Leveraging ***quality,*** accelerating **growth**

Sanlam Limited
Annual Financial Statements 2025

Sanlam

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Contents

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www.sanlam.com

01

1 Directors' responsibility for financial reporting
2 Internal financial reporting control environment
3 Independent auditor's report on the consolidated and separate financial statements
8 Certificate by Company Secretary
9 The audit committee report
10 Directors' report

02

12 Capital and risk management report

03

70 Basis of preparation

04

88 Group statement of financial position
89 Group statement of comprehensive income
90 Group statement of changes in equity
92 Group statement of cash flows
93 Notes to the group financial statements
93 Segment information
100 Goodwill
101 Equipment
102 Leases
105 Owner-occupied properties
105 Intangible assets
107 Contract costs for investment management services
108 Insurance and reinsurance contracts
114 Insurance contract carrying amount
136 Reinsurance contract carrying amount
152 Result from insurance contracts
167 Taxation
170 Investments
183 Trading account assets and liabilities
185 Advances to customers
188 Trade receivables and payables
189 Short-term investments
190 Cash and cash equivalents
190 Share capital and premium
192 Other reserves
192 Non-controlling interest
198 Investment contracts
199 Term finance
202 Provisions
203 Revenue
205 Expenses
208 Finance cost
208 Earnings per share
210 Collateral
211 Critical accounting estimates and judgements
220 Retirement benefits for employees
223 Borrowing powers
223 Commitments and contingencies
225 Related parties
226 Notes to the cash flow statement
229 Business combinations
231 Disposal groups, discontinued operations and assets classified as held for sale
234 Fair value disclosures
244 Assets subject to offsetting, enforceable master netting arrangements and similar agreements
244 Restatement
246 Unconsolidated structured entities
246 Subsequent events

05

250 Sanlam Limited statement of financial position
250 Sanlam Limited statement of comprehensive income
251 Sanlam Limited statement of cash flow statement
251 Sanlam Limited statement of changes in equity
252 Sanlam Limited notes to financial statements

06

258 Remuneration report

07

270 Supplementary information

Directors' responsibility for financial reporting

The board of Sanlam Limited takes responsibility for the integrity, objectivity and reliability of the group and company annual financial statements of Sanlam Limited in accordance with IFRS® Accounting Standards.

Adequate accounting records have been maintained. The board endorses the principle of transparency in financial reporting. The responsibility for the preparation and presentation of the annual financial statements has been delegated to management.

The responsibility of the joint external auditors, PricewaterhouseCoopers Inc. and KPMG Inc. is to express an independent opinion on the fair presentation of the financial statements based on their audit of Sanlam Limited and the group.

The audit committee has satisfied itself that the external auditors were independent of the group and company during the period under review.

The audit, actuarial and finance committee has confirmed that effective systems of internal control and risk management are being maintained. There were no breakdowns in the functioning of the internal financial control systems during the year, which had a material impact on the Sanlam Limited group or company annual financial statements. The board is satisfied that the annual financial statements fairly present the financial position, the results of operations and cash flows in accordance with IFRS® Accounting Standards and supported by reasonable and prudent judgements consistently applied.





Paul Hanratty
Group Chief Executive

The board of Sanlam Limited takes responsibility for the integrity, objectivity, reliability and framework setting of the supplementary information included in the annual financial statements. The responsibility for the preparation and presentation of the supplementary information had been delegated to management.

A full description of how the audit, actuarial and finance committee carried out its functions is included in the corporate governance report online.

The board is of the opinion that Sanlam Limited is financially sound and operates as a going concern. The annual financial statements have accordingly been prepared on this basis.

The annual financial statements, the corporate governance report, the remuneration report and the supplementary information were approved by the board and signed on its behalf by:

Paul Hanratty
Paul Hanratty
Group Chief Executive

Temba Mvusi
Temba Mvusi
Chair

Cape Town

11 March 2026

Internal financial reporting control (IFC) environmental

In accordance with the JSE Listings Requirement 5.9 each of the directors, whose names are stated below, hereby confirm that:

(a) the annual financial statements set out on pages 14 to 257, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and executive of controls;

(e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

(f) we are not aware of any fraud involving directors.

Paul Hanratty
Paul Hanratty
Group Chief Executive

Cape Town

11 March 2026

Abigail Mukhuba
Abigail Mukhuba
Finance Director

Cape Town

11 March 2026

Independent auditors' report

To the Shareholders of Sanlam Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Sanlam Limited (the group and company) set out on pages 14 to 257, which comprise the:

- Group statement of financial position as at 31 December 2025;
- Group statement of comprehensive income for the year then ended;
- Group statement of changes in equity for the year then ended;
- Group statement of cash flows for the year then ended;
- Company statement of financial position as at 31 December 2025;
- Company statement of comprehensive income for the year then ended;
- Company statement of changes in equity for the year then ended;
- Company cash flow statement for the year then ended; and
- Notes to the financial statements, including material accounting policy information, the capital and risk management report, basis of preparation and remuneration report.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Sanlam Limited as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to assist us in determining the scope of our audit and the nature, timing and extent of our procedures. Materiality is also used in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

Based on our professional judgement, we determined certain quantitative thresholds for materiality for the financial statements as follows:

	Consolidated financial statements	Separate financial statements
Final materiality	R1,31 billion	R294 million
How we determined it	5% (rounded) of profit before tax from continuing operations	1% (rounded) of total assets
Rationale for the materiality benchmark applied	We chose profit before tax from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the group is most likely to be measured by users when evaluating a profit-oriented entity and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector and is further based on our professional judgement after consideration of qualitative factors that impact the group.	We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of the company is most likely to be measured by users when evaluating a holding company and is a generally accepted benchmark. We chose 1% which is consistent with quantitative materiality thresholds used for holding companies in this sector and is further based on our professional judgement after consideration of qualitative factors that impact the company.

Group audit scope

We tailored the scope of our audit to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, considering the structure of the group, the accounting processes and controls, and the industry in which the group operates.

We performed risk assessment procedures to determine which of the group's components are likely to include risks of material misstatement to the consolidated financial statements and which further audit procedures to perform at these components to address those risks.

Independent auditors' report continued

In total, we identified 337 components of which 294 are inconsequential. We identified 7 components at which further audit procedures were performed on the entire financial information of the component, either because audit evidence needed to be obtained on all or a significant proportion of the components' financial information, or that component represents a pervasive risk of material misstatement to the consolidated financial statements.

We also identified 8 components, at which further audit procedures were performed on one or more classes of transactions, account balances or disclosures based on the assessed risks of material misstatement to the consolidated financial statements.

Accordingly, we involved 15 component auditors in performing the audit work at these 15 components. Based on our risk assessment procedures, we have determined that there is a less than reasonable possibility of a material misstatement in the remaining financial information not subject to further audit procedures.

Group auditor oversight

As part of establishing the overall group audit strategy and plan, we conducted risk assessment and planning discussion meetings with component auditors to discuss group audit risks relevant to the components.

Video and telephone conference meetings were held with these component auditors. At these meetings, the results of the planning procedures and further audit procedures communicated to us were discussed in more detail, and, where applicable, any further work required by us was then performed by the component auditors.

We inspected selected areas of the work performed by the component auditors for the purpose of the group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters below relate to the consolidated financial statements only. We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter	How our audit addressed the key audit matter
Valuation of policy liabilities and assets (detailed in the accounting policies and notes 8, 9, 10, 11 and 30.2 to the consolidated financial statements) As at 31 December 2025, the group held insurance contract assets and liabilities as well as reinsurance contract assets and liabilities because of its insurance operations. The group applies IFRS 17: Insurance Contracts ("IFRS 17") to insurance contracts and reinsurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features (DPF) (collectively referenced as "policy liability balances"). The present value of fulfilment cash flows (PVFCF) contained in policy liability balances are associated with significant uncertainties requiring the use of expert judgement embedded within complex actuarial models relying on subjective assumptions relating to future events including probability-weighted estimate assumptions regarding the expected claims and lapses. Changes to these assumptions may result in material changes to the valuation. The contractual service margin (CSM) is impacted by assumption changes to the PVFCF for future coverage that influences the release of the CSM in the current year and future periods. The most significant assumptions made in the valuation of policy liability balances arising from the group's insurance and reinsurance contracts relate to: • Future mortality, longevity and morbidity • Persistency assumptions with regard to lapse, surrender and paid-up rates • Future maintenance expenses • Discount rates • Inflation	Our audit of the policy liability balances included the following audit procedures that were executed with the assistance of our actuarial specialists. We tailored our testing of the policy liability balances with reference to the various portfolios of contracts and the various measurement models applied and performed testing on a disaggregated basis. Our procedures included the following: • Using our actuarial expertise, we assessed the valuation methodology and assumptions for compliance against the latest actuarial guidance, legislation and approved group accounting policy in accordance with IFRS 17. • We challenged key assumptions, and the methodologies and processes used to determine and update these assumptions, through comparison with externally observable data and our assessment of the group's analysis of experience to date and allowance for future uncertainty. Our challenge focused on the following assumptions: – future mortality, longevity and morbidity changes, – persistency assumptions, – future maintenance expense assumptions, and – discount rates and inflation.

Key audit matter	How our audit addressed the key audit matter
We considered the valuation of policy liability balances to be a key audit matter in our audit of the consolidated financial statements because of the following: • The significant judgements and high degree of estimation uncertainty relating to the magnitude and timing of the projected cash flows and the use of significant unobservable assumptions applied in valuing it; • The use of complex actuarial methods, together with significant judgements and assumptions; and • The material nature of the policy liability balances on Sanlam's statement of financial position and resultant impact on the statement of comprehensive income for the year ended 31 December 2025.	• We tested the design and implementation as well as effectiveness of management controls over models, including that any changes to models have been appropriately tested and the impacts quantified by management. • The reasonableness of the amortisation of the CSM was assessed as follows: – For a sample of individual retail life group of contracts, we recalculated the CSM using an independent model. – For a sample of corporate life insurance group of contracts, an analysis and reperformance of the CSM build-up was performed. • We evaluated the reasonability of key measures as follows: – Build-up and changes in the probability-weighted best estimate liabilities (BEL), risk adjustment (RA) and CSM by comparing expected changes to previous periods and unexpected changes to our knowledge of changes in the business and assumptions, based on the experience investigation results and assumption changes approved by management/governance structures. • For the valuation of the liability for incurred claims (LIC) for PAA contracts across the group: – We either assessed management's valuation or independently valued the balances based on our independent models. – We assessed the adequacy of the assumptions applied by management, e.g. delay factors, and assessed the adequacy of the year-end valuation with reference to prior years and key ratios. Based on the procedures performed as detailed above, we did not raise any material exceptions with respect to our audit of the policy liability balances.
Goodwill impairment assessment (detailed in the accounting policies and notes 2 and 30.1 to the consolidated financial statements) As at 31 December 2025, the group recognised goodwill in the consolidated financial statements amounting to R6,61 billion. The carrying amount of goodwill is reviewed bi-annually for impairment and written down where the recoverable amount is less than the carrying amount. In performing the impairment test, the carrying amount of each cash generating unit (CGU), is compared to the recoverable amount of the respective CGU. The recoverable amount of each CGU is determined based on fair value less cost to sell for entities that are cash-generating units. Management performed an impairment assessment over the cash generating units by calculating their fair value less cost to sell. Management has applied significant judgement in determining the recoverable amount given the key assumptions applied in performing the impairment assessments. Key assumptions include: • Revenue annual growth rates; • Average perpetuity growth rates; • Risk discount rates. We considered the goodwill impairment assessment to be a matter of most significance to our audit due to the: • significant judgement exercised by management in assessing impairment including the estimation uncertainty around the assumptions applied; and • magnitude of the goodwill balance.	Our audit approach included the following audit procedures for the goodwill impairment assessment: **Determining the fair value less cost to sell of the CGUs.** • We performed the following with assistance from our valuation experts: – We held discussions with management and inspected governance reports to obtain an understanding of the methodology applied by management in performing its fair value assessment to confirm whether the approach adopted by management in the valuation models applied on the CGUs are consistent with market practice and the applicable requirements of IFRS 13: Fair Value Measurement ("IFRS 13"). This informed management's impairment assessment performed in respect of the requirements of IAS 36: Impairment of Assets ("IAS 36"). – We assessed the key assumptions for reasonability by comparing inputs in the valuation models to observable sources (where available) including the assessment of historical and budgeted performance of the relevant entities. • We considered the appropriateness of inputs that required significantly more judgment. Our challenge was focused on inputs such as revenue annual growth rates, average perpetuity growth rates, VNB multiples and risk discount rates by benchmarking inputs against those of other comparable industry participants. • We selected a sample of CGUs, and independently reperformed the fair value calculation using market observable and comparable industry inputs. In performing the above, we determined an independent range of indicative equity values and assessed whether the client value was within the acceptable respective range. • For a sample of CGUs represented by listed investments, we compared the fair value of the investment to the listed share price of such entity. **Goodwill impairment testing** • We tested the mathematical accuracy of the valuations report through our valuation process. • We agreed and compared the final fair values audited to the goodwill recorded. In addition, we assessed internal and external factors in consideration of goodwill in our final assessment. No impairment indicators other than reported in financial statements were noted. Based on the procedures performed as detailed above, we did not raise any material exceptions with respect to our audit of the Goodwill impairment assessment.

Independent auditors' report continued

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sanlam Limited Annual Financial Statements 2025", which includes the Certificate by Company Secretary, the Directors' Report and the Audit Committee Report as required by the Companies Act of South Africa and the document titled "Sanlam Integrated Report 2025". The other information does not include the consolidated and separate financial statements and our auditors' reports thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards, 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette No.39475 dated 4 December 2015, we report that PricewaterhouseCoopers Incorporated and KPMG Incorporated have been the joint auditor of Sanlam Limited for three years and five years respectively.

KPMG Inc

KPMG Inc.
Registered Auditor
Director: Pierre Fourie
Registered Auditor
Chartered Accountant (SA)
4 Christiaan Barnard Street
Cape Town City Centre
Cape Town, South Africa

11 March 2026

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Alsue du Preez
Registered Auditor
Chartered Accountant (SA)
5 Silo Square
V&A Waterfront
Cape Town, South Africa

11 March 2026

Certificate by Company Secretary

In my capacity as Company Secretary, I hereby certify, in terms of the Companies Act, that for the year ended 31 December 2025, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

Adela Fortune

Adela Fortune
Company Secretary

11 March 2026

The audit committee report

During the year under review, the audit committee comprised six independent non-executive directors. They performed their duties and responsibilities as described in section 94 of the Companies Act and the supplementary functions assigned by the board. The audit committee fulfilled its oversight responsibility and all other relevant aspects relating to the independence of the auditors and audit quality in alignment with JSE Listings Requirements.

The audit committee's roles and responsibilities are outlined in its board approved charter. Some of these functions are elaborated on in this report. It evaluated the company's internal financial controls and has satisfied itself that there were no material breakdowns in these controls in the reporting period that impacted on the reasonability of financial reporting to stakeholders. In respect of isolated cases of control weakness, the committee is satisfied that management has taken appropriate remedial action and that any potential financial impact has been fully accounted for in the reported financial results.

The committee is also satisfied that the joint external auditors have considered all significant matters concerning the group's annual financial statements and how, in response, these were addressed by the committee. Furthermore, the committee expressed its satisfaction with the independence of the joint external auditors and confirmed that they are able to conduct their audit functions objectively without any undue influence from the company.

The audit committee confirms that it carried out its legal, regulatory and other responsibilities in alignment with its charter and annual plan.

Kobus Möller

Kobus Möller
Chair: audit committee

11 March 2026

Directors' report

for the year ended 31 December 2025

Nature of business

The Sanlam group is one of the largest established financial services groups in Africa. Its core activities are set out in the integrated report.

Sanlam Limited is a public company incorporated in terms of the Companies Act No 71 of 2008, as amended, in South Africa and equity listed on the JSE Limited, A2X and the Namibian Stock Exchange.

Sanlam Life Insurance Limited, a subsidiary of Sanlam Limited, is a public company incorporated in terms of the Companies Act No 71 of 2008, as amended (Companies Act) in South Africa and debt listed on the JSE Limited.

Corporate governance

The board of Sanlam endorses the Code of Corporate Practice and Conduct recommended in the King Report on Corporate Governance™ for South Africa, 2016 (King IV™). Disclosures with regard to compliance with the Code are provided in the Corporate Governance report.

Group results

Profit attributable to shareholders decreased by 28% to R15 941 million in 2025 from R22 240 million in 2024, largely due to impairment losses and the inclusion of profits from discontinued operations in 2024 which are not included in 2025. Results from insurance operations increased by 6% to R13 839 million from R13 080 million in 2024, due to strong underwriting results in the general insurance operations and positive risk experience in the life operations. Taking the above into account, the group achieved satisfactory operational performance in 2025. Further details regarding the group's results and prospects are included in the financial review in the integrated report. The information in the Corporate Governance and Remuneration Reports, requiring disclosure in the Directors' report in terms of the Companies Act and JSE Listings Requirements, has been audited.

Share capital

The issued ordinary share capital of the company is 2 117 million shares. Refer to page 190 for further information.

Dividend

The board has declared a normal cash dividend of 485 cents per share (2024: normal dividend of 445 cents), payable on 13 April 2026, to shareholders registered on 1 April 2026. All payments through electronic bank transfer will take place on this date.

Subsidiaries

Details of the company's principal subsidiaries are set out on page 257.

Directors' interests in contracts

No material contracts involving directors' interests were entered into in the year under review.

Interest of directors and officers in share capital

Details of the shareholding by directors at the date of this report are provided in the online remuneration report and on page 267.

Directors and secretary

Particulars of the directors and Company Secretary at the date of this report, as well as changes in directorships, are set out on pages 9 and 10 of the Sanlam Corporate governance report.

Subsequent events

Sanlam Investment Management Proprietary Limited (SIM) disposal

On 2 February 2026, the group completed the disposal of its investment in SIM (Pty) Ltd for a consideration of R6,2 billion. As this transaction occurred after the reporting date the financial impact of the disposal, including the gain arising on derecognition of the subsidiary, will be recognised in the next reporting period with SIM (Pty) Ltd classified as a disposal group as at 31 December 2025 (refer to note 37).

Shriram Finance Limited (SFL)

On 22 December 2025, the Board of Directors of SFL approved entering into definitive agreements with Mitsubishi UFJ Financial Group (MUFG) whereby MUFG will become a minority investor in SFL via a preferential allotment and subscription for new equity shares in SFL, representing approximately 20% of the total issued share capital of SFL (on a fully diluted basis), resulting in a capital injection of approximately USD4,4 billion. The transaction is expected to become effective by the end of March 2026. The dilution of Sanlam Life's 0,41% direct interest in SFL will be accounted for as a partial disposal, applying the principles of a decrease in ownership interest while continuing equity accounting. Accordingly, any gains or losses previously recognised in Other Comprehensive Income will be reclassified to profit or loss to the extent of the interest disposed. SFL will continue to be accounted for as an associate, as Sanlam and Sanlam Life retain significant influence through board representation and being part of the promoter group.

Sanlam Limited
Annual Financial Statements 2025

Insurance Transactions – Shriram General Insurance Company (SGIC) and Shriram Life Insurance Company (SLIC)

In April 2024 Sanlam announced its intention to acquire additional interests in SGIC and SLIC from TPG India Investments II Inc (TPG) and Shriram Ownership Trust (SOT) (the Insurance Transactions) subject to regulatory approvals. The Insurance Transactions include the following:

- acquisition of TPG's 6,94% interest in SLIC
- acquisition of SOT's 4,92% interest in SLIC
- acquisition of SOT's 4,45% interest in SGIC
- acquisition of TPG's 6,29% interest in SGIC

Following these acquisitions, Sanlam will hold an effective economic interest of 51% in SGIC and 54% in SLIC.

Regulatory approvals for the SGIC and SLIC components of the Insurance Transactions were granted on 23 January 2026 and 20 February 2026, respectively. The SGIC leg closed in early February 2026, while the SLIC leg closed on 6 March 2026.

Piramal Transaction – Shriram Life Insurance Company (SLIC)

Sanlam Emerging Markets Mauritius (SEMM) has entered into a share purchase agreement with Piramal Finance Limited (Piramal) to acquire an additional 14,72% interest in SLIC, in December 2025, on terms consistent with the Insurance Transactions. Upon completion, Sanlam's effective economic shareholding in SLIC will increase to 68,41%.

The intention is for SLIC to become a subsidiary.

Sanlam Personal Loans (SPL) and GoTyme Joint Venture

SPL has entered into an agreement with GoTyme to sell 50% of its retail credit loan book. As at 28 January 2026, a high-level view outlining how Sanlam will gain comfort on the asset split once the accounts are migrated was performed. Migrating accounts to the new system has already commenced with testing of small samples, with the majority of the migration scheduled for the second quarter of 2026. The assets do not meet the criteria for classification as held for sale at 31 December 2025, as they are not available for immediate sale in their present condition.

Subscription for shares in African Rainbow Capital Investments Proprietary Limited (ARCI)

On 4 March 2026, Sanlam Life entered into definitive agreements to subscribe for a separate class of shares in ARCI for a cash consideration of R3,2 billion, representing a 25% economic interest in the diversified investments portfolio of the ARC Fund (excluding the ARC Fund's investment in ARC Financial Services Holdings). The transaction is funded from shareholder-backed portfolios and does not result in any incremental deployment of discretionary capital or Sanlam Life shareholder funds. It deepens Sanlam's strategic partner-ship with Ubuntu-Botho Investments and African Rainbow Capital, providing access to a diversified portfolio of non-financial investments aligned to Sanlam Investments' focus on higher-growth client solutions, including alternative assets, while supporting long-term value creation and potential financial services ecosystem expansion across South Africa and the broader African continent.

No other material facts or circumstances have arisen between the date of the statement of financial position and this report which materially affects the financial position of the Sanlam Limited group at 31 December 2025 as reflected in these financial statements.

Approval of annual financial statements

The directors have approved the annual financial statements as reflected on page 1, including the certificate by the Company Secretary on page 8, the audit committee report for the 2025 financial year on page 9 and the analysis of shareholders on page 268.

Notice in terms of section 45(5) of the Companies act, 2008 (the Act)

The company is from time to time, as an essential part of conducting the business of the Sanlam group, required to provide financial assistance to group companies as part of its day-to-day operations in the form of loan funding, guarantees or general financial assistance as contemplated in section 45 of the Act. In accordance with section 45(5) of the Act this serves to give notice that the Sanlam board, in line with existing practice, approved that the company may, in accordance with and subject to the provisions of section 45 of the Act and in terms of the special resolution passed at the company's annual general meeting in 2024, provide such direct or indirect financial assistance to related and inter-related companies and corporations as described in section 45 of the Act. The amount and format of financial assistance which may be granted pursuant to the resolution is subject to ongoing review by the Sanlam board and may in total exceed the reporting threshold of 0,1% of the Sanlam group's net asset value provided for in the Act.

Capital and risk management



In this section

14 Capital management
19 Risk management
19 Governance framework and process
23 Risk types
28 Management of general risks
30 Risk management: Investment in associates and joint ventures
31 Management of financial reporting risks
31 Insurance risk
41 Market risk
49 Credit risk
56 Liquidity risk

Capital and risk management report

Capital management

Objective

Responsible capital management and allocation are an essential component of meeting the group's strategic objective of shared value creation for all stakeholders, including maximising shareholder value. The capital value used by the group as the primary performance measurement base is group equity value (GEV), as reported on page 284 of the supplemental information. The management of the group's capital base requires a continuous review of optimal capital levels, including the use of alternative sources of funding, to maximise return on GEV (RoGEV) and ensure appropriate solvency levels as a safeguard to our clients, regulators and broader society. The group has an integrated capital and risk management approach. The amount of capital required by the various businesses is directly linked to their exposure to financial and operational risks. Accordingly, risk management is an important component of responsible capital management and allocation. For capital and risk management purposes, the group includes all subsidiaries within the scope of consolidation, but excludes joint ventures and associates unless specifically disclosed otherwise.

Capital allocation methodology

The group allocates capital to its businesses based on the nature of their underlying risks, regulatory requirements and expected risk-adjusted returns, with the objective of maintaining appropriate solvency, supporting growth and optimising shareholder value.

Insurance operations, including life and general insurance businesses, require higher levels of allocated capital due to the long-term, uncertain and risk-sensitive nature of policyholder obligations. Capital allocation to these businesses is informed by regulatory capital requirements, supplemented by internal risk appetite considerations, stress testing and diversification benefits.

Life insurance operations are capitalised taking into account long-term liability profiles, asset-liability matching considerations, market and insurance risks, and liquidity risk. General insurance operations are capitalised with reference to underwriting risk, catastrophe exposure, earnings volatility and the shorter-term nature of liabilities.

For non-insurance businesses, capital allocation is based on the fair value of the operations and their underlying risk profiles. Performance targets are set with reference to risk-adjusted return hurdles, and excess or non-productive capital is identified and returned to the group in line with the internal dividend policy.

Across all business types, capital allocation decisions are supported by prudent balance sheet management, stress and scenario testing and ongoing monitoring of capital adequacy. The fair value of other group operations includes the working capital allocated to the respective operations. The group's approach to ensure appropriate working capital levels in these operations is twofold:

- The group's internal dividend policy is based on the annual declaration of all discretionary capital by subsidiaries that is not required for normal operations or expansion; and
- Performance targets are set for other group operations based on an expected return on the fair value of the businesses, equal to their internal hurdle rates. These hurdles form a key component of incentive scorecards. This ensures that all non-productive working capital is declared as a dividend to the group.

Covered business (life insurance operations)

The group's life insurance operations require significantly higher levels of allocated capital than the other group operations. The optimisation of long-term required capital is accordingly a primary focus area of the group's capital management philosophy given the significant potential to enhance shareholder value, while maintaining appropriate solvency levels. The following main strategies are used to achieve this objective:

- Appropriate matching of assets and liabilities for policyholder solutions. This is especially important for long-duration policyholder solutions that expose the group to interest rate risk, such as non-participating annuities.
- Due regard is given to liquidity risk management, particularly where derivatives are utilised for matching purposes.
- The asset mix of the assets backing the long-term required capital and shareholders' equity, as well as the assets in the policyholder portfolios backing the contractual service margin and risk adjustment components of the life insurance liabilities, also impact the overall capital requirement. The group's balance sheet management function models the overall risk and expected return on assets, including the impact on required capital to determine the optimal asset mix in this regard.
- The optimal use of long-term debt in the group's capital structure.
- Management of operational risk: internal controls and various other operational risk management processes are used to reduce operational risk and commensurately the allowance for this risk in the calculation of required capital.
- The optimal use of hedges, e.g. the interest rate derivatives currently in place.
- Efficient selection of reinsurance strategies.

The group continues to improve and further develop its capital management models and processes in line with international best practice.

Other group operations

The performance measurement of other group operations is based on the return achieved on the fair value of the businesses. Risk-adjusted return targets are set for the businesses to ensure that each business' return target takes cognisance of the inherent risks of the business. This approach ensures that the management teams are focused on operational strategies that will optimise the return on fair value, thereby contributing to the group's main objective of optimising RoGEV.

Balance sheet management committee

The balance sheet management committee, an internal management committee mandated by the Sanlam Limited board, is responsible for reviewing and overseeing the management of the group's shareholders capital base in terms of the specific strategies approved by the board. A similar committee was established to specifically consider the SanlamAllianz businesses.

Discretionary capital

Any capital in excess of requirements and not optimally utilised, is identified on a continuous basis. The pursuit of structural growth initiatives is set as the preferred application of group capital, subject to such initiatives yielding the applicable hurdle rate and being complementary to or in support of group strategy. Any discretionary capital not efficiently redeployed will be returned to shareholders in the most effective form.

Capital adequacy

Sanlam group

At the Capital Markets Day in 2025, the group introduced economic solvency as its primary internal solvency metric. This metric provides a better reflection on the group's risk profile than regulatory solvency. The group's economic solvency ratio is 183% at 31 December 2025 (31 December 2024: 188%).

For regulatory purposes, the group's consolidated capital adequacy is assessed under the Insurance Act and relevant Prudential Standards. The group did not breach its regulatory minimum requirements and the regulatory SCR cover was 163% at 31 December 2025 (31 December 2024: 168%)

The group solvency ratio is assessed by comparing group eligible own funds (OF) to group SCR on an economic basis (for 31 December 2024 this was done on the Prudential Standards basis). The economic basis provides a better reflection of the shareholder solvency and risk profile for the group. The economic basis differs from the Prudential Standards basis as follows:

- It includes the Santam solvency position calculated by using its Economic Internal Model (EIM) which is currently the reported Santam solvency position. The EIM basis provides a better reflection of the shareholder solvency and risk profile than the Prudential Standards basis used for regulatory reporting. By using the EIM basis for Santam in group solvency, the Group Economic Solvency Ratio will provide a better reflection of the shareholder solvency and risk profile for the group.
- It includes foreseeable dividends whereas for regulatory reporting, an adjustment is made to exclude foreseeable dividends from eligible own funds.

Other than the differences mentioned above, the economic basis is aligned with the Prudential Standards. The Prudential Standard requires insurance groups to calculate their group-wide capital adequacy using either the Deduction and Aggregation (D&A) method (default method) or, subject to the approval of the Prudential Authority (PA), the Accounting Consolidation (AC) method.

Sanlam uses the D&A method to assess group solvency for entities outside of South Africa. Following PA approval, Sanlam started using the AC method for South African insurance entities. The key principles and requirements in relation to the assessment of group capital adequacy include:

- The capital adequacy of the insurance group must be assessed by aggregating adjusted solo OF and solo SCR of entities within the group, with intra-group transactions eliminated to avoid double-counting.
- The measurement of solo OF and solo SCR to be used in group calculations will depend on the type of entity and holding, and may be based on regulatory capital requirements that apply in other sectors (for non-insurers) as follows:
  - South African insurers: OF and SCR as prescribed under the Prudential Standards. Santam is included on the economic basis when determining group solvency on an economic basis.
  - Non-South African insurers applying Solvency II: OF and standard formula SCR as prescribed under Solvency II.
  - Non-South African insurers regulated in non-equivalent jurisdictions: OF and SCR as prescribed under the Prudential Standards.
  - Regulated banks and credit institutions: Regulatory capital resources and capital requirements are determined in line with banking regulatory requirements i.e., Basel III.
  - Other regulated entities (e.g., asset managers): In line with applicable regulatory and/or prescribed capital requirements.
  - Other non-regulated entities including holding companies: Where no capital requirements are prescribed: Adjusted IFRS Accounting Standards net asset values for OF and SCR are based on the relevant prescribed equity stress under the Prudential Standards.
- The AC method allows for diversification between South African insurance subsidiaries. All other entities within the insurance group must be assessed using the D&A method.
- The determination of group eligible OF to consider potential restrictions on the availability of certain OF, including the fungibility and transferability of OF across the insurance group.
- A deduction for foreseeable dividends, which represent the proposed 2026 Sanlam Limited dividend, is made to eligible OF as at 31 December 2025 on the Prudential Standards basis whereas this deduction is not made on an economic basis.

The Sanlam group economic solvency cover was 183% at 31 December 2025, compared to 188% at 31 December 2024.

Capital and risk management report continued

The following table provides an analysis of the contribution to group solvency per major entity grouping and quality of capital:

Sanlam group economic solvency

at 31 December 2025

	Sanlam Limited			
R million	Own funds	SCR	Surplus	SCR cover
2025				
Sanlam Life regulatory solvency	**155 245**	**86 189**	**69 056**	**180%**
Other group entities[1]	**76 230**	**36 260**	**39 970**	**210%**
SA insurance	**35 378**	**13 650**	**21 728**	**259%**
SA other	**5 920**	**3 621**	**2 299**	**163%**
Non-SA insurance	**23 450**	**12 584**	**10 866**	**186%**
Non-SA other	**11 482**	**6 405**	**5 077**	**179%**
Sanlam Life consolidation entries[2]	**(108 597)**	**(55 401)**	**(53 196)**	
Total Sanlam group own funds eligible to meet SCR	**122 878**	**67 048**	**55 830**	**183%**
Tier 1	**112 273**			
Tier 2	**8 593**			
Tier 3	**2 012**			
Total Sanlam group own funds eligible to meet SCR	**122 878**			

R million	Own funds	SCR	Surplus	SCR cover
2024[3]				
Sanlam Life regulatory solvency	152 233	65 885	86 348	231%
Other group entities[1]	82 770	39 869	42 901	208%
SA insurance	33 061	12 719	20 342	260%
SA other	12 485	6 357	6 128	196%
Non-SA insurance	27 969	16 577	11 392	169%
Non-SA other	9 255	4 216	5 039	220%
Sanlam Life consolidation entries[2]	(113 245)	(41 119)	(72 126)	
Total Sanlam group own funds eligible to meet SCR	121 758	64 635	57 123	188%
Tier 1	110 339			
Tier 2	8 433			
Tier 3	2 986			
Total Sanlam group own funds eligible to meet SCR	121 758			

[1] *Investments in companies in which the insurer owns a significant proportion of the issued share capital or over which it exerts significant influence/control.*
[2] *Elimination of Sanlam Life Insurance Limited participations. The SAM group structure includes entities in accordance with the group's effective shareholding.*
[3] *The economic basis of reporting reflects Prudential solvency results, adjusted to exclude foreseeable dividends and to incorporate Santam's internal economic model. Comparative information has been prepared on the same basis to ensure consistency of presentation. These adjustments represent a change in presentation basis only and do not constitute a restatement of previously reported results under IFRS Accounting Standards.*

Sanlam Life solo

For regulatory purposes, capital adequacy for the South African insurance operations is measured with reference to the standard formula as specified under the Prudential Standards. The solvency ratio of 180% is within risk appetite.

The valuation of assets and policy liabilities for prudential capital adequacy under the Prudential Standards is different to the methodology for the published IFRS Accounting Standards results.

The following table provides a reconciliation between the IFRS Accounting Standards Shareholders' equity or the Sanlam Life solo entity (the largest insurer within the Sanlam group) and its own funds.

Sanlam Life regulatory solvency

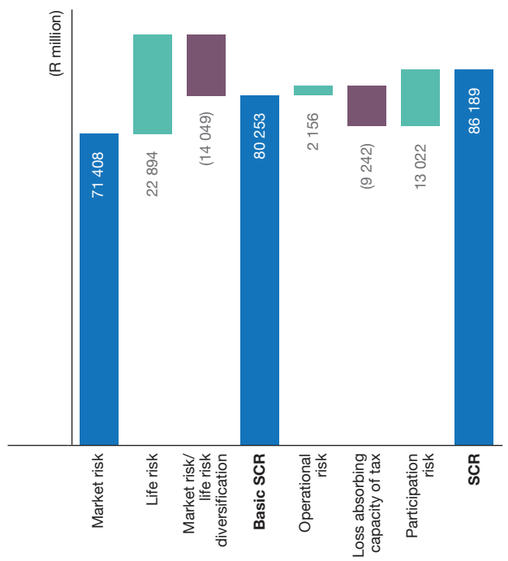
at 31 December 2025

	Sanlam Life Insurance Limited	
R million	2025	2024
Reconciliation of IFRS Accounting Standards Shareholders' equity to Own Funds		
Shareholders' equity	**146 037**	139 710
Adjustments from IFRS to regulatory basis	**(17 341)**	(15 375)
Write-down intangibles	**(3 696)**	(3 759)
Regulatory adjustment to valuation basis	**(13 645)**	(11 616)
Regulatory basis adjustments to policyholder liabilities	**24 986**	25 474
Liability valuation adjustments	**45 365**	43 103
Impact of risk margin	**(12 559)**	(9 786)
Increase in net deferred tax liabilities resulting from liability valuation differences above	**(7 820)**	(7 843)
Add subordinated debt	**6 072**	6 038
Basic own funds	**159 754**	155 847
Statutory adjustments	**(4 509)**	(3 614)
Own funds eligible to meet SCR	**155 245**	152 233
SCR	**86 189**	65 885
SCR cover	**180%**	231%

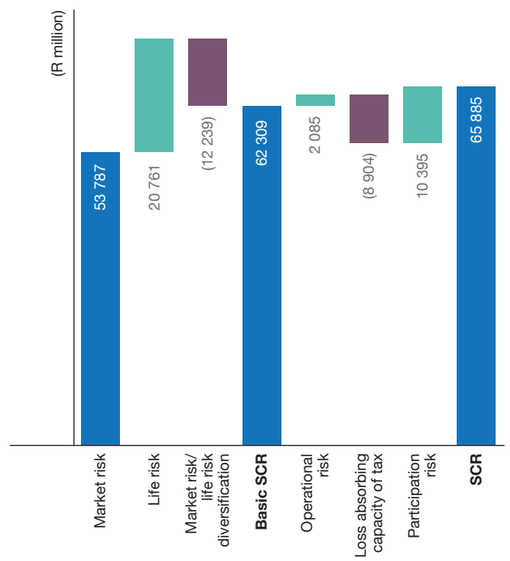
Sanlam Life solo SCR

The graph below shows the SCR for Sanlam Life (solo) and the main contributors to the SCR being market risk and life risk. The main drivers of market risk are exposure to financial instruments (especially resulting from future product fee income being linked to policyholder investment portfolios) and participations (as defined on the previous page), interest rate movements and the value of investment guarantees. The increase in market risk is driven by higher prescribed stresses, Equity Symmetric Adjustments, and increased exposure to corporate credit. The main drivers of life risk include lapse assumptions, the level of interest rates as well as mortality/longevity assumptions.

31 December 2025 SCR



31 December 2024 SCR



Capital and risk management report continued

Sensitivity analysis

The following table provides solvency sensitivity analysis for the Sanlam group and Sanlam Life solo.

Sanlam group	Own funds eligible to meet SCR		SCR		Surplus		SCR Cover	
R million	2025	2024[1]	2025	2024[1]	2025	2024[1]	2025	2024[1]
Base position	**122 878**	121 758	**67 048**	64 635	**55 829**	57 123	**183%**	188%
Equities –30%[2]	**115 118**	112 622	**63 274**	62 719	**51 845**	49 903	**182%**	180%
Interest rates –1%	**122 724**	123 570	**68 345**	65 323	**54 379**	58 247	**180%**	189%
Credit spreads +1%	**121 411**	120 218	**66 975**	64 663	**54 437**	55 555	**181%**	186%
ZAR appreciation 10%	**120 808**	119 419	**66 687**	64 298	**54 122**	55 120	**181%**	186%
Shock scenario[3]	**107 838**	104 901	**63 652**	61 890	**44 186**	43 011	**169%**	169%

Sanlam Life	Own funds to meet eligible SCR		SCR		Surplus		SCR Cover	
R million	2025	2024	2025	2024	2025	2024	2025	2024
Base position	**155 245**	152 233	**86 189**	65 885	**69 056**	86 348	**180%**	231%
Equities –30%[2]	**118 047**	113 479	**50 671**	45 269	**67 376**	68 210	**233%**	251%
Interest rates –1%	**154 171**	153 613	**87 064**	66 579	**67 107**	87 034	**177%**	231%
Credit spreads +1%	**154 277**	151 424	**86 396**	66 098	**67 881**	85 326	**179%**	229%
ZAR appreciation 10%	**153 350**	150 438	**86 016**	65 774	**67 334**	84 664	**178%**	229%
Shock scenario[3]	**114 939**	112 897	**52 933**	47 193	**62 006**	65 704	**217%**	239%

[1] The group introduced economic solvency as its primary solvency metric at its Capital Markets Day in 2025. The 2024 numbers have been re-presented on the economic basis.
[2] For the equity sensitivity, the value of participations in Sanlam Life is also assumed to decline by 30%, while the Sanlam group result considers the actual equity exposure within these participations.
[3] Equities decline by 30% and implied equity volatility increases by 25%, property values decline by 15%, fixed interest yields and inflation-linked real yields increase or decrease by 25% of the nominal or real yields, emerging market currencies decline by 25% against developed market currencies, and credit spreads widen by 1%.

The sensitivities illustrate the resilience of the Sanlam and Sanlam Life balance sheets. The cover ratio improves for some equity sensitivities due to the effect of the equity symmetric adjustment in the standard formula under the Prudential Standards that allows for a reduced equity stress after a downward adjustment to equity values.

Credit rating

The latest Standard & Poor's (S&P) ratings for group companies are:

	Most recent ratings issued
Sanlam Limited	South Africa National Scale: zaA+
Sanlam Life Insurance Limited	South Africa National Scale: zaAAA
Subordinated debt issued by Sanlam Life Insurance Limited	South Africa National Scale: zaAA-
Santam Limited	South Africa National Scale: zaAAA

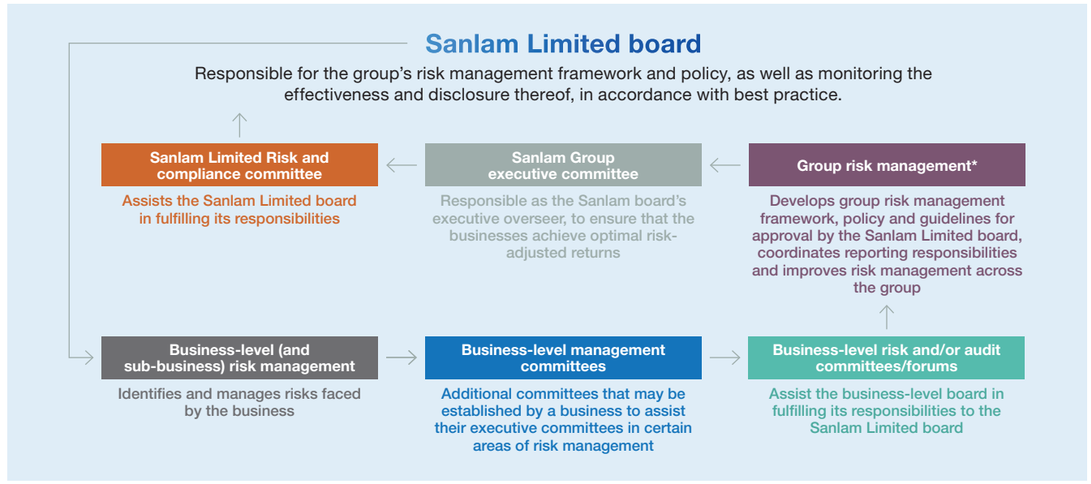
Risk management

Governance framework and process

Governance structure

The group operates within a decentralised business model environment. In terms of this philosophy, the Sanlam Limited board sets the group enterprise risk management policies and frameworks, and the individual businesses take responsibility for all operational and risk-related matters on a business level, within the limits set by these policies and frameworks.

The following diagram depicts the generic flow of risk management information from the individual businesses to the Sanlam Limited board.



** Group risk management also acts as the risk management control function of Sanlam Life.*

Capital and risk management report continued

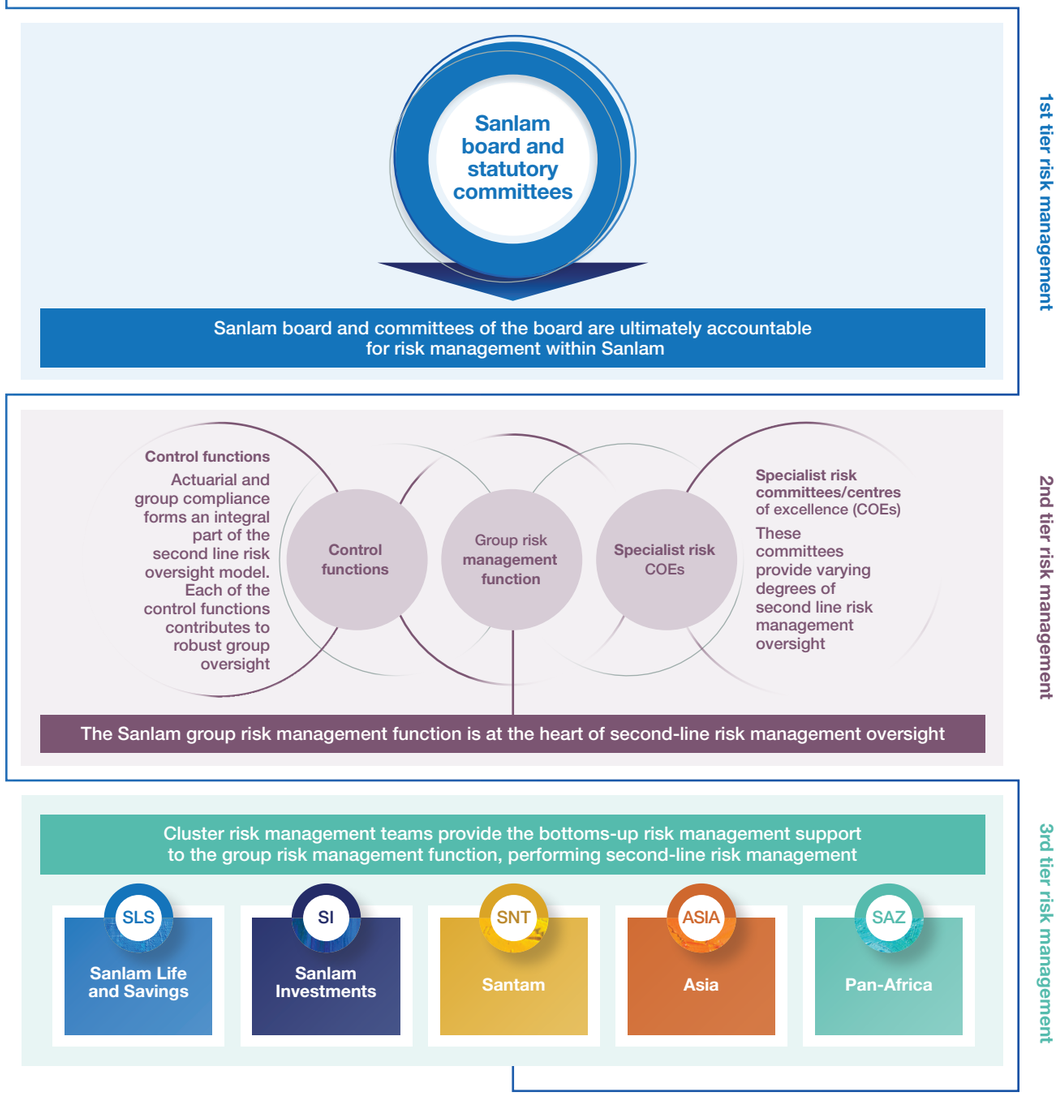
Role of group risk management

The role of group risk management is one of setting group standards and guidelines, co-ordinating and monitoring risk management practices and ultimately reporting to the Sanlam Limited board.

Group risk management plays an active role with regard to risk management in the Sanlam group. The involvement includes the following:

- Permanent invitee of business units' finance and risk forums
- Member of the central credit committee (see description below)
- Transactional approval incorporated into approval frameworks of business units where appropriate
- Involvement and approval of corporate activity transactions
- Chairs of the estate committee and asset and liability committee at group level, as well as the group risk forum (see descriptions below)
- Guidance on risk-related matters at business level; and
- Involvement with specialist risk management issues at business level

Overview of Sanlam group risk function



Sanlam Limited
Annual Financial Statements 2025

A number of other risk management/monitoring mechanisms operate within the group as part of the overall risk management structure. The most important of these are illustrated in the following table:

Other risk management/monitoring mechanisms

Balance sheet management committees
Review and oversee the management of the group's capital base

Financial market risk committees
Determine appropriate investment policies and guidelines for policyholder portfolios where guarantees are provided

Credit committees
Oversee the identification, measurement and control of corporate credit risk exposure

Investment committees
Determine and monitor appropriate investment strategies for policyholder solutions

Group treasury function
Manage the liquidity risks in the borrowing functions of Sanlam

Non-listed asset controlling body
Review and approve the valuation of all unlisted assets in the group for recommendation to the Sanlam Limited board

Group risk forum
Aid co-ordination and transfer of knowledge between businesses and the group, and assists group risk management in identifying risks requiring escalation to the Sanlam Limited board

Finance director
Ensure that sound financial practices are followed, adequate and accurate reporting occurs, and financial statement risk is minimised

Actuarial
Monitor and report on key risks affecting the life insurance operations. Determine capital requirements of the insurance operations and the potential impact of strategic decisions thereon, by using appropriate modelling techniques

Forensics
Investigate and report on fraud and illegal behaviour in businesses

Group secretariat and public officers
Review and report on corporate governance practices and structures. Report on applicable legal and compliance matters

Group compliance function
Facilitate management of compliance through analysing and advising on statutory and regulatory requirements, and monitoring implementation and execution thereof

Sanlam group technology (SGT)
Manage and report group-wide technology, cyber and information security risks

Risk officer (per business)
Assist business management in their implementation of the group risk management framework and policies, and to monitor the business's entire risk profile

Internal audit
Assist the Sanlam Limited board and management by monitoring the adequacy and effectiveness of risk management in businesses

Actuarial forum
Assist the audit committee and the risk and compliance committee on actuarial related matters. It also assists the actuarial control function in providing oversight over first line activities in group actuarial, most notably balance sheet management

Group digital and IT forum
Assist the risk and compliance committee on all group-related IT and digital matters and key risks are discussed at this forum

Group sustainability
Co-ordinate and report on group-wide ESG and sustainability strategies and provide insight into ESG-related risks

Capital and risk management report continued

Group risk policies

The main policies are listed below:

- Sanlam group enterprise risk management (ERM) policy;
- Sanlam group risk escalation policy;
- Sanlam group capital management policy;
- Sanlam group investment policy;
- Sanlam group life underwriting policy;
- Sanlam group general insurance underwriting policy;
- Sanlam group general insurance reinsurance and other risk transfer policy;
- Sanlam group life reinsurance and other risk transfer policy;
- Sanlam group operational risk management policy;
- Sanlam group business continuity management policy;
- Sanlam group own risk and solvency assessment (ORSA) policy; and
- Sanlam group stress testing policy.

The following also cover aspects with linkage to risk management:

- Sanlam group governance policy;
- Sanlam group IT governance policy;
- Sanlam group financial crime policy;
- Sanlam group fit and proper policy;
- Sanlam group third party risk management policy; and
- Sanlam group remuneration policy.

The policies above are aligned with the requirements set out in the Prudential Authority's Governance and Operational Standards for Insurers and Insurance groups.

The current incumbents responsible for risk information flow to the Group Chief Risk Officer are covered in the enterprise risk management policy.

Sanlam group enterprise risk management policy and plan

The group ERM policy and plan include the following main components:

- The broad objectives and philosophy of risk management in the group;
- The roles and responsibilities of the various functionaries in the group tasked with risk management; and
- The group's minimum standards for implementation of risk management in the businesses.

Escalation of risks

The group risk escalation policy defines the circumstances under which risk events and emerging risks should be escalated to the Sanlam group level. This includes quantitative and qualitative measures.

Summary of Sanlam group's risk appetite

The Sanlam group has a risk appetite framework that aims to articulate the types and quantum of risks that the organisation are prepared to take (i.e., seek, accept or tolerate) in pursuit of its strategic objectives (including objectives of value creation and growth). It sets out the quantitative and qualitative boundaries on risk taking activities that apply across the organisation.

The risk appetite reflects the group's overall philosophy to risk taking, thus reflecting how it balances its goals of efficiency, growth and return from a risk-taking perspective. It reflects the setting of targets for risk taking across the group as a whole, plus the breakdown of these high-level statements into more detailed risk tolerances.

Risk appetite criteria are specified for each of the risk categories specified in the group's risk classification standard, together with some additional criteria around capital and solvency risks and earnings risks. The group's risk appetite statement is thus grouped into the following risk appetite buckets:

- Capital and solvency risks;
- Earnings risk;
- Market and asset concentration risks;
- Credit risk;
- Liquidity risk;
- Operational risk;
- Conduct risk;
- Insurance risk (life and general insurance business);
- Brand and reputational risks; and
- Strategic risks.

Each cluster/business manages its risks within the group's ERM framework including the group's risk appetite statements.

Sanlam group risk taxonomy

A formal risk taxonomy is defined at group level and all entities within the Sanlam group is required to adopt the risk taxonomy to apply a consistent and uniform categorisation of risks throughout the group. The risk taxonomy is defined at level 1 and level 2 risk categories. Below are the level 1 risk categories:

- Brand and reputational risk;
- Credit risk;
- Liquidity risk;
- Insurance risk (life);
- Insurance risk (general insurance);
- Market risk;
- Operational risk; and
- Strategic risk.

Assessment of the effectiveness of the risk management process

According to King IV™, the board should receive assurance regarding the effectiveness of the risk management process. The following process is followed to provide such assurance:

- Sanlam makes use of a robust model, aligned with industry best practice, to measure risk maturity across the different clusters on an annual basis. Internal audit will annually, in conjunction with group risk management, prepare risk management process audit plans for approval by the Sanlam Limited risk and compliance committee.
- Typically, the larger businesses will be assessed by an external firm against the maturity model, from time to time.
- The information on the assessments will be presented to the cluster finance and risk forum and to the Sanlam Limited risk and compliance committee.
- Annual Risk Maturity Self-Assessments are performed and the results of these maturity assessments are presented to the Sanlam Risk and Compliance Committee.

Risk types

The group is exposed to the following main risks:

Level 1 risk category	Level 1 definition	Level 2 risk category	Level 2 definition
Brand and reputational risk	The risk arising from brand or reputational damage due to loss to financial capital, social capital and/or market share resulting from damage to a firm's reputation. This is often measured in lost revenue, increased operating, capital or regulatory costs, or destruction of shareholder value.	Brand risk	The risk that market perception of the organisation's brand might be weak or inferior when compared to other competitors within the market or not meeting the brand expectations that it has created in the market
		Reputational risk	The risk that adverse publicity regarding the group's business practices, associations and market conduct, whether accurate or not, will cause a loss of confidence in the integrity of the institution. The risk of loss of confidence relates to stakeholders, which include, inter alia, potential and existing customers, investors, suppliers and regulators
Credit risk	The risk of default and/or deterioration in the credit quality of issuers of securities, counterparties, and intermediaries to whom the company has exposure.	Default risk	The credit risk arising from the inability or unwillingness of a counterparty to a financial instrument to discharge its contractual obligations
		Downgrade or migration risk	The risk that changes in the possibility of a future default by an obligator will adversely affect the present value of the contract with the obligator today
		Credit concentration risk	The risk of loss in a portfolio arising from lack of diversification due to exposure to a small number of counterparties, sectors or geographical locations
		Credit correlation risk	The risk of loss in a portfolio arising from high correlation of market movements of two or more asset values within the same portfolio
		Country/geographic risk	The economic, social, and political conditions and events in a foreign country that may adversely affect a financial institution's operations
		Settlement risk	The risk arising from the lag between the value and settlement dates of securities transactions
		Counterparty credit risk	Counterparty risk refers to the probability or possibility of default by one of the counterparties in a contract. The risk is of default in performance of their contractual obligation and can exist in any transaction, including investment, trading, and credit transactions

Capital and risk management report continued

Level 1 risk category	Level 1 definition	Level 2 risk category	Level 2 definition
Life insurance risk	The risk arising from the underwriting of life insurance contracts, in relation to the perils covered and the processes used in the conduct of the business.	Catastrophe risk	The risk of loss, or of adverse change in the value of insurance liabilities, resulting from significant uncertainty of pricing and provisioning assumptions related to extreme or exceptional events
		Concentration risk	The risk of financial loss due to having written large proportions of claims with businesses of the same/similar risk profile
		Expense risk	The risk of loss due to actual expense experience being worse than that assumed in premium rates and the valuation of policy liabilities. It covers the risk of loss or adverse change in insurance liabilities due to adverse variation in the expenses incurred in servicing insurance and reinsurance contracts
		Policyholder behaviour risk	Risk of loss resulting from unanticipated changes in policyholder behaviour
		Reinsurance risk	Risk arising from inability to obtain reinsurance at the right time and appropriate price, or that of failure to recover contracted reinsured amounts
		Persistency risk	The risk of financial loss due to negative lapse, surrender and paid-up experience. It covers the risk of loss or adverse change in insurance liabilities due to unanticipated change in the rate of policy lapses, terminations, renewals and surrenders
		Underwriting risk	The risk that the actual experience relating to mortality, longevity, disability and medical (morbidity) will deviate negatively from the expected experience used in the pricing of solutions and valuation of policy liabilities
General insurance risk	The risk arising from the underwriting of general insurance contracts, in relation to the perils covered and the processes used in the conduct of the business.	Catastrophe risk	The risk of loss, or of adverse change in the value of insurance liabilities, resulting from significant uncertainty of pricing and provisioning assumptions related to extreme or exceptional events
		Concentration risk	The risk of financial loss due to having written large proportions of claims with businesses of the same/similar risk profile
		Expense risk	The risk of loss due to actual expense experience being worse than that assumed in premium rates and the valuation of policy liabilities. It covers the risk of loss or adverse change in insurance liabilities due to adverse variation in the expenses incurred in servicing insurance and reinsurance contracts
		Policyholder behaviour risk	Risk of loss resulting from deliberate changes in policyholder behaviour aimed at benefiting unfairly from the insurance contract
		Reinsurance risk	Risk arising from inability to obtain reinsurance at the right time and appropriate price, or that of failure to recover contracted reinsured amounts
		Claims risk	Refers to a change in value caused by ultimate costs for full contractual obligations varying from those assumed when these obligations were estimated. Claims risk are often split into reserve risk (relating to incurred claims) and premium risk (relating to future claims)
		Underwriting risk	Relates to inaccurate assessment of the risks associated with writing an insurance policy or from uncontrollable factors. As a result, the insurer's costs may significantly exceed the premium income

Level 1 risk category	Level 1 definition	Level 2 risk category	Level 2 definition
Liquidity risk	The risk of not having enough cash to meet financial obligations at the time that they fall due (at a reasonable cost).	Operational liquidity risk	The risk relating to the difficulty/inability to access/raise funds to meet commitments associated with day-to-day operations of the organisation, such as paying suppliers, salaries, rental expenses, insurance claims, dividend payments, tax payments etc.
		Funding liquidity risk	The risk relating to the difficulty/inability to access/raise funds to meet commitments associated with financial instruments or policy contracts
		Market liquidity risk	The risk stemming from the lack of marketability of a financial instrument that cannot be bought or sold quickly enough to prevent or minimise a loss (or make the required profit)
Market risk	The risk arising from the level or volatility of market prices of financial instruments which have an impact on the value of assets and liabilities of the organisation as well as the impact on the income statement.	Asset/liability management (ALM) risk	The risk of a change in value as a result of a deviation between asset and liability cash flows, prices or carrying amounts. ALM risk originates from changes in market risk factors
		Asset concentration	The risk of losses associated with inadequately diversified risk asset portfolios. This may arise either from a lack of diversification in the asset portfolio, or from large exposure to default risk by a single issuer of securities or a group of related issuers (market risk concentrations)
		Commodity risk	The possibility that commodity price changes will cause financial losses for either commodity buyers or producers
		Credit spread risk	The sensitivity of the values of assets, liabilities and financial instruments to changes in the level or volatility of market implied credit spreads over the risk-free interest rate term structure
		Currency risk	The exposure faced by investors or companies that operate across different countries, in regard to unpredictable gains or losses due to changes in the value of one currency in relation to another currency
		Basis risk	The risk that the value of the hedging instrument will not perfectly offset the underlying position being hedged, e.g., futures contracts not held to maturity, or bond exposures hedged with swaps, etc.
		Derivative usage risk	The risk of derivatives being used in parts of the business where there are insufficient capabilities to manage these instruments and comply with all applicable regulations
		Equity risk	The risk resulting from the sensitivity of values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of equities
		Interest rate risk	The risk of loss or adverse change in the value of assets and liabilities due to unanticipated changes in the level or volatility of interest rates
		Inflation risk	The risk that the future real value (after inflation) of an investment, asset, or income stream will be reduced by unanticipated inflation
		Property risk	The risk that the value of investment properties will fluctuate as a result of changes in the environment (i.e., the risk of loss or adverse change in the value of assets and liabilities due to unanticipated changes in the level and volatility of market prices of property as well as vacancy levels)

Capital and risk management report continued

Level 1 risk category	Level 1 definition	Level 2 risk category	Level 2 definition
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	Human capital risk	The risk that the organisation does not have access to appropriate skills and staff complement to execute business operations as well as strategic initiatives
		Process/execution	The risk that internal processes are not accurately or risk effectively executed or that internal processes are not adequately designed which may result in financial loss. This includes the risk around errors, control circumvention, non-compliance with processes and control breakdowns
		Technology/IT risk	Risk related to the unavailability, unreliability or failure of IT platforms, IT networks, IT applications and general IT Infrastructure. This also includes the slow or lagging adoption of newer IT technologies and the failure to implement best practice protocols and security. This may result in the organisation's inability to complete business processes due to system unavailability, penalties and/or fines and/or compensation and/or financial loss
		Cyber risk	Risk refers to the potential harm or damage that can result from a breach or an attack on computer systems, networks and electronic data
		Information and data	Failure to accurately and effectively govern, manage, risk analyse, protect and utilise data within the organisation. This may include poor data science, records management, illegal data sharing, data errors, or incomplete or inaccurate data
		Legal risk	The risk of execution errors in the legal procedures and processes. This would include, among others, mishandling of legal process, contractual rights or obligation failures and non-contractual rights/obligation failures
		Regulatory compliance risk	The risk of not complying with laws, regulations, rules, related self-regulatory organisation standards and investment management mandates. This also includes regulatory change risk and the impact of implementing required regulatory changes
		Conduct risk	The failure to uphold the group's core values and code of ethical conduct including acceptable market conduct practices. The risk involving the behaviour of an organisation and of those that act on its behalf towards various stakeholders (including potential and current customers, regulators or supervisors, investors, and other market participants). Market conduct comprises market discipline (including transparency and corporate governance) and consumer protection (including TCF)
		Third party/ outsourcing/service provider risk	The risk arising from the failure of an outsourcing service provider to discharge its contractual obligations or failure to maintain agreed service levels. Includes concentration risk and lack of governance over third parties
		Fraud/financial crime risk	The risk of internal/external fraud and financial crime as well as unlawful/criminal conduct which may result in financial loss or have a reputational impact on the organisation
		Physical security/ health and safety	Risk related to financial loss or threat to organisation's assets, operations or staff and employees that might occur due to natural and non-natural events
		Business continuity	The risk that inadequate planning, controls and preparation is in place to ensure the organisation can overcome serious incidents or disasters and resumes its normal operations within a reasonably short period

Level 1 risk category	Level 1 definition	Level 2 risk category	Level 2 definition
Operational risk continued		Statutory/financial reporting risk	The failure to produce accurate, complete and timely statutory and financial reporting with relevant disclosures. This will include ESG specific disclosures
		Taxation risk	The failure to correctly account for taxation in accordance with relevant tax regulation and relevant legislation. This includes tax non-compliance, intentional or unintentional tax evasion
		Project and change risk	The failure to execute and achieve the key deliverables in projects within the specified budget or within the required timeframe. Also includes all operational risks linked with project implementations
		Data management risk	Failure to accurately and effectively manage and utilise data within the organisation. This may include data errors, incomplete or inaccurate data
		Model risk	Risk that errors or inaccuracies within models used within the organisation might lead to financial loss for the organisation
Strategic risk	The risk refers to the internal and external events that may make it difficult, or even impossible, for an organisation to achieve their objectives and strategic goals.	Capital/solvency risk	The risk that the organisation has insufficient capital to meet operational, strategic and regulatory requirements. The risk of capital availability, the inefficient use of capital and the risk related to the potential loss of part or all of on balance sheet capital
		Competition risk	The risk that the organisation does not remain competitive against its peers or new entrants into the industry
		Merger and acquisition risk	The risk that mergers and acquisitions do not deliver strategic economic benefit to the organisation. Also, the risk that the organisation might be too risk-averse and not pursue potential mergers or acquisitions which may benefit the organisation
		Governance risk	The risk that poor governance in the organisation can lead to financial loss and potential fines or penalties. The risk of a sub-optimal organisational structure for effective control and assurance to stakeholders of good corporate governance (including management control and oversight over subsidiaries)
		Going concern risk	The risk that the organisation might not be able to continue as a going concern for the foreseeable future due to solvency or liquidity issues
		Market share risk	The risk that the organisation fails to maintain and potentially lose market share within its industry
		Organisational strategy risk	The risk that the organisational strategy of the firm makes it challenging for the firm to achieve its strategic goals
		Political/country risk	The risk that specific political and country risks impact geographical areas the firm are operating in or are exposed to
		Business concentration risk	The risk that firm is exposed to high concentration in specific markets or classes of business with not adequate diversification

Capital and risk management report continued

Level 1 risk category	Level 1 definition	Level 2 risk category	Level 2 definition
Strategic risk continued		Climate/ environmental risk	The risk associated with climate change and the potential negative impact on the organisation. This will include physical and transitional risks. Physical climate risks such as acute extreme weather events causing disruption to operations and damage to physical assets having an impact on liabilities, and chronic long-term shifts in weather patterns and degradation of resource availability. Transition risks such as compliance costs, stranded assets, restrictions and limitations on carbon intensive assets, climate related litigation claims and viability of certain business models
		Social risk	Risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of social factors on its counterparties or invested assets
		Profit risk	The risk incorporates inadequate diversified income sources and exposure to revenue volatility
		Strategic environment risk	The external environment risk including factors such as economics, politics, social stability and savings investments

Management of general risks[1]

Operational risk

Operational risk is mainly governed through the group operational risk management policy. This sets out the responsibilities for the following different lines of defence on how operational risk should be managed within the organisation:

- Business exco/senior management (first line);
- Risk management (second line); and
- Internal audit (third line).

A board-approved internal audit charter governs internal audit activity within the group. Regular risk-focused reviews of internal control and risk management systems are carried out. The Chief Audit Executive of Sanlam is appointed in consultation with the Chair of the audit committee and has unrestricted access to the Chair of the committee. The authority, resources, scope of work and effectiveness of the functions are reviewed regularly.

The group mitigates this risk through its culture and values, a comprehensive system of internal controls, internal audit, forensic and compliance functions in addition to other measures such as business continuity management, contingency planning and insurance. The initiation of transactions and their administration are conducted on the basis of the segregation of duties, designed to ensure the correctness, completeness and validity of all transactions.

Operational key risk indicators are also identified and tracked across the various businesses to identify and assess risks effectively. The management of risks associated with human resources is not addressed in this report but included in the integrated report.

Technology, cyber and information security (IT) risk

Technology, cyber and information security (collectively referred to as IT risks) are managed across the group in an integrated manner following the ERM framework. Sanlam group technology (SGT) is the custodian of the group's IT policy framework and ensures explicit focus on and integration with the group's IT governance framework, which includes the governance of cyber resilience and information security.

The group IT governance department and group cyber security centre in SGT report to the Group Chief Information Officer (CIO) who facilitates the process of identifying emerging IT risks as well as unpacking significant IT risks with group-wide impact. The group IT steering committee (a subcommittee of the group exco) provides guidance to the group CIO regarding his/her duties, such as the definition and execution of the group's IT strategy and the establishment of policy in response to IT risks.

The quarterly IT risk and CIO reports, summarising the group-wide IT risk and IT strategy position, are delivered to the group IT steering committee and the risk and compliance committee, and are also presented at the Digital Technology and IT Risk Committee.

[1] *For the purpose of following CRM disclosures, the group comprises all subsidiaries included in the scope of consolidation, but excludes joint ventures and associates unless specifically stated otherwise.*

Going concern/business continuity risk

The board regularly considers and records the facts and assumptions on which it relies to conclude that Sanlam will continue as a going concern. Reflecting on the year under review, the board considered a number of facts and circumstances and is of the opinion that adequate resources exist to continue business and that Sanlam will remain a going concern in the foreseeable future. The board's statement to this effect is also contained in the statement on the responsibility of directors in the annual financial statements.

Legal risk

During the development stage of any new product and for material transactions entered into by the group, the legal resources of the group monitor the drafting of the contract documents to ensure that the rights and obligations of all parties are clearly set out. Sanlam seeks to minimise uncertainties through continuous consultation with internal and external legal advisers, to understand the nature of risks and to ensure that transactions are structured and documented appropriately.

Compliance risk

Laws and regulations

Sanlam considers compliance with applicable laws, industry regulations and codes an integral part of doing business. The group compliance office, together with the compliance functions of the group businesses, facilitates the management of compliance through the analysis of statutory and regulatory requirements, and monitors the implementation and execution thereof.

Compliance with client mandates

Automated pre-compliance rules for clients' investment guidelines are loaded on the investment management operations' order management system. This means that a system rule will generally prevent any transaction that may cause a breach. Apart from this continuous monitoring, post-trade compliance reports are produced from the order management systems. Reporting of compliance monitoring with investment guidelines is done on a monthly basis, although the monitoring activities happen continuously. When a possible breach is detected, the portfolio manager is requested to confirm whether a breach has taken place, to explain the reason for the breach and to indicate when it will be rectified. When a breach is confirmed, the portfolio manager must generally rectify the breach as soon as possible. The action taken may vary depending on the type of breach. The detailed results of the mandate monitoring process are discussed with the head of investment operations on a monthly basis.

Derivative exposures are monitored on a daily basis for compliance with approval framework limits, as well as client investment guidelines where the guidelines are more restrictive than the investment manager's own internal limits.

Financial crime/fraud risk

The Sanlam group recognises that financial crime and unlawful conduct are in conflict with the principles of ethical behaviour as set out in the group's code of ethical conduct, and undermine the organisational integrity of the group. The financial crime combating policy for the Sanlam group is designed to counter the threat of financial crime and unlawful conduct. A zero-tolerance approach is applied in combating financial crime and all offenders are prosecuted. The forensic services function at group level oversees the prevention, detection and investigation of incidents of unlawful conduct that are of such a nature that they may have an impact on the group or the executive of a business cluster. Group forensic services are also responsible for the formulation of group standards in respect of the combating of unlawful conduct and the implementation of measures to monitor compliance with these standards.

The Chief Executive of each business cluster is responsible for the implementation of the policy in his or her respective business and is accountable to the Group Chief Executive Officer and the Sanlam Limited board. Quarterly reports are submitted by group forensic services to the Sanlam and Sanlam Life risk and compliance committees on the incidence of financial crime and unlawful conduct in the group and on measures taken to prevent, detect, investigate and deal with such conduct.

Taxation risk

The risk is addressed through clear contracting to ensure that policy contracts entitle policyholders to after-tax returns, where applicable. The group's internal tax resources monitor the impact of changes in tax legislation, participate in discussions with the tax legislator to comment on changes in legislation and are involved in the development of new products. External tax advice is obtained as required. Taxation risk is also managed through the formal group tax risk framework.

Regulatory risk

Regulatory risk is mitigated by ensuring that the group has dedicated personnel that are involved in and therefore informed of relevant developments in legislation. The group takes a proactive approach in investigating and formulating views on all applicable issues facing the financial services industry. The risk is also managed, as far as possible, through clear contracting. The group monitors and influences events, to the extent possible, through participation in discussions with legislators, predominantly through industry organisations.

Capital and risk management report continued

Process risk

The risk of failed or inadequate internal processes is addressed through a combination of the following:

- A risk-based approach is followed in the design of operational processes and internal controls;
- Operational processes are properly documented;
- Employee training and the employment of a performance-based remuneration philosophy;
- Root cause analysis of operational losses and near miss events;
- Internal audit review of key operational processes and
- Monitoring and oversight controls.

Project risk

A formalised, risk-based approach is followed for the management of major projects to ensure that projects are effectively implemented and the project hurdle rate is achieved. Key deliverables, progress and risks are monitored on a continuous basis throughout the project life cycle. Internal specialists and external consultants are used as required to provide specialist knowledge and experience. All material projects are also overseen and monitored by the Project Management Office (PMO) within each business cluster.

Outsourced provider risk

A Sanlam Group Third Party Risk Management policy is in place and aims to provide clear direction and policy regarding the strategic management (e.g., assessment of outsourcing options, establishment of agreements, the ongoing management of and reporting on outsourcing) of all outsourcing arrangements, whether external or internal within the Sanlam group. The group's outsourcing policy is also in line with the principles set out in the PA's governance over insurers (GOI) guidelines.

Reputational risk

Risks with a potential reputational impact are escalated to the appropriate level of senior management. The audit, and the risk and compliance committees are involved as required. Events with an industry-wide reputational impact are addressed through industry representative groups.

Conduct risk

Conduct risk is being monitored and managed through various means within the individual business clusters. There is a specific focus on market and client conduct such as treating clients fairly (TCF). These metrics are monitored and reported on a regular basis to all relevant stakeholders within the business clusters. Escalation of conduct risk matters arising from the business clusters to group level will follow the normal risk escalation policy. The Sanlam customer interest committee also meets on a quarterly basis to discuss conduct-related matters.

Strategic risk

The group's governance structure and various monitoring tools ensure that any events that affect the achievement of the group's strategy are escalated and addressed at the earliest opportunity. The board has no tolerance for any breach of guidance.

Group strategy is addressed on a continuous basis at various forums within the group, the most important of which are:

- The group's strategic direction and success are discussed and evaluated at an annual special strategic session of the Sanlam board as well as at the scheduled board meetings during the year;
- As part of the annual budgeting process, the group businesses present their strategic plans and budgets to the Sanlam group executive committee, which ensures that the businesses' strategies are aligned with the overall group strategy; and
- The Sanlam group executive committee, which includes the Chief Executives of the various group clusters, meets on a regular basis to discuss, among others, the achievement of the clusters' and group's strategies.

Any strategic issues are identified at these meetings and corrective actions are immediately implemented.

Risk management: Investment in associates and joint ventures

Sanlam has material investments in associated companies and joint ventures, i.e., Shriram entities as well as SanlamAllianz.

The main governance mechanism for operations in India (Shriram entities) is through Quarterly Business Reviews, where financials, strategy, risk management and other matters are presented by the executives. Quarterly summarised reports are also tabled at the Sanlam Actuarial Forum and Risk and Compliance committee meetings.

Investment in SanlamAllianz is a joint venture. SanlamAllianz adopted Sanlam's governance and ERM framework. However, each business entity of SanlamAllianz has its own board structure with local skills/knowledge which still operates within Sanlam's overarching governance framework.

Management of financial reporting risks

The information that follows provides more detail on how Sanlam and its subsidiaries manage insurance and investment risk from a financial reporting perspective. Unless otherwise stated, it excludes the consolidated investment vehicles and investment in associates and joint ventures.

The group's statement of financial position line items are exposed to financial reporting risks as follows:

	Insurance risk		Market risk				
	Life insurance	General insurance	Currency risk	Interest rate risk	Equity and property risk	Credit risk	Liquidity risk
Insurance contract assets	√	√	√	√	√	√	√
Reinsurance contract assets	√	√	√	√	√	√	√
Investments							
Investment properties					√		
Investment in associates and joint ventures			√		√		
Equities and similar securities			√		√		
Interest-bearing investments			√	√		√	
Structured transactions			√	√	√	√	
Investment funds			√		√		√
Deposits and similar securities			√	√		√	
Trading account assets			√	√	√	√	
Advances to customers				√		√	
Non-current assets held for sale (properties)					√		
Working capital assets			√	√	√	√	
Insurance contract liabilities	√	√	√	√	√	√	√
Reinsurance contract liabilities	√	√	√	√	√	√	√
Investment contract liabilities				√	√		√
Term finance			√	√			√
Lease liabilities				√			√
Structured transaction liabilities	√		√	√	√	√	√
Collateral guarantee contracts							√
Trading account liabilities				√			√
Working capital liabilities	√		√	√			√

Insurance risk

Insurance risk is the risk of loss or unexpected change in the carrying value of insurance contracts (referred to as 'insurance contract balances' or 'insurance liabilities' in this report) resulting from changes in the timing, frequency, or severity of current or expected future risk claims and expenses, or policyholder persistency. This risk can arise through an operating experience loss or a change in insurance liabilities. Operating losses arising from persistency and expense risk are also relevant to investment contract business.

Exposure to insurance risk

Insurance and investment businesses are mainly exposed to the insurance risks as illustrated in the table below. The risks have been split by line of business, and split by measurement model for the life insurance business. General insurance business measured under the general model is immaterial for the group, therefore this report only considers general insurance business measured under the premium allocation approach. A cross (X) either means that the risk is not relevant or is likely to have an immaterial impact on the group's financial position under different insurance-related scenarios that have commercial substance.

	Underwriting and other insurance risks	Persistency risk	Expense risk
Life insurance – risk business			
Premium allocation approach	√	X	√
General model	√	√	√
Life insurance – savings business			
Variable fee approach	√	√	√
General insurance	√	X	√
Investment contract business	X	√	√

Capital and risk management report continued

The general model and variable fee approach are relevant to longer-duration insurance contracts (e.g., whole life/term assurance policies, funeral policies, life annuities, savings contracts with a fixed/open-ended term) whereas the premium allocation approach is mainly applied to shorter-duration insurance contracts (e.g., group life risk business, general insurance business such as motor and property). All references to life insurance business/contracts in this report apply to both life insurance risk and savings business, unless stated otherwise.

For life insurance contracts measured under the general model and variable fee approach, the insurance liabilities are determined as the total of the fulfilment cash flows and a contractual service margin (CSM). The fulfilment cash flows comprise the probability-weighted estimates of future cash flows, discounted at the prevailing discount rates (referred to as the 'best estimate liability' in this report), and a risk adjustment for non-financial risk. The risk adjustment represents the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk. The CSM represents a store of future unearned profits that the group is expected to recognise over the lifetime of the insurance contracts as services are provided. The CSM is set equal to the negative of the fulfilment cash flows at the initial recognition of groups of insurance contracts that are not expected to be loss-making (onerous), resulting in no income being recognised at inception.

For insurance contracts measured under the premium allocation approach, the insurance liabilities represent the portion of the premiums received which relates to the unexpired portion of the risk relating to future claims. For all measurement models, the insurance liabilities also include a liability for incurred claims (claims provisions) where relevant. The measurement of insurance contracts is covered in further detail in the accounting policies on pages 75 to 85.

Underwriting and other insurance risks arise primarily from fluctuations in the timing, frequency and severity of insured events that adversely affects the policyholder or other beneficiary, and the premiums charged by the group not fully reflecting these risks. For life insurance business these risks arise if actual experience relating to mortality, longevity, disability and medical (morbidity) differs from that which was assumed. These risks mainly arise from the writing of life insurance risk business, such as:

- non-participating life annuities providing guaranteed income to annuitants for life; and
- other risk business providing guaranteed payments on death/disability (including funeral cover).

The group is also exposed to underwriting risk in respect of life insurance savings business for products where the group accepts significant insurance risk from the policyholder, such as:

- market-related savings contracts providing minimum investment guarantees on death or maturity, and/or rider benefits such as premium waivers on death; and
- universal life contracts providing guaranteed death cover.

Underwriting and other insurance risks for general insurance business includes the risk that either premium or claims provisions turn out to be insufficient to pay insurance claims. The group's exposure to general insurance risks is mainly via Santam. The group defines general insurance risk to primarily include the following (covered in more detail on pages 37 to 41:

- underwriting risk;
- reinsurance risk; and
- reserve risk.

Persistency risk arises from the policyholder lapsing/surrendering the contract or making the contract paid-up earlier or later than the group had allowed for in pricing and the valuation basis. For life insurance risk business, higher than expected lapses will result in a financial loss to the group where the fulfilment cash flows are negative (i.e., in an asset position). For life insurance savings business, higher than expected lapses will result in a financial loss to the group where the fulfilment cash flows (excluding the underlying items managed on behalf of the policyholders) are negative. Persistency risk is also the risk of a financial loss if the cancellation of a policy results in the group being unable to recover the upfront acquisition expenses. Persistency risk is not material for insurance contracts measured under the premium allocation approach given the short-term nature of the business.

Expense risk arises from higher than expected administration expenses associated with servicing the policies. This could be due to inefficiencies in managing expenses, lower than expected new business volumes, higher than expected lapses resulting in expenses being allocated to a smaller in-force book, and higher than expected expense inflation. Direct costs and variable/fixed overhead expenses are allocated to lines of business and broad product groups using functional cost analysis techniques performed on an annual basis. For life insurance business, expense assumptions are based on actual experience plus an allowance for expense inflation. For general insurance business, expense risk arising from the volatility of expense payments is implicitly included as part of the underwriting risk.

Persistency and expense risk are also relevant to investment contract business such as linked and market-related contracts without discretionary participation features (refer to the accounting policies on page 76 for further details). For investment contract business, earlier than expected surrenders will result in a financial loss to the group if upfront acquisition expenses incurred cannot be recovered from surrender/other charges levied. The next section is therefore also relevant to investment contract business in respect of persistency and expense risk.

Life insurance risk

Management of life insurance risk

Underwriting and other insurance risks

Underwriting risk

The group manages underwriting risk through:

- its product development process and underwriting policy to prevent anti-selection and ensure appropriate premium rates (loadings) for sub-standard risks;
- adequate reinsurance arrangements such as quota share or surplus reinsurance treaties to limit exposure per individual and manage concentration of risks;
- suitable claims handling policies;
- adequate pricing; and
- adequate allowance for estimates of future cash flows in insurance liabilities. Assumptions with regard to future mortality, disability and disability payment termination are consistent with the group's recent experience, adjusted to allow for expected future changes in experience, including:
  - the expected improvements in mortality rates in the case of annuity business; and
  - the expected impact of future pandemic events where relevant.

