—	—	—	—	—	—	98	—	(98)
Net movement for the period	528	1 925	(262)	(1 135)	(10)	(1 125)	528	1 149	13	(634)
Recognised in other comprehensive income – foreign currency translation differences	1	1	—	—	—	—	1	4	—	(3)
Reclassified as non-current liabilities held for sale	76	55	8	13	10	3	76	236	—	(160)
Balance at the beginning of the period	(303)	8 860	(1 974)	(7 189)	(60)	(7 129)	(303)	1 032	(79)	(1 256)
Balance at the end of the period	302	10 841	(2 228)	(8 311)	(60)	(8 251)	302	2 421	(66)	(2 053)

[1] Other covers amounts for reinsurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
[2] Reinsurance expenses are recognised similarly to insurance revenue, reflecting the portion of the premiums paid allocated in profit or loss for services provided by reinsurers in the period, ie net expenses recognised in the period from releasing the CSM/risk adjustment for the services received/risk expired, experience adjustments related to premiums paid and the expected claims recoveries released from the remaining coverage component. The other amounts represent the net amounts (income) recoverable from reinsurers.
[3] Relates to past service. Line items without a superscript relate to current service.
[4] Relates to future service. Line items without a superscript relate to current service.

Sanlam Interim Results 2024
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Notes to the condensed consolidated interim financial statements continued

3 Reinsurance contract carrying amount continued

3.2 Reconciliation of net carrying amount: Life insurance – Risk business continued

3.2.2 General model continued

Reconciliation per valuation component continued

				Contractual service margin				Remaining coverage component		
R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Subtotal	Fair value transition approach	Other[1]	Total	Excluding loss recovery component	Loss recovery component	Incurred claims component
Audited – 31 December 2023										
Contracts recognised during the year for future coverage	—	3 018	(831)	(2 187)	—	(2 187)	—	—	—	—
Recognised in statement of comprehensive income	2 420	1 129	313	978	1	977	2 420	8 635	(45)	(6 170)
Income or (expense) from reinsurance contracts[2]	2 154	280	518	1 356	4	1 352	2 154	8 464	(39)	(6 271)
Recognition of contractual service margin for services received	1 385	—	—	1 385	4	1 381	1 385	1 385	—	—
Release of risk adjustment for risk expired	493	—	493	—	—	—	493	493	—	—
Premium experience adjustments related to current service and other amounts	273	273	—	—	—	—	273	273	—	—
Expected incurred claims (excluding investment components) recoverable from reinsurance contracts	—	—	—	—	—	—	—	6 303	—	(6 303)
Claims experience adjustments related to current service	12	12	—	—	—	—	12	—	—	12
Changes in incurred claims related to past service[3]	20	(5)	25	—	—	—	20	—	—	20
Loss recovery component recognised during the year for future coverage[4]	(7)	—	—	(7)	—	(7)	(7)	—	(7)	—
Changes in estimates which adjust the loss recovery component[4]	(22)	—	—	(22)	—	(22)	(22)	—	(22)	—
Allocation of loss recovery component[4]	—	—	—	—	—	—	—	10	(10)	—
Reinsurance finance income or (expenses) – impact of unwinding discount rates and financial assumption changes	266	849	(205)	(378)	(3)	(375)	266	171	(6)	101
Changes in estimates recognised in contractual service margin[4]	—	2 009	(338)	(1 671)	79	(1 750)	—	—	—	—
Cash flow	(1 023)	(1 023)	—	—	—	—	(1 023)	(7 772)	—	6 749
Premiums paid	(7 256)	(7 256)	—	—	—	—	(7 256)	(7 256)	—	—
Recoveries received under reinsurance contracts held	6 248	6 248	—	—	—	—	6 248	—	—	6 248
Administration and other expenses	(15)	(15)	—	—	—	—	(15)	(15)	—	—
Incurred claims recoverable – investment components	—	—	—	—	—	—	—	(501)	—	501
Net movement for the year	1 397	5 133	(856)	(2 880)	80	(2 960)	1 397	863	(45)	579
Recognised in other comprehensive income – foreign currency translation differences	(3)	(5)	(1)	3	—	3	(3)	—	(1)	(2)
Reclassified as non-current liabilities held for sale	247	242	55	(50)	(33)	(17)	247	(66)	8	305
Balance at the beginning of the year	(1 944)	3 490	(1 172)	(4 262)	(107)	(4 155)	(1 944)	235	(41)	(2 138)
Balance at the end of the year	(303)	8 860	(1 974)	(7 189)	(60)	(7 129)	(303)	1 032	(79)	(1 256)

[1] Other covers amounts for reinsurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
[2] Reinsurance expenses are recognised similarly to insurance revenue, reflecting the portion of the premiums paid allocated in profit or loss for services provided by reinsurers in the period, ie net expenses recognised in the period from releasing the CSM/risk adjustment for the services received/risk expired, experience adjustments related to premiums paid and the expected claims recoveries released from the remaining coverage component. The other amounts represent the net amounts (income) recoverable from reinsurers.
[3] Relates to past service. Line items without a superscript relate to current service.
[4] Relates to future service. Line items without a superscript relate to current service.

Sanlam Interim Results 2024
Condensed consolidated interim financial statements

Notes to the condensed consolidated interim financial statements continued

3 Reinsurance contract carrying amount continued

3.3 Reconciliation of net carrying amount: General insurance

3.3.1 Premium allocation approach

Reconciliation per valuation component

	Reviewed – 30 June 2024					Audited – 31 December 2023				
			Incurred claims component					Incurred claims component		
R million	Total	Remaining coverage component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total	Remaining coverage component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk
Recognised in statement of comprehensive income	2 500	4 122	(1 622)	(1 748)	126	7 357	13 512	(6 155)	(6 508)	353
Income or (expense) from reinsurance contracts[1]	2 521	3 996	(1 475)	(1 636)	161	7 693	13 098	(5 405)	(5 812)	407
Reinsurance expenses for the portion of ceded premiums recovered during the period/year	3 996	3 996	—	—	—	13 098	13 098	—	—	—
Claims incurred during the period/year (excluding investment components) recoverable from reinsurance contracts	(2 250)	—	(2 250)	(2 262)	12	(2 923)	—	(2 923)	(3 020)	97
Changes in incurred claims related to past service	775	—	775	626	149	(2 758)	—	(2 758)	(3 068)	310
Other income or (expenses) from reinsurance contracts	—	—	—	—	—	276	—	276	276	—
Reinsurance finance income or (expense)	(21)	126	(147)	(112)	(35)	(336)	414	(750)	(696)	(54)
Cash flow	(728)	(3 970)	3 242	3 242	—	(5 463)	(15 351)	9 888	9 888	—
Premiums paid	(3 383)	(3 383)	—	—	—	(14 426)	(14 426)	—	—	—
Recoveries received under reinsurance contracts held	2 655	—	2 655	2 655	—	8 963	—	8 963	8 963	—
Incurred claims recoverable – investment components	—	(587)	587	587	—	—	(925)	925	925	—
Net movement for the period/year	1 772	152	1 620	1 494	126	1 894	(1 839)	3 733	3 380	353
Recognised in other comprehensive income – foreign currency translation differences	—	—	—	—	—	49	—	49	49	—
Reclassified as non-current liabilities held for sale	—	—	—	—	—	2 373	—	2 373	2 373	—
Balance at the beginning of the period/year	(7 951)	865	(8 816)	(8 101)	(715)	(12 267)	2 704	(14 971)	(13 903)	(1 068)
Balance at the end of the period/year	(6 179)	1 017	(7 196)	(6 607)	(589)	(7 951)	865	(8 816)	(8 101)	(715)

[1] Reinsurance expenses are recognised similarly to insurance revenue, reflecting the portion of the premiums paid allocated in profit or loss for services provided by reinsurers in the period/year, with the other amounts representing the net amounts (income) recoverable from reinsurers.

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Notes to the condensed consolidated interim financial statements continued

3 Reinsurance contract carrying amount continued

3.3 Reconciliation of net carrying amount: General insurance continued

3.3.2 General model

Reconciliation per valuation component

				Contractual service margin			Remaining coverage component	
R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Subtotal	Other[1]	Total	Excluding loss recovery component	Incurred claims component
Reviewed – 30 June 2024								
Recognised in statement of comprehensive income	(14)	(16)	—	2	2	(14)	71	(85)
Income or (expense) from reinsurance contracts	(35)	(35)	—	—	—	(35)	50	(85)
Experience adjustments	(35)	(35)	—	—	—	(35)	50	(85)
Reinsurance finance income or (expenses) – impact of unwinding discount rates and financial assumption changes	21	19	—	2	2	21	21	—
Cash flow	(1)	(1)	—	—	—	(1)	(86)	85
Premiums paid	(1)	(1)	—	—	—	(1)	(1)	—
Investment components	—	—	—	—	—	—	(85)	85
Net movement for the period	(15)	(17)	—	2	2	(15)	(15)	—
Balance at the beginning of the period	1 480	1 522	(1)	(41)	(41)	1 480	1 469	11
Balance at the end of the period	1 465	1 505	(1)	(39)	(39)	1 465	1 454	11
Audited – 31 December 2023								
Recognised in statement of comprehensive income	49	69	—	(20)	(20)	49	49	—
Reinsurance finance income or (expenses) – impact of unwinding discount rates and financial assumption changes	49	69	—	(20)	(20)	49	49	—
Changes in estimates recognised in contractual service margin[2]	—	—	(1)	1	1	—	—	—
Cash flow	(88)	(88)	—	—	—	(88)	(99)	11
Premiums paid	(88)	(88)	—	—	—	(88)	(88)	—
Incurred claims recoverable – investment components	—	—	—	—	—	—	(11)	11
Net movement for the year	(39)	(19)	(1)	(19)	(19)	(39)	(50)	11
Balance at the beginning of the year	1 519	1 541	—	(22)	(22)	1 519	1 519	—
Balance at the end of the year	1 480	1 522	(1)	(41)	(41)	1 480	1 469	11

[1] Other covers amounts for reinsurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
[2] Relates to future service. Line items without a superscript relate to current service.

Notes to the condensed consolidated interim financial statements continued

3 Reinsurance contract carrying amount continued

3.4 Expected recognition of contractual service margin

Analysis per line of business

Life insurance – Risk business

	Years						
R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10	>10
Reviewed – 30 June 2024							
Balance at the beginning of the period	(8 311)	(6 938)	(5 870)	(4 994)	(4 258)	(3 632)	(1 614)
Accretion of interest	(489)	(411)	(345)	(292)	(249)	(767)	88
Recognised in statement of comprehensive income	1 862	1 479	1 221	1 028	875	2 785	1 526
Balance at the end of the period	(6 938)	(5 870)	(4 994)	(4 258)	(3 632)	(1 614)	–
Audited and re-presented – 31 December 2023[1]							
Balance at the beginning of the year	(7 189)	(5 872)	(4 859)	(4 045)	(3 365)	(2 794)	(1 026)
Accretion of interest	(436)	(360)	(302)	(249)	(211)	(626)	14
Recognised in statement of comprehensive income	1 753	1 373	1 116	929	782	2 394	1 012
Balance at the end of the year	(5 872)	(4 859)	(4 045)	(3 365)	(2 794)	(1 026)	–

General insurance

	Years						
R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10	>10
Reviewed – 30 June 2024							
Balance at the beginning of the period	(39)	(38)	(34)	(30)	(24)	(17)	–
Accretion of interest	(3)	(3)	(4)	(3)	(3)	(4)	–
Recognised in statement of comprehensive income	4	7	8	9	10	21	–
Balance at the end of the period	(38)	(34)	(30)	(24)	(17)	–	–
Audited and re-presented – 31 December 2023[1]							
Balance at the beginning of the year	(41)	(37)	(33)	(29)	(23)	(16)	–
Accretion of interest	(3)	(3)	(4)	(3)	(3)	(4)	–
Recognised in statement of comprehensive income	7	7	8	9	10	20	–
Balance at the end of the year	(37)	(33)	(29)	(23)	(16)	–	–

Total

	Years						
R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10	>10
Reviewed – 30 June 2024							
Balance at the beginning of the period	(8 350)	(6 976)	(5 904)	(5 024)	(4 282)	(3 649)	(1 614)
Accretion of interest	(492)	(414)	(349)	(295)	(252)	(771)	88
Recognised in statement of comprehensive income	1 866	1 486	1 229	1 037	885	2 806	1 526
Balance at the end of the period	(6 976)	(5 904)	(5 024)	(4 282)	(3 649)	(1 614)	–
Audited and re-presented – 31 December 2023[1]							
Balance at the beginning of the year	(7 230)	(5 909)	(4 892)	(4 074)	(3 388)	(2 810)	(1 026)
Accretion of interest	(439)	(363)	(306)	(252)	(214)	(630)	14
Recognised in statement of comprehensive income	1 760	1 380	1 124	938	792	2 414	1 012
Balance at the end of the year	(5 909)	(4 892)	(4 074)	(3 388)	(2 810)	(1 026)	–

[1] Prior year re-presented due the grouping of maturities 5 – 6 years, 6 – 7 years, 7 – 8 years, 8 – 9 years and 9 – 10 years in a new maturity named 5 – 10 years. Maturities were grouped as it was not providing useful information to the reader.