Quarterly actuarial valuations and the group's regular profit reporting process assist in the timely identification of experience variances. The following policies and practices are used by the group as part of its underwriting strategy to mitigate insurance risk:

- All life insurance risk and savings product additions and alterations are required to pass through the approval framework that forms part of the life insurance business's governance process. The relevant Head of Actuarial Function approves the policy conditions and premium rates of new and revised products;
- A risk-based approach is followed towards testing for HIV/Aids, smoking and other underwriting factors, to balance the cost of testing with managing underwriting risk. Applications for risk cover are reviewed by experienced underwriters and evaluated against established standards. Retention limits are applied to limit the exposure per individual life;
- Appropriate income replacement levels apply to disability insurance;
- The experience of reinsurers is used where necessary for the rating of sub-standard risks;
- The risk premiums for group risk business and some of the in-force individual risk business can be adjusted within 12 months should claims experience deteriorate to the extent that such an adjustment is considered necessary. Most of the individual new business is sold with a guarantee that risk premiums would not be increased for the first five to 15 years, after which risk premiums can be reviewed and adjusted if considered necessary given current and expected future claims experience;
- Risk profits are determined on a regular basis; and
- Regular investigations into mortality and morbidity experience are conducted to ensure that corrective action, for example re-rating of premiums, is taken where necessary.

Claims development

For life insurance contracts providing lump sum benefits, claims are typically settled shortly after being reported. For life insurance risk business, certain product types provide a regular income stream to policyholders and therefore these claim payments are expected to extend beyond 12 months. This is mainly relevant to income protection (IP) and waiver of premium (WOP) products that trigger payments to policyholders during periods of disability/sickness or on the death of a beneficiary. For these product types, the initial liability for incurred claims for future expected claim payments is established when the insured event (e.g., disability or death) occurs. These claim payments remain subject to, and may vary, because of changes to future mortality and/or morbidity experience. However, these claim payments can be estimated with a high degree of confidence once the insured event has occurred.

Total life insurance claims paid for the 12 months ending 31 December 2025 were R28 366 million (R24 530 million for 31 December 2024). Total IP and WOP claims paid for the same period were R1 120 million or 3,9% of total claims (R930 million or 3,8% of total claims for 31 December 2024). The claims experience adjustments related to IP and WOP claim payments in the current reporting period were R129 million (-R18 million for 31 December 2024). The IP and WOP claims are not a material proportion of the total claims and the uncertainty in the claims development for IP and WOP claims is not expected to be significant given the size of the claims experience adjustments, therefore no further information on claims development is disclosed. The claims information above is net of claims recovered from reinsurance contracts held, and excludes non-distinct investment components.

The table on the next page provides additional information on the split of the liability (asset) for incurred claims between estimates of future claim payments that are expected to be resolved within 12 months, and estimates of future claim payments that are expected to extend beyond 12 months. The effect of discounting and the risk adjustment for non-financial risk are shown separately to obtain the aggregate liability (asset) for incurred claims split by line of business and measurement model.

Capital and risk management report continued

R million	Total Gross of reinsurance	Total Net of reinsurance	Life insurance – Risk (Premium allocation approach) Gross of reinsurance	Life insurance – Risk (Premium allocation approach) Net of reinsurance	Life insurance – Risk (General model) Gross of reinsurance	Life insurance – Risk (General model) Net of reinsurance	Life insurance – Savings (Variable fee approach) Gross of reinsurance	Life insurance – Savings (Variable fee approach) Net of reinsurance
31 December 2025								
Amounts excluding the effect of discounting and risk adjustment for non-financial risk	**30 629**	**23 721**	**21 055**	**16 560**	**8 608**	**6 195**	**966**	**966**
Claim payments resolved within 12 months	**9 560**	**8 715**	**4 700**	**4 835**	**3 900**	**2 920**	**960**	**960**
Claim payments extending beyond 12 months	**21 069**	**15 006**	**16 355**	**11 725**	**4 708**	**3 275**	**6**	**6**
Income protection	**18 959**	**12 896**	**15 926**	**11 296**	**3 033**	**1 600**	**–**	**–**
Within 1 year	**1 687**	**986**	**1 294**	**909**	**393**	**77**	**–**	**–**
1 – 5 years	**4 782**	**3 280**	**4 379**	**3 070**	**403**	**210**	**–**	**–**
5 – 10 years	**4 599**	**3 188**	**4 183**	**2 958**	**416**	**230**	**–**	**–**
Greater than 10 years	**7 891**	**5 442**	**6 070**	**4 359**	**1 821**	**1 083**	**–**	**–**
Waiver of premium	**1 386**	**1 386**	**–**	**–**	**1 380**	**1 380**	**6**	**6**
Within 1 year	**187**	**187**	**–**	**–**	**187**	**187**	**–**	**–**
1 – 5 years	**510**	**510**	**–**	**–**	**509**	**509**	**1**	**1**
5 – 10 years	**322**	**322**	**–**	**–**	**321**	**321**	**1**	**1**
Greater than 10 years	**367**	**367**	**–**	**–**	**363**	**363**	**4**	**4**
Other	**724**	**724**	**429**	**429**	**295**	**295**	**–**	**–**
Within 1 year	**189**	**189**	**176**	**176**	**13**	**13**	**–**	**–**
1 – 5 years	**179**	**179**	**129**	**129**	**50**	**50**	**–**	**–**
5 – 10 years	**148**	**148**	**82**	**82**	**66**	**66**	**–**	**–**
Greater than 10 years	**208**	**208**	**42**	**42**	**166**	**166**	**–**	**–**
Effect of discounting	**(9 935)**	**(7 049)**	**(7 405)**	**(5 282)**	**(2 526)**	**(1 763)**	**(4)**	**(4)**
Risk adjustment for non-financial risk	**696**	**550**	**653**	**506**	**18**	**19**	**25**	**25**
Total liability/(asset) for incurred claims	**21 390**	**17 222**	**14 303**	**11 784**	**6 100**	**4 451**	**987**	**987**
31 December 2024								
Amounts excluding the effect of discounting and risk adjustment for non-financial risk	27 410	20 337	19 792	15 126	7 152	4 745	466	466
Claim payments resolved within 12 months	8 259	6 909	4 700	4 520	3 093	1 923	466	466
Claim payments extending beyond 12 months	19 151	13 428	15 092	10 606	4 059	2 822	–	–
Income protection	17 228	11 505	14 649	10 163	2 579	1 342	–	–
Within 1 year	1 536	884	1 186	818	350	66	–	–
1 – 5 years	4 373	2 938	4 017	2 759	356	179	–	–
5 – 10 years	4 205	2 851	3 829	2 645	376	206	–	–
Greater than 10 years	7 114	4 832	5 617	3 941	1 497	891	–	–
Waiver of premium	1 137	1 137	–	–	1 137	1 137	–	–
Within 1 year	135	135	–	–	135	135	–	–
1 – 5 years	411	411	–	–	411	411	–	–
5 – 10 years	293	293	–	–	293	293	–	–
Greater than 10 years	298	298	–	–	298	298	–	–
Other	786	786	443	443	343	343	–	–
Within 1 year	204	204	192	192	12	12	–	–
1 – 5 years	178	178	128	128	50	50	–	–
5 – 10 years	147	147	81	81	66	66	–	–
Greater than 10 years	257	257	42	42	215	215	–	–
Effect of discounting	(9 593)	(6 703)	(7 557)	(5 158)	(2 036)	(1 545)	–	–
Risk adjustment for non-financial risk	696	545	645	501	25	18	26	26
Total liability/(asset) for incurred claims	18 513	14 179	12 880	10 469	5 141	3 218	492	492

Catastrophe risk

The group manages catastrophe risk through adequate reinsurance arrangements providing non-proportional coverage, such as excess-of-loss treaties, to limit exposure per individual and manage concentration of risks. This is mainly relevant to group risk business measured under the premium allocation approach, given there is significantly more concentrations of risks compared to individual risk business.

Concentration risk

The group writes a diverse mix of business, and continually monitors this risk and the opportunities for mitigating actions through reinsurance. The group's life businesses are focused on different market segments, resulting in a mix of individual and institutional clients, as well as entry-level, middle-income market and high net worth clients.

The tables below provide an analysis of the exposure to the value of benefits insured for life insurance risk business in respect of non- participating life business for the major life insurance companies, as well as the annuity payable per policy in respect of non-participating life annuities for the group's operations. Concentration risk is less relevant for life insurance savings business where funds are managed on behalf of the policyholders.

Non-participating life annuity payable per annum per life insured

	Number of lives	
R 000	**2025**	2024
0 – 20	**154 290**	158 161
20 – 40	**36 439**	34 361
40 – 60	**14 971**	14 008
60 – 80	**8 807**	8 130
80 – 100	**5 911**	5 476
>100	**24 234**	21 595
	244 652	241 731

Value of benefits insured: non-participating life business (excluding funeral policies)

Benefits insured per individual life	Number of lives		Before reinsurance		After reinsurance	
			2025	2024[1]	**2025**	2024[1]
R'000	**2025**	2024[1]	**%**	%	**%**	%
0 – 500[2]	**7 492 778**	7 476 412	**11**	10	**11**	11
500 – 1 000	**251 000**	359 978	**6**	8	**6**	9
1 000 – 5 000	**553 732**	559 940	**36**	41	**45**	45
5 000 – 8 000	**80 360**	70 691	**15**	14	**16**	15
>8 000	**60 722**	55 618	**32**	27	**22**	20
	8 438 592	8 522 639	**100**	100	**100**	100

[1] *The 2024 comparative figures have been restated to appropriately include Assupol.*
[2] *Including funeral policies, the number of lives in the 0 – 500 and increases by 8 million (2024: 9 million). Benefits insured before reinsurance increased to 12% (2024: 13%) and after reinsurance increased to 13% (2024: 13%).*

The tables above indicate that the group's exposure is spread over a large number of lives insured, thereby mitigating concentration risk.

Persistency risk

Analytical models are used by the group to identify high-risk clients, such as propensity-to-lapse models which identify clients that are more/less likely to lapse. Client relationship management programmes are aimed at managing client expectations and relationships to reduce lapse, surrender and paid-up rates. The design of insurance products excludes material lapse, surrender and paid-up value guarantees, subject to regulatory constraints, to limit financial loss at surrender. The product design also typically allows for the clawback of commission from intermediaries if policies are cancelled within a specified period after being issued. Persistency experience iRs monitored on a monthly basis to ensure that negative experience is timeously identified and corrective action taken while loyalty programmes such as Wealth Bonus, where applicable, is used to reward good persistency. The group sets lapse assumptions based on actual experience, adjusted for expected future changes in experience, to ensure that adequate provision is made for lapses, surrenders and paid-up policies in insurance liabilities.

Expense risk

Expenses are managed through the group's budgeting and forecasting process and continuous monitoring of actual versus budgeted unit expenses is conducted and reported on. Negative trends in expense experience are identified such that corrective action can be taken where required.

Capital and risk management report continued

Sensitivity analysis

The group has analysed how possible changes in assumptions relating to underwriting risk variables could have impacted the CSM and profit or loss. The sensitivity analysis considers the impacts before and after risk mitigation by reinsurance contracts held. The nature of third party cell insurance contracts does not expose the group to insurance risk on a net of reinsurance basis and has therefore been excluded from the analysis.

The analysis is based on changing the assumptions included in the estimates of future cash flows as at the reporting date while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The changes in underwriting risk variables mainly impact the CSM (gross of tax) and profit or loss (net of tax) as follows:

CSM	Changes in fulfilment cash flows adjusting the CSM, with a corresponding impact on the release of CSM (recognised in profit or loss)[1]
Profit or loss	Changes in CSM amounts recognised in profit or loss as result of the adjustments to the CSM Changes in fulfilment cash flows resulting in increases or reversals of losses on onerous contracts Changes in liabilities for incurred claims related to past service[2]

[1] *For example, a decrease in mortality rates on non-participating life annuities will increase the fulfilment cash flows, reducing the CSM (negative adjustment), with a partially offsetting increase in the CSM as result of less CSM being recognised (released) in profit or loss.*
[2] *For insurance contracts measured under the premium allocation approach, only the liability for incurred claims is sensitive to possible changes in underwriting risk variables.*

The impact on equity is expected to be consistent with the impact on profit or loss (net of tax) for each sensitivity analysed and has therefore not been shown separately in the tables below.

	Change in CSM		Impact on profit or loss	
R million	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
31 December 2025				
Life insurance – Risk (Premium allocation approach)				
Unpaid claims – 5% increase			**(93)**	**(91)**
Life insurance – Risk (General model)				
Mortality/morbidity rates – 5% decrease (annuities)	**(1 071)**	**(1 071)**	**(93)**	**(93)**
Mortality/morbidity rates – 5% decrease (other)	**5 113**	**3 810**	**901**	**491**
Lapse/surrender rates – 10% decrease[1]	**1 809**	**1 581**	**318**	**316**
Expenses – 10% decrease	**1 267**	**1 292**	**217**	**200**
Life insurance – Savings (Variable fee approach)				
Mortality/morbidity rates – 5% decrease	**17**	**17**	**7**	**7**
Lapse/surrender rates – 10% decrease	**87**	**87**	**9**	**9**
Expenses – 10% decrease	**91**	**91**	**13**	**13**
31 December 2024				
Life insurance – Risk (Premium allocation approach)				
Unpaid claims – 5% increase			(91)	(89)
Life insurance – Risk (General model)				
Mortality/morbidity rates – 5% decrease (annuities)	(653)	(653)	(50)	(50)
Mortality/morbidity rates – 5% decrease	4 016	3 004	616	374
Lapse/surrender rates – 10% decrease[1]	1 769	1 576	276	236
Expenses – 10% decrease	1 111	1 114	163	157
Life insurance – Savings (Variable fee approach)				
Mortality/morbidity rates – 5% decrease	17	17	4	4
Lapse/surrender rates – 10% decrease	92	92	12	12
Expenses – 10% decrease	81	81	12	12

[1] *Lapse/surrender rates include paid-up rates.*

General insurance risk

Management of general insurance risk

Underwriting and other insurance risks

Sanlam group, in collaboration with the respective underwriting and reinsurance management teams, have implemented a group-wide underwriting framework in terms of the board-approved underwriting and reinsurance policies, which are aligned to Sanlam group requirements, taking country-specific prudential requirements into account.

This framework is implemented at subsidiary level through underwriting practice policies (approved by the subsidiary boards) that set out the specific requirements and parameters within which insurance risks are managed and authorities delegated. Through the central team's ongoing monitoring and review processes, subsidiaries are held accountable to the framework.

A key benefit of the framework from a risk management perspective is that it facilitates oversight and collaboration between the central team and the underwriting team of each subsidiary. It also allows the management of accumulation and concentration exposure that are seldom revealed across the different territories where general insurance businesses operate. Compliance is monitored by the second line risk and compliance function as well as through specific audits (by internal audit) focusing on general insurance underwriting and reinsurance practices. Catastrophe and concentration risk are covered as part of the underwriting and reinsurance risk.

Underwriting risk

The group manages general insurance underwriting risk through its underwriting strategy which comprises effective underwriting guidelines and proactive claims handling. The underwriting strategy aims to ensure that the portfolio of insurance contracts issued is well diversified, adequately priced and retained within tolerable levels. Claims are actively managed to ensure they are appropriately reserved for and covered as originally intended by the contracts.

In general, personal and commercial general insurance policies are issued through the group's general insurance subsidiaries, as well as reinsurance contracts in respect of most of the classes of, apart from alternative risk transfer (ART).

Underwriting risk results from fluctuations in the timing, frequency, and severity of insured events. It includes the risk that premium provisions (liability for remaining coverage) turn out to be insufficient to compensate for expected future claims, and that the claims provisions (liability for incurred claims) raised for both reported and unreported claims are inadequate, as well as the risk resulting from the volatility of expense payments. Expense risk is implicitly included as part of the underwriting risk. Expenses are monitored by each subsidiary against an approved budget and business plan, with corrective action taken where relevant.

To determine the underwriting risk faced by the group and its general insurance subsidiaries, a stochastic simulation of claims is typically performed at a line of business level. Assumptions for each line of business are determined based on more than 10 years' worth of historic data. The expected claims liabilities are modelled for specific lines of business, which are then split into the appropriate sub-classes. For each sub-class of business, three types of losses are modelled, namely attritional losses, individual large losses, and catastrophe losses.

Various catastrophes are also modelled and the losses from each catastrophe are allocated to multiple classes of business. The following catastrophes are modelled:

- Earthquake;
- Storm;
- Flood;
- Marine (cargo);
- Conflagration (property);
- Conflagration (liability);
- Latent liability; and
- Correlation events across line of businesses and countries.

Pricing of general insurance products is generally based upon a mix of historical claims frequencies and severity averages adjusted for inflation and modelled catastrophes trended forward to recognise anticipated changes in claims patterns. Given the current inflationary environment, the impact of inflation is monitored very closely and adjusted for regularly. While claims remain Sanlam's principal cost, it also makes allowance in the pricing procedures for acquisition expenses, administration and other expenses, investment income, the cost of reinsurance and for a profit loading that adequately covers the cost of the capital.

Capital and risk management report continued

Underwriting limits (per risk and, where relevant, per event) and captive capacity utilisation are set for subsidiaries, underwriting managers and underwriters to ensure that Sanlam group's risk appetite is appropriately delegated.

Underwriting performance is monitored continuously, and the pricing policy is revised accordingly. Risk factors considered as part of the review are unique to each class of business and constantly evolve as the risk environment changes. Sanlam has the right to reprice and change the conditions for accepting risks on renewal.

Sanlam group has a sufficiently diversified general insurance portfolio based on insurance classes and geographical footprint. Underwriting risk is further mitigated by ensuring that reinsurance and reserve risk are adequately managed (covered in more detail in the next sections).

The net claims ratio, which is important in monitoring insurance risk, has developed as follows over the past seven years:

Loss history	2025	2024	2023	2022	2021[3]	2020[3]	2019[3]
Claims paid and provided %[1][2]	**56,0**	61,1	66,2	65,0	62,0	68,2	62,1

[1] *For Santam only, expressed as a percentage of net earned premiums.*
[2] *The net claims ratio for Conventional Insurance is disclosed, as it is the key ratio for this business segment. The key drivers for the performance of the ART business segment are income from clients and investment results.*
[3] *Ratios quoted for 2021 and earlier were not restated in terms of IFRS 17.*

The underwriting strategy aims to ensure that the risks underwritten are well diversified in terms of type and amount of risk, size, economic sector and geography. The group has a sufficiently diversified portfolio based on insurance classes to mitigate concentration risk. Sanlam group is currently also focusing on obtaining international geographical diversification through the business written by Santam Re and the Santam Specialist business.

Reinsurance risk

Reinsurance risk is the risk of loss due to either insufficient or inappropriately structured reinsurance cover relative to the group's risk) management strategy and objectives. It also includes the risk that the reinsurance programme is inappropriately administered. Third-party reinsurance cover is obtained to reduce risks from single events or accumulations of risk that could have a significant impact on earnings or capital requirements. The group has a set of programmes that has been developed over many years to suit the risk management needs of the captive business.

The group risk appetite is used to evaluate the type and level of reinsurance protection to purchase within the risk appetite framework. The reinsurance programme is placed into both the local and international reinsurance markets. Reinsurance arrangements in place include proportional, excess-of-loss per risk, stop loss and catastrophe arrangements.

Reserve risk

Reserve risk relates to the risk that the claim provisions (liability for incurred claims) held for both reported and unreported claims, as well as their associated expenses may prove insufficient.

The liability for incurred claims is determined to be at least sufficient at a specified percentile (75th percentile) of the ultimate loss distribution.

The first step in the process is to determine the best estimate liability. Being a best estimate liability, there is an equally likely chance that the actual amount needed to pay future claims will be higher or lower than this calculated value. The second step is to include an explicit risk adjustment for non-financial risk in the liability for incurred claims which reflects the compensation that the group requires for bearing the uncertainty about the amount and timing of the cash flows that arise from non-financial risk. The risk adjustment is determined such that there is an acceptable probability (75% to 95% for Santam) that the claims provisions will be sufficient to cover future claims.

Claims development

The presentation of the claims development tables is based on the actual date of the event that caused the claim (incident year basis). The claims development tables represent the development of actual claims paid for continuing operations.

Estimates of claims (gross of reinsurance and undiscounted)

31 December 2025		Claims paid in respect of (i.e., incident year)								
R million	**Total**	**2025**	2024	2023	2022	2021	2020	2019	2018	2017
Reporting year										
At end of accident year		**17 925**	18 057	18 762	21 236	18 596	14 165	14 055	12 231	13 623
– one year later			22 601	23 382	27 269	25 209	19 097	18 006	15 898	18 250
– two years later				24 149	28 988	26 903	20 600	18 514	17 702	18 856
– three years later					29 379	27 401	21 283	18 756	17 908	19 032
– four years later						27 614	21 636	19 479	18 011	19 182
– five years later							21 848	19 547	18 924	19 282
– six years later								19 087	18 697	19 553
– seven years later									17 472	19 548
– eight years later										18 289
Cumulative payments to date		**(12 694)**	(21 062)	(23 179)	(28 625)	(26 804)	(21 245)	(18 593)	(17 339)	(16 540)
Gross cumulative claims liabilities – 2017 to 2025	**12 283**	**5 231**	1 539	970	754	810	603	494	133	1 749
IBNR – best estimate	**6 503**									
Effect of discounting	**(1 064)**									
Risk adjustment for non-financial risk[1]	**2 205**									
Creditors and debtors included in liabilities for incurred claims[2]	**1 632**									
Gross liabilities for incurred claims	**21 559**									

31 December 2024		Claims paid in respect of (i.e., incident year)								
R million	Total	2024	2023	2022	2021	2020	2019	2018	2017	2016
Reporting year										
At end of accident year		18 057	18 762	21 236	18 596	14 165	14 055	12 231	13 623	11 087
– one year later			23 382	27 269	25 209	19 097	18 006	15 898	18 250	15 119
– two years later				28 988	26 903	20 600	18 514	17 702	18 856	15 622
– three years later					27 401	21 283	18 756	17 908	19 032	15 866
– four years later						21 636	19 479	18 011	19 182	16 311
– five years later							19 547	18 924	19 282	16 373
– six years later								18 697	19 553	16 378
– seven years later									19 548	16 057
– eight years later										16 055
Cumulative payments to date		(13 300)	(21 661)	(27 514)	(25 896)	(20 767)	(19 005)	(18 299)	(19 087)	(14 559)
Gross cumulative claims liabilities – 2016 to 2024	13 223	4 757	1 721	1 474	1 505	869	542	398	461	1 496
IBNR – best estimate	3 366									
Effect of discounting	(859)									
Risk adjustment for non-financial risk[1]	790									
Creditors and debtors included in liabilities for incurred claims[2]	1 692									
Gross liabilities for incurred claims	18 212									

Capital and risk management report continued

Estimates of claims (net of reinsurance and undiscounted)

31 December 2025		Claims paid in respect of (i.e., incident year)							
R million	Total	2025	2024	2023	2022	2021	2020	2019	2018	2017
Reporting year										
At end of accident year		**15 628**	15 731	15 569	13 604	12 847	11 293	11 746	10 955	10 852
– one year later			19 248	19 240	18 407	15 815	14 740	14 614	13 529	13 415
– two years later				19 818	18 903	17 111	15 368	14 940	13 871	13 592
– three years later					19 234	17 152	16 085	15 072	14 023	13 654
– four years later						17 406	16 111	15 296	14 069	13 757
– five years later							16 310	15 256	13 748	13 818
– six years later								14 932	13 416	13 801
– seven years later									13 231	13 718
– eight years later										13 515
Cumulative payments to date		**(11 052)**	(18 380)	(19 337)	(18 978)	(17 011)	(16 033)	(14 579)	(13 062)	(12 439)
Gross cumulative claims liabilities – 2017 to 2025	**8 451**	**4 576**	868	481	256	395	277	353	169	1 076
IBNR – best estimate	**5 536**									
Effect of discounting	**(715)**									
Risk adjustment for non-financial risk[1]	**1 456**									
Creditors and debtors included in liabilities for incurred claims[2]	**1 513**									
Gross liabilities for incurred claims	**16 241**									

31 December 2024		Claims paid in respect of (i.e., incident year)								
R million	Total	2024	2023	2022	2021	2020	2019	2018	2017	2016
Reporting year										
At end of accident year		15 731	15 569	13 604	12 847	11 293	11 746	10 955	10 852	9 865
– one year later			19 240	18 407	15 815	14 740	14 614	13 529	13 415	12 224
– two years later				18 903	17 111	15 368	14 940	13 871	13 592	12 470
– three years later					17 152	16 085	15 072	14 023	13 654	12 599
– four years later						16 111	15 296	14 069	13 757	12 936
– five years later							15 256	13 748	13 818	12 984
– six years later								13 416	13 801	12 985
– seven years later									13 718	12 716
– eight years later										12 630
Cumulative payments to date		(11 420)	(18 304)	(18 574)	(16 618)	(15 749)	(14 874)	(13 096)	(13 482)	(11 713)
Gross cumulative claims liabilities – 2016 to 2024	8 327	4 311	936	329	534	362	382	320	236	917
IBNR – best estimate	2 723									
Effect of discounting	(517)									
Risk adjustment for non-financial risk[1]	765									
Creditors and debtors included in liabilities for incurred claims[2]	648									
Gross liabilities for incurred claims	11 946									

[1] *Includes attributable expenses and risk adjustment.*
[2] *Includes unrealised foreign exchange gains or losses, insurance related premiums receivables, commission and claims payables.*

Sensitivity analysis

The group has analysed how possible changes in assumptions relating to underwriting risk variables could have impacted profit or loss for general insurance business. The sensitivity analysis considers the impacts before and after risk mitigation by reinsurance contracts held.

The analysis is based on a change in the assumptions at the reporting date while holding all other assumptions constant. For general insurance business measured under the premium allocation approach, only the liability for incurred claims is sensitive to possible changes in underwriting risk variables. The group has analysed the expected impact of an increase in unpaid claims on the liability for incurred claims. An increase in the expected unpaid claims is equivalent to an increase in the expected loss ratio. General insurance business measured under the general model is not material for the group and has therefore not been considered in this sensitivity analysis. The impact on equity is expected to be consistent with the impact on profit or loss (net of tax) and has therefore not been shown separately in the tables below.

31 December 2025	Impact on profit or loss	
R million	Gross of reinsurance	Net of reinsurance
General insurance (Premium allocation approach)		
Unpaid claims – 5% increase	**(787)**	**(593)**

31 December 2024	Impact on profit or loss	
R million	Gross of reinsurance	Net of reinsurance
General insurance (Premium allocation approach)		
Unpaid claims – 5% increase	(664)	(435)

Concentration risk

Sanlam has a diversified book of business spread across South Africa with a 22% market share. The portfolio is more weighted to the Western Cape, Gauteng and KwaZulu-Natal, with the insurance concentration within the motor and property classes of business.

Catastrophe events tend to highlight concentration risk within the business of which hail and storm are the most prevalent. The following table illustrates the interaction in concentration within geographical areas and insurance classes:

			Gross insurance exposure (GWP)		Net insurance exposure (NEP)	
Primary catastrophe	**Main insurance class impacted**	**Main geographical location impacted**	**2025 R million**	2024 R million	**2025 R million**	2024 R million
Hail	Motor	Gauteng	**7 398**	6 888	**7 209**	6 766
Storm (Large)	Property	Western Cape, KwaZulu-Natal	**4 503**	4 212	**3 791**	3 474
Fire	Property	Western Cape, North West	**6 048**	5 649	**5 462**	5 048

Climate change has increased the frequency and intensity of extreme weather-related events in South Africa in recent years, increasing the risk of hail damage in the motor book and storm losses in the property book. Similarly, wildfires also pose a particular risk to the property class due to a combination of climate change and vegetation. Sanlam has geocoded the largest portion of its portfolio to identify high-risk flooding and wildfire areas to better manage the risk. The geocoding initiative also informs efforts to enhance fire services capacity in affected municipalities. At the underwriting stage, geocoding is used to manage potential concentration risk. Geocoding entails overlaying geocoded addresses with scientific data sets to determine exposure to specific perils at a given location. It is a method of avoiding high risk rather than mitigating it. Risks that are subsequently accepted are then mitigated through reinsurance.

Market risk

Market risk is the risk arising from the level or volatility of market prices of financial instruments which impacts on the value of assets and liabilities of the group, as well as the corresponding impact on profit or loss.

Sanlam Financial Markets (SFM), previously known as SanFin, which comprises of Financing Solutions and Market Solutions, was formed to strengthen the financial risk management of the Sanlam balance sheet in collaboration with Sanlam balance sheet management and Sanlam group risk management. The aim is to centralise the management of shareholder interest rate risk, credit risk and liquidity risk (refer to pages 49 and 56 for further details on the management of credit risk and liquidity risk).

SFM uses Value at Risk (VaR) as the basis for market risk capital computations. Limits are established for the amount of market risk capital that may be consumed. These limits are supplemented with limits on exposures and stresses metrics at different levels within SFM, business-level and within businesses. The methodology follows a full revaluation historical simulation approach, whereby the input market variables (e.g., related to interest rates, equities, bond prices, etc.) for various exposures are stressed. VaR measures the maximum loss over a given horizon with a specified level of confidence. VaR is computed at a 99,5% confidence level to be consistent with Sanlam's risk appetite relating to SFM's business, and is determined on a diversified basis for SFM as a whole and therefore takes the diversification of portfolios into account.

Capital and risk management report continued

Santam uses a number of sensitivity or stress-test based risk management tools to understand the impact of market risks on earnings and capital in both normal and stressed conditions. These stress tests combine deterministic shocks, analysis of historical scenarios and stochastic modelling using an internal economic capital model to inform Santam's decision-making and planning process and also for identification and management of risks within the business units.

Exposure to, and management of, market risk

Use of derivatives

The group uses derivative financial instruments for the purpose of reducing its exposure to adverse fluctuations in interest rates, foreign exchange rates and equity prices.

The group does not use derivatives to leverage its exposure to markets and does not hold or issue derivative financial instruments for speculative purposes. The policy on the use of derivatives is approved by the relevant governance structures.

Over-the-counter derivative contracts and exchange traded futures are entered into only with approved counterparties, in accordance with the group's risk management policies, effectively reducing the risk of credit loss. The group applies strict requirements to the administration and valuation process it uses, and has a control framework that is consistent with market and industry practice for the activity that it has undertaken.

Investment management

The group's investment management operations are primarily exposed to operational risks, as they have limited on-balance sheet exposure to financial instruments. Investment risk is borne principally by the client. The investment management operations are, however, exposed to market risk owing to the impact of market fluctuations on revenue levels, as investment fees are generally linked to the level of assets under management. This exposure is reduced through asset class and product diversification.

One of the key risks inherent to the investment management operations relates to the risk of consistently poor investment decisions, i.e. incorrect asset allocation views and/or stock selection resulting in investment underperformance and impairment of the track record relative to benchmarks and/or peer groups.

In order to mitigate this risk, the following areas are focused on:

- Recruitment and retention of high-quality investment professionals and support staff who are organised into stable teams, with a performance culture that receive pertinent training and development and regular employee appraisals;
- Optimisation of a robust investment process to ensure good investment decisions;
- Rigour of the procedures for portfolio implementation;
- Effectiveness of the dealing desk; and
- Analyses of fund performance.

The above interventions are implemented with due cognisance of Sanlam Investment's fiduciary responsibility to, at all times, act in the best interest of the clients and in accordance with the investment mandate directives.

Insurance operations and investment contract business

The group's insurance operations are exposed to financial risk through the design of some policyholder solutions. Investment contract business such as linked policies where the value of policy benefits is linked directly to the fair value of the supporting assets, does not expose the group to direct financial risk as this risk is assumed by the policyholder.

The capital of these operations is invested in financial instruments, which also exposes the businesses to financial risk.

The policyholder solutions and capital portfolio are mainly exposed to market risks as illustrated in the table on the next page. The risks have been split by line of business, and split further between annuity and other business for the life insurance risk business. A cross (X) either means that the risk is not relevant or is likely to have an immaterial impact on the group's financial position under different market-related scenarios that have commercial substance.

The life insurance lines of business can be mainly allocated to the following broad product groups:

- Examples of life insurance risk business:
  - Non-participating life annuities; and
  - Other risk business that provides death/disability and funeral cover.
- Examples of life insurance savings business:
  - Market-linked business providing minimum guaranteed benefits at death or maturity, or other rider benefits such as premium waivers on death;
  - Smoothed-bonus business with discretionary participation features (DPF); and
  - Participating annuities.
- Examples of investment contract business:
  - Pure linked business;
  - Market-related business providing minimum guaranteed benefits at death or maturity that do not give rise to significant insurance risk;
  - Guaranteed plans and fixed return products; and
  - Term certain annuities.

Policyholder solutions	Market risk: Currency risk	Market risk: Interest rate risk	Market risk: Equity and property risk
Life insurance – risk business			
Non-participating life annuities	X	√	√[3]
Other risk business	X	√	√[3]
Life insurance – savings business	√[1][2]	√[2]	√
General insurance	√[1]	√	√
Investment contract business	X[4]	√[4]	X[4]
Capital portfolio	√[1]	√	√[5]

[1] For life insurance savings business, the majority of currency exposure results from offshore assets held in respect of market-related and smoothed-bonus business. Offshore exposure within these portfolios is desirable from a diversification perspective. Currency risk for general insurance business and the capital portfolio is covered in further detail on pages 45 and 46.

[2] Smoothed-bonus business is only exposed to this risk if the assets backing these policies have underperformed to the extent that there are negative bonus stabilisation reserves that will not be recovered by declaring lower bonuses in the subsequent years. This is covered in more detail below.

[3] For life insurance risk business, there is mainly indirect exposure to equity and property risk in the asset portfolios backing the CSM component of the insurance liabilities. For other risk business such as universal life contracts which give rise to both insurance and market risk, there is also some exposure to equity and property risk from the investment funds managed on behalf of the policyholders.

[4] There is interest rate risk exposure for guaranteed plans, fixed return products and term certain annuities, however, liabilities are matched (as far as possible) with interest-bearing assets to ensure that the duration of assets and liabilities are closely aligned. Policyholders carry the full market risk in respect of pure linked business. Market-related policies providing guaranteed minimum benefits at death or maturity exposes the group to market risk, however, these guarantees are not material for investment contract business.

[5] Sanlam Life's portfolio backing required capital consists of assets managed according to a hedged equity programme.

Non-participating life annuity business relates to contracts where income is paid to an annuitant for life, in return for a lump sum consideration paid on origination of the policy. The income may be fixed or increased at a fixed rate or in line with inflation. The group guarantees this income and is therefore subject to interest rate risk.

Smoothed-bonus business provide for the payment of an investment return (net of tax and investment costs) to the policyholder, in the form of bonuses. The use of bonuses is a mechanism to smooth returns to policyholders in order to reduce the effects of volatile investment performance, and bonus rates are determined in line with the product design, policyholder reasonable expectations, affordability and the approved bonus philosophy. Any returns not yet distributed are retained in a policyholder bonus stabilisation reserve, for future distribution to policyholders. In the event of adverse investment performance, this reserve may become negative.

The funding level of portfolios is bolstered through loans from the capital portfolio and cancellation of non-vested bonuses in instances where negative stabilisation reserves will not be eliminated by these management actions. At 31 December 2025, all material stable bonus business portfolios had a funding level in excess of the minimum reporting level of 92,5%. Market risk is borne by policyholders to the extent that the net investment returns are declared as bonuses. The capital portfolio is, however, exposed to some market risk as an underperformance in investment markets may result in an underfunded position that would require financial support from the capital portfolio.

The group primarily manages market risk as follows:

- **For life insurance risk and savings business, the asset portfolios backing the CSM and risk adjustment liabilities are no longer exposed to interest rate risk, following a change in asset-liability matching strategy during the first half of 2025.** These asset portfolios are now largely invested in floating rate notes. For contracts measured under the general model, the CSM liabilities accrete interest at locked-in interest rates which were determined when the insurance contracts were issued. The CSM liabilities for life insurance risk business are therefore not sensitive to changes in interest rates. However, the risk adjustment liabilities are sensitive to changes in interest rates which could result in investment mismatch profits or losses.
- **For life insurance savings business, the group typically matches the movements in the policyholder funds by holding assets based on the underlying items**. Underlying items comprise reference portfolios of investment assets that determine some of the amounts payable to the policyholders. The movements in the fair value of the underlying items are therefore broadly matched by equal and opposite movements in the backing assets. The group is therefore only exposed to changes in financial risk that impact the components of the liability other than the underlying items (i.e., the variable fee) and the financial instruments backing these components. The variable fee is equal to the group's share of the fair value of the underlying items less the fulfilment cash flows that do not vary with underlying items (e.g., related to future risk claims/expenses, the cost of investment guarantees and the risk adjustment). However, the impact of changes in financial risk on the variable fee is recognised in the CSM and therefore deferred over the lifetime of the contracts.
- **For life insurance business, minimum investment guarantees are mainly relevant to savings business**. Market risk relating to guaranteed minimum benefits is managed by appropriate investment policies, determined by the Sanlam Investment Committee, and by adjusting the level of guarantees for new policies to prevailing market conditions. These investment policies are then reflected in the investment guidelines for the policyholder portfolios. The allowance for the cost of investment guarantees in the insurance liabilities are determined on a market consistent basis using stochastic modelling techniques (also referred to as the time value of financial options and guarantees (TVOGs). These TVOGs are sensitive to movements in interest rates/equity prices as well as the implied volatility of interest rates/equity prices, with a reduction in interest rates/equity prices and/or an increase in implied interest rate/equity price volatility increasing the TVOGs.

Capital and risk management report continued

- **Interest rate risk relating to non-participating life annuities** is managed by matching the best estimate liability as far as possible with assets, mostly interest-bearing, as well as derivatives to ensure that the change in value of assets and liabilities is closely matched for a change in interest rates. The hedging of interest-rate risk of the annuity profiles within SFM is achieved mainly using bond derivatives (forwards and futures) and to a lesser extent using short-dated credit assets.
- **For other life insurance risk business, the group is exposed to market risk** to the extent of the investment of the backing assets in interest-bearing, equity and property investments. The risk is managed through investments in appropriate asset classes. A number of the products comprising this business are matched using interest-bearing instruments, similar to non-participating life annuities.
- **Market risk relating to smoothed-bonus business** is managed through an appropriate investment policy. Sanlam Investment Committee oversees the investment policy for the various smoothed-bonus portfolios. Feedback on the investment policy and its implementation and the performance of the smoothed-bonus portfolios are provided quarterly to the Sanlam Limited board and Sanlam customer interest committee. The aim is to find the optimum balance between high investment returns (to be able to declare competitive bonus rates) and stable investment returns given the need to meet guaranteed benefits and to support the granting of stable bonus rates. The requirements for the investment management of each portfolio are set out in investment guidelines, which cover, *inter alia*, the following:
  - Limitations on exposure to volatile assets;
  - Benchmarks for the performance measurement of each asset class and limits on deviations from these benchmarks;
  - Credit risk limits;
  - Limits on asset concentration – with regard to investments in group-listed entities, the exposure of policyholders' portfolios to these investments is based on portfolio investment considerations and restricted with reference to a specific counter's weight in the benchmark portfolio;
  - Limits on exposure to some particular types of assets, such as unlisted equities, derivative instruments, property and hedge funds; and
  - Regulatory constraints.
- **Interest rate risk relating to investment contract business such as guaranteed plans, fixed return products and term certain annuities**, is managed by matching the liabilities with assets that have similar investment return profiles as the liabilities. These policies provide for guaranteed benefit amounts and are therefore exposed to interest rate risk, if the assets backing these liabilities do not provide a comparable yield to the guaranteed value.
- **Market risk relating to general insurance business** is primarily managed as follows:
  - Foreign currency mismatch risk is mitigated by monitoring the level of foreign currency assets relative to foreign currency liabilities and foreign currency capital requirements. In terms of the group's risk management strategy, foreign currency risks can be assessed on a case-by-case basis to determine whether specific hedging requirements exist.
  - Exposure to interest rate risk is monitored through several methods that include scenario testing and stress testing using measures such as duration. The bond returns are modelled based on the historic performance of the individual bonds held in the portfolio and adjusted to reflect the current interest rates and inflation environment.
  - A long-term view is taken when agreeing equity investment mandates with the relevant portfolio managers and looks to build value over a sustained period of time rather than utilising high levels of purchases and sales in order to generate short-term gains from its equity holdings. Portfolio characteristics are analysed regularly and equity price risk is actively managed through a variety of modelling methods, and setting appropriate risk limits to ensure that no significant concentrations in individual companies arise.
- **Exposure of the capital portfolio to market risks** is controlled through comprehensive measures and limits. Continuous monitoring takes place to ensure that appropriate assets are held in support of the capital and investment return targets. Limits are applied in respect of the exposure to asset classes and individual counters.

Sanlam Limited
Annual Financial Statements 2025

Currency risk[2]

Foreign currency risk is the risk that Sanlam will be negatively impacted by changes in the level or volatility of currency exchange rates relative to the South African Rand.

The majority of the group's currency exposure is with respect to the general insurance business included in the capital portfolio where the reinsurance offerings have been expanded to predominantly other countries in Africa, as well as Southeast Asia and India. Furthermore, an international portfolio has been established to ensure adequate matching of assets and liabilities in terms of the claims process and capital requirements.

In addition, and in accordance with Sanlam's international diversification strategy, Sanlam has also entered into various transactions where there is an underlying foreign currency risk such as the investment in the SanlamAllianz joint venture and Shriram associated companies.

The following assets and liabilities of the capital portfolio which are denominated in foreign currencies, and where the currency risk (including translation risk for the equity accounted investments) resides with the group, are included in the group's statement of financial position:

R million	Euro	United States dollar	British pound	Botswana pula	Indian rupee	Moroccan dirham	Egyptian pound	Malaysian ringgit	Other currencies	Total
31 December 2025										
Equities and similar securities	28	356	669	–	1 456	–	–	107	195	2 811
Equity-accounted investments[1]	–	3 445	5	2 205	14 257	11 192	2 919	–	3 347	37 370
Interest-bearing instruments	–	1 982	6	–	–	–	–	1 146	–	3 134
Government interest-bearing investments	–	507	–	–	–	–	–	726	–	1 233
Corporate interest-bearing investments	–	1 475	6	–	–	–	–	420	–	1 901
Investment funds	–	3 488	–	–	–	–	–	–	20	3 508
Deposits and similar securities	33	3 436	35	–	23	–	–	–	–	3 527
Reinsurance contract assets	5	1 536	–	–	–	55	–	–	–	1 596
Structured transactions	–	(30)	–	–	–	–	–	–	–	(30)
Trading account assets	–	357	–	–	–	–	–	–	523	880
Net working capital	–	476	30	–	–	–	–	899	23	1 428
Trade and other receivables	–	103	110	–	–	–	–	26	–	239
Cash and cash equivalents	–	510	411	–	–	–	–	163	6	1 090
Trade and other payables	–	(137)	(491)	–	–	–	–	710	17	99
Trading account liabilities	–	(335)	–	–	–	–	–	–	(522)	(857)
Insurance contract liabilities	(1 034)	(1 935)	–	–	(168)	(6)	–	–	(367)	(3 510)
Foreign currency exposure	(968)	12 776	745	2 205	15 568	11 241	2 919	2 152	3 219	49 857
Exchange rates (rand):										
Closing rate	19,46	16,57	22,29	1,26	0,18	1,82	0,35	4,09		
Average rate	20,16	17,85	23,54	1,32	0,21	1,91	0,36	4,17		

[1] *Exposure to translation risk is included for the equity accounted investments.*
[2] *Currency exposures include joint venture and associate.*

Capital and risk management report continued

R million	Euro	United States dollar	British pound	Botswana pula	Indian rupee	Moroccan dirham	Egyptian pound	Malaysian ringgit	Other currencies	Total
31 December 2024										
Equities and similar securities	83	445	6	–	–	–	–	111	169	814
Equity-accounted investments[1]	–	5 536	50	2 662	14 283	11 732	3 249	433	2 120	40 065
Interest-bearing instruments	4	3 827	6	–	–	–	–	1 420	–	5 257
Government interest-bearing investments	–	1 268	–	–	–	–	–	824	–	2 092
Corporate interest-bearing investments	4	2 559	6	–	–	–	–	596	–	3 165
Investment funds	–	4 229	–	–	–	–	–	–	–	4 229
Deposits and similar securities	111	1 460	17	–	11	–	–	–	–	1 599
Reinsurance contract assets	1	1 827	–	–	–	59	–	–	–	1 887
Structured transactions	–	70	–	–	–	–	–	–	–	70
Trading account assets	–	599	–	–	–	–	–	–	–	599
Net working capital	–	329	10	–	–	–	–	578	20	937
Trade and other receivables	–	108	–	–	–	–	–	413	18	539
Cash and cash equivalents	–	365	493	–	–	–	–	165	3	1 026
Trade and other payables	–	(144)	(483)	–	–	–	–	–	(1)	(628)
Trading account liabilities	–	(533)	–	–	–	–	–	–	(551)	(1 084)
Insurance contract liabilities	(843)	(2 119)	–	–	(192)	(13)	–	–	–	(3 167)
Foreign currency exposure	(644)	15 670	89	2 662	14 102	11 778	3 249	2 542	1 758	51 206
Exchange rates (rand):										
Closing rate	19,54	18,87	23,63	1,35	0,22	1,86	0,37	4,21		
Average rate	19,81	18,32	23,42	1,35	0,22	1,84	0,42	4,01		

[1] *Exposure to translation risk is included for the equity accounted investments.*

Sensitivity analysis

The following table presents the potential impact on profit or loss due to changes in the value of currency-sensitive monetary assets and liabilities (including those relating to insurance and reinsurance contracts) at the reporting date. The impact on equity is expected to be consistent with the impact on profit or loss (net of tax) and has therefore not been shown separately in the table.

	Impact on profit or loss			
	10% weakening (increase in rand exchange rates)		10% strengthening (decrease in rand exchange rates)	
31 December				
R million	**2025**	2024	**2025**	2024
United States dollar	**527**	552	**(527)**	(552)
Moroccan dirham	**3**	5	**(3)**	(5)
Indian rupee	**260**	33	**(260)**	(33)
Malaysian ringgit	**220**	200	**(220)**	(200)
Israeli Shekel	**100**	–	**(100)**	–

Sanlam Limited
Annual Financial Statements 2025

Interest rate risk

Interest rate risk arises from the net effect on assets and liabilities of a change in the level of interest rates. Changes in market interest rates have an impact on insurance and investment contract liabilities. Changes in market interest rates also have a direct effect on the contractually determined cash flows associated with floating rate financial assets and financial liabilities, and on the fair value of other investments. Interest-bearing instruments with a fixed rate give rise to fair value interest rate risk, while interest-bearing instruments with a floating rate give rise to cash flow interest rate risk.

The capital portfolio is exposed to interest rate risk through:
- Unsecured subordinated debt and related assets held; and
- Assets held in respect of required capital and shareholders' equity.

The assets backing the subordinated debt are managed within a mandate to ensure that adequate cover is provided for the related liabilities, i.e., the market value of the subordinated debt and the market value of the assets backing the debt react the same way to changes in interest rates.

SFM was formed to strengthen the financial risk management of the Sanlam balance sheet in collaboration with Sanlam balance sheet management and Sanlam group risk management, which includes the centralised management of shareholder interest rate risk.

The management of interest rate risk has been covered in further detail below.

Sensitivity analysis

The sensitivity analysis considers how a possible downwards shift in market interest rates of 1% at the reporting date might impact profit or loss as result of changes in the balances of:
- insurance contracts within the scope of IFRS 17 (net of the effect of reinsurance contracts held). The analysis is based on a 1% decrease in the inflation and investment return assumptions included in the estimates of future cash flows as at the reporting date, as well as a 1% decrease in the discount rates applied to future cash flows, while holding all other assumptions constant. The nature of third-party cell insurance contracts does not expose the group to interest rate risk, and is therefore not considered in the analysis;
- interest-bearing instruments which also give rise to interest rate risk. Therefore, the analysis also presents the impact on financial assets of a downwards shift in market interest rates where relevant; and
- unsecured subordinated debt.

Financial assets at amortised cost with short-term cash flows are assumed not to have any interest rate risk since the effect of interest rate risk on these balances is not considered significant. Changes in interest rates are not expected to have a material impact on profit or loss for investment contract business and has therefore not been analysed.

The following changes in insurance contract balances could impact profit or loss as a result of changes in interest rates where relevant:

Life insurance risk	Changes in fulfilment cash flows related to the effect of changes in financial risk[1]
Life insurance savings	Changes in the fair value returns on underlying items[1]
	Changes in CSM amounts recognised in profit or loss as result of adjustments to the CSM[2]
	Changes in fulfilment cash flows resulting in increases or reversals of losses on onerous contracts[3]
All lines of business	Changes in liabilities for incurred claims related to past service[1]

[1] *Amounts are recognised in insurance/reinsurance finance income or expenses. For insurance contracts measured under the premium allocation approach, mainly the liability for incurred claims is sensitive to possible changes in interest rates.*
[2] *Changes in the variable fee (including TVOG's) adjust the CSM with a corresponding impact on the release (recognition) of CSM in insurance revenue.*
[3] *Changes in the variable fee (including TVOG's) are recognised in insurance service expenses for onerous groups of contracts. The impact of onerous contracts is immaterial for savings business.*

Capital and risk management report continued

The impact on equity is expected to be consistent with the impact on profit or loss (net of tax) and has therefore not been shown separately in the table.

31 December

	Impact on profit or loss			
	1% increase in interest rates		1% decrease in interest rates	
R million	**2025**	2024	**2025**	2024
Life insurance – Risk	**158**	(933)	**(243)**	748
Insurance contract balances (net of reinsurance contracts held)	**5 205**	4 202	**(6 489)**	(4 374)
Financial assets (including structured transaction liabilities) held in respect of insurance contracts	**(5 047)**	(5 135)	**6 246**	5 122
Life insurance – Savings	**(10)**	(7)	**6**	4
Insurance contract balances	**197**	195	**(211)**	(185)
Financial assets (including structured transaction liabilities) held in respect of insurance contracts	**(207)**	(202)	**217**	189
General insurance	**12**	(22)	**(30)**	(20)
Insurance contract balances (net of reinsurance contracts held)	**120**	68	**(123)**	(103)
Financial assets (including structured transaction liabilities)[1]	**(108)**	(90)	**93**	83
Capital portfolio (excluding general insurance)	**(81)**	(502)	**83**	500
Term finance – unsecured subordinated debt	**52**	52	**(53)**	(52)
Financial assets – held in respect of subordinated debt	**(45)**	(59)	**47**	63
Financial assets – held in respect of required capital and shareholders' equity	**(88)**	(495)	**89**	489

[1] *Impact on profit or loss is based on all financial assets held on the balance sheet for Santam conventional business, including assets allocated to the capital portfolio, excluding assets held in respect of subordinated debt.*

Equity and property risk

The group is subject to price risk due to daily changes in the market values of its equity portfolios. The group is not directly exposed to commodity price risk, but does have indirect commodity price exposure via various equity share holdings. Any change in valuation of these companies due to change in commodity prices will reflect in the change in share price of these companies.

The group is also subject to property risk which is the risk that the value of investment properties and owner-occupied properties as well as participatory interest in property investment funds, will fluctuate as a result of changes in rental income and interest rates.

Changes in equity and property prices also have an impact on insurance and investment contract liabilities where relevant. The management of equity and property risk has been covered below.

Sensitivity analysis

The sensitivity analysis considers the potential impact of a 10% decrease in equity and property prices at the reporting date, while holding all other assumptions constant. Changes in equity and property prices are not expected to have a material impact on profit or loss for investment contract business and has therefore not been analysed.

The following changes in insurance contract balances could impact profit or loss as a result of changes in equity and property prices where relevant:

Life insurance risk	Changes in fulfilment cash flows related to the effect of changes in financial risk[1]
Life insurance savings	Changes in the fair value returns on underlying items[1]
	Changes in CSM amounts recognised in profit or loss as result of adjustments to the CSM[2]
	Changes in fulfilment cash flows resulting in increases or reversals of losses on onerous contracts[3]

[1] *Amounts are recognised in insurance/reinsurance finance income or expenses. For risk business this could be relevant to contracts providing investment- return services where funds are managed on behalf of the policyholders.*
[2] *Changes in the variable fee (including TVOG's) adjust the CSM with a corresponding impact on the release (recognition) of CSM in insurance revenue.*
[3] *Changes in the variable fee (including TVOG's) are recognised in insurance service expenses for onerous groups of contracts. The impact of onerous contracts is immaterial for savings business.*

The impact on equity is expected to be consistent with the impact on profit or loss (net of tax) and has therefore not been shown separately in the table. The impact on profit or loss for an increase in equity and property prices is the equal and opposite as the decrease disclosed below.

31 December

	Impact on profit or loss 10% decrease in equity and property prices	
R million	**2025**[1]	Restated 2024[2]
Life insurance – Risk	**(17)**	(39)
Insurance contract balances (net of reinsurance contracts held)	**17**	5
Financial assets held in respect of insurance contracts	**(34)**	(44)
Life insurance – Savings	**(84)**	(75)
Insurance contract balances (net of reinsurance contracts held)	**3 485**	3 435
Financial assets held in respect of insurance contracts	**(3 569)**	(3 510)
General insurance	**(327)**	(332)
Financial assets[2]	**(327)**	(332)
Capital portfolio (excluding General insurance)	**(693)**	(480)
Financial assets – held in respect of required capital and shareholders' equity	**(693)**	(480)

[1] *Impact on profit or loss is based on all financial assets held on the balance sheet for Santam conventional business, including assets allocated to the capital portfolio.*
[2] *Prior-year general insurance results have been restated from –R612 million to –R332 million to more accurately reflect the impact of a 10% decline in equity and property prices.*

Credit risk

Sanlam is exposed to credit risk in the following business areas:

- Life insurance and investment contract balances
- Capital portfolio:
  - Investments held in respect of required capital and shareholders' equity;
  - SFM operations;
  - Retail credit; and
  - General insurance.

Sanlam recognises that a sound credit risk policy is essential to minimise the effect on the group as a result of loss owing to a major corporate failure and the possible systemic risk such a failure could lead to. The Sanlam corporate credit risk policy has been established for this purpose. Credit risk occurs owing to trading, investment, structured transactions and lending activities. These activities in the group are conducted mostly by either Sanlam Specialised Finance (SFM) or the Sanlam Investments (SI) sub-cluster of Sanlam Investments (SI) in terms of the investment guidelines granted to them by the life operations. The Sanlam Limited risk and compliance committee have delegated responsibility for credit risk management to the SI central credit committee. SFM supports the local asset management teams as and when necessary.

The governance structures ensure that an appropriate credit culture and environment are maintained, such that no transactions are concluded outside areas of competence, or without following normal procedures. This credit culture is the product of a formal credit risk strategy and credit risk policy.

The credit risk strategy stipulates the parameters for approval of credit applications, such as: economic sector; risk concentration; maximum exposure per obligor, group and industry; geographical location; product type; currency; maturity; anticipated profitability or excess spread; economic capital limits; and cyclical aspects of the economy.

The credit risk framework highlights the processes and procedures to be followed in order to maintain sound credit granting standards, to monitor and manage credit risk, to properly evaluate new business opportunities and to identify and administer problematic credits. Credit analysis is a structured process of investigation and assessment, involving identifying the obligor, determining whether a group of connected obligors should be consolidated as a group exposure and analysing the financial information of the obligor. A credit rating, being a ranking of creditworthiness, is allocated to the obligor. In addition to external ratings, internal rating assessments are conducted, whereby the latest financial and related information is analysed in a specified and standardised manner, and to ensure a consistent and systematic evaluation process. External ratings (e.g., Moody's Investor Services, Standard & Poor's and Global Credit Ratings) are considered when available.

As far as possible, considering materiality and available risk indicators, facilities are reviewed on an annual basis by the appropriate approval authority. Where possible, Sanlam's interest is protected by obtaining acceptable security. Covenants are also stipulated in the loan agreements, specifying actions that are agreed to. Compliance with these loan covenants is monitored on an ongoing basis for signs of deterioration in credit quality. A credit administration and reporting department is in place to implement risk control measures and maintain ongoing review of the credit reports and conditions, and to ensure overall compliance with the credit risk policy.

In addition to the above measures, some portfolios are managed in terms of the investment guidelines of the life insurance operations, which place limits in terms of the lowest credit quality that may be included in a portfolio, the average credit quality of instruments in a portfolio as well as limits on concentration risk.

Capital and risk management report continued

The group is also exposed to credit risk in respect of its working capital assets. The following are some of the main credit risk management actions:

- Unacceptable concentrations of credit risk to groups of counterparties, business sectors and product types are avoided by dealing with a variety of major banks and spreading debtors and loans among a number of major industries, clients and geographic areas;
- Long-term insurance business debtors are secured by the underlying value of the unpaid policy benefits in terms of the policy contract; and
- Exposure to external financial institutions concerning deposits and similar transactions is monitored against approved limits.

The group has considered the impact of changes in its own credit risk on the valuation of its liabilities at fair value. Credit risk changes will only have an impact in extreme situations and are not material for the 2025 and 2024 financial years. Given the strong financial position and rating of the group, the credit rating of its liabilities remained unchanged.

Maximum exposure to credit risk

Sanlam's maximum exposure to credit risk is equivalent to the amounts recognised in the statement of financial position (as reflected in the credit risk concentration by credit rating on pages 52 and 53 included in the Capital and Risk Management report) as there are no financial guarantees provided to parties outside the group that is expected to result in an outflow of resources, nor are there any loan commitments provided that are irrevocable over the life of the facility or revocable only in adverse circumstances. Please refer to note 33 on page 223, which discloses the possible obligations of the group.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty or transaction type. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

Master agreements covering, *inter alia*, netting and insolvency are used extensively to further manage credit risk. Over-the-counter (OTC) derivative transactions and carry and borrow transactions with counterparties are typically governed by such agreements. To further mitigate credit risk, many of these agreements have Credit Support Annexures that allow for the calling of collateral once pre-agreed exposure threshold levels have been reached.

Sanlam Financial Markets (SFM)

For credit risk capital, SFM (previously SanFin) utilises the concept of unexpected losses. Based on historical default data, expected losses are computed on a portfolio of credits. Economic principles dictate that a provision should be created for expected losses. An unexpected loss, on the other hand, is the maximum amount over and above the expected loss that SFM could incur over the particular time horizon with a certain level of confidence. In SFM's economic capital model, an unexpected loss over a one-year time horizon at a 99,5% confidence level is used as the estimate of credit risk capital. This is consistent with the 99,5% VaR used for market risk capital.

Furthermore, SFM utilises various additional credit stress testing to supplement the credit capital (and economic capital). This includes the credit earnings at risk measure.

- The first order credit spread sensitivity is calculated;
- The historical spread movement of various credit exposures classifications are determined at the 90th percentile;
- The stress is calculated as the product of the credit spread sensitivity and the historic spread movements for various classifications.

As of 31 December 2025, the value of the earnings at risk stress is R1 017 million (2024: R1 177 million).

Management determines concentrations by counterparty, with reference to the proportion of total credit risk capital held in respect of that counterparty compared to the overall credit risk capital of the entire portfolio. The 10 largest contributors to credit risk capital make up 35,6% (2024: 33%) of total credit risk capital, but only 14,2% (2024: 14,6%) of the total exposure. SFM is therefore not exposed to significant concentration risk.

Retail credit

Retail credit business relates mainly to loan business provided by Sanlam Personal Loans (SPL) for which the main risk is credit risk.

The balance of loans advanced by SPL to clients at 31 December 2025 is shown below:

R million	2025	2024[1]
Gross balance	**4 938**	4 253
Expected credit losses	**(221)**	(40)
Net balance	**4 717**	4 213

[1] *Prior year has been aligned to note 15.*

The main risk emanating from the retail credit operations is credit risk. Since SPL became a wholly owned subsidiary in 2023, the group has been exposed to credit risk on the full value of the loans and advances, which is disclosed in note 15.

Credit risk consists of credit standing and default risk. It is the company's policy to subject its potential clients to credit rating procedures. In addition, balances of advances are monitored on an ongoing basis. Collection strategies are in place to mitigate credit risk and all accounts that are in arrears are given due priority. The company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of the instrument.

The SPL provided expected credit losses for all individual advances based on stages of default that are determined by a combination of arrears, default, cure and distressed restructure criteria. In determining the recoverability of loans and advances, the company considers any change in the credit quality of the customer from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

Reinsurance credit risk

Sanlam makes use of reinsurance to:

- Access underwriting expertise;
- Access product opportunities;
- Enable it to underwrite risks greater than its own risk appetite; and
- Protect its mortality/risk book against catastrophes.

The use of reinsurance exposes the group to credit risk. The counterparty risks of reinsurers are managed under the group's credit risk framework. The group's reinsurance arrangements include proportionate, excess and catastrophe coverage. All risk exposures in excess of specified monetary limits are reinsured. Catastrophe insurance is in place for man-made disasters. Sanlam group uses a large panel of high quality reinsurance companies. As far as possible, credit risk in respect of reinsurance is managed by placing the group's reinsurance only with subsidiaries of companies that have international ratings of no less than A from S&P. Reinsurer credit risk exposure where external ratings are not available, are subject to internal review by the risk committee. These reviews are performed regularly throughout the year to ensure changes in credit risk of reinsurance counterparties are addressed timeously.

The tables below provide an analysis of the ratings attached to the group's life insurance and investment businesses' aggregated credit risk exposure, without taking collateral into account, as well as capital portfolio which includes the exposure managed by SFM and general insurance, to instruments subject to credit risk using international rating scales.

Capital and risk management report continued

As reflected in the table below, the majority of financial asset investments have remained BB following the BB South African government issuer rating by major credit rating agencies. Most issuers in South Africa will have their credit ratings capped at the sovereign credit rating, and therefore the rating BB represents the best available ratings within the South African investable universe. The group's short-term positions are included in the below table under the counterparties' long-term rating where Sanlam has both a long-term and short-term exposure to the entities.

Credit risk concentration by credit rating

Insurance and investment contract balances	AA %	A %	BBB %	BB %	B %	Not rated[1] %	Other %	Total %	Carrying value R million
31 December 2025									
Insurance contract assets	–	–	–	–	–	100	–	100	16 325
Reinsurance contracts assets	90	10	–	–	–	–	–	100	5 294
Interest-bearing instruments	–	3	3	80	11	2	1	100	259 341
Government interest-bearing investments	–	5	–	95	–	–	–	100	77 928
Corporate interest-bearing investments	–	2	5	81	8	3	1	100	142 866
Mortgages, policy and other loans	–	2	1	48	42	2	5	100	38 547
Structured transactions	4	5	6	73	11	1	–	100	39 842
Deposits and similar securities	3	28	2	63	4	–	–	100	18 388
Working capital assets	–	37	8	38	5	12	–	100	13 034
Trade and other receivables	–	3	2	17	–	78	–	100	1 886
Cash and cash equivalents	–	43	10	42	5	–	–	100	11 148
Structured transaction liabilities	–	(1)	(1)	(58)	(38)	(2)	–	(100)	(11 080)
Trading account assets	–	–	4	96	–	–	–	100	2 749
Trading account liabilities	–	(12)	(1)	(83)	–	(4)	–	(100)	(3 679)
Total	2	6	3	72	9	7	1	100	340 214
31 December 2024									
Insurance contract assets	–	–	–	–	–	100	–	100	13 244
Reinsurance contracts assets	97	3	–	–	–	–	–	100	4 477
Interest-bearing instruments	1	5	6	72	14	2	–	100	212 541
Government interest-bearing investments	–	7	–	91	2	–	–	100	63 231
Corporate interest-bearing investments	1	5	10	69	11	3	1	100	116 367
Mortgages, policy and other loans	–	3	1	45	44	–	7	100	32 943
Structured transactions	10	8	18	60	2	2	–	100	29 210
Deposits and similar securities	1	6	16	63	3	11	–	100	21 167
Working capital assets	1	10	4	67	–	18	–	100	11 855
Trade and other receivables	–	3	2	12	–	83	–	100	2 432
Cash and cash equivalents	1	12	5	81	–	1	–	100	9 423
Structured transaction liabilities	(11)	(8)	(19)	(57)	(2)	(3)	–	(100)	(9 523)
Trading account assets	–	1	–	99	–	–	–	100	1 870
Trading account liabilities	–	(42)	(41)	(17)	–	–	–	(100)	(1 793)
Total	3	5	7	65	11	8	1	100	283 048

[1] *In line with the group's credit risk policy, exposures relating to non-rated insurance and investment contract balances are managed within certain parameters.*

Capital and risk management report continued

Sanlam Limited
Annual Financial Statements 2025

Capital portfolio	AAA %	AA %	A %	BBB %	BB %	B %	Not rated[1] %	Total %	Carrying value R million
31 December 2025									
Insurance contract assets	–	–	–	–	–	–	100	100	329
Reinsurance contracts assets	–	35	59	2	3	–	1	100	5 354
Interest-bearing instruments	1	1	3	2	78	13	2	100	47 022
Government interest-bearing investments	2	–	6	–	92	–	–	100	12 638
Corporate interest-bearing investments	–	1	3	3	85	5	3	100	28 022
Mortgages, policy and other loans	–	–	–	–	25	75	–	100	6 360
Structured transactions	3	–	–	–	95	2	–	100	243
Deposits and similar securities	–	–	–	9	86	–	5	100	708
Advances to customers[2]	–	–	–	–	–	–	100	100	4 717
Working capital assets	–	1	15	3	51	1	29	100	34 117
Trade and other receivables	–	–	–	–	1	–	99	100	9 832
Short-term investments	–	–	23	2	71	4	–	100	9 182
Cash and cash equivalents	1	2	20	4	71	–	2	100	15 103
Structured transaction liabilities	–	(3)	(3)	(4)	(62)	(12)	(16)	(100)	(3 393)
Trading account assets	–	–	–	–	77	1	22	100	22 208
Trading account liabilities	–	–	–	–	(89)	–	(11)	(100)	(25 962)
Total	1	3	12	2	55	7	20	100	85 343
31 December 2024									
Insurance contract assets	–	–	–	–	–	–	100	100	492
Reinsurance contracts assets	–	41	53	2	4	–	–	100	6 759
Interest-bearing instruments	–	1	6	26	57	7	3	100	44 410
Government interest-bearing investments	–	–	6	–	90	1	3	100	13 487
Corporate interest-bearing investments	1	1	7	42	42	4	3	100	26 758
Mortgages, policy and other loans	–	–	–	–	48	52	–	100	4 165
Structured transactions	–	–	28	12	56	4	–	100	647
Deposits and similar securities	–	–	9	–	75	–	16	100	2 132
Advances to customers[2]	–	–	–	–	–	–	100	100	4 213
Working capital assets	–	7	6	15	45	1	26	100	31 350
Trade and other receivables	–	–	–	–	4	–	96	100	8 455
Short-term investments	–	1	3	40	54	2	–	100	7 465
Cash and cash equivalents	–	14	11	11	62	1	1	100	15 430
Structured transaction liabilities	–	–	(70)	(5)	(16)	(9)	–	(100)	(217)
Trading account assets	–	–	–	–	88	1	11	100	19 315
Trading account liabilities	–	–	(1)	–	(91)	–	(8)	(100)	(25 468)
Total	–	6	10	20	43	4	17	100	83 633

[1] *In line with the group's credit risk policy, exposures relating to non-rated insurance and investment contract balances are managed within certain parameters.*
[2] *Advances to customers relates to Sanlam Personal Loans. Refer to retail credit section above for additional information.*

Capital and risk management report continued

Liquidity risk

Liquidity risk for Sanlam group is managed in terms of the Group Liquidity Risk Management Policy, supported by Group Liquidity Risk Appetite Statement as well as Liquidity Contingency Plan, which is reviewed on a regular basis and approved by the board. The policy is based on the principles of Basel III (including, where required, the need for high quality liquid assets to be held to cover liquidity requirements during periods of market and liquidity stress events), with specific attention given to the management of roll-over risk.

The Sanlam Group Exco is responsible for the implementation of the policy, monitoring liquidity risk utilisation in line with approved metrics, targets and limits, and delegating where necessary the day-to-day management and oversight of Liquidity Risk management to Group Risk and other appropriate management committees.

Sanlam is exposed to liquidity risk in the following business areas:
- Policyholder business: Life insurance and investment contract balances
- Capital portfolio:
  - General insurance;
  - Margin business: Central Credit Manager (CCM) and non-CCM;
  - SFM operations; and
  - Subordinated debt.

Premium allocation approach

R million	Open-ended[2]	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	>20 years	Total	Carrying value
31 December 2025												
Life insurance contract balances												
Insurance contract assets	(11)	(31)	–	–	–	–	–	–	–	–	(42)	(42)
Reinsurance contract assets	(103)	(588)	(51)	(69)	(81)	(112)	(616)	(695)	(436)	(540)	(3 291)	(3 291)
Insurance contracts liabilities	571	4 711	167	226	266	367	2 037	2 309	1 451	1 794	13 899	13 899
Reinsurance contracts liabilities	–	469	–	–	–	–	–	–	–	–	469	469
Total life insurance contract balances	457	4 561	116	157	185	255	1 421	1 614	1 015	1 254	11 035	11 035
31 December 2024 – Restated[1]												
Life insurance contract balances												
Insurance contract assets	(23)	(46)	–	–	–	–	–	–	–	–	(69)	(69)
Reinsurance contract assets	–	(519)	(44)	(72)	(80)	(86)	(563)	(589)	(415)	(420)	(2 788)	(2 788)
Insurance contracts liabilities	43	4 584	147	234	260	291	2 308	1 910	1 347	1 364	12 488	12 488
Reinsurance contracts liabilities	–	497	–	–	–	–	–	–	–	–	497	497
Total life insurance contract balances	20	4 516	103	162	180	205	1 745	1 321	932	944	10 128	10 128

[1] In the current year, the maturity profiles have been further disaggregated to reflect the maturities for each of the first five years after the reporting date. The prior year has been re-presented.
[2] Open-ended includes assets and liabilities that are payable on demand.

Policyholder business: Life insurance and investment contract balances

The principal liquidity risk relating to policyholder business stems from policyholder behaviour, e.g., unanticipated benefit withdrawals or risk-related claims.

It does not expose the group to significant liquidity risk. Expected cash flows are considered in determining the investment guidelines and asset spread of the portfolios. Limits are also placed on the exposure to illiquid investments.

In terms of non-participating annuities, liabilities are matched, as far as possible, with interest-bearing assets, to ensure that the duration of assets and liabilities are closely aligned. This may also include derivatives.

Investment contracts are those invested in portfolios where there is a direct relationship between the returns earned on the underlying portfolio and the returns credited to the contract. These contracts do not expose the group to liquidity risk because the risk of liquidity losses is largely borne by the policyholders.

Liquidity risk is managed in line with the group liquidity risk management policy based on stress-based scenarios. Liquidity risk is typically managed by considering immediate and short-term liquidity needs and therefore the time periods presented in the tables below are only indicative of the maturity profile of the policyholder business.

The liquidity risk tables for insurance contracts and reinsurance contracts are based on the cash flows:

Capital and risk management report continued

Sanlam Limited
Annual Financial Statements 2025

General measurement model

R million	Open-ended[2]	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	>20 years	Total	Carrying value
31 December 2025												
Life insurance contract balances												
Insurance contract assets	**(333)**	**338**	**(244)**	**(215)**	**(216)**	**(252)**	**(1 417)**	**(1 648)**	**(1 791)**	**(18 005)**	**(23 782)**	**(16 283)**
Reinsurance contract assets	**(1 089)**	**(569)**	**(28)**	**(39)**	**(46)**	**(51)**	**(72)**	**(90)**	**(109)**	**(460)**	**(2 553)**	**(2 003)**
Insurance contracts liabilities	**117 218**	**338**	**(177)**	**(528)**	**(356)**	**(224)**	**(590)**	**482**	**495**	**2 604**	**119 262**	**142 375**
Reinsurance contracts liabilities[3]	**(1 007)**	**9 334**	**317**	**273**	**217**	**135**	**51**	**(13)**	**(47)**	**64**	**9 323**	**992**
Total life insurance contract balances	**114 789**	**9 441**	**(132)**	**(509)**	**(401)**	**(392)**	**(2 028)**	**(1 269)**	**(1 452)**	**(15 797)**	**102 250**	**125 081**
31 December 2024 – Restated[1]												
Life insurance contract balances												
Insurance contract assets	(636)	(72)	(1 027)	(145)	(147)	(202)	(900)	(956)	(1 143)	(14 649)	(19 877)	(13 175)
Reinsurance contract assets	(713)	(722)	(24)	(36)	(46)	(64)	(65)	(85)	(103)	(424)	(2 282)	(1 685)
Insurance contracts liabilities	86 557	(584)	(1 379)	(1 053)	(815)	693	1 406	(618)	(165)	1 377	85 419	110 057
Reinsurance contracts liabilities[3]	–	10 927	(34)	(17)	(7)	6	–	16	(77)	288	11 103	1 729
Total life insurance contract balances	85 208	9 549	(2 464)	(1 251)	(1 015)	433	441	(1 643)	(1 489)	(13 408)	74 362	96 926

[1] *In the current year, the maturity profiles have been further disaggregated to reflect the maturities for each of the first five years after the reporting date. The prior year has been re-presented.*
[2] *Open-ended includes assets and liabilities that are payable on demand.*
[3] *The in-substance reinsurance contract fulfilment cash flows are considered to be payable within one year based on the terms of the underlying cell agreements.*

Variable fee approach

R million	Open-ended[2]	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	>20 years	Total	Carrying value
31 December 2025												
Life insurance contract balances												
Insurance contracts liabilities	**46 733**	**3 348**	**1 761**	**2 350**	**2 803**	**3 167**	**4 453**	**4 698**	**3 059**	**3 912**	**76 284**	**80 590**
31 December 2024 – Restated[1]												
Life insurance contract balances												
Insurance contracts liabilities	39 381	3 169	1 854	2 482	2 959	3 333	4 609	5 053	3 268	4 370	70 478	74 972
Total life insurance contract balances	39 381	3 169	1 854	2 482	2 959	3 333	4 609	5 053	3 268	4 370	70 478	74 972

[1] *In the current year, the maturity profiles have been further disaggregated to reflect the maturities for each of the first five years after the reporting date. The prior year has been re-presented.*
[2] *Open-ended includes assets and liabilities that are payable on demand.*

Capital and risk management report continued

Net investment contract liabilities

R million	Open-ended[2]	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	>20 years	Total
31 December 2025											
Net investment contract balances											
Investment contracts liabilities[3]	436 779	20 146	18 812	17 986	17 714	15 721	60 091	31 071	16 928	14 580	649 828
Total net investment contract balances	436 779	20 146	18 812	17 986	17 714	15 721	60 091	31 071	16 928	14 580	649 828
Other life insurance policyholder balances											
Investment assets	424 263	52 850	37 477	45 260	27 185	23 989	21 040	15 263	7 675	3 360	658 362
Properties	6 795	–	–	–	–	–	–	–	–	–	6 795
Equities and similar securities	73 723	–	–	–	–	–	–	–	–	–	73 723
Government interest-bearing investments	–	7 823	1 373	1 603	1 902	6 577	13 531	8 045	6 639	7 428	54 921
Corporate interest-bearing investments	531	14 838	23 192	27 083	14 200	12 751	3 625	3 755	231	47	100 253
Mortgages, policy and other loans	88	5 164	4 514	6 837	8 164	3 316	3 502	2 276	1 171	(4 174)	30 858
Structured transactions	184	16 566	5 780	7 687	2 717	1 011	293	1 077	(366)	59	35 008
Investment funds	342 832	–	–	–	–	–	–	–	–	–	342 832
Deposits and similar securities	110	8 459	2 618	2 050	202	334	89	110	–	–	13 972
Trading account assets	–	2 748	–	–	–	–	–	–	–	–	2 748
Non-current assets held for sale[4]	–	1 744	–	–	–	–	–	–	–	–	1 744
Structured transactions liabilities	(75)	(6 639)	(2 154)	(2 937)	(997)	(91)	(119)	(436)	148	(24)	(13 324)
Deferred tax liability[4]	–	(3 283)	–	–	–	–	–	–	–	–	(3 283)
Trading account liabilities	–	(5 712)	–	–	–	–	–	–	–	–	(5 712)
Net working capital	–	9 293	–	–	–	–	–	–	–	–	9 293
Trade and other receivables	–	1 572	–	–	–	–	–	–	–	–	1 572
Trade and other payables	–	(1 321)	–	–	–	–	–	–	–	–	(1 321)
Taxation[4]	–	113	–	–	–	–	–	–	–	–	113
Cash and cash equivalents	–	8 929	–	–	–	–	–	–	–	–	8 929
Total net investment contract policyholder balances	424 188	51 001	35 323	42 323	26 188	23 898	20 921	14 827	7 823	3 336	649 828
31 December 2024 – Restated[1]											
Net investment contract balances											
Investment contracts liabilities[3]	365 968	17 897	15 855	14 715	15 046	12 750	56 930	28 136	14 888	11 981	554 166
Total net investment contract balances	365 968	17 897	15 855	14 715	15 046	12 750	56 930	28 136	14 888	11 981	554 166
Other life insurance policyholder balances											
Investment assets	432 050	26 563	15 493	23 706	15 479	13 126	14 093	7 411	6 230	6 202	560 353
Properties	715	–	–	–	–	–	–	–	–	–	715
Equities and similar securities	69 448	–	–	–	–	–	–	–	–	–	69 448
Government interest-bearing investments	–	5 012	1 375	665	940	688	7 944	4 132	5 909	4 029	30 694
Corporate interest-bearing investments	938	6 565	8 243	13 301	5 344	7 189	2 286	1 828	159	505	46 358
Mortgages, policy and other loans	16	3 913	1 916	3 164	2 006	1 752	2 348	983	400	(1 206)	15 292
Structured transactions	75	4 738	1 493	5 011	4 842	2 176	1 269	371	(238)	494	20 231
Investment funds	360 457	–	–	–	–	–	–	–	–	2 380	362 837
Deposits and similar securities	401	6 335	2 466	1 565	2 347	1 321	246	97	–	–	14 778
Trading account assets	–	1 870	–	–	–	–	–	–	–	–	1 870
Non-current assets held for sale	–	3 473	–	–	–	–	–	–	–	–	3 473
Structured transactions liabilities	(9)	(2 398)	(646)	(2 164)	(2 243)	(1 102)	(643)	(188)	121	(251)	(9 523)
Deferred tax liability	–	(2 469)	–	–	–	–	–	–	–	–	(2 469)
Trading account liabilities	–	(3 809)	–	–	–	–	–	–	–	–	(3 809)
Net working capital	–	4 271	–	–	–	–	–	–	–	–	4 271
Trade and other receivables	–	2 125	–	–	–	–	–	–	–	–	2 125
Trade and other payables	–	(541)	–	–	–	–	–	–	–	–	(541)
Taxation	–	(700)	–	–	–	–	–	–	–	–	(700)
Cash and cash equivalents	–	3 387	–	–	–	–	–	–	–	–	3 387
Total net investment contract policyholder balances	–	27 501	14 847	21 542	13 236	12 024	13 450	7 223	6 351	5 951	554 166

(1) In the current year, the maturity profiles have been further disaggregated to reflect the maturities for each of the first five years after the reporting date. The prior year has been re-presented.
(2) Open-ended includes assets and liabilities that are payable on demand.
(3) Undiscounted maturity analysis of net investment contract liabilities is not considered materially different to the discounted maturity analysis disclosed in the above table.
(4) Net investment contract liabilities are backed by these non-financial assets and liabilities. Non-current assets held for sale include investment properties held for sale.

Capital and risk management report continued

General insurance

Sanlam group manages liquidity requirements in the general insurance business by matching the underlying risk profile of the assets invested to the corresponding liabilities. The net insurance liabilities are covered by investments with limited capital risk (i.e., cash and short-duration interest-bearing investments).