4 Investment contracts

4.1 Analysis of movement in investment contract liabilities

R million	Reviewed 30 June 2024	Audited 31 December 2023
Income	59 615	136 762
Premium income	31 870	69 316
Change in fair value of investment contract liabilities (including tax)	27 745	67 446
Outflow	(37 083)	(76 427)
Policy benefits	(26 988)	(51 834)
Retirement fund terminations	(6 840)	(17 540)
Fees, risk premiums and other payments to shareholders' fund	(3 255)	(7 053)
Movement in policy loans	(1)	13
Other movements	–	(1)
Net movement for the period/year	22 531	60 347
Non-current liabilities held for sale	(263)	(13 506)
Balance at the beginning of the period/year	488 501	441 660
Balance at the end of the period/year	510 769	488 501

Notes to the condensed consolidated interim financial statements continued

5 Earnings per share

For basic earnings per share the weighted average number of ordinary shares is adjusted for the treasury shares held by subsidiaries (including Sanlam Share Account Nominee Pty Ltd (SSA)). 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 and treasury shares held by subsidiaries (including SSA). Diluted earnings per share is calculated by dividing earnings by the adjusted diluted weighted average number of shares in issue.

Cents	Reviewed 30 June 2024	Reviewed and re-presented[1] 30 June 2023
Basic earnings per share:		
Headline earnings	473,0	339,0
Profit attributable to shareholders' fund	478,0	388,6
Diluted earnings per share:		
Headline earnings	467,0	333,9
Profit attributable to shareholders' fund	471,0	382,7
Basic earnings per share from continuing operations:		
Headline earnings	458,9	241,3
Profit attributable to shareholders' fund	463,5	225,6
Diluted earnings per share from continuing operations:		
Headline earnings	452,6	237,6
Profit attributable to shareholders' fund	457,1	222,2
Basic earnings per share from discontinued operations:		
Headline earnings	14,2	97,5
Profit attributable to shareholders' fund	14,2	163,0
Diluted earnings per share from discontinued operations:		
Headline earnings	14,0	96,1
Profit attributable to shareholders' fund	14,0	160,5

	Reviewed 30 June 2024			Reviewed and re-presented[1] 30 June 2023		
R million	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Analysis of earnings:						
Profit attributable to shareholders' fund	9 636	296	9 932	4 596	3 320	7 916
Less: Net (profit)/loss on disposal of subsidiaries and associated companies	(791)	–	(791)	58	(1 333)	(1 275)
(Profit)/loss on disposal of subsidiaries and associated companies	(1 192)	–	(1 192)	105	(1 553)	(1 448)
Tax on profit on disposal of subsidiaries and associated companies	401	–	401	16	43	59
Non-controlling interest	–	–	–	(63)	177	114
Less: Equity-accounted non-headline earnings	183	–	183	–	–	–
Gross equity-accounted non-headline earnings	178	–	178	–	–	–
Tax on equity-accounted non-headline earnings	(8)	–	(8)	–	–	–
Non-controlling interest	13	–	13	–	–	–
Plus: Net impairments	513	–	513	261	–	261
Gross impairments	526	–	526	261	–	261
Non-controlling interest	(13)	–	(13)	–	–	–
Headline earnings	9 541	296	9 837	4 915	1 987	6 902

Million	Reviewed 30 June 2024	Reviewed and re-presented[2] 30 June 2023
Number of shares:		
Number of ordinary shares in issue at beginning of the year	2 202,9	2 226,9
Plus: Shares issued[2]	–	1,2
Less: Shares cancelled[2]	(14,3)	(4,0)
Less: Weighted Sanlam shares held by subsidiaries	(109,7)	(186,9)
Adjusted weighted average number of shares for basic earnings per share	2 078,9	2 037,2
Plus: Total number of shares in respect of Sanlam Limited long-term incentive schemes	29,2	31,2
Adjusted weighted average number of shares for diluted earnings per share	2 108,1	2 068,4

[1] Prior period re-presented due to the inclusion of Namibia into the discontinued operations. Refer to note 14 for additional information.
[2] Prior period re-presented to disclose the shares issued and shares cancelled separately.

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6 Reconciliation of segmental information

The group segments are grouped according to the similarity of the solution offerings and market segmentations of the various businesses in line with how the business is reported to management and the board internally.

The operating segments reported for IFRS 8 – Operating Segments purposes include the following:

- Sanlam Life and Savings
  - Sanlam Risk and Savings (previously reported under the segment SA Retail Affluent) (providing life insurance and investment solutions to the middle and upper level of the market);
  - Glacier (previously reported under the segment SA Retail Affluent) (providing investment solutions and life insurance to the middle and upper level of the market);
  - SA Retail Mass (providing life insurance and investment solutions to the entry level market); and
  - Sanlam Corporate (providing employee benefits services, group risk and investment services to retirement funds and corporates);
- Sanlam Emerging Markets (incorporating all Sanlam's Pan-Africa and Asia businesses);
- Sanlam Investment Group (incorporating investment and wealth management businesses); and
- Santam (being Sanlam's general insurance provider subsidiary in South Africa).

Segment results per the shareholders' fund income statement after tax and non-controlling interest ("segment results") is used to measure performance as management believes this information is the most relevant in evaluating the results from the respective segments as it represents Sanlam's operational and investment activities in the manner that the Sanlam board assesses the group's performance. Refer to page 40 in the shareholders' fund information.

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

For total assets and liabilities, the shareholder's fund information also incorporates the IFRS numbers as a base and further makes certain adjustments, as described below to arrive at the shareholder's fund net asset value. The policyholders and outside shareholders' interest are treated as non-controlling interest for group companies consolidated.

IFRS adjustments represent the difference between shareholders' fund reporting and IFRS. This includes but is not limited to:

- Deferred tax recognised in respect of assessed losses in policyholder funds under IFRS which creates an artificial mismatch which impacts the group's shareholders' fund and earnings.
- Asset mismatch reserve – is created in the group statement of financial position for investment variances emanating from insurance and investment contracts measured under IFRS 17 and IFRS 9 respectively. These reserves are not allowed under IFRS.
- Discontinued operations – for shareholders' fund reporting, discontinued operations in terms of IFRS 5 Non-Current Assets Held for Sale are not re-presented as is the case for IFRS. These are accounted for as if the operations are not yet discontinued and derecognised when the disposal becomes effective.
- Policyholder activities – to get to the full IFRS amounts, policyholder activities are added as these are excluded for shareholders' fund reporting.

Group office is responsible for areas of financial risk management and is not an operating segment.

	Sanlam Life and Savings[1]		Sanlam Emerging Markets		Sanlam Investment Group		Santam		Group office and other		Consolidation entries and IFRS adjustments		Policyholder activities		Total	
R million	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023	Reviewed 30 June 2024	Audited 31 December 2023
Investment in associates and joint ventures	2 781	1 424	40 293	41 581	619	653	1 607	1 524	—	—	(1 960)	(1 226)	511	517	43 851	44 473
Total assets	58 684	60 346	47 455	48 522	39 968	35 909	56 780	58 672	6 195	5 849	(7 364)	(6 543)	822 485	787 697	1 024 203	990 452
Total liabilities	20 775	24 255	4 605	4 163	32 062	28 033	45 462	48 217	3 353	3 374	2 177	(3 605)	818 133	789 110	926 567	893 547

	Sanlam Life and Savings[1]		Sanlam Emerging Markets		Sanlam Investment Group		Santam		Group office and other		Policyholder activities, consolidation entries and IFRS adjustments[2]		Total	
R million	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed 30 June 2023	Reviewed 30 June 2024	Reviewed and re-presented[3] 30 June 2023	Reviewed 30 June 2024	Reviewed and re-presented[3] 30 June 2023
Insurance revenue[4]	21 055	18 714	1 931	18 955	10	53	24 634	22 492	—	—	111	(18 314)	47 741	41 900
Revenue[5]	7 959	4 023	74	515	3 115	2 965	—	—	215	199	(330)	(556)	11 033	7 146
Profit/(loss) for the period from continuing operations[2]	4 816	3 018	3 515	3 563	782	820	993	996	(174)	(481)	954	(2 857)	10 886	5 059
Profit for the period from discontinued operations	—	—	—	—	—	—	—	—	—	—	435	4 639	435	4 639

[1] Includes the operations of Sanlam Risk and Savings, Glacier, SA Retail Mass, Sanlam Corporate and discretionary capital held by Sanlam Life Insurance Limited.

[2] Policyholder activities, consolidation entries and IFRS adjustments included in profit/(loss) for the period from continuing operations relate to Sanlam Life and Savings R40 million (2023: (R24) million), Sanlam Emerging Markets (R310) million (2023: (R3 355) million), Sanlam Investment Group R114 million (2023: R95 million), Santam R881 million (2023: R582 million) and Group Office R231 million (2023: (R155) million). Consolidation entries relate to inter-segmental transactions. For IFRS adjustments, refer to additional information above table. Non-controlling interest is included in this column as it is excluded from the shareholders fund income statement.

[3] Prior period re-presented due to the inclusion of Namibia into the discontinued operations. Refer to note 14 for additional information.

[4] The decrease in Sanlam Emerging Markets insurance revenue stem from the discontinued operations now being equity-accounted following the creation of the joint venture SanlamAllianz in September 2023.

[5] Inter-segmental revenue is included in the policyholder activities, consolidation entries and IFRS adjustments column. Group office and other had net positive inter-segmental revenue of R350 million (2023: net positive R330 million), Sanlam Investments Group had net positive inter-segmental revenue of R179 million (2023: net positive R156 million), Sanlam Life and Savings had net negative inter-segmental revenue R64 million (2023: net negative R53 million) and Sanlam Emerging Markets had inter-segmental revenue of net negative R13 million (2023: net negative R12 million). Inter-segmental revenue stem mainly from IT-services, investment management services and marketing and brand services provided between segments.

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7 Revenue

Revenue included in result from other operations is considered to be revenue for IFRS purposes and includes both IFRS 15 revenue and revenue scoped out of IFRS 15. The different sources of revenue are listed below.

Major revenue sources not within the scope of IFRS 15:

- Income from investments held for capital market activities, such as realised and unrealised gains or losses on trading accounts, unsecured corporate bonds and money market assets and liabilities.

Major IFRS 15 revenue sources:

- Income from investment management activities, such as fund management fees, collective investment and linked-product administration fees, commissions, performance fees and other fees;
- Income from capital market activities, such as advisory fees and structuring fees on financing provided; and
- Income from other financial services, such as independent financial advice and trust services.

Revenue within the scope of IFRS 15 is either recognised at a point in time or over time. Revenue is recognised over time if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If none of the above criteria is met, revenue is recognised at a point in time.

IFRS 15 Revenue disaggregation

Revenue from contracts with customers are disaggregated by geographic location and type of revenue. We believe it best depicts how the nature, amount, timing and uncertainty of the group's revenue and cash flows are affected by economic factors.

Recognition of different sources of revenue

Fees for asset management or **administration services** in respect of investment contracts are recognised as services are rendered. Initial fees that relate to the future rendering of services are deferred and recognised as those future services are rendered. Related **performance fees** are also recognised over time, however represent variable consideration and therefore recognition is constrained until there is a 'high degree of confidence' that revenue will not be reversed in a subsequent reporting period; this is typically on crystallisation of the fee. Clients' assets are managed on an ongoing basis and if there is an outperformance of a specific benchmark over a certain period, a fee is recouped from the clients' account. The fees are payable on a monthly basis and are aligned with the satisfying performance obligations over time.

Investment contract policyholders are charged for policy administration and other services. This fee income is recognised as revenue over time as the related services are rendered.

Capitation fees, relating to health risk management contracts, are recognised as services rendered over the contract duration. The fees are payable on a monthly basis and is aligned with the satisfying performance obligations over time.

Commissions from investment management or administration services in respect of investment contracts are recognised either at a point in time or over time. The fees are payable within 30 days of the service being rendered.

Retail relates to revenue from the sale of goods in Afrocentric and is recognised at a point in time when control of goods have been transferred.

Consulting fees are earned for advice and other services provided to clients of the group's financial advisory businesses. For IFRS 15 purposes, these fees are accounted for either over time as the related services are rendered or at a point in time, depending on when the performance obligations are satisfied. The fees are received on the basis of retainer contracts and services are provided on an ongoing (or continuous) basis. The customer therefore simultaneously receives and consumes the benefits provided by the company's performance as the company performs. The fees are payable 30 days from date of invoice.