The liquidity risk tables for insurance contracts and reinsurance contracts are based on the present value of expected net future cash flows:

Premium allocation approach

R million	Open-ended[2]	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	10 to 15 years	Total	Carrying value
Fulfilment cash flows (discounted)										
31 December 2025										
General insurance contract balances										
Insurance contract assets	(83)	(253)	4	1	1	1	–	–	(329)	(329)
Reinsurance contract assets	–	(4 165)	(584)	(223)	(137)	(86)	(147)	(13)	(5 355)	(5 355)
Insurance contracts liabilities	–	32 547	2 632	1 045	666	431	633	46	38 000	38 000
Reinsurance contracts liabilities	–	1 272	154	37	–	–	–	–	1 463	1 463
Total General insurance contract balances	(83)	29 401	2 206	860	530	346	486	33	33 779	33 779

R million	Open-ended[2]	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	10 to 15 years	Total	Carrying value
Fulfilment cash flows (discounted)										
31 December 2024 – Restated[1]										
General insurance contract balances										
Insurance contract assets	–	(492)	–	–	–	–	–	–	(492)	(492)
Reinsurance contract assets	–	(5 474)	(630)	(270)	(137)	(97)	(152)	–	(6 760)	(6 760)
Insurance contracts liabilities	–	29 667	2 250	1 009	545	381	545	–	34 397	34 397
Reinsurance contracts liabilities	–	1 510	–	–	–	–	–	–	1 510	1 510
Total General insurance contract balances	–	25 211	1 620	739	407	284	393	–	28 655	28 655

[1] *In the current year, the maturity profiles have been further disaggregated to reflect the maturities for each of the first five years after the reporting date. The prior year has been re-presented.*
[2] *Open-ended includes assets and liabilities that are payable on demand.*

General measurement model

R million	Open-ended[2]	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Total	Carrying value
Fulfilment cash flows (discounted)								
31 December 2025								
General insurance contract balances								
Insurance contract liabilities	–	80	118	125	138	96	557	591
Reinsurance contracts liabilities	–	2 490	(118)	(125)	(138)	(96)	2 013	1 979
Total general insurance contract balances	–	2 570	–	–	–	–	2 570	2 570

R million	Open-ended[2]	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Total	Carrying value
Fulfilment cash flows (discounted)								
31 December 2024 – Restated[1]								
General insurance contract balances								
Insurance contract liabilities	–	606	–	–	–	–	606	641
Reinsurance contracts liabilities	–	1 483	–	–	–	–	1 483	1 448
Total General insurance contract balances	–	2 089	–	–	–	–	2 089	2 089

[1] *In the current year, the maturity profiles have been further disaggregated to reflect the maturities for each of the first five years after the reporting date. The prior year has been re-presented.*
[2] *Open-ended includes assets and liabilities that are payable on demand.*

Capital and risk management report continued

Margin business

The Sanlam group, through wholly owned subsidiaries, issues redeemable preference shares from time to time, the proceeds of which are utilised to invest in similar assets (redeemable preference shares) in order to earn a margin acceptable to the group.

Term finance liabilities in respect of the Central Credit Manager (CCM) margin business (managed by SFM) are matched, as closely as possible, by assets with an appropriate maturity profile. These assets are managed to ensure that sufficient liquid investments are available to match the cash flow profile of the term finance liabilities.

The maturity profile of term finance liabilities in respect of the CCM margin business and the assets held to match this term finance is provided in the following table:

R million	Open-ended[2]	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	Total
31 December 2025								
Central Credit Manager (CCM) term finance liabilities	–	–	–	(210)	(385)	–	(190)	(785)
Term finance liabilities held in respect of CCM margin business	–	–	–	(210)	(385)	–	(190)	(785)
Assets held in respect of CCM term finance	121	231	–	85	109	204	35	785
Equities and similar securities	121	–	–	–	–	–	–	121
Corporate interest-bearing investments	–	169	–	85	109	204	35	602
Net working capital[4]	–	62	–		–	–	–	62
Net term finance liquidity position[3]	121	231	–	(125)	(276)	204	(155)	–
31 December 2024 – Restated[1]								
Central Credit Manager (CCM) term finance liabilities	–	(498)	–	(210)	–	(190)	–	(898)
Term finance liabilities held in respect of CCM margin business	–	(498)	–	(210)	–	(190)	–	(898)
Assets held in respect of CCM term finance	221	1	250	54	85	244	43	898
Equities and similar securities	221	–	–	–	–	–	–	221
Corporate interest-bearing investments	–	–	250	54	85	244	43	676
Net working capital[4]	–	1	–	–	–	–	–	1
Net term finance liquidity position[3]	221	(497)	250	(156)	85	54	43	–

[1] *In the current year, the maturity profiles have been further disaggregated to reflect the maturities for each of the first five years after the reporting date. The prior year has been re-presented.*
[2] *Open-ended includes assets and liabilities that are payable on demand.*
[3] *Term finance liabilities are managed on a continuous basis and the mismatch risk in the maturity profile is managed by either a new issue of term finance or utilising the availability of intergroup funding facilities if required.*
[4] *Net working capital includes trade and other receivables and trade and other payables, taxation and cash and cash equivalents.*

The group office is responsible for areas of financial risk management that are not allocated to individual businesses, i.e., non-CCM margin business. Similar to CCM margin business, term finance liabilities in respect of margin business are matched, as closely as possible, by assets with an appropriate maturity profile. These assets are managed to ensure that sufficient liquid investments are available to match the cash flow profile of the term finance liabilities. The group has significant liquid resources and substantial unutilised banking facilities to cover any mismatch position.

Sanlam Limited
Annual Financial Statements 2025

Capital and risk management report continued

Sanlam Limited
Annual Financial Statements 2025

The maturity profile of term finance liabilities in respect of the Non-Central Credit Manager margin business and the assets held to match this term finance is provided in the following table:

R million	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	>20 years	Total
31 December 2025						
Non-Central Credit Manager (CCM) term finance liabilities	**–**	**(250)**	**(350)**	**(150)**	**–**	**(750)**
Term finance liabilities held in respect of non-CCM margin business	**–**	**(250)**	**(350)**	**(150)**	**–**	**(750)**
Assets held in respect of non-CCM term finance	**(116)**	**866**	**–**	**–**	**–**	**750**
Equities and similar securities	**–**	**866**	**–**	**–**	**–**	**866**
Net working capital[2]	**(116)**	**–**	**–**	**–**	**–**	**(116)**
Net term finance liquidity position[3]	**(116)**	**616**	**(350)**	**(150)**	**–**	**–**
31 December 2024 – Restated[1]						
Non-Central Credit Manager (CCM) term finance liabilities	(350)	–	(400)	–	–	(750)
Term finance liabilities held in respect of non-CCM margin business	(350)	–	(400)	–	–	(750)
Assets held in respect of non-CCM term finance	(53)	–	–	–	803	750
Equities and similar securities	–	–	–	–	803	803
Net working capital[2]	(53)	–	–	–	–	(53)
Net term finance liquidity position[3]	(403)	–	(400)	–	803	–

[1] *In the current year, the maturity profiles have been further disaggregated to reflect the maturities for each of the first five years after the reporting date. The prior year has been re-presented.*
[2] *Net working capital includes trade and other receivables and trade and other payables, taxation and cash and cash equivalents.*
[3] *Term finance liabilities are managed on a continuous basis and the mismatch risk in the maturity profile is managed by either a new issue of term finance or utilising the availability of intergroup funding facilities if required.*

Sanlam Financial Market (SFM)

SFM (previously SanFin), actively manages funding liquidity risk, focusing mostly on cash flow management. Cash flow management involves estimating the timing of future cash inflows and outflows and managing the resultant mismatches. Particular emphasis is placed on limiting the exposure to short-term net outflows, and more precise cash flow estimates are used for this purpose.

SFM strives to optimise the mix between long-term and short-term funding to ensure that liquidity risk is managed within the parameters set out in the approval framework.

SFM is exposed to daily calls on its available cash resources from overnight funding, loan drawdowns, commercial paper expiry and guarantees, and from margin and other calls on cash-settled derivatives.

The maximum available facilities of R6,75 billion (2024: R6,75 billion), which Sanlam Limited guarantees under the unlisted commercial paper programme, exceed the amount utilised of R2,9 billion (2024: R5,1 billion), indicating available unutilised funding sources.

Utilised committed facilities granted by SFM to various counterparties were R5,5 billion (2024: R3,72 billion).

Refer to note 14 on page 183 for the maturity profiles of trading assets and liabilities and note 33 on page 223 for additional information in respect of the guarantee mentioned above.

Capital and risk management report continued

Subordinated debt[1]

The unsecured subordinated bonds of the group are issued by Sanlam Life, Santam, Assupol, Afrocentric and MCIS, which are managed on corporate level and matched by assets with appropriate maturity profiles. These assets are managed to ensure that sufficient liquid investments are available to match the cash flow profile of the term finance liabilities as closely as possible.

The maturity profile of term finance liabilities in respect of the unsecured subordinated bonds and the assets held to match this term finance is provided in the following table:

R million	Open-ended[2]	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	10 to 15 years	>20 years	Total
31 December 2025										
Term finance liabilities	–	(1 324)	(1 140)	(2 219)	(1 100)	(3 033)	(2 334)	–	–	(11 150)
Interest-bearing liabilities[3]	–	(1 324)	(1 140)	(2 219)	(1 100)	(3 033)	(2 334)	–	–	(11 150)
Assets held in respect of term finance	59	1 852	1 435	2 328	1 597	2 500	1 348	30	1	11 150
Government interest-bearing investments	–	345	18	98	442	964	59	30	–	1 956
Corporate interest-bearing investments	–	950	1 389	1 907	730	1 521	1 289	–	1	7 787
Mortgages, policy and other loans	–	3	16	29	20	14	–	–	–	82
Structured transactions	–	19	12	104	405	1	–	–	–	541
Investment funds	59	–	–	175	–	–	–	–	–	234
Cash, deposits and similar securities	–	493	–	15	–	–	–	–	–	508
Working capital assets and liabilities	–	42	–	–	–	–	–	–	–	42
Net term finance liquidity position[3]	59	528	295	109	497	(533)	(986)	30	1	–
31 December 2024 – Restated[1]										
Term finance liabilities	–	(1 227)	(1 229)	(1 143)	(1 852)	(2 823)	(2 019)	–	–	(10 293)
Interest-bearing liabilities[3]	–	(1 227)	(1 229)	(1 143)	(1 852)	(2 823)	(2 019)	–	–	(10 293)
Assets held in respect of term finance	433	2 121	1 134	1 836	1 354	1 488	1 923	–	4	10 293
Government interest-bearing investments	–	404	23	26	84	453	973	–	–	1 963
Corporate interest-bearing investments	–	848	1 055	1 785	1 149	847	949	–	4	6 637
Mortgages, policy and other loans	–	8	13	17	15	3	–	–	–	56
Structured transactions	–	102	26	8	106	185	1	–	–	428
Investment funds	433	–	–	–	–	–	–	–	–	433
Cash, deposits and similar securities	–	711	17	–	–	–	–	–	–	728
Working capital assets and liabilities	–	48	–	–	–	–	–	–	–	48
Net term finance liquidity position[3]	433	894	(95)	693	(498)	(1 335)	(96)	–	4	–

[1] In the current year, the maturity profiles have been further disaggregated to reflect the maturities for each of the first five years after the reporting date. The prior year has been re-presented.
[2] Open-ended includes assets and liabilities that are payable on demand.
[3] Term finance liabilities are managed on a continuous basis and the mismatch risk in the maturity profile is managed by either a new issue of term finance or utilising the availability of intergroup funding facilities if required.

01 Governance 02 Capital and risk management 03 Basis of preparation 04 Group financial results 05 Company financial results 06 Remuneration report 07 Supplementary information 71

Sanlam Limited
Annual Financial Statements 2025

Basis of preparation



In this section

72 Basis of preparation

Basis of preparation

Introduction

The consolidated financial statements are prepared on the historical-cost basis, unless otherwise indicated, in accordance with IFRS® Accounting Standards, the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Financial Reporting Requirements and the South African Companies Act. The financial statements are presented in South African rand rounded to the nearest million, unless otherwise stated.

The following revised IFRS Accounting Standards and interpretations have been applied in the 2025 financial year, and do not have a material impact on the results:

- Effective 1 January 2025:
  - Lack of Exchangeability (Amendments to IAS 21)

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

- 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)

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-IFRS" 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.

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

In December 2025, the South African Reserve Bank (SARB) formally announced the cessation of the Johannesburg Interbank Average Rate (JIBAR), confirming that all JIBAR tenors will be permanently discontinued immediately after their final publication on 31 December 2026. This marks a significant milestone in South Africa's benchmark reform process, which forms part of a broader global transition away from IBOR type reference rates. ZARONIA, the South African Overnight Index Average, has been officially designated as the successor benchmark rate and is intended to provide a more transparent, transaction based and robust reference rate for the South African financial markets. The SARB, through the Market Practitioners Group (MPG), continues to lead the transition efforts, including the fixing of credit adjustment spreads and industry wide guidance on fallback structures following the announcement of JIBAR's cessation. The ZARONIA First initiative, launched by the MPG earlier in 2025, is being implemented in phases to promote the adoption of ZARONIA across financial instruments. The initial focus is on linear derivatives, such as interest rate swaps, with later phases extending to non-linear derivatives and additional financial products, ensuring alignment with international benchmark reform practices. Sanlam has activated a comprehensive, group wide transition programme to assess exposures to JIBAR, amend legal agreements where required, adjust operational processes, and upgrade systems for ZARONIA adoption. Cluster CFOs and Internal Audit remain actively engaged to ensure that all affected areas are appropriately addressed. Sanlam also maintains direct participation in MPG working groups to stay aligned with regulatory developments and industry best practice during the transition period.

The table below provides an overview of JIBAR related exposures with post 31 December 2026 maturities, presented of their carrying amounts:

R million	31 December 2025 Group
Carrying values:	
Net investments	**154 309**
Government interest-bearing investments[1]	**9 803**
Corporate interest-bearing investments[2]	**120 192**
Other interest-bearing investments[3]	**17 938**
Structured transactions (net of structured transaction liabilities)[4]	**6 376**
Trading account assets	**1 397**
Trading account liabilities	**(70)**
Short-term investments[2]	**2 014**
Term finance[3]	**(8 642)**
Total exposure	**149 008**

[1] *Transition is subject to JSE instructions.*
[2] *Approximately 32% is subject to JSE instructions. Remaining is client and/or Strate (South Africa's principal central securities depository and central collateral platform) engagement.*
[3] *Certain contracts to be renegotiated. For term finance refer to note 23 for contractual terms.*
[4] *ISDA (International Swaps and Derivatives Association) published a protocol on April 25, 2025, to amend existing derivative contracts, enabling a seamless transition from Jibar to ZARONIA. The protocol allows parties to include fallback provisions, ensuring that if Jibar ceases, contracts automatically reference Bloomberg-published ZARONIA-based rates.*

Use of estimates, assumptions and judgements

The preparation of the consolidated 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 30 of the consolidated financial statements for further information on critical estimates and judgements and note 33 of the consolidated financial statements for information on contingencies.

Deposits and similar securities, short-term investments and cash and cash equivalents

Deposits and similar securities, short-term investments and cash and cash equivalents include bank account balances, call, term and negotiable deposits, promissory notes and money market collective investment schemes. A distinction is made between:

- Deposits and similar securities included in the asset mix of policyholders' and shareholders' fund investment portfolios, which are disclosed as investments in the statement of financial position;
- Short-term investments that are disclosed as working capital assets, refer to note 17; and
- Cash and cash equivalents that are disclosed as working capital assets, refer to note 18, apart from bank overdrafts, which are disclosed as working capital liabilities, refer to note 16.

Financial instruments

Owing to the nature of the group's business, financial instruments have a significant impact on the group's financial position and performance. Audited information in respect of the major categories of financial instruments and the risks associated therewith are provided in the following sections:

- Capital and risk management report on pages 14 to 69
- Note 13: Investments
- Note 14: Trading account assets and liabilities
- Note 16: Trade receivables and payables
- Note 22: Investment contracts
- Note 23: Term finance
- Note 30: Critical accounting estimates and judgements
- Note 38: Fair value

Accounting policies

The Sanlam group has identified the accounting policies that are material to its business operations and the understanding of its results. These include policies relating to insurance liabilities, contract cost of investment management services, the ascertainment of fair values of financial assets, financial liabilities and derivative financial instruments, and the determination of impairment losses. In each case, the determination of these is fundamental to the financial results and position, and requires management to make complex judgements based on information and financial data that may change in future periods. Since these involve the use of assumptions and subjective judgements as to future events and are subject to change, the use of different assumptions or data could produce materially different results. These policies (as set out in the relevant notes to the financial statements) are in accordance with and comply with the IFRS Accounting Standards and have been applied consistently for all periods presented unless otherwise noted.

Basis of consolidation

Subsidiaries and consolidated funds are entities that are controlled by Sanlam Limited or any of its subsidiaries. The group has control over an entity where it has the right to or is exposed to variable returns and has the power, directly or indirectly, to affect those returns. Specifically, the group controls an entity if and only if the group has:

- Power or existing rights over the entity or investee that give it the ability to direct relevant activities;
- Exposure or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the group has less than a majority of the voting or similar rights, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The group's voting rights and potential voting rights.

The group re-assesses on a continuous basis whether or not it controls an investee.

The purchase method of accounting is applied to account for acquisitions of subsidiaries. The cost of an acquisition is measured as the fair value of consideration transferred, equity instruments issued and liabilities assumed at the date of exchange. Costs directly attributable to an acquisition are expensed in the statement of comprehensive income. Identifiable assets and liabilities acquired and contingent liabilities assumed are recognised at fair value at acquisition date. The excess of the cost of an acquisition, the amount of non-controlling interest in the subsidiary or business measured in terms of IFRS 3 and when a business is acquired in stages, the acquisition date fair value of the group previously held equity interest in the subsidiary or business over the fair value of the net identifiable assets of the subsidiary or business at the date of acquisition represents goodwill and is accounted for in terms of the accounting policy note for goodwill.

Basis of preparation continued

If the cost of an acquisition is less than the fair value of the net identifiable assets and contingent liabilities, the difference is recognised in the statement of comprehensive income.

The results of subsidiaries and consolidated funds are included from the effective dates when the group obtains control to the effective dates when the group ceases to have control, using accounting policies uniform to the group. Inter-group transactions, balances and unrealised profits on inter-group transactions are eliminated. Unrealised losses are also eliminated unless the transaction indicates the impairment of the asset transferred.

The interest of non-controlling shareholders in subsidiaries is stated at the non-controlling shareholders' share of the recognised values of the subsidiaries' assets and liabilities. Net losses attributable to non-controlling shareholders in excess of the non-controlling interest are recognised as negative reserves against non-controlling shareholders' interest.

A financial liability is recognised, and classified as at fair value through profit or loss, for the fair value of external investors' interest in consolidated funds where the issued units of the fund are classified as financial liabilities in terms of the IFRS Accounting Standards. Changes in the fair value of the external investors' liability are recognised in the statement of comprehensive income. In all other instances, the interests of external investors in consolidated funds are not financial liabilities and are recognised as non-controlling shareholders' interest.

Cell captives

The group offers cell captive facilities to clients. A cell captive is a contractual arrangement entered into by the group with a cell owner, whereby the risks and rewards associated with certain insurance activities accrue to the cell shareholder. Cell captives allow clients to purchase non-convertible preference shares in the registered insurance company that undertakes the professional insurance management of the cell, including: underwriting, reinsurance, claims management, actuarial and statistical analysis, investment and accounting services. The terms and conditions are governed by the shareholders' agreement. There are currently two distinct types of cell captive arrangements:

First party cell captive arrangements are arrangements where the risks that are being insured relate to the cell shareholder's own operations or operations within the cell shareholder's group of companies. The cell shareholder and the policyholder are considered the same person. Where more than one contract is entered into with a single counterparty, it shall be considered a single contract, and the shareholder and insurance agreement are considered together for risk transfer purposes. As these first party cell captive arrangements are a single contract there is no significant risk transfer and such cell captive facilities are accounted for as investment contracts.

Third-party cell captives allow clients to purchase non-convertible preference shares in the registered insurance company which undertakes the professional insurance management of the cell, including: underwriting, reinsurance, claims management, actuarial and statistical analysis, investment, and accounting services. The shareholders' agreement, however, determines that the cell shareholders remain responsible for the solvency of the cell captive arrangements. In substance, the insurance company therefore reinsures this business to the cell shareholder. The cell shareholder's interest represents the cell shareholders, in respect of the insurance business conducted in the cell structures, held by the insurer, and is included under third-party cell insurance contract liabilities. The liabilities due to cell shareholders have been assessed to be highly interrelated with the in-substance reinsurance component of the reinsurance contacts and is treated similarly to non-distinct investment components which are not accounted for separately.

Structured insurance contracts

The group also offers insurance contracts that provide both insurance cover and the payment of a specified amount (performance bonus or premium refund paid at agreed upon interval, after deducting related expenses). These specified amounts meet the definition of an investment component as they will be paid to policyholders in all circumstances, regardless of whether an insured event occurs. The criteria encompass risk management strategies, risk performance conditions or policy claim experience. These contracts are deemed to be insurance contracts under IFRS 17 as the group has concluded that there is a transfer of significant risk.

Business combinations under Common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

A transaction deemed to be a transaction under common control consequently falls outside the scope of IFRS 3 – Business Combinations. The group's accounting policy is to apply pooling of interest accounting to common control transactions. Common control accounting is applied and, under the predecessor accounting method, assets and liabilities acquired, including goodwill acquired, are recognised at the predecessor values with the difference between the acquisition value and the aggregate purchase consideration recognised as a separate reserve in equity, a 'common control' reserve. From the perspective of the seller, the difference between the consideration received and the carrying value of the business disposed of will result in a gain or loss recognised in the statement of comprehensive income. From a combined group perspective (acquirer and seller), the 'common control' reserve and the gain or loss recognised in the statement of comprehensive income will eliminate.

Foreign currencies

Transactions and balances

Foreign currency transactions are translated to functional currency, i.e. the currency of the primary economic environment in which each of the group's entities operate, at the exchange rates on transaction date. Monetary assets and liabilities are translated to functional currency at the exchange rates ruling at the financial period-end. Non-monetary assets and liabilities carried at fair value are translated to functional currency at the exchange rates ruling at valuation date. Non-monetary assets and liabilities carried at historic cost are translated to functional currency at the exchange rates ruling at the date of initial recognition. Exchange differences arising on the settlement of transactions or the translation of monetary assets and liabilities (excluding investment assets and liabilities) are recognised in the statement of comprehensive income as revenue. Exchange differences on non-monetary assets and liabilities and monetary assets and liabilities classified as investment assets and liabilities, such as equities and foreign interest-bearing investments, are included in investment surpluses.

Foreign operations

Statement of comprehensive income items of foreign operations (including foreign subsidiaries, associates and joint ventures) with a functional currency different from the presentation currency, 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 items, in which instances the exchange rate on transaction date is used. The closing rate is used for the translation of assets and liabilities, including goodwill, intangible assets and fair value adjustments arising on the acquisition of foreign entities. At acquisition, equity is translated at the rate ruling on the date of acquisition. Post-acquisition equity is translated at the rates prevailing when the change in equity occurred. Exchange differences arising on the translation of foreign operations are transferred to a foreign currency translation reserve until the disposal of the net investment when it is released to the statement of comprehensive income.

Policy liabilities

The valuation bases and methodology used to measure the policy liabilities of all material lines of insurance and investment business for the group are set out below, and comply with the requirements of the IFRS Accounting Standards. An explanation of the recognition of insurance amounts in profit or loss is covered on page 84.

Where the valuation of policy liabilities is based on the valuation of supporting assets, the assets are valued on the bases as set out in the accounting policy for investments, with the exception of investments in treasury shares, associated companies, joint ventures, which are also valued at fair value.

Classification

The group applies IFRS 17 – Insurance Contracts to insurance contracts and reinsurance contracts it issues, reinsurance contracts it holds and investment contracts with discretionary participation features (DPF) it issues. Investment contracts without DPF (with or without investment management services) fall within the scope of IFRS 9 – Financial Instruments.

All references to insurance contracts in these accounting policies apply to insurance contracts issued or acquired, reinsurance contracts issued or held, and investment contracts with DPF issued, unless specifically stated otherwise. All references to insurance contracts issued in these accounting policies apply to insurance contracts excluding reinsurance contracts held.

A contract is classified as an insurance contract where the group provides insurance coverage by accepting significant insurance risk when agreeing with the policyholder to pay benefits if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary. Significant insurance risk is assessed on a contract level and exists where there is at least one scenario in which the insured event results both in significant additional payments and also in an overall loss to the group on a present value basis.

In the normal course of business, the group uses reinsurance to mitigate its risk exposures. A reinsurance contract held transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

Once a contract has been classified as an insurance contract the classification remains unchanged for the remainder of its lifetime, even if the insurance risk reduces significantly during the coverage period, unless the terms of the contract are modified.

Some insurance contracts include investment components. An investment component that is not distinct and therefore in scope of IFRS 17, is the amount that an insurance contract requires the group to repay to the policyholder in all circumstances, regardless of whether an insured event occurs. All references to investment components in these accounting policies apply to investment components in scope of IFRS 17 that are not distinct, unless specifically stated otherwise. Investment components are included in the measurement of insurance liabilities. However, repayments of investment components are not presented in profit or loss (refer to explanation of recognised insurance amounts in profit or loss for further details). The measurement of investment components identified for different types of insurance contracts is covered in the sub-sections below. Refer to separation of components for the criteria relating to distinct investment components that need to be separated and accounted for under a different standard.

Insurance contracts are allocated to the following lines of business and measurement models for the disclosure of amounts related to these contracts in the notes to the financial statements:

1. Life insurance – Risk business (insurance contracts without direct participation features)
   - Premium allocation approach (PAA) and General measurement model (GMM)
2. Life insurance – Savings business (insurance contracts with direct participation features)
   - Variable fee approach (VFA)
3. General insurance (insurance contracts without direct participation features)
   - PAA and GMM.

Basis of preparation continued

Life insurance – Risk and General insurance business

The default accounting model applied to insurance contracts for liability measurement purposes is the GMM, unless the VFA or PAA applies. The PAA is a modification of the GMM that allows the use of a simplified approach for measuring the insurance contract liabilities for certain eligible types of contracts (refer to contracts measured under the PAA for further details). Insurance contracts measured under the GMM and PAA are referred to as insurance contracts without direct participation features.

The group applies the VFA to insurance contracts with direct participation features (refer to the next sub-section for further details).

For some insurance contracts without direct participation features, the group performs investment activity to generate an investment return included in an investment component or amount the policyholder has a right to withdraw. Such an insurance contract provides an investment-return service and is measured under the GMM. Refer to note 30.2.2.3 on page 219 for further details on the types of contracts in the group providing investment-return services.

The following are examples of the main types of products included in life insurance – Risk business:
- Life insurance risk business providing death/disability and funeral cover (for a specified term/whole life) is measured under the GMM, unless eligible for the PAA;
- Life insurance risk business where insurance coverage is provided to members of Corporate schemes, with the premiums payable by the employers (policyholders) reviewable at least annually, is measured under the PAA;
- Non-participating life annuities (excluding term certain annuities in scope of IFRS 9) are measured under the GMM. For non-participating life annuities with a guarantee period, payments made during the guaranteed period are considered to be investment components;
- Universal life insurance contracts which give rise to investment and insurance risk are measured under the GMM if assessed not to be eligible for the VFA, with investment components determined based on the contractual amounts payable on death, surrender or maturity, net of any relevant exit or surrender charges;
- Other risk insurance contracts providing investment-return services (for example endowment contracts) are measured using the GMM, with investment components determined based on the contractual amounts payable on death, surrender or maturity, net of any relevant exit or surrender charges; and
- Reinsurance contracts held providing proportionate coverage (such as quota share or surplus reinsurance) or non-proportionate coverage (such as excess of loss reinsurance) are measured under the GMM, unless eligible for the PAA.

The material classes of General insurance business (including reinsurance contracts held) are measured using the PAA. This includes contracts with a coverage period longer than one year that are assessed to be eligible for measurement under the PAA (refer to note 30.2.1 on page 213 for further details).

Life insurance – Savings business

The group issues insurance contracts with direct participation features that are substantially investment-related service contracts where underlying items are managed on behalf of the policyholders. Underlying items comprise reference portfolios of investment assets that determine some of the amounts payable to the policyholders. Insurance contracts are substantially investment-related if the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items, and the group:
- expects to pay amounts to the policyholder equal to a substantial share of the fair value returns on the underlying items; and
- a substantial proportion of any change in the amounts to be paid to the policyholder is expected to vary with the change in fair value of the underlying items.

The accounting model applied to these insurance contracts for liability measurement purposes is the VFA. The VFA modifies the default measurement model in IFRS 17 (GMM) to reflect that the consideration the group receives for the contract is a variable fee. Initial measurement (excluding PAA) provides further details on the measurement of the variable fee. The group uses judgement in determining the eligibility of contracts for the VFA (refer to note 30.2.1 for further details).

Reinsurance contracts issued or held cannot be insurance contracts with direct participation features for the purposes of IFRS 17.

Investment contracts with DPF

Investment contracts with DPF are in scope of IFRS 17 as the group also issues insurance contracts. An investment contract with DPF entitles the policyholder to receive benefits or bonuses in addition to guaranteed benefits that are expected to be a significant proportion of the total contractual benefits, the timing or amount of which are contractually at the discretion of the group, but which has to be exercised in a reasonable way. The benefits are based on the investment performance of a specified pool of underlying assets.

These contracts do not include a transfer of significant insurance risk and will be measured under the VFA if it meets the eligibility requirements. The investment contracts with DPF not eligible for the VFA (and therefore measured under GMM) are immaterial for the group.

The following are examples of the main types of products measured under the VFA and included in Life insurance – Savings business:
- Universal life insurance contracts;
- Pure market-linked savings contracts (without DPF) with minimum investment guarantees and/or rider benefits such as premium waivers on death creating significant insurance risk;
- Participating life annuities;
- Investment contracts with DPF such as smoothed bonus business related to retirement annuities and market-linked savings contracts; and
- Conventional with-profits business in Pan-Africa and Asia.

Investment components related to insurance contracts measured under the VFA are determined based on the contractual amounts payable on death, surrender or maturity, net of any relevant exit or surrender charges.

In the sections to follow, separate sub-headings are included to describe specific differences in accounting policies related to reinsurance contracts held and insurance contracts measured under the VFA.

Separation of components

Distinct components are separated from the insurance contract and accounted for under a different IFRS Accounting Standards. The examples of distinct components in the group are covered below:
- Distinct investment components are accounted for under IFRS 9 – Financial Instruments (unless it is an investment contract with DPF in scope of IFRS 17 as covered in the previous section), such as some non-participating risk and savings business issued in Sanlam Developing Markets where the investment components are not highly interrelated with the insurance components because the value of the investment components can be measured without considering the value of the insurance components, and the policyholders can surrender the investment components without lapsing the insurance cover; and
- Distinct goods or services other than insurance contract services are accounted for under IFRS 15 – Revenue from Contracts with Customers. The separation of these distinct goods or services from insurance contracts accounted for under IFRS 17 is not material for the group.

Aggregation (including unit of account)

The lowest unit of account explicitly mentioned in IFRS 17 is the contract, and therefore the group has assumed that an insurance arrangement with the legal form of a single contract would generally be considered a single unit of account. However, there might be certain cases where the legal form of a contract does not reflect the substance. Insurance contracts which cover multiple insurance risks can be separated into separate contracts for measurement purposes where the group has applied judgement to assess that the legal form of the insurance contract does not reflect the substance and separation is required. Note 30.2.1 on page 214 provides further details.

Insurance contracts within each product line are allocated to portfolios of insurance contracts that are managed together and subject to similar risks.

The portfolios are further divided into groups of insurance contracts issued based on recognition date (refer to recognition) and expected profitability, based on whether:
a) contracts are onerous at initial recognition;
b) contracts at initial recognition have no significant possibility of becoming onerous subsequently; or
c) contracts at initial recognition have a significant possibility of becoming onerous subsequently (i.e. the remaining contracts).

An insurance contract issued is expected to be onerous if the fulfilment cash flows allocated to the contract at initial recognition in total are a net outflow. For insurance contracts issued measured under the PAA, contracts are not expected to be onerous at initial recognition, unless there are facts and circumstances indicating that they are onerous.

Each group of insurance contracts does not include insurance contracts issued (or reinsurance contracts held recognised) more than one year apart in the same group (also referred to as cohorts of insurance contracts).

These groups represent the level of aggregation at which insurance contracts are measured. Such groups are not subsequently reconsidered.

The group uses judgement in identifying portfolios and assessing the appropriate level at which reasonable and supportable information is available to determine the groups of insurance contracts based on expected profitability at initial recognition. Refer to note 30.2.1 for further details.

Reinsurance contracts held

For reinsurance contracts held, the references to onerous contracts above are replaced with references to contracts on which there is a net gain at initial recognition.

Measurement of insurance contracts

The group measures insurance contracts by performing year-to-date estimates of the carrying amount of the asset or liability for a group of insurance contracts.

The measurement of a group of insurance contracts (including the contractual service margin) with cash flows in more than one currency, will be denominated in a single currency based on the dominant currency in which expected cash flows are generated.

In the notes to the financial statements, the net carrying amount of the insurance contracts issued and reinsurance contracts held has been defined as the net insurance contract carrying amount (for insurance contracts issued) and the net reinsurance contract carrying amount (for reinsurance contracts held).

Recognition

The group recognises insurance and reinsurance contracts issued from the beginning of the coverage period, or if earlier, the date when the first payment from the policyholder is due. Investment contracts with DPF are recognised when the group becomes party to the contract.

Insurance contracts acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

Reinsurance contracts held

The group recognises reinsurance contracts held at the beginning of the coverage period, but no earlier than the initial recognition date of any underlying insurance contract where the group of reinsurance contracts held provides proportionate coverage (such as quota share reinsurance or surplus reinsurance).

A group of reinsurance contracts held that provides non-proportionate coverage (such as excess of loss reinsurance) is recognised at the beginning of the coverage period of that group.

Basis of preparation continued

Contract boundaries

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. Cash flows are within the boundary of an insurance contract issued if they arise from substantive rights and obligations that exist during the reporting period in which the group can compel the policyholder to pay premiums, or has a substantive obligation to provide the policyholder with insurance contract services.

Cash flows are within the boundary of an investment contract with DPF if they result from a substantive obligation of the group to deliver cash at a present or future date.

A substantive obligation to provide services ends when the group:

- has the practical ability to reassess the risks of a particular policyholder and as a result can change the price charged or the level of benefits provided for the price to fully reflect the new level of risk; or
- performs the boundary assessment at a portfolio rather than individual contract level, and the following two criteria are both satisfied:
  a) the group has the practical ability to reprice the portfolio to fully reflect risk from all policyholders; and
  b) the group's pricing of the premiums up to the assessment date does not consider any risks beyond this date.

The group concludes on its practical ability to set a price that fully reflects the insurance and/or financial risks in the individual contract or portfolio at the reassessment/renewal date by considering all the risks (transferred from the policyholder to the group) that it would assess when underwriting equivalent contracts on the same date for the remaining service. Where the group provides an option to members of group life insurance business to purchase individual life cover on cessation of employment, all future cash flows related to the individual life cover will form part of a new insurance contract because the group has the practical ability to charge the prevailing new business rates which fully reflect the new level of risk.

Cash flows outside of the boundary of the insurance contract relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

Reinsurance contracts held

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the group that exist during the reporting period in which the group is compelled to pay amounts to the reinsurer or in which the group has a substantive right to receive services from the reinsurer.

The substantive rights and obligations of both parties will end if there is a unilateral right to cancel the reinsurance contract. The probability of the reinsurer repricing the contract can be allowed for when determining the fulfilment cash flows included in the contract boundary and is based on past business practice/experience where relevant. However, an allowance for the probability of the reinsurer cancelling the contract is not permitted when assessing the contract boundary.

Initial measurement (excluding PAA)

On initial recognition, the group measures a group of insurance contracts as the total of the:

- fulfilment cash flows; and
- contractual service margin (CSM).

The PAA is a modification of the GMM that allows the use of a simplified approach for measuring the liability for remaining coverage for certain eligible types of contracts. Refer to contracts measured under the PAA for further details.

Fulfilment cash flows

The fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows within the contract boundary, with discount rates being applied to the future cash flows to adjust for the time value of money and financial risks related to those cash flows. The fulfilment cash flows consider all reasonable and supportable information available at the reporting date without undue cost or effort. Note 30.2.2.2 on page 215 provides further details on the determination of the probability-weighted estimates of future cash flows and discount rates.

Fulfilment cash flows are determined separately for insurance contracts issued and reinsurance contracts held. Fulfilment cash flows are allocated to groups of insurance contracts for measurement purposes. Fulfilment cash flows exclude expense cash flows not directly attributable to the fulfilment of the insurance contracts.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates and forms part of the fulfilment cash flows for a group of insurance contracts. The risk adjustment represents the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk. Note 30.2.2.2 on page 215 provides further details on the methods and assumptions used to determine the risk adjustment for non-financial risk.

A stochastic modelling approach is used to provide for the possible cost of minimum investment return guarantees (also referred to as the time value of financial options and guarantees (TVOG) and is mostly relevant to insurance contracts measured under the VFA in SLS. This valuation approach is consistent with actuarial guidance note APN (advisory practise note) 110, which Sanlam believes is compliant with IFRS 17.

Insurance contracts accounted for under the VFA

The fulfilment cash flows measured under the VFA are determined as the obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for future services. The variable fee comprises the amount of the group's share in the fair value of the underlying items less the fulfilment cash flows that do not vary based on the underlying items. The variable fee represents the expected shareholder entitlements based on the present value of future estimates of fees charged less insurance claims and expenses incurred, less the risk adjustment for non-financial risk and the effect of financial guarantees (TVOG).

Reinsurance contracts held

Fulfilment cash flows of reinsurance contracts held include the effect of any risk of non-performance by the issuer of the reinsurance contract where material, including the effects of collateral and losses from disputes. The risk adjustment for non-financial risk reflects that some of this uncertainty will be ceded to the reinsurer.

For reinsurance contracts held, the group has not treated any expense cash flows as acquisition cash flows.

Discount rates

The estimates of future cash flows are adjusted to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of future cash flows. The group applies discount rates, that include the effect of inflation, to nominal cash flows (i.e. those cash flows that also include the effect of inflation, where relevant).

The discount rates applied to the estimates of the future cash flows:

- reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
- are consistent with observable current market prices (if any); and
- exclude the effect of factors that influence such observable market prices, but do not affect the future cash flows of the insurance contracts.

Cash flows are divided between cash flows that vary based on the returns on underlying items and cash flows that do not vary based on the returns on underlying items. Cash flows that vary based on the returns on underlying items are discounted using rates that reflect that variability.

A bottom-up approach is used to determine the discount rates applied to cash flows that do not vary based on returns with underlying items. A zero-coupon (risk-free) yield curve, adjusted to reflect the illiquidity of the group of insurance contracts where applicable, is applied to cash flows that do not vary based on the returns on underlying items. Insurance contracts issued such as non-participating life annuities that cannot be surrendered or lapsed, are illiquid.

Risk-free or real-world discount rates can be applied to cash flows that vary based on the returns on underlying items. Risk-free discount rates are consistent with the rates applied to cash flows that do not vary based on 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. 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.

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued which represents the unearned profit that the group expects to recognise as it provides insurance contract services.

- If a group of insurance contracts issued is not onerous at initial recognition, the CSM is measured as the equal and opposite amount of the net inflow resulting from the total of the fulfilment cash flows, any derecognised assets for insurance acquisition cash flows or other cash flows incurred before the recognition date. This results in no income or expenses arising on initial recognition.
- If a group of insurance contracts issued is onerous at initial recognition, the CSM is negative. The group immediately recognises this net outflow as an expense in profit or loss with no CSM recognised on the statement of financial position at initial recognition. A loss component, which is equal to this net outflow representing the expected future losses on the group of insurance contracts, is recognised at initial recognition and tracked over the coverage period of the insurance contracts for measurement purposes. The loss component therefore forms part of the liability for remaining coverage. Refer to subsequent measurement (excluding PAA) for further details.

The group did not recognise (or derecognise) any assets for insurance acquisition cash flows in the 2025 reporting period for insurance contracts measured under GMM or VFA.

For groups of contracts acquired in a transfer of insurance contracts or in a business combination within the scope of IFRS 3 – Business Combinations, the consideration received for the contracts is included in the fulfilment cash flows as a proxy for the premiums received at the date of acquisition. In a business combination, the consideration received is the fair value of the contracts at that date.

Reinsurance contracts held

For groups of reinsurance contracts held, the CSM can be positive or negative and therefore represents a deferred gain or loss that the group will recognise as reinsurance income or expenses when it receives reinsurance coverage in the future. A loss recovery component adjusts the CSM at initial recognition of the group of reinsurance contracts held when onerous underlying insurance contracts are recognised. The resulting income is recognised in profit or loss and offsets the losses recognised on the underlying insurance contracts for the portion of the underlying insurance contracts being reinsured. The loss recovery component is not established before the underlying insurance contracts are recognised. This adjustment to the CSM of a group of reinsurance contracts held and the resulting income, is determined by multiplying:

- the loss recognised on the underlying insurance contracts; and
- the percentage of claims on the underlying insurance contracts the group expects to recover from the group of reinsurance contracts held.

Subsequent measurement (excluding PAA)

The carrying amount of a group of insurance contracts at the end of each reporting date is the sum of:

- the liability for remaining coverage (remaining coverage component for reinsurance contracts held), comprising:
  a) the fulfilment cash flows related to service to be provided (received for reinsurance contracts held) in future periods; and
  b) the remaining CSM of the group at that date.
- the liability for incurred claims (incurred claims component for reinsurance contracts held), comprising the fulfilment cash flows for past service allocated to the group at that date. The liability for incurred claims also includes the repayment of any investment components or other amounts that are not related to the provision of insurance contract services in future periods and therefore not included in the liability for remaining coverage.

Basis of preparation continued

Fulfilment cash flows

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current probability-weighted estimates of fulfilment cash flows, discount rates appropriate to the measurement model being used and current estimates of the risk adjustment for non-financial risk.

Fulfilment cash flows for past incurred claims include the discounted value of the estimates of future payments arising from these incurred claims, such as the estimated future benefit payments on income protection contracts and riders such as premium waivers.

Changes in estimates of the fulfilment cash flows are treated differently according to whether changes relate to current (or past) or future service:
- changes that relate to current (or past service) are recognised in profit or loss; and
- changes that relate to future service are recognised by adjusting the CSM within the liability for remaining coverage, including changes in the risk adjustment for non-financial risk that relate to future service. This excludes any changes which adjust the loss component on a group of insurance contracts issued, or any changes which adjust the loss recovery component on a group of reinsurance contracts held (refer to the 'Loss component' section below for further details).

Insurance contracts accounted for under the GMM

The following changes do not relate to future service and therefore do not adjust the CSM (refer to explanation of recognised insurance amounts in profit or loss for further details on the recognition of these amounts in profit or loss):
1. changes in fulfilment cash flows related to the effect of and changes in the time value of money and financial risks, including the effect of financial guarantees (changes in TVOG);
2. changes in the liability for incurred claims related to past service; and
3. experience adjustments arising from premiums received (premiums paid for reinsurance contracts held) that relate to current service including related cash flows such as insurance acquisition cash flows, and experience adjustments related to incurred claims and administration expenses.

The following changes relate to future service and therefore adjust the CSM:
1. changes in estimates of the present value of future cash flows included in the liability for remaining coverage, excluding the impacts described above that do not adjust the CSM;
2. changes in the risk adjustment for non-financial risk that relate to future service;
3. differences in the investment components expected to become payable in the period and actual investment components payable in the period. The expected repayments of investment components include the effect of and change in the time value of money and financial risks before it becomes payable; and
4. experience adjustments arising from premiums received that relate to future service including related cash flows such as insurance acquisition cash flows.

The adjustments to the CSM are measured based on the discount rates applied to the fulfilment cash flows at initial recognition (also referred to as locked-in discount rates). Refer to the 'Contractual service margin' section below for further details.

The group applies judgement to determine whether the premium experience adjustments relate to current (or past) or future service. Refer to note 30.2.2.3 for further details.

For insurance contracts issued providing investment-return services, where the group applies discretion in the timing and amount of the cash flows to be paid to the policyholders, changes in discretionary cash flows relate to future service and adjust the CSM. The group specifies at the inception of the contract the basis on which it expects to determine its commitment under the contract. Changes in assumed future bonus rates will be treated as changes in discretionary cash flows if this determination of non-vested bonuses is not based on a formulaic approach specified at the inception of the contracts. Policyholders earning investment returns on account balances, and any changes in the formulaic approach for the smoothing of investment returns specified at the inception of the contract, are changes related to financial risks and do not adjust the CSM.

Insurance contracts accounted for under the VFA

The following changes do not relate to future service and therefore do not adjust the CSM (refer to explanation of recognised insurance amounts in profit or loss for further details on the recognition of these amounts in profit or loss):
1. changes in the obligation to pay the policyholder an amount equal to the fair value of the underlying items;
2. changes in the fulfilment cash flows that do not vary with returns on the underlying items:
   a) changes in the liability for incurred claims related to past service; and
   b) experience adjustments arising from premiums received including related cash flows such as insurance acquisition cash flows, and experience adjustments related to incurred claims and administration expenses.

The following changes relate to future service and therefore adjust the CSM:
- changes in the group's share of the fair value of the underlying items, including any variances in the group's share of the fair value returns on the underlying items in the reporting period, and changes that relate to the effect of and changes in the time value of money and financial risks;
- changes in the fulfilment cash flows that do not vary with returns on the underlying items:
  a) changes related to the effect of and changes in the time value of money and financial risks, including the effect of financial guarantees (changes in TVOG);
  b) changes in estimates of the present value of future cash flows included in the liability for remaining coverage, excluding the impacts described above that do not adjust the CSM; and
  c) changes in the risk adjustment for non-financial risk that relate to future service.

The adjustments to the CSM are measured based on the current discount rates. The group does not apply the risk mitigation option and therefore changes in TVOG will adjust the CSM.

Contractual service margin

For a group of insurance contracts issued, the carrying amount of the CSM at the end of each reporting period is adjusted for the following changes in the period:
1. the effect of new contracts recognised in the period (refer to the 'Contractual service margin' sub-section in initial measurement (excluding PAA) for further details);
2. for contracts measured under the GMM, the accretion of interest on the CSM at the start of the reporting period (or initial recognition for new contracts recognised in the period). Interest is accreted on the CSM using locked-in discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns on underlying items;
3. changes in the fulfilment cash flows that relate to future service (as described in the 'Fulfilment cash flows' section above) adjust the CSM, to the extent the CSM is available. If an increase in the fulfilment cash flows exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised. If the CSM is zero, changes in the fulfilment cash flows are recognised in insurance service expenses by adjusting the loss component. Any decrease in the fulfilment cash flows in excess of the loss component reduces the loss component to zero and reinstates the CSM. Refer to the 'Loss component' section below for further details;
4. the effect of changes in currency exchange rates for contracts denominated in a foreign currency, with movements being translated at the average exchange rate over the reporting period; and
5. the amount of the CSM recognised in insurance revenue based on the insurance contract services provided in the period, determined after allowing for the impacts described above. Refer to the 'Coverage units' section below for further details.

Reinsurance contracts held

For a group of reinsurance contracts held, the same steps are followed (as described above for a group of insurance contracts issued) to adjust the carrying amount of the CSM at the end of each reporting period, with the main differences in the features of the reinsurance contracts held summarised below:
- The CSM at initial recognition for new contracts recognised in the period is adjusted for a loss recovery component when underlying insurance contracts are onerous (refer to initial measurement (excluding PAA) on page 89 for further details);
- The adjustment to the CSM for changes in the fulfilment cash flows related to future service is after any adjustment to the loss recovery component for changes in the fulfilment cash flows for the underlying insurance contracts which adjusted a loss component; and
- The amount of the CSM recognised as income or expenses from reinsurance contracts held in profit or loss is based on the services received from the reinsurer(s) in the period.

Coverage units

The CSM is recognised as insurance revenue over the duration of the 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 will typically be 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.

The coverage units for contracts measured under the GMM consider the quantity of benefits and expected coverage period of investment-return services (where relevant), in addition to the insurance coverage provided (or reinsurance coverage received). The coverage units for contracts measured under the VFA consider the quantity of benefits and expected coverage period of investment-related services as well as any insurance coverage provided (where relevant). Note 30.2.2.3 provides further details on the coverage units identified for the material lines of business measured under GMM and VFA, including the relative weighting of the benefits provided.

Loss component

The loss component at initial recognition of a group of insurance contracts issued represents the expected losses to be incurred on the group of insurance contracts over the coverage period.

Subsequent to initial recognition, the loss component of a group of insurance contracts issued is adjusted for changes in the estimates of the fulfilment cash flows that relate to future service (as described in the 'Fulfilment cash flows' section above) with such increases or reversals of losses recognised in insurance service expenses in profit or loss. For insurance contracts measured under the GMM, the adjustments to the loss component are measured based on locked-in discount rates. For insurance contracts measured under the VFA, the adjustments to the loss component are measured based on current discount rates.

The subsequent changes in the fulfilment cash flows of the liability for remaining coverage are allocated to the loss component on a systematic basis based on the expected incurred claims and administration expenses and expected release of the risk adjustment for risk expired in each reporting period, such that the loss component reduces to zero by the end of the coverage period of a group of insurance contracts. These changes in the fulfilment cash flows allocated to the loss component of a group of insurance contracts issued are excluded from insurance revenue and insurance service expenses, resulting in the recognition of insurance revenue depicting the consideration to which the group expects to be entitled in exchange for the insurance contract services provided.

Reinsurance contracts held

For a group of reinsurance contracts held, the loss recovery component is adjusted based on the corresponding adjustments to any loss component(s) of the underlying insurance contracts and the reinsured portion of these underlying insurance contracts. The loss recovery component is not adjusted for any material increases in the loss component related to any cash flows that are not reinsured.

Contracts measured under the PAA

The PAA is applied to all insurance contracts with a coverage period of one year or less. In some scenarios, the PAA is also applied where the group expects that the measurement of a groups of insurance contracts issued under the PAA would produce a measurement of the liability for remaining coverage (or asset for remaining coverage component for reinsurance contracts held) that would not differ materially from the one that would be produced by applying the GMM.

For insurance contracts issued, the liability for remaining coverage represents the portion of the premiums received related to insurance coverage to be provided in future.

The material lines of insurance business measured under the PAA in SLS, Pan-Africa and Asia have recognised insurance acquisition cash flows as expenses in profit or loss when incurred. Santam has capitalised the insurance acquisition cash flows by including it as a reduction in the liability for remaining coverage and amortising the cash flows over the coverage period of the contracts. Premiums receivable from intermediaries are recognised as part of the liability for remaining coverage.

For a group of insurance contracts issued on initial recognition, the group measures the liability for remaining coverage as the amount of premiums received if any, less any insurance acquisition cash flows (if not recognised as an expense in profit or loss) and amounts for the derecognition at that date of any asset for insurance acquisition cash flows recognised before the initial recognition of the group.

The carrying amount of a group of insurance contracts issued at the end of each reporting date is the sum of:
- the liability for remaining coverage; and
- the liability for incurred claims, comprising the fulfilment cash flows for past incurred claims not paid.

For a group of insurance contracts issued, at the end of each reporting date, the group measures the liability for remaining coverage as the carrying amount at the start of the reporting period:
- plus the premiums received in the period;
- minus insurance acquisition cash flows (if not recognised as an expense in profit or loss);
- plus any amounts relating to the amortisation of insurance acquisition cash flows (if not recognised as an expense in profit or loss);
- minus the amount recognised as insurance revenue for the services provided in the period; and
- minus any investment component paid or transferred to the liability for incurred claims.

The group does not adjust the liability for remaining coverage for insurance contracts issued (or asset for remaining coverage for reinsurance contracts held) for the effect of the time value of money as the premiums are due within one year or less from the date of initial recognition.

For general insurance business cash flows related to incurred claims have been adjusted for the effect of the time value of money where the claims settlement period is expected to be one year or less. For insurance contracts measured under the PAA, the liability for incurred claims is adjusted for the time value of money where the claims settlement period is more than one year.

The group did not recognise (or derecognise) any assets for insurance acquisition cash flows in the reporting periods presented for insurance contracts issued measured under the PAA.

A risk adjustment for non-financial risk is determined for the liability for incurred claims where there is uncertainty in the size of the estimate and/or the timing of the underlying cash flows. Note 30.2.2.2 provides further details on the methods and assumptions used to determine the risk adjustment for non-financial risk.

If there are facts and circumstances that indicate that a group of insurance contracts issued is onerous, a loss will be recognised in profit or loss equal to the difference between the fulfilment cash flows related to the future coverage of the group under the GMM and the liability for remaining coverage under the PAA, with the liability for remaining coverage being increased to be equal to the fulfilment cash flows under the GMM. If the liability for incurred claims does not allow for the time value of money and the effect of financial risk, then the fulfilment cash flows should also exclude such an adjustment. Subsequent to an initial loss being recognised, the loss component will be recalculated at the end of each reporting period based on the difference between the fulfilment cash flows measured under the GMM and the liability for remaining coverage under the PAA, with the change in loss component over the period being recognised as an increase or reversal of losses in profit or loss.

For groups of insurance contracts measured under the PAA, no material onerous groups of insurance contracts have been recognised in the reporting periods presented.

Reinsurance contracts held

For reinsurance contracts held, the asset for remaining coverage measured under the PAA represents the portion of the ceding premiums paid related to reinsurance coverage to be received in future.

For a group of reinsurance contracts held on initial recognition, the group measures the asset for remaining coverage under the PAA as the amount of ceding premiums paid.

The carrying amount of a group of reinsurance contracts held at the end of each reporting date is the sum of:
- the asset for remaining coverage (also referred to as the remaining coverage component); and
- the incurred claims component, comprising the fulfilment cash flows for past incurred claims not recovered.

For a group of reinsurance contracts held, at the end of each reporting date, the group measures the asset for remaining coverage as the carrying amount at the start of the reporting period:
- minus the ceding premiums paid in the period;
- plus the amount recognised as reinsurance expenses for the services received in the period.

For groups of reinsurance contracts held, a loss recovery component will be deducted from the asset for remaining coverage when the loss component is initially recognised on the underlying insurance contracts, with subsequent adjustments to the loss recovery component based on the corresponding changes in the loss component for the underlying insurance contracts.

Derecognition and modification

The group derecognises a contract when the rights and obligations relating to the contract are extinguished (i.e. expired, discharged, or cancelled) or the contract is modified and additional criteria are met.

If an insurance contract is modified by the group by agreement between the parties to the contract or by a change in regulation, the changes in the cash flows as a result of the modification is treated as changes in estimates of fulfilment cash flows, unless the criteria for the derecognition of the original contract are met. If a contract modification results in derecognition of the original contract, a new contract is recognised on the modified terms. The exercise of a right included in the terms of a contract is not a modification.

If an insurance contract not accounted for under the PAA is derecognised from a group of insurance contracts, or a contract modification does not result in the derecognition of the original insurance contract, the CSM of the group of insurance contracts is adjusted for the changes in estimates of fulfilment cash flows.

If an insurance contract not accounted for under the PAA is transferred to a third party, or a contract modification results in the derecognition of the original insurance contract and recognition of a new contract, the group adjusts the CSM of the group of insurance contracts from which the contract has been derecognised based on the difference between the changes in estimates of fulfilment cash flows of the group of insurance contracts resulting from the contract being derecognised and:

a) for transfers to a third party, the premium charged by the third party; or
b) for a contract modification, the premium that the group would have charged had it entered into a new contract with the modified terms at the date of the contract modification.

The new contract recognised is measured assuming that the group received the premium determined in b) above. The adjustments to the CSM described above exclude any changes in fulfilment cash flows resulting in the recognition of (or changes to) a loss component for the group of insurance contracts.

If an insurance contract measured under the PAA is derecognised from a group of insurance contracts, the group adjusts the liability for remaining coverage of the group of insurance contracts to reflect the amount refunded to the policyholder as a result of the derecognition of the insurance contract (or the amount paid to a third party in the case of a transfer other than for settlement of incurred claims), and the premium that would have been received for a new contract in the case of a contract modification resulting in the derecognition of the original contract.

Measurement of investment contracts in scope of IFRS 9

Contracts with investment management services

The liabilities are measured based on the retrospectively accumulated fair value of the underlying assets. The amounts recognised in profit or loss for these contracts are based on the fees received during the period concerned plus the movement in the contract costs less expenses incurred.

Where these contracts provide for minimum investment return guarantees the fair value of the embedded derivative is included in the liabilities.

Non-participating annuity business

Term annuity instalments and expected future expenses in respect of these instalments are discounted at the zero-coupon yield curve adjusted for an illiquidity premium and investment administration charges. All profits or losses accrue to the shareholders when incurred.

Guaranteed plans and fixed return products

Guaranteed maturity values and expected future expenses are discounted at market-related interest rates. All profits or losses accrue to the shareholders when incurred.

Working capital

To the extent that the management of working capital gives rise to profits, no credit is taken for this in determining the policy liabilities.

Explanation of recognised insurance amounts in profit or loss

This section describes how amounts related to insurance contracts are presented and disclosed in the group's consolidated financial statements. The insurance service result is equal to the sum of:
- Insurance revenue;
- Insurance service expenses; and
- Income or expenses from reinsurance contracts.

The result from insurance is equal to the sum of the:
- Insurance service result;
- Insurance (and reinsurance) finance income or expenses; and
- Investment returns on assets held in respect of insurance contracts.

Basis of preparation continued

Insurance revenue

Insurance revenue represents the changes in the liability for remaining coverage over the period for a group of insurance contracts excluding changes in the liability that do not relate to services expected to be covered by the consideration received. The consideration received refers to the amount of premiums paid to the group, adjusted for the discounting effect and excluding any investment components. The amount of insurance revenue recognised in the reporting period depicts the delivery of promised services at an amount that reflects the portion of premiums the group expects to be entitled to in exchange for those services.

For insurance contracts issued not measured under the PAA, the total consideration for a group of contracts covers the following amounts:
- expected claims and administration expenses incurred in the period (excluding amounts allocated to the loss component and repayments of investment components);
- amounts of the CSM recognised in profit or loss for the services provided in the period;
- release of the risk adjustment for risk expired (excluding amounts allocated to the loss component);
- amounts related to income tax that are specifically chargeable to policyholders;
- experience adjustments arising from premiums received related to current (or past) service, including related cash flows such as insurance acquisition cash flows; and
- amortisation of insurance acquisition cash flows for groups of insurance contracts measured under the GMM or the VFA (refer to amortisation of insurance acquisition cash flows for further details).

For contracts measured under the PAA, insurance revenue for the period is the amount of expected premium receipts allocated to the period based on the passage of time. However, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then insurance revenue for the period is allocated on the basis of the expected timing of incurred insurance service expenses.

Insurance service expenses

The following amounts are recognised in insurance service expenses:
- expected claims and administration expenses incurred (excluding amounts allocated to the loss component and repayments of investment components);
- changes in liability for incurred claims related to past service;
- actual insurance acquisition cash flows on insurance contracts measured under the PAA (for businesses not electing to amortise these cash flows in the liability for remaining coverage);
- amortisation of insurance acquisition cash flows for groups of insurance contracts measured under the GMM or the VFA, or where businesses elect to include insurance acquisition cash flows in the liability for remaining coverage under the PAA; and
- changes that relate to future service:
  a) initial losses on onerous groups of insurance contracts issued recognised in the period; and
  b) increases and reversals of losses on onerous groups of insurance contracts issued.

The expenses only relate to cash flows that are directly attributable to the fulfilment of the insurance contracts issued.

Income or expenses from reinsurance contracts

The group presents income or expenses from a group of reinsurance contracts held, other than insurance finance income or expenses, as a single amount. The amounts recognised as income or expenses reflect the features of reinsurance contracts held that differ from insurance contracts issued.

Income or expense from reinsurance contracts comprise reinsurance service expenses less amounts recovered from reinsurers. Reinsurance expenses are recognised similarly to insurance revenue, depicting the transfer of services received in the period at an amount reflecting the portion of premiums the group is expected to pay in exchange for those services. The following amounts are recognised as income or expenses from reinsurance contracts held where relevant:
- amounts of the CSM recognised in profit or loss for the services received in the period;
- changes in the risk adjustment for non-financial risk, excluding:
  a) changes that related to future service (adjusting the CSM); and
  b) amounts included in reinsurance finance income or expenses (refer to insurance (and reinsurance) finance income and expense below for reinsurance contracts held);
- for contracts accounted for under the GMM
  a) experience adjustments related to incurred claims and administration expenses recoverable from the reinsurance contracts held, and other administration expenses incurred; and
  b) experience adjustments related to ceded premiums for past and current service.
- for contracts accounted for under the PAA:
  a) actual incurred claims and administration expenses recoverable from the reinsurance contracts held, and other administration expenses incurred; and
  b) reinsurance expenses related to the portion of ceded premiums recovered in the current period, recognised based on the passage of time over the coverage period of the reinsurance contracts held.
- changes in the incurred claims for past service recoverable from the reinsurance contracts held;
- changes in the non-performance risk of reinsurer counterparties; and
- changes that relate to future service:
  a) income on loss recovery component recognised in the period; and
  b) changes in estimates that adjust the loss recovery component.

Insurance (and reinsurance) finance income and expense

The group recognises all insurance finance income or expenses for the reporting period in profit or loss. The group has therefore elected not to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income.

The effect of and changes in the time value of money and financial risk form part of the insurance finance income and expenses.

For a group of insurance contracts measured under the GMM, insurance finance income or expenses mainly comprises the following amounts:
- the unwind of interest on fulfilment cash flows, based on current discount rates;
- the accretion of interest on the CSM, based on locked-in discount rates;
- the effect of changes in financial (economic) assumptions, including the effect of changes in financial guarantees (changes in TVOG); and
- the impact of currency exchange differences on fulfilment cash flows for contracts denominated in a foreign currency (where relevant).

For a group of insurance contracts measured under the PAA, insurance finance income or expenses mainly comprises the following amounts (where relevant):
- the unwind of interest on the liability for incurred claims, based on current discount rates; and
- the impact on the liability for incurred claims of the effect of changes in economic assumptions.

For groups of insurance contracts measured under the VFA, the fair value returns on the underlying items are recognised in insurance finance income and expenses.

The amounts recognised in insurance finance income or expenses are determined on a ‘gross basis’ before any allowance for investment management expenses, policyholder taxation at current tax rates and charges for investment guarantees.

The changes in the risk adjustment for non-financial risk have been disaggregated between the insurance service result and insurance finance income and expenses.

Note 11 provides more information on the amounts recognised in insurance finance income or expenses and the investment returns on the assets held in respect of insurance contracts.

Amortisation of insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.

Insurance acquisition cash flows are amortised in each reporting period in a systematic way based on the passage of time. For insurance contracts not measured under the PAA and issued in the South African businesses, the insurance acquisition cash flows are amortised in line with the coverage units used to determine the recognition of the CSM in insurance revenue. Other systematic methods are adopted for insurance contracts not measured under the PAA within the group and for insurance contracts measured under the PAA where relevant, such as amortisation on a straight-line basis based on the expected coverage period of the insurance contracts.

Group financial results



In this section

88 Group statement of financial position
89 Group statement of comprehensive income
90 Group statement of changes in equity
92 Group statement of cash flows
93 Notes to the group financial statements
93 Segment information
100 Goodwill
101 Equipment
102 Leases
105 Owner-occupied properties
105 Intangible assets
107 Contract costs for investment management services
108 Insurance and reinsurance contracts
114 Insurance contract carrying amount
136 Reinsurance contract carrying amount
152 Result from insurance contracts
167 Taxation
170 Investments
183 Trading account assets and liabilities
185 Advances to customers
188 Trade receivables and payables
189 Short-term investments
190 Cash and cash equivalents
190 Share capital and premium
192 Other reserves
192 Non-controlling interest
198 Investment contracts
199 Term finance
202 Provisions
203 Revenue
205 Expenses
208 Finance cost
208 Earnings per share
210 Collateral
211 Critical accounting estimates and judgements
220 Retirement benefits for employees
223 Borrowing powers
223 Commitments and contingencies
225 Related parties
226 Notes to the cash flow statement
229 Business combinations
231 Disposal groups, discontinued operations and assets classified as held for sale
234 Fair value disclosures
244 Assets subject to offsetting, enforceable master netting arrangements and similar agreements
244 Restatement
246 Unconsolidated structured entities
246 Subsequent events

Group statement of financial position

as at

R million	Notes	31 December 2025	31 December 2024
ASSETS			
Goodwill	2	**6 610**	6 703
Equipment	3	**1 479**	1 682
Right-of-use assets	4.1	**1 210**	1 323
Owner-occupied properties	5	**1 236**	992
Intangible assets	6	**2 466**	4 366
Contract costs for investment management services	7	**2 772**	2 768
Investment contract assets	22	**1 531**	789
Insurance contract assets	8	**16 654**	13 736
Reinsurance contract assets	8	**10 650**	11 233
Deferred tax	12.1	**695**	1 409
Investments	13	**1 149 061**	998 644
Investment properties	13.1	**8 117**	7 812
Investment in associates and joint ventures	13.2	**49 466**	48 755
Equities and similar securities	13.3.1	**214 793**	198 193
Interest-bearing investments	13.3.2	**428 981**	347 804
Structured transactions	13.3.2	**42 227**	32 429
Investment funds	13.3.2	**379 658**	332 464
Deposits and similar securities	13.3.2	**25 819**	31 187
Trading account assets	14.1	**29 644**	22 759
Advances to customers	15	**4 717**	4 213
Non-current assets reclassified as held for sale	37	**2 873**	6 837
Working capital assets		**64 100**	56 090
Trade and other receivables	16.1	**18 629**	13 448
Taxation		**111**	576
Short-term investments	17	**9 181**	7 464
Cash and cash equivalents	18	**36 179**	34 602
Total assets		**1 295 698**	1 133 544
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	19	**12 526**	12 526
Treasury shares		**(1 860)**	(1 872)
Other reserves	20	**8 408**	12 528
Retained earnings		**82 587**	77 779
Shareholders' equity		**101 661**	100 961
Non-controlling interest	21	**9 861**	9 194
Total equity		**111 522**	110 155
Insurance contract liabilities	8	**275 455**	232 554
Reinsurance contract liabilities	8	**4 903**	5 185
Investment contract liabilities	22	**649 012**	554 955
Term finance	23	**18 578**	19 769
Margin business	23.1	**1 535**	1 648
Other interest-bearing liabilities	23.1	**17 043**	18 121
Lease liabilities	4.2	**1 520**	1 685
Structured transactions liabilities	13.3.2	**20 796**	12 201
External investors in consolidated funds	13.6	**134 312**	124 755
Deferred tax	12.1	**9 174**	8 925
Trading account liabilities	14.2	**31 187**	28 673
Non-current liabilities reclassified as held for sale	37	**239**	–
Collateral guarantee contracts		**130**	120
Working capital liabilities		**38 870**	34 567
Trade and other payables	16.2	**36 891**	31 112
Provisions	24	**202**	275
Taxation		**1 777**	3 180
Total equity and liabilities		**1 295 698**	1 133 544

Group statement of comprehensive income

for the year ended 31 December

R million	Notes	2025	Restated[1] 2024
Result from insurance operations		**13 839**	13 080
Result from insurance contracts	11	**15 440**	14 628
Insurance service result		**13 899**	12 935
Insurance revenue		**102 903**	93 475
Insurance service expenses		**(81 322)**	(75 553)
Expense from reinsurance contracts		**(7 682)**	(4 987)
Insurance investment result		**1 541**	1 693
Insurance finance expense		**(44 076)**	(28 597)
Reinsurance finance income		**236**	99
Investment income on assets held in respect of insurance contracts		**16 245**	10 791
Investment surpluses on assets held in respect of insurance contracts		**29 136**	19 400
Other expenses relating to insurance operations		**(1 601)**	(1 548)
Result from other operations		**11 127**	14 003
Revenue	25	**25 749**	25 357
Investment income	13.4	**34 202**	32 090
Investment surpluses	13.4	**80 403**	55 047
Finance cost – margin business	27	**(237)**	(366)
Change in fair value of external investors' liabilities		**(19 762)**	(6 996)
Change in fair value of investment contract liabilities		**(84 126)**	(66 679)
Sales remuneration		**(1 194)**	(1 201)
Administration and other costs	26	**(23 908)**	(23 249)
Impairments	26.3	**(1 669)**	(1 412)
Net impairment gains on financial and contract assets		**(153)**	(63)
Other impairments		**(1 516)**	(1 349)
Amortisation of intangibles	26.2	**(559)**	(532)
Net operating result		**22 738**	25 139
Equity-accounted earnings	13.2.1	**5 435**	5 617
Finance cost – other	27	**(1 809)**	(1 243)
Profit before tax from continuing operations		**26 364**	29 513
Taxation	12.2	**(7 652)**	(7 909)
Shareholder		**(5 044)**	(6 210)
Policyholder		**(2 608)**	(1 699)
Profit for the year from continuing operations		**18 712**	21 604
Profit for the year from discontinued operations	37	**–**	3 240
Profit for the year		**18 712**	24 844
Other comprehensive income: to be recycled through profit or loss in subsequent periods			
Movement in foreign currency translation reserve		**(4 275)**	62
Other comprehensive income of equity accounted investments	13.2.1	**(1 883)**	(3 181)
Other comprehensive income: not to be recycled through profit or loss in subsequent periods			
Employee benefits re-measurement (loss)/gain	31	**(70)**	57
Comprehensive income for the year		**12 484**	21 782
Allocation of comprehensive income:			
Profit for the year from continuing operations		**18 712**	21 604
Shareholders' equity		**15 941**	19 133
Non-controlling interest		**2 771**	2 471
Profit for the year from discontinued operations		**–**	3 240
Shareholders' equity		**–**	3 107
Non-controlling interest		**–**	133
Comprehensive income for the year		**12 484**	21 782
Shareholders' equity		**9 761**	19 151
Non-controlling interest		**2 723**	2 631
Earnings attributable to shareholders of the company (cents):			
Profit for the year:			
Basic earnings per share	28	**763,2**	1 067,6
Diluted earnings per share	28	**754,0**	1 053,7
Earnings attributable to shareholders (cents) of continuing operations:			
Profit for the year from continuing operations:			
Basic earnings per share from continuing operations	28	**763,2**	919,0
Diluted earnings per share from continuing operations	28	**754,0**	907,0

[1] *Refer to note 40 for detail on the restatement.*

Group statement of changes in equity

for the year ended 31 December

R million	Share capital	Share premium	Treasury shares	Non-distributable reserve[1]	Foreign currency translation reserve[1]	Retained earnings	Subtotal: equity holders	Consolidation reserve[1]	Total: equity holders	Non-controlling interest[2]	Total equity
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	–	–	–	–	32	19 119	19 151	–	19 151	2 631	21 782
Profit for the year	–	–	–	–	–	22 240	22 240	–	22 240	2 604	24 844
Other comprehensive income/(loss)	–	–	–	–	32	(3 121)	(3 089)	–	(3 089)	27	(3 062)
Movement in foreign currency translation reserve	–	–	–	–	35	–	35	–	35	27	62
Other comprehensive income/(loss) of equity accounted investments	–	–	–	–	(3)	(3 178)	(3 181)	–	(3 181)	–	(3 181)
Employee benefits remeasurement loss	–	–	–	–	–	57	57	–	57	–	57
Shares cancelled[3]	(1)	(506)	5 110	–	–	(4 619)	(16)	–	(16)	–	(16)
Net (acquisition)/disposal of treasury shares[4]	–	–	(324)	–	–	(510)	(834)	1 835	1 001	(61)	940
Share-based payments	–	–	–	–	–	457	457	–	457	32	489
Transfer (from)/to consolidation reserve	–	–	–	–	–	318	318	(318)	–	–	–
Dividends paid[5]	–	–	–	–	–	(8 316)	(8 316)	–	(8 316)	(1 319)	(9 635)
Acquisitions, disposals and other movements in interests[6]	–	–	–	–	(28)	182	154	–	154	(464)	(310)
Balance at 31 December 2024	**21**	**12 505**	**(1 872)**	**9 414**	**2 546**	**77 779**	**100 393**	**568**	**100 961**	**9 194**	**110 155**
Comprehensive income	**–**	**–**	**–**	**–**	**(4 227)**	**13 988**	**9 761**	**–**	**9 761**	**2 723**	**12 484**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**15 941**	**15 941**	**–**	**15 941**	**2 771**	**18 712**
Other comprehensive income	**–**	**–**	**–**	**–**	**(4 227)**	**(1 953)**	**(6 180)**	**–**	**(6 180)**	**(48)**	**(6 228)**
Movement in foreign currency translation reserve[7]	**–**	**–**	**–**	**–**	**(4 227)**	**–**	**(4 227)**	**–**	**(4 227)**	**(48)**	**(4 275)**
Other comprehensive income of equity accounted investments	**–**	**–**	**–**	**–**	**–**	**(1 883)**	**(1 883)**	**–**	**(1 883)**	**–**	**(1 883)**
Employee benefits remeasurement (gain)/loss	**–**	**–**	**–**	**–**	**–**	**(70)**	**(70)**	**–**	**(70)**	**–**	**(70)**
Net (acquisition)/disposal of treasury shares[4]	**–**	**–**	**12**	**–**	**–**	**(610)**	**(598)**	**–**	**(598)**	**(55)**	**(653)**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**581**	**581**	**–**	**581**	**40**	**621**
Transfer (from)/to consolidation reserve	**–**	**–**	**–**	**–**	**–**	**(107)**	**(107)**	**107**	**–**	**–**	**–**
Dividends paid[5]	**–**	**–**	**–**	**–**	**–**	**(9 228)**	**(9 228)**	**–**	**(9 228)**	**(1 953)**	**(11 181)**
Acquisitions, disposals and other movements in interests	**–**	**–**	**–**	**–**	**–**	**184**	**184**	**–**	**184**	**(88)**	**96**
Balance at 31 December 2025	**21**	**12 505**	**(1 860)**	**9 414**	**(1 681)**	**82 587**	**100 986**	**675**	**101 661**	**9 861**	**111 522**

[1] *Refer to note 20 for additional information.*
[2] *Refer to note 21 for additional information.*
[3] *During June 2024, 86 million treasury shares were cancelled, following the unwinding of the SPV structure.*
[4] *Comprises movement in initial cost of shares held by subsidiaries (excluding policyholder funds), the share incentive trust. Net acquisition of treasury shares comprises of an acquisition of R665 million (2024: R576 million) and disposal of R12 million in 2025 (2024: R1 516 million).*
[5] *A dividend of 485 cents per share (2024: 445 cents per share) was declared in 2026 in respect of the 2025 earnings. Based on the number of shares in issue on declaration date, the total dividend is expected to amount to R10 146 million (after allowing for treasury shares), but may vary depending on the number of shares in issue on the last day to trade. Dividends proposed or declared after the statement of financial position date are not recognised at the statement of financial position date.*
[6] *Disposals in 2024 relate to the Namibia operations.*
[7] *The movement is primarily due to strengthening of the Rand related to strategic investments in India and Malaysia.*

Sanlam Limited
Annual Financial Statements 2025

Group statement of cash flows

for the year ended 31 December

R million	Notes	2025	2024
Cash flow from operating activities		**2 428**	5 490
Cash utilised in operations	35.1	**(18 895)**	(11 687)
Interest and preference share dividends received		**36 281**	29 578
Interest paid		**(1 969)**	(1 919)
Dividends received		**6 267**	6 064
Dividends paid		**(11 171)**	(9 624)
Taxation paid		**(8 085)**	(6 922)
Cash flow from investment activities		**1 976**	(6 315)
Payments made for the acquisition of equipment		**(484)**	(832)
Proceeds in respect of the sale of equipment		**33**	267
Payments made for the acquisition of owner-occupied properties		**(87)**	(6)
Proceeds in respect of the disposal of owner-occupied properties		**31**	–
Acquisition of subsidiaries and associated companies	35.2	**(1 972)**	(10 971)
Disposal of subsidiaries and associated companies	35.3	**4 751**	5 430
Payments made for the acquisition of other intangible assets		**(304)**	(241)
Proceeds in respect the disposal of other intangible assets		**8**	38
Cash flow from financing activities		**(2 313)**	5 641
Shares repurchased		**–**	(17)
Disposal of treasury shares		**12**	1 516
Acquisition of treasury shares		**(665)**	(576)
Acquisition of non-controlling interest		**(27)**	(46)
Disposal of non-controlling interest		**–**	347
Term finance raised		**2 045**	8 659
Term finance repaid		**(3 263)**	(3 854)
Lease liabilities repaid		**(415)**	(388)
Net increase in cash and cash equivalents		**2 091**	4 816
Effect of exchange rate movements on cash balances		**(284)**	120
Cash and cash equivalents at beginning of the year		**34 598**	29 662
Cash and cash equivalents at end of the year	35.4	**36 405**	34 598

Notes to the group annual financial statements

for the year ended 31 December 2025

1 Segment information

The 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 the executive management team, whom with the support the board, was responsible for the allocation of resources and the assessment of performance of the operating segments of the group.

The operating segments reported for IFRS 8 Operating Segments purposes, which remain unchanged from the prior year, include the following

- Sanlam Life and Savings;
  - Sanlam Risk and Savings (providing life insurance and investment solutions to the middle and upper level of the market);
  - Glacier (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);
- Pan-Africa (incorporating mainly the life insurance, general insurance and investment management);
- Asia (incorporating mainly the life insurance, general insurance, and investment management);
- Sanlam Investments (incorporating investment and wealth management businesses); and
- Santam (being Sanlam's general insurance provider subsidiary in South Africa).

The group has aligned its segment information with the changes to internal reporting and key earnings performance measures. This enables the group to report more meaningfully on the way the business is managed by the group's leaders. The change had no impact on the current or prior year's reported earnings, diluted earnings or headline earnings per share. The insurance service result for life and general insurance has been presented separately.

Intergroup fees are charged at market-related rates. Corporate costs are allocated on a usage or time spent basis. Intergroup charges are eliminated in the "Reconciling items" column.

No individual customer generates more than 10% of revenue for the group.

The Sanlam's board assesses the performance of the operating segments based on attributable earnings and operating profit results.

Reconciliation of management information to IFRS Accounting Standards

The segment information is reconciled to the IFRS Accounting Standards statement of comprehensive income.

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

The "Reconciling items" column represents IFRS consolidation adjustments and inter-segmental transactions included in profit for the year that are required to reconcile management information to the IFRS Accounting Standards financial statements, previously referred to as "Policyholder activities, consolidation entries and IFRS adjustments".

IFRS consolidation adjustments include the following adjustments:

- Deferred tax recognised in respect of assessed losses in policyholder funds under IFRS Accounting Standards.
- Discontinued operations are re-presented under IFRS Accounting Standards.