Estate fees are recognised at a point in time when the administration of estates are completed.

Trust administration fees are recognised as follows:

- at a point in time: acceptance fees are recognised when new capital is received, termination fees are recognised when trusts or funds are terminated and income fees are recognised on when the income of a trust is received; or
- over time: trust and fund management fees are recognised on a monthly basis as a percentage of assets under management. Tax preparation, reporting fees and reference fees from related parties are recognised over time.

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According to primary geography

R million	South Africa	Pan-Africa	Other International	Total
Reviewed – 30 June 2024				
IFRS 15 Revenue	9 362	248	940	10 550
Administration fees	5 440	224	42	5 706
Asset management and performance fees	1 884	—	828	2 712
Capitation fees	876	—	—	876
Commissions	262	—	61	323
Retail	308	—	—	308
Consulting fees	180	—	9	189
Other[1]	412	24	—	436
Revenue not within the scope of IFRS 15				483
Revenue[2]	9 362	248	940	11 033
Reviewed and re-presented – 30 June 2023[3]				
IFRS 15 Revenue	6 047	16	819	6 882
Administration fees	3 705	15	52	3 772
Asset management and performance fees	1 790	1	685	2 476
Commissions	295	—	72	367
Consulting fees	76	—	8	84
Trust and estate fees	102	—	—	102
Other[1]	79	—	2	81
Revenue not within the scope of IFRS 15				264
Revenue[2]	6 047	16	819	7 146

According to timing of revenue recognition

R million	At a point in time	Over time	Total
Reviewed – 30 June 2024			
IFRS 15 Revenue	998	9 552	10 550
Administration fees	242	5 464	5 706
Asset management and performance fees	153	2 559	2 712
Capitation fees	—	876	876
Commissions	271	52	323
Retail	308	—	308
Consulting fees	24	165	189
Other[1]	—	436	436
Revenue not within the scope of IFRS 15			483
Revenue			11 033
Reviewed and re-presented – 30 June 2023[3]			
IFRS 15 Revenue	757	6 125	6 882
Administration fees	292	3 480	3 772
Asset management and performance fees	74	2 402	2 476
Commissions	308	59	367
Consulting fees	17	67	84
Trust and estate fees	63	39	102
Other[1]	3	78	81
Revenue not within the scope of IFRS 15			264
Revenue			7 146

(1) Other IFRS 15 revenue relates to rebates, scrip lending fees received and licence fees.

(2) Sanlam Life and Savings primarily have revenue in South Africa, R7 131 million (2023: R3 845 million), as well as a small portion stemming from Other International and Pan-Africa, respectively Rnil million (2023: R1 million) and R248 million (2023: R64 million). Revenue in Sanlam Emerging Markets stem from Pan-Africa Rnil million (2023: Rnil million). Sanlam Investment Group revenue from South Africa R2 247 million (2023: R2 194 million) and Other International R938 million (2023: R823 million). Group Office and Santam revenue stem from South Africa.

(3) Prior period re-presented due to the inclusion of Namibia into the discontinued operations. Refer to note 14 for additional information.

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8 Financial assets and financial liabilities

Classification of financial instruments

R million	Fair value through profit or loss: Designated as measured at fair value through profit or loss	Fair value through profit or loss: Mandatorily measured at fair value through profit or loss	Total fair value	Amortised cost: Gross	Amortised cost: Expected credit loss allowance	Amortised cost: Net[(2)]	Non-financial instruments	Total
Reviewed – 30 June 2024								
Investments	302 559	507 583	810 142	5 582	—	5 582	—	815 724
Equities and similar securities[(1)]	—	171 997	171 997	—	—	—	—	171 997
Investment in joint ventures	511	—	511	—	—	—	—	511
Interest-bearing investments	263 765	—	263 765	5 565	—	5 565	—	269 330
Structured transactions	3 244	28 441	31 685	—	—	—	—	31 685
Investment funds	—	307 145	307 145	—	—	—	—	307 145
Deposits and similar securities	35 039	—	35 039	17	—	17	—	35 056
Trading account assets	—	14 113	14 113	—	—	—	—	14 113
Advances to customers	—	—	—	4 091	17	4 108	—	4 108
Working capital assets	3 476	—	3 476	46 651	(343)	46 308	1 369	51 153
Trade and other receivables	—	—	—	18 733	(330)	18 403	1 369	19 772
Short-term investments	3 476	—	3 476	—	—	—	—	3 476
Cash and cash equivalents	—	—	—	27 918	(13)	27 905	—	27 905
Total financial assets	306 035	521 696	827 731	56 324	(326)	55 998	1 369	885 098
Investment contract liabilities	510 769	—	510 769			—	—	510 769
Term finance	7 476	—	7 476			6 280	—	13 756
Structured transaction liabilities	—	11 178	11 178			—	—	11 178
External investors in consolidated funds	75 609	—	75 609			—	—	75 609
Trading account liabilities	20 965	1 592	22 557			832	—	23 389
Trade and other payables	100	—	100			26 553	2 109	28 762
Total financial liabilities	614 919	12 770	627 689			33 665	2 109	663 463
Audited – 31 December 2023								
Investments	284 207	485 531	769 738	5 702	—	5 702		775 440
Equities and similar securities[(1)]	—	159 385	159 385	—	—	—	—	159 385
Investment in joint ventures	517	—	517	—	—	—	—	517
Interest-bearing investments	243 691	—	243 691	5 681	—	5 681	—	249 372
Structured transactions	1 917	24 197	26 114	—	—	—	—	26 114
Investment funds	—	301 949	301 949	—	—	—	—	301 949
Deposits and similar securities	38 082	—	38 082	21	—	21	—	38 103
Trading account assets	—	13 554	13 554	—	—	—	—	13 554
Advances to customers	—	—	—	4 048	17	4 065	—	4 065
Working capital assets	9 089	12	9 101	45 403	(662)	44 741	1 090	54 932
Trade and other receivables	—	12	12	19 566	(654)	18 912	1 090	20 014
Short-term investments	9 089	—	9 089	—	—	—	—	9 089
Cash and cash equivalents	—	—	—	25 837	(8)	25 829	—	25 829
Total financial assets	293 296	499 097	792 393	55 153	(645)	54 508	1090	847 991
Investment contract liabilities	488 501	—	488 501			—	—	488 501
Term finance	7 444	—	7 444			7 492	—	14 936
Structured transaction liabilities	—	12 287	12 287			—	—	12 287
External investors in consolidated funds	76 468	—	76 468			—	—	76 468
Trading account liabilities	16 500	1 947	18 447			1 120	—	19 567
Trade and other payables	202	—	202			28 418	2 180	30 800
Total financial liabilities	589 115	14 234	603 349			37 030	2 180	642 559

(1) The carrying amount of own shares recognised as equities and similar securities is R2 535 million (2023: R10 312 million).
(2) The fair value approximates carrying amount for instruments measured at amortised cost.

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9 Notes to the statement of cash flow

9.1 Cash utilised in operations

R million	Reviewed 30 June 2024	Reviewed, re-presented and restated[(1)(2)(3)] 30 June 2023
Profit before tax per statement of comprehensive income[(1)]	15 558	13 993
Profit before tax from continuing operations	15 096	8 645
Profit before tax from discontinued operations	462	5 348
Non-cash flow items[(2)]	(28 710)	(49 886)
Insurance service result: Insurance revenue	(48 728)	(60 168)
Insurance service result: Insurance service expenses[(2)]	30 343	36 021
Insurance service result: Income or (expense) from reinsurance contracts	3 567	6 300
Insurance investment result: Insurance finance income or (expense)	11 280	7 670
Insurance investment result: Reinsurance finance income or (expense)	(56)	(377)
Depreciation	393	466
Bad debts written off	298	63
Share-based payments	249	283
Profit on disposal of subsidiaries and associates	(1 191)	(1 447)
Fair value adjustments and change in external investors' liability	(22 639)	(37 763)
Net impairment losses on financial assets and other impairments	485	257
Amortisation of intangibles	322	175
Equity-accounted earnings	(3 033)	(1 366)
Items excluded from cash utilised in operations	(21 938)	(16 851)
Interest and preference share dividends income	(16 606)	(10 799)
Dividends accrued	(6 151)	(6 746)
Interest accrued	819	694
Net movement in cash flows from operating assets and liabilities[(1)(2)(3)]	30 529	49 217
Net cash flows from investment contracts[(1)]	22 531	36 523
Income	59 615	70 619
Outflow	(37 083)	(34 096)
Other movements	(1)	—
Net cash flows from life insurance contracts[(1)]	8 797	7 811
Premium allocation approach	2 425	3 592
General model	10 264	7 993
Variable fee approach	(3 892)	(3 774)
Net cash flows from general insurance contracts[(1)]	4 093	7 042
Premium allocation approach	4 158	7 043
General model	(65)	(1)
Net cash flows from reinsurance contracts[(1)]	(1 185)	(1 972)
Premium allocation approach	(743)	(1 408)
General model	(442)	(564)
Net cash flows from financial assets and liabilities, including investment properties[(1)]	(11 926)	2 187
Net cash flows from trading account assets/liabilities[(1)(3)]	3 259	999
Increase in advances to customers	(43)	—
Other[(1)]	5 003	(3 373)
Cash utilised in operations	**(4 561)**	**(3 527)**

(1) Prior period re-presented due to the inclusion of Namibia into the discontinued operation. Refer to note 14 for additional information. Additionally note 9.1 was re-presented apart from profit before tax per statement of comprehensive income, non-cash flow items and items excluded from cash utilised in operations. This was done in order to group line items with the same nature together under net movement in cash flows from operating assets and liabilities. This was followed by expanding net movement from investment contracts and net cash flows from insurance and reinsurance to provide additional useful information to users of the financial statements. Net (acquisition)/disposal of investments have been renamed to net cash flows from financial assets and liabilities, including investment properties.

(2) To align the lay-out of the 30 June 2024 cash flow statement to the 31 December 2023 structure, the following items within the cash utilised in operation note were reclassified in the comparatives: insurance service results: insurance services expenses and movement in net working capital assets and liabilities. Previously reported insurance service result: insurance service expense of R48 249 million has been restated to R36 021 million. Similarly, previously reported net working capital assets and liabilities (currently forming part of net movement in operating assets and liabilities) has been adjusted with R12 228 million accordingly. This did not result in changes to cash utilised in operations.

(3) The prior period has been restated for the reclassification of trade receivables and payables. The trading account assets and trading account liabilities have been split out from trade and other receivables and trade and other payables respectively. Refer to note 39.3 for additional information in the annual financial statements of the Sanlam Limited Group for 31 December 2023. The following link can be used: www.sanlam.com/downloads/integrated-report-and-annual-financial-statements/2023/Sanlam-AFS-2023-spreads.pdf.

9.2 Acquisition of subsidiaries and associated companies

R million	Reviewed 30 June 2024	Reviewed 30 June 2023
During the year, various interests in subsidiaries and associates were acquired within the group[(1)].		
Investments in associated companies and joint ventures	(1 517)	—
The fair value of assets/liabilities acquired through business combinations is as follows:		
Goodwill	—	(1 539)
Equipment	—	(679)
Right-of-use assets	—	(115)
Intangible assets	—	(1 598)
Deferred tax assets	—	(86)
Investments	—	(160)
Trade and other receivables	(10)	(1 199)
Cash and cash equivalents	(5)	(362)
Term finance	—	665
Lease liabilities	—	155
Loan payable	4	7
Deferred tax liabilities	—	260
Trade and other payables	1	896
Provisions	—	97
Taxation	—	49
Non-controlling interest	—	782
Total purchase consideration	**(1 527)**	**(2 827)**
Plus: Previously held interest at fair value	—	1 088
Plus: Share capital and preference shares issued	—	435
Plus: Deferred consideration	4	28
Cash element consideration	(1 523)	(1 276)
Plus: Cash and cash equivalents acquired	5	362
Cash component of acquisition of subsidiaries and associated companies	**(1 518)**	**(914)**

(1) The acquisitions during the current year relate to the 100% acquisition of Infinite Ltd (trading as EB Bluestar) and the recapitalisation of SanlamAllianz. The acquisitions during the previous year mainly relate to Afrocentric Investment Corporation Ltd as well as Alexander Forbes Client administration.

9.3 Disposal of subsidiaries and associated companies

R million	Reviewed 30 June 2024	Reviewed 30 June 2023
During the period, various interests in subsidiaries and associates were disposed of within the group[(1)].		
Investment in associated company and joint ventures	1 938	1 233
The carrying value of assets/liabilities disposed of were as follows:		
Contract cost of investment management services	—	22
Investments	—	(1 093)
Non-current assets held for sale	—	473
Trade and other receivables	—	1
Cash and cash equivalents	7	1
Non-current liabilities held for sale	—	(338)
Trade and other payables	(6)	(1)
Foreign currency translation reserve release	112	(1 309)
Profit on disposal of subsidiaries and associates	1 191	1 447
Total disposal price	**3 242**	**436**
Less: Cash and cash equivalents disposed of	(7)	(1)
Less: Consideration receivable	—	(14)
Cash component of disposal of subsidiaries and associated companies	**3 235**	**421**

(1) The disposals during the current period mainly relate to the partial sale of the direct shareholding in the associate Shriram Finance Limited (1,6% of 2,01%) and the disposal of SIIP USA. The partial sale of direct shareholding did not affect the classification of Shriram Finance Limited as it will remain an associate. The disposals during the previous year mainly relate to investments in associated companies and joint ventures, Funeral Services group (FSG) in Botswana and ACT Healthcare Assets.

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9 Notes to the statement of cash flow continued

9.4 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less and are subject to an insignificant risk of change in value.

R million	Reviewed 30 June 2024	Reviewed 30 June 2023
Bank and other cash balances	18 250	15 923
Deposits and similar securities – maturity <90 days	9 655	18 579
Total cash and cash equivalents – statement of financial position	27 905	34 502
Bank overdrafts (included in trade and other payables)	(4)	(47)
Plus: Cash and cash equivalents included in non-current assets held for sale	1 899	12 061
Total cash and cash equivalents – statement of cash flows	29 800	46 516

Included in cash and cash equivalents are restricted cash balances of R6 038 million (2023: R9 251 million) relating mainly to Credit Support Agreements (CSA) with derivative counterparties as well as initial margins with the JSE in respect of exchange traded derivatives. Restricted cash mainly consists of collateral pledged R8 212 million (2023: R9 902 million), collateral received R9 730 million (2023: R5 076 million) and SAFEX or YieldX initial margin accounts R3 097 million (2023: R2 593 million).

9.5 Non-cash transactions

Interest and dividend income in respect of investment funds to the amount of R2 511 million (2023: R2 152 million) and R932 million (2023: R1 166 million) were reinvested. Both of these transactions represent non-cash transactions and also affected the "Net acquisition of investments" in note 9.1.

10 Critical accounting estimates and judgements

Estimates and assumptions are an integral part of financial reporting and as such have an impact on the amounts reported to the group's assets and liabilities. Management applies judgement in determining probability-weighted estimates of future experience. These judgements are based on historical experience and reasonable expectations of future events and changes in experience. Estimates and assumptions are regularly updated to reflect actual experience. It is reasonably possible that actual outcomes in future financial years may differ to the current assumptions and judgements, possibly significantly, which could require a material adjustment to the carrying amounts of the affected assets and liabilities.

The critical estimates and judgements made in applying the group's accounting policies are summarised below. Given the correlation between assumptions, it is not possible to demonstrate the effect of changes in key assumptions while other assumptions remain unchanged.

10.1 Impairment of goodwill and key business relationships

The recoverable amount of goodwill, key business relationships and other intangible assets for impairment testing purposes have been determined based on the higher of fair value less cost to dispose and value in use methods for both life and non-life businesses.

10.1.1 Afrocentric (Afrocentric Investment Corp Ltd)

The carrying value of Afrocentric comprise of net asset value (NAV), goodwill, key business relationships and deferred tax relating to the key business relationships. The recoverable amount is based on the fair value less cost to sell. The impairment test compares the fair value less cost to sell with the carrying value.

For the June 2024 recoverable amount calculation, the 59,78% shareholding was valued on the discounted cash flow (DCF) basis based on an updated five-year projection. The value was substantially lower than the previous valuations due to a decline in the profitability of the group that includes a decline in the profitability of Activo group and increased competition in the pharmacy delivery market.

Additionally further discretion was applied to allow for underlying uncertainties, including the longer-term impacts of National Health Insurance (NHI) and possible changes in key partnerships and clients. The recoverable amount of Afrocentric has decreased from R2,5 billion in December 2023 to R1,6 billion in June 2024. This decrease in recoverable amount led to a goodwill impairment of R499 million.

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R million	
Value in use	1 564
Carrying value	2 063
NAV (excluding pre-existing goodwill)	634
Goodwill allocated	1 144
Key business relationships – cost	733
Deferred tax on key business relationships	(198)
Key business relationships – amortisation	(79)
Deferred tax – amortisation	21
Non controlling interest (NCI) key business relationships/deferred tax	(192)
Net impairment as at 30 June 2024	(499)

The gross impairment of goodwill amounts to R499 million. The impairment comprises of a write-down of goodwill in respect of the premium paid at acquisition for synergies of R1 144 million.

Key assumptions

Key assumptions in determining the value in use for cash generating unit:

		30 June 2024	31 December 2023	30 June 2023
Weighted average local discount rate	%	19,8	19,6	19,9
Weighted average perpetuity growth rate	%	5,0	5,0	5,0
Revenue: compounded annual growth rate (range of values over the 10 years)	%	6,5	7,1	7,0
Risk discount rate +100 basis points	R million	1 446	2 291	2 486
Risk discount rate -100 basis points	R million	1 702	2 684	2 646
Perpetuity growth rate +100 basis points	R million	1 607	2 544	2 587
Perpetuity growth rate -100 basis points	R million	1 527	2 412	2 537

Future cash flows are projected over 10 years. The year 10 cash flow is expected to be at a stable level and sustainable into perpetuity, which is aligned with industry norms. This is projected into perpetuity and discounted accordingly.

Management has determined the values assigned to each of the key assumptions above as follows:

Assumption	Approach used to determine the values
Discount rates	This is a function of the local risk free rates plus a specific risk premium.
Perpetuity growth rate	This is a function of expected long-term inflation and Gross Domestic Product (GDP) growth rates.
Revenue annual growth rates	This is a function of expected long-term inflation and GDP growth rates, including industry growth rates and management's expectations for the future.

10.2 Insurance and reinsurance contracts

This disclosure should be read in conjunction with the valuation methodology as described in the basis of preparation disclosed in the 2023 annual financial statements.

10.2.1 Classification

Assessing significance of insurance risk and discretionary amounts for investment contracts with discretionary participation features (DPF)

The group applies judgement to assess whether contracts are in scope of IFRS 17 in some product lines, such as whether additional payments on death related to minimum investment guarantees or vesting bonuses are significant on a present value basis. Where these additional payments have been assessed not to be significant on a present value basis and there are no DPF these investment contracts are in scope of IFRS 9.

The group issues investment contracts with DPF where judgement is applied in assessing whether the discretionary amounts are a significant proportion of the total contractual benefits.

Notes to the condensed consolidated interim financial statements continued

10 Critical accounting estimates and judgements continued

10.2 Insurance and reinsurance contracts continued

10.2.1 Classification continued

VFA (variable fee approach) eligibility

The group applies the VFA to life insurance savings business for insurance contracts with DPF that are substantially investment-related. The group applies judgement to assess on the initial recognition of the contracts, whether:

(a) a substantial share of the fair value returns on the underlying items is expected to be paid to the policyholders; and

(b) a substantial proportion of any change in the amounts to be paid to the policyholders is expected to vary with the change in fair value of the underlying items.

The assumed threshold for "substantial share" and "substantial proportion" is in excess of 50%. The group has applied judgement to conclude that assessments can be performed for groups of homogeneous contracts with similar contract features/terms based on readily available qualitative or quantitative information for investment contracts with DPF (with no significant insurance risk), and other market-linked savings contracts where minimum investment guarantees and/or rider benefits create significant insurance risk. The group has performed quantitative assessments on an individual contract level for the material lines of universal life insurance business where the relative significance of the insurance and investment components can vary based on the benefit selections made by each policyholder.

The assessment of criteria (a) considers the "pass-through" nature of the returns on the underlying item, and therefore excludes any benefits not payable from the underlying, such as fixed insurance benefits in excess of the investment components payable on death. Any deduction of a charge from the underlying item for insurance benefits (including for any waiver of premium) is included in the share of the returns to be paid to the policyholder as it forms part of the policyholder's share.

The assessment of criteria (b) considers how much of the total benefits payable to the policyholder will vary with changes in underlying items, including benefits that do not vary with the returns on underlying items in all scenarios (such as fixed insurance benefits). The assessment therefore considers whether on average the changes in the total amounts payable to policyholders are substantially related to the changes in the fair value of the underlying items based on testing the impact on this relationship for different scenarios where market/non-market variables are adjusted.

Premium allocation approach (PAA) eligibility

The group applies the PAA to measure a group of insurance contracts issued or reinsurance contracts held if, at inception of the group: the coverage period of each contract in the group of insurance contracts is one year or less; or the group reasonably expects that the PAA would produce a measurement of the liability or asset for remaining coverage for a group of insurance contracts that would not differ materially from the measurement that would be achieved by applying the requirements of the General Measurement Model (GMM).

Where the coverage period is greater than one year, the group will use judgement to assess the appropriateness of the PAA measurement model as follows:

- Project the fulfilment cash flows of the group of insurance contracts and take into account the time value of money where the time between providing each part of the services and the related premium is more than a year.
- Determine the projected liability or asset for remaining coverage under the PAA at each projected time period (initial recognition and subsequent measurement at our external reporting frequency, ie half-yearly or annually).
- Determine the liability or asset for remaining coverage under the GMM (including the CSM) at initial recognition as well as subsequent measurement. The group will use judgement as described in section 10.2.2 to determine the fulfilment cash flows and CSM at each projection point.
- At each projection point, the difference between the liability or asset for remaining coverage under the PAA and GMM is determined (the difference).
- The difference is compared to the pre-determined materiality threshold (relative measure) at each point in time.
- Where the difference does not exceed the determined threshold (at any time) then the group passes the PAA eligibility test (for the base scenario).
- The group will perform scenario testing using the above process to ensure differences remain immaterial.

Scenario testing will be performed at least annually, by updating the projected fulfilment cash flows under reasonably expected scenarios, which would affect cash flow variability. The group applies judgement in calibrating these scenarios for changes in market and non-market variables based on management's view of the key changes affecting cash flow and liability variability for each portfolio of insurance contracts.

Judgement will be applied to define relative materiality thresholds for each group of insurance contracts based on ensuring that the absolute impacts of all groups of insurance contracts with coverage periods longer than a year applying the PAA, falls within an absolute measure of materiality for each future year.

10.2.1.1 Aggregation

The identification of portfolios of insurance contracts is driven by how the business is managed, with broad product lines being managed together and subject to similar risks. This could result in contracts allocated to a portfolio being measured under the VFA, and other contracts allocated to the same portfolio being measured under GMM. This is relevant to universal life insurance business in the Sanlam Life and Savings (SLS) cluster where these contracts are managed together and subject to similar risk, although the weighting between insurance/investment-related risks could differ between contracts. Contracts within a portfolio are subject to "similar risks" if the risks are non-offsetting and respond similarly to changes in key assumptions. This should result in, for example:

- term life insurance contracts (exposing the group to mortality risk) and annuity contracts (exposing the group to longevity risk) not being allocated to the same portfolio; and
- whole of life and term life insurance contracts (both types of contracts exposing the group to mortality risk) being allocated to the same portfolio if managed together.

Furthermore, businesses are not required to allocate different benefit types within the same product line to different portfolios if the insurance contracts are managed together, for example, if as part of pricing the profit margins are set, or assets are allocated, at the broad product level. This avoids arbitrary allocation of insurance contracts to different portfolios where they are managed together and priced within the same broad product line.

The portfolios are further divided into groups of insurance contracts issued based on the expected profitability at inception date, based on whether:

1. contracts are onerous at initial recognition;
2. contracts at initial recognition have no significant possibility of becoming onerous subsequently; or
3. contracts at initial recognition have a significant possibility of becoming onerous subsequently (ie the remaining contracts).

The group applies judgement to assess whether reasonable and supportable information is available to allocate a set of contracts to the same group of onerous contracts, for example, based on policyholder pricing groups and other internal management information. Where reasonable and supportable information is not available to identify a set of onerous contracts, this assessment is performed at an individual contract level. The individual contract assessments can be performed on an adjusted expense allocation basis for aggregation purposes where it can be justified as a systematic and rationale basis for allocating the expenses included in the fulfilment cash flows to a group of insurance contracts.

Judgement has been applied to conclude that the proportion of insurance contracts issued that have no significant possibility of becoming onerous is immaterial to the group, and this profitability group is therefore not relevant. The group does not issue insurance contracts with sufficiently high profit margins to absorb the impact of any single scenario with no significant possibility of the insurance contracts becoming onerous.

Insurance contracts have typically been allocated to annual cohorts which align with annual financial periods (ie the group will add more contracts to an annual cohort after the end of an interim reporting period, where relevant), except for non-participating life annuities where insurance contracts have typically been allocated to monthly cohorts due to the sensitivity of pricing to changes in financial risk.