Adjusted headline earnings

- Headline earnings is adjusted by non-operating adjustments which include:
  - transfers between shareholders and policyholders. Deferred tax has been recognised in respect of assessed tax losses related to policyholder, whereas policyholder liabilities do not reflect a corresponding increase. The adjustment eliminates any impact on earnings in respect of the deferred tax.
  - accretion of interest on the CSM at current rates, where interest for GMM products was accreted at locked-in rates current rates are either based on yield curve at start of reporting period (1 January) for annual cohorts or yield curve applicable at start of each month during the financial year presented for monthly cohorts (life annuities only).
  - net equity accounted earnings in respect of equity-accounted results from non-operational associates and joint ventures that are excluded from operating profit and investment returns.
  - amortisation of other intangibles related to key business relationships and brands that are not directly attributed to operating activities.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

1 Segment information continued

R million	Sanlam Life & Savings 2025	Sanlam Life & Savings 2024	Pan-Africa 2025	Pan-Africa 2024	Asia 2025	Asia 2024	Sanlam Investments 2025	Sanlam Investments 2024	Santam 2025	Santam 2024	Segment total 2025	Segment total 2024	Group Office and other 2025	Group Office and other 2024	Reconciling items[2] 2025	Reconciling items[2] 2024	Total 2025	Total 2024
Investment in associates and joint ventures	**5 938**	5 340	**28 109**	28 128	**13 007**	13 074	**722**	694	**1 891**	1 798	**49 667**	49 034	**(201)**	(279)	**–**	(36)	**49 466**	48 755
Total assets	**960 777**	817 548	**29 184**	34 135	**31 299**	32 066	**42 434**	40 610	**80 414**	72 237	**1 144 108**	996 596	**177 140**	156 701	**(25 550)**	(19 753)	**1 295 698**	1 133 544
Total liabilities	**910 962**	768 028	**559**	(30)	**16 945**	17 849	**35 665**	34 542	**65 691**	59 204	**1 029 822**	879 593	**179 902**	163 550	**(25 548)**	(19 754)	**1 184 176**	1 023 389

R million	Notes	Sanlam Life & Savings 2025	Sanlam Life & Savings Restated[1] 2024	Pan-Africa 2025	Pan-Africa Restated[1] 2024	Asia 2025	Asia Restated[1] 2024	Sanlam Investments 2025	Sanlam Investments Restated[1] 2024	Santam 2025	Santam Restated[1] 2024	Segment total 2025	Segment total Restated[1] 2024	Group Office and other 2025	Group Office and other Restated[1] 2024	Reconciling items[2] 2025	Reconciling items[2] Restated[1] 2024	Total 2025	Total Restated[1][4] 2024
Life Insurance																			
Insurance revenue		**43 803**	45 861	**–**	–	**2 003**	1 842	**–**	–	**8 362**	8 327	**54 168**	56 030	**–**	–	**–**	(6 720)	**54 168**	49 310
Insurance service expense		**(36 428)**	(36 295)	**–**	–	**(2 224)**	(1 932)	**(537)**	(750)	**(4 967)**	(5 033)	**(44 156)**	(44 010)	**–**	–	**–**	3 514	**(44 156)**	(40 496)
Income/(expense) from reinsurance contracts		**(310)**	(440)	**–**	–	**70**	22	**–**	–	**(2 555)**	(3 140)	**(2 795)**	(3 558)	**–**	–	**–**	3 329	**(2 795)**	(229)
Life Insurance service result		**7 065**	9 126	**–**	–	**(151)**	(68)	**(537)**	(750)	**840**	154	**7 217**	8 462	**–**	–	**–**	123	**7 217**	8 585
General Insurance																**–**	–		
Insurance revenue		**324**	229	**–**	–	**–**	–	**–**	–	**48 587**	43 990	**48 911**	44 219	**–**	–	**(176)**	(54)	**48 735**	44 165
Insurance service expense		**(219)**	(281)	**–**	–	**–**	–	**–**	–	**(37 155)**	(34 927)	**(37 374)**	(35 208)	**–**	–	**208**	151	**(37 166)**	(35 057)
Income/(expense) from reinsurance contracts		**–**	25	**–**	–	**–**	–	**–**	–	**(4 855)**	(4 686)	**(4 855)**	(4 661)	**–**	–	**(32)**	(97)	**(4 887)**	(4 758)
General Insurance service result		**105**	(27)	**–**	–	**–**	–	**–**	–	**6 577**	4 377	**6 682**	4 350	**–**	–	**–**	–	**6 682**	4 350
Insurance finance expense		**(40 867)**	(24 518)	**–**	–	**(497)**	(1 231)	**–**	(196)	**(2 708)**	(2 647)	**(44 072)**	(28 592)	**–**	–	**(4)**	(5)	**(44 076)**	(28 597)
Reinsurance finance income		**1 232**	453	**–**	–	**3**	–	**(601)**	–	**(402)**	(235)	**232**	218	**–**	–	**4**	(119)	**236**	99
Investment income on assets held in respect of insurance contracts		**11 967**	7 359	**–**	–	**647**	638	**1 868**	1 493	**1 763**	1 301	**16 245**	10 791	**–**	–	**–**	–	**16 245**	10 791
Investment surpluses on assets held in respect of insurance contracts		**28 908**	18 849	**–**	–	**251**	469	**(23)**	82	**–**	–	**29 136**	19 400	**–**	–	**–**	–	**29 136**	19 400
Net insurance investment result		**8 410**	11 242	**–**	–	**253**	(192)	**707**	630	**6 070**	2 950	**15 440**	14 630	**–**	–	**–**	(2)	**15 440**	14 628
Other expenses relating to insurance operations		**(1 004)**	(707)	**–**	–	**–**	–	**–**	–	**(597)**	(842)	**(1 601)**	(1 549)	**–**	–	**–**	1	**(1 601)**	(1 548)
Results from insurance operations		**7 406**	10 535	**–**	–	**253**	(192)	**707**	630	**5 473**	2 108	**13 839**	13 081	**–**	–	**–**	(1)	**13 839**	13 080
Revenue[3][4]	25	**17 932**	17 575	**3**	3	**–**	–	**8 214**	7 438	**639**	673	**26 788**	25 689	**643**	676	**(1 682)**	(1 008)	**25 749**	25 357
Net other income		**4 985**	6 210	**280**	2 587	**71**	(978)	**973**	228	**3 110**	3 357	**9 419**	11 404	**995**	1 600	**67**	92	**10 480**	13 096
Investment income		**19 706**	18 449	**112**	66	**59**	53	**244**	241	**4 006**	3 715	**24 127**	22 524	**10 008**	9 475	**67**	91	**34 202**	32 090
Investment surpluses		**68 959**	53 671	**232**	2 585	**12**	(1 031)	**792**	43	**455**	1 030	**70 450**	56 298	**9 953**	(1 251)	**–**	–	**80 403**	55 047
Finance cost – margin business		**–**	–	**(64)**	(64)	**–**	–	**(63)**	(56)	**–**	–	**(127)**	(120)	**(110)**	(247)	**–**	1	**(237)**	(366)
Change in fair value of external investors' liabilities		**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(19 209)**	(6 377)	**–**	–	**(19 209)**	(6 377)
Cell captive adjustments: Investment return allocated to cell owners		**–**	–	**–**	–	**–**	–	**–**	–	**(553)**	(619)	**(553)**	(619)	**–**	–	**–**	–	**(553)**	(619)
Change in fair value of net investment contracts		**(83 680)**	(65 910)	**–**	–	**–**	–	**–**	–	**(798)**	(769)	**(84 478)**	(66 679)	**353**	–	**–**	–	**(84 126)**	(66 679)
Impairments		**(1 560)**	(1 236)	**–**	–	**–**	–	**(87)**	1	**(22)**	(177)	**(1 669)**	(1 412)	**–**	–	**–**	–	**(1 669)**	(1 412)
Amortisation of intangibles		**(394)**	(403)	**–**	–	**(2)**	(2)	**(60)**	(87)	**(103)**	(40)	**(559)**	(532)	**–**	–	**–**	–	**(559)**	(532)
Sales remuneration		**(1 134)**	(1 129)	**–**	–	**–**	–	**(60)**	(72)	**–**	–	**(1 194)**	(1 201)	**–**	–	**–**	–	**(1 194)**	(1 201)
Administration and other costs[4]		**(15 705)**	(15 698)	**(18)**	(15)	**(122)**	(75)	**(6 014)**	(5 483)	**(638)**	(70)	**(22 497)**	(21 341)	**(2 710)**	(2 825)	**1 298**	917	**(23 908)**	(23 249)
Net operating result		**11 530**	15 854	**265**	2 575	**200**	(1 247)	**3 673**	2 655	**8 459**	5 851	**24 127**	25 688	**(1 072)**	(549)	**(317)**	–	**22 738**	25 139
Equity-accounted earnings	13.2.1	**504**	(38)	**2 237**	2 649	**2 272**	2 796	**282**	178	**107**	88	**5 402**	5 673	**33**	(56)	**–**	–	**5 435**	5 617
Finance costs – other		**(999)**	(546)	**–**	–	**(47)**	(45)	**(27)**	(31)	**(513)**	(539)	**(1 586)**	(1 161)	**(540)**	(82)	**317**	–	**(1 809)**	(1 243)
Profit/(loss) before tax from continuing operations		**11 035**	15 270	**2 502**	5 224	**2 425**	1 504	**3 928**	2 802	**8 053**	5 400	**27 943**	30 200	**(1 579)**	(687)	**–**	–	**26 364**	29 513
Taxation	12.2	**(4 162)**	(5 573)	**(20)**	(417)	**(31)**	(37)	**(815)**	(607)	**(2 858)**	(1 457)	**(7 886)**	(8 091)	**234**	182	**–**	–	**(7 652)**	(7 909)
Profit for the year from continuing operations		**6 873**	9 697	**2 482**	4 807	**2 394**	1 467	**3 113**	2 195	**5 195**	3 943	**20 057**	22 109	**(1 345)**	(505)	**–**	–	**18 712**	21 604
Profit for the year from discontinued operations		**–**	8	**–**	3 232	**–**	–	**–**	–	**–**	–	**–**	3 240	**–**	–	**–**	–	**–**	3 240
Profit for the year		**6 873**	9 705	**2 482**	8 039	**2 394**	1 467	**3 113**	2 195	**5 195**	3 943	**20 057**	25 349	**(1 345)**	(505)	**–**	–	**18 712**	24 844
Non-controlling interests		**(414)**	100	**–**	130	**280**	186	**379**	272	**2 526**	1 745	**2 771**	2 433	**–**	171	**–**	–	**2 771**	2 604
Attributable earnings		**7 287**	9 605	**2 482**	7 909	**2 114**	1 281	**2 734**	1 923	**2 669**	2 198	**17 286**	22 916	**(1 345)**	(676)	**–**	–	**15 941**	22 240
Non-core adjustments:		**739**	1 173	**278**	(4 785)	**(9)**	1 341	**(422)**	4	**23**	110	**609**	(2 157)	**–**	–	**–**	–	**609**	(2 157)
Less: Net profit/(loss) on disposal of subsidiaries and associated companies		**(5)**	(6)	**–**	(2 803)	**–**	–	**(485)**	6	**–**	–	**(490)**	(2 803)	**–**	–	**–**	–	**(490)**	(2 803)
Less: Net profit on disposal of associated companies		**–**	–	**(97)**	(2 174)	**–**	1 341	**19**	–	**–**	–	**(78)**	(833)	**–**	–	**–**	–	**(78)**	(833)
Less: Equity-accounted non-headline earnings		**–**	–	**222**	172	**(300)**	–	**–**	–	**–**	–	**(78)**	172	**–**	–	**–**	–	**(78)**	172
Plus: Net impairments		**744**	1 179	**153**	20	**291**	–	**44**	(2)	**23**	110	**1 255**	1 307	**–**	–	**–**	–	**1 255**	1 307
Headline earnings		**8 026**	10 778	**2 760**	3 124	**2 105**	2 622	**2 312**	1 927	**2 692**	2 308	**17 895**	20 759	**(1 345)**	(676)	**–**	–	**16 550**	20 083
Non-operating adjustments[5]		**467**	146	**34**	200	**–**	4	**41**	63	**(19)**	(17)	**523**	396	**46**	76	**–**	–	**569**	472
Fund transfers[1][5]		**92**	240	**108**	88	**–**	1	**(3)**	(1)	**–**	(2)	**197**	326	**46**	76	**–**	–	**243**	402
Accounting mismatches (locked-in rate)[1][5]		**343**	(168)	**–**	–	**–**	–	**–**	–	**–**	–	**343**	(168)	**–**	–	**–**	–	**343**	(168)
Net equity-accounted earnings[1][5]		**(4)**	7	**(73)**	112	**–**	–	**–**	–	**(91)**	(55)	**(168)**	64	**–**	–	**–**	–	**(168)**	64
Net amortisation of other intangibles[1][5]		**36**	67	**1**	–	**–**	3	**44**	64	**72**	40	**151**	174	**–**	–	**–**	–	**151**	174
Adjusted headline earnings[1][5]		**8 493**	10 924	**2 794**	3 324	**2 105**	2 626	**2 353**	1 990	**2 673**	2 291	**18 418**	21 155	**(1 299)**	(600)	**–**	–	**17 119**	20 555
Investment returns on shareholders equity[1]		**2 096**	2 504	**1 613**	1 677	**(66)**	615	**313**	133	**136**	532	**4 092**	5 460	**(695)**	(119)	**–**	–	**3 397**	5 341
Operating profit[1]		**6 397**	8 420	**1 181**	1 647	**2 171**	2 011	**2 040**	1 857	**2 537**	1 759	**14 326**	15 695	**(604)**	(481)	**–**	–	**13 722**	15 214

(1) The group has aligned its segment results with the changes to internal reporting and key earnings performance measures. The insurance service result for life and general insurance has been presented separately with "Policyholder activities, consolidation entries and IFRS consolidated adjustments" now referred to as "Reconciling items". Adjusted headline earnings and net equity accounted earnings, for non-operational joint ventures and associates, is now presented as in segment information due to the "changes to internal reporting and key earnings performance measures".

(2) Reconciling items relate to consolidation entries for inter-segmental transactions included in profit for the year Sanlam Life and Savings R0 million (2024: R0 million), Pan-Africa and Asia -R210 million (2024: -R304 million), Sanlam Investments R0 million (2024: R1 million), Santam R32 million (2024: R212 million) and Group Office R178 million (2024: R92 million). The reconciling items for 2024 included revenue of R6 720 million, insurance service expense of R3 415 million and expense from reinsurance contracts of R3 305 million related to the Capitec co-operation arrangement which terminated on 31 October 2024.

(3) Inter-segmental revenue is from IT-services, investment management services and marketing and brand services provided between segments. Group office and other had inter-segmental revenue of R940 million (2024: R643 million), Sanlam Life and Savings had inter-segmental revenue R415 million (2024: R80 million), Santam had inter-segmental revenue R7 million (2024: -R51 million), Sanlam Investments inter-segmental revenue of R321 million (2024: R349 million), and Pan-Africa and Asia had inter-segmental revenue of R0 million (2024: -R13 million).

(4) Refer to note 40 for more detail on the restatement.

(5) Refer to description of "Adjusted headline earnings" on page 93.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

1 Segment information continued

1.1 Segment expense information

R million	Sanlam Life and Savings 2025	Sanlam Life and Savings 2024	Pan-Africa 2025	Pan-Africa 2024	Asia 2025	Asia 2024	Sanlam Investments 2025	Sanlam Investments 2024	Santam 2025	Santam 2024	Segment total 2025	Segment total 2024	Group Office and other 2025	Group Office and other 2024	Reconciling items 2025	Reconciling items 2024	Total 2025	Total 2024
Change in fair value of external investors' liabilities	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(19 762)**	(6 996)	**–**	–	**(19 762)**	(6 996)
Change in fair value of investment contract liabilities	**(83 680)**	(65 910)	**–**	–	**–**	–	**–**	–	**(798)**	(769)	**(84 478)**	(66 679)	**352**	–	**–**	–	**(84 126)**	(66 679)
Consultancy fees	**(1 210)**	(1 027)	**(1)**	(2)	**(10)**	(1)	**(63)**	(81)	**(425)**	(367)	**(1 709)**	(1 478)	**(1 240)**	(1 094)	**(1)**	(34)	**(2 950)**	(2 606)
Employee benefits	**(8 849)**	(8 181)	**–**	–	**–**	–	**(2 717)**	(2 519)	**(5 878)**	(5 010)	**(17 444)**	(15 710)	**(2 223)**	(1 986)	**–**	8	**(19 667)**	(17 688)
Depreciation	**(455)**	(369)	**–**	–	**(23)**	(1)	**(56)**	(51)	**(242)**	(265)	**(776)**	(686)	**(149)**	(135)	**–**	–	**(926)**	(828)
Impairments	**(1 396)**	(1 178)	**–**	–	**–**	–	**(87)**	1	**(22)**	(177)	**(1 505)**	(1 354)	**(164)**	(58)	**–**	–	**(1 669)**	(1 412)
Amortisation of intangibles	**(392)**	(404)	**–**	–	**–**	–	**(60)**	(87)	**(44)**	(40)	**(496)**	(531)	**(62)**	(1)	**(1)**	–	**(559)**	(532)

1.2 Contracts not measured under the premium allocation approach: Total

CSM balance per cluster

R million	31 December 2025 Contractual service margin Total (net of reinsurance)	Insurance	Reinsurance	31 December 2024 Contractual service margin Total (net of reinsurance)	Insurance	Reinsurance
Sanlam Life and Savings	**26 591**	**26 323**	**268**	26 496	26 163	333
Sanlam Risk and Savings and Glacier	**15 252**	**14 906**	**346**	15 846	15 454	392
SA Retail Mass	**7 510**	**7 588**	**(78)**	6 872	6 931	(59)
Sanlam Corporate	**3 829**	**3 829**	**–**	3 778	3 778	–
Asia	**547**	**575**	**(28)**	561	604	(43)
Malaysia	**547**	**575**	**(28)**	561	604	(43)
Santam	**–**	**8 053**	**(8 053)**	–	9 102	(9 102)
Total balance	**27 138**	**34 951**	**(7 813)**	27 057	35 869	(8 812)

Notes to the group annual financial statements continued

for the year ended 31 December 2025

1 Segment information continue

1.3 Geographical analysis per line of business

R million	Life business and health 2025	Life business and health Restated[1] 2024	General insurance 2025	General insurance Restated[1] 2024	Investment management 2025	Investment management Restated[1] 2024	Credit and structuring 2025	Credit and structuring Restated[1] 2024	Corporate expenses and other 2025	Corporate expenses and other Restated[1] 2024	Total 2025	Total Restated[1] 2024
South Africa	**7 101**	8 769	**2 538**	1 760	**1 062**	1 047	**382**	271	**(955)**	(539)	**10 128**	11 308
Pan-Africa: SanlamAllianz Africa	**743**	782	**556**	1 037	**83**	98	**141**	137	**(340)**	(408)	**1 183**	1 646
Asia	**(24)**	(107)	**299**	233	**–**	–	**1 743**	1 734	**154**	153	**2 172**	2 013
International: Sanlam UK	**–**	–	**–**	–	**239**	247	**–**	–	**–**	–	**239**	247
Operating profit	**7 820**	9 444	**3 393**	3 030	**1 384**	1 392	**2 266**	2 142	**(1 141)**	(794)	**13 722**	15 214

[1] *The prior-year segment information has been restated to align with the IFRS Accounting Standards balance sheet presentation. This includes the reclassification of policyholder activities, which were previously shown as reconciling items.*

1.4 Geographical analysis of non-current assets and revenue

R million	Non-current assets[1] 2025	Non-current assets[1] 2024	Revenue 2025	Revenue Restated[2] 2024
31 December 2025				
South Africa	**54 988**	55 132	**23 455**	23 055
Pan-Africa	**793**	881	**–**	17
Other International	**17 575**	18 388	**1 525**	1 351
IFRS 15 revenue			**24 980**	24 423
Revenue not in scope of IFRS 15			**769**	934
Total balance	**73 356**	74 401	**25 749**	25 357

[1] *The group has aligned its segment information to IFRS Accounting Standards. Non-current assets exclude insurance contract assets, reinsurance contract assets, deferred tax asset and other investments (refer to note 13.3)*
[2] *Refer to note 39 for detail on the restatement.*

Addition to non-current assets

R million	2025	Restated 2024[1]
Sanlam Life & Savings	**1 245**	6 408
Pan-Africa	**–**	56
Asia	**817**	57
Santam	**404**	271
Group Office	**150**	1 590
Sanlam Investments	**139**	65
Additions to non-current assets[2]	**2 755**	8 447

[1] *Prior year segment disclosures have been restated. For additional information please refer to note 1.*
[2] *Consists of additions to non-current assets expected to be recovered more than 12 months after the reporting period. Non-current assets excludes, in this context, financial instruments, insurance contract assets, reinsurance contract assets and deferred tax assets.*

1.5 Geographical analysis of insurance revenue

R million	2025	2024[1]
South Africa	**101 076**	98 407
Sanlam Life and Savings	**44 127**	46 090
Life	**43 803**	45 861
General Insurance	**324**	229
Santam	**56 949**	52 317
Life	**8 362**	8 327
General Insurance	**48 587**	43 990
Asia	**2 003**	1 842
Segment total	**103 079**	100 249
Reconciling items	**(176)**	(6 774)
Total insurance revenue	**102 903**	93 475

[1] *Geographical disclosures, including comparative figures, have been provided for insurance revenue.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

2 Goodwill

Goodwill represents the excess of the cost of a business combination over the group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is recognised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date. The gain or loss on the disposal of a subsidiary or business includes the carrying amount of goodwill attributable to the entity or business sold.

Goodwill is not recognised when an interest in an existing subsidiary is increased. The difference between the cost of the acquisition and the minority interest acquired is accounted for directly in equity. Goodwill is also not affected when an interest in an existing subsidiary is decreased without a loss of control. The difference between the proceeds received and the share of the net assets disposed of, is accounted for directly in equity.

For impairment purposes, the carrying amount of goodwill is allocated to cash-generating units at the lowest level of operational activity (business) to which it relates. The carrying amount of goodwill is reviewed bi-annually for impairment and written down where the recoverable amount is less than the carrying amount. Where a number of related businesses acquired in the same business combination are allocated to different group business divisions, the related goodwill is allocated to those cash-generating units that expect to benefit from the synergies of the business combination.

The recoverable amount of goodwill for purposes of impairment testing has been determined based on the higher of value in use (VIU) and fair value less cost to sell for entities that are cash-generating units. All valuations are level 3 except for Santam (Level 1) based on the fair value hierarchy.

Goodwill in respect of associated companies and joint ventures is included in the carrying value of investments in associated companies and joint ventures. Refer to note 13.2 for additional information.

R million	Note	2025	2024
Balance at the beginning of the year		**6 703**	6 906
Gross carrying amount		**8 396**	7 428
Accumulated impairment		**(1 693)**	(522)
Acquired through business combinations[1]		**189**	806
Reclassified from/(to) non-current assets held for sale		**(244)**	196
Impairments		**(10)**	(1 149)
Disposals		**(26)**	(59)
Foreign currency translation differences		**(15)**	(9)
Other		**13**	12
Balance at the end of the year		**6 610**	6 703
Gross carrying amount		**7 730**	8 396
Accumulated impairment		**(1 120)**	(1 693)
Allocation of goodwill			
Life insurance		**808**	808
MCIS Insurance		**196**	196
BrightRock Holdings		**441**	441
Other life businesses		**171**	171
Other Sanlam businesses		**5 802**	5 895
Goodwill held on group level		**1 198**	1 198
Santam Ltd[2]		**968**	958
Sanlam Investment Management[3]		**986**	1 170
International: Investment Management		**430**	430
Sanlam UK		**254**	296
Sanlam Personal Loans (Pty) Ltd[1]		**863**	863
NMS Insurance Services (SA) Ltd[1]		**930**	806
Glacier		**164**	164
Other non-life businesses		**9**	10
Total goodwill		**6 610**	6 703

[1] Goodwill acquired through business combinations relates to additional goodwill recognised upon the finalisation of the accounting related to the acquisition of NMS Insurance Services R124 million.
[2] The recoverable amount used for goodwill impairment testing is based on fair value less cost of disposal, which is driven by the listed price of Santam.
[3] Goodwill was reclassified as held-for-sale.

Impairments of goodwill summary

The following tables reflect the inputs into the goodwill impairment assessment.

Using embedded value method	Unit	MCIS Insurance[1] 2025	BrightRock Holdings[1] 2025	Assupol[1] 2025
Point used on the relevant yield curve	Year	**–**	**7,4**	**5**
Gross investment return:				
Fixed-interest securities	%	**3,6**	**8,3**	**7,7**
Cash	%	**2,8**	**7,3**	**5,7**
Inflation rate	%	**2,1**	**7,4**	**5,4**
Risk discount rate	%	**7,6**	**11,8**	**11,2**
Sensitivities on base value of	R million	**1 931**	**1 982**	**7 256**
Risk discount rate increase by 1%	R million	**1 753**	**1 802**	**6 882**
Investment return and inflation decrease by 1%, coupled with a 1% decrease in risk discount rates, and with bonus rates changing commensurately	R million	**1 850**	**2 139**	**7 688**

Using embedded value method	Unit	MCIS Insurance[1] 2024	BrightRock Holdings[1] 2024	Assupol[1] 2024
Point used on the relevant yield curve	Year	–	7,1	4,7
Gross investment return				
Fixed-interest securities	%	3,9	10,1	9,2
Cash	%	2,8	9,1	7,2
Inflation rate	%	2,4	9,2	6,4
Risk discount rate	%	7,9	13,6	12,7
Sensitivities on base value of	R million	1 775	1 591	6 724
Risk discount rate increase by 1%	R million	1 630	1 398	6 589
Investment return and inflation decrease by 1%, coupled with a 1% decrease in risk discount rates, and with bonus rates changing commensurately	R million	1 746	1 803	6 871

Using discounted cash flow method	2025 Recoverable amount[2]	2025 Average discount rate[2]	2024 Recoverable amount[2]	2024 Average discount rate[2]
Goodwill held on group level	**1 198**	**17,1%**	1 894	17,1%
Afrocentric	**555**	**16,5%**	1 403	18,7%
Sanlam Investment Management	**2 085**	**15,5%**	1 758	16,1%
International: Investment Management	**3 593**	**12,0%**	2 675	12,8%
Sanlam UK	**872**	**15,5%**	474	15,7%
Sanlam Personal Loans	**3 050**	**19,0%**	2 397	21,2%
NMS Insurance Services	**954**	**15,9%**	–	–
Glacier	**4 059**	**16,6%**	3 730	18,8%

[1] The recoverable amount is determined as the embedded value, together with a multiple of value of new business (VNB multiple) of 12 and 8.5 for MCIS insurance and BrightRock Holdings, respectively.
[2] The recoverable amounts used for goodwill impairment testing are based on the fair value less cost to sell. The valuations were done based on an average perpetuity growth rate of 5% and cash flows are forecasted for 10 years, which is aligned with industry norms, whereafter a perpetuity factor is applied.

Management believes that no reasonably possible change in any of the other key assumptions would cause the carrying value of any cash generating unit to exceed its recoverable amount.

3 Equipment

Equipment is reflected at depreciated cost prices less provisions for impairment in value, where appropriate. Depreciation is provided for on a straight-line basis, taking into account the residual value and estimated useful lives of the assets:

- Computer equipment: one to five years
- Furniture and equipment: five to 20 years
- Vehicles: three to five years

If the expected residual value is equal to or greater than the carrying value, no depreciation is provided for. The residual values, estimated useful lives and depreciation methods are reviewed at each statement of financial position date and adjusted as appropriate.

Cost prices include costs directly attributable to the acquisition of equipment, as well as any subsequent expenditure when it is probable that future economic benefits associated with the item will flow to the group and the expenditure can be measured reliably. All other expenditure is recognised in the statement of comprehensive income when incurred. Equipment is derecognised at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The difference between the carrying amount at the date of derecognition and any disposal proceeds, as applicable, is recognised in the statement of comprehensive income.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

3 Equipment continued

R million	Note	Computer equipment	Furniture	Equipment	Vehicles and other	Total
Balance at 1 January 2024		856	139	272	268	1 535
Cost		2 848	384	696	673	4 601
Accumulated depreciation and impairment		(1 992)	(245)	(424)	(405)	(3 066)
Additions and expenditure capitalised		378	40	314	99	831
Depreciation		(296)	(59)	(47)	(31)	(433)
Acquired through business combinations		48	15	–	33	96
Other disposals		(21)	(15)	(187)	(43)	(266)
Reclassified from non-current assets held for sale		34	17	10	86	147
Reversal of impairment		29	–	–	–	29
Transfer from owner-occupied properties		–	–	67	1	68
Foreign currency translation differences		–	–	–	4	4
Other movements[1]		(334)	142	–	(137)	(329)
Balance at 1 January 2025		**694**	**279**	**429**	**280**	**1 682**
Cost		**2 391**	**726**	**912**	**690**	**4 719**
Accumulated depreciation and impairment		**(1 697)**	**(447)**	**(483)**	**(410)**	**(3 037)**
Additions and expenditure capitalised		**274**	**16**	**78**	**116**	**484**
Depreciation		**(323)**	**(37)**	**(55)**	**(51)**	**(466)**
Acquired through business combinations	36	**1**	**–**	**–**	**1**	**2**
Other disposals		**(15)**	**(3)**	**(13)**	**(3)**	**(34)**
Reclassified from non-current assets held for sale	37	**–**	**–**	**–**	**1**	**1**
Reversal of impairment		**8**	**–**	**–**	**–**	**8**
Transfer from/(to) owner-occupied properties	5	**–**	**–**	**(194)**	**–**	**(194)**
Foreign currency translation differences		**(1)**	**–**	**(3)**	**(4)**	**(8)**
Other movements		**19**	**(66)**	**8**	**43**	**4**
Balance at 31 December 2025		**657**	**189**	**250**	**383**	**1 479**
Cost		**2 289**	**584**	**770**	**859**	**4 502**
Accumulated depreciation and impairment		**(1 632)**	**(395)**	**(520)**	**(476)**	**(3 023)**

[1] *In 2024 Santam reclassified R329 million of computer software to other intangibles.*

4 Leases

This note provides information for leases where the group is a lessee. For leases where the group is a lessor, see note 13.1 and 13.4.

The group mainly has leases for office buildings and some IT equipment and vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the group to sublet the asset to another party, the right-of-use asset can only be used by the group. The group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings the group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Extension and termination options are included in a number of leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. This would be the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

To determine the incremental borrowing rate, the group:
- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

4.1 Rights-of-use assets

R million	Note	Properties	Computer equipment, furniture, equipment, vehicles and other	Total
Balance at 1 January 2024		1 184	5	1 189
Additions		341	25	366
Depreciation		(374)	(15)	(389)
Terminating of lease agreements		(26)	7	(19)
Acquired through business combinations		136	–	136
Reclassified from non-current assets held for sale		62	–	62
Effect of modification of lease terms		1	–	1
Impairment		(1)	–	(1)
Other movements		(41)	19	(22)
Balance at 1 January 2025		**1 282**	**41**	**1 323**
Additions		**337**	**23**	**360**
Acquired through business combinations	36	**8**	**–**	**8**
Terminating of lease agreements		**(18)**	**(6)**	**(24)**
Effect of modification of lease terms		**(1)**	**–**	**(1)**
Depreciation		**(457)**	**(16)**	**(473)**
Reclassified to non-current assets held for sale	37	**(1)**	**–**	**(1)**
Impairment		**(3)**	**–**	**(3)**
Foreign currency translation differences		**21**	**–**	**21**
Balance at 31 December 2025		**1 168**	**42**	**1 210**

Notes to the group annual financial statements continued

for the year ended 31 December 2025

4 Leases continued

4.2 Lease liabilities

R million	Note	2025	2024
Balance at the beginning of the year		**1 685**	1 519
Additions		**360**	337
Lease payments[1]		**(598)**	(532)
Termination of lease agreements		**(62)**	(20)
Acquired through business combinations	36	**6**	201
Disposal of subsidiaries		**–**	(6)
Interest accrued		**155**	144
Reclassified from/(to) non-current liabilities held for sale	37	**(1)**	66
Effect of modification of lease terms		**(3)**	4
Variable lease payment adjustment		**(16)**	(8)
Foreign currency translation differences		**(6)**	–
Other movements		**–**	(20)
Balance at the end of the year		**1 520**	1 685

[1] *Lease payments are made up of capital and interest repayments of respectively R443 million (2024: R388 million) and R155 million (2024: R144 million).*

R million	Note	2025	Restated[1] 2024
Maturity analysis – carrying value			
Open-ended		**6**	–
Due within one year		**432**	516
Due within one to two years		**290**	519
Due within two to three years		**217**	218
Due within three to four years		**184**	145
Due within four to five years		**94**	112
Due within five to 10 years		**262**	175
Due within 10 to 15 years		**35**	–
Balance at the end of the year		**1 520**	1 685
Maturity analysis – undiscounted			
Due within one year		**478**	550
Due within one to two years		**353**	630
Due within two to three years		**286**	235
Due within three to four years		**252**	179
Due within four to five years		**138**	145
Due within five to 10 years		**333**	221
Due within 15 to 20 years		**36**	–
Balance at the end of the year		**1 876**	1 960
The group is exposed to the following potential cash flows (undiscounted) which are not included in the lease liability:		**298**	122
Extension options		**298**	122

[1] *Comparative disclosure has been restated to provide a more detailed disaggregation of the maturity analysis.*

4.3 Additional profit or loss and cash flow information

Refer to the expenses (note 26) and the finance cost (note 27) notes for information about depreciation and interest expense respectively. Total cash outflow in respect of leases in the year was R847 million (2024: R831 million) which include other operating lease expenses.

Sanlam Limited
Annual Financial Statements 2025

5 Owner-occupied properties

Owner-occupied property is property held for use in the supply of services or for administration purposes. These properties are valued at carrying amount less depreciation and provisions for impairment in value, where appropriate. The carrying amount is based on the cost of properties classified as owner-occupied on date of acquisition and the fair value at date of reclassification in instances where properties are reclassified from investment properties to owner-occupied properties. Depreciation is provided for on a straight-line basis, taking into account the residual value and estimated useful life of 30 to 50 years of the property. The residual values, estimated useful lives and depreciation methods are reviewed at each statement of financial position date and adjusted as appropriate. If the expected residual value is equal to or greater than the carrying value, no depreciation is provided for. Owner-occupied property is assessed bi-annually for indicators of impairment. When owner-occupied properties become investment properties, they are reclassified to investment properties at the fair value of the properties at the date of reclassification. The difference between the carrying value and fair value of the properties at the date of reclassification is recognised directly in other comprehensive income as a revaluation surplus. Owner-occupied property is derecognised at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The difference between the carrying amount at the date of derecognition and any disposal proceeds, as applicable, is recognised in the statement of comprehensive income.

R million	Note	2025	2024
Balance at the beginning of the year		**992**	1 015
Cost		**1 035**	1 055
Accumulated depreciation and impairment		**(43)**	(40)
Additions and expenditure capitalised		**87**	6
Reclassified from non-current assets held for sale	37	**1**	41
Disposals		**(31)**	–
Transfer from/(to) equipment	3	**194**	(68)
Depreciation		**(7)**	(6)
Foreign currency translation differences		**(1)**	–
Other movements		**1**	4
Balance at the end of the year		**1 236**	992
Cost		**1 285**	1 035
Accumulated depreciation and impairment		**(49)**	(43)

6 Intangible assets

Intangible assets mainly comprise of internally developed software, acquired computer software and key business relationships. Acquired intangible assets are recognised at cost on acquisition date. Subsequent to initial recognition, these assets are reflected at their amortised cost prices less provisions for impairment in value, where appropriate. Amortisation is provided for on a straight-line basis, taking into account the residual value and estimated useful lives:

Acquired computer software	three to 10 years
Internally developed software	less than 15 years

The residual values, estimated useful lives of the assets and depreciation methods are reviewed at each statement of financial position date and adjusted, as appropriate. Other intangible assets are assessed for indicators of impairment on a bi-annual basis and written down for impairment where this is considered necessary. Other intangible assets with indefinite useful lives are tested annually for impairment, irrespective of whether there is any indication of impairment.

Costs associated with software development for internal use are capitalised if the completion of the software development is technically feasible, the group has the intent and ability to complete the development and use the asset, and the costs can be reliably measured and will generate future economic benefits.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

6 Intangible assets continued

No value is attributed to internally developed brands or similar rights. Costs incurred on these items are charged to the statement of comprehensive income in the period in which they are incurred.

R million	Note	Acquired computer software	Internally developed software	Key business relationships	Other[1]	Total
Balance at 1 January 2024		266	928	1 484	653	3 331
Gross carrying amount		455	1 579	2 434	1 070	5 538
Accumulated amortisation and impairment		(189)	(651)	(950)	(417)	(2 207)
Additions during the year		4	193	9	59	265
Acquired through business combinations		–	299	882	26	1 207
Expenditure capitalised		–	–	–	22	22
Disposals		–	–	(16)	(23)	(39)
Amortisation		(36)	(175)	(255)	(110)	(576)
Impairment		(16)	(156)	(15)	(10)	(197)
Reclassified from non-current assets held for sale		–	103	–	–	103
Foreign currency translation differences		(2)	(2)	1	(2)	(5)
Other movements		40	256	14	(55)	255
Balance at 1 January 2025		**256**	**1 446**	**2 104**	**560**	**4 366**
Gross carrying amount		**537**	**3 148**	**3 370**	**1 117**	**8 172**
Accumulated amortisation and impairment		**(281)**	**(1 702)**	**(1 266)**	**(557)**	**(3 806)**
Additions during the year		**24**	**178**	**10**	**25**	**237**
Acquired through business combinations		**–**	**–**	**–**	**67**	**67**
Disposals		**(7)**	**–**	**(73)**	**–**	**(80)**
Amortisation		**(35)**	**(183)**	**(226)**	**(145)**	**(589)**
Impairment[2]		**(10)**	**(559)**	**(546)**	**(317)**	**(1 432)**
Reclassified to non-current assets held for sale	37	**–**	**–**	**(26)**	**(33)**	**(59)**
Foreign currency translation differences		**(3)**	**(2)**	**(1)**	**–**	**(6)**
Other movements		**6**	**(27)**	**–**	**(17)**	**(38)**
Balance at 31 December 2025		**231**	**853**	**1 242**	**140**	**2 466**
Gross carrying amount		**509**	**3 295**	**3 194**	**614**	**7 612**
Accumulated amortisation and impairment		**(278)**	**(2 442)**	**(1 952)**	**(474)**	**(5 146)**

(1) The other asset class is the sum of patents and licences, brands, trademarks and trade names as well as indefinite useful life intangibles assets.
(2) Impairments relate to key business relationships mainly linked to Afrocentric (refer to note 30.1.1 for further information), and to internally developed software for Afrocentric (R449 million) and Assupol (remaining amount).

R million	Expected useful life (years)	2025	2024
Allocation of key business relationships			
Sanlam Corporate	5 – 10	**101**	740
Sanlam Investments	8 – 15	**149**	288
Sanlam Risk and Savings	5 – 10	**545**	607
Sanlam Retail Mass	10	**283**	283
Glacier	10	**106**	106
Santam	3 – 6	**58**	80
Total key business relationships		**1 242**	2 104

7 Contract costs for investment management services

Incremental costs of obtaining investment contracts with investment management services are capitalised to contract costs for investment management services if they are separately identifiable, can be measured reliably and it is probable that they will be recovered.

Contract costs for the acquisition of investment management services are amortised to the statement of comprehensive income over the expected term of the contracts as the related services are rendered and revenue recognised, which varies from year to year dependent on the outstanding term of the contracts in force. The contract costs are tested for impairment bi-annually to ensure that it will be recovered from future revenue generated by the applicable remaining investment contracts less costs that relate directly to the provision of these services. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount.

R million	Note	2025	2024
Balance at the beginning of the year		**2 768**	2 822
Acquisition costs capitalised		**427**	468
Expensed for the year		**(237)**	(243)
Amortisation		**(201)**	(198)
Reclassified to non-current assets held for sale	37	**–**	(73)
Impairment		**(2)**	(8)
Other		**17**	–
Balance at the end of the year		**2 772**	2 768

Notes to the group annual financial statements continued

for the year ended 31 December 2025

8 Insurance and reinsurance contracts

8.1 Summary of net carrying amount

		2025				2024			
			Life insurance				Life insurance		
R million	Notes	Total	Risk business	Savings business	General insurance	Total	Risk business	Savings business	General insurance
Net insurance contract carrying amount		**258 801**	**139 949**	**80 590**	**38 262**	218 818	109 300	74 972	34 546
Insurance contract liabilities	9.1	**275 455**	**156 274**	**80 590**	**38 591**	232 554	122 544	74 972	35 038
Insurance contract assets	9.1	**(16 654)**	**(16 325)**	**–**	**(329)**	(13 736)	(13 244)	–	(492)
Net reinsurance contract carrying amount		**(5 747)**	**(3 835)**	**–**	**(1 912)**	(6 048)	(2 247)	–	(3 801)
Reinsurance contract liabilities	10.1	**4 903**	**1 460**	**–**	**3 443**	5 185	2 226	–	2 959
Reinsurance contract assets	10.1	**(10 650)**	**(5 295)**	**–**	**(5 355)**	(11 233)	(4 473)	–	(6 760)
Net carrying amount		**253 054**	**136 114**	**80 590**	**36 350**	212 770	107 053	74 972	30 745

8.2 Summary of result from insurance contracts

	2025				2024			
		Life insurance				Life insurance		
R million	Total	Risk business[1]	Savings business[2]	General insurance[3]	Total	Risk business[1]	Savings business[2]	General insurance[3]
Insurance service result	**13 899**	**6 486**	**728**	**6 685**	13 110	7 949	862	4 299
Insurance revenue	**102 903**	**52 109**	**2 059**	**48 735**	94 462	48 195	2 101	44 166
Insurance service expenses	**(81 322)**	**(42 825)**	**(1 331)**	**(37 166)**	(76 338)	(40 042)	(1 239)	(35 057)
Income or expense from reinsurance contracts	**(7 682)**	**(2 798)**	**–**	**(4 884)**	(5 014)	(204)	–	(4 810)
Insurance investment result	**1 541**	**2 156**	**323**	**(938)**	1 893	3 638	(588)	(1 157)
Result from insurance contracts (including profit from discontinued operations)	**15 440**	**8 642**	**1 051**	**5 747**	15 003	11 587	274	3 142
Profit from discontinued operations	**–**				375			
Result from insurance contracts	**15 440**				14 628			

[1] *Refer to note 11.2 for additional information.*
[2] *Refer to note 11.3 for additional information.*
[3] *Refer to note 11.4 for additional information.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

8 Insurance and reinsurance contract carrying amounts continued

8.3 Reconciliation of net carrying amount per valuation component: Total

R million	Insurance				Reinsurance			
	Total	Best estimate of future cash flows[1]	Risk adjustment for non-financial risk	Contractual service margin[4]	Total	Best estimate of future cash flows[1]	Risk adjustment for non-financial risk	Contractual service margin[4]
2025								
Recognised in statement of comprehensive income[2]	**22 510**	**20 883**	**2 526**	**(899)**	**7 447**	**5 727**	**721**	**999**
Changes that relate to current service	**(22 320)**	**(14 926)**	**(805)**	**(6 589)**	**8 283**	**6 107**	**77**	**2 099**
Contracts measured under the premium allocation approach	**(14 128)**	**(14 832)**	**704**	**–**	**5 549**	**5 862**	**(313)**	**–**
Contracts not measured under the premium allocation approach	**(8 192)**	**(94)**	**(1 509)**	**(6 589)**	**2 734**	**245**	**390**	**2 099**
Recognition of contractual service margin for services provided or received	**(6 589)**	**–**	**–**	**(6 589)**	**2 099**	**–**	**–**	**2 099**
Release of risk adjustment for risk expired	**(1 509)**	**–**	**(1 509)**	**–**	**390**	**–**	**390**	**–**
Experience adjustments and other amounts[3]	**(94)**	**(94)**	**–**	**–**	**245**	**245**	**–**	**–**
Changes that relate to future service	**(123)**	**(2 795)**	**52**	**2 620**	**(15)**	**(35)**	**305**	**(285)**
New contracts recognised during the period[4]	**189**	**(3 343)**	**1 178**	**2 354**	**(35)**	**68**	**(23)**	**(80)**
Changes in estimates recognised in the contractual service margin	**–**	**555**	**(821)**	**266**	**–**	**(103)**	**328**	**(225)**
Changes in estimates recognised in profit or loss[5]	**(312)**	**(7)**	**(305)**	**–**	**20**	**–**	**–**	**20**
Changes in incurred claims related to past service	**877**	**428**	**449**	**–**	**(585)**	**(1 088)**	**503**	**–**
Net finance (income) or expense	**44 076**	**38 176**	**2 830**	**3 070**	**(236)**	**743**	**(164)**	**(815)**
Impact of unwinding discount rates and financial assumption changes	**44 076**	**38 176**	**2 830**	**3 070**	**(236)**	**743**	**(164)**	**(815)**
Cash flow	**17 842**	**17 842**	**–**	**–**	**(7 148)**	**(7 148)**	**–**	**–**
Insurance premiums received and ceding premiums paid to reinsurers	**116 036**	**116 036**	**–**	**–**	**(13 745)**	**(13 745)**	**–**	**–**
Insurance claims paid and claims recovered from reinsurers[6]	**(75 467)**	**(75 467)**	**–**	**–**	**6 537**	**6 537**	**–**	**–**
Insurance acquisition cash flows paid	**(16 514)**	**(16 514)**	**–**	**–**	**–**			
Administration and other expenses paid[3]	**(6 213)**	**(6 213)**	**–**	**–**	**60**	**60**	**–**	**–**
Net movement for the year	**40 352**	**38 725**	**2 526**	**(899)**	**299**	**(1 421)**	**721**	**999**
Recognised in other comprehensive income – foreign currency translation differences	**(486)**	**(457)**	**(10)**	**(19)**	**2**	**4**	**(2)**	**–**
Insurance contracts acquired through business combinations	**108**	**108**	**–**	**–**	**–**	**–**	**–**	**–**
Reclassified as non-current liabilities held for sale	**9**	**9**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at the beginning of the year	**218 818**	**170 566**	**12 383**	**35 869**	**(6 048)**	**5 306**	**(2 542)**	**(8 812)**
Balance at the end of the year	**258 801**	**208 951**	**14 899**	**34 951**	**(5 747)**	**3 889**	**(1 823)**	**(7 813)**

(1) Based on the liability for remaining coverage/remaining coverage component for the premium allocation approach.
(2) Includes the impact of recognising non-onerous contracts during the period and the impact of recognising changes in estimates in the contractual service margin, with a net zero impact on the total carrying amount. These impacts are shown in separate line items and therefore not included in this total in notes 9.2.2 and 9.3.
(3) Administration and other expenses paid and experience adjustments related to administration and other expenses, are not presented in notes 9.2, 9.3 and 9.4 for simplicity.
(4) Only relevant to contracts measured under the general model and variable fee approach.
(5) For insurance contracts, this represents increases and reversals of losses on onerous contracts, and for reinsurance contracts, changes in estimates adjusting the loss recovery component.
(6) The repayments of investment components in the period are included in this line item.

Sanlam Limited
Annual Financial Statements 2025

Notes to the group annual financial statements continued

for the year ended 31 December 2025

8 Insurance and reinsurance contract carrying amounts continued

8.3 Reconciliation of net carrying amount per valuation component: Total continued

R million	Insurance				Reinsurance			
	Total	Best estimate of future cash flows[1]	Risk adjustment for non-financial risk	Contractual service margin[2]	Total	Best estimate of future cash flows[1]	Risk adjustment for non-financial risk	Contractual service margin[2]
2024[2]								
Recognised in statement of comprehensive income[3]	10 452	9 423	(1 321)	2 350	4 876	6 103	277	(1 504)
Changes that relate to current service	(19 345)	(10 919)	(1 194)	(7 232)	4 613	1 812	664	2 137
Contracts measured under the premium allocation approach	(11 475)	(12 067)	592	–	4 704	4 720	(16)	–
Contracts not measured under the premium allocation approach	(7 870)	1 148	(1 786)	(7 232)	(91)	(2 908)	680	2 137
Recognition of contractual service margin for services (provided) or received[4]	(7 232)	–	–	(7 232)	2 137	–	–	2 137
Release of risk adjustment for risk expired	(1 786)	–	(1 786)	–	680	–	680	–
Experience adjustments and other amounts[5]	1 148	1 148	–	–	(2 908)	(2 908)	–	–
Changes that relate to future service	108	(6 069)	(661)	6 838	(26)	3 198	(321)	(2 903)
New contracts recognised during the period[2]	259	(6 710)	1 786	5 183	(22)	2 831	(455)	(2 398)
Changes in estimates recognised in the contractual service margin[6]	–	645	(2 300)	1 655	–	367	134	(501)
Changes in estimates recognised in profit or loss[7]	(151)	(4)	(147)	–	(4)	–	–	(4)
Changes in incurred claims related to past service	709	1 921	(1 212)	–	427	288	139	–
Net finance (income) or expense	28 980	24 490	1 746	2 744	(138)	805	(205)	(738)
Cash flow	11 340	11 340	–	–	(1 818)	(1 818)	–	–
Insurance premiums received and ceding premiums paid to reinsurers	113 301	113 301	–	–	(12 873)	(12 873)	–	–
Insurance claims paid and claims recovered from reinsurers[8]	(82 944)	(82 944)	–	–	11 050	11 050	–	–
Insurance acquisition cash flows paid	(13 134)	(13 134)	–	–	–	–	–	–
Administration and other expenses paid[5]	(5 883)	(5 883)	–	–	5	5	–	–
Net movement for the year	21 792	20 763	(1 321)	2 350	3 058	4 285	277	(1 504)
Recognised in other comprehensive income – foreign currency translation differences	24	21	–	3	2	3	–	(1)
Insurance contracts acquired through business combinations	(2 149)	(7 651)	2 110	3 392	(186)	(119)	(12)	(55)
Reclassified as non-current liabilities held for sale	15 255	14 391	472	392	(78)	(29)	(27)	(22)
Balance at the beginning of the year	183 896	143 042	11 122	29 732	(8 844)	1 166	(2 780)	(7 230)
Balance at the end of the year	218 818	170 566	12 383	35 869	(6 048)	5 306	(2 542)	(8 812)

(1) Based on the liability for remaining coverage/remaining coverage component for the premium allocation approach.
(2) Only relevant to contracts measured under the general model and variable fee approach.
(3) Includes the impact of recognising non–onerous contracts during the period and the impact of recognising changes in estimates in the contractual service margin, with a net zero impact on the total carrying amount. These impacts are shown in separate line items and therefore not included in this total in notes 9.2.2 and 9.3.
(4) The termination of the group's funeral joint venture arrangement with Capitec resulted in the derecognition of the insurance contract liabilities (including the CSM) as at 31 October 2024. This resulted in an increase in the contractual service margin (CSM) recognised as income in insurance revenue for insurance contracts.
(5) Administration and other expenses paid and experience adjustments related to administration and other expenses, are not presented in notes 9.2, 9.3 and 9.4 for simplicity.
(6) The Capitec transaction has also resulted in the CSM being adjusted to reflect the derecognition of the fulfilment cash flows (i.e. best estimate of future cash flows and the risk adjustment for non–financial risk) as at 31 October 2024. The release of the net negative fulfilment cash flows at the termination date (increasing the best estimate of future cash flows and reducing the risk adjustment) has been reflected as a net negative adjustment to the CSM (before recognition of the CSM as income in insurance revenue).
(7) For insurance contracts, this represents increases and reversals of losses on onerous contracts, and for reinsurance contracts, changes in estimates adjusting the loss recovery component.
(8) The repayments of investment components in the period are included in this line item.

Sanlam Limited
Annual Financial Statements 2025

Notes to the group annual financial statements continued

for the year ended 31 December 2025

9 Insurance contract carrying amount

9.1 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
2025												
Life insurance – Risk business	9.2	**139 949**	**119 545**	**78 122**	**11 259**	**30 611**	**20 404**	**19 615**	**789**	**119 545**	**118 924**	**621**
Premium allocation approach[1]		**13 857**	**(447)**	**–**	**–**	**–**	**14 304**	**13 650**	**654**	**(447)**	**(499)**	**52**
General model		**126 092**	**119 992**	**78 122**	**11 259**	**30 611**	**6 100**	**5 965**	**135**	**119 992**	**119 423**	**569**
Life insurance – Savings business	9.3	**80 590**	**79 602**	**74 808**	**488**	**4 306**	**988**	**960**	**28**	**79 602**	**79 488**	**114**
Variable fee approach		**80 590**	**79 602**	**74 808**	**488**	**4 306**	**988**	**960**	**28**	**79 602**	**79 488**	**114**
General insurance	9.4	**38 262**	**16 540**	**556**	**1**	**34**	**21 722**	**19 388**	**2 334**	**16 540**	**16 522**	**18**
Premium allocation approach[1]		**37 671**	**15 949**	**–**	**–**	**–**	**21 722**	**19 388**	**2 334**	**15 949**	**15 931**	**18**
General model		**591**	**591**	**556**	**1**	**34**	**–**	**–**	**–**	**591**	**591**	**–**
Net insurance contract carrying amount		**258 801**	**215 687**	**153 486**	**11 748**	**34 951**	**43 114**	**39 963**	**3 151**	**215 687**	**214 934**	**753**
Premium allocation approach[1]		**51 528**	**15 502**	**–**	**–**	**–**	**36 026**	**33 038**	**2 988**	**15 502**	**15 432**	**70**
General model		**126 683**	**120 583**	**78 678**	**11 260**	**30 645**	**6 100**	**5 965**	**135**	**120 583**	**120 014**	**569**
Variable fee approach		**80 590**	**79 602**	**74 808**	**488**	**4 306**	**988**	**960**	**28**	**79 602**	**79 488**	**114**
Net insurance contract carrying amount		**258 801**	**215 687**	**153 486**	**11 748**	**34 951**	**43 114**	**39 963**	**3 151**	**215 687**	**214 934**	**753**
Insurance contract liability balances		**275 455**	**235 121**	**184 073**	**6 912**	**27 726**	**40 333**	**37 245**	**3 088**	**235 121**	**234 292**	**829**
Insurance contract asset balances		**(16 654)**	**(19 434)**	**(30 587)**	**4 836**	**7 225**	**2 781**	**2 718**	**63**	**(19 434)**	**(19 358)**	**(76)**
Net insurance contract carrying amount		**258 801**	**215 687**	**153 486**	**11 748**	**34 951**	**43 114**	**39 963**	**3 151**	**215 687**	**214 934**	**753**
2024												
Life insurance – Risk business	9.2	109 300	91 279	50 404	9 997	31 340	18 021	17 257	764	91 279	90 618	661
Premium allocation approach[1]		12 418	(462)	–	–	–	12 880	12 235	645	(462)	(515)	53
General model		96 882	91 741	50 404	9 997	31 340	5 141	5 022	119	91 741	91 133	608
Life insurance – Savings business	9.3	74 972	74 480	69 505	481	4 494	492	463	29	74 480	74 407	73
Variable fee approach		74 972	74 480	69 505	481	4 494	492	463	29	74 480	74 407	73
General insurance	9.4	34 546	16 334	605	1	35	18 212	17 101	1 111	16 334	16 316	18
Premium allocation approach[1]		33 905	15 693	–	–	–	18 212	17 101	1 111	15 693	15 675	18
General model		641	641	605	1	35	–	–	–	641	641	–
Net insurance contract carrying amount		218 818	182 093	120 514	10 479	35 869	36 725	34 821	1 904	182 093	181 341	752
Premium allocation approach[1]		46 323	15 231	–	–	–	31 092	29 336	1 756	15 231	15 160	71
General model		97 523	92 382	51 009	9 998	31 375	5 141	5 022	119	92 382	91 774	608
Variable fee approach		74 972	74 480	69 505	481	4 494	492	463	29	74 480	74 407	73
Net insurance contract carrying amount		218 818	182 093	120 514	10 479	35 869	36 725	34 821	1 904	182 093	181 341	752
Insurance contract liability balances		232 554	197 991	146 416	6 305	29 167	34 563	32 696	1 867	197 991	197 333	658
Insurance contract asset balances		(13 736)	(15 898)	(25 902)	4 174	6 702	2 162	2 125	37	(15 898)	(15 992)	94
Net insurance contract carrying amount		218 818	182 093	120 514	10 479	35 869	36 725	34 821	1 904	182 093	181 341	752

[1] *For premium allocation approach the balance comprises the subtotal of liability for remaining coverage and the liability for incurred claims.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

9 Insurance contract carrying amount continued

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

9.2.1 Premium allocation approach

Reconciliation per valuation component

	2025						2024					
		Liability for remaining coverage		Incurred claims				Liability for remaining coverage		Incurred claims		
R million	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	(1 660)	(12 029)	(1)	10 370	10 359	11	(2 913)	(13 100)	(9)	10 196	10 192	4
Recognised in insurance revenue	(12 364)	(12 364)	–	–	–	–	(13 490)	(13 490)	–	–	–	–
Recognised in insurance service expenses	9 062	320	(1)	8 743	8 809	(66)	9 495	372	(9)	9 132	9 176	(44)
Claims incurred during the year (excluding investment component)	7 948	–	–	7 948	7 941	7	9 437	–	–	9 437	9 551	(114)
Changes in incurred claims related to past service	795	–	–	795	868	(73)	(305)	–	–	(305)	(375)	70
Increase and reversal of losses on onerous contracts	(1)	–	(1)	–	–	–	(9)	–	(9)	–	–	–
Insurance acquisition cash flows expensed	320	320	–	–	–	–	372	372	–	–	–	–
Insurance finance income or expenses	1 642	15	–	1 627	1 550	77	1 082	18	–	1 064	1 016	48
Cash flow	3 117	12 056	–	(8 939)	(8 939)	–	4 286	13 442	–	(9 156)	(9 156)	–
Premiums received during the year	12 402	12 402	–	–	–	–	13 840	13 840	–	–	–	–
Incurred claims – investment components	–	(5)	–	5	5	–	–	(26)	–	26	26	–
Claims paid during the year	(8 944)	–	–	(8 944)	(8 944)	–	(9 182)	–	–	(9 182)	(9 182)	–
Insurance acquisition cash flows paid	(341)	(341)	–	–	–	–	(372)	(372)	–	–	–	–
Net movement for the year	1 457	27	(1)	1 431	1 420	11	1 373	342	(9)	1 040	1 036	4
Recognised in other comprehensive income – foreign currency translation differences	(18)	(11)	–	(7)	(5)	(2)	7	17	–	(10)	(10)	–
Liabilities acquired through business combinations	–	–	–	–	–	–	48	–	51	(3)	–	(3)
Reclassified from/(to) non-current liabilities held for sale	–	–	–	–	–	–	208	(189)	11	386	172	214
Balance at the beginning of the year[1]	12 418	(515)	53	12 880	12 235	645	10 782	(685)	–	11 467	11 037	430
Balance at the end of the year[2]	13 857	(499)	52	14 304	13 650	654	12 418	(515)	53	12 880	12 235	645

[1] *Balance at the beginning of the year includes insurance contract assets of R69 million (2023: R18 million) and insurance contract liabilities of R12 487 million (2023: R10 800 million).*
[2] *Balance at the end of the year includes insurance contract assets of R42 million and insurance contract liabilities of R13 899 million.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

9 Insurance contract carrying amount continued

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

9.2.2 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	Fair value transition approach	Other[1]	Total	Excluding loss component	Loss component	Incurred claims
2025										
Non-onerous contracts recognised during the year[2]	–	(3 218)	1 071	2 147	–	2 147	–	–	–	–
Recognised in statement of comprehensive income	17 731	19 458	1 029	(2 756)	(416)	(2 340)	17 731	(6 807)	(38)	24 576
Recognised in insurance revenue[3]	(35 575)	(28 303)	(1 450)	(5 822)	(1 490)	(4 332)	(35 575)	(35 356)	(219)	–
Expected incurred claims excluding investment components	(26 311)	(26 311)	–	–	–	–	(26 311)	(26 167)	(144)	-
Expected administration and other expenses	(2 642)	(2 642)	–	–	–	–	(2 642)	(2 588)	(54)	-
Release of risk adjustment for risk expired	(1 450)	–	(1 450)	–	–	–	(1 450)	(1 429)	(21)	–
Recognition of contractual service margin for services provided	(5 822)	–	–	(5 822)	(1 490)	(4 332)	(5 822)	(5 822)	–	–
Premium experience adjustments related to current service and other amounts	438	438	–	–	–	–	438	438	–	–
Amounts related to income tax that are specifically chargeable to the policyholder	212	212	–	–	–	–	212	212	–	–
Recognised in insurance service expenses[3]	24 020	24 279	(259)	–	–	–	24 020	–	(196)	24 216
Claims incurred during the year (excluding investment component)	24 358	24 358	–	–	–	–	24 358	–	–	24 358
Expected incurred claims excluding investment components	26 311	26 311	–	–	–	–	26 311	–	–	26 311
Experience adjustment	(1 953)	(1 953)	–	–	–	–	(1 953)	–	–	(1 953)
Changes in incurred claims related to past service[4]	(142)	(154)	12	–	–	–	(142)	–	–	(142)
Initial loss on onerous contracts recognised during the year[2]	178	116	62	–	–	–	178	–	178	–
Increase and reversal of losses on onerous contracts[2]	(374)	(41)	(333)	–	–	–	(374)	–	(374)	–
Insurance finance income or expenses – impact of unwinding discount rates and financial assumption changes	29 286	23 482	2 738	3 066	1 074	1 992	29 286	28 549	377	360
Changes in estimates recognised in contractual service margin[2]	–	933	(819)	(114)	(564)	450	–	–	–	–
Cash flow	11 553	11 553	–	–	–	–	11 553	35 171	–	(23 618)
Premiums received during the year	43 161	43 161	–	–	–	–	43 161	43 161	–	–
Incurred claims – investment components	–	–	–	–	–	–	–	(1 024)	–	1 024
Claims paid during the year[5]	(24 642)	(24 642)	–	–	–	–	(24 642)	–	–	(24 642)
Insurance acquisition cash flows paid	(6 966)	(6 966)	–	–	–	–	(6 966)	(6 966)	–	–
Net movement for the year	29 284	28 726	1 281	(723)	(980)	257	29 284	28 364	(38)	958
Recognised in other comprehensive income – foreign currency translation differences	(74)	(65)	(3)	(6)	(2)	(4)	(74)	(74)	(1)	1
Balance at the beginning of the year [6]	96 882	55 426	10 116	31 340	9 972	21 368	96 882	91 133	608	5 141
Balance at the end of the period[7]	126 092	84 087	11 394	30 611	8 990	21 621	126 092	119 423	569	6 100

[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 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).*
[6] *Balance at the beginning of the year includes insurance contract assets of R13 175 million (2023: R9 052 million) and insurance contract liabilities of R110 057 million (2023: R84 670 million).*
[7] *Balance at the end of the year includes insurance contract assets of R16 283 million and insurance contract liabilities of R142 375 million.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

9 Insurance contract carrying amount continued

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

9.2.2 General model 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
2024										
Non-onerous contracts recognised during the year[2]	–	(6 433)	1 588	4 845	–	4 845	–	–	–	–
Recognised in statement of comprehensive income	6 369	10 203	(138)	(3 696)	(697)	(2 999)	6 369	(15 634)	48	21 955
Recognised in insurance revenue[3]	(31 634)	(23 448)	(1 748)	(6 438)	(1 667)	(4 771)	(31 634)	(31 514)	(120)	–
Expected incurred claims excluding investment components	(23 244)	(23 244)	–	–	–	–	(23 244)	(23 161)	(83)	–
Expected administration and other expenses	(2 015)	(2 015)	–	–	–	–	(2 015)	(1 986)	(29)	–
Release of risk adjustment for risk expired	(1 748)	–	(1 748)	–	–	–	(1 748)	(1 740)	(8)	–
Recognition of contractual service margin for services provided[4]	(6 438)	–	–	(6 438)	(1 667)	(4 771)	(6 438)	(6 438)	–	–
Premium experience adjustments related to current service and other amounts[5]	1 825	1 825	–	–	–	–	1 825	1 825	–	–
Amounts related to income tax that are specifically chargeable to the policyholder	(14)	(14)	–	–	–	–	(14)	(14)	–	–
Recognised in insurance service expenses[3]	21 798	21 808	(10)	–	–	–	21 798	–	50	21 748
Claims incurred during the year (excluding investment component)	21 911	21 911	–	–	–	–	21 911	–	–	21 911
Expected incurred claims excluding investment components	23 244	23 244	–	–	–	–	23 244	–	–	23 244
Experience adjustment	(1 333)	(1 333)	–	–	–	–	(1 333)	–	–	(1 333)
Changes in incurred claims related to past service[6]	(163)	(165)	2	–	–	–	(163)	–	–	(163)
Initial loss on onerous contracts recognised during the year[2]	252	118	134	–	–	–	252	–	252	–
Increase and reversal of losses on onerous contracts[2]	(202)	(56)	(146)	–	–	–	(202)	–	(202)	–
Insurance finance income or expenses – impact of unwinding discount rates and financial assumption changes	16 205	11 843	1 620	2 742	970	1 772	16 205	15 880	118	207
Changes in estimates recognised in contractual service margin[2][7]	–	880	(2 257)	1 377	175	1 202	–	–	–	–
Cash flow	15 960	15 960	–	–	–	–	15 960	37 265	–	(21 305)
Premiums received during the year	43 392	43 392	–	–	–	–	43 392	43 392	–	–
Incurred claims – investment components	–	–	–	–	–	–	–	(767)	–	767
Claims paid during the year[8]	(22 072)	(22 072)	–	–	–	–	(22 072)	–	–	(22 072)
Insurance acquisition cash flows paid	(5 360)	(5 360)	–	–	–	–	(5 360)	(5 360)	–	–
Net movement for the year	22 329	20 610	(807)	2 526	(522)	3 048	22 329	21 631	48	650
Recognised in other comprehensive income – foreign currency translation differences	25	25	–	–	4	(4)	25	20	–	5
Liabilities acquired through business combinations	(2 410)	(7 903)	2 103	3 390	222	3 168	(2 410)	(3 133)	–	723
Reclassified as non-current liabilities held for sale	1 320	1 253	53	14	(13)	27	1 320	1 577	22	(279)
Balance at the beginning of the year	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 year[9]	96 882	55 426	10 116	31 340	9 972	21 368	96 882	91 133	608	5 141

[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 arrangement with Capitec resulted in the derecognition of the insurance contract liabilities (including the CSM) as at 31 October 2024. This resulted in an increase in the contractual service margin (CSM) recognised as income in insurance revenue.

[5] The Capitec recapture fee of R1,88 billion has been recognised as income in insurance revenue for insurance contracts issued, presented as a reduction in the best estimate of future cash flows in this reconciliation. The Capitec termination has also resulted in an inter-company transfer between Sanlam Developing Markets (for insurance contracts issued) and Centriq (for reinsurance contracts held) – this has resulted in an increase in the best estimate of future cash flows for insurance contracts issued, however, with an offsetting impact for reinsurance contracts held in note 10.2.2 and therefore a net zero impact for the group on a net of reinsurance basis.

[6] Relates to past service. Line items without a superscript relate to current service.

[7] The Capitec transaction has also resulted in the CSM being adjusted to reflect the derecognition of the fulfilment cash flows (i.e. best estimate of future cash flows and the risk adjustment for non-financial risk) as at 31 October 2024. The release of the net negative fulfilment cash flows at the termination date (increasing the best estimate of future cash flows and reducing the risk adjustment) has been reflected as a net negative adjustment to the CSM (before recognition of the CSM as income in insurance revenue).

[8] 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).

[9] Balance at the end of the year includes insurance contract assets of R13 175 million (2023: R9 052 million) and insurance contract liabilities of R110 057 million (2023: R84 670 million)

Sanlam Limited
Annual Financial Statements 2025

Notes to the group annual financial statements continued

for the year ended 31 December 2025

9 Insurance contract carrying amount continued

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

Variable fee approach

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	Fair value transition approach	Other[1]	Total	Excluding loss component	Loss component	Incurred claims
2025										
Non-onerous contracts recognised during the year[2]	–	(252)	45	207	–	207	–	–	–	–
Recognised in statement of comprehensive income	9 671	10 465	(32)	(762)	(464)	(298)	9 671	9 092	71	508
Recognised in insurance revenue[3]	(1 951)	(1 130)	(59)	(762)	(464)	(298)	(1 951)	(1 948)	(3)	–
Expected incurred claims excluding investment components	(303)	(303)	–	–	–	–	(303)	(301)	(2)	–
Expected administration and other expenses	(646)	(646)	–	–	–	–	(646)	(645)	(1)	–
Release of risk adjustment for risk expired	(59)	–	(59)	–	–	–	(59)	(59)	–	–
Recognition of contractual service margin for services provided	(762)	–	–	(762)	(464)	(298)	(762)	(762)	–	–
Premium experience adjustments related to current service and other amounts	(56)	(56)	–	–	–	–	(56)	(56)	–	–
Amounts related to income tax that are specifically chargeable to the policyholder	(125)	(125)	–	–	–	–	(125)	(125)	–	–
Recognised in insurance service expenses[3]	581	554	27	–	–	–	581	–	74	507
Claims incurred during the year (excluding investment component)	522	522	–	–	–	–	522	–	–	522
Expected incurred claims excluding investment components	303	303	–	–	–	–	303	–	–	303
Experience adjustment	219	219	–	–	–	–	219	–	–	219
Changes in incurred claims related to past service[4]	(15)	(14)	(1)	–	–	–	(15)	–	–	(15)
Initial loss on onerous contracts recognised during the year[2]	11	11	–	–	–	–	11	–	11	–
Increase and reversal of losses on onerous contracts[2]	63	35	28	–	–	–	63	–	63	–
Insurance finance income or expenses – fair value returns on underlying items and finance amounts and related incurred claims[5]	11 041	11 041	–	–	–	–	11 041	11 040	–	1
Changes in estimates recognised in contractual service margin[2]	–	(378)	(2)	380	115	265	–	–	–	–
Cash flow	(3 659)	(3 659)	–	–	–	–	(3 659)	(3 638)	–	(21)
Premiums received during the year	10 242	10 242	–	–	–	–	10 242	10 242	–	–
Incurred claims – investment components	–	–	–	–	–	–	–	(13 680)	–	13 680
Claims paid during the year[6]	(13 701)	(13 701)	–	–	–	–	(13 701)	–	–	(13 701)
Insurance acquisition cash flows paid	(200)	(200)	–	–	–	–	(200)	(200)	–	–
Net movement for the year	6 012	6 176	11	(175)	(349)	174	6 012	5 454	71	487
Recognised in other comprehensive income – foreign currency translation differences	(394)	(376)	(5)	(13)	(13)	–	(394)	(373)	(30)	9
Balance at the beginning of the year [7]	74 972	69 968	510	4 494	3 127	1 367	74 972	74 407	73	492
Balance at the end of the year[8]	80 590	75 768	516	4 306	2 765	1 541	80 590	79 488	114	988

(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).
(7) Balance at the beginning of the year includes insurance contract assets of R0 million (2023: R0 million) and insurance contract liabilities of R74 972 million (2023: R65 184 million).
(8) Balance at the end of the year includes insurance contract assets of R0 million and insurance contract liabilities of R80 590 million.

Sanlam Limited
Annual Financial Statements 2025

Notes to the group annual financial statements continued

for the year ended 31 December 2025

9 Insurance contract carrying amount continued

9.3 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
2024										
Non-onerous contracts recognised during the year[2]	–	(402)	64	338	–	338	–	–	–	–
Recognised in statement of comprehensive income	7 840	8 665	(39)	(786)	(545)	(241)	7 840	7 450	67	323
Recognised in insurance revenue[3]	(2 017)	(1 193)	(38)	(786)	(545)	(241)	(2 017)	(2 017)	–	–
Expected incurred claims excluding investment components	(275)	(275)	–	–	–	–	(275)	(275)	–	–
Expected administration and other expenses	(705)	(705)	–	–	–	–	(705)	(705)	–	–
Release of risk adjustment for risk expired	(38)	–	(38)	–	–	–	(38)	(38)	–	–
Recognition of contractual service margin for services provided	(786)	–	–	(786)	(545)	(241)	(786)	(786)	–	–
Premium experience adjustments related to current service and other amounts	(65)	(65)	–	–	–	–	(65)	(65)	–	–
Amounts related to income tax that are specifically chargeable to the policyholder	(148)	(148)	–	–	–	–	(148)	(148)	–	–
Recognised in insurance service expenses[3]	389	390	(1)	–	–	–	389	–	67	322
Claims incurred during the year (excluding investment component)	352	352	–	–	–	–	352	–	–	352
Expected incurred claims excluding investment components	275	275	–	–	–	–	275	–	–	275
Experience adjustment	77	77	–	–	–	–	77	–	–	77
Changes in incurred claims related to past service[4]	(30)	(30)	–	–	–	–	(30)	–	–	(30)
Initial loss on onerous contracts recognised during the year[2]	7	7	–	–	–	–	7	–	7	–
Increase and reversal of losses on onerous contracts[2]	60	61	(1)	–	–	–	60	–	60	–
Insurance finance income or expenses – fair value returns on underlying items and finance amounts related to incurred claims[5]	9 468	9 468	–	–	–	–	9 468	9 467	–	1
Fair value returns on underlying items and finance amounts related to incurred claims	9 468	9 468	–	–	–	–	9 468	9 467	–	1
Changes in estimates recognised in contractual service margin[2]	–	(235)	(43)	278	105	173	–	–	–	–
Cash flow	(12 128)	(12 128)	–	–	–	–	(12 128)	(11 729)	–	(399)
Premiums received during the year	7 813	7 813	–	–	–	–	7 813	7 813	–	–
Incurred claims – investment components	–	–	–	–	–	–	–	(19 303)	–	19 303
Claims paid during the year[6]	(19 702)	(19 702)	–	–	–	–	(19 702)	–	–	(19 702)
Insurance acquisition cash flows paid	(239)	(239)	–	–	–	–	(239)	(239)	–	–
Net movement for the year	(4 288)	(4 100)	(18)	(170)	(440)	270	(4 288)	(4 279)	67	(76)
Recognised in other comprehensive income – foreign currency translation differences	(18)	(21)	–	3	4	(1)	(18)	(12)	1	(7)
Liabilities acquired through business combinations	195	183	10	2	2	–	195	192	–	3
Reclassified as non-current liabilities held for sale	13 899	13 316	205	378	352	26	13 899	14 313	5	(419)
Balance at the beginning of the year	65 184	60 590	313	4 281	3 209	1 072	65 184	64 193	–	991
Balance at the end of the year[7]	74 972	69 968	510	4 494	3 127	1 367	74 972	74 407	73	492

(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).

(7) Balance at the end of the year includes insurance contract assets of R0 million (2023: R0 million) and insurance contract liabilities of R74 972 million (2023: R65 184 million).

Sanlam Limited
Annual Financial Statements 2025

Notes to the group annual financial statements continued

for the year ended 31 December 2025

9 Insurance contract carrying amount continued

9.4 Reconciliation of net carrying amount: General Insurance

9.4.1 Premium allocation approach

Reconciliation per valuation component

	2025						2024					
		Liability for remaining coverage		Incurred claims				Liability for remaining coverage		Incurred claims		
R million	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	(9 560)	(40 251)	–	30 691	29 468	1 223	(6 985)	(36 458)	–	29 473	29 973	(500)
Recognised in insurance revenue	(48 621)	(48 621)	–	–	–	–	(44 068)	(44 068)	–	–	–	–
Recognised in insurance service expenses	37 039	6 950	–	30 089	28 881	1 208	34 938	6 423	–	28 515	29 093	(578)
Claims incurred during the year (excluding investment component)	29 850	–	–	29 850	29 153	697	27 308	–	–	27 308	26 602	706
Changes in incurred claims related to past service	239	–	–	239	(272)	511	1 207	–	–	1 207	2 491	(1 284)
Insurance acquisition cash flows expensed	6 950	6 950	–	–	–	–	6 423	6 423	–	–	–	–
Insurance finance income or expenses	2 022	1 420	–	602	587	15	2 145	1 187	–	958	880	78
Cash flow	13 193	40 390	–	(27 197)	(27 197)	–	9 243	40 007	–	(30 773)	(30 773)	–
Premiums received during the year	50 231	50 231	–	–	–	–	48 256	48 256	–	–	–	–
Incurred claims – investment components	–	(856)	–	856	856	–	–	(1 101)	–	1 101	1 101	–
Claims paid during the year	(28 053)	–	–	(28 053)	(28 053)	–	(31 874)	–	–	(31 874)	(31 874)	–
Insurance acquisition cash flows paid	(8 985)	(8 985)	–	–	–	–	(7 148)	(7 148)	–	–	–	–
Net movement for the year	3 633	139	–	3 494	2 271	1 223	2 249	3 549	–	(1 300)	(800)	(500)
Liabilities acquired through business combinations	124	108	–	16	16	–	18	–	18	–	–	–
Reclassified as non-current liabilities held for sale	9	9	–	–	–	–	–	–	–	–	–	–
Balance at the beginning of the year[1]	33 905	15 675	18	18 212	17 101	1 111	31,638	12 126	–	19 512	17 901	1 611
Balance at the end of the year[2]	37 671	15 931	18	21 722	19 388	2 334	33 905	15 675	18	18 212	17 101	1 111

[1] *Balance at the beginning of the year includes insurance contract assets of R492 million (2023: R408 million) and insurance contract liabilities of R34 397 million (2023: R32 046 million).*
[2] *Balance at the end of the year includes insurance contract assets of R329 million and insurance contract liabilities of R38 000 million.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

9 Insurance contract carrying amount continued

9.4 Reconciliation of net carrying amount: General Insurance continued

9.4.2 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
2025								
Recognised in statement of comprehensive income	**99**	**100**	**–**	**(1)**	**(1)**	**99**	**(28)**	**127**
Recognised in insurance revenue[2]	**(114)**	**(109)**	**–**	**(5)**	**(5)**	**(114)**	**(114)**	**–**
Expected incurred claims excluding investment components	**(127)**	**(127)**	**–**	**–**	**–**	**(127)**	**(127)**	**–**
Recognition of contractual service margin for services provided	**(5)**	**–**	**–**	**(5)**	**(5)**	**(5)**	**(5)**	**–**
Premium experience adjustments related to current service and other amounts	**18**	**18**	**–**	**–**	**–**	**18**	**18**	**–**
Recognised in insurance service expenses[2]	**127**	**127**	**–**	**–**	**–**	**127**	**–**	**127**
Claims incurred during the year (excluding investment component)[3]	**127**	**127**	**–**	**–**	**–**	**127**	**–**	**127**
Expected incurred claims excluding investment components	**127**	**127**	**–**	**–**	**–**	**127**	**–**	**127**
Insurance finance income or expenses – impact of unwinding discount rates and financial assumption changes	**86**	**82**	**–**	**4**	**4**	**86**	**86**	**–**
Changes in estimates recognised in contractual service margin								
Cash flow	**(149)**	**(149)**	**–**	**–**	**–**	**(149)**	**(22)**	**(127)**
Claims paid during the year[4]	**(127)**	**(127)**	**–**	**–**	**–**	**(127)**	**–**	**(127)**
Insurance acquisition cash flows	**(22)**	**(22)**	**–**	**–**	**–**	**(22)**	**(22)**	**–**
Net movement for the year	**(50)**	**(49)**	**–**	**(1)**	**(1)**	**(50)**	**(50)**	**–**
Balance at the beginning of the year[5]	**641**	**605**	**1**	**35**	**35**	**641**	**641**	**–**
Balance at the end of the year[6]	**591**	**556**	**1**	**34**	**34**	**591**	**591**	**–**

(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).

(5) Balance at the beginning of the year includes insurance contract assets of R0 million (2023: R0 million) and insurance contract liabilities ofR641 million (2023: R674 million)

(6) Balance at the end of the year includes insurance contract assets of R0 million and insurance contract liabilities of R591 million.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

9 Insurance contract carrying amount continued

9.4 Reconciliation of net carrying amount: General Insurance continued

9.4.2 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	Contractual service margin: Other[1]	Liability for remaining coverage: Total	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Incurred claims
2024								
Recognised in statement of comprehensive income	96	102	–	(6)	(6)	96	(18)	114
Recognised in insurance revenue[2]	(98)	(90)	–	(8)	(8)	(98)	(98)	–
Expected incurred claims excluding investment components	(90)	(90)	–	–	–	(90)	(90)	–
Recognition of contractual service margin for services provided	(8)	–	–	(8)	(8)	(8)	(8)	–
Recognised in insurance service expenses[2]	114	114	–	–	–	114	–	114
Claims incurred during the year (excluding investment component)[3]	114	114	–	–	–	114	–	114
Expected incurred claims excluding investment components	90	90	–	–	–	90	–	90
Experience adjustment	24	24	–	–	–	24	–	24
Insurance finance income or expenses– impact of unwinding discount rates and financial assumption changes	80	78	–	2	2	80	80	–
Cash flow	(129)	(129)	–	–	–	(129)	(15)	(114)
Claims paid during the year[4]	(114)	(114)	–	–	–	(114)	–	(114)
Insurance acquisition cash flows	(15)	(15)	–	–	–	(15)	(15)	–
Net movement for the year	(33)	(27)	–	(6)	(6)	(33)	(33)	–
Balance at the beginning of the year	674	632	1	41	41	674	674	–
Balance at the end of the year[5]	641	605	1	35	35	641	641	–

(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).

(5) Balance at the end of the year include insurance contract liabilities of R641 million (2023: R674 million).