For insurance contracts issued measured under the PAA, no contracts have been allocated to onerous groups of contracts at initial recognition. The group may have to apply judgement to assess whether facts and circumstances have indicated that a group of contracts has become onerous subsequent to initial recognition. This assessment will follow normal business practice of typically using three to five years of experience to form expectations of profitability. Expectations will be updated half-yearly to understand if a group of insurance contracts, which was previously assumed not to be onerous, subsequently becomes onerous due to changes in experience relative to the pricing basis. The group has not identified any groups of insurance contracts issued measured under the PAA that have become onerous subsequent to initial recognition.

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10 Critical accounting estimates and judgements continued

10.2 Insurance and reinsurance contracts continued

10.2.2 Measurement

10.2.2.1 Recognition and derecognition

The initial recognition date and derecognition of insurance contracts are not areas of significant judgement for the group.

10.2.2.2 Fulfilment cash flows

Fulfilment cash flows include the following components:
- probability-weighted estimates of future cash flows;
- adjustments to reflect the time value of money and financial risk relating to future cash flows, to the extent that the financial risk is not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

The probability-weighted estimates of future cash flows are determined through the following deterministic modelling approach, with contract level calculations typically being performed and aggregated for each group of insurance contracts:
- identifying all sets of cash flows (eg related to premiums, claims and expenses) directly related to the fulfilment of a particular group of insurance contracts;
- defining all reasonable outcomes (eg insured and other events such as policyholder death/survival and contract lapse/surrender) that affect the amount and timing of future cash flows;
- estimating the probability that the cash flows will occur based on the different possible outcomes; and
- calculating the probability-weighted mean (expected value) of future cash flows which reflects the full range of possible outcomes.

The estimates of future cash flows are discounted at the prevailing discount rates (refer to the 'Discount rates' on page 144 for further details).

Stochastic modelling techniques are used to determine the present value of future cash flows that are highly interrelated and vary based on changes in market variables. This is relevant in estimating the cost of minimum investment return guarantees which is mainly relevant to some insurance contracts with direct participating features in SLS. Stochastic modelling involves projecting future cash flow profiles using a large number of possible scenarios for market variables such as equity returns and interest rates.

Estimates of future cash flows
The group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Estimates of future cash flows incorporate in an unbiased way all reasonable and supportable information that is available without incurring undue cost or effort. This information includes internal and external historical information about claims and other experience, adjusted to allow for expected future changes in experience. Estimates of future cash flows therefore reflect the group's current view of prevailing conditions. Market variables are consistent with current observable market prices. Changes in legislation that affect estimates of future cash flows are only allowed for once substantively enacted.

Contract boundaries
The determination of the contract boundary of an insurance contract is not an area of significant judgement for the group.

For reinsurance contracts held, the group's agreements with reinsurers include terms for the cancellation of new underlying business with notice periods typically ranging between three and six months. The group has applied judgement to assess that estimates of future cash flows arising from new underlying contracts expected to be issued after the reporting date but within the notice period for the cancellation of this business, are either immaterial for the group or relate to future reinsurance contracts, and are therefore not included in the measurement of the reinsurance contracts held.

Expenses
The following expense cash flows are included within the boundary of a contract:
- Acquisition cash flows that relate to the selling, underwriting and starting of a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. This includes underwriting expenses, upfront commissions payable to intermediaries, and commissions payable in respect of policy changes; and
- Administration and other expense cash flows incurred in fulfilling the obligations under the insurance contracts, such as investment management expenses where relevant (see below for further details), claims handling costs, costs related to premium billing and maintenance commissions that are expected to be paid to intermediaries.

Both direct costs and an allocation of fixed and variable overheads are included. Attributable costs are determined using functional cost analysis techniques. The group applies judgement by taking a broad view of attributable expenses where it is reasonable and supportable. The other expenses relating to insurance operations, ie expenses not directly attributable to the fulfilment of insurance contracts such as some product development and training costs, are recognised in profit or loss as incurred and are not included in the measurement of insurance and reinsurance liabilities.

Unit expense assumptions are based on April 2024 actual figures plus estimates for the last two months of the reporting period (adjusted for significant differences from actual). For Sanlam Emerging Markets in particular, businesses still building scale and expected to grow significantly will set unit costs based on approved budgets and business plans over the relevant time horizon (typically three to five years). Unit expense assumptions are escalated at estimated expense inflation rates per annum, with a higher rate assumed for legacy business. The allocation between acquisition and administration and other expense cash flows is based on functional cost analyses and reflects actual expenses incurred during 2023. The future expense assumptions do not include any cash flows that are not directly attributable to the fulfilment of the insurance contracts.

An increase in unit expenses increases the estimates of future cash flows, therefore resulting in a decrease in the CSM (all else being equal).

Decrements
Assumptions with regard to future mortality, disability and disability payment termination are consistent with the group's recent experience for the 4,5 years up to 30 June 2023. The mortality rates between policyholder groups allow for various rating factors, such as gender and smoker status. Given the significant size of the group's insurance books and the length of its data history, the performance of the group's insurance contracts during normal conditions is predictable based on past experience. Mortality and disability rates are adjusted to allow for: the expected deterioration in mortality rates as a result of HIV/Aids; the expected improvements in mortality rates in the case of annuity business; and the expected impact of future extreme (eg pandemic) events where relevant.

Mortality and disability cover are material in South Africa, Namibia, and Botswana with actuarial guidance tables typically developed in these countries to best fit the group's recent experience. In countries where sufficient data is not available based on past experience to develop actuarial guidance tables, the group chooses an appropriate standard table (eg based on the industry tables in South Africa), adjusted to fit the group's recent experience.

An increase in mortality and disability rates increases the estimates of future cash flows, therefore resulting in a decrease in the CSM (all else being equal).

Surrender, lapse and paid-up rates are key assumptions in the measurement of life insurance contracts (risk and savings business). Assumptions with regard to future surrender, lapse and paid-up rates are based on the group's recent experience for the 4,5 years ending 30 September 2023.

An increase in surrender or lapse rates may increase or reduce the estimates of future cash flows, therefore resulting in a decrease or increase in the CSM depending on the specific product features (all else being equal).

Inflation assumptions
The group applies judgement to determine whether changes in inflation assumptions are related to financial risk or non-financial risk. Inflation assumptions that are based on market observable rates are related to financial risk, with changes in fulfilment cash flows as a result of updates to these assumptions being presented in insurance finance income or expenses. Inflation assumptions that are based on the group's expectation of inflation (for example, based on analysts or insurance bodies' views of country inflation) are treated as assumptions that are related to non-financial risk, with changes in fulfilment cash flows as a result of updates to these assumptions adjusting the CSM. In general, changes in inflation assumptions in the group are related to financial risk. Changes in inflation assumptions related to non-financial risk are an exception to this general rule.

Notes to the condensed consolidated interim financial statements continued

10 Critical accounting estimates and judgements continued

10.2 Insurance and reinsurance contracts continued

10.2.2 Measurement continued

10.2.2.2 Fulfilment cash flows continued

Term-dependent inflation assumptions are applied to premiums and claims cash flows (where increases in cash flows are contractually linked to consumer price index (CPI)) by deriving an inflation curve based on the difference between long-term nominal and real yields. For some of the group's African operations, where long-term fixed-interest markets are underdeveloped, inflation assumptions are based on an assessment of the longer-term inflation outlook while maximising the use of relevant available market observable prices.

Expense inflation assumptions maximise the use of relevant available market observable prices while also reflecting the group's long-term perspective of expected increases in expenses for budgeting and business planning purposes.

The base expense inflation rates applied in the group's main South African companies are either based on an inflation curve or a point estimate determined based on the difference between a representative point on the nominal risk-free yield curve and the historic real interest rate gap between nominal and inflation rates. Further adjustments are typically made for retail business in South Africa that are administered on old platforms to allow for the expected reduction in file size over the coverage period of the insurance contracts.

The ultimate liability arising from claims under general insurance business
The estimation of the ultimate liability arising from claims under general insurance contracts is an important accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liability for incurred claims that the group will ultimately incur. Historic claims triangulations that cross-tabulate claims incurred by their date of loss and date of payment are used to determine the expected cost of future claims. A payment pattern based on the historic claims paid triangulation is used to determine the speed at which the claims provisions are run off in the future. Discount rates are applied to the future estimates of claims payments to allow for the time value of money included in these cash flows.

The risk environment can change suddenly and unexpectedly owing to a wide range of events or influences. The group is constantly refining its general insurance risk monitoring and management tools to enable the group to assess risks appropriately, despite the greatly increased pace of change. The growing complexity and dynamism of the environment in which the group operates means that there are, however, natural limits. There will never be absolute certainty in respect of identifying risks at an early stage, measuring them sufficiently or correctly estimating their real hazard potential.

Bonus rate assumptions
Separate asset portfolios are maintained in support of insurance liabilities for each of the major product lines of life insurance – savings business, each portfolio having an asset mix appropriate for the specific product. Bonus rates are declared for each class of relevant savings business in relation to the funding level of each portfolio and the expected future investment return on the assets of the particular investment portfolio.

Discount rates
The group applies a bottom-up approach to determine discount rates applied to future cash flows for insurance contracts.

Estimates of future cash flows that do not vary with investment returns on underlying items are discounted using a risk-free yield curve, adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. Risk-free rates are determined based on the market observable yield curves for government bonds, with extrapolation between the last available market point and an ultimate forward rate, considering long-term real interest rate and inflation expectations. Long-term inflation expectations are used to construct yield curves for markets where observable market data is not available.

The group applies judgement to determine the point estimate illiquidity premium added to the risk-free yield curve to reflect the liquidity characteristics of the insurance contracts. An illiquidity premium is estimated for each portfolio of insurance contracts where relevant. Insurance contracts such as non-participating life annuities and income protection incurred claims that cannot be surrendered or lapsed, are illiquid.

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The table below sets out the risk-free yield curves used in the group's major geographies:

	1 year		5 years		10 years		15 years	
	Reviewed 30 June	Audited 31 December	Reviewed 30 June	Audited 31 December	Reviewed 30 June	Audited 31 December	Reviewed 30 June	Audited 31 December
%	2024	2023	2024	2023	2024	2023	2024	2023
South Africa	9,02	9,51	10,21	10,40	12,23	12,41	13,58	13,85
Namibia	9,02	9,51	10,21	10,40	12,23	12,41	13,58	13,85
Malaysia	3,32	3,27	3,66	3,62	3,90	3,92	4,05	4,08

The following illiquidity premiums (presented as a range between a lower and upper bound) are applied in the group's major geographies where relevant:

%	Reviewed 30 June 2024	Audited and restated[1] 31 December 2023
South Africa	0 – 0,25	0 – 0,25
Namibia	0 – 0,50	0 – 0,50

[1] The prior year has been restated due to an error, the major geography South Africa was restated from 0-0.5% to 0-0.25%.

Estimates of future cash flows that do vary with investment returns on underlying items are discounted using risk-free or real-world discount rates. Risk-free discount rates are consistent with the rates applied to the cash flows not varying with investment returns on underlying items. Real-world discount rates are consistent with a risk-free yield curve plus a risk premium which reflects the variability in the cash flows based on the underlying mix of asset classes other than fixed-interest securities. Where a deterministic valuation approach is used, the risk premium is estimated as a flat rate, which represents the average historic risk premiums over an extended time horizon. For the material lines of business in the group, real-world discount rates are applied to cash flows that vary based on the returns on underlying items.

The future investment returns on underlying items are consistent with the discount rates applied to the cash flows that vary with these investment returns on underlying items. The allowance for investment management expenses, policyholder taxation at current tax rates and charges for investment guarantees is determined separately from the future investment returns and discount rates for measurement and presentation purposes. For some of the group's African operations, where long-term fixed-interest markets are underdeveloped, investment return and discount rate assumptions are based on an assessment of longer-term economic conditions. The investment returns and discount rate assumptions for Namibian businesses are based on the market yields of South African fixed-interest securities on the valuation date.

Risk adjustment for non-financial risk
The risk adjustment is the compensation that an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arise from non-financial risk. The main sources of non-financial risk are the estimates related to decrement rates for mortality and morbidity, persistency rates and expenses. Adjustments for financial risks are included either in the estimates of future cash flows or in the discount rates and are therefore excluded from the risk adjustment. Operational risk will be excluded from the risk adjustment as it is mainly related to general operational risk that cannot be directly attributed to the fulfilment of the insurance contracts.

The risk adjustment for non-financial risk is included in the fulfilment cash flows and is measured explicitly, as changes in the risk adjustment impact on accounting estimates (including the CSM) and need to be disclosed separately in the liability reconciliations (refer to notes 2.2, 2.3, 2.4, 3.2 and 3.3 for further details). IFRS 17 does not require entities to use a specific technique to estimate the risk adjustment, with the confidence level technique highlighted as a possible approach. However, an entity that uses a technique other than the confidence level technique for determining the risk adjustment, is required to disclose the technique used and the confidence level corresponding to the results of that technique. The material lines of business in SLS and Santam adopt a confidence level technique, as well as the material lines of general insurance (GI) business in Sanlam Emerging Markets (SEM). The life insurance businesses in SEM use a margins approach targeting a specified confidence level. The confidence level is determined based on each cluster's level of risk appetite for bearing the non-financial risk arising from the uncertain amount and timing of cash flows.

Notes to the condensed consolidated interim financial statements continued

10 Critical accounting estimates and judgements continued

10.2 Insurance and reinsurance contracts continued

10.2.2 Measurement continued

Risk adjustment for non-financial risk continued
The confidence level technique is determined with reference to a particular target confidence level. A distribution of fulfilment cash flows is required, from which the risk adjustment is determined based on the standard deviation around the mean for the target confidence level. The standard deviation is estimated assuming the same risk distribution used for solvency purposes. For life insurance businesses, the standard deviation is therefore derived based on the solvency capital requirements and assuming that the fulfilment cash flows can be approximated by a normal distribution, with the risk adjustment representing the value at risk in excess of the target confidence level over one year. For GI businesses, the standard deviation is derived from past claims development experience. For the life insurance businesses in SLS, the risk adjustment has been calibrated and calculated based on a target confidence level at the 80th percentile. For Santam and the material SEM GI businesses, the target confidence levels are between the 75th and 85th percentile. The GI businesses use a statistical model to determine the volatility in best estimate claims liabilities, with the risk adjustments being determined based on the expected volatility in the outstanding claims across all expected future periods.

The margins approach requires the calibration of margins based on historic decrement/expense experience and fitting a statistical distribution to the data. Margins are initially calibrated on an independent basis for each risk type based on a specified confidence level. The margins are modelled as percentage changes to the probability-weighted best estimate assumptions applied over the relevant duration for each policy. The direction of each margin is tested independently and the direction that increases the best estimate of future cash flows is adopted. The increase in the best estimate of future cash flows resulting from these margins represents the risk adjustment component of the fulfilment cash flows. The confidence levels corresponding to the results of the margins approach vary between the 80th and 90th percentile across the different SEM territories.

The risk adjustment allows for the effect of diversification benefits between different risk and product types (where relevant), which is determined based on correlation matrix techniques and other diversification impacts determined for solvency purposes.

For businesses using the confidence level technique:
- the allocation of the risk adjustment to portfolios and groups of contracts will be estimated using an appropriate measure; and
- the risk adjustment for reinsurance contracts held will be determined by applying the technique to both gross and net of reinsurance, and deriving the amount of risk transferred to the reinsurer as the difference between the two results.

The risk adjustment calculations will be performed separately for reinsurance contracts held using the margins approach.

A risk adjustment is determined for incurred claims using the techniques explained in this section where there is uncertainty in the amount and the timing of the underlying cash flows. For insurance contracts measured under the PAA, a risk adjustment is only determined for incurred claims (where relevant).

10.2.2.3 Contractual service margin

Coverage units
The CSM is recognised as income in insurance revenue over the duration of insurance contracts issued based on the number of coverage units provided in each period. Coverage units are determined for broad product types to best reflect the rendering of insurance contract services in a particular reporting period.

The coverage units of the group of insurance contracts are identified by considering for each contract the quantity of the benefits provided under the contract and its expected coverage period. The quantity of benefits is typically determined based on the maximum amounts that policyholders can claim in each period. The coverage units are updated at each reporting date to reflect the actual experience over the reporting period and the expected coverage to be provided in the future.

Premium experience adjustments
The experience adjustments arising from premiums received (including related cash flows such as insurance acquisition cash flows) that do not vary based on the returns on underlying items, adjust the CSM if related to future service, or such amounts are recognised in insurance revenue in the reporting period if related to current (or past) service.

The group applies judgement to determine whether these experience adjustments are related to current (or past) or future service. The premium-related experience adjustments typically relate to current (or past) service. Experience adjustments relating to premiums received for future coverage are an exception to this general rule. Such an example is where the premium experience adjustments have a direct impact on the value of future benefits payable to policyholders, resulting in the experience adjustments and the changes in the estimates of the future cash flows to largely offset when adjusting the CSM.

10.3 Investment properties

The value drivers underpinning the valuation of properties have not significantly changed since 31 December 2023. At the reporting date, the key assumptions and unobservable inputs used by the group in determining fair value were in the following ranges for the group's portfolio of properties:

Unobservable inputs across sectors

	Reviewed 30 June 2024 R million	Audited 31 December 2023 R million	Reviewed 30 June 2024 %	Audited 31 December 2023 %
South African portfolio				
Discounted cash flow method				
Vacancy rate			21,00	18,00
Expected expense growth (average over five years, range cover different types of expenses)			5,38 – 10,40	5,10 – 9,60
Office buildings	2 787	2 674		
Discount rate			13,29 – 15,44	12,75 – 13,54
Exit capitalisation rate			8,98 – 12,68	8,94 – 11,09
Retail buildings	3 328	3 454		
Discount rate			13,19 – 14,90	12,21 – 15,00
Exit capitalisation rate			7,86 – 10,50	8,00 – 10,77
Industrial buildings	570	465		
Discount rate			13,70 – 14,84	13,38 – 14,30
Exit capitalisation rate			9,00 – 10,50	9,91 – 10,42
International portfolio				
Discounted cash flow method				
Vacancy rate			1,00, 14,19 and 28,00	13,12 and 21,00
Office buildings	891	976		
Discount rate			11,75 – 12,25	11,50 – 12,25
Exit capitalisation rate			8,75 – 10,00	9,75 – 10,00

11 Commitments and contingencies

The guarantee in respect of the distribution agreement between Sanlam Life and Savings and Capitec, expired in April 2024, as a result of the partnership between Sanlam and Capitec dissolving in October 2024.

The group, like the insurance industry in general, is subject to litigation, mediation and arbitration, and regulatory, governmental and other sectoral inquiries and investigations in the normal course of its business. The outcome of these can be uncertain, but based on current information, the directors do not believe that any current mediation, arbitration, regulatory, governmental or sectoral inquiries and investigations and pending or threatened litigation or dispute will have a material adverse effect on the group's financial position.

Financial claims are lodged against the group from time to time. Provisions are recognised for these claims based on best estimates of the expected outcome of the claims. Given the high degree of uncertainty involved in determining the expected outcome, it is reasonably possible that outcomes in future financial years will be different to the current estimates.

There are no material commitments or contingencies that have not been provided for or fully disclosed, unless additional disclosures may potentially prejudice the legal arguments of the group.

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12 Related parties

The transactions to unwind the B-BBEE SPV arrangements were implemented on a basis ensuring that the participants in the B-BBEE SPV arrangements are placed in the position they would have been in had the B-BBEE SPV arrangements unwound on or around 8 March 2024 (being the original termination date) in accordance with the original terms.

The collar loan, between SU BEE Investment SPV (RF) (Pty) Limited (SU BEE Investment) and Standard Bank, was settled with the delivery of approximately 25,6 million Sanlam Limited shares in tranches from January to May 2024.

Effective 21 June 2024, U.R.D Beleggings (Edms) Beperk (URD Beleggings), a subsidiary in the group, acquired all the issued ordinary shares of SU BEE Funding SPV (RF) (Pty) Limited (SU BEE Funding) for R100. SU BEE Investment is a wholly owned subsidiary of SU BEE Funding.

Sanlam Limited and SU BEE Investment concluded an agreement which became effective 26 June 2024 for the acquisition by Sanlam Limited of 85,8 million treasury shares held by SU BEE Investment. It was implemented at a price of R72,97 per share and an aggregate consideration of R6,3 billion, which remained outstanding on loan account (Consideration Loan). Sanlam Limited immediately cancelled and delisted the shares so acquired. SU BEE Investment distributed the Consideration Loan to SU BEE Funding on 27 June 2024.

On 28 June 2024, SU BEE Funding have adopted a resolution for the redemption of the A preference shares in its issued shares in accordance with its terms. SU BEE Funding settled its obligations to make payment of the amounts payable by it to URD Beleggings (the holder of the A preference shares) on 1 July 2024 by ceding and assigning a portion of the Consideration Loan to URD Beleggings.

There were no other transactions with major shareholders for the six-month period ended June 2024.

13 Business combinations

13.1 Afrocentric (Afrocentric Investment Corp Ltd)

Effective 29 May 2023, the Sanlam group acquired 59,8% in Afrocentric, gaining control for the first time. The goodwill arising on the acquisition is attributable to synergies and future opportunities expected. The acquisition accounting has been finalised, there were no changes since December 2023.

Refer to note 35.1 for additional information in the annual financial statements of the Sanlam Limited Group for 31 December 2023. The following link can be used: www.sanlam.com/downloads/integrated-report-and annual-financial-statements/2023/Sanlam-AFS-2023-spreads.pdf.

13.2 Other business combinations

Refer to note 9.2 for additional information.

14 Disposal groups, discontinued operations and assets classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use, a sale is considered highly probable and it is available for sale in its present condition. These assets are measured at the lower of carrying value and their fair value less costs to sell, unless they are specifically excluded from the measurement provisions of IFRS 5: Non-current Assets Held For Sale and Discontinued Operations, in which case they are measured in accordance with the applicable IFRS. Immediately before initial classification as held for sale, the assets to be reclassified are measured in accordance with applicable IFRS.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the group statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the group statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the group statement of comprehensive income.

Notes to the condensed consolidated interim financial statements continued

14 Disposal groups, discontinued operations and assets classified as held for sale continued

Below is a summary of non-current assets and disposal groups held for sale:

R million	Segment	Measurement base	Fair value hierarchy	Note	Non-current assets held for sale	Non-current liabilities held for sale	Net
Reviewed – 30 June 2024							
Assets					1 774	–	1 774
Investment properties	Sanlam Life and Savings	Fair value	Level 3		1 771	–	1 771
Owner-occupied properties	Sanlam Emerging Markets	Carrying value			3	–	3
Disposal groups					17 833	(16 294)	1 539
MCIS	Sanlam Emerging Markets	Carrying value		14.2.3	17 833	(16 294)	1 539
Discontinued operation					27 379	(23 501)	3 878
Sanlam Pan-Africa	Sanlam Emerging Markets	Carrying value		14.3.1	27 379	(23 501)	3 878
Total					46 986	(39 795)	7 191
Audited – 31 December 2023							
Assets					2 210	–	2 210
Investment properties	Sanlam Life and Savings	Fair value	Level 3		2 207	–	2 207
Owner-occupied properties	Sanlam Emerging Markets	Carrying value			3	–	3
Disposal groups					18 246	(16 617)	1 629
MCIS	Sanlam Emerging Markets	Carrying value		14.2.1	18 246	(16 617)	1 629
Discontinued operation					26 757	(22 786)	3 971
Sanlam Pan-Africa	Sanlam Emerging Markets	Carrying value		14.3.1	26 757	(22 786)	3 971
Total					47 213	(39 403)	7 810

14.1 Investment properties

During 2024, no further sales were approved by the Sanlam property committee. This allows the Sanlam Properties team to market the assets for sale to potential buyers for all 8 properties. Once serious buyers have been identified, the sale and purchase agreements are initiated. The purchase prices are approved by the Property Committee, in line with the latest internal valuations that were performed and approved in the previous month. The sales are expected to be finalised during 2024 – 2025, as the average sale period is 12 months.

14.2 Disposal groups

14.2.1 MCIS (Sanlam Emerging Markets)

Sanlam has been engaging with a potential buyer on the sale of MCIS. This sale is pending regulatory approval and is considered highly probable within the next 12 months.

The following assets and liabilities were reclassified as held for sale as at 30 June 2024 and 31 December 2023.

R million	Reviewed 30 June 2024	Audited 31 December 2023
Assets of disposal group classified as held for sale:		
Goodwill	196	196
Equipment	158	143
Right-of-use assets	48	56
Owner-occupied properties	37	39
Intangible assets	87	98
Reinsurance contract assets	146	103
Investments	16 166	16 255
Investment properties	1	1
Equities and similar securities	1 984	1 892
Interest-bearing investments	12 442	12 980
Investment funds	1 739	1 382
Working capital assets	995	1 356
Trade and other receivables	208	201
Cash and cash equivalents	787	1 155
Assets of disposal group held for sale	17 833	18 246
Liabilities of disposal group classified as held for sale:		
Insurance contract liabilities	15 054	15 273
Term finance – Other interest-bearing liabilities	772	799
Lease liabilities	51	60
Deferred tax	244	219
Working capital liabilities	173	266
Trade and other payables	139	122
Provisions	34	35
Taxation	–	109
Liabilities of disposal group held for sale	16 294	16 617

14.3 Discontinued operations

14.3.1 Sanlam Pan-Africa (Sanlam Emerging Markets)

Sanlam Pan-Africa (SPA) has been reclassified as a discontinued operation held for sale from 30 June 2022 following entering into a definitive agreement in respect of a long-term strategic joint venture arrangement regarding Sanlam's operations on the African continent, outside of South Africa with Allianz. Sanlam and Allianz contributed their respective African operations into a newly incorporated joint venture company, creating a leading Pan-African financial services group with an extensive footprint across the African continent.