Notes to the group annual financial statements continued

for the year ended 31 December 2025

9 Insurance contract carrying amount continued

9.5 Carrying value of new insurance contracts issued during the year

	2025			2024			
R million	**Total**	**Groups of contracts that are expected to be profitable at initial recognition**	**Groups of contracts that are onerous at initial recognition**	Total	Groups of contracts that are expected to be profitable at initial recognition	Groups of contracts that are onerous at initial recognition	Groups of contracts acquired through business combinations
Estimate of the present value of future cash inflows	**(32 321)**	**(31 016)**	**(1 305)**	(80 926)	(45 744)	(2 789)	(32 393)
Estimate of the present value of future cash outflows (excluding insurance acquisition cash flows)	**22 238**	**21 080**	**1 158**	61 056	34 249	2 135	24 672
Insurance acquisition cash flows	**6 740**	**6 466**	**274**	5 430	4 651	779	–
Risk adjustment for non-financial risk	**1 178**	**1 116**	**62**	3 902	1 654	134	2 114
Contractual service margin	**2 354**	**2 354**	**–**	8 582	5 190	–	3 392
Net carrying amount of insurance contracts issued during the year	**189**	**–**	**189**	(1 956)	–	259	(2 215)
Analysis per line of business				–	–	–	–
Life insurance – Risk business	**178**	**–**	**178**	(2 158)	–	252	(2 410)
Estimate of the present value of future cash inflows	**(31 500)**	**(30 333)**	**(1 167)**	(79 364)	(44 448)	(2 523)	(32 393)
Estimate of the present value of future cash outflows (excluding insurance acquisition cash flows)	**21 811**	**20 758**	**1 053**	59 606	33 200	1 917	24 489
Insurance acquisition cash flows	**6 587**	**6 357**	**230**	5 532	4 808	724	–
Risk adjustment for non-financial risk	**1 133**	**1 071**	**62**	3 827	1 589	134	2 104
Contractual service margin	**2 147**	**2 147**	**–**	8 241	4 851	–	3 390
Life insurance – Savings business	**11**	**–**	**11**	202	–	7	195
Estimate of the present value of future cash inflows	**(821)**	**(683)**	**(138)**	(1 562)	(1 296)	(266)	–
Estimate of the present value of future cash outflows (excluding insurance acquisition cash flows)	**427**	**322**	**105**	1 450	1 049	218	183
Insurance acquisition cash flows	**153**	**109**	**44**	(102)	(157)	55	–
Risk adjustment for non-financial risk	**45**	**45**	**–**	75	65	–	10
Contractual service margin	**207**	**207**	**–**	341	339	–	2
Net carrying amount of insurance contracts issued during the year	**189**	**–**	**189**	(1 956)	–	259	(2 215)

Notes to the group annual financial statements continued

for the year ended 31 December 2025

9 Insurance contract carrying amount continued

9.6 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
2025							
Balance at the beginning of the year	**30 611**	**27 513**	**25 363**	**23 560**	**22 023**	**20 758**	**16 981**
Accretion of interest on liabilities under the general model	**2 503**	**2 802**	**2 663**	**2 542**	**2 492**	**11 739**	**32 090**
Recognised in statement of comprehensive income	**(5 601)**	**(4 952)**	**(4 466)**	**(4 079)**	**(3 757)**	**(15 516)**	**(49 071)**
Balance at the end of the year	**27 513**	**25 363**	**23 560**	**22 023**	**20 758**	**16 981**	**–**
2024							
Balance at the beginning of the year	31 340	28 037	25 328	23 489	21 937	20 612	16 787
Accretion of interest on liabilities under the general model	2 506	2 313	2 644	2 525	2 420	11 475	31 434
Recognised in statement of comprehensive income	(5 809)	(5 022)	(4 483)	(4 077)	(3 745)	(15 300)	(48 221)
Balance at the end of the year	28 037	25 328	23 489	21 937	20 612	16 787	–

Life insurance – Savings business

	Years						
R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10	>10
2025							
Balance at the beginning of the year	**4 306**	**3 998**	**3 696**	**3 441**	**3 206**	**2 975**	**2 044**
Allocation of investment return to contracts under the variable fee approach	**402**	**363**	**364**	**339**	**299**	**1 125**	**2 836**
Recognised in statement of comprehensive income	**(710)**	**(665)**	**(619)**	**(574)**	**(530)**	**(2 056)**	**(4 880)**
Balance at the end of the year	**3 998**	**3 696**	**3 441**	**3 206**	**2 975**	**2 044**	**–**
2024							
Balance at the beginning of the year	4 494	4 231	3 978	3 725	3 500	3 298	2 391
Allocation of investment return to contracts under the variable fee approach	480	456	416	405	391	1 485	3 958
Recognised in statement of comprehensive income	(743)	(709)	(669)	(630)	(593)	(2 392)	(6 349)
Balance at the end of the year	4 231	3 978	3 725	3 500	3 298	2 391	–

General insurance

	Years						
R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10	>10
2025							
Balance at the beginning of the year	**34**	**28**	**22**	**15**	**6**	**–**	**–**
Accretion of interest on liabilities under the general model	**3**	**4**	**3**	**2**	**1**	**–**	**–**
Recognised in statement of comprehensive income	**(9)**	**(10)**	**(10)**	**(11)**	**(7)**	**–**	**–**
Balance at the end of the year	**28**	**22**	**15**	**6**	**–**	**–**	**–**
2024							
Balance at the beginning of the year	35	31	26	21	14	5	–
Accretion of interest on liabilities under the general model	4	3	4	3	2	1	–
Recognised in statement of comprehensive income	(8)	(8)	(9)	(10)	(11)	(6)	–
Balance at the end of the year	31	26	21	14	5	–	–

Total

	Years						
R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10	>10
2025							
Balance at the beginning of the year	**34 951**	**31 539**	**29 081**	**27 016**	**25 235**	**23 733**	**19 025**
Accretion of interest on liabilities under the general model	**2 506**	**2 806**	**2 666**	**2 544**	**2 493**	**11 739**	**32 090**
Allocation of investment return to contracts under the variable fee approach	**402**	**363**	**364**	**339**	**299**	**1 125**	**2 836**
Recognised in statement of comprehensive income	**(6 320)**	**(5 627)**	**(5 095)**	**(4 664)**	**(4 294)**	**(17 572)**	**(53 951)**
Balance at the end of the year	**31 539**	**29 081**	**27 016**	**25 235**	**23 733**	**19 025**	**–**
2024							
Balance at the beginning of the year	35 869	32 299	29 332	27 235	25 451	23 915	19 178
Accretion of interest on liabilities under the general model	2 510	2 316	2 648	2 528	2 422	11 476	31 434
Allocation of investment return to contracts under the variable fee approach	480	456	416	405	391	1 485	3 958
Recognised in statement of comprehensive income	(6 560)	(5 739)	(5 161)	(4 717)	(4 349)	(17 698)	(54 570)
Balance at the end of the year	32 299	29 332	27 235	25 451	23 915	19 178	–

Notes to the group annual financial statements continued

for the year ended 31 December 2025

9 Insurance contract carrying amount continued

9.7 Composition of the investment assets backing the underlying items for contracts measured under the variable fee approach

R million	2025	2024
Owner occupied properties	**39**	–
Investment properties	**2 303**	2 348
Financial investments	**75 186**	52 178
Equities and similar securities	**15 347**	12 529
Deposits and similar securities	**1 370**	1 773
Structured transactions	**1 143**	1 174
Interest-bearing investments	**34 013**	20 079
Government interest-bearing investments	**14 458**	9 119
Corporate interest-bearing investments	**18 364**	8 797
Other interest-bearing investments	**1 191**	2 163
Investment funds	**23 313**	16 623
Net working capital	**134**	12 771
Cash and cash equivalents	**3 108**	6 236
Underlying items for contracts with direct participating features	**80 770**	73 533

10 Reinsurance contract carrying amount

10.1 Analysis of net reinsurance contract carrying amount

Analysis per line of business and valuation method

		Remaining coverage component					Incurred claims component		
R million	Notes	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
2025									
Life insurance – Risk business	10.2	**(3 835)**	**334**	**9 619**	**(1 202)**	**(7 779)**	**(4 169)**	**(3 994)**	**(175)**
Premium allocation approach[1]		**(2 823)**	**(304)**	**–**	**–**	**–**	**(2 519)**	**(2 371)**	**(148)**
General model		**(1 012)**	**638**	**9 619**	**(1 202)**	**(7 779)**	**(1 650)**	**(1 623)**	**(27)**
General insurance	10.3	**(1 912)**	**3 506**	**2 003**	**(1)**	**(34)**	**(5 418)**	**(4 972)**	**(446)**
Premium allocation approach[1]		**(3 891)**	**1 538**	**–**	**–**	**–**	**(5 429)**	**(4 983)**	**(446)**
General model		**1 979**	**1 968**	**2 003**	**(1)**	**(34)**	**11**	**11**	**–**
Net reinsurance contract carrying amount		**(5 747)**	**3 840**	**11 622**	**(1 203)**	**(7 813)**	**(9 587)**	**(8 966)**	**(621)**
Premium allocation approach[1]		**(6 714)**	**1 234**	**–**	**–**	**–**	**(7 948)**	**(7 354)**	**(594)**
General model		**967**	**2 606**	**11 622**	**(1 203)**	**(7 813)**	**(1 639)**	**(1 612)**	**(27)**
Net reinsurance contract carrying amount		**(5 747)**	**3 840**	**11 622**	**(1 203)**	**(7 813)**	**(9 587)**	**(8 966)**	**(621)**
Reinsurance contract assets		**(10 650)**	**(1 337)**	**(1 333)**	**(306)**	**606**	**(9 313)**	**(8 693)**	**(620)**
Reinsurance contract liabilities		**4 903**	**5 177**	**12 955**	**(897)**	**(8 419)**	**(274)**	**(273)**	**(1)**
Net reinsurance contract carrying amount		**(5 747)**	**3 840**	**11 622**	**(1 203)**	**(7 813)**	**(9 587)**	**(8 966)**	**(621)**
2024									
Life insurance – Risk business	10.2	(2 247)	2 232	12 506	(1 760)	(8 777)	(4 479)	(4 311)	(168)
Premium allocation approach[1]		(2 293)	263	–	–	–	(2 556)	(2 411)	(145)
General model		46	1 969	12 506	(1 760)	(8 777)	(1 923)	(1 900)	(23)
General insurance	10.3	(3 801)	2 454	1 474	(1)	(35)	(6 255)	(5 642)	(613)
Premium allocation approach[1]		(5 250)	1 016	–	–	–	(6 266)	(5 653)	(613)
General model		1 449	1 438	1 474	(1)	(35)	11	11	–
Net reinsurance contract carrying amount		(6 048)	4 686	13 980	(1 761)	(8 812)	(10 734)	(9 953)	(781)
Premium allocation approach[1]		(7 543)	1 279	–	–	–	(8 822)	(8 064)	(758)
General model		1 495	3 407	13 980	(1 761)	(8 812)	(1 912)	(1 889)	(23)
Net reinsurance contract carrying amount		(6 048)	4 686	13 980	(1 761)	(8 812)	(10 734)	(9 953)	(781)
Reinsurance contract liabilities		5 185	5 736	14 435	(1 297)	(9 409)	(551)	(551)	–
Reinsurance contract assets		(11 233)	(1 050)	(455)	(464)	597	(10 183)	(9 402)	(781)
Net reinsurance contract carrying amount		(6 048)	4 686	13 980	(1 761)	(8 812)	(10 734)	(9 953)	(781)

[1] *For premium allocation approach the balance comprises the subtotal of liability for remaining coverage and the liability for incurred claims.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

10 Reinsurance contract carrying amount continued

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

10.2.1 Premium allocation approach

Reconciliation per valuation component

	2025					2024				
			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	**26**	**1 295**	**(1 269)**	**(1 265)**	**(4)**	(41)	842	(883)	(845)	(38)
Income or (expense) from reinsurance contracts[1]	**476**	**1 250**	**(774)**	**(793)**	**19**	136	676	(540)	(517)	(23)
Reinsurance expenses for the portion of ceded premiums recovered during the period	**1 309**	**1 309**	**–**	**–**	**–**	676	676	–	–	–
Claims incurred during the period (excluding investment components) recoverable from reinsurance contracts	**(765)**	**–**	**(765)**	**(762)**	**(3)**	(833)	–	(833)	(825)	(8)
Changes in incurred claims related to past service	**(9)**	**–**	**(9)**	**(31)**	**22**	293	–	293	308	(15)
Other income or (expense) from reinsurance contracts	**(59)**	**(59)**	**–**	**–**	**–**	–	–	–	–	–
Reinsurance finance income or (expense)	**(450)**	**45**	**(495)**	**(472)**	**(23)**	(177)	166	(343)	(328)	(15)
Cash flow	**(559)**	**(1 881)**	**1 322**	**1 322**	**–**	(145)	(1 067)	922	922	–
Premiums paid	**(1 799)**	**(1 799)**	**–**	**–**	**–**	(904)	(904)	–	–	–
Recoveries received under reinsurance contracts held	**1 180**	**–**	**1 180**	**1 180**	**–**	759	–	759	759	–
Incurred claims recoverable – investment components	**–**	**(142)**	**142**	**142**	**–**	–	(163)	163	163	–
Administration and other expenses	**60**	**60**	**–**	**–**	**–**	–	–	–	–	–
Net movement for the year	**(533)**	**(586)**	**53**	**57**	**(4)**	(186)	(225)	39	77	(38)
Recognised in other comprehensive income – foreign currency translation differences	**3**	**19**	**(16)**	**(17)**	**1**	4	(11)	15	15	–
Reclassified as non-current liabilities held for sale	**–**	**–**	**–**	**–**	**–**	(41)	(98)	57	74	(17)
Balance at the beginning of the year[2]	**(2 293)**	**263**	**(2 556)**	**(2 411)**	**(145)**	(2 070)	597	(2 667)	(2 577)	(90)
Balance at the end of the year[3]	**(2 823)**	**(304)**	**(2 519)**	**(2 371)**	**(148)**	(2 293)	263	(2 556)	(2 411)	(145)

[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. Refer to the income or expense from reinsurance contracts section in basis of presentation for further details.

[2] Balance at the beginning of the year includes reinsurance contract assets of R2 788 million (2023: R2 560 million) and reinsurance contract liabilities of R495 million (2023: R490 million).

[3] Balance at the end of the year includes reinsurance contract assets of R3 291 million and reinsurance contract liabilities of R468 million.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

10 Reinsurance contract carrying amount continued

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

10.2.2 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	Fair value transition approach	Other[3]	Total	Excluding loss recovery component	Loss recovery component	Incurred claims component
2025										
Contracts recognised during the year for future coverage	–	68	(23)	(45)	–	(45)	–	–	–	–
Recognised in statement of comprehensive income	1 988	468	252	1 268	(51)	1 319	1 988	9 728	(28)	(7 712)
Income or (expense) from reinsurance contracts	2 323	(143)	387	2 079	(61)	2 140	2 323	9 965	(15)	(7 627)
Recognition of contractual service margin for services received	2 094	–	–	2 094	(66)	2 160	2 094	2 094	–	–
Release of risk adjustment for risk expired	390	–	390	–	–	–	390	390	–	–
Premium experience adjustments related to current service and other amounts[2]	166	166	–	–	–	–	166	166	–	–
Expected incurred claims (excluding investment components) recoverable from reinsurance contracts	–	–	–	–	–	–	–	7 315	–	(7 315)
Claims experience adjustments related to current service	89	89	–	–	–	–	89	–	–	89
Changes in incurred claims related to past service[1]	(401)	(400)	(1)	–	–	–	(401)	–	–	(401)
Loss recovery component recognised during the year for future coverage[2]	(35)	–	–	(35)	–	(35)	(35)	–	(35)	–
Changes in estimates which adjust the loss recovery component[2]	20	–	–	20	5	15	20	–	20	–
Net costs of purchasing reinsurance contracts that relate to past events	–	2	(2)	–	–	–	–	–	–	–
Reinsurance finance income or (expenses) – impact of unwinding discount rates and financial assumption changes	(335)	611	(135)	(811)	10	(821)	(335)	(237)	(13)	(85)
Changes in estimates recognised in contractual service margin[2]	–	(103)	328	(225)	139	(364)	–	–	–	–
Cash flow	(3 045)	(3 045)	–	–	–	–	(3 045)	(11 028)	–	7 983
Premiums paid	(6 081)	(6 081)	–	–	–	–	(6 081)	(6 081)	–	–
Recoveries received under reinsurance contracts held	3 036	3 036	–	–	–	–	3 036	–	–	3 036
Incurred claims recoverable – investment components	–	–	–	–	–	–	–	(4 947)	–	4 947
Net movement for the year	(1 057)	(2 612)	557	998	88	910	(1 057)	(1 300)	(28)	271
Recognised in other comprehensive income – foreign currency translation differences	(1)	2	(3)	–	–	–	(1)	(3)	–	2
Balance at the beginning of the year	46	10 606	(1 783)	(8 777)	62	(8 839)	46	2 045	(76)	(1 923)
Balance at the end of the year[4]	(1 012)	7 996	(1 229)	(7 779)	150	(7 929)	(1 012)	742	(104)	(1 650)

(1) Relates to past service. Line items without a superscript relates to current service.
(2) Relates to future service. Line items without a superscript relates to current service.
(3) Other covers amounts for reinsurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for reinsurance contracts recognised subsequent to the transition date.
(4) Balance at the end of the year includes reinsurance contract assets of R2 004 million (2024: R1 685 million) and reinsurance contract liabilities of R992 million(2024: R1 731 million).

Notes to the group annual financial statements continued

for the year ended 31 December 2025

10 Reinsurance contract carrying amount continued

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

10.2.2 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[4]	Total	Excluding loss recovery component	Loss recovery component	Incurred claims component
2024										
Contracts recognised during the year for future coverage	–	2 831	(455)	(2 376)	–	(2 376)	–	–	–	–
Recognised in statement of comprehensive income	(124)	(2 025)	534	1 367	(41)	1 408	(124)	6 288	3	(6 415)
Income or (expense) from reinsurance contracts	68	(2 723)	688	2 103	(37)	2 140	68	6 454	(8)	(6 378)
Recognition of contractual service margin for services received	2 129	–	–	2 129	(51)	2 180	2 129	2 129	–	–
Premium experience adjustments related to current service and other amounts[2]	(2 873)	(2 873)	–	–	–	–	(2 873)	(2 873)	–	–
Release of risk adjustment for risk expired	680	–	680	–	–	–	680	680	–	–
Expected incurred claims (excluding investment components) recoverable from reinsurance contracts	–	–	–	–	–	–	–	6 536	–	(6 536)
Claims experience adjustments related to current service	(132)	(132)	–	–	–	–	(132)	–	–	(132)
Change in incurred claims related to past service[1]	290	282	8	–	–	–	290	–	–	290
Loss recovery component recognised during the year for future coverage[3]	(22)	–	–	(22)	–	(22)	(22)	–	(22)	–
Changes in estimates which adjust the loss recovery component[3]	(4)	–	–	(4)	14	(18)	(4)	–	(4)	–
Allocation of loss recovery component[3]	–	–	–	–	–	–	–	(18)	18	–
Reinsurance finance income or (expenses) – impact of unwinding discount rates and financial assumption changes	(192)	698	(154)	(736)	(4)	(732)	(192)	(166)	11	(37)
Changes in estimates recognised in contractual service margin[3]	–	367	134	(501)	204	(705)	–	–	–	–
Cash flow	698	698	–	–	–	–	698	(5 643)	–	6 341
Premiums paid	(4 904)	(4 904)	–	–	–	–	(4 904)	(4 904)	–	–
Recoveries received under reinsurance contracts held	5 597	5 597	–	–	–	–	5 597	–	–	5 597
Administration and other expenses	5	5	–	–	–	–	5	5	–	–
Incurred claims recoverable – investment components	–	–	–	–	–	–	–	(744)	–	744
Net movement for the year	574	1 871	213	(1 510)	163	(1 673)	574	645	3	(74)
Recognised in other comprehensive income – foreign currency translation differences	(2)	(1)	–	(1)	(1)	–	(2)	(14)	–	12
Acquired through business combinations	(186)	(119)	(12)	(55)	(15)	(40)	(186)	100	–	(286)
Reclassified as non-current liabilities held for sale	(37)	(5)	(10)	(22)	(25)	3	(37)	282	–	(319)
Balance at the beginning of the year	(303)	8 860	(1 974)	(7 189)	(60)	(7 129)	(303)	1 032	(79)	(1 256)
Balance at the end of the year[5]	46	10 606	(1 783)	(8 777)	62	(8 839)	46	2 045	(76)	(1 923)

(1) Relates to past service. Line items without a superscript relates to current service.
(2) The Capitec termination has also resulted in an inter-company transfer between Sanlam Developing Markets (for insurance contracts issued) and Centriq (for reinsurance contracts held) – this has resulted in a reduction in the best estimate of future cash flows for reinsurance contracts held, however, with an offsetting impact for insurance contracts issued in note 9.2.2 and therefore a net nil impact for the group on a net of reinsurance basis.
(3) Relates to future service. Line items without a superscript relates to current service.
(4) Other covers amounts for reinsurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for reinsurance contracts recognised subsequent to the transition date.
(5) Balance at the end of the year includes reinsurance contract assets ofR1 685 million (2023: R2 610 million) and reinsurance contract liabilities of R1 731 million (2023: R2 307 million).

Notes to the group annual financial statements continued

for the year ended 31 December 2025

10 Reinsurance contract carrying amount continued

10.3 Reconciliation of net carrying amount: General Insurance

10.3.1 Premium allocation approach

Reconciliation per valuation component

	2025					2024				
			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	**4 903**	**7 820**	**(2 917)**	**(3 084)**	**167**	4 805	8 436	(3 631)	(3 733)	102
Income or (expense) from reinsurance contracts[1]	**4 889**	**7 607**	**(2 718)**	**(2 890)**	**172**	4 705	8 247	(3 542)	(3 680)	138
Reinsurance expenses for the portion of ceded premiums recovered during the period	**7 607**	**7 607**	**–**	**–**	**–**	8 247	8 247	–	–	–
Claims incurred during the period (excluding investment components) recoverable from reinsurance contracts	**(2 543)**	**–**	**(2 543)**	**(2 233)**	**(310)**	(3 386)	–	(3 386)	(3 378)	(8)
Changes in incurred claims related to past service	**(175)**	**–**	**(175)**	**(657)**	**482**	(156)	–	(156)	(302)	146
Reinsurance finance income or (expense)	**14**	**213**	**(199)**	**(194)**	**(5)**	100	189	(89)	(53)	(36)
Cash flow	**(3 544)**	**(7 298)**	**3 754**	**3 754**	**–**	(2 104)	(8 285)	6 181	6 181	–
Premiums paid	**(5 865)**	**(5 865)**	**–**	**–**	**–**	(6 924)	(6 924)	–	–	–
Recoveries received under reinsurance contracts held	**2 321**	**–**	**2 321**	**2 321**	**–**	4 820	–	4 820	4 820	–
Incurred claims recoverable – investment components	**–**	**(1 433)**	**1 433**	**1 433**	**–**	–	(1 361)	1 361	1 361	–
Net movement for the year	**1 359**	**522**	**837**	**670**	**167**	2 701	151	2 550	2 448	102
Balance at the beginning of the year[2]	**(5 250)**	**1 016**	**(6 266)**	**(5 653)**	**(613)**	(7 951)	865	(8 816)	(8 101)	(715)
Balance at the end of the year[3]	**(3 891)**	**1 538**	**(5 429)**	**(4 983)**	**(446)**	(5 250)	1 016	(6 266)	(5 653)	(613)

(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. Refer to the income or expense from reinsurance contracts section in basis of presentation and for further details.

(2) Balance at the beginning of the year includes reinsurance contract assets of R6 760 million (2023: R13 349 million) and reinsurance contract liabilities of R1 510 million (2023: R1 082 million).

(3) Balance at the end of the year includes reinsurance contract assets of R5 355 million and reinsurance contract liabilities of R1 464 million.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

10 Reinsurance contract carrying amount continued

10.3 Reconciliation of net carrying amount: General Insurance continued

10.3.2 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: Other[1]	Remaining coverage component: Total	Remaining coverage component: Excluding loss recovery component	Remaining coverage component: Incurred claims component
2025								
Contracts recognised during the year for future coverage								
Recognised in statement of comprehensive income	530	529	–	1	1	530	656	(126)
Income or (expense) from reinsurance contracts	(5)	(10)	–	5	5	(5)	121	(126)
Recognition of contractual service margin for services received	5	–	–	5	5	5	5	–
Premium experience adjustments related to current service and other amounts	(10)	(10)	–	–	–	(10)	(10)	–
Expected incurred claims (excluding investment components) recoverable from reinsurance contracts	–	–	–	–	–	–	126	(126)
Reinsurance finance income or (expenses)	535	539	–	(4)	(4)	535	535	–
Cash flow	–	–	–	–	–	–	(126)	126
Incurred claims recoverable – investment components	–	–	–	–	–	–	(126)	126
Net movement for the year	530	529	–	1	1	530	530	–
Balance at the beginning of the year	1 449	1 485	(1)	(35)	(35)	1 449	1 438	11
Balance at the end of the year[2]	1 979	2 014	(1)	(34)	(34)	1 979	1 968	11

(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) Balance at the end of the year includes reinsurance contract assets of R0 million (2024: R0 million) and reinsurance contract liabilities of R1 979 million (2024: R1 449 million).

Sanlam Limited
Annual Financial Statements 2025

Notes to the group annual financial statements continued

for the year ended 31 December 2025

10 Reinsurance contract carrying amount continued

10.3 Reconciliation of net carrying amount: General Insurance continued

10.3.2 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	Contractual service margin: Other[1]	Remaining coverage component: Total	Remaining coverage component: Excluding loss recovery component	Remaining coverage component: Incurred claims component
2024								
Recognised in statement of comprehensive income	236	230	–	6	6	236	236	–
Income or (expense) from reinsurance contracts	105	97	–	8	8	105	105	–
Recognition of contractual service margin for services received	8	–	–	8	8	8	8	–
Premium experience adjustments related to current service and other amounts	97	97	–	–	–	97	97	–
Reinsurance finance income or (expenses) – impact of unwinding discount rates and financial assumption changes	131	133	–	(2)	(2)	131	131	–
Cash flow	(267)	(267)	–	–	–	(267)	(267)	–
Premiums paid	(141)	(141)	–	–	–	(141)	(141)	–
Recoveries received under reinsurance contracts held	(126)	(126)	–	–	–	(126)	–	(126)
Incurred claims recoverable – investment components	–	–	–	–	–	–	(126)	126
Net movement for the year	(31)	(37)	–	6	6	(31)	(31)	–
Balance at the beginning of the year	1 480	1 522	(1)	(41)	(41)	1 480	1 469	11
Balance at the end of the year[2]	1 449	1 485	(1)	(35)	(35)	1 449	1 438	11

[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] *Balance at the end of the year includes reinsurance contract assets of R0 million (2023: R0 million) and reinsurance contract liabilities of R1 449 million (2023: R1 480 million).*

10.4 Carrying value of new reinsurance contracts held during the year

R million	2025 Total	2025 Groups of contracts with net gain at initial recognition	2025 Groups of contracts with net cost at initial recognition	2024 Total	2024 Groups of contracts with net gain at initial recognition	2024 Groups of contracts with net cost at initial recognition	2024 Groups of contracts acquired through business combinations
Estimate of the present value of future cash inflows	**(579)**	**(399)**	**(180)**	(8 157)	(5 289)	(231)	(2 637)
Estimate of the present value of future cash outflows	**647**	**492**	**155**	10 869	8 175	176	2 518
Risk adjustment for non-financial risk	**(23)**	**(10)**	**(13)**	(467)	(442)	(13)	(12)
Contractual service margin	**(45)**	**(83)**	**38**	(2 431)	(2 444)	68	(55)
Net carrying amount of reinsurance contracts held during the year	**–**	**–**	**–**	(186)	–	–	(186)
Analysis per line of business							
Life insurance – Risk business	**–**	**–**	**–**	(186)	–	–	(186)
Estimate of the present value of future cash inflows	**(579)**	**(399)**	**(180)**	(8 157)	(5 289)	(231)	(2 637)
Estimate of the present value of future cash outflows (excluding insurance acquisition cash flows)	**647**	**492**	**155**	10 869	8 175	176	2 518
Risk adjustment for non-financial risk	**(23)**	**(10)**	**(13)**	(467)	(442)	(13)	(12)
Contractual service margin	**(45)**	**(83)**	**38**	(2 431)	(2 444)	68	(55)
Net carrying amount of reinsurance contracts held during the year	**–**	**–**	**–**	(186)	–	–	(186)

Notes to the group annual financial statements continued

for the year ended 31 December 2025

10 Reinsurance contract carrying amount continued

10.5 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
2025							
Balance at the beginning of the year	**(7 778)**	**(6 210)**	**(4 988)**	**(4 018)**	**(3 240)**	**(2 615)**	**(865)**
Accretion of interest	**(460)**	**(360)**	**(291)**	**(237)**	**(194)**	**(515)**	**(176)**
Recognised in statement of comprehensive income	**2 028**	**1 582**	**1 261**	**1 015**	**819**	**2 265**	**1 041**
Balance at the end of the year	**(6 210)**	**(4 988)**	**(4 018)**	**(3 240)**	**(2 615)**	**(865)**	**–**
2024							
Balance at the beginning of the year	(8 777)	(6 953)	(5 604)	(4 532)	(3 669)	(2 967)	(957)
Accretion of interest	(519)	(414)	(326)	(266)	(217)	(577)	47
Recognised in statement of comprehensive income	2 343	1 763	1 398	1 129	919	2 587	910
Balance at the end of the year	(6 953)	(5 604)	(4 532)	(3 669)	(2 967)	(957)	–

General insurance

	Years						
R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10	>10
2025							
Balance at the beginning of the year	**(34)**	**(28)**	**(22)**	**(15)**	**(6)**	**–**	**–**
Accretion of interest	**(3)**	**(4)**	**(3)**	**(2)**	**(1)**	**–**	**–**
Recognised in statement of comprehensive income	**9**	**10**	**10**	**11**	**7**	**–**	**–**
Balance at the end of the year	**(28)**	**(22)**	**(15)**	**(6)**	**–**	**–**	**–**
2024							
Balance at the beginning of the year	(35)	(31)	(26)	(21)	(14)	(5)	–
Accretion of interest	(4)	(3)	(4)	(3)	(2)	(1)	–
Recognised in statement of comprehensive income	8	8	9	10	11	6	–
Balance at the end of the year	(31)	(26)	(21)	(14)	(5)	–	–

Total

	Years						
R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10	>10
2025							
Balance at the beginning of the year	**(7 812)**	**(6 238)**	**(5 010)**	**(4 033)**	**(3 246)**	**(2 615)**	**(865)**
Accretion of interest	**(463)**	**(364)**	**(294)**	**(239)**	**(195)**	**(515)**	**(176)**
Recognised in statement of comprehensive income	**2 037**	**1 592**	**1 271**	**1 026**	**826**	**2 265**	**1 041**
Balance at the end of the year	**(6 238)**	**(5 010)**	**(4 033)**	**(3 246)**	**(2 615)**	**(865)**	**–**
2024							
Balance at the beginning of the year	(8 812)	(6 984)	(5 630)	(4 553)	(3 683)	(2 972)	(957)
Accretion of interest	(523)	(417)	(330)	(269)	(219)	(578)	47
Recognised in statement of comprehensive income	2 351	1 771	1 407	1 139	930	2 593	910
Balance at the end of the year	(6 984)	(5 630)	(4 553)	(3 683)	(2 972)	(957)	–

Notes to the group annual financial statements continued

for the year ended 31 December 2025

11 Result from insurance contracts

11.1 Analysis of contribution to result from insurance contracts: Total

	2025				2024			
R million	Total	Best estimate of future cash flows[1]	Risk adjustment for non-financial risk	Contractual service margin	Total	Best estimate of future cash flows[1]	Risk adjustment for non-financial risk	Contractual service margin
Insurance revenue	**102 903**	**94 815**	**1 498**	**6 590**	94 462	85 452	1 778	7 232
Movement in net liability recognised as insurance revenue[2]	**98 624**	**90 525**	**1 509**	**6 590**	91 307	82 289	1 786	7 232
Allocation of premium relating to insurance acquisition cash flows[3]	**4 408**	**4 408**	**–**	**–**	3 275	3 275	–	–
Allocations to loss component[3][4]	**(129)**	**(118)**	**(11)**	**–**	(120)	(112)	(8)	–
Insurance service expenses	**(81 322)**	**(80 423)**	**(899)**	**–**	(76 338)	(76 979)	641	–
Movement in net amount recognised as insurance service expenses[2]	**(70 830)**	**(69 920)**	**(910)**	**–**	(66 734)	(67 367)	633	–
Amortisation of insurance acquisition cash flows[3]	**(4 408)**	**(4 408)**	**–**	**–**	(3 275)	(3 275)	–	–
Allocations to loss component[3]	**129**	**118**	**11**	**–**	120	112	8	–
Administration and other expenses[5]	**(6 213)**	**(6 213)**	**–**	**–**	(6 449)	(6 449)	–	–
Contracts measured under the premium allocation approach	**(1 789)**	**(1 789)**	**–**	**–**	(2 543)	(2 543)	–	–
Contracts not measured under the premium allocation approach	**(4 424)**	**(4 424)**	**–**	**–**	(3 906)	(3 906)	–	–
Expected expenses	**(3 288)**	**(3 288)**	**–**	**–**	(3 286)	(3 286)	–	–
Experience adjustment and other amounts	**(1 136)**	**(1 136)**	**–**	**–**	(620)	(620)	–	–
Income or expense from reinsurance contracts[6]	**(7 682)**	**(5 023)**	**(576)**	**(2 084)**	(5 014)	(2 100)	(803)	(2 111)
Insurance service result	**13 899**	**9 369**	**23**	**4 506**	13 110	6 373	1 616	5 121
Insurance investment result	**1 541**				1 893			
Insurance finance income or expense	**(44 076)**	**(38 176)**	**(2 830)**	**(3 070)**	(28 980)	(24 490)	(1 746)	(2 744)
Fair value returns on underlying items under the variable fee approach	**(11 271)**	**(11 271)**	**–**	**–**	(9 468)	(9 468)	–	–
Accretion of interest on liabilities under the general model at current rates	**(8 737)**	**(4 875)**	**(792)**	**(3 070)**	(7 841)	(4 299)	(798)	(2 744)
Recognition of assumption changes in contractual service margin at locked-in interest rates	**(417)**	**(205)**	**(212)**	**–**	227	240	(13)	-
Economic assumption changes under the general model at current rates[7]	**(19 988)**	**(18 254)**	**(1 734)**	**–**	(8 671)	(7 862)	(809)	-
Other finance income or expense[8]	**(3 663)**	**(3 571)**	**(92)**	**–**	(3 227)	(3 101)	(126)	–
Reinsurance finance income or expense[6]	**236**	**(743)**	**164**	**815**	138	(805)	205	738
Investment return on assets	**45 381**				30 735			
Result from insurance contracts[9]	**15 440**				15 003			

[1] Based on the liability for remaining coverage/remaining coverage component for the premium allocation approach.
[2] Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 9.2.1 to 10.3.2.
[3] Only relevant to contracts not measured under the premium allocation approach.
[4] Allocation of loss component should be deducted as it is included in the movement in net liability recognised as insurance revenue but should not form part of insurance revenue.
[5] Administration and other expenses relate to attributable in insurance service expenses.
[6] Only applicable to reinsurance contracts held.
[7] The amounts included in profit or loss due to changes in insurance liabilities as a result of changes in financial (economic) assumptions related to discount rates and inflation rates at the reporting date, including the effect of changes in financial guarantees.
[8] Insurance finance income or expense for contracts measured under the premium allocation approach.
[9] Note 11 includes results from both continued and discontinued operations (refer note 37.3).

Notes to the group annual financial statements continued

for the year ended 31 December 2025

11 Result from insurance contracts continued

11.2 Analysis of contribution to result from insurance contracts: Life insurance – Risk business continued

11.2.1 Premium allocation approach

Reconciliation per valuation component

	2025						2024					
		Liability for remaining coverage/remaining coverage component		Incurred claims/incurred claims component				Liability for remaining coverage/ remaining coverage component		Incurred claims/incurred claims component		
R million	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
Insurance revenue[1]	12 364	12 364	–	–	–	–	13 490	13 490	–	–	–	–
Movement in net liability recognised as insurance revenue[2]	12 364	12 364	–	–	–	–	13 490	13 490	–	–	–	–
Insurance service expenses	(10 851)	(320)	1	(10 532)	(10 598)	66	(12 038)	(372)	9	(11 675)	(11 719)	44
Movement in net amount recognised as insurance service expenses[2]	(9 062)	(320)	1	(8 743)	(8 809)	66	(9 495)	(372)	9	(9 132)	(9 176)	44
Administration and other expenses[3]	(1 789)	–	–	(1 789)	(1 789)	–	(2 543)	–	–	(2 543)	(2 543)	–
Income or (expense) from reinsurance contracts[4]	(476)	(1 250)	–	774	793	(19)	(136)	(676)	–	540	517	23
Insurance service result	1 037	10 794	1	(9 758)	(9 805)	47	1 316	12 442	9	(11 135)	(11 202)	67
Insurance investment result	403						294					
Insurance finance income or (expense)	(1 642)	(15)	–	(1 627)	(1 550)	(77)	(1 082)	(18)	–	(1 064)	(1 016)	(48)
Reinsurance finance income or (expense)[4]	450	(45)	–	495	472	23	177	(166)	–	343	328	15
Investment return on assets	1 595						1 199					
Result from insurance contracts	1 440						1 610					

(1) Relates to expected premium receipts allocated to each coverage period.
(2) Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 9.2.1.
(3) Administration and other expenses relate to attributable insurance service expenses.
(4) Only applicable to reinsurance contracts held.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

11 Result from insurance contracts continued

11.2 Analysis of contribution to result from insurance contracts: Life insurance – Risk business continued

11.2.2 General model

Analysis per valuation component

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total	Liability for remaining coverage/remaining coverage component: Excluding loss component/ loss recovery component	Liability for remaining coverage/remaining coverage component: Loss component/ loss recovery component	Incurred claims/ incurred claims component
2025								
Insurance revenue	**39 656**	**32 405**	**1 429**	**5 822**	**39 656**	**39 656**	**–**	**–**
Movement in net liability recognised as insurance revenue[2]	**35 575**	**28 303**	**1 450**	**5 822**	**35 575**	**35 356**	**219**	**–**
Allocation of premium relating to insurance acquisition cash flows	**4 300**	**4 300**	**–**	**–**	**4 300**	**4 300**	**–**	**–**
Allocations to loss component[3]	**(219)**	**(198)**	**(21)**	**–**	**(219)**	**–**	**(219)**	**–**
Insurance service expenses	**(31 883)**	**(32 163)**	**280**	**–**	**(31 883)**	**(4 300)**	**415**	**(27 998)**
Movement in net amount recognised as insurance service expenses[2]	**(24 020)**	**(24 279)**	**259**	**–**	**(24 020)**	**(0)**	**196**	**(24 216)**
Amortisation of insurance acquisition cash flows	**(4 300)**	**(4 300)**	**–**	**–**	**(4 300)**	**(4 300)**	**–**	**–**
Allocations to loss component	**219**	**198**	**21**	**–**	**219**	**–**	**219**	**–**
Administration and other expenses[1]	**(3 782)**	**(3 782)**	**–**	**–**	**(3 782)**	**–**	**–**	**(3 782)**
Expected expenses	**(2 642)**	**(2 642)**	**–**	**–**	**(2 642)**	**–**	**–**	**(2 642)**
Experience adjustment and other amounts	**(1 140)**	**(1 140)**	**–**	**–**	**(1 140)**	**–**	**–**	**(1 140)**
Income or (expense) from reinsurance contracts[5]	**(2 323)**	**143**	**(387)**	**(2 079)**	**(2 323)**	**(9 965)**	**15**	**7 627**
Insurance service result	**5 450**	**385**	**1 322**	**3 743**	**5 450**	**25 391**	**430**	**(20 371)**
Insurance investment result	**1 752**				**1 752**			
Insurance finance income or (expense)	**(29 286)**	**(23 482)**	**(2 738)**	**(3 066)**	**(29 286)**	**(28 549)**	**(377)**	**(360)**
Recognition of assumption changes in contractual service margin at locked-in interest rates	**(417)**	**(205)**	**(212)**	**–**	**(417)**	**(353)**	**(64)**	**–**
Accretion of interest on liabilities under the general model at current rates	**(8 652)**	**(4 794)**	**(792)**	**(3 066)**	**(8 652)**	**(8 193)**	**(313)**	**(146)**
Economic assumption changes[4]	**(20 217)**	**(18 483)**	**(1 734)**	**–**	**(20 217)**	**(20 003)**	**–**	**(214)**
Reinsurance finance income or (expense)[5]	**335**	**(611)**	**135**	**811**	**335**	**237**	**13**	**85**
Investment return on assets	**30 703**				**30 703**			
Result from insurance contracts	**7 202**				**7 202**			

(1) *Administration and other expenses relate to attributable insurance service expenses.*
(2) *Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 9.2.2.*
(3) *Allocation of loss component would be deducted as it is included in movement in net liability recognised as insurance result and should not form part of insurance revenue.*
(4) *The amounts included in profit or loss due to changes in insurance liabilities as a result of changes in financial (economic) assumptions related to discount rates and inflation rates at the reporting date, including the effect of changes in financial guarantees. Refer to the insurance (and reinsurance) finance income and expense section in basis of presentation for further details.*
(5) *Only applicable to reinsurance contracts held.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

11 Result from insurance contracts continued

11.2 Analysis of contribution to result from insurance contracts: Life insurance – Risk business continued

11.2.2 General model continued

Analysis per valuation component continued

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total	Liability for remaining coverage/ Remaining coverage component: Excluding loss component/ loss recovery component	Liability for remaining coverage/ Remaining coverage component: Loss component/ loss recovery component	Incurred claims/ incurred claims component
2024								
Insurance revenue	34 705	26 527	1 740	6 438	34 705	34 705	–	–
Movement in net liability recognised as insurance revenue[2]	31 634	23 448	1 748	6 438	31 634	31 514	120	–
Allocation of premium relating to insurance acquisition cash flows	3 191	3 191	–	–	3 191	3 191	–	–
Allocations to loss component[3]	(120)	(112)	(8)	–	(120)	–	(120)	–
Insurance service expenses	(28 004)	(28 022)	18	–	(28 004)	(3 191)	70	(24 883)
Movement in net liability recognised as insurance service expenses[2]	(21 798)	(21 808)	10	–	(21 798)	–	(50)	(21 748)
Amortisation of insurance acquisition cash flows	(3 191)	(3 191)	–	–	(3 191)	(3 191)	–	–
Allocations to loss component	120	112	8	–	120	–	120	–
Administration and other expenses[1]	(3 135)	(3 135)	–	–	(3 135)	–	–	(3 135)
Expected expenses	(2 581)	(2 581)	–	–	(2 581)	–	–	(2 581)
Experience adjustment and other amounts	(554)	(554)	–	–	(554)	–	–	(554)
Income or (expense) from reinsurance contracts[5]	(68)	2 723	(688)	(2 103)	(68)	(6 454)	8	6 378
Insurance service result	6 633	1 228	1 070	4 335	6 633	25 060	78	(18 505)
Insurance investment result	3 344				3 344			
Insurance finance income or (expense)	(16 205)	(11 843)	(1 620)	(2 742)	(16 205)	(15 880)	(118)	(207)
Recognition of assumption changes in contractual service margin at locked-in interest rates	227	240	(13)	–	227	244	(17)	–
Accretion of interest on liabilities under the general model at current rates	(7 761)	(4 221)	(798)	(2 742)	(7 761)	(7 532)	(101)	(128)
Economic assumption changes[4]	(8 671)	(7 862)	(809)	–	(8 671)	(8 592)	–	(79)
Reinsurance finance income or (expense)[5]	192	(698)	154	736	192	166	(11)	37
Investment return on assets	19 357				19 357			
Result from insurance contracts	9 977				9 977			

(1) Administration and other expenses relate to attributable insurance service expenses.
(2) Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 9.2.2.
(3) Allocation of loss component would be deducted as it is included in movement in net liability recognised as insurance result and should not form part of insurance revenue.
(4) The amounts included in profit or loss due to changes in insurance liabilities as a result of changes in financial (economic) assumptions related to discount rates and inflation rates at the reporting date, including the effect of changes in financial guarantees. Refer to the insurance (and reinsurance) finance income and expense section in basis of presentation for further details.
(5) Only applicable to reinsurance contracts held.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

01 Governance 02 Capital and risk management 03 Basis of preparation 04 Group financial results 05 Company financial results 06 Remuneration report 07 Supplementary information 161

Sanlam Limited
Annual Financial Statements 2025

11 Result from insurance contracts continued

11.3 Analysis of contribution to result from insurance contracts: Life insurance – Savings business

Variable fee approach

Analysis per valuation component

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total	Liability for remaining coverage/remaining coverage component: Excluding loss component	Liability for remaining coverage/remaining coverage component: Loss component	Incurred claims
2025								
Insurance revenue	**2 056**	**1 235**	**59**	**762**	**2 056**	**2 056**	**–**	**–**
Movement in net liability recognised as insurance revenue[2]	**1 951**	**1 130**	**59**	**762**	**1 951**	**1 948**	**3**	**–**
Allocation of premium relating to insurance acquisition cash flows	**108**	**108**	**–**	**–**	**108**	**108**	**–**	**–**
Allocations to loss component	**(3)**	**(3)**	**–**	**–**	**(3)**	**–**	**(3)**	**–**
Insurance service expenses	**(1 328)**	**(1 301)**	**(27)**	**–**	**(1 328)**	**(108)**	**(71)**	**(1 149)**
Movement in net amount recognised as insurance service expenses[2]	**(581)**	**(554)**	**(27)**	**–**	**(581)**	**–**	**(74)**	**(507)**
Amortisation of insurance acquisition cash flows	**(108)**	**(108)**	**–**	**–**	**(108)**	**(108)**	**–**	**–**
Allocations to loss component	**3**	**3**	**–**	**–**	**3**	**–**	**3**	**–**
Administration and other expenses[1]	**(642)**	**(642)**	**–**	**–**	**(642)**	**–**	**–**	**(642)**
Expected expenses	**(646)**	**(646)**	**–**	**–**	**(646)**	**–**	**–**	**(646)**
Experience adjustment	**4**	**4**	**–**	**–**	**4**	**–**	**–**	**4**
Insurance service result	**728**	**(66)**	**32**	**762**	**728**	**1 948**	**(71)**	**(1 149)**
Insurance investment result	**323**				**323**			
Insurance finance income or expenses – fair value returns on underlying items and finance amounts related to incurred claims	**(11 041)**	**(11 041)**	**–**	**–**	**(11 041)**	**(11 040)**	**–**	**(1)**
Investment return on assets	**11 364**				**11 364**			
Result from insurance contracts	**1 051**				**1 051**			

[1] *Administration and other expenses relate to attributable in insurance service expenses.*
[2] *Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 9.3.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

01 Governance 02 Capital and risk management 03 Basis of preparation 04 Group financial results 05 Company financial results 06 Remuneration report 07 Supplementary information 163

Sanlam Limited
Annual Financial Statements 2025

11 Result from insurance contracts continued

11.3 Analysis of contribution to result from insurance contracts: Life insurance – Savings business continued

Variable fee approach continued

Analysis per valuation component continued

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Liability for remaining coverage/ remaining coverage component: Total	Excluding loss component	Loss component	Incurred claims
2024								
Insurance revenue	2 101	1 277	38	786	2 101	2 101	–	–
Movement in net liability recognised as insurance revenue[2]	2 017	1 193	38	786	2 017	2 017	–	–
Allocation of premium relating to insurance acquisition cash flows	84	84	–	–	84	84	–	–
Insurance service expenses	(1 239)	(1 240)	1	–	(1 239)	(84)	(67)	(1 088)
Movement in net liability recognised as insurance service expenses[2]	(389)	(390)	1	–	(389)	–	(67)	(322)
Amortisation of insurance acquisition cash flows	(84)	(84)	–	–	(84)	(84)	–	–
Administration and other expenses[1]	(766)	(766)	–	–	(766)	–	–	(766)
Expected expenses	(705)	(705)	–	–	(705)	–	–	(705)
Experience adjustment	(61)	(61)	–	–	(61)	–	–	(61)
Insurance service result	862	37	39	786	862	2 017	(67)	(1 088)
Insurance investment result	(588)				(588)			
Insurance finance income or expenses – fair value returns on underlying items and finance amounts related to incurred claims	(9 468)	(9 468)	–	–	(9 468)	(9 467)	–	(1)
Investment return on assets	8 880				8 880			
Result from insurance contracts	274				274			

(1) Administration and other expenses relate to attributable insurance service expenses.
(2) Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 9.3.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

11 Result from insurance contracts continued

11.4 Analysis of contribution to result from insurance contracts: General insurance

11.4.1 Premium allocation approach

Reconciliation per valuation component

	2025					2024				
		Liability for remaining coverage/ remaining coverage component	Incurred claims/incurred claims component				Liability for remaining coverage/ remaining coverage component	Incurred claims/incurred claims component		
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
Insurance revenue[1]	**48 621**	**48 621**	**–**	**–**	**–**	44 068	44 068	–	–	–
Movement in net liability recognised as insurance revenue[2]	**48 621**	**48 621**	**–**	**–**	**–**	44 068	44 068	–	–	–
Insurance service expenses	**(37 039)**	**(6 950)**	**(30 089)**	**(28 881)**	**(1 208)**	(34 938)	(6 423)	(28 515)	(29 093)	578
Movement in net amount recognised as insurance service expenses[2]	**(37 039)**	**(6 950)**	**(30 089)**	**(28 881)**	**(1 208)**	(34 938)	(6 423)	(28 515)	(29 093)	578
Income or (expense) from reinsurance contracts[3]	**(4 889)**	**(7 607)**	**2 718**	**2 890**	**(172)**	(4 705)	(8 247)	3 542	3 680	(138)
Insurance service result	**6 693**	**34 064**	**(27 371)**	**(25 991)**	**(1 380)**	4 425	29 398	(24 973)	(25 413)	440
Insurance investment result	**(317)**					(946)				
Insurance finance income or (expense)	**(2 022)**	**(1 420)**	**(602)**	**(587)**	**(15)**	(2 145)	(1 187)	(958)	(880)	(78)
Reinsurance finance income or (expense)[3]	**(14)**	**(213)**	**199**	**193**	**6**	(100)	(189)	89	53	36
Investment return on assets	**1 719**					1 299				
Result from insurance contracts	**6 376**					3 479				

(1) *Relates to expected premium receipts allocated to each coverage period.*
(2) *Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 9.4.1.*
(3) *Only applicable to reinsurance contracts held.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

11 Result from insurance contracts continued

11.4 Analysis of contribution to result from insurance contracts: General insurance continued

11.4.2 General model

Analysis per valuation component

R million	Total	Best estimate of future cash flows	Contractual service margin	Other	Total	Liability for remaining coverage/ remaining coverage component: Excluding loss component/ loss recovery component	Liability for remaining coverage/ remaining coverage component: Incurred claims/ incurred claims component
2025							
Insurance revenue	**114**	**109**	**5**	**5**	**114**	**114**	**–**
Movement in net liability recognised as insurance revenue[1]	**114**	**109**	**5**	**5**	**114**	**114**	**–**
Insurance service expenses	**(127)**	**(127)**	**–**	**–**	**(127)**	**–**	**(127)**
Movement in net amount recognised as insurance service expenses[1]	**(127)**	**(127)**	**–**	**–**	**(127)**	**–**	**(127)**
Income or (expense) from reinsurance contracts[2]	**5**	**10**	**(5)**	**(5)**	**5**	**(121)**	**126**
Insurance service result	**(8)**	**(8)**	**–**	**–**	**(8)**	**(7)**	**(1)**
Insurance investment result	**(621)**				**(621)**		
Insurance finance income or (expense)	**(86)**	**(82)**	**(4)**	**(4)**	**(86)**	**(86)**	**–**
Reinsurance finance income or (expense)[2]	**(535)**	**(539)**	**4**	**4**	**(535)**	**(535)**	**–**
Result from insurance contracts	**(629)**				**(629)**		

[1] *Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 9.4.2.*

[2] *Only applicable to reinsurance contracts held.*

R million	Total	Best estimate of future cash flows	Contractual service margin	Total	Liability for remaining coverage/ remaining coverage component: Excluding loss component/ loss recovery component	Liability for remaining coverage/ remaining coverage component: Incurred claims/ incurred claims component
2024						
Insurance revenue	98	90	8	98	98	–
Movement in net liability recognised as insurance revenue[1]	98	90	8	98	98	–
Insurance service expenses	(119)	(119)	–	(119)	(5)	(114)
Movement in net liability recognised as insurance service expenses[1]	(114)	(114)	–	(114)	–	(114)
Administration and other expenses	(5)	(5)	–	(5)	(5)	–
Experience adjustment	(5)	(5)	–	(5)	(5)	–
Income or (expense) from reinsurance contracts[2]	(105)	(97)	(8)	(105)	(105)	–
Insurance service result	(126)	(126)	–	(126)	(12)	(114)
Insurance investment result	(211)			(211)		
Insurance finance income or (expense)	(80)	(78)	(2)	(80)	(80)	–
Reinsurance finance income or (expense)[2]	(131)	(133)	2	(131)	(131)	–
Result from insurance contracts	(337)			(337)		

[1] *Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 9.4.2.*

[2] *Only applicable to reinsurance contracts held.*

12 Taxation

12.1 Deferred tax

Deferred tax is provided for all temporary differences between the tax bases of assets and liabilities and their carrying values for financial reporting purposes using the liability method, except for:

- Temporary differences relating to investments in subsidiaries, associated companies and joint ventures where the group controls the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Temporary differences arising from the initial recognition of assets or liabilities in transactions other than business combinations that at transaction date do not affect either accounting or taxable profit or loss.

The amount of deferred tax provided is based on the expected realisation or settlement of the deferred tax assets and liabilities using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax assets relating to unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Deferred tax balances are reflected at current values and have not been discounted.

In terms of IFRS 16 a lessee is required to recognise a right-of-use asset and a lease liability. Lease payments are tax deductible on a cash basis in many jurisdictions. The tax basis of the lease liability and the right-of-use asset will therefore be zero resulting in taxable temporary difference in terms of the right-of-use asset and a deductible temporary difference in terms of the lease liability.

In 2021, the Organisation for Economic Co-operation and Development released the Global Anti-Base Erosion Model Rules (GMT Rules), which rules introduce a global minimum tax of 15% in all jurisdictions in which a multi-national group with consolidated revenue exceeding €750 million, operates. As a multinational enterprise group, the Sanlam group is subject to the GMT Rules introduced in South Africa and elsewhere with effect 1 January 2024. In Mauritius, a subsidiary of Santam Limited recognised a provision for top-up tax as a qualifying domestic minimum top-up tax under Mauritian laws for the year ended 31 December 2025. Based on our impact assessment, no material additional taxes are payable by Sanlam or any other subsidiary in South Africa or elsewhere for the year ended 31 December 2025. Current top-up taxes under the GMT Rules relating to the Sanlam group's operations in, amongst others, Namibia and Zambia (where the applicable effective tax rates may be below 15%), were recognised in relation to investments held through a joint venture which top-up taxes were taken into account in the equity accounted earnings of such joint venture included in the Sanlam group's results. The Sanlam group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax under the GMT Rules and account for it as current tax when it is incurred.

Sanlam Limited
Annual Financial Statements 2025

Notes to the group annual financial statements continued

for the year ended 31 December 2025

12 Taxation continued

12.1 Deferred tax continued

Reconciliation of deferred tax balances:

R million	Note	Income tax	Capital gains tax
Balance at 1 January 2024		(3 641)	(3 508)
Temporary differences charged to the statement of comprehensive income		514	(346)
Accruals and provisions		256	–
Tax losses		(122)	–
Net unrealised investment surpluses for shareholders		(472)	207
Net unrealised investment surpluses for policyholders		(2)	(555)
Leases		(3)	–
Intangible assets		37	–
Share-based payments		43	2
IFRS 17 phasing-in amount		915	–
Tax basis zeroisation of negative policy liabilities		(145)	–
Other temporary differences		7	–
Acquired through business combinations	36	(867)	(53)
Foreign currency translation differences		25	74
Reclassified from non-current liabilities/assets held for sale	37	(230)	–
IFRS 17 phasing-in release		516	–
Balance at 31 December 2024		**(3 683)**	**(3 833)**
Temporary differences credited/(charged) to the statement of comprehensive income		**(358)**	**(1 068)**
Accruals and provisions		**(85)**	**(2)**
Tax credits		**233**	**6**
Net unrealised investment surpluses for shareholders		**(234)**	**(77)**
Net unrealised investment surpluses for policyholders		**(1)**	**(999)**
Leases		**16**	**–**
Intangible assets		**96**	**–**
Share-based payments		**168**	**4**
IFRS 17 phasing-in amount		**77**	**–**
Tax basis zeroisation of negative policy liabilities		**(658)**	**–**
Other temporary differences		**30**	**–**
Acquired through business combinations	36	**4**	**(4)**
Reclassified to non-current liabilities/assets held for sale	37	**(21)**	**–**
Foreign currency translation differences		**22**	**–**
IFRS 17 phasing-in release		**462**	**–**
Balance at 31 December 2025		**(3 574)**	**(4 905)**

R million	Income tax	Capital gains tax
Analysis of deferred tax balances at 31 December 2025	**(3 574)**	**(4 905)**
Accruals and provisions	**966**	**(40)**
Tax losses and credits	**1 449**	**17**
Net unrealised investment surpluses for shareholders	**(813)**	**(1 041)**
Net unrealised investment surpluses for policyholders	**(86)**	**(3 840)**
IFRS 17 phasing-in amount	**(2 329)**	**–**
Tax basis zeroisation of negative policy liabilities	**(2 417)**	**–**
Leases	**(284)**	**–**
Intangible assets	**45**	**–**
Share-based payments	**364**	**4**
Other temporary differences	**(469)**	**(5)**
Analysis of deferred tax balances at 31 December 2024	(3 683)	(3 833)
Accruals and provisions	1 051	(39)
Tax losses and credits	1 212	11
Net unrealised investment surpluses for shareholders	(596)	(960)
Net unrealised investment surpluses for policyholders	(89)	(2 841)
IFRS 17 phasing-in amount	(2 868)	–
Tax basis zeroisation of negative policy liabilities	(1 759)	–
Intangible assets	(380)	–
Leases	29	–
Share-based payments	196	–
Other temporary differences	(479)	(4)

Reconciliation of total net deferred tax

R million	2025	2024
Total deferred tax asset recognised [1]	**695**	1 409
Total deferred tax liability recognised	**(9 174)**	(8 925)
Total net deferred tax	**(8 479)**	(7 516)

[1] *Deferred tax assets have been recognised for deductible temporary differences, unused tax losses, and tax credits to the extent that it is considered probable that future taxable profits will be available against which these items can be utilised. In assessing the recoverability of deferred tax assets, the group evaluated forecast taxable income, the reversal of existing taxable temporary differences, and available tax-planning opportunities. Deferred tax assets that could not be supported by sufficient evidence of future taxable profits have not been recognised. The group also reviewed the expiry profiles of tax losses and credits where applicable. Deferred tax balances are measured using the tax rates that are expected to apply when the related temporary differences reverse, based on tax laws that have been enacted or substantively enacted at the reporting date.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

12 Taxation continued

12.2 Current income tax

Income tax is provided in respect of taxable income at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Analysis of income tax per category

	Current income tax		Deferred tax		Total	
R million	**2025**	2024	**2025**	2024	**2025**	2024
RSA – current year	**5 370**	5 496	**375**	562	**5 745**	6 058
RSA – prior year	**2**	965	**45**	(1 113)	**47**	(148)
Dividends tax – Policyholders	**69**	88	**–**	–	**69**	88
Foreign tax	**273**	156	**(63)**	37	**210**	193
Capital gains tax	**513**	1 398	**1 068**	346	**1 581**	1 744
Tax expense (including profit from discontinued operations)	**6 227**	8 103	**1 425**	(168)	**7 652**	7 935
IFRS 17 phasing-in release	**462**	516	**(462)**	(516)	**–**	–
Tax expense after release	**6 689**	8 619	**963**	(684)	**7 652**	7 935
Shareholders' equity					**5 044**	6 221
Policyholders					**2 608**	1 714
Tax expense (including profit from discontinued operations)					**7 652**	7 935
Taxation (discontinued operations)					**–**	26
Taxation (continuing operations)					**7 652**	7 909

%	**2025**	2024
Standard rate of taxation	**27,0**	27,0
Adjusted for:		
Non-taxable income[1]	**(1,8)**	(5,0)
Disallowable expenses[2]	**0,1**	1,0
Investment surpluses[3]	**(3,8)**	(1,0)
Foreign tax rate differential	**(0,9)**	(1,0)
Share-based payment	**(0,1)**	–
Policyholders[4]	**7,4**	4,0
Other fund transfers	**0,4**	1,0
Prior year adjustment	**0,3**	–
Dividend tax	**0,2**	–
Other	**0,7**	1,0
Effective tax rate	**29,5**	27,0

[1] *Non-taxable income relates primarily to equity-accounted earnings and dividend income.*
[2] *Disallowable expenses includes impairments.*
[3] *Investment surpluses relates to realised and unrealised gains.*
[4] *Policyholders refers to tax on net investment contract liabilities.*

13 Investments

13.1 Investment properties

Investment properties comprise of properties held to earn rental income and/or for capital appreciation. Investment properties are carried at fair value which includes the related cumulative straight-line rental adjustment (refer to the accounting policy for investment income). Valuations are carried out periodically by valuators who possess appropriate qualifications and extensive experience in property valuations. Changes in the fair value of investment properties are recognised in the statement of comprehensive income as investment surpluses.

When investment properties become owner-occupied, they are reclassified to owner-occupied properties at a deemed cost equal to the fair value of the investment properties at the date of reclassification. When owner-occupied properties become investment properties, they are reclassified to investment properties at a deemed cost equal to the fair value of the properties at the date of reclassification. The difference between the carrying value and fair value of the properties at the date of reclassification to investment properties is recognised in other comprehensive income as a revaluation surplus.

Investment properties are derecognised when they have either been disposed of or when they are permanently withdrawn from use and no future benefit is expected from their disposal.

Reconciliation of carrying amount of investment properties

		South African portfolio				International portfolio	
R million	Note	**Office buildings**	**Retail buildings**	**Industrial buildings**	**Undeveloped land**	**Office buildings**	**Total investment properties**
Balance at 1 January 2024		2 674	3 454	465	344	976	7 913
Additions		63	–	1	169	15	248
Disposals		–	(259)	–	–	–	(259)
Reclassified from disposal groups classified as held for sale	37	(588)	147	101	–	–	(340)
Investment surpluses		148	61	81	1	(67)	224
Foreign currency translation differences		–	–	–	–	26	26
Balance at 31 December 2024		2 297	3 403	648	514	950	7 812
Additions		**101**	**11**	**7**	**9**	**3**	**131**
Disposals		**–**	**(580)**	**–**	**–**	**(1)**	**(581)**
Reclassified from disposal groups classified as held for sale	37	**568**	**–**	**(308)**	**–**	**–**	**260**
Investment surpluses		**(63)**	**275**	**379**	**–**	**10**	**601**
Foreign currency translation differences		**–**	**–**	**–**	**–**	**(106)**	**(106)**
Balance at 31 December 2025		**2 903**	**3 109**	**726**	**523**	**856**	**8 117**

Reconciliation of straight-line rental adjustment

R million	**2025**	2024
Balance at the beginning of the year	**350**	310
Movement for the year included in the statement of comprehensive income	**4**	40
Balance at the end of the year	**354**	350

Contractual future minimum lease payments receivable under non-cancellable operating leases:

	2025	Restated 2024[1]
Due within one year	**524**	587
Due within one to two years	**425**	446
Due within two to three years	**322**	326
Due within three to four years	**227**	235
Due within four to five years	**159**	–
Due within five to 10 years	**–**	621
Future minimum lease payments	**1 657**	2 215

[1] *Prior year disclosure has been restated to provide a more detailed disaggregation of the maturity analysis.*

The value drivers underpinning the valuation of properties have not significantly changed since 31 December 2024.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

13 Investments continued

13.1 Investment properties continued

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	2025	2024
South African portfolio		
Discounted cash flow method		
Vacancy rate	**23,45%**	23,10%
Expected expense growth (average over five years, range cover different types of expenses)	**5,50% – 12,00%**	5,10% – 15,00%
Office buildings		
Discount rate	**10,76% – 13,27%**	12,97% – 15,07%
Exit capitalisation rate	**8,75% – 12,25%**	9,00% – 12,40%
Retail buildings		
Discount rate	**10,63% – 12,46%**	12,57% – 14,26%
Exit capitalisation rate	**7,75% – 10,50%**	7,65% – 10,50%
Industrial buildings		
Discount rate	**11,05% – 12,42%**	13,11% – 13,92%
Exit capitalisation rate	**9,00% – 9,75%**	9,00% – 9,75%
International portfolio		
Discounted cash flow method		
Vacancy rate	**8,72% – 34,00%**	14,19% – 28,00%
Office buildings		
Discount rate	**11,25% – 12%**	11,75% – 12,25%
Exit capitalisation rate	**9,00% – 9,75%**	8,75% – 10,00%

13.2 Investment in associates and joint ventures

Associated companies

An associated company is an entity, not being a subsidiary, in which the Sanlam group has a long-term investment and over which it has the ability to exercise significant influence, being the ability to participate in the financial and operating policy decisions of the entity without being able to jointly control or control those policies by virtue of a majority vote.

Investments in associated companies are recognised on the date significant influence is obtained and derecognised on the date significant influence is lost. Investments in associated companies, other than those investments, or portions thereof, held by investment-linked life insurance funds, are initially recognised at cost. The results of these associated companies after initial recognition are accounted for using the equity method of accounting, whereby the group's share of associated companies' post-acquisition profit or loss is recognised in the group statement of comprehensive income as equity-accounted earnings, and the group's share of associated companies' other comprehensive income is presented in group other comprehensive income (other than those related to dividends), with a corresponding adjustment to the carrying value of investments in associated companies. Net losses are only recognised to the extent of the net investment in an associated company, unless the group has incurred obligations or made payments on behalf of the associated company. Equity-accounted earnings are based on accounting policies uniform to those of the group. The carrying amount is reviewed bi-annually for indicators of impairment and written down where this is considered necessary. The carrying value of the investment in an associated company includes goodwill. Investments in associated companies, or portions thereof, held by investment-linked life insurance funds are treated as investments at fair value through profit or loss and are not equity-accounted. The associated companies fair value are considered to be level 3.

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

The results of joint ventures, other than those held by investment-linked life insurance funds, are accounted for using the equity method of accounting, whereby the group's share of the joint ventures' profit or loss is recognised in the group statement of comprehensive income as equity-accounted earnings, and the group's share of joint ventures' other comprehensive income is presented in the group other comprehensive income, with a corresponding adjustment to the carrying value of investments in joint ventures. Net losses are only recognised to the extent of the net investment in a joint venture, unless the group has incurred obligations or made payments on behalf of the joint venture. Equity-accounted earnings are based on accounting policies uniform to those of the group. The carrying value of the investment in a joint venture is reviewed bi-annually for indicators of impairment and written down where this is considered necessary. The carrying value of the investment in a joint venture includes goodwill.

Investments in joint ventures, or portions thereof, held by investment-linked life insurance funds are treated as investments at fair value through profit or loss and are not equity-accounted.

For impairment purposes each investment is tested for impairment individually and goodwill is not tested separately from the investment in associated companies and joint ventures, nor is any impairment allocated to any underlying assets. Impairment losses in respect of associated companies and joint ventures is based on the greater of value in use or fair value less cost to sell and is recognised in the statement of comprehensive income, with reversal of future periods allowed. Reversal of impairments are limited to the original cost.

R million	Notes	2025	2024
Investments in associated companies[1]	13.2.3	**21 521**	22 244
Shriram Capital Private Limited		**10 993**	11 794
Shriram Finance Limited		**551**	538
Shriram General Insurance Company Limited		**1 418**	2 157
Shriram Life Insurance Company Limited		**530**	751
Shriram Asset Management Company Limited		**200**	–
Shriram Wealth Limited		**373**	–
Shriram Insight Share Brokers Limited		**192**	–
Pacific & Orient Insurance Co. Berhad (Pacific & Orient)		**–**	433
Capital Legacy Solutions Proprietary Limited		**1 450**	1 395
ARC Financial Services Holdings (ARC FSH)[2]		**4 493**	3 995
Other associated companies		**1 321**	1 181
Investments in joint ventures		**27 945**	30 797
SanlamAllianz Africa	13.2.3	**26 830**	29 752
Speqtel Investment Holdings Proprietary Limited[3]		**462**	524
Other joint ventures		**653**	521
Total investments in associates and joint ventures (including assets held for sale)		**49 466**	53 041
Reclassified as non-current assets held for sale	37	**–**	(4 286)
Total investments in associates and joint ventures		**49 466**	48 755

[1] *23% Interest in Capricorn Investment Holdings was disposed of in June 2024.*
[2] *During the prior year, the group entered into an asset-for-share transaction in which it disposed of its 25% stake in ARC FSI, as well as a cash consideration of R2 571 million for a 25% stake in ARC FSH, which now holds 100% in ARC FSI.*
[3] *The investment is carried at fair value as it is held by an investment linked insurance fund.*

13.2.1 Equity-accounted earnings

R million	Notes	2025	2024
Investments in associated companies	13.2.3		
Shriram Capital Private Limited		**2 100**	1 999
Shriram Finance Limited		**88**	138
Shriram General Insurance Company Limited		**447**	516
Shriram Life Insurance Company Limited		**(25)**	93
Shriram Asset Management Company Limited		**(6)**	–
Shriram Wealth Limited		**(22)**	–
Shriram Insight Share Brokers Limited		**4**	–
Capricorn Investment Holdings		**–**	98
Pacific & Orient Insurance Co. Berhad		**(478)**	(37)
Capital Legacy Solutions Proprietary Limited		**1**	57
ARC Financial Services Investments		**–**	111
ARC Financial Services Holdings		**498**	(67)
Other associated companies		**305**	46
Investments in joint ventures			
SanlamAllianz Africa		**2 391**	2 649
Other joint ventures		**132**	112
Equity-accounted earnings (including profits from discontinued operation)		**5 435**	5 715
Profits from discontinued operations		**–**	98
Equity-accounted earnings (continuing operations)		**5 435**	5 617
Other comprehensive income			
Other comprehensive income of equity accounted investments		**(1 883)**	(3 181)
SanlamAllianz Africa		**(1 883)**	(2 633)
Other		**–**	(548)

13.2.2 Impairments of equity accounted investments

R million	2025	2024
Pacific & Orient[1]	**444**	–
Other[2]	**82**	(2)
Total impairment of equity accounted investments	**526**	(2)

[1] *A decision was made to fully impair Pacific & Orient as at 31 December 2025 given the ongoing financial difficulties, the lack of progress on the Pacific & Orient sale and Sanlam's negative dividend outlook for this business.*
[2] *R82 million relates to the impairment of SIIP Mauritius and Artisan in Sanlam Investment Holdings (Pty) Ltd.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

13 Investments continued

13.2 Investment in associates and joint ventures continued

13.2.3 Investments in associated companies

Details of material associated companies:

R million	Shriram Capital Private Limited[1][2] 2025	2024	Shriram Finance Limited[1] 2025	2024
Carrying value of interest – equity method	**10 993**	11 794	**551**	538
Fair value of interest[3]	**21 891**	21 022	**986**	921
Fair value of interest – based on quoted prices for listed businesses	**–**	–	**1 418**	990
Effective economic interest in issued share capital – shareholders' equity[2]	**40,7%**	40,7%	**0,4%**	0,4%
Summarised financial information:				
Revenue	**2 125**	2 459	**90 047**	80 780
Post-tax profit from continuing operations	**4 725**	5 165	**21 350**	17 623
Other comprehensive loss	**–**	(410)	**–**	–
Total comprehensive income	**4 725**	4 755	**21 350**	17 623
Assets and liabilities				
Non-current assets	**89 521**	37 932	**524 928**	564 265
Current assets	**3 386**	2 183	**27 087**	40 906
Non-current liabilities	**(55 855)**	(7 063)	**(307 505)**	(364 349)
Current liabilities	**(1 662)**	(223)	**(132 695)**	(123 913)
Net asset value	**35 390**	32 829	**111 815**	116 909
Non-controlling interest	**8 381**	4 428	**1**	1 651
Shareholders' equity	**27 009**	28 401	**111 814**	115 258
Calculated carrying value	**10 993**	11 559	**458**	473
Goodwill recognised in the carrying value of associate	**–**	235	**93**	65
Carrying value	**10 993**	11 794	**551**	538
Dividends received	**–**	–	**9**	22

[1] *Shriram Capital Private Limited has business operations (credit, life and general insurance) mainly in India, and the group has an effective holding of 40,7%. Its subsidiary, Shriram Finance Limited, operates as a credit provider and the group has a direct investment 0,41% (effective economic interest of 9,52%). The group considers having significant influence to participate in the financial and operating policy decisions of Shriram Finance Limited due to having a representative on the board. Shriram Finance Limited operates mainly in India and is a credit provider. For changes in shareholding subsequent to year end please refer to note 42.*
[2] *The effective economic interest of 40,7% relates to the holding in Shriram Capital Private Limited through Sanlam Emerging Markets Mauritius Limited.*
[3] *The level 3 fair value is determined based on a discounted cash flow model.*

R million	Shriram General Insurance Company Limited[1] 2025	2024	Shriram Life Insurance Company Limited[2] 2025	2024
Carrying value of interest – equity method	**1 418**	2 157	**530**	751
Fair value of interest[3]	**3 851**	3 997	**1 605**	1 958
Effective economic interest in issued share capital – shareholders' equity	**23%**	23%	**23%**	23%
Summarised financial information:				
Revenue	**7 188**	5 996	**7 683**	4 703
Post-tax profit/(loss) from continuing operations	**1 576**	2 250	**(11)**	67
Other comprehensive income/(loss)	**–**	–	**(15)**	30
Total comprehensive income	**1 576**	2 250	**(26)**	97
Assets and liabilities				
Non-current assets	**27 707**	29 654	**27 064**	28 470
Current assets	**1 498**	1 488	**1 419**	1 050
Non-current liabilities	**(23 612)**	(23 893)	**(26 331)**	(26 107)
Current liabilities	**(8)**	(1 132)	**(475)**	(1 202)
Net asset value	**5 585**	6 117	**1 677**	2 211
Non-controlling interest	**15**	16	**–**	–
Shareholders' equity	**5 570**	6 101	**1 677**	2 211
Calculated carrying value	**1 277**	1 397	**384**	509
Recognition of hedge on acquisition	**(34)**	(34)	**(10)**	(10)
Goodwill recognised in the carrying value of associate	**175**	794	**156**	252
Carrying value	**1 418**	2 157	**530**	751
Dividends received	**57**	60	**9**	52

[1] *The group holds a 22,92% direct interest (effective economic interest: 40,25%) in Shriram General Insurance Company Limited, a general insurance business in India.*
[2] *The group holds a 22,87% direct interest (effective economic interest: 40,10%) in Shriram Life Insurance Company Limited, a life insurance business in India.*
[3] *The level 3 fair value is determined based on a discounted cash flow model.*

R million	Shriram Asset Management Company Limited[1] 2025	Shriram Wealth Limited[2] 2025	Shriram Insight Share Brokers Limited[3] 2025
Carrying value of interest – equity method	**200**	**373**	**192**
Fair value of interest[4]	**125**	**238**	**116**
Effective economic interest in issued share capital – shareholders' equity	**23%**	**32%**	**32%**
Summarised financial information:			
Revenue	**555**	**9**	**4 194**
Post-tax profit/(loss) from continuing operations	**(6)**	**(22)**	**4**
Other comprehensive income/(loss)	**–**	**–**	**–**
Total comprehensive income	**(6)**	**(22)**	**4**
Assets and liabilities			
Non-current assets	**305**	**216**	**50**
Current assets	**2**	**146**	**758**
Non-current liabilities	**(3)**	**(51)**	**(20)**
Current liabilities	**(5)**	**(3)**	**(238)**
Net asset value	**299**	**308**	**550**
Shareholders' equity	**299**	**308**	**550**
Calculated carrying value	**69**	**99**	**176**
Goodwill recognised in the carrying value of associate	**131**	**274**	**16**
Carrying value	**200**	**373**	**192**
Dividends received	**–**	**–**	**–**

[1] *During the year, the group acquired a 23% interest(effective economic interest: 35,52%) in Shriram Asset Management Company Limited, an asset management business in India.*
[2] *During the year, the group acquired a 32% interest (effective economic interest: 49,68%) in Shriram Wealth Limited, a wealth management business in India.*
[3] *During the year, the group acquired a 32% interest(effective economic interest: 49,68%) in Shriram Insight Share Brokers Limited, a wealth management business in India.*
[4] *The level 3 fair value is determined based on a discounted cash flow model.*

R million	Pacific & Orient Insurance Co. Berhad[1] 2025	2024	Capital Legacy Solutions[2] 2025	2024
Carrying value of interest – equity method	**–**	433	**1 450**	1 395
Fair value of interest[3]	**–**	433	**1 368**	1 538
Effective economic interest in issued share capital – shareholders' equity	**49%**	49%	**28%**	26%
Summarised financial information:				
Revenue	**1 092**	1 195	**762**	853
Post-tax profit/(loss) from continuing operations	**(537)**	(73)	**(36)**	418
Total comprehensive income	**(537)**	(73)	**(36)**	418
Assets and liabilities				
Non-current assets	**2 989**	3 082	**1 825**	1 350
Current assets	**401**	362	**593**	558
Non-current liabilities	**(2 473)**	(2 292)	**(481)**	(332)
Current liabilities	**(11)**	(268)	**(423)**	(202)
Net asset value	**906**	884	**1 514**	1 374
Non-controlling interest	**–**	–	**347**	307
Shareholders' equity	**906**	884	**1 167**	1 067
Calculated carrying value	**444**	433	**426**	371
Goodwill/impairment recognised in the carrying value of associate	**(444)**	–	**1 024**	1 024
Carrying value	**–**	433	**1 450**	1 395

[1] *The group holds a 49% interest in Pacific & Orient, a niche general insurance business in Malaysia.*
[2] *The group holds a 28% interest in Capital Legacy Solutions, a fiduciary business with a unique life insurance offering.*
[3] *The level 3 fair value is determined based on a discounted cash flow model.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

13 Investments continued

13.2 Investment in associates and joint ventures continued

13.2.3 Investments in associated companies continued

R million	ARC Financial Services Holdings[1] 2025	2024
Carrying value of interest – equity method	**4 493**	3 995
Fair value of interest[2]	**4 493**	3 995
Effective economic interest in issued share capital – shareholders' equity	**25%**	25%
Summarised financial information:		
Revenue	**2 038**	(340)
Post-tax profit/(loss) from continuing operations	**1 993**	(267)
Total comprehensive income	**1 993**	(267)
Assets and liabilities		
Non-current assets	**20 235**	17 954
Current assets	**32**	298
Non-current liabilities	**(1 209)**	(1 271)
Current liabilities	**(1 083)**	(1 001)
Net asset value	**17 975**	15 980
Shareholders' equity	**17 975**	15 980
Calculated carrying value	**4 493**	3 995
Carrying value	**4 493**	3 995
Dividends received	**–**	–

(1) During 2024, the group entered into an asset for share transaction in which disposed its 25% stake in ARC FSI for a 25% stake in ARC FSH, which now holds 100% in ARC FSI. ARC FSH is an investment holding company focusing on opportunities in the South African and African financial services and diversified investments (non-financial) industries.
(2) The level 3 fair value is determined based on sum-of-parts valuation which includes a combination of the following methods: discounted cash flow model, earning multiple and quoted share prices.

Details of immaterial associated companies:

R million	2025	2024
Post-tax profit from continuing operations	**305**	46
Total comprehensive income	**305**	46

Sanlam Limited
Annual Financial Statements 2025

Details of material joint ventures:

R million	SanlamAllianz Africa[1] 2025	Restated 2024[2]
Carrying value of interest – equity method	**26 830**	29 752
Fair value of interest[3]	**26 925**	30 438
Effective economic interest in issued share capital: Class A	**51,00%**	59,59%
Summarised financial information:		
Non-current assets[4]	**123 878**	120 032
Reinsurance contract assets[4]	**2 342**	2 763
Other non-current assets	**121 536**	117 269
Current assets[4]	**88 338**	84 251
Cash and cash equivalents	**13 506**	13 110
Investments	**62 499**	56 653
Reinsurance contract assets	**4 703**	7 793
Other current assets	**7 630**	6 695
Non-current liabilities[4][5]	**(83 983)**	(80 953)
Insurance contract liabilities	**(67 438)**	(65 533)
Other non-current liabilities	**(16 545)**	(15 420)
Current liabilities[4][6]	**(69 606)**	(67 861)
Insurance contract liabilities	**(38 799)**	(35 883)
Reinsurance contract liabilities	**(365)**	(3 994)
Investment contract liabilities	**(10 070)**	(9 106)
External investors in consolidated funds	**(8 936)**	(8 085)
Trade and other payables	**(6 467)**	(6 355)
Taxation payable	**(3 802)**	(2 677)
Other current liabilities	**(1 167)**	(1 761)
Non-controlling interest	**(6 019)**	(5 541)
Total equity	**52 608**	49 928
Calculated carrying value	**26 830**	29 752
Result from insurance operations		
Revenue[7]	**49 520**	47 449
Net operating result	**8 488**	7 452
Interest income[2]	**4 122**	3 561
Interest expense[2]	**(9 553)**	(7 126)
Depreciation and amortisation[2]	**(714)**	(661)
Profit before tax	**8 593**	7 265
Taxation	**(3 441)**	(2 024)
Post-tax profit from continuing operations	**5 152**	5 240
Other comprehensive income	**(3 386)**	(2 982)
Total comprehensive income	**1 766**	2 258
Dividends received	**–**	–

(1) The group holds a 51% (2024: 59,59%) interest in SanlamAllianz Africa, a jointly controlled entity. The jointly controlled entity is an insurance entity focusing on opportunities on the African continent. An 8,59% stake of SanlamAllianz was held for sale as at 31 December 2024, which was disposed of to Allianz during 2025.
(2) Disclosure expanded to meet IFRS 12 disclosure requirements.
(3) The level 3 fair value is determined based on a discounted cash flow model.
(4) Prior year current and non-current classification has been refined and further disaggregated to enhance the usefulness of the information.
(5) Non-current financial liabilities excluding trade and other payables and provisions amounts to R194 million (2024: R14 million).
(6) Current financial liabilities excluding trade and other payables and provisions amounts to R9 101 million (2024: R9 047million).
(7) An error arose from a late adjustment by an African component that required reallocating amounts between insurance service expense and revenue. As a result, revenue was restated from R45 722 million to R47 449 million.