SPA is considered to be a separate major geographical area of operations based on its contribution to the Sanlam Emerging Markets. The SPA operations and cash flows can be clearly distinguished operationally and for financial reporting purposes, from the rest of the group. The classification as a discontinued operation was considered to be met.

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Notes to the condensed consolidated interim financial statements continued

14 Disposal groups, discontinued operations and assets classified as held for sale continued

14.3 Discontinued operations continued

14.3.1 Sanlam Pan-Africa (Sanlam Emerging Markets) continued

The first phase of the transaction was finalised on 4 September 2023. The new incorporated joint venture is equity-accounted as at 30 June 2024 by Sanlam. The take-on date for the first phase was 1 October 2023.

The second phase of the transaction involves the inclusion of Sanlam's operations in Namibia in the long-term strategic joint venture arrangement. As at 31 December 2023, Sanlam's operations in Namibia have been classified as a discontinued operation.

An impairment test was conducted prior to the reclassification as a disposal group. The expected proceeds are in line with the fair value less costs to sell. Fair value less cost to sell was higher than the carrying value and thus no impairment was recognised.

Financial performance relating to the discontinued operations for the six months ended is set out below:

R million	Reviewed 30 June 2024	Reviewed and re-presented(1) 30 June 2023
Result from insurance operations	**368**	2 393
Result from insurance contracts	375	2 401
Insurance service result	175	1 261
Insurance revenue	987	18 267
Insurance service expenses	(785)	(14 759)
Expense from reinsurance contracts	(27)	(2 247)
Insurance investment result	200	1 140
Insurance finance expense	(383)	(969)
Reinsurance finance income	39	36
Investment income on assets held in respect of insurance contracts	479	630
Investment surpluses on assets held in respect of insurance contracts	65	1 443
Other expenses relating to insurance operations	(7)	(8)
Result from other operations	**(4)**	2 878
Revenue	123	763
Investment income	431	1 089
Investment surpluses	578	2 957
Change in fair value of investment contract liabilities	(621)	(997)
Change in fair value of external investors' liabilities	(295)	(245)
Sales remuneration	(43)	(144)
Administration costs	(177)	(545)
Impairments	—	(235)
Amortisation of intangibles	—	(56)
Net operating result	**364**	4 980
Equity-accounted earnings	98	420
Finance cost – other	—	(38)
Net monetary loss	—	(15)
Profit before tax	**462**	5 347
Taxation		
Shareholders' fund	(15)	(690)
Policyholders' fund	(12)	(18)
Profit for the period	**435**	4 639

(1) Prior year re-presented due to discontinued operation including the operations in Namibia.

Assets and liabilities of discontinued operations:

The following assets and liabilities were reclassified as held for sale as at 30 June 2024 and as at 31 December 2023.

R million	Reviewed 30 June 2024	Audited 31 December 2023
Assets of discontinued operations classified as held for sale:		
Goodwill	14	—
Equipment	34	30
Right-of-use assets	7	11
Contract costs for investment management services	380	349
Reinsurance contract assets	182	116
Deferred tax	2	2
Investments	25 300	24 438
Investment properties	416	412
Investment in associates and joint ventures	1 360	1 292
Equities and similar securities	3 519	3 586
Interest-bearing investments	11 276	10 347
Structured transactions	39	30
Investment funds	8 246	8 159
Deposits and similar securities	444	612
Working capital assets	1 460	1 811
Trade and other receivables	320	363
Taxation	28	41
Cash and cash equivalents	1 112	1 407
Assets of discontinued operations held for sale	**27 379**	26 757
Liabilities of discontinued operations classified as held for sale:		
Insurance contract liabilities	7 464	7 121
Investment contract liabilities	13 769	13 506
Lease liabilities	8	12
External investors in consolidated funds	1 686	1 597
Deferred tax	18	19
Working capital liabilities	556	531
Trade and other payables	556	530
Taxation	—	1
Liabilities of discontinued operations held for sale	**23 501**	22 786

Cash flow information from discontinued operations

R million	Reviewed 30 June 2024	Reviewed 30 June 2023
Cash flow from operating activities	(281)	(1 321)
Cash flow from investment activities	(5)	381
Cash flow from financing activities	(4)	1
Net decrease in cash and cash equivalents generated by discontinued operations	**(290)**	(939)

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14 Disposal groups, discontinued operations and assets classified as held for sale continued

14.3 Discontinued operations continued

14.3.1 Sanlam Pan-Africa (Sanlam Emerging Markets) continued

Classification of financial instruments of discontinued operations

	Fair value through profit or loss			Amortised cost		
R million	**Mandatorily**	**Designated**	**Total fair value**	**Gross**	**Net**	**Total**
Reviewed – 30 June 2024						
Instruments	11 765	11 734	23 499	25	25	23 524
Equities and similar securities	3 519	—	3 519	—	—	3 519
Interest-bearing investments	—	11 251	11 251	25	25	11 276
Structured transactions	—	39	39	—	—	39
Investment funds	8 246	—	8 246	—	—	8 246
Deposits and similar securities	—	444	444	—	—	444
Working capital assets	—	—	—	1 432	1 432	1 432
Trade and other receivables	—	—	—	320	320	320
Cash and cash equivalents	—	—	—	1 112	1 112	1 112
Total financial assets	11 765	11 734	23 499	1 457	1 457	24 956
Investment contracts liabilities	—	13 769	13 769		—	13 769
External investors in consolidated funds	—	1 686	1 686		—	1 686
Trade and other payables	—	—	—		556	556
Total financial liabilities	—	15 455	15 455		556	16 011

Fair value information on discontinued operations

Recurring fair value measurements (financial instruments)

R million	**Level 1**	**Level 2**	**Total**
Reviewed – 30 June 2024			
Financial instruments			
Equities and similar securities	3 519	—	3 519
Interest-bearing investments	6 654	4 597	11 251
Structured transactions	—	39	39
Investment funds	8 239	7	8 246
Deposits and similar securities	—	444	444
Total assets at fair value	18 412	5 087	23 499
Financial instruments			
Investment contracts liabilities	—	13 769	13 769
External investors in consolidated funds	1 686	—	1 686
Total liabilities at fair value	1 686	13 769	15 455

Sanlam Interim Results 2024
Condensed consolidated interim financial statements

Notes to the condensed consolidated interim financial statements continued

15 Fair value disclosures

Financial instruments

Financial instruments carried on the statement of financial position include investments (excluding investment properties, associates and joint ventures), receivables, cash, deposits and similar securities, investment policy contracts, term finance liabilities, liabilities in respect of external investors in consolidated funds and payables.

Recognition and derecognition

Financial instruments are recognised when the group becomes party to a contractual arrangement that constitutes a financial asset or financial liability for the group that is not subject to suspensive conditions. Regular way investment transactions are recognised by using trade date accounting.

Financial assets are derecognised when the contractual rights to receive the cash flows expire or when the asset is transferred. On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation to deliver cash or other resources in terms of the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Collateral placed at counterparties as part of the group's capital market activities are not derecognised. No transfer of ownership takes place in respect of collateral other than cash and any such collateral accepted by counterparties may not be used for any purpose other than being held as security for the trades to which such security relates. In respect of cash security, ownership transfers in law. However, the counterparty has an obligation to refund the same amount of cash, together with interest, if no default has occurred in respect of the trades to which such cash security relates. Cash collateral is accordingly also not derecognised.

Classification

Financial assets

On initial recognition, a financial asset is classified as measured at:
- Amortised cost;
- Fair value through profit or loss (either mandatory or designated); or
- Fair value through other comprehensive income.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income only if it meets both of the following conditions:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are mandatorily measured at fair value through profit or loss. In addition, the group designates certain financial assets that would otherwise meet the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

On initial recognition, the group classifies its financial liabilities into one of the following categories:
- Amortised cost, or
- Fair value through profit or loss (either mandatory or designated)

The classification of financial instruments is determined at initial recognition based on the purpose for which the financial assets are acquired or liabilities assumed. Financial liabilities classified as at fair value through profit or loss comprise held-for-trading liabilities, including derivatives (mandatory fair value through profit or loss) as well as financial liabilities designated as at fair value through profit or loss.

On initial recognition, the group designates a financial liability as at fair value through profit or loss when doing so results in more relevant information either because:
- it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis; or
- a group of financial liabilities or a group of financial assets and liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and information about the group is provided internally on that basis to the entity's key management personnel.

Initial measurement

A financial asset or financial liability is initially measured at fair value, plus for a financial asset or financial liability not measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Costs directly attributable to the acquisition of financial assets classified as at fair value through profit or loss are recognised in the statement of comprehensive income as part of investment surpluses.

Subsequent measurement

Financial instruments classified as at fair value through profit or loss are measured at fair value after initial recognition. Net gains and losses (ie on the sale of investments and fair value gains and losses), interest or dividend income and foreign exchange gains or losses are recognised in profit or loss. Changes in fair value are recognised in the statement of comprehensive income as investment surpluses. The particular valuation methods adopted are disclosed in the individual policy statements associated with each item.

Financial instruments classified as amortised cost are measured at amortised cost using the effective interest method. Interest income, interest expense, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss or derecognition is also measured in profit or loss.

Impairment

The group recognises loss allowances for expected credit losses on:
- Financial assets measured at amortised cost (including contract assets/contract receivables/lease receivables)

At each reporting date, the loss allowances are measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition.

At each reporting date, the loss allowances are measured at an amount equal to the 12-month expected credit losses if:
- The credit risk on a financial instrument has not increased significantly since initial recognition; or
- Financial instruments are determined to have a low credit risk at the reporting date.

The group determines whether the credit risk on a financial instrument has increased significantly by comparing this risk of default occurring on the financial instrument as at the reporting date with the risk of default occurring on the financial instrument as at the date of initial recognition together with reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition.

At each reporting date, the loss allowances are measured at an amount equal to the 12-month expected credit losses if the credit risk on a financial instrument has not increased significantly since initial recognition. Financial instruments that are determined to have a low credit risk at the reporting date are assumed to have no significant increase in credit risk.

At each reporting date, the loss allowances are measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

An impairment gain or loss is recognised in profit or loss for the amount of expected credit losses (or reversals) that is required to adjust the loss allowance at the reporting date.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses and are measured as the present value of all cash short falls (ie the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive).

Notes to the condensed consolidated interim financial statements continued

15 Fair value disclosures continued

Presentation of loss allowances in the statement of financial position

Loss allowances for expected credit losses are presented as a deduction from the gross carrying amounts of the financial assets.

Write-offs

The gross carrying amount of a financial asset is written off and reduced when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Other financial liabilities

Other financial liabilities include:
- Term finance liabilities incurred as part of interest margin business and matched by specific financial assets measured at amortised cost;
- Other term finance liabilities measured at stock exchange prices or amortised cost as applicable;
- Investment contract liabilities measured at fair value, determined on the bases as disclosed in the section on policy liabilities in the basis of presentation; and
- External investors in consolidated funds measured at the attributable net asset value of the respective funds.

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 disclosures only cover assets and liabilities measured at fair value.

Included in the **level 1** category are assets and liabilities that are measured by reference to unadjusted, quoted prices in an active market for identical assets and liabilities.

Included in the **level 2** category are 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.

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
Recurring fair value measurements				
Reviewed – 30 June 2024				
Financial instruments				
Investment in joint ventures	—	—	511	511
Equities and similar securities	167 156	1 371	3 470	171 997
Interest-bearing investments	87 841	175 404	520	263 765
Structured transactions	2	31 683	—	31 685
Investment funds[1]	270 326	30 668	6 151	307 145
Deposits and similar securities	—	35 039	—	35 039
Trading account assets	11 139	2 928	46	14 113
Short-term investments	—	3 476	—	3 476
Total assets at fair value	536 464	280 569	10 698	827 731
Financial instruments				
Investment contract liabilities	—	510 769	—	510 769
Term finance	—	7 476	—	7 476
Structured transactions liabilities	—	11 178	—	11 178
External investors in consolidated funds	71 761	3 688	160	75 609
Trading account liabilities	1 786	20 771	—	22 557
Trade and other payables	—	100	—	100
Total liabilities at fair value	73 547	553 982	160	627 689

R million	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Audited – 31 December 2023				
Financial instruments				
Investment in joint ventures	—	—	517	517
Equities and similar securities	155 100	1 247	3 038	159 385
Interest-bearing investments	83 679	158 704	1 308	243 691
Structured transactions	10	26 104	—	26 114
Investment funds[1]	280 222	16 874	4 853	301 949
Deposits and similar securities	—	38 103	—	38 103
Trading account assets	9 809	3 697	48	13 554
Trade and other receivables	—	12	—	12
Short-term investments	—	9 089	—	9 089
Total assets at fair value	528 820	253 830	9 764	792 414
Financial instruments				
Investment contract liabilities	—	488 501	—	488 501
Term finance	—	7 444	—	7 444
Structured transactions liabilities	25	12 255	7	12 287
External investors in consolidated funds	73 172	3 003	293	76 468
Trading account liabilities	1 640	16 807	—	18 447
Trade and other payables	—	202	—	202
Total liabilities at fair value	74 837	528 212	300	603 349

[1] Collective investment schemes that are quoted in an active market of transactions between investors and collective investment schemes based on a quoted/published price.