Details of individually immaterial joint ventures:

R million	2025	2024
Post-tax profit from continuing operations	**132**	112
Total comprehensive income	**132**	112

Notes to the group annual financial statements continued

for the year ended 31 December 2025

13 Investments continued

13.3 Other investments

Other investments comprise:

- Equities and similar securities;
- Interest-bearing investments;
- Structured transactions (including non-trading derivatives);
- Investment funds; and
- Deposits and similar securities.

These investments are either classified as subsequently measured at fair value through profit or loss (measured at fair value) or at amortised cost (measured at amortised cost), as described in the financial instruments accounting policy note. Loans of investment scrip are not treated as sales and purchases.

Structured transactions

Structured transaction assets include derivatives (i.e. foreign exchange contracts, interest rate futures, forward rate agreements, interest rate and equity options, currency swaps, credit default and interest rate swaps), structured notes (including equity linked notes) and collateralised securities (excluding fair value). Structured transaction liabilities consist of only derivatives.

Fair values are obtained from quoted market prices. In the absence of quoted market prices the group uses valuation techniques that incorporate factors that market participants would consider in setting the price and are consistent with accepted economic methodologies for pricing derivatives such as discounted cash flow models and option pricing models, as appropriate. The group calibrates its valuation techniques against market transactions or any available observable market data. Day one gains or losses on structured transactions measured using these valuation techniques are recognised in the statement of comprehensive income to the extent that they arise from a technique that incorporates only variables based on observable market data. The difference between the fair value at initial recognition and the transaction price is deferred. After initial recognition, the deferred difference is recognised as a gain or loss only to the extent that it arises from a change in a factor that market participants would take into account in pricing the asset/liability.

The group does not separate embedded derivatives related to investment contract liabilities recognised at fair value. Derivatives are used for trading purposes by Sanlam Capital Markets and for non-trading purposes by other group businesses. The fair values related to trading derivatives are included in trade and other receivables and the fair values of non-trading derivatives are included in the structured transactions. Non-trading transactions are those which are held for accounting and economic hedging purposes as part of the group's risk management strategy against assets, liabilities, positions or cash flows measured at fair value, as well as structures incorporated in the product design of policyholder products.

Structured transaction liabilities are classified as at mandatorily measured at fair value through profit or loss.

Deposits and similar securities

Deposits and similar securities consist of negotiable certificates of deposit and other short-term highly liquid investments with maturity profiles of more than 90 days. Refer to note 38 for additional information on measurement.

13.3.1 Equities and similar securities

R million	2025	2024
Equities and similar securities comprise:		
Listed on the JSE – at market value[1] [2]	**72 843**	54 892
Unlisted – at fair value	**4 743**	3 457
Offshore equity investments listed at market value	**29 523**	34 765
Equities held by consolidated investment funds	**107 684**	105 079
Total equities and similar securities	**214 793**	198 193

[1] *The carrying amount of own shares recognised as equities and similar securities is R2 461 million (2024: R2 575 million).*

Equities are mandatorily measured at fair through profit or loss.

Spread of equities listed on the JSE by sector:

%	2025	2024
Consumer services	**7,5**	8,9
Consumer goods	**5,4**	12,6
Financials	**45,5**	26,0
Basic materials	**22,7**	17,5
General industrials	**3,9**	4,9
Telecommunications	**3,8**	3,1
Healthcare	**2,6**	4,1
Information technology	**2,0**	13,5
Property	**2,2**	2,7
Other	**4,4**	6,7
	100,0	100,0

13.3.2 Investments other than equities and similar securities, equity-accounted investments and properties

R million	Designated as at fair value through profit or loss[1]	Mandatorily measured at fair value through profit or loss	Total fair value	Amortised cost gross	Amortised cost net[2]	Total
31 December 2025						
Deposits and similar securities	**25 775**	**–**	**25 775**	**44**	**44**	**25 819**
Structured transactions	**2 653**	**39 574**	**42 227**	**–**	**–**	**42 227**
Interest-bearing investments	**426 769**	**–**	**426 769**	**2 212**	**2 212**	**428 981**
Government interest-bearing investments	**170 895**	**–**	**170 895**	**19**	**19**	**170 914**
Corporate interest-bearing investments	**212 511**	**–**	**212 511**	**602**	**602**	**213 113**
Other interest-bearing investments	**43 363**	**–**	**43 363**	**1 591**	**1 591**	**44 954**
Investment funds	**–**	**379 658**	**379 658**	**–**	**–**	**379 658**
	455 197	**419 232**	**874 429**	**2 256**	**2 256**	**876 685**
Structured transaction liabilities	**–**	**20 796**	**20 796**	**–**	**–**	**20 796**
31 December 2024						
Deposits and similar securities	31 171	–	31 171	16	16	31 187
Structured transactions	4 204	28 225	32 429	–	–	32 429
Interest-bearing investments	345 182	–	345 182	2 622	2 622	347 804
Government interest-bearing investments	134 024	–	134 024	20	20	134 044
Corporate interest-bearing investments	175 952	–	175 952	671	671	176 623
Other interest-bearing investments	35 206	–	35 206	1 931	1 931	37 137
Investment funds	–	332 464	332 464	–	–	332 464
	380 557	360 689	741 246	2 638	2 638	743 884
Structured transaction liabilities	–	12 201	12 201	–	–	12 201

[1] *The group has designated certain investment assets as fair value through profit or loss to reduce or limit accounting mismatches. The change during the period and cumulatively in fair value through profit and loss that is attributable to change in the credit risk of the financial asset is determined as the change triggered by factors other than changes in benchmark interest rate. The impact of changes in credit risk for 2025 and 2024 was not material. For financial assets designated at fair value through profit or loss, the maximum exposure to credit risk is equivalent to the carrying amount of the financial asset.*

[2] *The estimated fair value of investments valued at amortised cost amounts to R2 256 million (2024: R2 638 million). These are classified as level 2 instruments and the valuation is based on discounted cash flows.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

13 Investments continued

13.3 Other investments continued

13.3.2 Investments other than equities and similar securities, equity-accounted investments and properties continued

Maturity analysis

R million	Open-ended	Due within one year[1]	Due within one to two years[2]	Due within two to three years[2]	Due within three to four years[2]	Due within four to five years[2]	Due within five to 10 years[2]	Due within 10 to 15 years[2]	Due within 15 to 20 years[2]	More than 20 years[2]	Total
31 December 2025											
Interest-bearing investments	**9 560**	**70 558**	**57 751**	**60 832**	**44 745**	**50 481**	**59 103**	**41 062**	**17 734**	**17 155**	**428 981**
Government interest-bearing investments	**7 283**	**28 036**	**5 380**	**3 042**	**3 421**	**20 140**	**40 704**	**31 201**	**15 094**	**16 613**	**170 914**
Corporate interest-bearing investments	**2 151**	**35 404**	**46 589**	**48 391**	**30 719**	**25 713**	**15 892**	**6 703**	**1 015**	**535**	**213 112**
Other interest-bearing investments	**126**	**7 118**	**5 782**	**9 399**	**10 605**	**4 628**	**2 507**	**3 158**	**1 625**	**7**	**44 955**
Structured transactions	**209**	**20 648**	**5 029**	**5 130**	**2 436**	**1 423**	**2 603**	**2 895**	**209**	**1 646**	**42 228**
Investment funds	**379 658**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**379 658**
Deposits and similar securities[1]	**164**	**15 984**	**3 562**	**4 673**	**334**	**822**	**127**	**153**	**–**	**–**	**25 819**
	389 591	**107 190**	**66 342**	**70 635**	**47 515**	**52 726**	**61 833**	**44 110**	**17 943**	**18 801**	**876 686**
Structured transaction liabilities – present value	**60**	**13 890**	**59**	**53**	**72**	**601**	**2 933**	**2 375**	**547**	**206**	**20 796**
Structured transaction liabilities – undiscounted	**–**	**12 715**	**(209)**	**45**	**104**	**449**	**3 252**	**1 893**	**291**	**834**	**19 374**
Restated 31 December 2024[2]											
Interest-bearing investments	3 377	59 076	38 726	56 084	26 324	36 555	57 620	24 381	32 268	13 396	347 807
Government interest-bearing investments	–	23 356	4 469	1 879	3 370	5 440	38 344	15 604	30 267	11 316	134 045
Corporate interest-bearing investments	3 337	27 321	29 894	47 102	18 414	27 145	14 019	6 576	1 104	1 712	176 624
Other interest-bearing investments	40	8 399	4 363	7 103	4 540	3 970	5 257	2 201	897	368	37 138
Structured transactions	34	5 519	4 078	9 573	8 500	4 922	1 244	(2 142)	(1 273)	1 975	32 430
Investment funds	332 464	–	–	–	–	–	–	–	–	–	332 464
Deposits and similar securities[1]	411	22 621	1 764	1 399	3 584	1 055	245	108	–	–	31 187
	336 286	87 216	44 568	67 056	38 408	42 532	59 109	22 347	30 995	15 371	743 888
Structured transaction liabilities – present value	40	5 716	365	15	–	3	2 359	2 842	848	13	12 201
Structured transaction liabilities – undiscounted	–	4 329	11	102	–	3	1 828	4 220	1 288	5 331	17 112

[1] *Call accounts and money market securities with maturity profile greater than 90 days, but less than one year are included in the less than one year's maturity.*
[2] *Prior year disclosure has been restated to provide a more detailed disaggregation of the maturity analysis.*

13.4 Investment return

Investment income

Investment income includes interest, net rental income and dividend income received. Interest income is accounted for on a time proportionate basis that takes into account the effective yield on the asset and includes the net income earned from interest margin business.

Rental income is recognised on an accrual basis, apart from operating leases that contain fixed escalation clauses, where it is recognised on a straight-line basis over the lease term. The difference between rental income on a straight-line and accrual basis is recognised as part of the carrying amount of properties in the statement of financial position.

Dividend income is recognised once the last day for registration has passed. Capitalisation shares received in terms of a capitalisation issue from reserves, other than share premium or a reduction in share capital, are treated as dividend income.

Sanlam group, through wholly owned subsidiaries, issues redeemable preference shares from time to time. The proceeds from these shares are utilised to invest in similar assets (redeemable preference shares) in order to earn a margin acceptable to the group.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

13 Investments continued

13.4 Investment return continued

Investment surpluses

Investment surpluses consist of net realised gains and losses on the sale of investments and net unrealised fair value gains and losses on the valuation of investments at fair value, excluding investments relating to capital market activities. Net realised gains and losses relate to gains and losses recognised on the disposal of the investments. Net unrealised fair value gains and losses relate to fair value adjustments arising on the valuation of investments which are still held by the group. 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 investment surpluses. Investment surpluses are recognised in profit or loss in the statement of comprehensive income on the date of sale or upon valuation to fair value.

Investment income

R million	2025	2024
Equities and similar securities	**8 355**	8 066
Interest-bearing, preference shares and similar securities	**41 296**	35 202
Properties	**795**	520
Rental income – excluding contingent rental	**892**	677
Rental related expenses	**(205)**	(179)
Dividend received from investment properties	**108**	22
Income from margin business[1]	**1**	3
Total investment income (including profit from discontinued operations)	**50 447**	43 791
Profit from discontinued operations	**–**	910
Investment income on assets held in respect of insurance contracts (continuing operations)	**16 245**	10 791
Investment income (continuing operations)	**34 202**	32 090

[1] *Refer to note 27 for finance cost incurred in respect of margin business.*

Investment surpluses/(deficits)

R million	2025	2024
Financial instruments designated as at fair value through profit or loss	**–**	12
Financial assets	**108 513**	73 944
Financial assets designated as at fair value through profit or loss	**121**	240
Financial assets mandatorily measured at fair value through profit or loss	**108 402**	73 707
Financial assets measured at amortised cost	**(10)**	(3)
Financial liabilities	**(186)**	124
Financial liabilities designated as at fair value through profit or loss	**(41)**	(28)
Financial liabilities mandatorily measured at fair value through profit or loss	**(117)**	169
Financial liabilities measured at amortised cost	**(28)**	(17)
Investment properties	**600**	224
Profit on disposal of subsidiaries, associated companies and operations[1]	**612**	4 037
Investment surplus: Third party	**–**	(444)
Total investment surpluses (including profit from discontinued operations)	**109 539**	77 897
Profit from discontinued operations	**–**	3 450
Investment surpluses on assets held in respect of insurance contracts (continuing operations)	**29 136**	19 400
Investment surpluses (continuing operations)	**80 403**	55 047

[1] *Profit of disposal of subsidiaries, associated companies and operations largely attributed to the profit on disposal of Sanlam Investment UK Limited assets (funds) and the transfer of related active management capabilities. 2024 is largely attributed to profit on disposal of Sanlam Namibia.*

Financial assets measured at amortised cost

R million	2025	2024
Losses on derecognition of financial assets measured at amortised cost	**(10)**	(3)

Profit on disposal of subsidiaries, associated companies and operations:

R million	2025	2024
Sanlam Life and Savings	**6**	6
SA Corporate	**6**	6
Sanlam Investments	**509**	(6)
Pan-Africa	**–**	2 803
Asia	**97**	1 234
Profit on disposal of subsidiaries, associated companies and operations	**612**	4 037

13.5 Use of valuation techniques to determine fair value

Refer to note 38 for additional disclosures.

13.6 External investors in consolidated funds

These are designated at fair value through profit and loss. Refer to note 38 for the fair value levels.

14 Trading account assets and liabilities

14.1 Trading account assets

Trading account assets include equities and similar securities, interest-bearing instruments, CSA collateral and margin received from clients or counterparties and derivative financial instruments relating to the trading transactions undertaken by the group for market making, to service customer needs, for proprietary purposes, as well as any related economic hedging transactions. These transactions are marked-to-market (fair values) after initial recognition and any gains or losses arising are recognised in the statement of comprehensive income. The fair values related to such contracts and commitments are determined on the same basis as described for non-trading instruments in the policy note for financial instruments and are reported on a gross basis in the statement of financial position as positive and negative replacement values to the extent that set-off is not required by IAS 32 – Financial Instruments: Presentation.

Classification of trading account assets:

R million	2025	2024
Mandatorily measured at fair value through profit or loss	**20 928**	18 481
Designated at fair value through profit or loss	**8 716**	4 278
Total trading account assets	**29 644**	22 759

Notes to the group annual financial statements continued

for the year ended 31 December 2025

14 Trading account assets and liabilities continued

14.1 Trading account assets continued

Maturity analysis of trading account assets:

R million	Non-derivative trading account assets 2025	Non-derivative trading account assets Restated 2024[1]	Derivative trading account assets 2025	Derivative trading account assets Restated 2024[1]	Total trading account assets 2025	Total trading account assets Restated 2024[1]
Fair value						
Open-ended	**12 233**	7 468	**9**	5	**12 242**	7 473
Due within one year	**1 689**	647	**1**	101	**1 690**	748
Due within one to two years	**1 204**	20	**1**	151	**1 205**	171
Due within two to three years	**1 286**	876	**650**	203	**1 936**	1 079
Due within three to four years	**–**	192	**–**	107	**–**	299
Due within four to five years	**–**	–	**30**	–	**30**	–
Due within five to 10 years	**383**	1 079	**–**	23	**383**	1 102
Due within 15 to 20 years	**–**	249	**–**	–	**–**	249
More than 20 years	**12 135**	11 638	**23**	–	**12 158**	11 638
Total	**28 930**	22 169	**714**	590	**29 644**	22 759
Undiscounted						
Open-ended	**12 136**	7 360	**3**	3	**12 139**	7 363
Due within one year	**2 991**	3 129	**81**	158	**3 072**	3 287
Due within one to two years	**2 420**	1 397	**80**	151	**2 500**	1 548
Due within two to three years	**2 935**	2 354	**21**	180	**2 956**	2 534
Due within three to four years	**1 098**	1 347	**4**	124	**1 102**	1 471
Due within four to five years	**1 098**	533	**1**	1	**1 099**	534
Due within five to 10 years	**5 828**	7 557	**–**	–	**5 828**	7 557
Due within 10 to 15 years	**5 338**	6 229	**–**	–	**5 338**	6 229
Due within 15 to 20 years	**5 338**	6 396	**–**	–	**5 338**	6 396
More than 20 years	**14 869**	18 222	**–**	–	**14 869**	18 222
Total	**54 051**	54 524	**190**	617	**54 241**	55 141

[1] *Comparative disclosure has been restated to provide a more detailed disaggregation of the maturity analysis.*

14.2 Trading account liabilities

Trading account liabilities consists of borrowings in terms of the commercial paper programme to fund the activities in the group, repurchase agreements which fund the long bond positions and which are also used as a source of funding using borrowed bond scrip, CSA collateral and margin received from clients or counterparties, short bond and equity positions and interest rate and equity derivative liabilities. These transactions are marked-to-market (fair values) after initial recognition and any gains or losses arising are recognised in the statement of comprehensive income. The fair values related to such contracts and commitments are determined on the same basis as described for non-trading instruments in the policy note for financial instruments and are reported on a gross basis in the statement of financial position as positive and negative replacement values to the extent that set-off is not required by IAS 32 – Financial Instruments: Presentation.

Classification of trading account liabilities:

R million	2025	2024
Mandatorily measured at fair value through profit or loss	**1 484**	1 242
Designated at fair value through profit or loss	**28 354**	26 287
Other payables at amortised cost	**1 349**	1 144
Total trading account liabilities	**31 187**	28 673

Included in trading account liabilities are repurchase agreement positions of R17 961 million (2024: R16 956 million) which is secured by interest-bearing investments with a carrying value of R18 633 million (2024: R17 080 million). It relates to the sale of interest-bearing investments with an agreement to repurchase these investments at a fixed price at a later date. Where financial instruments are sold subject to a commitment to repurchase them, the financial instrument is not derecognised and remains in the statement of financial position. The proceeds received are recognised as a liability (trading account payable) carried at fair value.

Maturity analysis of trading account liabilities:

R million	Non-derivative trading account liabilities 2025	Non-derivative trading account liabilities Restated 2024[1]	Derivative trading account liabilities 2025	Derivative trading account liabilities Restated 2024[1]	Total trading account liabilities 2025	Total trading account liabilities Restated 2024[1]
Fair value						
Open-ended	**5 731**	3 229	**–**	–	**5 731**	3 229
Due within one year	**24 105**	24 412	**9**	5	**24 114**	24 417
Due within one to two years	**362**	431	**25**	6	**387**	438
Due within two to three years	**879**	276	**9**	41	**888**	316
Due within three to four years	**41**	256	**–**	–	**41**	256
Due within four to five years	**–**	–	**26**	–	**26**	–
Due within 15 to 20 years	**–**	–	**–**	17	**–**	17
Total	**31 118**	28 604	**69**	69	**31 187**	28 673
Undiscounted						
Open-ended	**5 731**	3 229	**–**	–	**5 731**	3 229
Due within one year	**24 216**	24 557	**33**	16	**24 249**	24 573
Due within one to two years	**364**	435	**28**	13	**392**	448
Due within two to three years	**879**	278	**9**	43	**888**	321
Due within three to four years	**41**	256	**3**	2	**44**	258
Due within four to five years	**–**	–	**1**	–	**1**	–
Total	**31 231**	28 755	**74**	74	**31 305**	28 829

[1] *Comparative disclosure has been restated to provide a more detailed disaggregation of the maturity analysis.*

15 Advances to customers

Advances to customers are measured initially at fair value plus incremental direct transaction costs. Subsequently, these are carried at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of advances to customers and of allocating interest income over the relevant period. The amortised cost of advances to customers is the amount at which it is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any impairment loss allowance. The gross carrying amount of advances to customers is the amortised cost of it before adjusting for any impairment loss allowance.

Advances to customers are assessed on an individual basis for indicators of impairment. Advances to customers are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the advance, the estimated future cash flows have been impacted, as well as observable changes in national or local economic conditions that correlate with default on advances.

	2025			2024		
R million	**Gross amortised cost**	**ECL on financial assets at amortised cost**	**Net amortised cost**	Gross amortised cost	ECL on financial assets at amortised cost	Net amortised cost
Advances to customers	**4 938**	**(221)**	**4 717**	4 253	(40)	4 213

Notes to the group annual financial statements continued

for the year ended 31 December 2025

15 Advances to customers continued

Reconciliation of expected credit losses:

R million	12-month ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
31 December 2025				
Balance at the beginning of year	**30**	**1**	**9**	**40**
Net remeasurement of loss allowance	**15**	**13**	**153**	**181**
Balance at the end of the year	**45**	**14**	**162**	**221**

Maturity analysis of advances to customers:

R million	2025	Restated 2024[1]
Due within one year	**1 029**	927
Due within one to two years	**1 074**	979
Due within two to three years	**1 031**	944
Due within three to four years	**889**	797
Due within four to five years	**538**	452
Due within five to 10 years	**156**	114
Total	**4 717**	4 213

[1] *Comparative disclosure has been restated to provide a more detailed disaggregation of the maturity analysis.*

The estimated fair value of advances to customers at amortised cost approximate the carrying value. This valuation is based on a discounted cash flows and is classified as level 3.

The change during the period and cumulatively in fair value through profit or loss that is attributable to changes in the credit risk of the financial asset is determined as the change triggered by factors other than changes in the benchmark interest rates. The impact of the changes in credit risk for 2025 are not material.

The amount of the impairment is based on the expected credit loss (ECL) that is the difference between the cash flows that are due from customers in accordance with the contract and the cash flows that are expected to be received, discounted at the advances' original effective interest rates. Changes in the carrying amount of the portfolio expected credit losses are charged to the statement of comprehensive income.

Extensive data has been collated and a number of scenario based models have been developed for the credit risk analysis and assessment, as well as the measurement of expected credit losses.

The total impairment provisions consist of the expected credit loss model and post-model overlays. The expected credit loss model is calibrated to provide through-the-cycle losses. The post-model overlay includes forward looking information that incorporates specific macroeconomic variables to adjust the losses accordingly.

The group uses a three-stage model in determining the ECL allowance on its advances to customers which is based on changes in credit risk quality since initial recognition.

Stage 1: No significant increase in credit risk since initial recognition. Includes advances to customers not credit impaired at initial recognition. 12-month ECL allowance is recognised. Indicators include less than one full instalment in arrears, technical cures and restructures. The effective interest is calculated on the gross carrying amount (i.e. before taking into account any ECL allowances).

Stage 2: A significant increase in credit risk has been identified. However, advances to customers are determined not to be credit impaired. ECL is measured based on a lifetime basis. Indicators include but not limited to; one or two full instalments in arrears, fully cured restructures but excluding technical cures. The effective interest is calculated on the gross carrying amount (i.e. before taking into account any ECL allowances).

Stage 3: Represents advances to customers that are credit-impaired. ECL measured based on a lifetime basis. Indicators include but not limited to; three or more instalments in arrears, the customer is in financial distress and technical cures identified. The effective interest is calculated on the net carrying amount (i.e. after taking into account any ECL allowances).

A cure occurs when an account does not meet the default definition for a specified number of months. Thus, a cure is defined as the movement of exposures from a non-performing loan status to a performing loan status. A technical cure relates to a non-restructure performing account that defaulted and cured to a performing loan status, but is still classified as a non-performing loan or a technical cure relates to a restructured account that was forced into default at point of restructure. Non-restructure accounts should remain in a performing status for 12 consecutive months before it is removed from the non-performing loan status and restructure accounts should be in up-to-date status for 12 consecutive months measured against the new contract.

Modification gains/losses arise where the original term and/or interest rate of customer accounts have changed. Modification gains/losses are calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, and is recognised within the statement of comprehensive income.

The cash flow model is built solely on restructured accounts to ensure that the total expected credit loss and modification gains/losses are incorporated in the total provision number. The cash flow model calculates the difference between the cash flows that are due from customers in accordance with the restructured contract and the cash flows that the entity expects to receive discounted to restructure date at the original effective interest rate.

Restructured accounts are accounts (including customers under debt review) where there is a formal contractual arrangement between the customer and the company, where both parties have agreed to alter the terms of the original loan agreement. The contractual terms are changed in such a way to accept less than the original contractual amounts due, resulting in cash flow relief for the customer. The contract terms are generally adjusted when the customer can no longer afford the payments under the original agreement terms.

Suspended interest is the difference between the original interest amount due from a customer and the interest amount due on the amortised cost for credit-impaired advances to customers. Suspended interest on credit-impaired advances to customers is derecognised from provisions for impairment and recognised within the gross carrying amount of advances to customers.

Significant increase in credit risk

Significant increase in credit risk involves the company assessing whether the credit risk on advances to customers have increased significantly since initial recognition, the company compares the risk of a default occurring on the advances to customers at the reporting date with the risk of a default occurring on the advances to customers at the date of initial recognition. In making this assessment, the company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the company's customers operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant strategic advisors and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the company's core operations.

The company assumes that the credit risk on advances to customers have not increased significantly since initial recognition, if the advances to customers are determined to have low credit risk at the reporting date. Advances to customers are determined to have low credit risk if:

- the loan and advances have a low risk of default;
- the customer has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the customer to fulfil its contractual cash flow obligations.

Definition of default

An account is considered in default/non-performing when one of the following events occur:

- Three or more instalments in arrears (three or more full instalments in arrears), or resulting in a technical cure.
- Classification (an account will be classified once it meets the write-off criteria. From a system perspective, classification is a trigger for write-off).
- Distressed restructures are classified as non-performing at the point of restructure. Should the account be in an up-to-date state for 12 consecutive months measured against the new contract, they are moved from non-performing loan (NPL) to a performing loan.

Credit impaired financial assets

Credit impairment of advances to customers occur when there are one or more events that have a detrimental impact on the estimated future cash flows of advances to customers. Evidence that advances to customers are credit-impaired includes observable data about the following events:

- significant financial difficulty of the customer;
- a breach of contract, such as a default or past due event;
- for economic or contractual reasons relating to the customers' financial difficulty, having granted to the customer a concession(s) that the company and group would not otherwise consider;
- it is becoming probable that the customer will enter bankruptcy or other financial reorganisation; or
- the deterioration of an active market for advances to customers, because of market conditions.

Write-off policy

After exhausting all the practical avenues available to the company and in line with the internal collections department policy, based on the specific information and facts relating to each specific customer the relevant debts are written off as bad and charged to the statement of other comprehensive income, when future recoveries are considered immaterial. Accounts that are written off as bad are considered for hand over to an external debt collector when the relevant criteria are met.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

16 Trade receivables and payables

16.1 Trade and other receivables

Trade and other receivables are measured in accordance with the classification categories below. Investment income due is classified in accordance with the classification of the asset that the investment income due stems from to the extent that it forms part of the carrying value of the instrument. Contract receivables are recognised when performance obligations are satisfied, but the compensation has not yet been received. Contract receivables are unconditional rights to consideration. A right to consideration is unconditional if only the passage of time is required before payment becomes due. Contract receivables are presented separately from contract assets and cannot be netted off against contract liabilities.

		Amortised cost				
R million	Fair value	Gross	Expected credit loss allowance	Net	Non-financial instruments[2]	Total
31 December 2025						
Accounts receivable	–	15 728	(316)	15 412	–	15 412
Premiums receivable[1]	–	60	–	60	–	60
Investment income due	2	703	–	703	–	705
Contract receivables	–	1 516	–	1 516	–	1 516
Other	–	–	–	–	936	936
Total trade and other receivables	2	18 007	(316)	17 691	936	18 629
31 December 2024						
Accounts receivable	–	10 322	(332)	9 990	–	9 990
Premiums receivable[1]	–	67	–	67	–	67
Investment income due	4	572	–	572	–	576
Contract receivables	–	1 727	–	1 727	–	1 727
Other	–	–	–	–	1 088	1 088
Total trade and other receivables	4	12 688	(332)	12 356	1 088	13 448

Classification of trade and other receivables:

R million	2025	2024
Mandatorily measured at fair value through profit or loss	**2**	4
Amortised cost	**17 691**	12 356
Non-financial instrument[2]	**936**	1 088
Total trade and other receivables	**18 629**	13 448

Trade and other receivables are receivable within one year. The estimated fair value of receivables at amortised cost approximate the carrying value.

[1] Premiums receivable relate to financial instruments measured within the scope of IFRS 9.
[2] Non-financial instruments refer primarily to prepaid expenses split out to better reflect the nature of the account.

Reconciliation of contract receivables:

R million	2025	2024
Balance at the beginning of year	**1 727**	1 460
Revenue recognised in the current reporting period	**24 981**	22 481
Consideration received	**(25 000)**	(22 236)
Reclassified as non-current assets held for sale	**(151)**	–
Foreign currency translation reserve	**(58)**	22
Other movements	**18**	–
Balance at the end of the year	**1 517**	1 727

Refer to note 25 for the disaggregation of revenue recognised in accordance with IFRS 15.

Reconciliation of expected credit losses:

R million	2025	2024
Accounts receivable		
Balance at the beginning of year	**332**	334
Net remeasurement of loss allowance	**(15)**	(2)
Foreign currency translation differences	**(1)**	
Balance at the end of the year	**316**	332
Premiums receivable		
Balance at the beginning of year	**–**	320
Other movement	**–**	(320)
Balance at the end of the year	**–**	–

Santam:
The general approach is applied to provide for expected credit losses prescribed by IFRS 9. To measure the expected credit losses, loans and receivables have been grouped based on shared credit risk characteristics and the days past due to create three categories, namely performing, underperforming and not performing. The expected loss rates are based on the payment profiles of receivables over a period of 36 months before year-end. The loss rates are adjusted to reflect current and forward looking information on macroeconomic factors, such as the socio-economic environment affecting the ability of the debtors to settle the receivables. Receivables that are 30 days or more past due are considered to be "not performing" and the default rebuttable presumption of 90 days prescribed by IFRS 9 is not applied.

16.2 Trade and other payables

Trade and other payables are measured in accordance with the classification categories below. Accrued investment payable is classified in accordance with the classification of the liability that the investment payable stems from to the extent that it forms part of the carrying value of the instrument.

R million	2025	2024
Accounts payable	**36 714**	30 965
Accrued interest payable	**169**	92
Policy benefits payable – investment contracts	**6**	50
Bank overdrafts	**1**	4
Contract liabilities	**1**	1
Total trade and other payables	**36 891**	31 112

Classification of trade and other payables:

R million	2025	2024
Designated at fair value through profit or loss[1]	**100**	100
Other payables at amortised cost	**34 565**	29 196
Non-financial instruments[2]	**2 226**	1 816
Total trade and other payables	**36 891**	31 112

Trade and other payables are payable within one year. The estimated fair value of other payables at amortised cost approximates the carrying value.

[1] For trade and other payables designated at fair value through profit or loss, the amount contractually payable at maturity is equivalent to the carrying amount of the financial liability. The group has designated trade payables as fair value through profit or loss to reduce or limit accounting mismatches.
[2] Non-financial instruments include leave pay accrual and income received in advance.

17 Short-term investments

Short-term investments comprise of highly liquid investments with original maturities of three months or more, such as interest-bearing investments, structured transactions and deposits, and similar securities. Their main purpose is to ensure that the liquidity requirements of the group in the ordinary course of business are met.

Short-term investments are considered to be financial assets which on initial recognition are classified as designated at fair value through profit or loss. They are subsequently measured at fair value through profit or loss in order to reduce or limit accounting mismatches. Net gains and losses (i.e. 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.

Short-term investments that are classified as level 2 instruments and the valuation is based on discounted cash flows.

Refer to note 38 for further information in respect of the determination of fair value and fair value hierarchy.

R million	2025	2024
Designated at fair value through profit or loss	**9 181**	7 464

Notes to the group annual financial statements continued

for the year ended 31 December 2025

18 Cash and cash equivalents

Cash and cash equivalents are classified as follows:

Cash and cash equivalents consists of cash on hand, call deposits and negotiable certificates of deposit with maturity profiles of less 90 days and is classified at amortised cost. The estimated fair value of cash and cash equivalents approximates the carrying value.

	2025			2024		
R million	**Gross amortised cost**	**ECL on financial assets at amortised cost**	**Net amortised cost**	Gross amortised cost	ECL on financial assets at amortised cost	Net amortised cost
Cash and cash equivalents	**36 193**	**(14)**	**36 179**	34 616	(14)	34 602

Reconciliation of expected credit losses:

R million	**2025 Lifetime ECL (not credit impaired)**	2024 Lifetime ECL (not credit impaired)
Balance at the beginning of year	**14**	8
Net remeasurement of loss allowance	**–**	1
Foreign currency translation differences	**–**	5
Balance at the end of the year	**14**	14

19 Share capital and premium

Share capital is classified as equity where the group has no obligation to deliver cash or other assets to shareholders.

Incremental costs attributable to the issue or cancellation of equity instruments are recognised directly in equity, net of tax if applicable.

Shares held in Sanlam Limited by shareholder portfolios and related investment funds consolidated as part of IFRS 10, previously held as treasury shares (in the consolidation reserve), are recognised as a deduction from equity on consolidation. The cost of treasury shares acquired is deducted from equity on date of acquisition. The consideration received on the disposal of treasury shares, net of incremental costs attributable to the disposal and tax, is also recognised directly in equity.

R million		**2025**	2024
Authorised share capital			
4 000 million ordinary shares of 1 cent each	Rand	**40,0**	40,0
Issued share capital: ordinary shares			
Total shares in issue at the beginning of the year		**2 117,1**	2 202,9
Shares cancelled during the year		**–**	(85,8)
Total shares in issue at the end of the year		**2 117,1**	2 117,1
Shares held by subsidiaries		**(27,4)**	(29,6)
Balance at the end of the year		**2 089,7**	2 087,5
% of ordinary shares held by subsidiaries		**1,3%**	1,4%
Nominal value and share premium			
Nominal value of 1 cent per share	Rand	**21,2**	21,2
Share premium	Rand	**12 504,7**	12 504,7
Total nominal value and share premium	Rand	**12 525,9**	12 525,9

Special resolutions by subsidiary companies since the date of the previous directors' report relate to approval of directors' remuneration, general authority to purchase shares, general authority to provide financial assistance in terms of section 44 of the Companies Act, and general authority to provide assistance to inter-related companies in terms of section 45 of the Companies Act.

Sanlam Limited
Annual Financial Statements 2025

Equity participation by employees:

Thousands	**Shares 2025**	Shares 2024
Executive share incentive scheme[1]		
Total number of shares at the beginning of the year	**34 746**	35 731
Unrestricted shares at the beginning of the year	**(519)**	(363)
Restricted shares at the beginning of the year	**34 227**	35 368
Additional shares issued pertaining to prior year tranches	**26**	158
New restricted shares granted in terms of restricted share and deferred share plan schemes	**8 407**	7 881
Unconditional shares released, available for release, or taken up	**(7 209)**	(7 104)
Options and shares forfeited/transferred to new scheme	**(896)**	(2 076)
Restricted shares at the end of the year	**34 555**	34 227
Unrestricted shares at the end of the year[2]	**328**	519
Total equity participation by employees[3]	**34 883**	34 746
Total equity participation by employees as a percentage of total issued ordinary shares	**1,6%**	1,6%
Approved maximum level of equity participation by employees (number of shares)	**160 000**	160 000

(1) Refer to the Remuneration report for further details of the schemes.
(2) During the year 837 244 (2024: 1 099 422) number of shares became unrestricted in respect of the Restricted Share Plan.
(3) Refer to the Remuneration report on page 267 where the directors' interests in contracts and interests of directors and officers in share capital and changes in directors are disclosed (which have been audited).

Details regarding the restricted shares outstanding on 31 December 2025 and the financial years during which they become unconditional, are as follows:

Unrestricted during year ending (subject to performance targets)

Thousands	Number of shares
31 December 2026	8 827
31 December 2027	7 023
31 December 2028	11 355
31 December 2029	4 825
31 December 2030	2 525
Total unrestricted shares	34 555

A total of 8,4 million (2024: 8,0 million) restricted shares were granted to staff and executive directors during 2025. The fair value of the grants on grant date, calculated in terms of IFRS 2, amounted to R545 million (2024: R484 million) and is expensed in the statement of comprehensive income over the vesting period of up to five years. The fair value is based on the Sanlam share price on grant date, adjusted for dividends not accruing to participants during the vesting period.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

20 Other reserves

Non-distributable reserve

The non-distributable reserve consists of the pre-acquisition reserve arising from the demutualisation of Sanlam Life Insurance Limited in 1998.

Foreign currency translation reserve

The exchange differences arising on the translation of foreign operations to the presentation currency are transferred to the foreign currency translation reserve. On disposal of the net investment, the cumulative exchange differences relating to the operations disposed of are released to the statement of comprehensive income.

Consolidation reserve

Deferred tax assets recognised in respect of assessed tax losses for policyholders increases the group's net assets without a corresponding increase in policy liabilities. These create mismatches with a corresponding impact on the shareholders' equity. A separate reserve is created for these valuation differences owing to the fact that they represent accounting differences and not economic gains or losses for shareholders.

The group elects to recognise Sanlam Limited shares held by policyholder portfolios as issued at fair value through profit and loss rather than as treasury shares.

R million	2025	2024
Non-distributable reserves	**9 414**	9 414
Pre-acquisition reserves upon demutualisation of Sanlam Life Insurance Limited	**9 414**	9 414
Foreign currency translation reserve	**(1 681)**	2 546
Consolidation reserve	**675**	568
Total reserves other than retained earnings	**8 408**	12 528

21 Non-controlling interest

R million	2025	2024
Santam	**6 707**	5 510
MCIS Insurance	**715**	666
Sanlam Investment Holdings Capital	**916**	1 072
Afrocentric Investment Corporation Limited	**595**	985
NMS Insurance Services	**208**	368
Other	**472**	345
Non-controlling shareholders' interest	**9 613**	8 946
Non-controlling policyholders' interest	**248**	248
Total non-controlling interest	**9 861**	9 194

21.1 Financial information for subsidiaries with material non-controlling interest

Analysis of the group's holding in material subsidiaries

	Santam Limited[1]		Sanlam Investment Holdings Capital[2]		Afrocentric[3]		MCIS Insurance[4]		NMS Insurance Services[5]	
%	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Shareholders	**62,35**	62,58	**75,00**	75,00	**58,81**	58,85	**51,00**	51,00	**60,00**	60,00
Policyholders	**–**	0,14	**–**	–	**–**	–	**–**	–	**–**	–
Non-controlling interest	**37,65**	37,28	**25,00**	25,00	**41,19**	41,15	**49,00**	49,00	**40,00**	40,00
Total	**100,00**	100,00	**100,00**	100,00	**100,00**	100,00	**100,00**	100,00	**100,00**	100,00

(1) The financial information of Santam Limited, incorporated and operating mainly in South Africa, which has a material non-controlling interest has been summarised below. This information provided is based on amounts before inter-company eliminations.
(2) The financial information of Sanlam Investment Holdings Capital (SIHC), incorporated and operating mainly in South Africa which has a significant non-controlling interest has been summarised below. This information provided is based on amounts before inter-company eliminations.
(3) The financial information of Afrocentric Investment Corporation Limited, incorporated and operating mainly in South Africa, which has a significant non-controlling interest has been summarised below. This information provided is based on amounts before inter-company eliminations.
(4) The financial information of MCIS Insurance, incorporated and operating mainly in Malaysia, which has a significant non-controlling interest has been summarised below. This information provided is based on amounts before inter-company eliminations.
(5) The financial information of NMS Insurance Services, incorporated and operating mainly in South Africa which has a significant non-controlling interest has been summarised below. This information provided is based on amounts before inter-company eliminations.

21.1.1 Financial information of Santam Ltd

Summarised statement of profit or loss for the year ended 31 December

R million	2025	2024
Insurance revenue		
Result from insurance operations	**3 938**	1 630
Revenue	**353**	364
Expenses	**(1 692)**	(1 461)
Share of profit of associates and joint ventures	**147**	88
Other income	**5 666**	6 086
Finance cost	**(513)**	(538)
Gross amortisation of intangible assets	**(69)**	(217)
Profit before tax	**7 830**	5 952
Income tax	**(2 760)**	(1 596)
Profit for the year	**5 070**	4 356
Total comprehensive income	**5 028**	4 356
Attributable to non-controlling interests	**1 011**	1 624
Dividends paid to non-controlling interests	**(1 470)**	(687)

Summarised statement of financial position at 31 December

Assets		
Investments	**65 816**	54 866
Other non-current assets	**2 157**	2 054
Other current assets	**5 752**	7 341
Cash and cash equivalents	**6 083**	6 385
Trade and other receivables	**2 584**	2 793
Liabilities		
Insurance and reinsurance contract liabilities	**(47 881)**	(43 718)
Investment contract liabilities	**(7 277)**	(6 638)
Other non-current liabilities	**(4 922)**	(3 849)
Deferred tax	**(541)**	(259)
Other current liabilities	**(1 752)**	(1 463)
Trade and other payables	**(3 440)**	(3 437)
Total equity	**16 579**	14 075
Attributable to:		
Equity holders of the parent	**10 337**	8 828
Non-controlling interest	**6 242**	5 247

Summarised statement of cash flow for the year ended 31 December

Operating	**2 448**	3 680
Investing	**(913)**	(139)
Financing	**(1 794)**	(1 960)
Net (decrease)/increase in cash and cash equivalents	**(259)**	1 581

Notes to the group annual financial statements continued

for the year ended 31 December 2025

21 Non-controlling interest continued

21.1 Financial information for subsidiaries with material non-controlling interest continued

21.1.2 Financial information of Sanlam Investment Holdings Capital

Summarised statement of profit or loss for the year ended 31 December

R million	2025	2024
Revenue	**4 224**	3 693
Expenses	**(3 152)**	(2 801)
Share of profit of associates and joint ventures	**211**	138
Finance cost	**(23)**	(25)
Profit before tax	**1 260**	1 005
Income tax	**(262)**	(256)
Profit for the year	**998**	749
Total comprehensive income	**966**	733
Attributable to non-controlling interests	**242**	183
Dividends paid to non-controlling interests	**(127)**	(167)
Summarised statement of financial position at 31 December		
Assets		
Investments	**1 219**	1 075
Other non-current assets	**2 085**	1 789
Other current assets	**38**	82
Cash and cash equivalents	**1 057**	1 255
Trade and other receivables	**1 278**	1 476
Liabilities		
Other non-current liabilities	**(473)**	(308)
Deferred tax	**–**	(17)
Other current liabilities	**(130)**	(172)
Trade and other payables	**(1 343)**	(1 810)
Total equity	**3 731**	3 370
Attributable to:		
Equity holders of the parent	**2 798**	2 527
Non-controlling interest	**933**	843
Summarised statement of cash flow for the year ended 31 December		
Operating	**(457)**	(101)
Investing	**(11)**	–
Financing	**166**	92
Net (decrease) in cash and cash equivalents	**(302)**	(9)

Sanlam Limited
Annual Financial Statements 2025

21.1.3 Financial information of Afrocentric

Summarised statement of profit or loss for the year ended 31 December

R million	2025	2024
Insurance revenue		
Result from insurance operations	**12**	13
Revenue	**7 363**	6 745
Expenses	**(7 852)**	(6 506)
Share of profit of associates and joint ventures	**7**	(27)
Finance cost	**(62)**	(89)
Profit before tax	**(532)**	136
Income tax	**(114)**	(85)
Discontinued operations	**(613)**	–
Profit for the year	**(1 259)**	51
Total comprehensive income	**(1 270)**	52
Attributable to non-controlling interests	**(523)**	21
Dividends paid to non-controlling interests	**(8)**	(16)
Summarised statement of financial position at 31 December		
Assets		
Investments	**25**	48
Non-current assets held for sale	**566**	–
Other non-current assets	**2 061**	3 757
Other current assets	**400**	49
Cash and cash equivalents	**607**	351
Trade and other receivables	**521**	1 111
Liabilities		
Non-current liabilities held for sale	**(92)**	–
Other non-current liabilities	**(635)**	(794)
Deferred tax	**(246)**	(196)
Other current liabilities	**(538)**	(31)
Trade and other payables	**(726)**	(732)
Total equity	**1 943**	3 563
Attributable to:		
Equity holders of the parent	**1 143**	2 099
Non-controlling interest	**800**	1 466
Summarised statement of cash flow for the year ended 31 December		
Operating	**685**	2 333
Investing	**(222)**	(86)
Financing	**(71)**	(147)
Net increase in cash and cash equivalents	**392**	2 100

Notes to the group annual financial statements continued

for the year ended 31 December 2025

21 Non-controlling interest continued

21.1 Financial information for subsidiaries with material non-controlling interest continued

21.1.4 Financial information of MCIS Insurance

Summarised statement of profit or loss for the year ended 31 December

R million	2025	2024
Insurance revenue		
Result from insurance operations	**252**	(190)
Expenses	**(96)**	(30)
Other income	**71**	65
Finance cost	**(47)**	(45)
Gross amortisation of intangible assets	**(2)**	(2)
Profit before tax	**178**	(202)
Income tax	**(35)**	(40)
Profit for the year	**143**	(242)
Total comprehensive income	**101**	(183)
Attributable to non-controlling interests	**50**	(90)
Dividends paid to non-controlling interests	**–**	–
Summarised statement of financial position at 31 December		
Assets		
Investments	**15 525**	17 281
Other non-current assets	**612**	437
Other current assets	**59**	68
Cash and cash equivalents	**1 985**	1 097
Trade and other receivables	**179**	184
Liabilities		
Insurance and reinsurance contract liabilities	**(15 681)**	(16 437)
Other non-current liabilities	**(834)**	(890)
Deferred tax	**(225)**	(269)
Other current liabilities	**(21)**	(21)
Trade and other payables	**(243)**	(197)
Total equity	**1 356**	1 253
Attributable to:		
Equity holders of the parent	**691**	639
Non-controlling interest	**665**	614
Summarised statement of cash flow for the year ended 31 December		
Operating	**1 709**	(1 011)
Investing	**(40)**	(43)
Net increase/(decrease) in cash and cash equivalents	**1 669**	(1 054)

21.1.5 NMS Insurance Services

Summarised statement of profit or loss for the year ended 31 December

R million	2025	2024
Insurance revenue		
Result from insurance operations	**546**	63
Expenses	**(6)**	(2)
Profit before tax	**540**	61
Income tax	**(142)**	(16)
Profit for the year	**398**	45
Total comprehensive income	**398**	45
Attributable to non-controlling interests	**159**	18
Dividends paid to non-controlling interests	**(148)**	–
Summarised statement of financial position at 31 December		
Assets		
Cash and cash equivalents	**682**	597
Trade and other receivables	**117**	695
Liabilities		
Insurance and reinsurance contract liabilities	**(214)**	(79)
Deferred tax	**–**	(4)
Other current liabilities	**7**	(49)
Trade and other payables	**(78)**	(672)
Total equity	**514**	488
Attributable to:		
Equity holders of the parent	**308**	293
Non-controlling interest	**206**	195
Summarised statement of cash flow for the year ended 31 December		
Operating	**(445)**	196
Net (decrease)/increase in cash and cash equivalents	**(445)**	196

Sanlam Limited
Annual Financial Statements 2025

Notes to the group annual financial statements continued

for the year ended 31 December 2025

22 Investment contracts

22.1 Analysis of movement in net investment contracts

All investment contract assets and liabilities fall within the scope of IFRS 9 and are designated as at fair value through profit or loss as their fair value is dependent on the fair value of the underlying assets that are carried at fair value through profit or loss.

Premium income from investment policy contracts are recognised as an increase in net investment contract liabilities. Claims incurred are recognised as a decrease in net investment contract liabilities.

R million	2025	2024
Investment contract assets	**(1 531)**	(789)
Investment contract liabilities	**649 012**	554 955
Net investment contracts	**647 481**	554 166

		2025			2024		
R million	Note	**Net investment contracts**	**Investment contract liabilities**	**Investment contract assets**	Net investment contracts[1]	Investment contract liabilities[1]	Investment contract assets[1]
Net investment contracts							
Income		**163 147**	**163 840**	**(693)**	135 141	135 110	31
Premium income	22.2	**79 021**	**79 619**	**(598)**	67 841	67 779	62
Change in fair value of investment contract liabilities (including tax)		**84 126**	**84 221**	**(95)**	67 300	67 331	(31)
Outflow		**(69 803)**	**(69 754)**	**(49)**	(74 248)	(73 428)	(820)
Policy benefits	22.3	**(53 644)**	**(53 612)**	**(32)**	(52 545)	(52 531)	(14)
Retirement fund terminations		**(8 289)**	**(8 289)**	**–**	(12 990)	(12 990)	–
Fees and other payments to shareholders		**(7 870)**	**(7 853)**	**(17)**	(8 713)	(7 907)	(806)
Movement in policy loans		**(29)**	**(29)**	**–**	(205)	(205)	–
Net movement for the year		**93 315**	**94 057**	**(742)**	60 688	61 477	(789)
Liabilities acquired through business combinations					5 240	5 240	–
Reclassified to non-current liabilities held for sale		**–**	**–**	**–**	(263)	(263)	–
Balance at the beginning of the year[1]		**554 166**	**554 955**	**(789)**	488 501	488 501	–
Balance at the end of the year		**647 481**	**649 012**	**(1 531)**	554 166	554,955	(789)

[1] *Investment contracts assets and liabilities have been separated to reflect the split between assets and liabilities. The insurance contract asset relates to two reinsurance contracts written by the group where there is no significant insurance risk.*

22.2 Analysis of investment contract premiums received

R million	2025	2024
Individual business	**51 091**	46 882
Recurring	**11 761**	12 683
Single	**38 645**	32 964
Continuations	**685**	1 235
Employee benefits business	**27 930**	20 959
Recurring	**10 341**	9 321
Single	**17 589**	11 638
Total investment contract premium income	**79 021**	67 841

22.3 Analysis of net investment contract policy benefits

R million	2025	2024
Individual business	**(44 565)**	(44 917)
Maturity benefits	**(21 875)**	(21 707)
Surrenders	**(6 157)**	(5 554)
Life and term annuities	**(12 548)**	(13 954)
Death and disability benefits	**(3 985)**	(3 702)
Employee benefits business	**(9 079)**	(7 628)
Withdrawal benefits	**(5 572)**	(5 797)
Pensions	**(44)**	(13)
Lump-sum retirement benefits	**(2 101)**	(126)
Death and disability benefits	**(1 362)**	(1 692)
Total investment contract policy benefits	**(53 644)**	(52 545)

22.4 Maturity analysis

	2025			Restated 2024[2]
R million	**Net investment contracts**	**Investment contract liabilities**	**Investment contract assets**	**Net investment contracts**
Fair value				
Open ended[1]	**436 779**	**436 779**	**–**	365 968
Due within one year	**20 146**	**20 146**	**–**	17 814
Due within one to two years	**18 812**	**18 812**	**–**	17 159
Due within two to three years	**17 986**	**17 986**	**–**	13 604
Due within three to four years	**17 713**	**17 713**	**–**	14 016
Due within four to five years	**15 721**	**15 721**	**–**	11 691
Due within five to 10 years	**57 742**	**59 273**	**(1 531)**	112 619
Due within 10 to 15 years	**31 072**	**31 072**	**–**	1 098
Due within 15 to 20 years	**16 929**	**16 929**	**–**	139
More than 20 years	**14 581**	**14 581**	**–**	58
Total net investment contract liabilities[3]	**647 481**	**649 012**	**(1 531)**	554 166

[1] *Open ended is defined as policies where the policyholder is entitled to the benefit at any future point (benefits are contractually available on demand).*
[2] *Comparative disclosure has been restated to provide a more detailed disaggregation of the maturity analysis.*
[3] *Undiscounted maturity analysis of net investment contract liabilities is not considered to materially different to the discounted maturity analysis disclosed in the above table.*

23 Term finance

Term financial liabilities include:

- Liabilities incurred as part of interest margin business and matched by specific financial assets measured at amortised cost; and
- Other term finance liabilities measured at stock exchange prices or amortised cost as applicable.

Preference shares issued by the group that are redeemable or subject to fixed dividend payment terms are classified as term finance liabilities. Dividends paid in respect of term finance are recognised in the statement of comprehensive income as finance cost.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

23 Term finance continued

23.1 Term finance comprises:

R million	2025	2024
Interest-bearing liabilities held in respect of margin business	**1 535**	1 648
Other interest-bearing liabilities	**17 043**	18 121
Total term finance	**18 578**	19 769

R million	2025	2024
Interest-bearing liabilities held in respect of margin business:		
Redeemable cumulative non-voting preference shares issued by subsidiary companies, with dividend terms that range between 6,6% and 7% (2024: 5,5% and 5,9%) or linked to prime interest rates. The preference shares have different redemption dates up to 2029.	**1 535**	1 648
Other interest-bearing liabilities		
An unsecured bridge loan facility was entered in September 2024 with Standard bank. The bridge loan facility equals a total of R6,5 billion. The loan carries interest at a floating rate (three months JIBAR plus 107 basis points), which has been extended to 31 March 2026. R2 billion of the loan has been repaid, with the balance being R4,5 billion as at 31 December 2025.[1]	**4 531**	6 500
Unsecured subordinated bonds of R2 billion were issued in three tranches (SLI5, SLI6 and SLI7) during 2021. SLI5 and SLI6 unsecured subordinated bonds carry interest at a floating rate (three-month JIBAR plus 155 and 174 basis points respectively) and mature on 16 August 2026 and 16 August 2028 respectively. SLI7 carries interest at a fixed rate of 8,42% and matures on 16 August 2028.[1] During 2023, additional R2 billion in unsecured subordinated bonds were issued (SLI8 and SLI9). SLI8 (R97 million) carries a floating rate (three-month JIBAR plus 134 basis points) and matures on 5 April 2029. SLI9 (R1 028 million) carries a floating rate (three-month JIBAR plus 150 basis points) with a 5 October 2030 maturity date.[1] During 2024, additional R2 billion in unsecured subordinated bonds were issued (SLI10 and SLI11). SLI10 (R820 million) carries a floating rate (three-month JIBAR plus 134 basis points) and matures on 8 April 2030. SLI11 (R1 180 million) carries a floating rate (three-month JIBAR plus 146 basis points) with an 8 April 2032 maturity date.[1] Sanlam Limited irrevocably and unconditionally guarantees to the noteholders the due and punctual performance of all obligations arising under the programme.[1]	**6 072**	6 038
During November 2020, the company issued additional unsecured subordinated callable floating rate notes to the value of R1 billion. The effective interest rate for the floating rate notes represents the three-month JIBAR plus 198 basis points. The notes have an optional redemption date of 30 November 2025 with a final maturity date of 30 November 2030. The optional redemption was exercised and these unsecured subordinated callable floating rate notes were redeemed on 30 November 2025.[1] During May 2022, the company issued additional unsecured subordinated callable floating rate notes to the value of R1 billion. The effective interest rate for the floating rate notes represents the three-month JIBAR plus 159 basis points. The notes have an optional redemption date of 16 May 2027 with a final maturity date of 16 May 2032.[1] During April 2023, Santam issued additional five-year unsecured subordinated callable floating rate notes to the value of R1 billion. The effective interest rate for the floating rate notes is equivalent to the three-month JIBAR plus a spread of 150 basis points. The notes have a final maturity date of 6 April 2028.[1] During October 2025, Santam issued additional five-year unsecured subordinated floating rate notes to the value of R1,53 billion, as well as seven-year unsecured subordinated floating rate notes to the value of R470 million. The effective interest rate is three-month JIBAR plus a spread of 120 basis points and three-month JIBAR plus a spread of 129 basis points for the five-year floating rate notes and the seven-year floating rate notes respectively.[1]	**4 088**	3 063
Unsecured subordinated callable notes to the value of 200 million Malaysian Ringgit (ZAR equivalent of R764 million) were issued during December 2021 at a fixed interest rate of 5,30% with a tenure of 10 years, plus an option to call five years prior to maturity.	**814**	839
A credit facility agreement was entered in June 2024. The full capital repayment is due at the end of the five-year term (June 2029). The credit facility equals a total of R900 million consisting of revolving credit facility of R600 million and general banking facility of R300 million. R654 million, inclusive of accrued interest, has been utilised by the Group for the year of which amounts have been applied to funding the working capital and general corporate requirements of the Group. The rate of interest on the loan for each interest period is the percentage rate per annum which is the aggregate of the applicable margin and JIBAR.[1]	**602**	623
Unsecured subordinated bonds of R350 million were issued by Assupol in three tranches (ASP01U, ASP02U and ASP03U) during 2022. ASP01U and ASP02U unsecured subordinated bonds carry interest at a floating rate (three-month JIBAR plus 240 and 265 basis points respectively) and mature in September 2025 and September 2027 respectively. ASP03U carries interest at a fixed rate of 11,18% and matures in September 2027.[1]	**177**	352
Other	**759**	706
	17 043	18 121

[1] *Please refer to the basis of preparation for further disclosure regarding zaronia.*

23.2 Reconciliation of term finance (including interest accrued)

R million	Note	2025	2024
Balance at the beginning of the year		**19 861**	15 338
Cash movements		**(2 999)**	3 380
New issuances		**2 045**	8 659
Acquired through business combinations	36	**–**	351
Capital repayment		**(3 263)**	(3 854)
Interest paid		**(1 781)**	(1 776)
Non-cash movements		**1 885**	1 143
Net fair value movements		**25**	10
Interest expense		**1 858**	1 466
Reclassified as non-current liabilities held for sale	37	**–**	839
Foreign currency translation differences		**(25)**	–
New issuances		**27**	(1 172)
Balance at the end of the year (including interest accruals)		**18 747**	19 861
Balance comprises:			
Term finance		**18 578**	19 769
Accrued interest (included in trade and other payables)		**169**	92

23.3 Maturity analysis of term finance

R million	2025	Restated 2024[1]
Fair value		
Due within one year	**6 059**	8 636
Due within one to two years	**1 262**	2 109
Due within two to three years	**3 072**	1 579
Due within three to four years	**2 114**	1 853
Due within four to five years	**1 860**	3 573
Due within five to 10 years	**4 211**	2 019
Total	**18 578**	19 769
Undiscounted		
Due within one year	**6 386**	8 868
Due within one to two years	**1 590**	1 948
Due within two to three years	**3 531**	1 751
Due within three to four years	**2 545**	2 409
Due within four to five years	**4 251**	4 930
Due within five to 10 years	**3 384**	2 838
Total	**21 687**	22 744

[1] *Comparative disclosure has been restated to provide a more detailed disaggregation of the maturity analysis.*

Sanlam Limited
Annual Financial Statements 2025

Notes to the group annual financial statements continued

for the year ended 31 December 2025

23 Term finance continued

23.4 Classification of term finance

R million	Notes	2025	2024
At fair value through profit or loss	23.4.1	**10 577**	9 521
Valued at stock exchange prices		**10 160**	9 076
Based on internal valuation[1]		**417**	445
Other financial liabilities at amortised cost	23.4.2	**8 001**	10 248
Total term finance liabilities		**18 578**	19 769
23.4.1 Term finance classified as at fair value through profit or loss			
Total designated as at fair value through profit or loss[2]		**10 577**	9 521
Amount contractually payable at maturity		**10 464**	10 409
23.4.2 Term finance classified as other financial liabilities			
Total term finance liabilities measured at amortised cost		**8 001**	10 248

(1) The valuation is based on a discounted cash flow and classified as a level 3 instruments. Refer to note 38 for additional fair value disclosures.
(2) The unsecured subordinated debt is designated at fair value through profit and loss, as it is managed on fair value basis.

24 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the amounts that are expected to be paid to settle the obligations. Provisions are charged to the statement of comprehensive income in the line item to which it relates.

Details of the different classes of provisions are as follows:

R million	Note	Possible claims	Other	Total
Balance at 1 January 2024		16	172	188
Charged to the statement of comprehensive income		–	59	59
Additional provisions		–	65	65
Unused amounts reversed		–	(6)	(6)
Acquired through business combinations		–	1	1
Utilised during the year		–	(24)	(24)
Transfer to/from trade and other payables		–	15	15
Reclassified from non-current liabilities held for sale	37	–	36	36
Balance at 1 January 2025		**16**	**259**	**275**
Charged to the statement of comprehensive income		**–**	**(27)**	**(27)**
Additional provisions		**–**	**33**	**33**
Unused amounts reversed		**–**	**(60)**	**(60)**
Acquired through business combinations	36	**–**	**(1)**	**(1)**
Utilised during the year		**–**	**(44)**	**(44)**
Transfer to/from trade and other payables		**–**	**(1)**	**(1)**
Balance at 31 December 2025		**16**	**186**	**202**
Analysis of provisions				
Current		**–**	**121**	**121**
Non-current		**16**	**65**	**81**
Total provisions at 31 December 2025		**16**	**186**	**202**

Possible claims

The group provides for possible claims that may arise as a result of past events, transactions or investments. Due to the nature of the provision, the timing of the expected cash outflows is uncertain.

Estimates are reviewed annually and adjusted as appropriate for new circumstances.

Additional information in respect of these claims cannot be provided, due to the potential prejudice that such disclosure may confer on the group.

Other

Includes sundry provisions for probable outflows of resources from the group arising from past events. The timing of settlement cannot reasonably be determined.

25 Revenue

Revenue included in results from other operations is considered to be revenue for IFRS Accounting Standards 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 client's 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. Commission earned by the group at a point in time is earned by the group in its capacity as an intermediary.

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. The fees are payable 30 days from date of invoice.

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. The fees are payable 30 days from date of invoice.

Health and risk management fees relates to revenue from the services provided by Afrocentric and is recognised over time. Payments are made on a monthly basis.

Marketing services relate to sales and marketing initiatives that support and promote the brands of various clients. The customer benefits as and when the services are rendered in terms of the signed contract. Marketing fees are paid monthly, which is in line with the frequency and timing of satisfying performance obligations under the contract.

IT revenue relate to administration of the fund/scheme (which include processing claims, collecting payments, maintaining records, member administration and IT services which includes hosting and switching fees). The customer benefits as services are provided, thus revenue is recognised as the services are rendered over the contract duration. The fee charged is per claim per month. The contracts provide for annual escalations. Such amendments are accounted for in the period in which they arise. The rates are updated from the month the increase is effective per the contract. Payments are made on a monthly basis.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

25 Revenue continued

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.

25.1 Analysis of revenue

According to primary geography

R million	South Africa	Pan-Africa	Other International	Total
2025				
IFRS 15 Revenue	**22 927**	**255**	**1 798**	**24 980**
Administration fees	**10 099**	**232**	**106**	**10 437**
Asset management and performance fees	**5 052**	**–**	**1 558**	**6 610**
Capitation fees	**1 753**	**–**	**–**	**1 753**
Commissions	**667**	**–**	**116**	**783**
Retail	**1 964**	**–**	**–**	**1 964**
Consulting fees	**521**	**–**	**16**	**537**
Health and risk management fees	**1 871**	**21**	**–**	**1 892**
Marketing services	**96**	**–**	**–**	**96**
IT revenue	**110**	**–**	**–**	**110**
Other[1]	**794**	**2**	**2**	**798**
Revenue not within the scope of IFRS 15	**691**	**3**	**75**	**769**
Revenue[2]	**23 618**	**258**	**1 873**	**25 749**
Restated 2024				
IFRS 15 Revenue	22 615	229	1 579	24 423
Administration fees	10 048	206	–	10 254
Asset management and performance fees	4 374	–	1 477	5 851
Capitation fees	1 765	–	–	1 765
Commissions	632	–	83	715
Retail[3]	2 531	–	–	2 531
Consulting fees	465	–	17	482
Health and risk management fees	1 788	21	–	1 809
Marketing services	136	–	–	136
IT revenue	81	–	–	81
Other[1]	795	2	2	799
Revenue not within the scope of IFRS 15				934
Revenue[2]	22 615	229	1 579	25 357

[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, R16 270 million (2024: R14 776 million), as well as a small portion stemming from Pan-Africa, respectively R240 million (2024: R229 million). Sanlam Investments have revenue from South Africa R5 553 million (2024: R4 975 million) and Other International R1 797 million (2024: R1 578 million). Group Office and Santam revenue stem from South Africa.
[3] Refer to note 40 for detail on the restatement.

According to timing of revenue recognition

R million	At a point in time	Over time	Total
2025			
IFRS 15 Revenue	**3 827**	**21 153**	**24 980**
Administration fees	**843**	**9 594**	**10 437**
Asset management and performance fees	**91**	**6 519**	**6 610**
Capitation fees	**–**	**1 753**	**1 753**
Commissions	**609**	**174**	**783**
Retail	**1 964**	**–**	**1 964**
Consulting fees	**27**	**510**	**537**
Health and risk management fees	**–**	**1 892**	**1 892**
Marketing services	**–**	**96**	**96**
IT revenue	**–**	**110**	**110**
Other[1]	**293**	**505**	**798**
Revenue not within the scope of IFRS 15			**769**
Revenue[2]			**25 749**
Restated 2024			
IFRS 15 Revenue	4 073	20 350	24 423
Administration fees	551	9 703	10 254
Asset management and performance fees	121	5 730	5 851
Capitation fees	–	1 765	1 765
Commissions	508	207	715
Retail[3]	2 531	–	2 531
Consulting fees	47	435	482
Health and risk management fees	–	1 809	1 809
Marketing services	–	136	136
IT revenue	–	81	81
Other[1]	315	484	799
Revenue not within the scope of IFRS 15			934
Revenue[2]			25 357

[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, R16 270 million (2024: R14 776 million), as well as a small portion stemming from Pan-Africa, respectively R240 million (2024: R229 million). Sanlam Investments have revenue from South Africa R5 553 million (2024: R4 975 million) and Other International R1 797 million (2024: R1 578 million). Group Office and Santam revenue stem from South Africa.
[3] Refer to note 40 for detail on the restatement.

26 Expenses

26.1 Expenses

Sales remuneration consists of commission payable to sales staff on long-term and short-term investment business and expenses directly related thereto, bonuses payable to sales staff and the group's contribution to their retirement and medical aid funds. The portion of sales remuneration that is directly attributable and incremental to the acquisition of long-term recurring premium investment policy contracts is capitalised to the contract costs for investment management services asset and recognised over the period in which the related services are rendered and revenue recognised (refer to policy statement for contract costs for investment management services asset). Sales remuneration recognised in the statement of comprehensive income includes the amortisation of contract cost for investment management service as well as sales remuneration incurred that is not directly attributable to the acquisition of long-term investment policy contracts.

Administration and other costs include, *inter alia*, indirect taxes such as VAT, property and administration expenses relating to owner-occupied property, property and investment expenses related to the management of the policyholders' investments, product development, training costs, and cost of sales. It also includes expected credit losses of financial assets at amortised cost. The group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred. These expenses are included under leases and recognised in the statement of comprehensive income.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

26 Expenses continued

26.1 Expenses continued

The following **staff long-term incentive schemes** have been implemented in the group and have unvested conditions at the reporting date:

In terms of these plans, Sanlam undertakes to deliver a fixed number of shares to selected employees on pre-determined dates in the future, on condition that the employee is still in the employment of Sanlam on those dates. Vesting can occur in three tranches over a period starting three years from the grant date and meet specified individual performance hurdles. Group and/or cluster hurdles are also applicable for some of the plans. The fair value of equity instruments granted is measured on grant date using an appropriate valuation model, which takes into account the market price on grant date, the fact that employees will not be entitled to dividends until the shares vest (as applicable), as well as an assumption on the actual percentage of shares that will be delivered. The fair value of the equity instruments granted on the date of grant is recognised in the statement of comprehensive income on a straight-line basis over the vesting period, adjusted to reflect actual levels of vesting.

R million	2025	Restated 2024
Auditors' remuneration	**265**	231
Depreciation		
Owned assets	**473**	439
Computer equipment	**323**	296
Furniture, equipment, vehicles and other	**143**	137
Owner-occupied properties	**7**	6
Leased assets	**453**	389
Properties	**437**	374
Computer equipment, furniture, equipment, vehicles and other	**16**	15
Leases	**312**	351
Short-term leases	**290**	333
Leases of low value assets	**22**	18
Consultancy fees	**2 950**	2 640
Technical, administrative and secretarial fees	**90**	261
Employee benefits	**19 667**	17 818
Salaries and other short-term benefits	**18 162**	16 504
Pension costs – defined contribution plans	**625**	655
Pension costs – defined benefit plans	**4**	2
Share-based payments	**617**	459
Other long-term incentive schemes	**259**	198
Technology	**3 087**	2 529
Office expenses	**988**	946
Asset management and distribution fees paid	**1 492**	2 221
Marketing expenses	**967**	800
Cost of sales[1]	**1 507**	1 942
Other	**6 945**	6 181
Total expenses (including profit from discontinued operations)	**39 196**	36 748
Profit from discontinued operations (including administration and other costs, attributable insurance service expenses and other expenses relating to insurance operations)	**–**	177
Attributable insurance service expenses (continuing operations)	**13 950**	12 216
Other expenses relating to insurance operations (continuing operations)	**1 338**	1 106
Administration and other costs (continuing operations)[1]	**23 908**	23 249
Number of employees (excluding advisors) (unaudited)	**23 363**	23 926

[1] *Refer to note 40 for detail on the restatement.*

Auditors' remuneration

R million	Sanlam Limited auditors: PWC	KPMG	Other group auditors	Total
2025				
Audit fees: statutory audit relating to current year	**77**	**130**	**–**	**207**
Audit fees: statutory audit relating to prior year	**11**	**15**	**–**	**26**
Half year fees	**10**	**10**		**20**
Non-audit services	**8**	**4**	**–**	**12**
Non-audit services performed by professional services firms	**6**	**2**	**–**	**8**
Tax compliance services performed by professional services firms	**2**	**1**	**–**	**3**
Agreed upon procedures performed by professional services firms required as statutory auditors	**–**	**1**	**–**	**1**
	106	**159**	**–**	**265**
Non-audit services as a percentage of statutory audit fees	**10%**	**3%**	**0%**	**6%**
2024				
Audit fees: statutory audit	79	112	8	199
Half year fees	9	9	–	18
Non-audit services	9	5	–	14
Non-audit services performed by professional services firms	7	2	–	9
Tax compliance services performed by professional services firms	2	1	–	3
Agreed upon procedures performed by professional services firms required as statutory auditors	–	2	–	2
	97	126	8	231
Non-audit services as a percentage of statutory audit fees	11%	4%	0%	7%

26.2 Amortisation of intangibles

R million	Note	2025	2024
Intangible assets	6	**589**	576
Total amortisation of intangibles (including profit from discontinued operations)		**589**	576
Insurance service expenses (continuing operations)		**30**	44
Amortisation of intangibles (continuing operations)		**559**	532

26.3 Impairments

R million	Notes	2025	2024
Net impairment losses on financial and contract assets		**153**	65
Investments other than equities and similar securities, equity-accounted investments and properties	13.3.2	**1**	–
Trade and other receivables		**(11)**	7
Advances to customers		**163**	57
Cash and cash equivalents	18	**–**	1
Other impairments		**1 516**	1 347
Goodwill[1]	2	**10**	1 149
Equipment	3	**(8)**	(29)
Other intangible assets	6	**1 430**	197
Investment in equity-accounted investments	13.2.2	**82**	–
Other		**2**	30
Total impairments (including profit from discontinued operations)		**1 669**	1 412
Impairments (continuing operations)		**1 669**	1 412

[1] *Refer to note 2 for additional information on the goodwill impairment.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

27 Finance cost

Finance costs are recognised as an expense in the statement of comprehensive income on an accrual basis.

Margin business finance costs consist of interest paid and term finance in respect of margin business.

R million	2025	2024
Finance cost – margin business	**237**	366
Interest-bearing liabilities designated as at fair value through profit or loss	**847**	893
Interest-bearing liabilities held at amortised cost	**810**	206
Lease liabilities	**152**	144
Finance cost – other (including profit from discontinued operations)	**1 809**	1 243

28 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)) as well as consolidated investment funds. 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	2025	2024
Basic earnings per share:		
Headline earnings	**792,3**	964,1
Profit attributable to shareholders	**763,2**	1 067,6
Diluted earnings per share:		
Headline earnings	**782,8**	951,5
Profit attributable to shareholders	**754,0**	1 053,7
Basic earnings per share from continuing operations:		
Headline earnings	**792,3**	950,0
Profit attributable to shareholders	**763,2**	919,0
Diluted earnings per share from continuing operations:		
Headline earnings	**782,8**	937,6
Profit attributable to shareholders	**754,0**	907,0
Basic earnings per share from discontinued operations:		
Headline earnings	**–**	14,1
Profit attributable to shareholders	**–**	148,6
Diluted earnings per share from discontinued operations:		
Headline earnings	**–**	13,9
Profit attributable to shareholders	**–**	146,7

Sanlam Limited
Annual Financial Statements 2025

Analysis of earnings:

	2025		2024		
R million	**Continuing operations**	**Total**	Continuing operations	Discontinued operation	Total
Profit attributable to shareholders	**15 941**	**15 941**	19 133	3 107	22 240
Less: Net profit on disposal of subsidiaries and associated companies	**(490)**	**(490)**	–	(2 803)	(2 803)
Profit on disposal of subsidiaries and associated companies	**(543)**	**(543)**	–	(2 803)	(2 803)
Tax on profit on disposal of subsidiaries and associated companies	**47**	**47**	–	–	–
Non-controlling interest	**6**	**6**	–	–	–
Less: Net profit on disposal of associated companies	**(79)**	**(79)**	(833)	–	(833)
Profit on disposal of associated companies	**(69)**	**(69)**	(1 234)	–	(1 234)
Tax on profit on disposal of associated companies	**–**	**–**	401	–	401
Non-controlling interest	**(10)**	**(10)**	–	–	–
Less: Equity-accounted non-headline earnings	**(78)**	**(78)**	172	–	172
Plus: Net impairments	**1 255**	**1 255**	1 307	–	1 307
Gross impairments	**1 920**	**1 920**	1 382	–	1 382
Tax on impairment	**(169)**	**(169)**	(13)	–	(13)
Non-controlling interest	**(496)**	**(496)**	(62)	–	(62)
Headline earnings	**16 549**	**16 549**	19 779	304	20 083

Number of shares:

Million	2025	2024
Number of ordinary shares in issue at the beginning of the period	**2 117,1**	2 202,9
Less: Shares cancelled	**–**	(50,0)
Less: Weighted Sanlam shares held by subsidiaries	**(28,5)**	(69,8)
Adjusted weighted average number of shares for basic earnings per share	**2 088,6**	2 083,1
Plus: Total number of shares in respect of Sanlam Limited long-term incentive schemes	**25,5**	27,5
Adjusted weighted average number of shares for diluted earnings per share	**2 114,1**	2 110,6

Notes to the group annual financial statements continued

for the year ended 31 December 2025

29 Collateral

29.1 Collateral provided

The following assets have been pledged as collateral for the group's structured transactions (of which majority relates to over-the-counter derivatives), liabilities or contingent liabilities, which is included in the statement of financial position, unless otherwise stated:

R million	2025	2024
Investments	**713**	1 367
Trading account assets	**11 434**	7 694

The transferee does not have the right to sell or repledge the assets.

29.2 Collateral received

R million	2025	2024
Collateral amounts reflected below are included in the statement of financial position, unless otherwise stated.		

29.2.1 Lending activities

The group is authorised to conduct lending activities as a lender in respect of local listed equity securities and listed government interest bearing investments to appropriately accredited institutions. In general, the lender retains the full economic risks and rewards of securities lent. Scrip lending agreements are governed by Global Master Securities Lending Agreement (GMSLA). The main risk in scrip lending activities is the risk of default by the borrower of securities, i.e. the borrower fails to return the borrowed securities. Borrower default risk is mitigated by either requiring borrowers to post adequate levels of high-quality collateral and/or by the use of indemnity guarantees. The following collateral has been received in respect of securities lending activities conducted by the group.

Fair value of collateral accepted as security for these activities:	**8 924**	6 405
Carrying value of scrip on loan:	**6 897**	5 155

Collateral of between 100% (2024: 100%) and 100% (2024: 120%) of the value of the loaned securities is held at 31 December 2025.

29.2.2 Credit facilities

Fair value of collateral accepted as security for credit facilities provided to clients:	**9 808**	7 916

Sanlam has the legal right to liquidate the collaterised securities if the loan reaches a level of 70% of the value of these securities.

29.2.3 Margin business: Preference share investments

Fair value of other collateral received relates to preference share investments of the margin business which the group is permitted to sell only in the case of default.

Carrying value of the related preference share investments	**866**	803
Collateral (mainly equity securities) of 304% (2024: 200%) of the value of the preference share investments is held at 31 December 2025.	**2 633**	2 416

29.2.4 Shares pledged as security for loans granted

This relates to shares pledged as security for loans granted. The borrower has to maintain a certain minimum loan cover ratio and has to post cash margin or additional shares if the ratio drops below the agreed minimum. Sanlam is allowed to place some of these shares as collateral for other securities. There are however also collateral placed in terms of loans granted that is not allowed to be sold or repledged.

Fair value of collateral held that the group is not permitted to sell or repledge (including cash margins).	**1 212**	1 102

These are collateral placed in terms of loans granted that is not allowed to be sold or repledged.

29.2.5 Derivative transactions

Cash collateral, included in trading account liabilities, is received for over-the-counter derivative exposures in terms of International Swaps and Derivatives Association (ISDA) agreements.

Settlement/changes in the collateral is driven by the close out of the underlying derivative positions as well as the fluctuations in the underlying market values, which is monitored on a daily basis.

Fair value of collateral received in terms of over the counter derivative transactions:		
Cash collateral	**5 731**	3 229
Interest-bearing investments	**696**	806

Sanlam Limited
Annual Financial Statements 2025

30 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.

30.1 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 sell and value in use methods for both life and non-life businesses.

30.1.1 Afrocentric (Afrocentric Investment Corp Ltd)

The carrying value of Afrocentric comprise of net asset value (NAV), key business relationships and deferred tax. 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 December 2025 recoverable amount calculation, the 58,81% shareholding was valued on the discounted cash flow (DCF) basis based on an updated five-year projection. The value was substantially lower to allow for the uncertainty of future cash flows relating to Bonitas and factors in subsequent rightsizing of the business.

Goodwill has been fully impaired in 2024.

R million	2025	2024
Fair value less cost to sell	**785**	1 565
Carrying value	**1 364**	2 724
NAV	**1 136**	1 315
Goodwill	**–**	1 144
Key business relationships	**534**	617
Deferred tax	**(147)**	(167)
Non-controlling interest (NCI) on key business relationships and deferred tax	**(159)**	(185)
Net impairment as at 31 December 2025	**(579)**	(1 159)

The impairment loss calculated for the Afrocentric CGU was allocated primarily to customer relationships and internally generated software.

Key assumptions

Key assumptions in determining the recoverable amount for cash generating units:

		2025	2024
Weighted average local discount rate	%	**16,50**	18,70
Weighted average perpetuity growth rate	%	**5,00**	5,00
Revenue: compounded annual growth rate (range of values over the 10 years)	%	**5,84**	5,99
Risk discount rate +100 basis points	R million	**707**	1 451
Risk discount rate -100 basis points	R million	**879**	1 699
Perpetuity growth rate +100 basis points	R million	**826**	1 612
Perpetuity growth rate -100 basis points	R million	**751**	1 524

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.

30 Critical accounting estimates and judgements continued

30.1.2 Afrocentric – Activo Group

On 23 December 2025, the shareholders of Afrocentric Healthcare Assets entered into a sale and purchase agreement (SPA) with FHC Farmaceutica to dispose of its shareholding in Activo Group. The disposal meets the IFRS 5 classification requirements of a disposal group held for sale. Given this, the carrying amount of the assets and liabilities need to be measured in accordance with the applicable IFRS Accounting Standards before the initial classification of the disposal group as held for sale. The Activo Group CGU has goodwill which requires an impairment test under IAS 36 before it is classified as held for sale.

Fair value less cost to sell was used as the recoverable amount as it is greater than value in use. The fair value less costs to sell was determined using a sales agreement negotiated between market participants. As the valuation is based on unobservable inputs, the fair value measurement has been classified within Level 3 of the fair value hierarchy.

The fair value of the Activo Group CGU is estimated to be the present value of the initial consideration of R350 million, deferred payment as at 31 December 2025 and the expected present value of the earnout payment of up to R250 million.

Disposal costs incurred to date associated with the transaction which are primarily legal costs and RMB transaction advisory costs.

R million	2025
Fair value less cost to sell	**503**
Carrying value	**796**
NAV	**252**
Other intangibles	**244**
Sales claims	**300**
Net impairment as at 31 December 2025	**(293)**

The impairment loss calculated for the Activo Group CGU is allocated first to reduce the carrying amount of the goodwill allocated to the CGU. Once goodwill is impaired, the balance is then allocated to other assets on a pro rata basis of the carrying amount of each asset.

Key assumptions

Key assumptions in determining the recoverable amount for cash generating unit:

		2025
Weighted Average Cost of Capital	%	**11,80**
Weighted Average Cost of Debt	%	**3,56**
Weighted Cost of Equity (using CAPM)	%	**8,24**

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

Assumption	Approach used to determine the values
Discount rates (Equity)	This is a function of the sum of the local risk-free rate and a beta-adjusted risk premium
Discount rates (Debt)	This is a function of weighted cost of debt for Activo group's Nedbank credit facility.

30.1.3 Pacific & Orient

Sanlam holds an investment in Pacific & Orient, a Malaysian short-term insurer. Over the past several reporting periods, the business has shown persistent underperformance, with limited progress in planned exit strategies. Given these developments, an impairment review was initiated to assess whether the carrying value of the investment remains recoverable in accordance with IAS 36. After a detailed internal assessment, a decision was taken to fully impair Sanlam's investment in Pacific & Orient.

The impairment is supported by the following:

- Lack of progress on the sale of Pacific & Orient. The sales process supports the view that limited/no value will be realised for Sanlam via a sale.
- The continued loss-making position and below industry average underwriting results.
- No foreseeable dividends in the short to medium term – a key driver in the valuation of Pacific & Orient.

In light of the considerations detailed above, the recoverable amount was assessed as Rnil.

R million	2025
Value in use	**–**
Carrying value	**488**
Net impairment as at 31 December 2025	**(488)**

30.2 Insurance and reinsurance contracts

This disclosure should be read in conjunction with the valuation methodology as described in the basis of preparation.

30.2.1 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.

Variable fee approach (VFA) 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, i.e. 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 30.2.2 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.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

30 Critical accounting estimates and judgements continued

30.2 Insurance and reinsurance contracts continued

30.2.1 Classification continued

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.

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 (i.e. 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. 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 (i.e. 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, the portion of onerous groups is not material. 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.

Sanlam Limited
Annual Financial Statements 2025

30.2.2 Measurement

30.2.2.1 Recognition and derecognition

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

30.2.2.2 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 (e.g., related to premiums, claims and expenses) directly related to the fulfilment of a particular group of insurance contracts;
- defining all reasonable outcomes (e.g., 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' section below 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, i.e. 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.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

30 Critical accounting estimates and judgements continued

30.2 Insurance and reinsurance contracts continued

30.2.2 Measurement continued

30.2.2.2 Fulfilment cash flows continued

Unit expense assumptions are based on October 2025 actual figures plus estimates for the last two months of the reporting period (adjusted for significant differences from actual). For Pan Africa 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 2025. 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 2025. 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 (e.g. pandemic) events where relevant.

Mortality and disability cover are material in South Africa (2024: South Africa and Namibia) 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 (e.g., 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 June 2025.

The lapse rates are assumed to range between 3,5% and 14,2% for the Life insurance – Risk business (GMM) (3,5% to 13,9% in 2024). The surrender rates are up to 18,7% for the Life insurance – Savings business (VFA) (20,0% in 2024). The paid-up rates are assumed to range between 6,8% and 17,3% for the Life insurance – Savings business (VFA) (6,9% to 17,8% in 2024). The disclosed ranges reflect the lowest and highest rates across each broad product group. This excludes funeral contracts.

An increase in surrender, lapse and paid-up 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).

The sensitivity of possible changes in assumptions relating to decrement rates on the CSM balances (gross of tax) and profit or loss (net of tax) has been analysed on page 36 of the Capital and Risk Management report.

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.

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 following base expense inflation rates are applied in the group's main South African businesses:

(%)	2025	2024
South Africa – Sanlam Life	**CPI curve + 1,5%**	CPI curve + 1,5% (capped at 10%)
South Africa – Sanlam Developing Markets	**5,7**	7,2
South Africa – Assupol[1]	**5,4**	6,4

[1] *Inflation assumption for Assupol have been included for 2025 as they continue to be integrated into the group. 2024 included for comparability between reporting periods.*

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.

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	
%	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
South Africa	**7,20**	8,42	**7,71**	9,29	**8,86**	11,03	**9,90**	12,34
Malaysia	**2,85**	3,29	**3,31**	3,66	**3,56**	3,86	**3,87**	4,03

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

%	2025	2024
South Africa	**0 – 0,25**	0 – 0,25

30 Critical accounting estimates and judgements continued

30.2 Insurance and reinsurance contracts continued

30.2.2 Measurement continued

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.

The sensitivity of possible changes in assumptions relating to interest rates on profit or loss (net of tax) has been analysed on page 41 of the Capital and Risk Management report.

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. 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 Pan-Africa and Asia. The life insurance businesses in Pan-Africa and Asia 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.

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 Pan-Africa GI businesses, the confidence levels are between the 75th and 95th 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 Pan-Africa and Asia 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.

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).

30.2.2.3 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.

The following definitions of coverage units are used for the material lines of business[1]:

		Relative weighting of the benefits provided[2]			
	Measurement model	Insurance coverage	Investment-related services	Investment-return services	Examples of coverage unit definitions
Risk insurance business	GMM	(A)			Guaranteed sum assured (for example term/whole life insurance business, funeral insurance business)
Non-participating life annuities	GMM	(A)		(a)	Annuity benefit payments[3], or guaranteed benefits available on death/surrender/withdrawal during the accumulation phase for deferred life annuities
Universal life insurance business	GMM	(A)		(a)	Maximum of the guaranteed benefits plus any vested bonuses
Other life insurance business providing investment-return services	GMM	(A)		(a)	Total of the guaranteed sum assured plus any vested bonuses
Proportional reinsurance	GMM	(A)			Maximum amounts recoverable from the reinsurer (for example for quota share reinsurance, the proportion of the guaranteed sum assured ceded)
Non-proportional reinsurance	GMM	(A)			Maximum amounts recoverable from the reinsurer (for example for excess of loss reinsurance, the excess of the guaranteed sum assured over and above the specified limit)
Universal life insurance business	VFA	(a)	(A)		Maximum of the underlying items and the guaranteed sum assured (including any vested bonuses)
Other life insurance savings business[4]	VFA	(a)	(A)		Total of the underlying items plus any insurance benefits (for example rider benefits/waivers)

(1) Coverage units are defined for each group of contracts and could vary based on the specific features/characteristics of the underlying contracts.

(2) The insurance contract services with a majority relative weighting of total benefits provided (i.e. greater than 50%) are denoted by (A), whereas the insurance contract services with a minority relative weighting of total benefits provided (i.e. less than 50%) are denoted by (a), where relevant. The actual weighting varies in each current and future period based on the relative differences between the insurance and investment-related benefits payable, which is mainly a function of the terms of each contract and the probability-weighted estimates of future cash flows.
For life insurance risk business, the main purpose of the insurance contracts issued is to provide insurance coverage to the policyholders, and therefore a lower weighting of benefits are provided by investment-return services (where relevant), relative to the benefits provided by insurance coverage.
The reinsurance contracts held by the group do not provide investment-return services.
For insurance contracts meeting the eligibility criteria for measurement under the VFA, there will by definition be a higher weighting of benefits provided by investment-related services, relative to the benefits provided by insurance coverage (refer to section 30.2.1 for further details on the judgements applied in assessing VFA eligibility).

(3) Investment-return services are provided on:
– immediate life annuities during guaranteed periods where payments are made on death or survival; and
– deferred life annuities (relevant to SEM only) during the accumulation phase where payments are made on death or surrender/transfer.

(4) Including smoothed bonus business and participating life annuities.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

30 Critical accounting estimates and judgements continued

30.2 Insurance and reinsurance contracts continued

30.2.2 Measurement continued

30.2.2.3 Contractual service margin continued

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.

30.3 Policy liabilities for investment contracts with investment management services

The valuation of these contracts is linked to the fair value of the supporting assets and deviations from future investment return assumptions will therefore not have a material impact. The recoverability of the contract costs for investment management services is not significantly impacted by changes in lapse experience; if future lapse experience was to differ by 10% (2024: 10%) from management's estimates, no impairment of the contract costs for investment management services would be required.

Refer to contract cost for investment management services note 7.

30.4 Valuation of unlisted investments

The valuation of unlisted investments is based on generally accepted and applied investment techniques, but is subject to judgement in respect of the adjustments made by the group to allow for perceived risks. The appropriateness of the valuations is continuously tested through the group's approval framework, in terms of which the valuation of unlisted investments is reviewed and recommended for approval by the Audit, Actuarial and Finance committee and Board by the Sanlam Non-listed Asset Controlling Body at each reporting period.

Refer to note 38 for additional information.

30.5 Consolidation of investment funds

The group invests in a number of investment funds and has varying holdings. In terms of IFRS 10, the group considers itself to have control of a fund when it both owns the asset manager of the fund and holds greater than 20% thereof.

30.6 Deferred tax assets

During 2016, changes to the South Africa insurance tax legislation gave rise to a change in the probability and timing of utilisations of historic losses in certain tax funds. As a result, management determined that it is now probable that these losses will be utilised and therefore that a deferred tax asset should be raised. In determining the extent to which these losses should be recognised, management forecast future profits, including the impact of new business, where applicable, as well as other business decisions that may affect future profits. Changes in these assumptions, as well as decisions made by the group in future may affect the extent to which these losses are utilised. Changes in the Taxation Laws Amendment Act 20 of 2021 announced the 80% limitation on the use of assessed losses effective for tax years ending on or after 31 March 2023 (applicable to the Sanlam Group from 1 January 2023). Tax losses carried forward may only be applied against 80% of taxable income. This amendment impacted the level of the deferred tax asset held.

Refer to deferred tax note 12.1.

31 Retirement benefits for employees

Retirement benefits for employees are provided by a number of defined benefit and defined contribution pension and provident funds. The assets of these funds, including those relating to any actuarial surpluses, are held separately from those of the group. The retirement plans are funded by payments from employees and the relevant group companies, taking into account the recommendations of the retirement fund valuator.

Defined-benefit plans

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognised immediately in other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income in net profit. When a fund is in a net surplus position, the value of any defined benefit asset recognised is restricted to the sum of any unrecognised past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

Defined-contribution plans

Group contributions to the defined contribution funds are charged against the statement of comprehensive income in the year incurred.

The Sanlam group provides for the retirement and medical benefits of full-time employees and for certain part-time employees by means of defined benefit and defined contribution pension and provident funds.

At 31 December 2025, 100% (2024: 100%) of employees were covered by defined contribution funds and none by defined benefit funds.

31.1 Defined-contribution pension funds

There are separate defined contribution funds for advisers, full-time and part-time office staff. The Sanlam group contributed R625 million (2024: R655 million) to these funds during 2025.

31.2 Defined-benefit pension funds

The Sanlam group has two defined-benefit pension funds. These funds relate to:

- Sanlam Investments Holdings UK Limited; and
- Sanlam Developing Markets defined benefit fund SA.

Boards of Trustees oversee the affairs of the other defined benefit funds as required by the relevant legislation. The responsibilities of the Trustees are defined in these regulations. Adequate allowance for future salary increases for active members and allowance for pension increases in line with the funds' pension increase policies are required to ensure that the funds are always financially sound.

Both the Sanlam Investments Holdings UK Limited as well as Sanlam Developing Markets SA funds were in materially sound positions at 31 December 2025.

Principal actuarial assumptions:		Sanlam Investments Holdings UK Limited	Sanlam Developing Markets SA
31 December 2025			
Valuation date			
Pre-retirement discount rate	% pa	**5,6**	**9,3**
Post-retirement discount rate	% pa	**5,6**	**9,3**
Future pension increases	% pa	**2,8**	**5,0**
Actual experience:			
Actual return on assets	% pa	**2,8**	**4,3**
31 December 2024			
Valuation date			
Pre-retirement discount rate	% pa	4,5	11,3
Post-retirement discount rate	% pa	4,5	6,0
Future pension increases	% pa	2,9	5,0
Actual experience:			
Actual return on assets	% pa	1,6	6,3

Based on reasonable actuarial assumptions about future experience, the employers' contribution, as a fairly constant percentage of the remuneration of the members of the funds, should be sufficient to meet the promised benefits of the funds. The expected return on defined benefit fund assets is calculated based on the long-term asset mix of these funds. The fund assets are analysed into different classes such as equities, bonds and cash, and a separate expected return is calculated for each class. Current market information and research of future trends are used as the basis for calculating these expected returns.

Net liability recognised in statement of financial position:

R million	**2025**	2024	2023	2022	2021
Actuarial value of fund assets	**738**	998	1 073	913	1 442
Present value of fund obligations	**(700)**	(844)	(904)	(808)	(1 271)
Net present value of funded obligations	**38**	154	169	105	171
Effect of limiting defined benefit asset to amount available to employer (asset ceiling)	**(38)**	(154)	(169)	(105)	(171)
Net asset recognised in statement of financial position	**–**	–	–	–	–

Notes to the group annual financial statements continued

for the year ended 31 December 2025

31 Retirement benefits for employee continued

31.2 Defined-benefit pension funds continued

R million	Fund assets	Fund liabilities	Asset ceiling	Net asset/ (liability)
2025				
Balance at the beginning of the year	**997**	**(844)**	**(153)**	**–**
Contributions – Employer	**17**	**–**	**–**	**17**
Benefit payments	**(31)**	**37**	**–**	**6**
Interest income/(expense)	**54**	**(49)**	**(5)**	**–**
Actuarial (losses) and gains: change in financial assumptions	**–**	**20**	**–**	**20**
Returns from plan assets (excluding amounts included in interest)	**(28)**	**–**	**–**	**(28)**
Foreign exchange gains and (losses)	**(51)**	**43**	**–**	**(8)**
Effect of limiting defined benefit asset to amount available to employer	**–**	**–**	**11**	**11**
Settlements	**(202)**	**93**	**109**	**–**
Other	**(18)**	**–**	**–**	**(18)**
Balance at the end of the year	**738**	**(700)**	**(38)**	**–**

R million	Fund assets	Fund liabilities	Asset ceiling	Net asset/ (liability)
2024				
Balance at the beginning of the year	1 073	(904)	(169)	–
Past service cost	–	(21)	–	(21)
Contributions – Employer	10	–	–	10
Benefit payments	(38)	48	–	10
Interest income/(expense)	54	(47)	(7)	–
Actuarial (losses) and gains: change in financial assumptions	(6)	91	–	85
Returns from plan assets (excluding amounts included in interest)	(98)	–	–	(98)
Foreign exchange (losses) and gains	13	(11)	–	2
Effect of limiting defined benefit asset to amount available to employer	–	–	23	23
Other	(11)	–	–	(11)
Balance at the end of the year	997	(844)	(153)	–

Fund assets comprise:

	2025 R million	2024 R million	2025 %	2024 %
Equities and similar securities	**–**	–	**–**	–
Interest-bearing investments	**680**	905	**92**	91
Deposits and similar securities	**58**	9	**8**	1
Insurance policy	**–**	85	**–**	9
	738	999	**100**	100

Net expense recognised in the statement of comprehensive income (included in administration and other costs):

R million	2025	2024
Past service cost	**–**	21
Other	**18**	10
Total included in staff costs	**18**	31

The following discounted benefits are expected payments to be made in future years out of the defined benefit plan:

R million	2025	2024
Due within one year	**(37)**	(43)
Due from one to five years	**(170)**	(183)
Due after five years	**(1 467)**	(1 669)
Total expected payments	**(1 674)**	(1 895)

31.3 Medical aid funds

The actuarially determined present value of medical aid obligations for disabled members and certain pensioners is fully provided for at year-end and is considered to be immaterial. The group has no further unprovided post-retirement medical aid obligations for current or retired employees.

32 Borrowing powers

In terms of the memorandum of incorporation of Sanlam Limited, the directors may at their discretion raise or borrow money for the purpose of the business of the company without limitation.

Material borrowings of the Sanlam group are disclosed in note 23.

33 Commitments and contingencies

Possible obligations of the group, the existence of which will only be confirmed by the occurrence or non- occurrence of uncertain future events not wholly within the control of the group and present obligations of the group where it is not probable that an outflow of economic benefits will be required to settle the obligation or where the amount of the obligation cannot be measured reliably, are not recognised in the group statement of financial position but are disclosed in the notes to the financial statements.

Possible assets of the group, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the group, are not recognised in the group statement of financial position and are only disclosed in the notes to the financial statements where an inflow of economic benefits is probable.

33.1 Leasing commitments

Amounts reflected in lease commitments relate to short-term leases, low value assets leases and well as variable lease payments.

R million	2025	Restated 2024[1]
Future lease commitments:		
Lease rentals due within one year	**32**	50
Lease rentals due within one to two years	**29**	55
Lease rentals due within two to three years	**30**	13
Lease rentals due within three to four years	**32**	13
Lease rentals due within four to five years	**23**	13
Lease rentals due within five to 10 years	**19**	4
Total lease commitments	**165**	148

[1] *Comparative disclosure has been restated to provide a more detailed disaggregation of the maturity analysis.*

33.2 Guarantees provided in favour of Sanlam Financial Market (SFM) and others

Financial guarantee contracts require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the ECL model under IFRS 9 – Financial Instruments; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 – Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

33 Commitments and contingencies continued

The group provides the following financial guarantee:
Sanlam granted a put option to Investec Bank Limited which shall be exercised in the event that Sanpref Proprietary Limited fails to redeem the A15 preference shares in full upon redemption date, which has been extended to 19 June 2028. The maximum guarantee amount is R185 million (2024: R298 million). At initial recognition, the fair value of the guarantee was assessed to be immaterial. The maximum amount of the guarantee in the earliest period in which the guarantee could be called, being "open-ended", is R185 million (2024: R298 million), which is only expected to be paid should the guarantee be triggered.

Sanlam Limited has provided a guarantee in favour of Sanlam Investment Holdings (SIH) for any present or future liabilities that may arise from a breach of the sale agreement relating to the disposal of Curo Fund Services (Pty) Ltd. The guarantee is limited to approximately R76,5 million per annum, which is subject to annual adjustment in line with movements in the South African Consumer Price Index (CPI).

In addition to financial guarantees, Sanlam also has performance guarantee contracts in place. Performance guarantee contracts are not considered to be financial guarantee contracts, however, continue to be accounted for under IFRS 9.

At initial recognition, the fair values of the following performance guarantees were individually assessed to be immaterial.

For these performance guarantees, the maximum amount of the guarantees in the earliest period in which the guarantees could be called, being "open-ended", is R22,7 billion (2024: R24,7 billion), which is only expected to be paid should the guarantees be triggered.

Listed below are performance guarantees currently in place:

- Sanlam has guaranteed obligations that may arise under SFM unlisted commercial paper programme, as well as SFM's obligations arising from transactions with approved, specified counterparties through direct guarantees. The total limit for the unlisted commercial paper programme is R20 billion, but both these and the direct guarantees are subject to an overall R6,75 billion guarantee utilisation limit in terms of the group governance processes. At 31 December 2025 the utilisation of guarantees by SFM amounted to R2,61 billion (2024: R5,12 billion).
- Sanlam has provided security to third parties in respect of the preference share business subject to and within the overall approved limit of 35% of debt to adjusted equity, currently R41 billion (2024: R39 billion), with R13 billion utilised (2024: R13 billion) as at 31 December 2025.
- Sanlam Limited irrevocably and unconditionally guarantees to the noteholders of the recent approved Sanlam Life Insurance Limited's R6 billion unsecured unsubordinated notes under its R6 billion programme, the due and punctual performance of all obligations arising under the programme. Refer to note 23 for additional information.
- Undertaking to the trustees of Merchant Investors Staff Pension Scheme Trustees Limited to guarantee up to GBP18 million (circa R438 million) for the due performance of its guaranteed obligations by Sanlam's wholly owned subsidiary, Sanlam Investments Holdings UK Limited.
- During 2020 SEM Pty Ltd ("SEM") entered into a performance guarantee agreement with Stanbic Bank Kenya Limited ("Stanbic Kenya") for a revolving credit facility to be provided to Sanlam Kenya PLC ("Sanlam Kenya") ("Stanbic Kenya Facility"), for which the SEM board approved KES4 billion ("SEM Guarantee"). The SARB approval obtained amounted to an aggregate limit of approximately KES5 billion (approximately R720 million) in order to put a buffer in place in case the interest payments increase the total closer to KES5 billion. Sanlam has provided an irrevocable guarantee to Stanbic Kenya for the due performance by SEM of its obligations to Sanlam Kenya in terms of the SEM Guarantee ("Sanlam SEM Guarantee"). The process to transfer the economic interest of the original guarantees for the Stanbic Kenya Facility to the Sanlam-Allianz JVCo ("SAZ"); and the increase in the Stanbic Kenya Facility of KES1 billion to be backed by SEM was implemented before the end of 2024. The transfer has resulted in the guarantee and indemnity agreements between SEM and Sanlam Kenya being amended to add SAZ as a party, so that SAZ is also indemnified by Sanlam Kenya and receives the guarantee fee from Sanlam Kenya for the first KES3 billion; SEM receives the balance of any guarantee fee for the outstanding debt between KES3 billion and KES4 billion. In addition, the Sanlam SEM Guarantee is cancelled.

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.

33.3 Litigation, disputes and investigations

On 25 August 2022, the Competition Commission (Commission) raided the offices of several life insurers including Sanlam Life Insurance Limited (Sanlam) and BrightRock Life Limited (BrightRock). The Commission expressed concern that the conduct amongst insurers may contravene the Competition Act. Sanlam has not been engaged by the Commission since the raids at our offices and that of BrightRock. Such engagement would facilitate clarity and understanding of the complaint at hand. Sanlam does not believe it has engaged in activities that would place it in breach of the Competition Act. The insurance market is highly competitive with significant differentiation in terms of products, market share, pricing and benefits, distribution channels as well as new entrants.

The group, in common with 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.

33.4 Other

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.

34 Related parties

34.1 Major shareholders

Sanlam Limited is the ultimate holding company in the group.

No other Sanlam shareholders have a significant influence and thus no other shareholder is a related party. The shares are widely held by public and non-public shareholders.

34.2 Transactions with post-employment benefit plans

Contributions to the post-employment benefit plans were R625 million in 2025 (2024: R655 million). There are no amounts outstanding at year-end.
The trustees of the Sanlam Office Personnel Fund insured the pension fund obligations through a policy with Sanlam Life Insurance Limited during 2017 (refer to note 31).

34.3 Transactions with directors

Remuneration is paid to directors in the form of fees to non-executive directors and remuneration to executive directors of the company. All directors of Sanlam Limited have notified that they did not have a material interest in any contract of significance with the company or any of its subsidiaries, which could have given rise to a conflict of interest during the year. Details relating to directors' emoluments and their shareholdings and share participation in the company are disclosed as part of the remuneration report.

34.4 Transactions with entities in the group

During the year the company and its subsidiaries, in the ordinary course of business, entered into various transactions with other group companies, associated companies, joint ventures and other stakeholders. At a Sanlam group level, the transactions are consolidated and warrant no disclosure.

34.5 Policy administration

Certain companies in the group carry out third-party policy and other administration activities for other related parties in the group. These transactions are entered into in the normal course of business. Policies held by key management personnel are not viewed as material.

34.6 Key management personnel compensation

R million	2025	2024
Compensation paid to the group's key management personnel is as follows:		
Short-term employee benefits	**841**	657
Share-based payments[1]	**148**	127
Termination benefits	**5**	7
Other long-term benefits and incentive schemes	**21**	23
Total key management personnel compensation	**1 015**	814

[1] *Consists of redemption of shares in respect of share-based payment schemes.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

35 Notes to the cash flow statement

35.1 Cash utilised in operations

R million	2025	Restated 2024
Profit before tax per statement of comprehensive income	**26 363**	32 779
Profit before tax from continuing operations	**26 363**	29 513
Profit before tax from discontinued operations	**–**	3 266
Insurance profit or loss movements	**29 941**	15 731
Insurance service result: Insurance revenue	**(102 903)**	(94 462)
Insurance service result: Insurance service expenses[2]	**81 322**	76 338
Insurance service result: Income or (expense) from reinsurance contracts	**7 682**	5 014
Insurance investment result: Insurance finance income or (expense)	**44 076**	28 979
Insurance investment result: Reinsurance finance income or (expense)	**(236)**	(138)
Non-cash flow items[1]	**(6 853)**	(5 285)
Depreciation	**925**	826
Bad debts written off	**459**	473
Share-based payments	**622**	489
Profit on disposal of subsidiaries and associates	**(612)**	(4 036)
Fair value adjustments and change in external investors' liability	**(89 166)**	(66 566)
Change in fair value of investment contract liabilities[1]	**84 126**	67 300
Net impairment losses on financial assets and other impairments	**1 669**	1 412
Amortisation of intangibles	**559**	532
Equity-accounted earnings	**(5 435)**	(5 715)
Items excluded from cash utilised in operations	**(47 713)**	(41 684)
Investment income	**(49 759)**	(43 293)
Interest accrued	**(41 296)**	(35 205)
Dividends accrued	**(8 463)**	(8 088)
Interest accrued	**2 046**	1 609
Net movement in cash flows from operating assets and liabilities[1][2]	**(20 633)**	(13 228)
Net cash flows from investment contracts[1]	**9 218**	(6 407)
Income [1]	**79 020**	67 841
Outflow	**(69 802)**	(74 248)
Net cash flows from life insurance contracts[2]	**4 798**	2 235
Premium allocation approach[2]	**1 328**	1 743
General model[2]	**7 771**	13 386
Variable fee approach[2]	**(4 301)**	(12 894)
Net cash flows from general insurance contracts	**13 044**	9 105
Premium allocation approach	**13 193**	9 234
General model	**(149)**	(129)
Net cash flows from reinsurance contracts	**(7 144)**	(1 818)
Premium allocation approach	**(4 105)**	(2 249)
General model	**(3 039)**	431
Net cash flows from financial assets and liabilities, including investment properties[3]	**(36 723)**	(19 277)
Net cash flows from trading account assets/liabilities	**(4 306)**	(1 509)
Increase in advances to customers	**(667)**	(148)
Trade and other receivables[3]	**(5 576)**	6 714
Trade and other payables	**6 068**	(899)
Other[2][3]	**655**	(1 224)
Cash utilised in operations	**(18 895)**	(11 687)

[1] *The prior year has been restated by an amount of R67 300 million to correct for a classification error from net cash flows from investment contracts to non-cash flow items included in change in fair value of investment contract liabilities. This did not affect the statement of cash flows.*

[2] *The prior year has been restated to correct for reclassification errors with respect to the split of insurance contract related balances. As a result, "Insurance service result: Insurance service expenses" has increased by R17 873 million, "Net cash flows from life insurance contracts" has decreased by R5 883 million and "Other" has decreased by R11 990 million. This did not affect the statement of cash flows.*

[3] *Prior period restated in order to present items previously incorrectly included in "Other" now within "Trade and other receivables" and "Net cash flows from financial assets and liabilities, including investment properties". "Trade and other receivables" decreased by R1 008 million and "Net cash flows from financial assets and liabilities, including investment properties" decreased by R1 709 million. This did not affect the Statement of Cash Flows.*

35.2 Acquisition of subsidiaries and associated companies

R million	2025	2024
During the year, various interests in subsidiaries were acquired within the group		
Investments in associated companies[1]	**(1 957)**	(9 342)
The fair value of assets acquired via business combinations is as follows:		
Goodwill	**(78)**	(806)
Equipment	**(1)**	(96)
Right-of-use assets	**–**	(136)
Intangible assets	**(67)**	(1 207)
Insurance contract assets	**–**	(2 243)
Reinsurance contract assets	**(6)**	(195)
Investments	**(4)**	(9 514)
Deferred tax assets	**(9)**	–
Trade and other receivables	**(15)**	(759)
Cash and cash equivalents	**(139)**	(1 290)
Insurance contract liabilities	**124**	79
Reinsurance contract liabilities	**–**	8
Investment contract liabilities	**–**	5 240
Lease liabilities	**–**	202
Term finance	**–**	351
Deferred tax liabilities	**4**	920
Trade and other payables	**27**	1 003
Provisions	**10**	4
Taxation	**–**	99
Non-controlling interest	**–**	350
Total purchase consideration	**(2 111)**	(17 332)
(Plus)/less: Previously held interest at fair value	**–**	4 939
(Plus)/less: Deferred purchase consideration	**–**	132
Cash element consideration	**(2 111)**	(12 261)
(Plus)/less: Cash and cash equivalents acquired	**139**	1 290
Cash component of acquisition of subsidiaries and associated companies[1]	**(1 972)**	(10 971)

[1] *Current year acquisitions relate primarily to further capitalisations in respect of SanlamAllianz joint venture of R1 024 million and additional India acquisitions of R878 million respectively. The acquisitions in the prior year relate to further investment in African Rainbow Capital Financial Services Holdings (Pty Ltd (ARC FSH) to a total holding of 25% for a cash consideration of R2 571 million, further capitalisations in respect of SanlamAllianz joint venture, Assupol Holding Ltd and NMS Insurance Services (SA) Ltd.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

35 Notes to the cash flow statement continued

35.3 Disposal of subsidiaries and associated companies

R million	2025	2024
During the year, various interests in subsidiaries and associated companies were disposed within the group		
Investments in associated companies[1]	**4 602**	3 478
The fair value of assets disposed of were as follows:		
Intangible assets	**166**	–
Non-current assets held for sale	**–**	27 379
Cash and cash equivalents	**–**	7
Non-current liabilities held for sale	**–**	(23 467)
Trade and other payables	**–**	(6)
Foreign currency translation reserve release	**–**	(122)
Non-controlling interest	**–**	(929)
Profit on disposal of subsidiaries and associates	**612**	4 036
Total disposal price	**5 380**	10 376
Less: Cash and cash equivalents disposed of	**–**	(7)
Less: Investment in equity securities (net of costs)	**(555)**	–
Less: Investment in joint venture retained	**–**	(4 939)
Less: Deemed disposal	**(74)**	–
Cash component of disposal of subsidiaries and associated companies	**4 751**	5 430

[1] *Primarily relates to the disposal of 8,58% of Sanlam's investment in the SanlamAllianz joint venture to Allianz. Refer to note 13.2 for further information. Prior year disposals mainly relate to investments in associated companies, Shriram Finance and ARC FSI.*

35.4 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	Notes	2025	2024
Bank and other cash balances		**14 871**	15 153
Deposits and similar securities – maturity <90 days		**21 308**	19 449
Total cash and cash equivalents – as per the statement of financial position	18	**36 179**	34 602
Bank overdrafts (included in Trade and other payables)	16.2	**(1)**	(4)
Plus: Cash and cash equivalents included in non-current assets held for sale		**227**	–
Total cash and cash equivalents – as per statement of cash flow		**36 405**	34 598

35.5 Non-cash transactions

Interest and dividend income in respect of investment funds to the amount of R4 854 million (2024: R4 353 million) and R2 196 million (2024: R2 024 million) were reinvested. Both of these transactions represent non-cash transactions and also affected the "Net acquisition of investments" in note 1.1 above.

36 Business combinations

36.1 Assupol Holdings Ltd (Assupol)

Effective 1 October 2024, the Sanlam group acquired 100% interest in Assupol, gaining control for the first time. At the time, the acquisition accounting was based on provisional estimates. There were no changes since December 2024. Refer to note 35.1 for additional information in the annual financial statements of the Sanlam Limited Group for 31 December 2024. The following link can be used: https://www.sanlam.com/downloads/integrated-report-and-annual-financial-statements/2024/Sanlam-AFS-2024-singles.pdf.

36.2 NMS Insurance Services

Effective 30 November 2024, the Sanlam group acquired 60% interest in NMS Insurance Services, gaining control for the first time.

In 2025, the acquisition accounting was reassessed in line IFRS 3 Business Combinations to account for dividends declared post acquisition which related to pre-acquisition profits. In accordance with IFRS 3 Business Combinations, adjustments are permitted where information becomes available about facts and circumstances that existed at the acquisition date. As a result, the net identifiable assets acquired were reduced, leading to an increase in goodwill of R124 million and a decrease in non-controlling interest (NCI) of R206 million.

Details of the assets acquired and liabilities assumed, at fair value, are as follows:

R million	2025
Assets	
Other intangible assets	**591**
Working capital assets	**1 255**
Trade and other receivables	**701**
Cash and cash equivalents	**554**
Total identifiable assets	**1846**
Liabilities	
Insurance contract liabilities	**79**
Deferred tax liability	**160**
Working capital liabilities	
Trade and other payables[1]	**697**
Provisions	**1**
Taxation	**36**
Dividend iro pre-acquisition earnings	**206**
Total identifiable liabilities	**1 179**
Equity	**668**
Less: Pre-existing goodwill	**–**
Non-controlling interest[1]	**268**
Total equity and liabilities	**1 447**
Total identifiable net assets	**399**
Goodwill arising on acquisition[1]	**930**
Net purchase consideration	**1 328**
Less: Cash consideration	**(1 200)**
Less: Deferred cash consideration	**(128)**
Net consideration	**–**

[1] *The provisional amounts recognised in the prior year for the business combination have now been finalised within the measurement period as presented in the table above. As a result, the provisional non-controlling interest of R350 million and the provisional trade and other payables of R697 million, as presented in the prior year ,have been revised based on information that existed at the acquisition date.*

In the prior year the revenue and other comprehensive income of NMS Insurance Services since acquisition date included in the consolidated statement of comprehensive income as at 31 December 2024 was R103 million and R61 million respectively. The revenue and other comprehensive income of the combined entity for the prior reporting period as though the acquisition date had occurred at the beginning of the comparative reporting period would have been R1,1 billion and R363 million respectively.

Details of receivables acquired is as follows:

	Fair value	Gross contractual amounts receivable	Expected credit losses
Major class of receivables	**701**	**701**	**–**

Notes to the group annual financial statements continued

for the year ended 31 December 2025

36 Business combinations continued

36.3 Other business combinations

Details of the assets acquired and liabilities assumed, at fair value, are as follows:

R million	2025
Assets	
Equipment	1
Other intangible assets	67
Deferred tax	9
Investments	4
Non-current assets reclassified as held for sale	6
Working capital assets	
Short-term investments	15
Cash and cash equivalents	139
Total identifiable assets	241
Liabilities	
Insurance contract liabilities	(124)
Deferred tax liability	(4)
Working capital liabilities	
Trade and other payables	(27)
Provisions	(10)
Total identifiable liabilities	(165)
Total identifiable net assets	76
Goodwill arising on acquisition	78
Net purchase consideration	154
Less: Cash consideration	(139)
Less: Deferred cash consideration	–
Net consideration	15

Sanlam Limited
Annual Financial Statements 2025

37 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 measured in accordance with the applicable IFRS Accounting Standards. Immediately before initial classification as held for sale, the assets to be reclassified are measured in accordance with applicable IFRS Accounting Standards.

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.

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
31 December 2025							
Assets					**1 744**	**–**	**1 744**
Investment properties	Sanlam Life and Savings	Fair value	Level 3	37.1	**1 744**	**–**	**1 744**
Disposal group					**1 129**	**(239)**	**890**
Sanlam Investment Management	Sanlam Investment Managers	Carrying value		37.2.1	**544**	**(158)**	**386**
Activo and Forrester Pharma	Sanlam Life and Savings	Fair value	Level 3	37.2.2	**585**	**(81)**	**504**
Total					**2 873**	**(239)**	**2 634**
31 December 2024							
Assets					6 837	–	6 837
Investment properties	Sanlam Life and Savings	Fair value	Level 3	37.1	2 548	–	2 548
Investment in joint venture	Pan-Africa	Carrying value			4 286	–	4 286
Owner-occupied properties	Asia	Carrying value			3	–	3
Total					6 837	–	6 837

Notes to the group annual financial statements continued

for the year ended 31 December 2025

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

37.1 Investment properties

During 2025, three properties were sold and seven sales (2024: six) were approved by the Sanlam property committee. This allows the Sanlam Properties team to market the assets for sale to potential buyers for all 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 2026 – 2027, as the average sale period is 12 months.

37.2 Disposal groups

37.2.1 Sanlam Investment Management (Pty) Ltd

On 6 March 2025, Sanlam entered into a sales contract to dispose of its stake in Sanlam Investment Management ("SIM") to Ninety One Limited in exchange for 66 592 115 Ninety One Ltd. shares and 59 102 689 Ninety One PLC shares. At the contract date, the Ninety One Ltd. share price was R33,46 and the Ninety One PLC share price was R33,92. The transaction was concluded on 2 February 2026, at which date the Ninety One Ltd. share price was R55,26 and the Ninety One PLC share price was R55,85.

As at 31 December 2025, the assets and liabilities in Sanlam Investment Management (Pty) Ltd (SIM) were ready for sale in its present condition and the sale was expected to take place within the next 12 months.

As SIM is not a major line of business for Sanlam Limited, it was classified as a disposal group held for sale but not a discontinued operation. The following assets and liabilities were reclassified as held for sale as at 31 December 2025:

R million	2025
Assets of disposal group classified as held for sale:	
Goodwill	244
Intangible assets	27
Deferred tax	34
Investments	135
Working capital assets	
Cash and cash equivalents	104
Assets of disposal group held for sale	544
Liabilities of disposal group classified as held for sale:	
Deferred tax liability	13
Working capital liabilities	
Trade and other payables	145
Liabilities of disposal group held for sale	158

37.2.2 Activo and Forrester Pharma

In December 2025, the shareholders of Afrocentric Healthcare Assets concluded a sale and purchase agreement with FHC Farmaceutica to dispose its shareholding in Activo Group. All conditions preceding are expected to be met by June 2026 at which point the sale will become effective. Assets and liabilities of Activo Group were measured using their applicable IFRS Accounting Standards before the initial classification of the disposal group as held for sale. An impairment test was performed prior to the classification and an impairment of R292 million was recognised, refer to note 30.1 for further details.

As Activo and Forrester Pharma are not a major line of business for Sanlam Limited, it was classified as a disposal group held for sale but not a discontinued operation.

R million	2025
Assets of disposal group classified as held for sale:	
Intangible assets	33
Equipment	1
Right of use assets	1
Deferred tax	17
Working capital assets	
Trade and other receivables	402
Taxation	9
Cash and cash equivalents	122
Assets of disposal group held for sale	585
Liabilities of disposal group classified as held for sale:	
Lease liability	1
Working capital liabilities	
Trade and other payables	80
Liabilities of disposal group held for sale	81

37.3 Discontinued operations

37.3.1 Sanlam Pan-Africa (Sanlam Emerging Markets)

An announcement to shareholders on 4 May 2022 indicated the initial shareholding split of SanlamAllianz was 60% and 40% to Sanlam and Allianz SE (Allianz) respectively, subject to certain postclosing 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 were 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 subscribed 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 financed this payment using a capital raise through a share issue to Allianz for cash. This transaction took effect on 7 October 2024.

The partial disposal of the shareholding in SanlamAllianz occurred in 2025, and was held for sale at 31 December 2024.

Financial performance relating to the discontinued operations for 2024 is set out below:

R million	2024
Result from insurance operations	
Result from insurance contracts	368
Insurance service result	175
Insurance revenue	987
Insurance service expenses	(785)
Income or (expense) from reinsurance contracts	(27)
Insurance investment result	200
Insurance finance income or (expense)	(383)
Reinsurance finance income or (expense)	39
Investment income on assets held in respect of insurance contracts	479
Investment surpluses/(deficit) on assets held in respect of insurance contracts	65
Other expenses relating to insurance operations	(7)
Result from other operations	2 800
Revenue	123
Investment income	431
Investment surpluses	3 385
Change in fair value of investment contract liabilities	(622)
Change in fair value of external investors' liabilities	(297)
Sales remuneration	(43)
Administration and other costs	(177)
Net operating result	3 168
Equity-accounted earnings	98
Profit before tax	3 266
Taxation	(26)
Shareholders	(11)
Policyholders	(15)
Profit for the year	3 240

Cash flow from discontinued operations

R million	2024
Cash flow from operating activities	(281)
Cash flow from investment activities	2 332
Cash flow from financing activities	(4)
Net increase of cash and cash equivalents generated by discounted operations	2 047

38 Fair value disclosures

Financial instruments

Financial instruments carried on the statement of financial position include investments (excluding investment properties, associates and joint ventures), receivables, deposits and similar securities, short-term investments, cash and cash equivalents, 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.

Cash collateral pledged as security (including JSE margins placed) are classified as trading account assets and cash collateral received related payables are classified as trading account liabilities.

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 and financial liabilities 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 (i.e. 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 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 at 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).

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.

Any 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.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

38 Fair value disclosures continued

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses measured as the present value of all cash short falls (i.e. 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).

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 and profit entitlement; 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 **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 **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 (i.e. as prices) or indirectly (i.e. 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**.

Recurring fair value measurements

R million	Level 1	Level 2	Level 3	Total
31 December 2025				
Non-financial instruments				
Investment properties	–	–	8 117	8 117
Financial instruments	704 267	416 742	8 937	1 129 946
Investment contract assets	–	1 531	–	1 531
Investment in joint ventures	–	–	462	462
Equities and similar securities	210 412	1 735	2 646	214 793
Interest-bearing investments	133 961	292 682	126	426 769
Structured transactions	6	42 221	–	42 227
Investment funds[1]	344 790	29 171	5 696	379 657
Deposits and similar securities	8	25 767	–	25 775
Trading account assets	15 090	14 452	7	29 549
Trade and other receivables	–	2	–	2
Short-term investments	–	9 181	–	9 181
Total assets at fair value	704 267	416 742	17 054	1 138 063
Financial instruments				
Investment contract liabilities	–	649 012	–	649 012
Term finance	–	10 577	–	10 577
Structured transactions liabilities	–	20 796	–	20 796
External investors in consolidated funds	127 457	6 855	–	134 312
Trading account liabilities	1 418	28 421	–	29 839
Trade and other payables	–	100	–	100
Total liabilities at fair value	128 875	715 761	–	844 636
31 December 2024				
Non-financial instruments				
Investment properties	–	–	7 812	7 812
Financial instruments	627 184	335 123	8 672	970 979
Investment contract assets	–	789	–	789
Investment in joint ventures	–	–	524	524
Equities and similar securities	195 454	581	2 158	198 193
Interest-bearing investments	110 763	234 419	–	345 182
Structured transactions	3	32 424	2	32 429
Investment funds[1]	305 344	21 179	5 941	332 464
Deposits and similar securities	4	31 167	–	31 171
Trading account assets	15 616	7 096	47	22 759
Trade and other receivables	–	4	–	4
Short-term investments	–	7 464	–	7 464
Total assets at fair value	627 184	335 123	16 484	978 791
Financial instruments				
Investment contract liabilities	–	554 955	–	554 955
Term finance	–	9 521	–	9 521
Structured transactions liabilities	–	12 201	–	12 201
External investors in consolidated funds	121 594	3 161	–	124 755
Trading account liabilities	1 366	26 163	–	27 529
Trade and other payables	–	100	–	100
Total liabilities at fair value	122 960	606 101	–	729 061

[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.*

Notes to the group annual financial statements continued

for the year ended 31 December 2025

38 Fair value disclosure continued

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

R million	Investment properties	Investment in joint ventures	Equities and similar securities	Interest-bearing investments	Structured transactions	Investment funds	Trading account assets	Total assets
2025								
Assets								
Balance at 1 January 2025	**7 812**	**524**	**2 158**	**–**	**2**	**5 941**	**47**	**16 484**
Net gains in statement of comprehensive income[1]	**601**	**(62)**	**511**	**102**	**(2)**	**(669)**	**(59)**	**422**
Acquired through business combinations	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Acquisitions	**131**	**–**	**14**	**–**	**–**	**197**	**6**	**348**
Issues	**–**	**–**	**–**	**61**	**–**	**–**	**–**	**61**
Disposals	**(581)**	**–**	**(29)**	**(8)**	**–**	**(8)**	**–**	**(626)**
Foreign exchange movements	**(106)**	**–**	**(8)**	**–**	**–**	**62**	**24**	**(28)**
Settlements	**–**	**–**	**–**	**(29)**	**–**	**–**	**(11)**	**(40)**
Reclassified (to)/from non-current assets held for sale	**260**	**–**	**–**	**–**	**–**	**–**	**–**	**260**
Transfers into level 3	**–**	**–**	**–**	**–**	**–**	**173**	**–**	**173**
Balance at 31 December 2025	**8 117**	**462**	**2 646**	**126**	**–**	**5 696**	**7**	**17 054**
2024								
Balance at 1 January 2024	7913	517	3 038	1 308	–	4 853	48	17 677
Net (losses)/gains in statement of comprehensive income[1]	224	7	202	(763)	2	229	(38)	(137)
Acquisitions	248	–	2 824	–	–	1 324	44	4 440
Disposals	(259)	–	(4 113)	(28)	–	(451)	–	(4 851)
Foreign exchange movements	26	–	2	–	–	(14)	(7)	7
Reclassified to/(from) non-current assets held for sale	(340)	–	205	–	–	–	–	(135)
Transfers into/(out) of level 3	–	–	–	(517)	–	–	–	(517)
Balance at 31 December 2024	7 812	524	2 158	–	2	5 941	47	16 484

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

R million	Structured transactions liabilities	External investors in consolidated funds	Total liabilities
2024			
Balance at 1 January 2024	7	293	300
Net loss/(gain) in statement of comprehensive income[1]	–	(247)	(247)
Acquisitions	–	(46)	(46)
Disposals	(7)	–	(7)
Balance at 31 December 2024	–	–	–

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

Notes to the group annual financial statements continued

for the year ended 31 December 2025

38 Fair value disclosure continued

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

R million	2025	2024
Total gains included in statement of comprehensive income for the year	**422**	110
Total unrealised losses included in statement of comprehensive income for the year for assets held at the end of the reporting year	**714**	699

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

Transfers between levels

R million	Equities and similar securities	Interest-bearing investments[1]	Trading account assets	Investment funds[1]	Structured transactions	Deposits and similar securities	Trade and other receivables	Total assets
Assets								
2025								
Transfer from level 1 to level 2	–	**(1)**	–	–	–	–	–	**(1)**
Transfer from level 2 to level 1	–	**36**	–	–	–	–	–	**36**
2024								
Transfer from level 1 to level 2	–	–	–	–	–	–	–	–
Transfer from level 2 to level 1	–	350	–	–	–	–	–	350

[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

The following are the methods and assumptions for determining the fair value when a valuation technique is used in respect of instruments classified as level 2. There were no significant changes in the valuation methods applied since the prior year except for trade and other receivables/payables which were updated to better reflect the valuation basis used for these asset and liabilities.

Instrument	Valuation basis	Main assumptions
Equities and similar securities	DCF and earnings multiple	Cost of capital and consumer price index.
Interest-bearing investments	DCF, published prices	Nominal bond curve, swap curve, credit spread, real bond curve, inflation curve, JIBAR rate, consumer price index.
Structured transactions assets and liabilities	Published price quotation, option pricing models, DCF	Nominal bond curve, swap curve, credit spread, real bond curve, forward equity and currency rates and volatility risk adjustments.
Investment funds	Current unit price of underlying unitised asset, multiplied by the number of units held	Underlying assets and liability values
Deposits and similar securities, short-term investments	Published prices/yields, DCF	Nominal bond curve, swap curve, credit spread and JIBAR rate.
Trading account assets and liabilities	Published yield of benchmark bond, DCF, quoted put/surrender price by issuer and option pricing models.	Nominal bond curve, swap curve, consumer price index, index and share prices, currency rates, volatility risk adjustments, credit risk spread, liquidity spread, published repo rates, money market curve.
Trade and other receivables/ payables	DCF	Nominal bond curve
Investment contract assets and liabilities	Asset and liability matching method	Asset value
Term finance	Published yield quotations, DCF	Bond and forward rate, credit ratings of issuer, liquidity spread and agreement interest curves.
External investors in consolidated funds	Current unit price of underlying unitised asset multiplied by the number of units held.	Unit prices

The following information about fair value measurements using significant unobservable inputs (level 3).

Instrument	Valuation basis	Main assumptions	Significant unobservable input	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties	Recently contracted prices, discounted cash flow model (DCF) and earnings multiple, except for undeveloped land.	Bond and interbank swap interest rate curve, capitalisation rate, cost of capital, consumer price index and cash flow forecasts (including vacancy rates).	Capitalisation rate, discount rate and cash flow forecasts (including vacancy rates).	Refer to note 13.1	The higher the capitalisation rate, the greater the fair value. The higher the discount rate, the lower the fair value.
Equities and similar securities	DCF and earnings multiple.	Cost of capital and consumer price index.	Cost of capital, adjusted earnings multiple, budgets and forecasts.	Multiple unobservable inputs*	The higher the price per unit, the higher the fair value.
Interest-bearing investments	DCF	Real curve, and consumer price index.	Discount rate	Discount rate: 4,05% to 4,79% (2024: 4,23% to 4,92%)	The higher the discount rate, the lower the fair value of the assets. The higher the price per unit, the higher the fair value.
Investment funds	Adjusted NAV/NAV	Price per unit	Price per unit	Could vary significantly due to range of holdings*	The higher the price per unit, the higher the fair value.

* *Quantitative information in respect of unobservable inputs are not readily available as most inputs are generated by external parties.*

There were no significant changes in the valuation methods applied since the prior year.

Notes to the group annual financial statements continued

for the year ended 31 December 2025

38 Fair value disclosure continued

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

Investment properties

R million	Total	Carrying amount: discount rate	Effect of a 1% increase in discount rate	Effect of a 1% decrease in discount rate	Carrying amount: capitalisation rate	Effect of a 1% increase in capitalisation rate	Effect of a 1% decrease in capitalisation rate	Carrying amount: earnings multiple	Effect of a 1% increase in earnings multiple	Effect of a 1% decrease in earnings multiple
2025										
Office buildings	**3 759**	**3 740**	**(83)**	**223**	**3 741**	**(49)**	**121**	**19**	**2**	**(2)**
Retail buildings	**3 109**	**3 109**	**(100)**	**288**	**3 109**	**(228)**	**105**	**–**	**–**	**–**
Industrial buildings	**726**	**726**	**(23)**	**43**	**726**	**(35)**	**24**	**–**	**–**	**–**
Undeveloped land	**523**	**–**	**–**	**–**	**–**	**–**	**–**	**523**	**51**	**(51)**
Total investment properties	**8 117**	**7 575**	**(206)**	**554**	**7 576**	**(312)**	**250**	**542**	**53**	**(53)**
2024										
Office buildings	3 247	3 228	(93)	71	3 210	(107)	130	19	–	–
Retail buildings	3 403	3 403	(91)	96	3 403	(202)	255	–	–	–
Industrial buildings	648	648	(31)	32	648	(52)	64	–	–	–
Undeveloped land	514	19	–	–	–	–	–	495	50	(50)
Total investment properties	7 812	7 298	(215)	199	7 261	(361)	449	514	50	(50)

Other investments

R million	Total	Carrying amount	Effect of a 10% increase in earnings multiple	Effect of a 10% decrease in earnings multiple	Carrying amount	Effect of a 1% increase in discount rate	Effect of a 1% decrease in discount rate
2025							
Investment in joint ventures	**462**	**462**	**46**	**(46)**	**–**	**–**	**–**
Equities and similar securities	**2 646**	**2 646**	**265**	**(265)**	**–**	**–**	**–**
Interest-bearing investments	**126**	**14**	**1**	**(1)**	**112**	**30**	**(19)**
Investment funds	**5 696**	**5 696**	**570**	**(617)**	**–**	**–**	**–**
Trading account assets	**7**	**7**	**1**	**(1)**	**–**	**–**	**–**
Total other investments	**8 937**	**8 825**	**883**	**(930)**	**112**	**30**	**(19)**
2024							
Investment in joint ventures	524	524	52	(52)	–	–	–
Equities and similar securities	2 158	2 158	216	(216)	–	–	–
Interest-bearing investments	–	(482)	(48)	48	482	(26)	16
Investment funds	5 941	5 941	594	(594)	–	–	–
Structured transactions	2	2	–	–	–	–	–
Trading account assets	47	47	5	(5)	–	–	–
Total other investments	8 672	8 190	819	(819)	482	(26)	16

(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 and a 1% increase/decrease in the capitalisation rate represents the impact on profit or loss.

Sanlam Limited
Annual Financial Statements 2025

Notes to the group annual financial statements continued

for the year ended 31 December 2025

39 Assets subject to offsetting, enforceable master netting arrangements and similar agreements

R million	Gross amounts of recognised financial instruments	Gross amounts of recognised financial instruments set-off in the statement of financial position	Net amounts of financial instruments presented in the statement of financial position	Related amounts not set off in the statement of financial position: Other financial instruments[1]	Related amounts not set off in the statement of financial position: Cash collateral received[2]	Net amount	Amounts not set off in the statement of financial position[3]	Total amounts recognised in the statement of financial position
31 December 2025								
Assets								
Trading account assets	**12 128**	**(6 950)**	**5 178**	**(8 432)**	**(62)**	**(3 316)**	**32 960**	**29 644**
Structured transactions assets	**13 804**	**(8 767)**	**5 037**	**–**	**–**	**5 037**	**37 190**	**42 227**
Liabilities								
Trading account liabilities	**25 718**	**(17 661)**	**8 057**	**(19 079)**	**(62)**	**(11 084)**	**42 271**	**31 187**
Structured transactions liabilities[4]	**10 066**	**(8 767)**	**1 299**	**–**	**–**	**1 299**	**19 497**	**20 796**
31 December 2024								
Assets								
Trading account assets	6 951	(3 737)	3 214	(4 469)	(160)	(1 415)	24 174	22 759
Structured transactions assets	18 061	(776)	17 285	–	–	17 285	15 144	32 429
Liabilities								
Trading account liabilities	21 314	(16 355)	4 959	(16 682)	(160)	(11 883)	40 556	28 673
Structured transactions liabilities[4]	9 509	(8 943)	566	–	–	566	11 635	12 201

(1) The figures for other financial instruments column are made up of ISDA netting, repo's and scrip received. These amounts have been limited to the net amount recognised on the statement of financial position.
(2) Amount used is the lower of collateral received or the value of the financial assets (normally the latter due to overcollateralisation). ISDA netting refers to the netting of derivative exposures to arrive at the net amount owed to and by each counterparty as envisaged in the ISDA agreements with these counterparties. Credit Support Agreements (CSA) have been signed with derivative counterparties to place collateral to offset the net exposures in footnote 1. Scrip lending agreements are governed by GMSLA agreements in terms of which the collateral provided and the scrip received can be netted. Security/collateral received refers to equity collateral that has been pledged to SanFin to cover events of default.
(3) Excludes enforceable netting arrangements.
(4) Structured transactions liabilities include derivative liabilities.

40 Restatement

Reclassification of revenue and administration costs

Management restated the group statement of comprehensive income to reclassify cost of sales from revenue to administration and other costs (previously "administration costs"). Cost of sales in respect of pharmaceutical operations was previously included in Revenue. IFRS 15 Revenue from Contracts with Customers (IFRS 15) specifically excludes costs that are covered by another standard such as IAS 2. These costs should be accounted for under IAS 2 as an expense. Netting off the cost of sales against revenue, is also not in compliance with the requirements of IFRS 15, IAS 2 and IAS 1.

Statements of comprehensive income

R million	31 December 2024 As previously reported	Restatement	31 December 2024 Restated
Result from other operations	14 003	–	14 003
Revenue	23 415	1 942	25 357
Investment income	32 090	–	32 090
Investment surpluses	55 047	–	55 047
Finance cost – margin business	(366)	–	(366)
Change in fair value of external investors' liabilities	(6 996)	–	(6 996)
Change in fair value of investment contract liabilities	(66 679)	–	(66 679)
Sales remuneration	(1 201)	–	(1 201)
Administration and other costs	(21 307)	(1 942)	(23 249)

Notes to the group annual financial statements continued

for the year ended 31 December 2025

41 Unconsolidated structured entities

The group does not consolidate the structured entities where it either does not have the power to control the investment decisions or is exposed to significant variable returns from the structured entities.

The below table provides additional information on significant unconsolidated structured entities in which the group holds an interest.

				Total carrying amount		Carrying amount[1]		Income received[2]	
R million	Investment type	Nature and purpose of the business	How is the entity financed?	2025	2024[3]	2025	2024	2025	2024
Amber House Fund 5 (RF) Limited	Floating rate notes	Special purpose vehicle set up by South African Home Loans (Pty) Ltd to finance mortgage loans	Funding received from the South African capital market	**2 400**	2 681	**974**	971	**95**	92
Blue Diamond X Investments (RF) Limited	Floating rate notes	Special purpose entity set up for the purpose of issuing debt securities to repay existing credit facilities, refinance indebtedness, and for acquisition purposes. Proceeds from the issue of the notes for the purpose of acquiring and/or investing in participating assets	Funding received from the South African capital market	**–**	2 097	**–**	954	**–**	83
Grayston Drive Autos (RF) Limited	Floating rate notes	Ring-fenced special purpose vehicle incorporated for the purpose of funding and holding motor vehicle finance receivables, typically through structured finance and securitisation arrangements.	Funding received from the South African capital market	**3 000**	0	**838**	0	**66**	–
South African Securitisation Programme (RF) Limited	Floating rate notes	Special purpose entity set up for the purpose of issuing debt securities to repay existing credit facilities, refinance indebtedness, and for acquisition purposes.	Funding received from the South African capital market	**3 241**	3 139	**863**	738	**76**	69

[1] *Included in interest-bearing investments at fair value through profit or loss in the statement of financial position. The carrying amount represents the group's maximum exposure to credit risk.*
[2] *Consists of interest income and investment surpluses.*
[3] *Comparative disclosure has been restated to provide information on the size of the unconsolidated structured entities.*

The group has not sponsored any significant unconsolidated structured entities in which it holds an interest.

42 Subsequent events

Sanlam Investment Management Proprietary Limited (SIM) disposal

On 2 February 2026, the group completed the disposal of its investment in SIM (Pty) Ltd for a consideration of R6,2 billion. As this transaction occurred after the reporting date the financial impact of the disposal, including the gain arising on derecognition of the subsidiary, will be recognised in the next reporting period with SIM (Pty) Ltd classified as a disposal group as at 31 December 2025 (note 37).

Shriram Finance Limited (SFL)

On 22 December 2025, the Board of Directors of SFL approved entering into definitive agreements with Mitsubishi UFJ Financial Group (MUFG) whereby MUFG will become a minority investor in SFL via a preferential allotment and subscription for new equity shares in SFL, representing approximately 20% of the total issued share capital of SFL (on a fully diluted basis), resulting in a capital injection of approximately USD4,4 billion. The transaction is expected to become effective by the end of March 2026. The dilution of Sanlam Life's 0,41% direct interest in SFL will be accounted for as a partial disposal, applying the principles of a decrease in ownership interest while continuing equity accounting. Accordingly, any gains or losses previously recognised in Other Comprehensive Income will be reclassified to profit or loss to the extent of the interest disposed. SFL will continue to be accounted for as an associate, as Sanlam and Sanlam Life retain significant influence through board representation and being part of the promoter group.

Insurance Transactions – Shriram General Insurance Company (SGIC) and Shriram Life Insurance Company (SLIC)

In April 2024 Sanlam announced its intention to acquire additional interests in SGIC and SLIC from TPG India Investments II Inc (TPG) and Shriram Ownership Trust (SOT) (the Insurance Transactions) subject to regulatory approvals. The Insurance Transactions include the following:

- acquisition of TPG's 6,94% interest in SLIC
- acquisition of SOT's 4,92% interest in SLIC
- acquisition of SOT's 4,45% interest in SGIC
- acquisition of TPG's 6,29% interest in SGIC

Following these acquisitions, Sanlam will hold an effective economic interest of 51% in SGIC and 54% in SLIC.

Regulatory approvals for the SGIC and SLIC components of the Insurance Transactions were granted on 23 January 2026 and 20 February 2026, respectively. The SGIC leg closed in early February 2026, while the SLIC leg closed on the 6 March 2026.

Piramal Transaction – Shriram Life Insurance Company ("SLIC")

Sanlam Emerging Markets Mauritius (SEMM) has entered into a share purchase agreement with Piramal Finance Limited (Piramal) to acquire an additional 14,72% interest in SLIC, in December 2025, on terms consistent with the Insurance Transactions. Upon completion, Sanlam's effective economic shareholding in SLIC will increase to 68,41%.

The intention is for SLIC to become a subsidiary.

Sanlam Personal Loans (SPL) and GoTyme Joint Venture

SPL has entered into an agreement with GoTyme to sell 50% of its retail credit loan book. As at 28 January 2026, a high-level view outlining how Sanlam will gain comfort on the asset split once the accounts are migrated was performed. Migrating accounts to the new system has already commenced with testing of small samples, with the majority of the migration scheduled for second quarter 2026. The assets do not meet the criteria for classification as held for sale at 31 December 2025, as they are not available for immediate sale in their present condition.

Subscription for shares in African Rainbow Capital Investments Proprietary Limited (ARCI)

On 4 March 2026, Sanlam Life entered into definitive agreements to subscribe for a separate class of shares in ARCI for a cash consideration of R3,2 billion, representing a 25% economic interest in the diversified investments portfolio of the ARC Fund (excluding the ARC Fund's investment in ARC Financial Services Holdings). The transaction is funded from shareholder-backed portfolios and does not result in any incremental deployment of discretionary capital or Sanlam Life shareholder funds. It deepens Sanlam's strategic partner-ship with Ubuntu-Botho Investments and African Rainbow Capital, providing access to a diversified portfolio of non-financial investments aligned to Sanlam Investments' focus on higher-growth client solutions, including alternative assets, while supporting long-term value creation and potential financial services ecosystem expansion across South Africa and the broader African continent.

No other material facts or circumstances have arisen between the date of the statement of financial position and this report which materially affects the financial position of the Sanlam Limited group at 31 December 2025 as reflected in these financial statements.

Notes to the financial statements continued

for the year ended 31 December 2025

Company financial results



In this section

250 Statement of financial position
250 Statement of comprehensive income
251 Cash flow statement
251 Statement of changes in equity
252 Notes to the financial statements
257 Principal subsidiaries

Statement of financial position

as at 31 December 2025

R million	Notes	2025	2024
ASSETS			
Investment in subsidiaries	2	**29 181**	27 660
Working capital assets		**291**	320
Loans to group companies		**32**	–
Trade and other receivables		**257**	318
Cash and cash equivalents		**2**	2
Total assets		**29 472**	27 980
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	3	**12 526**	12 526
Non-distributable reserves		**9 342**	9 342
Retained earnings		**(1 238)**	(3 458)
Total equity		**20 630**	18 405
Working capital liabilities		**8 842**	9 570
Loans from group companies	2	**8 037**	8 772
Accounts payable		**797**	791
Taxation payable		**8**	7
Total equity and liabilities		**29 472**	27 980

Statement of comprehensive income

for the year ended 31 December 2025

R million	Notes	2025	2024
Net income		**10 048**	9 071
Dividend income – included in revenue	4	**9 875**	8 915
Interest income		**19**	15
Other income	5	**154**	141
Expenses			
Administration costs	6	**(41)**	(59)
Reversals of impairment	2	**1 521**	5
Impairment	2	**–**	(1 084)
Profit before tax		**11 528**	7 933
Taxation	12	**(5)**	(4)
Profit for the year		**11 523**	7 929

Cash flow statement

for the year ended 31 December 2025

R million	Note	2025	2024
Cash flow from operating activities		**–**	6 349
Cash (utilised)/generated in operations	11	**(588)**	6 234
Dividends received		**9 875**	8 915
Dividends paid		**(9 302)**	(8 812)
Interest received		**19**	15
Taxation paid		**(4)**	(3)
Cash flow from investment activities		**–**	(75)
Acquisition of subsidiaries		**–**	(75)
Cash flow from financing activities		**–**	(6 274)
BEE redemption of pref shares and share cancellation	3	**–**	(6 274)
(Decrease)/increase in cash and cash equivalents		**–**	–
Cash and cash equivalents – beginning the of the year		**2**	2
Cash and cash equivalents – end the of the year	2	**2**	2

Statement of changes in equity

for the year ended 31 December 2025

R million	Notes	Share capital	Share premium	Non-distributable reserve[1]	Retained income	Total
Balance at 1 January 2024		22	13 011	9 342	3 192	25 567
Profit for the year		–	–	–	7 929	7 929
Dividends declared	7	–	–	–	(8 812)	(8 812)
Shares cancelled		–	(507)	–	(5 768)	(6 275)
Balance at 31 December 2024		22	12 504	9 342	(3 459)	18 409
Profit for the year[2]		**–**	**–**	**–**	**11 523**	**11 523**
Dividends declared[2]	7	**–**	**–**	**–**	**(9 302)**	**(9 302)**
Balance at 31 December 2025		**22**	**12 504**	**9 342**	**(1 238)**	**20 630**

[1] *Pre-acquisition reserves arising from the demutualisation of Sanlam Life Insurance Limited in 1998.*
[2] *During the current year, management reassessed the nature of distributions received from Sanlam Share Incentive Trust. As Sanlam Share Incentive Trust is a trust and does not formally declare dividends, these distributions do not meet the definition of dividend income. Accordingly, the amount R119million dividends received from Sanlam Share Incentive Trust has been reclassified and presented as a reduction of dividends declared by Sanlam Ltd.*

Notes to the financial statements

for the year ended 31 December 2025

1 Accounting policies

The accounting policies of the Sanlam Limited group as set out on pages 72 to 85 are also applicable to Sanlam Limited except for investments in subsidiaries which are reflected at cost less accumulated impairment.

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

2 Investment in subsidiaries and loans with group companies

R million	2025	2024
Investment in subsidiaries – shares at cost less impairments	**29 181**	27 660
Loans with group companies	**(8 005)**	(8 772)
Loans to group companies	**32**	–
Loans from group companies	**(8 037)**	(8 772)
Net interest in group companies	**21 176**	18 888
Net (impairment)/reversal of impairment of investments in group companies		
Genbel Securities Limited	**1 115**	(813)
Sanlam PrefCo (Pty) Limited	**14**	5
Sanlam Investment Holdings UK	**392**	(271)
Total net impairment of investment in group companies	**1 521**	(1 079)
Fair value of net investment in group companies	**199 361**	195 525

(Impairments)/Reversals of impairments in investments in subsidiaries

Sanlam Limited evaluates its investments in subsidiaries annually for any indicators of impairment or impairment reversal which are performed in accordance with IAS 36. An impairment loss is recognised for the amount by which the carrying amount of the investment in a subsidiary exceeds its recoverable amount. The inputs and judgements applied in assessing impairments remain consistent with those used in prior periods. The NAV disclosed below is an approximation of fair value less cost to sell.

Genbel Securities Limited

Due to an increase in the underlying fair values in the unlisted subsidiaries driven by investment returns and economic assumption changes, there was an impairment reversal of R1 115 million. The value in use (VIU) was determined on a discounted cash flow valuation basis. The recoverable amount of R7 454 million and the related discount rates (if applicable) is made up as follows:

- NAV of Genbel securities: R2 147 million
- Value in use of SPW of R5 307 million has been determined based on a discount rate of 15,5%.

Sanlam Investment Holding (UK) Limited

Due to good performance of financial markets locally, there was an impairment reversal of R392 million. The VIU was determined on a discounted cash flow valuation basis. The recoverable amount of R2 304 million and the related discount rates (if applicable) is made up as follows:

- NAV of Sanlam Investments Holdings UK: R136 million
- Value in use of Sanlam UK of R872 million has been determined based on a discount rate of 15,5%
- Recapitalisation of Sanlam Investment Holdings UK: R1 296 million.

Sanlam PrefCo (Pty) Limited

Due to an increase in profits for the year, there was a reversal of impairments to the value of R14 million. The VIU was determined on a discounted cash flow valuation basis. The recoverable amount of R2 490 million and the related discount rates (if applicable) is made up as follows:

- NAV of Sanlam Prefco: R2 490 million.

Loans: Group companies

On initial recognition, loans to and from group companies are classified as measured at:

- Amortised cost or
- Fair value through profit or loss (either mandatory or designated).

These loans to group companies are 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.

Unless otherwise stated, all loans are carried at amortised cost.

The expected credit losses on loans to group companies are immaterial.

The loans to/from group companies are unsecured and repayable on demand. No interest is charged but these arrangements are subject to revision from time to time. Details regarding the principal subsidiaries of Sanlam Limited are set out on page 257.

The fair value of the loans are disclosed in the principal subsidiaries note on page 257. The carrying value of these loans approximates the fair value.

Investment in group companies

Investment in group companies is carried at cost less accumulated impairment. The fair value disclosed is classified as level 3 instruments in terms of IFRS 13. Investment management subsidiaries are valued on a discounted cash flow (DCF) basis, subsidiaries that conduct life insurance business are valued at embedded value plus a multiple of new life insurance business and other subsidiaries and loans are valued at DCF. For a description of the valuation methodology used and sensitivities of main assumptions, refer to note 38 on page 234.

Sanlam Limited does not have a bank account and all transactions of Sanlam Limited, in which it acts as principal, are centrally administered by Sanlam Life and controlled by Sanlam Limited. Sanlam Limited presents cash inflows and outflows from these activities in the cash flow statement as cash flows from operating, investing and financing activities as appropriate.

R million	2025	2024
Loans to group companies		
Sanlam Spec Pty Ltd	**(2)**	–
Real Futures (Pty) Ltd (Sanlam Reality)	**(30)**	–
	(32)	–
Loans from group companies		
Sanlam Invest (Pty) Limited	**11**	11
Sanpref (Pty) Ltd	**2 500**	2 500
Sanlam PrefCo (Pty) Limited	**2 310**	2 310
Sanlam Investment Management Holdings (Pty) Limited	**162**	683
Sanlam Life Insurance Limited	**284**	498
Genbel Securities Limited	**264**	264
Loans from other		
U.R.D. Beleggings (Edms) Beperk	**2458**	2 458
Sanlam Foundation	**48**	48
	8 037	8 772

3 Share capital and premium

Details of share capital and premium are reflected in note 19 on page 190 of the Sanlam Limited group financial statements.

4 Revenue

R million	2025	2024
Dividend income from subsidiaries – included in revenue	**9 875**	8 915

Sanlam Limited is the holding company which earns its income through dividend income received that is deemed to be revenue for IFRS Accounting Standard purposes.

Notes to the financial statements continued

for the year ended 31 December 2025

5 Investment surpluses and other income

R million	2025	2024
Other income	**154**	141
	154	141

Other income is made up only of the release of unclaimed dividends. Sanlam Limited's memorandum of incorporation makes provision for the Board to declare unclaimed dividends forfeited after an unclaimed period of five years. At the end of each financial year an assessment will be made of the appropriate level of the provision to be carried for unclaimed dividends, 50% of the value of all dividends outstanding for more than five years as at the end of a financial year will no longer be claimed, which may allow for some release of the existing provision. The appropriate level of the provision kept for this purpose will be reviewed annually based on the actual claims experience. The Board will be formally notified each year of the level of unclaimed dividends and the proposed amount to be released from the provision.

6 Administration costs include

R million	2025	2024
Directors' remuneration		
Detail of the directors' remuneration are reflected in the remuneration report.		
Audit fees: statutory audit	**21**	20

7 Dividends

Details of the dividends declared are disclosed on page 90 of the Sanlam Limited group financial statements.

8 Borrowing powers

In terms of the articles of association of Sanlam Limited, the directors may at their discretion raise or borrow money for the purpose of the business of the company without limitation.

9 Commitments and contingencies

Details of commitments and contingencies are reflected in note 33 on page 223 of the Sanlam Limited group financial statements.

10 Related parties

The company entered into the following transactions with related parties during the year ended 31 December[1]:

		2025		2024	
Related party R million	Transaction type	**Transaction**	**Outstanding balance 31 Dec**	Transaction	Outstanding balance 31 Dec
Sanlam Life Insurance Limited	Dividends received	**8 400**		8 000	
Genbel Securities Limited	Dividends received	**321**		315	
Sanlam Investments Management Holdings	Dividends received	**682**		–	
Sanlam Investments Holdings Capital	Dividends received	**472**		345	
Sanlam Investment Holdings UK Limited	Dividends received	**–**		146	
Sanlam Share Incentive Trust	Dividend refund	**–**	**257**[2]	109	312[2]
Total		**9 875**	**257**	8 915	312

[1] *Current year disclosures, including comparatives, have been enhanced to reflect all related party transactions and balances.*
[2] *Included in receivables in the statement of financial position. The amount receivable is unsecured and repayable on demand. No interest is charged but these arrangements are subject to revision from time to time.*

Details on guarantees related to/from related parties are disclosed in note 14.

11 Notes to the cash flow statement

R million	2025	2024 Represented[1]
Cash generated from operations		
Profit before tax	**11 528**	7 933
Non-cash flow items		
Impairment on investments in subsidiaries	**–**	1 084
Reversal of impairment on investments in subsidiaries	**(1 521)**	(5)
Items disclosed separately		
Dividends received	**(9 875)**	(8 915)
Investment surpluses	**–**	–
Interest income	**(19)**	(15)
(Decrease)/increase in net working capital liabilities	**(701)**	6 152
Decrease/(increase) in trade receivables	**61**	(113)
(Increase)/decrease in loans to group companies	**(32)**	473
(Decrease)/increase in loans from group companies	**(735)**	5 775
Increase in trade payables	**5**	17
Cash (utilised)/generated from operations	**(588)**	6 234

[1] *The statement of cash flows has been re-presented to improve the clarity and usefulness of the information provided. Loans to and from group companies has been disclosed separately with comparatives updated accordingly to ensure consistency and comparability between periods.*

12 Taxation

Tax rate reconciliation

%	2025	2024
Standard rate of taxation	**27,00**	27,00
Adjusted for:		
Non-taxable income[1]	**(27,07)**	(27,09)
Non-deductible expenses[2]	**0,13**	0,14
Effective tax rate	**0,06**	0,05

[1] *Non-taxable income includes dividends received and reversal of impairment in subsidiaries.*
[2] *Non-deductible expenses includes administration costs which are non-deductible.*

Notes to the financial statements continued

for the year ended 31 December 2025

13 Capital and risk management

The main financial instrument risk that Sanlam Limited is exposed to, is credit risk in respect of its loans to group companies. Loss allowances are recognised on these loans in terms of IFRS 9, by establishing whether the borrowing group company has sufficient accessible liquid assets in order to repay the loan if demanded at the reporting date. If the borrowing group company is not able to repay the loan if demanded at the reporting date, then Sanlam Limited considers the expected manner of recovery to measure expected credit losses. The credit quality of the loans receivable has been assessed as acceptable within the parameters used to measure and monitor credit risk. The circumstances as at the statement of financial position date are not expected to change in the foreseeable future.

R million	2025	2024
Sanlam Limited's maximum exposure to credit risk is calculated as follows:		
Carrying value of loans granted	**(32)**	–

Further details of risk management are disclosed in the capital and risk management report on page 14. Capital and risk is managed by the group and not separately for the company.

14 Guarantees

Guarantees are accounted for in Sanlam Limited company, under IFRS 9. For a detailed view of the accounting policy applied with regards to guarantees, and for the details of guarantees that Sanlam Limited company has entered into with external parties, refer to note 33 on page 223 of Sanlam Limited group financial statements. Sanlam Limited has entered into the following guarantees with entities within the group:

- Sanlam Limited granted three put options to Sanlam Investment Management Propriety Limited as follows:
  - A put option which shall be exercised in the event that Sanpref Proprietary Limited fails to redeem the A8 preference share on redemption date (21 December 2027).
  - A put option which shall be exercised in the event that Sanpref Proprietary Limited fails to redeem the A10 preference shares in full upon redemption date (30 November 2027).
  - A put option which shall be exercised in the event that Sanpref Proprietary Limited fails to redeem the A16 preference shares in full upon redemption date which has been extended to 30 November 2027.
- For the above guarantees, the maximum amount of the guarantees in the earliest period in which the guarantees could be called, being "open-ended", is R500 million, which is only expected to be paid should the guarantees be triggered.
- Sanlam Limited granted a put option to Sanlam Developing Markets Limited which shall be exercised in the event that Sanpref Proprietary Limited fails to redeem the A18 preference share on redemption date (3 March 2030). The maximum amount of this guarantee in the earliest period in which the guarantee could be called, being "open-ended", is R2 billion, which is only expected to be paid should the guarantee be triggered.
- At initial recognition, the fair value of the above guarantees were individually assessed to be immaterial.
- Sanlam Limited has also provided letters of support to Sanlam Health Solutions (Pty) Ltd, Sanlam Healthcare Distribution Services (Pty) Ltd, SAHAM Angola Seguros, S.A, Real Futures, Sanlam Global Investment Solutions Ltd and Safrican Insurance Company Limited.

Principal subsidiaries

at 31 December 2025

R million	Interest %	Issued ordinary capital 2025	Fair value of interest in subsidiaries: Shares 2025	Shares 2024	Loans 2025	Loans 2024
Long-term insurance						
Sanlam Life Insurance Limited	100	**5 000**	**184 572**	180 508	**(284)**	(498)
Investment and capital markets						
Genbel Securities Limited	100	**2 415**	**7 454**	6 339	**(264)**	(264)
Investment management and consulting						
Sanlam Investment Holdings Capital Holdings Limited	75	**4 615**	**5 496**	5 426	**–**	–
Sanlam Investment Holdings (UK) Limited[2]	100	**(1)**	**2 304**	1 911	**–**	–
Sanlam Investment Management Holdings (Pty) Limited	100	**2 421**	**3 857**	3 761	**(162)**	(683)
Investment companies						
Sanlam Spec (Pty) Limited	100	**(1)**	**(1)**	(1)	**2**	–
Sanlam Investments (Pty) Limited	100	**2 497**	**2 713**	2 798	**(11)**	(11)
Sanlam Share Incentive Trust	100	**(1)**	**(1)**	(1)	**–**	–
Sanpref (Pty) Limited	100	**(1)**	**(1)**	(1)	**(2 500)**	(2 500)
Sanlam PrefCo (Proprietary) Limited	100	**(1)**	**2 490**	2 476	**(2 310)**	(2 310)
Other						
Real Futures (Pty) Ltd (Sanlam Reality)		**n/a**	**n/a**	n/a	**30**	–
U.R.D. Beleggings (Edms) Beperk		**n/a**	**n/a**	n/a	**(2 458)**	(2 458)
Sanlam Foundation		**n/a**	**n/a**	n/a	**(48)**	(48)
Total		**16 948**	**208 886**	203 219	**(8 005)**	(8 772)

(1) Issued share capital is less than R1 million.
(2) The principal place of all the entities listed above is South Africa, except for Sanlam Investment Holdings (UK) Limited which is in the United Kingdom.

Remuneration report



In this section

260 Remuneration details for executive directors and exco members
265 Sanlam share scheme allocation (dilution limits)
266 Remuneration details for non-executive directors
267 Sanlam Limited board information

Implementation report

Remuneration for the year ended 31 December 2025 and comparative for financial year 2024

The disclosure approach (and specifically as it pertains to LTIs) is aligned with King IV™ recommendations. A separate disclosure is provided in respect of the number and value of LTIs that were awarded and vested in the relevant years.

2025

		Salary				Annual incentive			
R'000	**Months in service**	**Cash**	**Shares**	**Company contributions**	**Subtotal: Guaranteed package**	**Cash**	**Deferred**	**Attributable value of LTIs**	**Total remuneration**
Paul Hanratty	**12**	**8 065**[1]	**1 985**[2]	**–**	**10 050**	**–**	**27 769**[3]	**–**[4]	**37 819**
Abigail Mukhuba	**12**	**6 498**	**–**	**350**	**6 848**	**5 950**	**2 550**	**10 656**	**26 004**
Total		**14 563**	**1 985**	**350**	**16 898**	**5 950**	**30 319**	**10 656**	**63 823**
2024									
Paul Hanratty	12	6 130	3 970[5]	–	10 100	–	17 318[6]	–	27 418
Abigail Mukhuba	12	6 130	–	350	6 480	6 860	2 940	5 859	22 139
Total		12 260	3 970	350	16 580	6 860	20 258	5 859	49 557

(1) *Previous contract's cash TGP for the first six months of the year plus extension contract's TGP for the last six months of the year (R6 130 000 x 6/12 + R10 000 000 x 6/12).*
(2) *Previous contract's restricted shares in lieu of TGP (value as per share price at date of grant). A total of 32 859 shares were subject to measurement and met performance in full (100%) as per board evaluation. Shares remain restricted until 1 May 2028.*
(3) *This bonus reflects the shares for which performance conditions were met, in terms of both the previous contract (1 January 2025 to 30 June 2025) and extension contract (1 July 2025 to 31 December 2025), valued at the share price at date of grant. Shares are restricted until 1 May 2028 (refer to the detailed breakdown on page 261).*
(4) *The LTI granted in terms of the previous contract was finally measured post the 2025 financial year and is deferred until 1 May 2028. Therefore, no vesting has taken place, but details of the measured shares are disclosed on pages 262 and 263.*
(5) *Previous contract's restricted shares in lieu of TGP (value as per share price at date of grant). A total of 65 718 shares were subject to measurement and met performance in full (100%) as per board evaluation. Shares remain restricted until 1 May 2028.*
(6) *Bonus shares measured after the 2024 financial year – number of shares for which performance conditions were met, valued at the share price at date of grant. Shares remain restricted until 1 May 2028.*

Total guaranteed package

The TGP (in rand) of the executive directors for the past two financial years is reflected in the table below.

Individual	**TGP for financial year 2025**	TGP for financial year 2024	TGP for financial year 2023	% increase in TGP for financial year 2025 from financial year 2024	% increase in TGP for financial year 2024 from financial year 2023	% increase in TGP for financial year 2023 from financial year 2022
Paul Hanratty[1]	**10 050 000**	10 100 000	10 100 000	–	–	–
Abigail Mukhuba	**6 847 500**	6 480 000	6 107 000	5,7	6,1	6,6

(1) *TGP as per previous contract consists of both cash (R6 130 000) and restricted shares in lieu of TGP (R3 970 000).*

Short-term incentives

The Group CEO and Group FD performance outcomes

The Group CEO and Group FD performance measures for 2025 and achievement against it are set out below (group achievement).