Sanlam Interim Results 2024
Condensed consolidated interim financial statements

Notes to the condensed consolidated interim financial statements continued

15 Fair value disclosures continued

Reconciliation of movements in level 3 assets and liabilities measured at fair value

R million	Investment in joint ventures	Equities and similar securities	Interest-bearing investments	Investment funds	Trading account assets	Trade and other receivables	Total assets
Reviewed – 2024							
Assets							
Balance at 1 January 2024	517	3 038	1 308	4 853	48	—	9 764
Net (losses)/gains in statement of comprehensive income[1]	(6)	304	5	172	6	—	481
Acquisitions	—	768	—	1 325	339	—	2 432
Disposals	—	(596)	(793)	(199)	(348)	—	(1 936)
Foreign exchange movements	—	(1)	—	—	1	—	—
Reclassified to non-current assets held for sale	—	(43)	—	—	—	—	(43)
Balance at 30 June 2024	511	3 470	520	6 151	46	—	10 698
Audited – 2023							
Balance at 1 January 2023	471	922	543	2 262	—	110	4 308
Net gains in statement of comprehensive income[1]	46	1 585	36	2 063	51	—	3 781
Acquisitions	—	652	776	528	85	—	2 041
Disposals	—	—	(47)	—	(92)	(67)	(206)
Foreign exchange movements	—	8	—	—	4	(22)	(10)
Reclassified to non-current assets held for sale	—	(129)	—	—	—	—	(129)
Settlements	—	—	—	—	—	(21)	(21)
Balance at 31 December 2023	517	3 038	1 308	4 853	48	—	9 764

[1] Net (losses)/gains in statement of comprehensive income forms part of investment surpluses and investment surpluses on assets held in respect of insurance contracts.

R million	Structured transactions liabilities	External investors in consolidated funds	Total liabilities
Reviewed – 2024			
Liabilities			
Balance at 1 January 2024	7	293	300
Net gains in statement of comprehensive income[1]	(5)	(136)	(141)
Settlements	(2)	—	(2)
Foreign exchange movements	—	3	3
Balance at 30 June 2024	—	160	160
Audited – 2023			
Balance at 1 January 2023	—	401	401
Net losses/(gains) in statement of comprehensive income[1]	7	(139)	(132)
Foreign exchange movements	—	31	31
Balance at 31 December 2023	7	293	300

[1] Net (gains)/losses in statement of comprehensive income forms part of investment surpluses and investment surpluses on assets held in respect of insurance contracts.

Sanlam Interim Results 2024
Condensed consolidated interim financial statements

Notes to the condensed consolidated interim financial statements continued

15 Fair value disclosures continued

Gains (realised and unrealised) included in statement of comprehensive income[1]

R million	Reviewed 30 June 2024	Audited 31 December 2023
Total gains included in statement of comprehensive income for the period/year	622	3 078
Total unrealised gains included in statement of comprehensive income for the period/year for assets held at the end of the reporting period/year	1 102	3 946

[1] Net gains in statement of comprehensive income forms part of investment surpluses and investment surpluses on assets held in respect of insurance contracts.

Transfers between levels

R million	Interest-bearing investments[1]	Investment funds	Total assets
Assets			
Reviewed – 30 June 2024			
Transfer from level 1 to level 2	(1 519)	–	(1 519)
Audited – 31 December 2023			
Transfer from level 1 to level 2	(83)	–	(83)
Transfer from level 2 to level 1	–	244	244

[1] Instruments that were not actively traded in the market have been transferred from level 1 to level 2. Conversely, instruments that have become actively traded in the market have been transferred from level 2 to level 1.

Valuation techniques used in determining the fair value of assets and liabilities

Instrument	Applicable to level	Valuation basis	Main assumptions	Significant unobservable input
Investment in joint ventures	3	Earnings multiple	Earnings multiple, country risk and size of the business and marketability	Adjusted earnings multiple and sustainable EBITDA
Equities and similar securities	2 and 3	DCF and earnings multiple	Cost of capital and consumer price index	Cost of capital, adjusted earnings multiple, budgets and forecasts
Interest-bearing investments	2 and 3	DCF, quoted put/surrender price by issuer	Bond and interbank swap interest rate curve, cost of capital and consumer price index	Discount rate and cost of capital
Structured transactions assets and liabilities	2 and 3	Option pricing models and DCF	Bond and interbank swap interest rate curve, forward equity and currency rates and volatility risk adjustments	Earnings multiple
Investment funds and investment contract liabilities	2 and 3	Current unit price of underlying unitised asset, multiplied by the number of units held, earnings multiple and DCF	Bond and interbank swap interest rate curve, cost of capital, consumer price index and bond interest rate curve	Earnings multiple
Deposits and similar securities, short-term investments and cash and cash equivalents	2	Mark-to-market and yield curve	Bond and interbank swap interest rate curve	n/a
Trading account assets and liabilities	2 and 3	DCF, earnings multiple, quoted put/surrender price by issuer and option pricing models	Bond and interbank swap interest rate curve, cost of capital, consumer price index, forward rate, credit risk spread and liquidity spread	Earnings multiple
Trade and other receivables/payables	2	DCF, earnings multiple, quoted put/surrender price by issuer and option pricing models	Bond and interbank swap interest rate curve, cost of capital, consumer price index, forward rate, credit risk spread and liquidity spread	n/a
Term finance	2	DCF	Bond and forward rate, credit ratings of issuer, liquidity spread and agreement interest curves	n/a
External investors in consolidated funds	2 and 3	Current unit price of underlying unitised asset multiplied by the number of units held	Unit prices	Based on underlying assets

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Notes to the condensed consolidated interim financial statements continued

15 Fair value disclosures continued

Sensitivity of level 3 assets and liabilities measured at fair value to changes in key assumptions

R million	Total	Carrying amount[(1)]	Effect of a 10% increase in earnings multiple[(2)]	Effect of a 10% decrease in earnings multiple[(2)]	Carrying amount[(3)]	Effect of a 1% increase in discount rate[(2)]	Effect of a 1% decrease in discount rate[(2)]
Assets							
Reviewed – 30 June 2024							
Investment in joint ventures	511	511	51	(51)			
Equities and similar securities	3 470	3 470	347	(347)			
Interest-bearing investments	520	—	—	—	520	(26)	26
Investment funds	6 151	6 151	615	(615)			
Trading account assets	46	26	3	(3)	20	(1)	1
Total assets	10 698	10 158	1 016	(1 016)	540	(27)	27
Audited – 31 December 2023							
Investment in joint ventures	517	517	52	(52)			
Equities and similar securities	3 038	3 038	304	(304)			
Interest-bearing investments	1 308	822	82	(82)	486	(29)	29
Investment funds	4 853	4 853	485	(485)			
Trading account assets	48	28	3	(3)	20	(1)	1
Total assets	9 764	9 258	926	(926)	506	(30)	30

R million	Total	Carrying amount	Effect of a 10% increase in earnings multiple[(2)]	Effect of a 10% decrease in earnings multiple[(2)]
Liabilities				
Reviewed – 30 June 2024				
External investors in consolidated funds	160	160	16	(16)
Total liabilities	160	160	16	(16)
Audited – 31 December 2023				
Structured transactions liabilities	7	7	1	(1)
External investors in consolidated funds	293	293	29	(29)
Total liabilities	300	300	30	(30)

(1) Represents mainly private equity investments valued on earnings multiple, with sensitivities based on the full valuation.
(2) The effect of a 10% increase/decrease in the earnings multiple and a 1% increase/decrease in the discount rate represents the impact on profit or loss.
(3) Represents mainly instruments valued on a discounted cash flow basis, with sensitivities based on changes in the discount rate.

Notes to the condensed consolidated interim financial statements continued

16 Restatements

16.1 Classification errors on adoption of IFRS 17

In the restatement note in December 2023 (note 39.5) it was indicated that the group will be restating the statement of comprehensive income relating to June 2023. The group has reconsidered this and made the decision not to restate the statement of comprehensive income as these items do not represent material misstatements both qualitatively and quantitatively.

17 Subsequent events

On 8 August 2024, Sanlam Life issued subordinated debt to the amount of R2 billion.

On 2 September 2024 Sanlam Limited announced Sanlam Life Insurance Limited's' intention to acquire a 25% interest in African Rainbow Capital Financial Services Holdings Proprietary (ARC FSH). All the conditions precedent to the transaction have been fulfilled and the transaction became unconditional, and was implemented according to its terms, with an effective date of 2 September 2024. The transaction was partially funded through a cash consideration of R2,4 billion and an asset-for-share transaction of R1,5 billion for the 25% interest Sanlam Life Insurance Limited has in ARC Financial Services Investments Proprietary Limited (ARC FSI). The transaction is a natural extension of Sanlam's existing interest in ARC FSI. Sanlam will continue to explore ways to collaborate strategically with ARC FSH and its portfolio investments to enhance competition and to assist Sanlam in providing holistic and integrated product offerings to its clients. Sanlam Life Insurance Limited's 25% shareholding in ARC FSH shall be treated as an investment in an associate

In February 2024, the group announced the intention to acquire the South African mass market focused insurer Assupol Holdings (Assupol) for R6,5 billion, pending approval from regulators and Assupol shareholders. This proposal received Assupol shareholder support on 17 April 2024. The transaction received Competition Tribunal approval on 22 August 2024 and is subject to an employment related condition. Remaining regulatory approvals are expected imminently.

As indicated in the announcement to shareholders on 4 May 2022, the initial shareholding split of SanlamAllianz was 60% and 40% to Sanlam and Allianz SE (Allianz) respectively, subject to certain post-closing adjustments, and excluded Sanlam's holdings in Namibia which were to be contributed at a later stage. Post-closing adjustments relating to movements in net asset value and corporate actions between initial agreement and transaction conclusion resulted in a final shareholding split of 59,6% and 40,4% to Sanlam and Allianz respectively. Shareholders and noteholders are notified that Sanlam integrated its Namibian holdings into SanlamAllianz at an initial valuation of R6,2 billion, subject to post-closing adjustments. To maintain the shareholding distribution of SanlamAllianz at 59,6% for Sanlam and 40,4% for Allianz, Sanlam will subscribe for additional shares in SanlamAllianz, representing 59,6% of the valuation, and receive a cash consideration of R2,5 billion from SanlamAllianz, representing 40,4% of the valuation. SanlamAllianz intends to finance this payment using a capital raise through a share issue to Allianz for cash. This transaction is subject to post-closing adjustments and obtaining necessary regulatory approvals and is anticipated to take effect in September 2024. Allianz retains the option to raise its stake in SanlamAllianz to 49,0% within six months of the completion of the Namibia transaction.

No other material facts or circumstances have arisen between the dates of the statement of financial position and this report that affect the financial position of the Sanlam group at 30 June 2024 as reflected in these financial statements.

Administration

Registered name: **Sanlam Limited**

Registration number:	1959/001562/06
Tax reference number:	9536/346/84/5
JSE share code (primary listing):	SLM
NSX share code:	SLA
A2X share code:	SLM
ISIN:	ZAE000070660 incorporated in South Africa
Internet address:	http://www.sanlam.com

Directors:

Temba Mvusi
(Chair)

Dr Patrice Motsepe
(Deputy Chair)

Paul Hanratty
(Group Chief Executive)

Abigail Mukhuba
(Group Finance Director)

Andrew Birrell,
Anton Botha,
Ebenezer Essoka,
Nicolaas Kruger,
Ndivhuwo Manyonga,
Mathukana Mokoka,
Kobus Möller,
Sipho Nkosi,
Karabo Nondumo,
Thembisa Skweyiya,
Willem van Biljon,
Dr Johan van Zyl,
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Debt Sponsor to Sanlam Life Insurance Limited
Rand Merchant Bank, a division of FirstRand Bank Limited

Transfer secretaries:
Registered number: 2004/003647/07

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