Group financial performance (weighted out of 50)

Metric	Weighting	Measure (for 100%)	Actual	Achievement (0% – 200%)	Outcome
Adjusted RoGEV (per share)	15%	9,70%	15,7%	200%	30%
Operating profit (NRFFS)* ('m)	15%	15 750	16 162	182,4%	27,4%
VNB ('m)	10%	2 900	2 294	0,0%	0,0%
Net client cash flow (NCCF) ('m)	5%	50	127	200%	10,0%
Company valuation (price to GEV)	5%	1,05	1,12	172,6%	8,6%
Total (financial)	50%				76,0%

* *Measured on a constant currency basis.*

Strategic metrics (weighted out of 50)

Group CEO – Metrics include:	Weighting	Achievement (0 – 200%)	Outcome
Developing the Sanlam platform to support growth and value creation	10%	150%	15%
Strengthening all strategic partnerships	5%	100%	5%
Capital allocation (to enhance RoGEV)	10%	150%	15%
Modernise the business through strategic initiatives	10%	50%	5%
Optimisation (business), compliance and risk management	5%	100%	5%
ESG metrics:	10%	175%	17,5
– Transformation, human capital and culture	*5%*	*200%*	*10%*
– Sustainability across the group	*5%*	*150%*	*7,5%*
Total (strategic)	50%	125%	62,5%
Total for Group CEO (out of a maximum of 200%)			138,5%

Group FD – Metrics include:	Weighting	Achievement (0 – 200%)	Outcome
Operational excellence	20%	150%	30%
Growth and diversification of business	10%	150%	15%
Optimisation (business), compliance and risk management	5%	00%	5%
Develop a finance technology strategy and roadmap	5%	100%	5%
ESG metrics:	10%	125%	12,5%
– Transformation, sustainability and diversity	*5%*	100%	5%
– Leadership of group finance	*5%*	150%	7,5%
Total (strategic)	50%	135%	67,5
Total for Group FD (out of a maximum of 200%)			143,5%

Short-term Incentive: Group CEO

The remuneration outcomes based on the 12-month period ending 31 December 2025 are disclosed below:

Category	**Eligible for measurement at December 2025**	**Shares which met performance condition***	**Forfeited shares**	Measurement detail
Bonus shares (January to June 2025) last tranche of original Group CEO arrangement	**167 191**	**115 780**	**51 411**	The Group CEO 2025 performance achievement (138,5% out of 200%). The shares are the prorated portion for the period 1 January 2025 to 30 June 2025.
Restricted Variable Pay Shares (July to December 2025 – extension contract)	**340 445**	**235 758**	**104 687**	The Group CEO 2025 performance achievement (138,5% out of 200%). The shares are the prorated portion for the period 1 July 2025 to 31 December 2025. Calculation of eligible shares based on the 30-day volume weighted average price as at 30 June 2025 (R88,12).

* *Shares that met the performance condition are only released after the end of the extended holding period (1 May 2028).*

Implementation report continued

Short-term incentive: Group FD

The table below shows the Group FD's performance bonus payment (in rand) as well as the deferral into restricted Sanlam shares for three years.

Individual	% of TGP achieved 2025[1]	Total annual bonus R	Cash payment 2025 R	Bonus deferral (restricted shares) R	% of TGP achieved 2024	Total annual bonus R	Cash payment 2024 R	Bonus deferral (restricted shares) R
Abigail Mukhuba	**122**	**8 500 000**	**5 950 000**	**2 550 000**	149	9 800 000	6 860 000	2 940 000

[1] *December 2025 annual TGP: R6 940 000.*

Long-term incentives

The PDSP awards are subject to adjusted RoGEV and dividend growth conditions for vesting. Ordinarily, three LTI tranches vest each financial year. However, for awards granted before 2020 (excluding 2020 due to the pandemic), an additional year of measurement was included, resulting in four tranches being assessed for vesting in June 2025.

Sanlam exceeded its targets for adjusted RoGEV and dividend growth over the measurement periods, resulting in full vesting of PDSP A shares. The PDSP B shares also met all conditions under the 2019 and 2021 awards. However, for the 2020 award, the stretched VNB metric (part of the strategic recovery criteria) was not fully achieved, leading to the forfeiture of some PDSP B shares.

PDSP vesting percentages: June 2025

Award year	2022	2021	2020*	2019
Tranches measured	1st tranche	2nd tranche	3rd tranche	3rd tranche
PDSP A shares	100%	100%	100%	100%
PDSP B shares	100%	100%	98%	100%

Note:
* *The 2020 award had a 30% weighting to strategic recovery metrics. The metrics were measured over 2021 and 2022 financial years and, in relation to the PDSP A shares, were achieved at 100% and at 93,25% for the PDSP B shares.*

DSP

The last tranche of DSPs awarded to the Group FD in 2020 vested in June 2025. The vesting is measured based on achievement of performance bonus metrics (strategic) over the vesting period. The vesting outcome for the June 2025 tranche was 100% and is reflected below:

Name	Achievement (average) over five years expressed over on-target %	> 100% achievement warrants achieving DSP target for vesting
Abigail Mukhuba	130%	Vesting 100%

Executive directors PDSP and restricted share balances

Long-term incentives: Group CEO

Long-term incentives awarded to the Group CEO were subject to a five-year measurement period which ended 31 December 2025. The performance conditions and outcomes linked to these awards were aligned to that of all other LTI participants.

Category	Shares	Vesting %	Shares that qualify for vesting	Shares forfeited
Performance shares	334 380	100%	334 380	
Performance Restricted Shares (A)				
• Adjusted RoGEV	243 336	100%	243 336	
• Dividend growth	104 287	100%	104 287	
• Strategic recovery	148 982	100%	148 982	
Performance Restricted Shares (B)				
• Adjusted RoGEV	243 336	100%	243 336	
• Dividend growth	104 287	100%	104 287	
• Strategic recovery	148 982	93,25%	138 926	10 056
Total	1 327 590		1 317 534	10 056

Group CEO OPP outcome

The conclusion of the Group CEO's initial five-year contract in June 2025 provided a natural point to assess the outcomes of the long-term OPP linked to the period up to 31 December 2025. Over the 2021–2025 period, the Group CEO consistently delivered against ambitious strategic and financial targets, resulting in a strong outperformance outcome. This section outlines the performance metrics applied, the rigorous assessment process undertaken by the group HRRC and approved by the board, and the final vesting outcome of the arrangement. The outcome reflects Sanlam's commitment to aligning executive reward with long-term value creation and shareholder interests and is a confirmation that the objectives of the original arrangement delivered the desired outcomes.

Number of shares subject to measurement: 1 671 910

Financial measure	Description	Target (below threshold 0% and at stretch 100%)	Weighting	Achievement (0-100%)	OPP Achievement
Stock rating P/GEV	Improve the rating from H2 2020 over the five years to a better average in 2024/2025	< 1 = 0% 1,15 = 100%	25%	81,8%	20,4%
Dividend growth 2021 – 2025	Average annual rate of growth between dividend paid in 2021 and the dividend paid in 2026 relating to the 2025 financial year	CPI + 1 = 0% >CPI + 3% = 100% From 2022 onward, in line with the changes for dividend growth conditions, this was measured based on the range of CPI + 1% – CPI + 4%.	25%	100%	25%
Adjusted RoGEV 2021 – 2025	Average return implied by dividends and change in GEV from 1 January 2021 to 31 December 2025, adjusted for normalised investment returns if required	Risk-free rate (RFR) + 4% = 0% RFR + 8% = 100% for financial year 2021 From 2022 onward, in line with the changes for RoGEV conditions applicable to OPPs, this was measured based on the range of CPI + 6% – CPI + 10%.	25%	100%	25%
GEV added	Change in GEV: 1 January 2021 to 31 December 2025 plus dividends paid over the period in reference to years 2021 to 2025	R100 billion = 0% R150 billion = 100%	25%	26,4%	6,6%
Total			**100%**		**77,0%**

The following strategic factors may inform a modifier to the OPP financial outcome, if required:

- Reshaping the Sanlam group through mergers and acquisitions (M&A) and strategic partnerships;
- Creating value from M&A inter alia, transformation of the workforce
- Modernisation of the business through data and digital transformation
- Fortress South Africa: Strengthen the competitive position in South Africa through partnerships and by driving deeper customers relationships through use of a wider product set, improved customer proposition
- Culture and ESG

A maximum adjustment of a 25% increase or decrease could be made at the board's discretion (after testing of the financial metrics) to reflect these factors.

Strategic modifier approved by the board reflecting the achievement against the strategic measures listed above	25%	N/A[1]
Final outcome of Group CEO's five-year OPP		77,0%
Number of shares that qualify for vesting subject to extended holding period		**1 287 371**

Post-holding condition

Mr Hanratty is required to hold the measured shares in restricted Sanlam shares for an extended period until 1 May 2028, whereafter the shares may be released (closed period permitting). This ensures absolute shareholder alignment. Malus and clawback conditions and employment conditions per Sanlam's policy apply to these shares.

Notes:
Sliding scale applied to determine vesting percentage between minimum and maximum hurdles.

Implementation report continued

01 Governance 02 Capital and risk management 03 Basis of preparation 04 Group financial results 05 Company financial results 06 Remuneration report 07 Supplementary information 265

Sanlam Limited
Annual Financial Statements 2025

Movement in number of shares

	Balance 31 December 2024	Awarded in 2025	Shares vested	Shares forfeited	**Balance 31 December 2025**	**Final measurement impact**	**Adjusted balance**	Shares vesting in 2026	2027	2028
Paul Hanratty										
Five-year contract										
Performance-restricted shares[1]	4 731 943	–	–	(40 293)[2]	**4 691 650**	**(235 758)**[3]	**4 255 700**	–	–	4 255 700[5]
Extension contract										
Performance-restricted shares	–	–	–	–	–	**235 758**[4]	**235 758**			235 758[5]
Total	4 731 943	–	–	(40 293)	**4 691 650**	**(200 192)**	**4 491 458**			4 491 458

[1] *The opening balance for 2025 reflects the 5 million performance-restricted shares less the bonus shares forfeited during 2021-2024 (258 001) as well as a total of 10 056 performance shares which were forfeited after strategic recovery metrics were not fully achieved (measured over financial year 2021 and 2022).*
[2] *This reflects the 40 293 bonus shares which were forfeited based on financial year 2024's performance outcome.*
[3] *This reflects the restricted shares forfeited post measurement of the final financial year of the five-year remuneration agreement.*
[4] *Restricted shares awarded based on the new extension contract for the performance period 1 July 2025 – 31 December 2025.*
[5] *These shares must be held until after the CEOs final employment term expires to ensure alignment with shareholders and are therefore restricted until 1 May 2028.*

	Balance 31 December 2024	Awarded in 2025	Shares that qualified for vesting	Shares forfeited	**Balance 31 December 2025**	Shares vesting in 2026	2027	2028	2029	2030
Abigail Mukhuba										
DSP	32 037	–	(32 037)	–	**–**	–	–	–	–	
PDSP	257 166	67 573	(50 455)	–	**274 284**	67 261	67 045	74 542	45 164	20 272
RSP and bonus shares	104 339	34 686	(38 062)	–	**100 963**	35 510	30 767	34 686		
Total	393 542	102 259	(120 554)	–	**375 247**	102 771	97 812	109 228	45 164	20 272

2025 share awards

For the year ended 31 December 2025, the following awards were made:

	2025	2024
DSPs		
Number of instruments	**1 251 242**	1 582 483
Number of participants	**504**	473
PDSPs		
Number of instruments	**4 318 527**	4 994 767
Number of participants	**460**	450
RSPs		
Number of instruments	**462 424**	708 144
Number of participants	**9**	25
Bonus deferred shares (exco)		
Number of instruments	**288 639**	267 675
Number of participants	**12**	10

Minimum shareholding requirement

The table below reflects the actual qualifying Sanlam shares held by executive directors relative to the minimum shareholding requirements (MSR) policy.

Number of shares as of 31 December 2025

Individual	Minimum shareholding requirement	Actual qualifying shareholding	Date at which minimum shareholding must be reached
Paul Hanratty[1]	–	–	In full compliance
Abigail Mukhuba	122 137	378 460	In full compliance

[1] *The Sanlam shares held by the Group CEO that have met the performance conditions, are subject to an extended holding period in terms of the CEO remuneration arrangement and will be classified as such for purposes of the MSR.*

Sanlam share scheme allocation

As approved by shareholders, the scheme has an allocation of 110 million shares to be used for LTI purposes with a limit on annual usage of 11 million shares and the limit for any individual of 5 million unmeasured shares.

The following table illustrates the usage since the original approval, the details for 2024 and for 2025 and the capacity (balance of shares available) on 31 December 2025:

	Allocations made	Number of shares
Scheme allocation originally approved*		110 000 000
Utilisation between 2019 and 2023		(33 618 340)
Balance of scheme allocation carried forward at 31 December 2023		76 381 660
Allocation under DSP and PDSP in 2024	(6 577 251)	
Allocation under RSP in 2024 (including deferred bonus shares)	(1 303 968)	(7 881 219)
Shares forfeited in 2024		1 146 863
Balance of scheme allocation carried forward at 31 December 2024		69 647 304
Allocation under DSP and PDSP in 2025	(5 569 769)	
Allocation under RSP in 2025 (including deferred bonus shares)	(751 063)	(6 320 832)
Shares forfeited in 2025		798 679
Balance of scheme allocation carried forward at 31 December 2025		64 125 151

* *Scheme allocation approved at the AGM held on 5 June 2019 and applies with effect from the 2019 financial year.*

Fees for non-executive directors

The policy for non-executive directors' fees is summarised under the remuneration policy part of this report. Disclosure of individual directors' emoluments, as required in terms of the JSE Listings Requirements, is detailed overleaf.

Implementation report continued

Non-executive directors' emoluments for the year ended 31 December 2025[1]

R'000	Directors' fees	Attendance fees	Committee fees	Fees from group: Director fees	Fees from group: Attendance fees	Fees from group: Committee fees	Total
AS Birrell[2]	1 172	515	2 075	–	2 076	2 178	8 016
AD Botha[2]	468	206	392	–	–	–	1 066
NAS Kruger	468	206	1 680	–	285	37	2 676
E Masilela	468	206	375	–	–	–	1 049
TI Mvusi (Chair)	5 141	–	–	–	–	–	5 141
M Mokoka	468	206	1 540	–	122	175	2 511
JP Möller	468	206	1 959	–	–	687	3 320
PT Motsepe (Deputy Chair)	712	209	472	–	–	–	1 393
KT Nondumo	468	206	2 022	310	111	419	3 536
SA Nkosi	468	206	365	–	–	–	1 039
J van Zyl	468	206	472	569	–	152	1 867
SA Zinn	468	206	687	–	–	–	1 361
E Essoka[3]	1 171	516	704	–	–	–	2 391
N Manyonga	468	206	1 274	–	643	191	2 782
W van Biljon	468	206	1 123	–	–	305	2 102
Total non-executive directors	13 344	3 506	15 140	879	3 237	4 144	40 250

[1] *Excluding VAT.*
[2] *Nationality: British/South African.*
[3] *Nationality: Cameroonian.*

Travel and subsistence paid in respect of attendance of board and committee meetings amounted to R1 063 310.

Non-executive directors' emoluments for the year ended 31 December 2024[1]

R'000	Directors' fees	Attendance fees	Committee fees	Fees from group: Director fees	Fees from group: Attendance fees	Fees from group: Committee fees	Total
AS Birrell[2]	1 109	718	1 512	947	977	1 057	6 320
AD Botha[2]	443	322	236	—	—	—	1 001
NAS Kruger	443	426	1 335	—	—	—	2 204
E Masilela	1 367	294	116	—	—	—	1 777
TI Mvusi (Chair)	3 532	36	—	—	—	—	3 568
M Mokoka	443	426	1 196	256	—	—	2 321
JP Möller	443	427	1 513	—	—	697	3 080
PT Motsepe (Deputy Chair)	674	227	445	—	—	—	1 346
KT Nondumo	443	455	1 694	376	—	422	3 390
SA Nkosi	443	322	181	—	—	—	946
J van Zyl	443	253	417	329	—	144	1 586
SA Zinn	443	398	461	—	—	—	1 302
E Essoka[3]	1 109	690	348	—	—	—	2 147
N Manyonga	443	426	678	—	—	311	1 858
W van Biljon	443	398	849	—	—	289	1 979
T Skweyiya	443	398	643	—	—	—	1 484
Total non-executive directors	12 664	6 216	11 624	1 908	977	2 920	36 309

[1] *Excluding VAT.*
[2] *Nationality: British/South African.*
[3] *Nationality: Cameroonian.*

Travel and subsistence paid in respect of attendance of board and committee meetings amounted to R1 227 636.

Sanlam Limited board information

Total interest of directors in share capital at 31 December 2025

Directors	Beneficial: Direct	Beneficial: Indirect	Non-beneficial: Direct	Non-beneficial: Indirect	UB shares
Executive directors					
PB Hanratty[1]	4 691 650	–	–	–	–
AM Mukhuba	479 423	–	–	–	–
Total executive directors	5 171 073				
Non-executive directors					
J van Zyl	–	–	–	–	168 287
PT Motsepe (Deputy Chair)	–	–	–	–	Refer note*
AD Botha[2]	–	–	–	–	–
AS Birrell[2]	65 487	–	–	–	–
E Essoka[3]	–	–	–	–	–
NAS Kruger	–	–	–	–	–
E Masilela	–	–	–	–	–
MG Mokoka	–	–	–	–	–
JP Möller	600 000	–	200 000	–	–
KT Nondumo	–	–	–	–	–
N Manyonga					
SA Nkosi	–	–	–	–	–
W van Biljon	1 169	–	–	–	–
SA Zinn	–	–	–	–	–
T Mvusi (Chair)	100 000	36 617	–	–	–
Total non-executive directors	766 656	36 617	200 000	–	168 287
Total	5 937 729	36 617	200 000	–	168 287

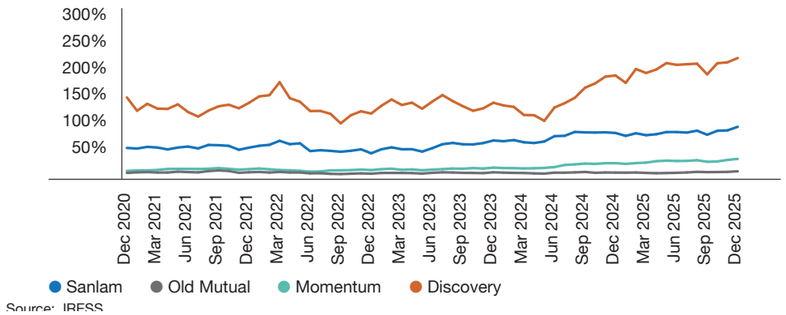
Total interest of directors in share capital at 31 December 2024

Directors	Beneficial: Direct	Beneficial: Indirect	Non-beneficial: Direct	Non-beneficial: Indirect	UB shares
Executive directors					
PB Hanratty[1]	4 731 943	–	–	–	–
AM Mukhuba	362 245	–	–	–	–
Total executive directors	5 094 188	–			–
Non-executive directors					
J van Zyl	–	–	–	–	168 287
PT Motsepe (Deputy Chair)*	–	–	–	–	Refer note*
AD Botha[2]	–	–	–	–	–
AS Birrell[2]	65 487	–	–	–	–
E Essoka[3]	–	–	–	–	–
NAS Kruger	–	–	–	–	–
E Masilela	–	–	–	–	–
MG Mokoka	–	–	–	–	–
JP Möller	600 000	–	200 000	–	–
KT Nondumo	–	–	–	–	–
N Manyonga					
SA Nkosi	–	–	–	–	–
T Skweyiya	–	–	–	–	–
W van Biljon	1 169	–	–	–	–
SA Zinn	–	–	–	–	–
T Mvusi (Chair)	100 000	36 617	–	–	–
Total non-executive directors	766 656	36 617	200 000		168 287
Total	5 860 844	36 617	200 000		168 287

[1] *Nationality: Irish.*
[2] *Nationality: British/South African.*
[3] *Nationality: Cameroonian.*
* *Ubuntu-Botho Investments (Proprietary) Ltd ("UBI") is the direct beneficial holder of 292 471 806 Sanlam ordinary shares. Sizanani-Thusanang-Helpmekaar Investments (Proprietary) Limited ("Sizanani"), holds a beneficial interest of approximately 62% of the issued shares (which issued shares include both the ordinary shares and "A" ordinary shares) in UBI. Approximately 10% of Sizanani's beneficial interest in UBI is attributable to interests in UBI which have been acquired, directly or indirectly, by a subsidiary of UBI. The entire share capital of Sizanani is held by a company, the entire issued share capital of which is in turn held by trusts which, with the exception of the Motsepe Foundation Trust, hold those shares for the benefit of Dr Patrice Motsepe and his family. Dr Motsepe also has an indirect non-beneficial interest of 20% of UBI's shareholding in Sanlam, by virtue of Dr Motsepe being a trustee (but not a beneficiary) of Sanlam Ubuntu-Botho Community Development Trust. Dr Johan van Zyl holds a beneficial interest of 168 287 ordinary shares in the share capital of UBI, representing approximately 2% of the issued shares in UBI. There are presently 8 726 406 ordinary UBI shares and 2 000 000 "A" ordinary UBI shares in issue, respectively.*

Analysis of shareholders

Share price relative to peers (rebased to Dec 2020)

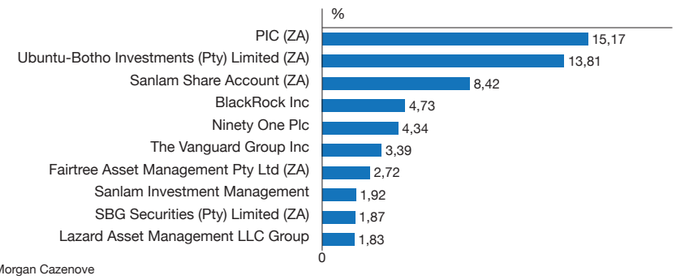


Source: IRESS

Geographic analysis of identified investor base

	2025	2024
South Africa	68,9	67,6
United Kingdom	5,4	6,2
North America and Canada	14,9	14,2
Rest of Europe	4,2	5,2
Rest of World	6,2	7,3

Top 10 institutional shareholders (by group) as at 31 December 2025



Source: J.P. Morgan Cazenove

Analysis of shareholders at 31 December 2025

Distribution of shareholding	Total shareholders Number	Total shareholders %	Total shareholders Number	Total shareholders %
1 – 1 000	316 107	87,75	113 756 132	5,37
1 001 – 5 000	38 194	10,60	74 449 538	3,52
5 001 – 10 000	3 143	0,87	21 601 750	1,02
10 001 – 50 000	1 661	0,46	32 935 352	1,56
50 001 – 100 000	289	0,08	21 144 461	1,00
100 001 – 1 000 000	623	0,17	202 872 248	9,58
1 000 001 and over	201	0,06	1 650 394 468	77,95
Total	**360 218**	**100,00**	**2 117 153 949**	**100,00**

Public and non-public shareholders	% Shareholding
Public shareholders	68,90
Non-public shareholders	
Directors' interest	0,30
Held by subsidiaries	0,60
Sanlam Limited Share Incentive Trust	1,22
Government Employees Pension Fund (PIC)	15,17
Ubuntu-Botho Investments (Pty) Ltd	13,81
Total	**100,00**

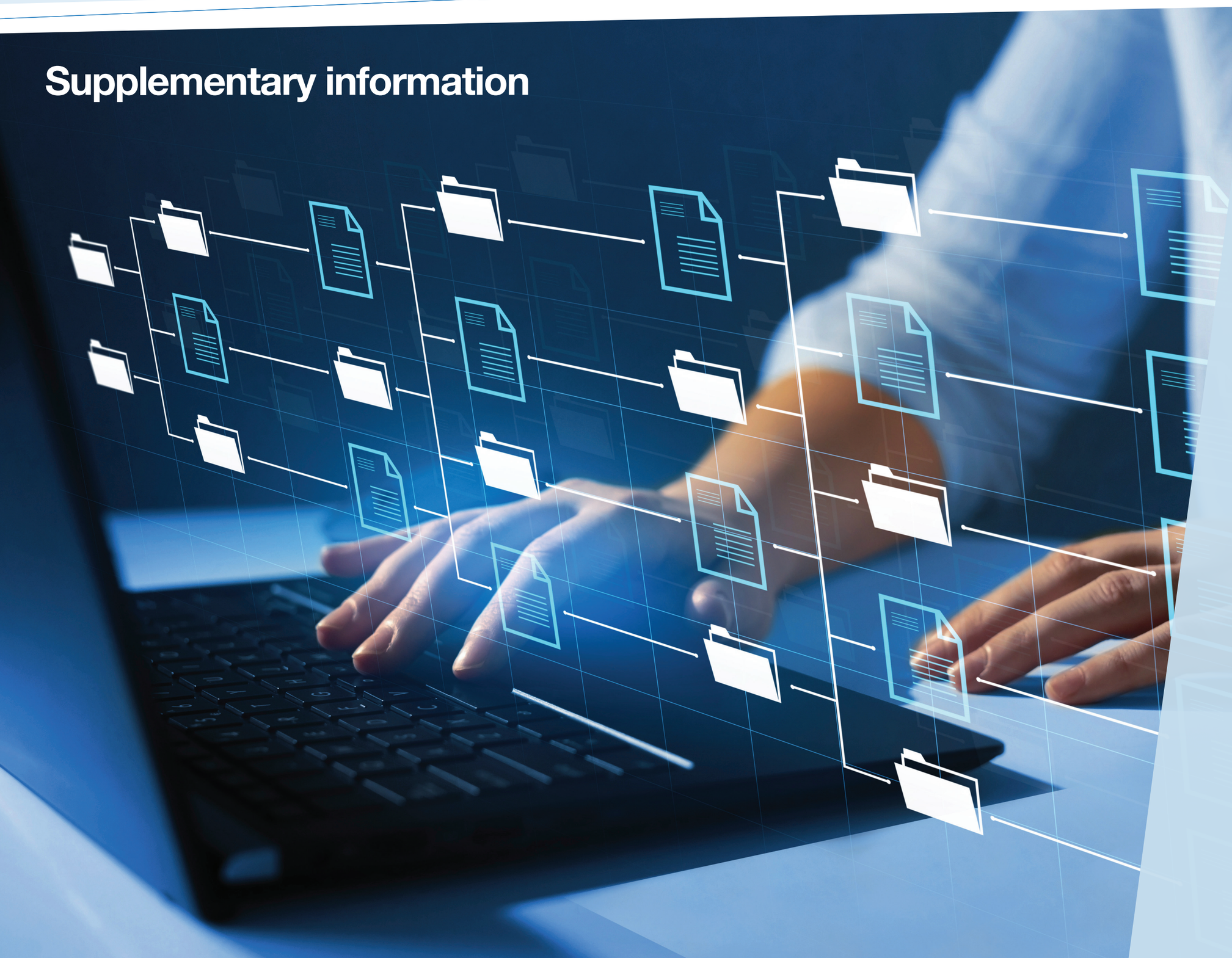
Shareholder structure	% Shareholding
Institutional and other shareholding Offshore	31,13
South Africa	55,96
Individuals	12,91
Total	**100,00**

Beneficial shareholding of 5% or more	
– Government Employees Pension Fund (PIC)	15,17
– Ubuntu-Botho Investments (Pty) Ltd	13,81

01 Governance 02 Capital and risk management 03 Basis of preparation 04 Group financial results 05 Company financial results 06 Remuneration report 07 Supplementary information 271

Sanlam Limited
Annual Financial Statements 2025

Supplementary information



In this section

272 Independent auditor's report
274 Basis of accounting – supplementary information
284 Group equity value
286 Analysis of group equity value per line of business
287 Change in group equity value
289 Return on group equity value
290 Analysis of group equity value earnings
300 Notes to the supplementary information
300 Life and health earnings analysis
301 Source and uses of cash
302 Investment return analysis
302 Supplementary IFRS 17 information including reconciliation to EV of covered business
308 Value of new covered business
310 Covered business sensitivity analysis
312 Economic assumptions – covered business
313 Value of non-covered operations sensitivity analysis
316 Business volumes
318 Cluster information
337 Value per share
338 Glossary

Independent auditors' report on the supplementary information of Sanlam Limited

To the directors of Sanlam Limited

Opinion

We have audited the supplementary information of Sanlam Limited (the group) as set out on pages 274 to 337 which comprise the:

- Basis of accounting – supplementary information;
- Group equity value;
- Analysis of group equity value per line of business;
- Change in group equity value;
- Return on group equity value;
- Analysis of group equity value earnings; and
- Notes to the supplementary information

In our opinion, the supplementary information of Sanlam Limited as at and for the year ended 31 December 2025 is prepared, in all material respects, in accordance with the basis of accounting described in the "Basis of accounting – supplementary information" section.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the supplementary information section of our report.

We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of accounting

We draw attention to the "Basis of accounting – supplementary information" section, which describes the basis of accounting. The supplementary information is prepared to provide additional information to users in respect of the group in a format that corresponds to that used by management in evaluating the performance of the group and is additional information to the annual financial statements. As a result, the supplementary information may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "Sanlam Limited Annual Financial Statements 2025" and "Sanlam Integrated Report 2025". The other information does not include the supplementary information and our auditors' report thereon.

Our opinion on the supplementary information does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the supplementary information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the supplementary information, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the supplementary information

The directors are responsible for the preparation of the supplementary information in accordance with the basis of accounting described in the "Basis of accounting – supplementary information" section, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the directors determine is necessary to enable the preparation of supplementary information that is free from material misstatement, whether due to fraud or error.

In preparing the supplementary information, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Sanlam Limited
Annual Financial Statements 2025

Auditors' responsibilities for the audit of the supplementary information

Our objectives are to obtain reasonable assurance about whether the supplementary information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the supplementary information. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the supplementary information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the supplementary information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the supplementary information. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



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11 March 2026



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Basis of accounting – supplementary information

The purpose of this section is to provide supplementary information to users of the group's financial statements in a format that corresponds, in addition to the financial statements, with that used by management in evaluating the performance of the group and is additional information to the Sanlam financial statements prepared in accordance with IFRS® Accounting Standards.

It includes analysis of the group's consolidated financial position and results in a similar format to that used by the group for internal management purposes. The group financial statements are prepared in accordance with IFRS Accounting Standards and include the consolidated results and financial position of both the shareholder and policyholder activities. The IFRS Accounting Standard 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 additional information to users of Sanlam's financial information. The basis of accounting for the current reporting period is consistent with that applied in the shareholders' fund information presented in the prior period.

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 a 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 supplementary information also includes the embedded value of covered business (EV), change in EV and value of new business.

The supplementary information also includes the following enhanced disclosures for the current financial year:

- Adjusted Contractual Service Margin (CSM) and Risk Adjustment (RA) reconciliation, incorporating the adjustments detailed in note 4 of the supplementary information;
  - Alternative performance measures for life insurance contracts measured under the GMM and VFA on a net of reinsurance basis. Includes the SanlamAllianz Life joint venture (based on Sanlam share).
  - Contract modification impact of R1,069 billion (R0.6 billion for 2024) recognised as new business in terms of IFRS 17 is excluded to align with the value of new business of covered business and treated for supplementary information purposes as change in assumptions.
  - Deferred tax on future profits contained in the CSM and RA balances, as well as tax on upfront losses recognised on onerous new business contracts in the period.
- Reconciliation between the key IFRS 17 value and EV metrics;
- Operating profit, as disclosed in note 1 of the group financial statements, for life and health business, which includes Sanlam's portion of the SanlamAllianz joint venture, that is equity accounted under IFRS Accounting Standards, within the detailed disclosures;
- Shareholders' investment return analysis; and
- Sources and uses of cash.

Basis of preparation information effective in future years and not yet adopted

The basis of accounting will be amended from 1 January 2026 to remove the application of specific shareholders' fund reserves and adjustments as detailed on page 298 below. The new performance measures of operating profit and adjusted headline earnings, as disclosed in note 1 of the group financial statements, will no longer include specific shareholders' fund adjustments. Normalised adjusted headline earnings will continue to be buffered for investment mismatch profits or losses and once-off project expenses that are not under management's control. The removal of specific shareholders' fund reserves and adjustments is not expected to have a significant impact on GEV. However, the underlying components of the embedded value of covered business may change, with an anticipated increase in the adjusted net worth and corresponding cost of required capital supporting the covered business, and a reduction in the gross value of in-force business before allowance for the cost of required capital.

A reconciliation has been provided on page 296 between the historic key performance measures of net result from financial services and net operational earnings, and the new performance measures introduced in the current financial year of operating profit and adjusted headline earnings. The previous key performance measures of net result from financial services and net operational earnings will no longer be reported on with effect from 1 January 2026.

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 of 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 as also disclosed under critical accounting estimates and judgements in the 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 6 for covered operations and note 8 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.

Basis of accounting – supplementary information continued

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 group equity value consists of the embedded value earnings from covered business, earnings from other group operations on a fair value basis, 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 and related information

The analysis of the shareholders' fund at net asset value reflects the consolidated financial position, 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 on the GEV table. 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 on the GEV table 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 Standards 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.

Specific shareholders' fund reserves

Asset mismatch reserve

An asset mismatch reserve was 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
- amounts of the CSM expected to be recognised in future reporting periods.

The asset mismatch reserve was utilised to absorb the earnings volatility described above, supporting the group's strategic objective of buffering dividends for market volatility not under management's control.

The asset mismatch reserve is recognised in the shareholders' fund at net asset value.

Movements in the asset mismatch reserve were historically 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 following adjustments related to insurance contracts were included in net result from financial services:

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

The asset mismatch reserve was 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 were only adjusted for in the asset mismatch reserve if they emerged from holding assets not related to the underlying items.

The asset mismatch reserve was increased or reduced for investment contracts in Sanlam Life and Savings 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 was recycled (released) to net result from financial services based on the reserve balance at the end of the previous month/quarter and a rate of release of approximately 10% per annum.

Basis of accounting – supplementary information continued

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 (i.e., negative insurance liabilities). These shareholders' fund reserves were held in addition to the insurance liabilities.

Similar to the asset mismatch reserve above, other shareholders' fund reserves were recognised in the shareholders' fund at net asset value. Movements in these reserves were historically 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 following adjustments related to insurance contracts were included in net result from financial services:

- adjustments related to pandemic events;
- adjustments related to future fit project expenses;
- adjustments related to insurance contract asset economic impacts;
- other non-cash adjustments related to insurance contract asset impacts.

The purpose of these reserves was 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 was also used to fund these project expenses. These reserves were 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 was historically 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 were 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 was historically 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 was released to net result from financial services over time.

The other shareholders' fund reserves were increased or reduced by the changes in the backing insurance contract assets. The economic assumption changes impacts on these insurance contract assets are adjusted for in net result from financial services. Other non-cash changes in these insurance contract assets were also adjusted for in 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 (for example, changes due to non-financial assumption changes) are reflected in the CSM. However, these changes are measured at the locked-in interest rates that 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 were removed from net result from financial services in insurance investment result with a corresponding adjustment to other shareholders' fund reserves outside of operational earnings. These mismatches were released to net result from financial services over time.

Target shares

Strategic diversification activities between Sanlam Emerging Markets (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. The total return on these short-term insurance investments is 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 Accounting Standards 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.

Net result from financial services

Net result from financial services is a measure of operating performance of the Sanlam group that is aligned to cash earnings that drives 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 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.

Shareholders' fund adjustments

Sanlam's dividend policy is supported by sustainable operating performance. Consequently, net result from financial services is adjusted for short-term market volatility (e.g., 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 that follow. These adjustments are reversed outside of net operational earnings to have a zero impact in the IFRS Accounting Standards income statement. Additional disclosures are provided in the net movement in shareholder' fund reserves on page 298.

Equity-accounted earnings

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

- At 31 December 2025, operating associates and joint ventures include investments in strategic operational businesses, namely SanlamAllianz, Shriram Finance Limited, Shriram General Insurance, Shriram Life Insurance, 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 outside of net operational earnings

Fund flows

The notes to the supplementary 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 include 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 include 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 clients. 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 – supplementary information continued

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 supplementary 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 2024 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 is 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 considering current legislation and known future changes.

The embedded value of covered business comprises the following components:

- Adjusted net worth (ANW); 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 290).

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.

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, e.g., 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 related 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 298, 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 5 on page 308, 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.

Basis of accounting – supplementary information continued

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 present value of new business premiums, 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.

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.

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 allocation between acquisition and maintenance expenses is based on functional cost analyses and reflects actual expenses incurred in 2025. 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 Investments, 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 Investments 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.

01 Governance 02 Capital and risk management 03 Basis of preparation 04 Group financial results 05 Company financial results 06 Remuneration report 07 Supplementary information 285

Sanlam Limited
Annual Financial Statements 2025

Group equity value

at 31 December

R million	Notes	Group equity value 2025	Group equity value 2024	Value of in-force/ fair value adjustment 2025	Value of in-force/ fair value adjustment 2024	Adjusted net asset value 2025	Adjusted net asset value 2024	Elimination of specific shareholders' fund reserves 2025	Elimination of specific shareholders' fund reserves 2024	Elimination of goodwill 2025	Elimination of goodwill 2024	Shareholders' fund at net asset value 2025	Shareholders' fund at net asset value 2024
Sanlam Life and Savings		**69 534**	66 792	**59 366**	52 270	**10 168**	14 522	**(14 342)**	(14 973)	**(1 536)**	(1 323)	**26 046**	30 818
Covered business[1]	10.1.4	**61 536**	58 031	**55 107**	51 065	**6 429**	6 966	**(14 342)**	(14 973)	**(1 536)**	(1 323)	**22 307**	23 262
SA Retail Mass		**18 486**	17 284	**14 498**	12 722	**3 988**	4 562	**(6 215)**	(5 287)	**(207)**	(283)	**10 410**	10 132
Sanlam Risk and Savings		**28 273**	26 983	**27 099**	25 701	**1 174**	1 282	**(8 127)**	(9 686)	**(983)**	(543)	**10 284**	11 511
Glacier		**8 112**	7 643	**7 613**	7 185	**499**	458	**–**	–	**(270)**	(270)	**769**	728
Sanlam Corporate		**6 665**	6 121	**5 897**	5 457	**768**	664	**–**	–	**(76)**	(227)	**844**	891
Non-covered business		**7 998**	8 761	**4 259**	1 205	**3 739**	7 556	**–**	–	**–**	–	**3 739**	7 556
Glacier		**4 091**	3 312	**3 375**	2 694	**716**	618	**–**	–	**–**	–	**716**	618
Sanlam Personal Loans		**3 050**	2 397	**763**	(784)	**2 287**	3 181	**–**	–	**–**	–	**2 287**	3 181
Sanlam Corporate: Afrocentric and other		**618**	1 464	**(16)**	43	**634**	1 421	**–**	–	**–**	–	**634**	1 421
Other operations		**239**	1 588	**137**	(748)	**102**	2 336	**–**	–	**–**	–	**102**	2 336
Pan-Africa		**23 403**	26 305	**(1)**	1 098	**23 404**	25 207	**(1 121)**	(984)	**(348)**	(338)	**24 873**	26 529
Covered business: SanlamAllianz	10.2.3	**6 284**	6 193	**2 436**	2 543	**3 848**	3 650	**(1 121)**	(984)	**(348)**	(338)	**5 317**	4 972
Non-covered business: SanlamAllianz		**17 119**	20 112	**(2 437)**	(1 445)	**19 556**	21 557	**–**	–	**–**	–	**19 556**	21 557
Asia		**26 657**	24 039	**15 562**	11 399	**11 095**	12 640	**–**	–	**(507)**	(526)	**11 602**	13 166
Covered business	10.3.4	**2 548**	2 870	**1 345**	1 417	**1 203**	1 453	**–**	–	**(507)**	(526)	**1 710**	1 979
India		**1 480**	1 803	**793**	937	**687**	866	**–**	–	**(311)**	(330)	**998**	1 196
Malaysia		**1 068**	1 067	**552**	480	**516**	587	**–**	–	**(196)**	(196)	**712**	783
Non-covered business		**24 109**	21 169	**14 217**	9 982	**9 892**	11 187	**–**	–	**–**	–	**9 892**	11 187
India		**24 109**	20 903	**14 217**	10 048	**9 892**	10 855	**–**	–	**–**	–	**9 892**	10 855
Malaysia		**–**	266	**–**	(66)	**–**	332	**–**	–	**–**	–	**–**	332
Sanlam Investments		**17 299**	14 427	**11 240**	9 466	**6 059**	4 961	**(139)**	–	**–**	–	**6 198**	4 961
Covered business	10.4.3	**805**	669	**(822)**	(727)	**1 627**	1 396	**(139)**	–	**–**	–	**1 766**	1 396
Non-covered business		**16 494**	13 758	**12 062**	10 193	**4 432**	3 565	**–**	–	**–**	–	**4 432**	3 565
Sanlam Investments[2]		**5 156**	3 895	**2 321**	1 694	**2 835**	2 201	**–**	–	**–**	–	**2 835**	2 201
Wealth Management		**5 099**	4 119	**4 805**	3 896	**294**	223	**–**	–	**–**	–	**294**	223
International		**3 862**	3 674	**2 646**	2 732	**1 216**	942	**–**	–	**–**	–	**1 216**	942
Sanlam Financial Markets		**2 377**	2 070	**2 290**	1 871	**87**	199	**–**	–	**–**	–	**87**	199
Santam		**28 986**	26 626	**20 296**	19 200	**8 690**	7 426	**–**	–	**–**	–	**8 690**	7 426
Discretionary capital		**8 059**	4 119	**–**	–	**8 059**	4 119	**–**	–	**–**	–	**8 059**	4 119
Other capital		**14 262**	12 179	**–**	–	**14 262**	12 179	**–**	–	**(1 256)**	(1 197)	**15 518**	13 376
Present value of holding company expenses[3]		**(2 641)**	(2 677)	**(2 641)**	(2 677)	**–**	–	**–**	–	**–**	–	**–**	–
Group equity value		**185 559**	171 810	**103 822**	90 756	**81 737**	81 054	**(15 602)**	(15 957)	**(3 647)**	(3 384)	**100 986**	100 395
Covered business	6	**71 173**	67 763	**58 066**	54 298	**13 107**	13 465	**(15 602)**	(15 957)	**(2 391)**	(2 187)	**31 100**	31 609
Non-covered business	8.1	**94 706**	90 426	**48 397**	39 135	**46 309**	51 291	**–**	–	**–**	–	**46 309**	51 291
Group operations		**165 879**	158 189	**106 463**	93 433	**59 416**	64 756	**(15 602)**	(15 957)	**(2 391)**	(2 187)	**77 409**	82 900
Discretionary, other capital and PV of holding company expenses		**19 680**	13 621	**(2 641)**	(2 677)	**22 321**	16 298	**–**	–	**(1 256)**	(1 197)	**23 577**	17 495
Group equity value		**185 559**	171 810	**103 822**	90 756	**81 737**	81 054	**(15 602)**	(15 957)	**(3 647)**	(3 384)	**100 986**	100 395
Shareholders' fund per group statement of financial position on page 88 of the Sanlam annual financial statement[4]												**101 661**	100 961
Value per share	11	**87,73**	81,23									**47,56**	47,47

[1] *Excludes subordinated debt funding of Sanlam Life.*
[2] *Includes Sanlam 66% share of the third party asset management business of R5 453 million (31 December 2024: R4 312 million).*
[3] *The present value of holding company expenses has been calculated by applying a multiple of 8,2 (31 December 2024: 8,0) to the after-tax recurring corporate expenses.*
[4] *The difference between net asset value per GEV table above and shareholders' fund per group statement of financial position is due to the consolidation reserve of R675 million (2024: R566 million).*

Analysis of group equity value per line of business

at 31 December

R million	Total 2025	Total 2024	Life business & Health 2025	Life business & Health 2024	General insurance 2025	General insurance 2024
South Africa	**131 637**	117 662	**62 960**	60 103	**28 986**	27 551
Pan-Africa	**23 403**	26 305	**6 282**	6 193	**16 889**	19 590
Asia	**26 657**	24 039	**2 549**	2 870	**4 547**	4 363
International – UK	**3 862**	3 804	**–**	–	**–**	–
Total	**185 559**	171 810	**71 791**	69 166	**50 422**	51 504

R million	Investment management 2025	Investment management 2024	Credit and structuring 2025	Credit and structuring 2024	Discretionary capital and other 2025	Discretionary capital and other 2024
South Africa	**14 585**	11 924	**5 427**	4 111	**19 679**	13 973
Pan-Africa	**547**	714	**817**	1 206	**(1 132)**	(1 398)
Asia	**–**	–	**19 561**	16 806	**–**	–
International – UK	**3 862**	3 804	**–**	–	**–**	–
Total	**18 994**	16 442	**25 805**	22 123	**18 547**	12 575

Change in group equity value

for the year ended 31 December 2025

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	**66 792**	**12 224**	**(1 421)**	**(8 061)**	**69 534**
Covered business	**58 031**	**12 057**	**(581)**	**(7 971)**	**61 536**
SA Retail Mass	**17 284**	**4 229**	**(656)**	**(2 371)**	**18 486**
Sanlam Risk and Savings	**26 983**	**4 475**	**67**	**(3 252)**	**28 273**
Glacier	**7 643**	**1 772**	**(18)**	**(1 285)**	**8 112**
Sanlam Corporate	**6 121**	**1 581**	**26**	**(1 063)**	**6 665**
Non-covered business	**8 761**	**167**	**(840)**	**(90)**	**7 998**
Glacier	**3 312**	**511**	**372**	**(104)**	**4 091**
Sanlam Personal Loans	**2 397**	**647**	**–**	**6**	**3 050**
Sanlam Corporate: Afrocentric and other	**1 464**	**(861)**	**11**	**4**	**618**
Other operations	**1 588**	**(130)**	**(1 223)**	**4**	**239**
Pan-Africa	**26 305**	**1 065**	**(2 696)**	**(1 271)**	**23 403**
Covered business: SanlamAllianz[1]	**6 193**	**1 728**	**(855)**	**(782)**	**6 284**
Non-covered business: SanlamAllianz[1]	**20 112**	**(663)**	**(1 841)**	**(489)**	**17 119**
Asia	**24 039**	**1 953**	**785**	**(120)**	**26 657**
Covered business	**2 870**	**(213)**	**(133)**	**24**	**2 548**
India	**1 803**	**(339)**	**(66)**	**82**	**1 480**
Malaysia	**1 067**	**126**	**(67)**	**(58)**	**1 068**
Non-covered business	**21 169**	**2 166**	**918**	**(144)**	**24 109**
India	**20 903**	**2 435**	**918**	**(147)**	**24 109**
Malaysia	**266**	**(269)**	**–**	**3**	**–**
Sanlam Investments	**14 427**	**4 938**	**(153)**	**(1 913)**	**17 299**
Covered business	**669**	**631**	**68**	**(563)**	**805**
Non-covered business	**13 758**	**4 307**	**(221)**	**(1 350)**	**16 494**
Sanlam Investments	**3 895**	**1 811**	**–**	**(550)**	**5 156**
Wealth Management	**4 119**	**1 264**	**–**	**(284)**	**5 099**
International	**3 674**	**567**	**(144)**	**(235)**	**3 862**
Sanlam Financial Markets	**2 070**	**665**	**(77)**	**(281)**	**2 377**
Santam	**26 626**	**3 431**	**–**	**(1 071)**	**28 986**
Discretionary capital	**4 119**	**(266)**	**4 206**	**–**	**8 059**
Other capital	**12 179**	**(394)**	**11 705**	**(9 228)**	**14 262**
Present value of holding company expenses[2]	**(2 677)**	**36**	**–**	**–**	**(2 641)**
Intergroup dividends	**–**	**–**	**(12 436)**	**12 436**	**–**
Group equity value	**171 810**	**22 987**	**(10)**	**(9 228)**	**185 559**
Covered business	**67 763**	**14 203**	**(1 501)**	**(9 292)**	**71 173**
Non-covered business	**90 426**	**9 408**	**(1 984)**	**(3 144)**	**94 706**
Group operations	**158 189**	**23 611**	**(3 485)**	**(12 436)**	**165 879**
Discretionary and other capital	**13 621**	**(624)**	**15 911**	**(9 228)**	**19 680**
Intergroup dividends	**–**	**–**	**(12 436)**	**12 436**	**–**
Group equity value	**171 810**	**22 987**	**(10)**	**(9 228)**	**185 559**

[1] *The SanlamAllianz dividend amount is a notional dividend amount payable within the next 12 months based on business projections.*
[2] *The present value of holding company expenses has been calculated by applying a multiple of 8,2 (31 December 2024: 8,0) to the after-tax recurring corporate expenses.*

Change in group equity value continued

for the year ended 31 December 2024

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	11 224	6 344	(8 468)	66 792
Covered business	49 852	11 143	5 323	(8 287)	58 031
SA Retail Mass	11 601	2 543	6 474	(3 334)	17 284
Sanlam Risk and Savings	24 892	5 500	(373)	(3 036)	26 983
Glacier	7 443	1 467	(273)	(994)	7 643
Sanlam Corporate	5 916	1 633	(505)	(923)	6 121
Non-covered business	7 840	81	1 021	(181)	8 761
Glacier	3 136	337	–	(161)	3 312
Sanlam Personal Loans	2 066	338	–	(7)	2 397
Sanlam Corporate: Afrocentric and other	2 278	(763)	(25)	(26)	1 464
Other operations	360	169	1 046	13	1 588
Pan-Africa	24 446	1 691	1 017	(849)	26 305
Covered business: SanlamAllianz[1]	7 495	1 317	(1 792)	(827)	6 193
Non-covered business:	16 951	374	2 809	(22)	20 112
SanlamAllianz	18 425	595	1 114	(22)	20 112
Other operations	(1 474)	(221)	1 695	–	–
Asia	22 711	5 502	(3 035)	(1 139)	24 039
Covered business	2 656	311	(169)	72	2 870
India	1 552	354	(32)	(71)	1 803
Malaysia	1 104	(43)	(137)	143	1 067
Non-covered business	20 055	5 191	(2 866)	(1 211)	21 169
India	19 756	5 221	(2 866)	(1 208)	20 903
Malaysia	299	(30)	–	(3)	266
Sanlam Investments	13 466	3 269	(771)	(1 537)	14 427
Covered business	1 314	695	(856)	(484)	669
Non-covered business	12 152	2 574	85	(1 053)	13 758
Sanlam Investments	3 293	1 005	73	(476)	3 895
Wealth Management	3 424	1 023	–	(328)	4 119
International	3 640	51	76	(93)	3 674
Sanlam Financial Markets	1 795	495	(64)	(156)	2 070
Santam	19 433	8 173	–	(980)	26 626
Discretionary capital	2 710	313	1 096	–	4 119
Other capital	12 117	62	8 316	(8 316)	12 179
Present value of holding company expenses[2]	(2 671)	(6)	–	–	(2 677)
Intergroup dividends	–	–	(12 973)	12 973	–
Group equity value	149 904	30 228	(6)	(8 316)	171 810
Covered business	61 317	13 466	2 506	(9 526)	67 763
Non-covered business	76 431	16 393	1 049	(3 447)	90 426
Group operations	137 748	29 859	3 555	(12 973)	158 189
Discretionary and other capital	12 156	369	9 412	(8 316)	13 621
Intergroup dividends	–	–	(12 973)	12 973	–
Group equity value	149 904	30 228	(6)	(8 316)	171 810

[1] *The SanlamAllianz dividend amount is a notional dividend amount payable within the next 12 months based on business projections.*
[2] *The present value of holding company expenses has been calculated by applying a multiple of 8,0 (31 December 2023: 7,8) to the after-tax recurring corporate expenses.*

Return on group equity value

for the year ended 31 December

%	2025	2024
Sanlam Life and Savings	**18,3**	19,4
Covered business	**20,8**	22,4
SA Retail Mass	**24,5**	21,9
Sanlam Risk and Savings	**16,6**	22,1
Glacier	**23,2**	19,7
Sanlam Corporate	**25,8**	27,6
Non-covered business	**1,9**	1,0
Glacier	**15,4**	15,7
Sanlam Personal Loans	**27,0**	16,4
Other operations	**(8,2)**	(8,7)
Sanlam Corporate: Afrocentric and other	**(58,8)**	(33,5)
Pan-Africa	**4,0**	6,9
Covered business: SanlamAllianz	**27,9**	19,7
Non-covered business: SanlamAllianz	**(3,3)**	2,1
Other operations	**–**	15,0
Asia	**8,1**	26,3
Covered business	**(7,4)**	11,7
India	**(18,8)**	22,8
Malaysia	**11,8**	(3,9)
Non-covered business	**10,2**	28,4
India	**11,6**	26,4
Malaysia	**(101,1)**	(10,0)
Sanlam Investments	**34,2**	24,5
Covered business	**94,3**	52,9
Non-covered business	**31,3**	21,4
Sanlam Investments	**46,5**	30,5
Wealth Management	**30,7**	29,9
International	**15,4**	1,4
Sanlam Financial Markets	**32,1**	27,6
Santam	**12,9**	42,1
Discretionary capital and other	**(4,6)**	2,7
Group equity value	**13,4**	20,2
Covered business	**21,0**	22,3
Non-covered business	**10,4**	21,6
Group operations	**14,9**	21,9
Discretionary and other capital	**(4,6)**	2,7
Group equity value	**13,4**	20,2
RoGEV per share	**13,4**	20,3
Sanlam group hurdle rate	**14,7**	15,6
South African risk free-rate (nine-year bond yield)	**10,7**	11,6
Plus margin	**4,0**	4,0

Analysis of group equity value earnings

for the year ended 31 December

Covered business[1]	Total		Gross value of in-force		Cost of capital		Adjusted net asset value	
R million	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Operational earnings	**12 561**	11 771	**3 125**	2 128	**281**	102	**9 155**	9 541
Value of new life insurance business[2]	**2 294**	2 902	**5 922**	5 649	**(376)**	(346)	**(3 252)**	(2 401)
Unwinding of discount rate	**7 714**	7 123	**7 749**	7 074	**(35)**	49	**–**	–
Expected profit	**–**	–	**(10 712)**	(8 896)	**–**	–	**10 712**	8 896
Operating experience variances	**2 083**	1 568	**(199)**	(1 596)	**576**	54	**1 706**	3 110
Risk experience	**972**	868	**(67)**	123	**6**	(28)	**1 033**	773
Persistency	**240**	(66)	**366**	108	**73**	62	**(199)**	(236)
Maintenance expenses	**94**	(191)	**61**	(40)	**12**	2	**21**	(153)
Working capital management	**466**	549	**–**	–	**–**	–	**466**	549
Credit spreads	**544**	567	**–**	–	**–**	–	**544**	567
Other	**(233)**	(159)	**(559)**	(1 787)	**485**	18	**(159)**	1 610
Operating assumption changes	**470**	178	**365**	(103)	**116**	345	**(11)**	(64)
Risk experience	**442**	(59)	**308**	(91)	**2**	(2)	**132**	34
Persistency	**115**	86	**50**	72	**(2)**	(13)	**67**	27
Maintenance expenses	**(66)**	(70)	**(39)**	(134)	**2**	1	**(29)**	63
Modelling changes and other	**(21)**	221	**46**	50	**114**	359	**(181)**	(188)
Net investment return	**791**	589	**–**	–	**–**	–	**791**	589
Expected return on adjusted net asset value	**837**	1 031	**–**	–	**–**	–	**837**	1 031
Investment variances on adjusted net asset value	**(46)**	(442)	**–**	–	**–**	–	**(46)**	(442)
Valuation and economic basis	**903**	977	**854**	897	**(88)**	95	**137**	(15)
Investment variances on in-force business	**1 288**	1 009	**1 121**	947	**(19)**	36	**186**	26
Economic assumption changes	**(101)**	137	**83**	257	**(135)**	(79)	**(49)**	(41)
Investment yields	**(107)**	137	**83**	257	**(141)**	(79)	**(49)**	(41)
Long-term asset mix assumptions and other	**6**	–	**–**	–	**6**	–	**–**	–
Foreign currency translation differences	**(284)**	(169)	**(350)**	(307)	**66**	138	**–**	–
Change in tax basis	**(99)**	(117)	**(84)**	(111)	**–**	–	**(15)**	(6)
Net project expenses	**(20)**	(14)	**–**	–	**–**	–	**(20)**	(14)
Goodwill from business	**67**	260	**302**	260	**–**	–	**(235)**	–
GEV earnings: covered business	**14 203**	13 466	**4 197**	3 174	**193**	197	**9 813**	10 095
Acquired value of in-force	**64**	7 199	**39**	4 511	**(5)**	(879)	**30**	3 567
Disposal of businesses	**(1 399)**	(1 635)	**(943)**	(1 297)	**108**	116	**(564)**	(454)
Transfers from/(to) other group operations	**218**	(1 921)	**179**	(121)	**–**	–	**39**	(1 800)
Transfers from covered business	**(9 676)**	(10 663)	**–**	–	**–**	–	**(9 676)**	(10 663)
Embedded value of covered business at the beginning of the year	**67 763**	61 317	**58 776**	52 509	**(4 478)**	(3 912)	**13 465**	12 720
Embedded value of covered business at the end of the year	**71 173**	67 763	**62 248**	58 776	**(4 182)**	(4 478)	**13 107**	13 465

[1] *Refer to note 10 for a detailed analysis per cluster.*
[2] *Refer to note 5 for additional information.*

Covered business per cluster

for the year ended 31 December

	Total		Gross value of in-force		Cost of capital		Adjusted net asset value	
R million	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Sanlam Life and Savings	**61 536**	58 031	**57 363**	53 605	**(2 256)**	(2 540)	**6 429**	6 966
Pan-Africa	**6 284**	6 193	**3 075**	3 301	**(639)**	(758)	**3 848**	3 650
Asia	**2 548**	2 870	**1 679**	1 742	**(334)**	(325)	**1 203**	1 453
Sanlam Investments	**805**	669	**131**	128	**(953)**	(855)	**1 627**	1 396
Sanlam group	**71 173**	67 763	**62 248**	58 776	**(4 182)**	(4 478)	**13 107**	13 465

Non-covered business

for the year ended 31 December

R million	Total		Sanlam Life and Savings		Pan-Africa		Asia		Sanlam Investments		Santam	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Earnings from operations valued at listed share prices	**3 504**	8 173	**–**	–	**–**	–	**–**	–	**73**	–	**3 431**	8 173
Earnings from operations valued at net asset value	**(100)**	322	**–**	–	**(393)**	53	**161**	(53)	**132**	322	**–**	–
Earnings from operations valued based on discounted cash flows	**6 004**	7 898	**167**	81	**(270)**	321	**2 005**	5 244	**4 102**	2 252	**–**	–
Unwinding of discount rate	**8 739**	8 708	**1 479**	1 540	**2 244**	2 581	**2 856**	2 641	**2 160**	1 946	**–**	–
Operating experience and investment variances[1]	**924**	(273)	**(108)**	(352)	**(416)**	168	**173**	132	**1 275**	(221)	**–**	–
General insurance	**(819)**	283	**–**	–	**(535)**	332	**(284)**	(49)	**–**	–	**–**	–
Investment management	**1 387**	(198)	**–**	–	**112**	23	**–**	–	**1 275**	(221)	**–**	–
Credit and banking	**410**	(219)	**(125)**	(213)	**78**	(187)	**457**	181	**–**	–	**–**	–
Administration, health and other	**(54)**	(139)	**17**	(139)	**(71)**	–	**–**	–	**–**	–	**–**	–
Operating assumption changes [2]	**(783)**	820	**(2 045)**	(1 532)	**(1 652)**	(209)	**2 878**	2 440	**36**	121	**–**	–
General insurance	**(1 672)**	66	**–**	–	**(1 715)**	(43)	**43**	109	**–**	–	**–**	–
Investment management	**(56)**	141	**–**	–	**(92)**	20	**–**	–	**36**	121	**–**	–
Credit and banking	**2 749**	2 091	**(241)**	(54)	**155**	(186)	**2 835**	2 331	**–**	–	**–**	–
Administration, health and other	**(1 804)**	(1 478)	**(1 804)**	(1 478)	**–**	–	**–**	–	**–**	–	**–**	–
Economic assumption changes	**1 721**	159	**847**	425	**(14)**	(1 187)	**103**	616	**785**	305	**–**	–
Change in tax basis	**–**	(963)	**–**	–	**–**	(963)	**–**	–	**–**	–	**–**	–
Impact of corporate activity	**595**	(280)	**(6)**	–	**339**	377	**–**	(657)	**262**	–	**–**	–
Foreign currency translation differences	**(5 192)**	(273)	**–**	–	**(771)**	(446)	**(4 005)**	72	**(416)**	101	**–**	–
GEV earnings: non-covered operations	**9 408**	16 393	**167**	81	**(663)**	374	**2 166**	5 191	**4 307**	2 574	**3 431**	8 173

R million	*Total*		*Sanlam Life and Savings*		*Pan-Africa*		*Asia*		*Sanlam Investments*	
	2025	*2024*	***2025***	*2024*	***2025***	*2024*	***2025***	*2024*	***2025***	*2024*
[1] ***Operating experience and investment variances***	***924***	*(273)*	***(108)***	*(352)*	***(416)***	*168*	***173***	*132*	***1 275***	*(221)*
General insurance business	***(819)***	*283*	***–***	*–*	***(535)***	*332*	***(284)***	*(49)*	***–***	*–*
Risk experience	***(483)***	*693*	***–***	*–*	***(511)***	*695*	***28***	*(2)*	***–***	*–*
Premium income	***(357)***	*(314)*	***–***	*–*	***69***	*(256)*	***(426)***	*(58)*	***–***	*–*
Investment return	***553***	*28*	***–***	*–*	***582***	*34*	***(29)***	*(6)*	***–***	*–*
Maintenance expenses	***(87)***	*147*	***–***	*–*	***(106)***	*145*	***19***	*2*	***–***	*–*
*Other**	***(445)***	*(271)*	***–***	*–*	***(569)***	*(286)*	***124***	*15*	***–***	*–*
Investment management	***1 387***	*(198)*	***–***	*–*	***112***	*23*	***–***	*–*	***1 275***	*(221)*
Credit business	***410***	*(219)*	***(125)***	*(213)*	***78***	*(187)*	***457***	*181*	***–***	*–*
Administration, health and other	***(54)***	*(139)*	***17***	*(139)*	***(71)***	*–*	***–***	*–*	***–***	*–*
[2] ***Operating assumption changes***	***(783)***	*820*	***(2 045)***	*(1 532)*	***(1 652)***	*(209)*	***2 878***	*2 440*	***36***	*121*
General insurance business	***(1 672)***	*66*	***–***	*–*	***(1 715)***	*(43)*	***43***	*109*	***–***	*–*
Risk experience	***355***	*(1 670)*	***–***	*–*	***347***	*(1 676)*	***8***	*6*	***–***	*–*
Premium income	***(2 565)***	*1 437*	***–***	*–*	***(2 601)***	*1 267*	***36***	*170*	***–***	*–*
Maintenance expenses	***118***	*990*	***–***	*–*	***118***	*990*	***–***	*–*	***–***	*–*
Modelling and other assumption changes	***420***	*(691)*	***–***	*–*	***421***	*(624)*	***(1)***	*(67)*	***–***	*–*
Investment management	***(56)***	*141*	***–***	*–*	***(92)***	*20*	***–***	*–*	***36***	*121*
Credit business	***2 749***	*2 091*	***(241)***	*(54)*	***155***	*(186)*	***2 835***	*2 331*	***–***	*–*
Income	***2 524***	*1 979*	***(152)***	*(67)*	***(175)***	*(18)*	***2 851***	*2 064*	***–***	*–*
Bad debts	***(28)***	*(12)*	***(46)***	*12*	***18***	*(24)*	***–***	*–*	***–***	*–*
Other	***253***	*124*	***(43)***	*1*	***312***	*(144)*	***(16)***	*267*	***–***	*–*
Administration, health and other	***(1 804)***	*(1 478)*	***(1 804)***	*(1 478)*	***–***	*–*	***–***	*–*	***–***	*–*

* *Other experience variances from Pan-Africa include a negative R691 million impact from dividend variances.*

Discretionary and other capital

for the year ended 31 December

R million	Total 2025	2024
Investment return and other	**(432)**	987
Corporate expenses	**(276)**	(375)
Net group office expenses	**(312)**	(369)
Change in present value of holding company expenses	**36**	(6)
Share-based payment transactions	**84**	(243)
GEV earnings: discretionary and other capital	**(624)**	369

Reconciliation of group equity value earnings

for the year ended 31 December

R million	2025	2024
Earnings (excluding fund transfers)	**10 003**	19 339
Normalised attributable earnings	**16 184**	22 642
Earnings recognised directly in equity	**(6 181)**	(3 303)
Foreign currency translation differences	**(4 227)**	35
Net cost of treasury shares delivered	**(497)**	(700)
Share-based payments	**581**	457
Change in ownership of subsidiaries	**179**	131
Other comprehensive income and other	**(2 217)**	(3 226)
Fair value adjustments	**13 512**	10 519
Change in fair value adjustments: non-life	**9 122**	7 148
Earnings from covered business: value of in-force	**4 390**	3 371
Adjustments to net worth	**(528)**	370
Present value of holding company expenses	**36**	(6)
Movement in book value of treasury shares: non-life subsidiaries	**(90)**	(100)
Change in goodwill/value of business acquired less value of in-force acquired and change in shareholders' fund reserves	**(474)**	476
Group equity value earnings	**22 987**	30 228

Reconciliation from historic performance measures to adjusted headline earnings

for the year ended 31 December

The following table provides a reconciliation from Sanlam's historic key performance measures of NRFFS and net operational earnings, as presented in the prior year's shareholders' fund income statement to the new performance measures, operating profit and adjusted headline earnings, as presented in note 1 segmental information to the annual financial statements.

	Sanlam Life & Savings		Pan-Africa		Asia		Sanlam Investments		Santam		Group Office and other		Total	
R million	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Net operational earnings	**8 659**	9 108	**2 623**	3 170	**2 137**	2 665	**2 363**	1 909	**2 674**	2 292	**(1 302)**	(600)	**17 154**	18 544
Less: net investment return on shareholder capital	**(789)**	(787)	**(1 485)**	(1 597)	**66**	(613)	**(313)**	(133)	**(136)**	(532)	**695**	120	**(1 962)**	(3 542)
Net investment income	**(504)**	(989)	**(528)**	(846)	**(1)**	97	**(83)**	(100)	**(523)**	(222)	**(207)**	120	**(1 846)**	(1 940)
Net investment surpluses	**(712)**	(160)	**(957)**	(751)	**56**	(741)	**(238)**	(49)	**150**	(519)	**544**	–	**(1 157)**	(2 220)
Finance costs	**427**	362	**–**	–	**11**	31	**8**	16	**237**	209	**358**	–	**1 041**	618
Add: project expenses	**52**	37	**229**	236	**–**	35	**51**	11	**120**	11	**295**	111	**747**	441
Net result from financial services	**7 922**	8 358	**1 367**	1 809	**2 203**	2 087	**2 101**	1 787	**2 658**	1 771	**(312)**	(369)	**15 939**	15 443
Less: project expenses	**(52)**	(37)	**(229)**	(236)	**–**	(35)	**(51)**	(11)	**(120)**	(11)	**(295)**	(111)	**(747)**	(441)
Exclude: specific shareholders' fund adjustments as per page 298 of supplementary information	**(1 819)**	269	**45**	73	**(31)**	(39)	**(11)**	80	**–**	–	**–**	–	**(1 816)**	383
Less: impact of adjusting the CSM at locked-in rates	**346**	(171)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**346**	(171)
Operating profit	**6 397**	8 419	**1 183**	1 646	**2 172**	2 013	**2 039**	1 856	**2 538**	1 760	**(607)**	(480)	**13 722**	15 214
Add: net investment return[1]	**2 096**	2 504	**1 613**	1 677	**(66)**	615	**313**	133	**136**	532	**(695)**	(120)	**3 397**	5 341
Net investment income	**504**	989	**528**	846	**1**	(95)	**83**	100	**523**	222	**207**	(120)	**1 846**	1 940
Net investment surpluses	**712**	160	**957**	751	**(56)**	741	**238**	49	**(150)**	519	**(544)**	–	**1 157**	2 220
Finance costs	**(427)**	(362)	**–**	–	**(11)**	(31)	**(8)**	(16)	**(237)**	(209)	**(358)**	–	**(1 041)**	(618)
Investment income on shareholders' fund reserves	**584**	955	**128**	80	**–**	–	**–**	–	**–**	–	**–**	–	**712**	1 035
Investment surpluses on shareholders' fund reserves	**723**	762	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**723**	762
Adjusted headline earnings	**8 493**	10 923	**2 796**	3 323	**2 106**	2 628	**2 352**	1 989	**2 674**	2 292	**(1 302)**	(600)	**17 119**	20 555
Exclude:														
Investment variances related to insurance contracts[2]	**551**	(594)	**(139)**	(143)	**–**	–	**(5)**	(86)	**–**	–	**–**	–	**407**	(823)
Investment variances on shareholder capital	**(245)**	(366)	**(105)**	(102)	**20**	(78)	**(78)**	13	**–**	–	**–**	–	**(408)**	(533)
Once-off future fit project expenses incurred[3]	**424**	(5)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**424**	(5)
Currency movements	**–**		**90**	597	**137**	53	**4**	2	**9**	2	**531**	–	**771**	654
Investment returns on capital used to cover future fit project expenses	**(115)**	(217)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(115)**	(217)
Normalised adjusted headline earnings	**9 108**	9 741	**2 642**	3 675	**2 263**	2 603	**2 273**	1 918	**2 683**	2 294	**(771)**	(600)	**18 198**	19 631

[1] *Includes investment returns on assets previously held in respect of shareholders' fund reserves*
[2] *Economic profits or losses arising from differences between the actual investment returns on the assets backing policyholder liabilities and the economic-related movements in those liabilities, as well as investment variances related to shareholder capital portfolios.*
[3] *Net of additional capital deployed to fund future fit project expenses*

Net results from financial services

for the year ended 31 December

Geographic analysis per line of business[1]

R million	Life business and health 2025	Life business and health 2024	General insurance 2025	General insurance 2024	Investment management 2025	Investment management 2024	Credit and structuring 2025	Credit and structuring 2024	Corporate expenses and other 2025	Corporate expenses and other 2024	Total 2025	Total 2024
South Africa	**8 520**	8 578	**2 658**	1 771	**1 176**	1 058	**382**	271	**(616)**	(378)	**12 120**	11 300
Sanlam Life and Savings	**7 955**	8 094	**–**	–	**244**	223	**27**	50	**(304)**	(9)	**7 922**	8 358
Risk and Savings	**3 055**	2 840	**–**	–	**6**	9	**–**	–	**–**	–	**3 061**	2 849
Glacier	**1 285**	1 039	**–**	–	**238**	214	**–**	–	**–**	–	**1 523**	1 253
SA Retail Mass	**2 371**	3 335	**–**	–	**–**	–	**–**	–	**–**	–	**2 371**	3 335
Sanlam Corporate	**1 082**	1 047	**–**	–	**–**	–	**–**	–	**–**	–	**1 082**	1 047
Other	**162**	(167)	**–**	–	**–**	–	**27**	50	**(304)**	(9)	**(115)**	(126)
Sanlam Investments	**565**	484	**–**	–	**932**	835	**355**	221	**–**	–	**1 852**	1 540
Sanlam investments	**–**	–	**–**	–	**664**	532	**–**	–	**–**	–	**664**	532
Wealth management	**–**	–	**–**	–	**312**	353	**–**	–	**–**	–	**312**	353
Sanlam Financial Markets	**565**	484	**–**	–	**–**	–	**355**	221	**–**	–	**920**	705
Corporate services	**–**	–	**–**	–	**(44)**	(50)	**–**	–	**–**	–	**(44)**	(50)
Santam	**–**	–	**2 658**	1 771	**–**	–	**–**	–	**–**	–	**2 658**	1 771
Group Office	**–**	–	**–**	–	**–**	–	**–**	–	**(312)**	(369)	**(312)**	(369)
Pan-Africa: SanlamAllianz Africa	**761**	827	**589**	1 004	**83**	98	**141**	137	**(207)**	(257)	**1 367**	1 809
Asia	**(24)**	(72)	**330**	272	**–**	–	**1 743**	1 734	**154**	153	**2 203**	2 087
India	**(82)**	71	**360**	305	**–**	–	**1 743**	1 734	**164**	154	**2 185**	2 264
Malaysia	**58**	(143)	**(30)**	(33)	**–**	–	**–**	–	**(10)**	(1)	**18**	(177)
International: Sanlam UK	**–**	–	**–**	–	**249**	247	**–**	–	**–**	–	**249**	247
Net results from financial services	**9 257**	9 333	**3 577**	3 047	**1 508**	1 403	**2 266**	2 142	**(669)**	(482)	**15 939**	15 443
Net movement	**(1 437)**	111	**(184)**	(17)	**(168)**	(61)	**–**	–	**(428)**	(262)	**(2 217)**	(229)
Less: project expenses	**(74)**	(73)	**(191)**	(96)	**(54)**	(10)	**–**	–	**(428)**	(262)	**(747)**	(441)
Exclude: specific shareholders' fund adjustments	**(1 709)**	355	**7**	79	**(114)**	(51)	**–**	–	**–**	–	**(1 816)**	383
Less: impact of adjusting the CSM at locked-in rates[2]	**346**	(171)	**–**	–	**–**	–	**–**	–	**–**	–	**346**	(171)
Operating profit	**7 820**	9 444	**3 393**	3 030	**1 340**	1 342	**2 266**	2 142	**(1 097)**	(744)	**13 722**	15 214
Add: net investment return on shareholder capital and shareholder fund reserves[3]	**3 489**	7 747	**1 101**	1 850	**190**	1	**(1)**	20	**(1 382)**	(4 277)	**3 397**	5 341
Adjusted headline earnings	**11 309**	17 191	**4 494**	4 880	**1 530**	1 343	**2 265**	2 162	**(2 479)**	(5 021)	**17 119**	20 555

[1] *Refer to note 10 for an analysis per cluster.*
[2] *Removal of accounting mismatches related to the impact of adjusting the CSM at locked-in rates.*
[3] *Includes investment returns on assets previously held in respect of shareholders' fund reserves.*

Net movement in shareholders' fund reserves

R million	2025	2024
Balance at the beginning of the period	**18 990**	14 578
Included in net results from financial services	**(1 816)**	383
Asset mismatch and other shareholders' fund reserves profit adjustments recognised during the period[1]	**(1 095)**	1 004
Asset mismatch reserve released during the period	**(721)**	(621)
Recognised in net investment return	**1 435**	1 799
Recognised directly in the statement of changes in equity	**38**	2 230
Balance at the end of the period consisting of:	**18 647**	18 990
Asset mismatch reserves	**6 365**	7 930
Life business	**5 769**	7 342
General insurance	**596**	588
Future-fit project expense reserves	**1 573**	1 881
Reserves backed by insurance contract assets	**9 884**	8 354
Pandemic and other reserves	**825**	825

[1] *The year ending 31 December 2024 had strong out performance in investment returns as bond yields reduced and assets backing CSM still had significant long bond exposure, with these investment gains transferred to asset mismatch reserves. This positive outperformance in investment returns was not replicated in 2025 as bonds declined further, given that the bond exposures backing the CSM was derisked during the first half of 2025. The investment variance losses transferred to asset mismatch reserves in 2025 were mainly driven by:*
- *a negative mark-to-market position due to an unhedgeable liability exposure at the longest bond maturity;*
- *an increase in the Risk Adjustment liabilities;*
- *partially offset by positive investment return variance in growth assets backing these liability margins.*

The accounting mismatches related to measuring the changes in liabilities recognised in the CSM at locked-in interest rates are eliminated from NRFFS and transferred to shareholders' fund reserves. These locked-in mismatch impacts reduced the shareholders' fund reserves in 2025. There was an increase in the net release (reduction) in shareholders' fund reserves to cover future-fit project expenses relative to 2024 which reflects an increase in project expenses incurred in 2025, together with a reduction in additional capital deployed to cover future project activity.

Notes to the supplementary information

for the year ended 31 December

1 Life and health earnings analysis

This note splits the operating profit for insurance and investment contracts including investment in Sanlam Allianz JV. This disclosure provides a split of Life and Health operating profit between IFRS 17, IFRS 9 and other life/health business including the key sources of earnings.

Key sources of life and health operating profit[1]

R million	Sanlam Life & Savings 2025	Sanlam Life & Savings 2024	Pan-Africa 2025	Pan-Africa 2024	Asia 2025	Asia 2024	Sanlam Investments 2025	Sanlam Investments 2024	Total 2025	Total 2024
Result from life insurance operations[1]	**7 106**	9 799	**1 236**	1 190	**69**	(127)	**707**	658	**9 118**	11 520
Insurance service result – general model and variable fee approach	**5 880**	8 012	**789**	770	**(122)**	(34)	**(537)**	(751)	**6 010**	7 997
CSM release	**4 384**	4 886	**597**	889	**106**	74	**–**	–	**5 087**	5 849
Release of risk adjustment	**1 096**	1 066	**82**	93	**24**	20	**–**	–	**1 202**	1 179
Losses and reversals of losses on onerous contracts	**155**	(42)	**(64)**	(106)	**(19)**	(54)	**–**	–	**72**	(202)
Experience adjustments and other amounts	**245**	2 102	**174**	(106)	**(233)**	(74)	**(537)**	(751)	**(351)**	1 171
Insurance service result – premium allocation approach	**1 184**	1 113	**100**	(45)	**(29)**	(33)	**–**	–	**1 255**	1 035
Insurance investment result	**1 229**	2 396	**331**	416	**403**	(123)	**1 244**	1 409	**3 207**	4 098
Non-attributable expenses	**(1 005)**	(642)	**(18)**	(12)	**–**	–	**–**	–	**(1 023)**	(654)
Net other income or expenses[2]	**(182)**	(1 080)	**34**	61	**(183)**	63	**–**	–	**(331)**	(956)
Result from investment contract operations	**1 573**	1 031	**161**	172	**–**	–	**–**	–	**1 734**	1 203
Revenue	**5 570**	4 923	**388**	291	**–**	–	**–**	–	**5 958**	5 214
Admin expenses and sales remuneration	**(3 997)**	(3 892)	**(227)**	(119)	**–**	–	**–**	–	**(4 224)**	(4 011)
Net other income or expenses[2]	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Other life and health[2]	**539**	536	**129**	97	**–**	(46)	**(2)**	(5)	**666**	582
Gross operating profit before tax and non-controlling interest	**9 218**	11 366	**1 526**	1 459	**69**	(173)	**705**	653	**11 518**	13 305
Tax on gross operating profit and non-controlling interest	**(2 670)**	(3 157)	**(783)**	(677)	**(93)**	66	**(152)**	(93)	**(3 698)**	(3 861)
Operating profit	**6 548**	8 209	**743**	782	**(24)**	(107)	**553**	560	**7 820**	9 444
Life insurance operations	**5 149**	6 876	**773**	744	**(24)**	(72)	**554**	564	**6 452**	8 112
Investment contract operations	**1 154**	755	**101**	106	**–**	–	**–**	–	**1 255**	861
Other life and health	**245**	578	**(131)**	(68)	**–**	(35)	**(1)**	(4)	**113**	471

[1] *Net of reinsurance contracts held where relevant.*
[2] *Includes equity-accounted earnings for investment in associates and joint ventures excluding SanlamAllianz joint venture which has been split out in the detailed line items where relevant.*

Sanlam Limited
Annual Financial Statements 2025

2 Source and uses of cash

Cash earnings

For the year ended 31 December R million	2025	2024
Cash distributed to group	**9 462**	11 067
Operating profit[1]	**13 722**	15 214
Less non-cash operating profit	**(189)**	93
Operating profit retained in clusters	**(4 071)**	(4 240)
Investment return	**325**	178
Special dividends received	**767**	777
Net funding raised	**1 410**	6 944
Funding raised	**4 032**	8 844
Subordinated debt	**1 245**	2 000
Preference shares	**2 000**	–
Bridging and other finance	**787**	6 844
Debt and preference shares repayment	**(2 622)**	(1 900)
Net funding deployed	**(1 410)**	(2 344)
Investments/(net capital deployed)	**3 344**	(7 522)
Funding costs	**(358)**	–
Excess capital released/(injected)	**187**	1 993
Capital distribution: Dividends paid	**(9 290)**	(8 689)
Other capital management	**79**	(288)
Cash retained	**4 516**	2 116

[1] *Cash NRFFS for the year ended 31 December 2025 is R15 903 million (2024: R15 536 million).*

Notes to the supplementary information continued

for the year ended 31 December

3 Investment return analysis

Asset allocation of investable assets supporting shareholder investment return

For the year ended 31 December	Interest-bearing investments		Equities		Hedged equities		Property		Cash and other money market securities		Other		Total	
%	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
South Africa	**20**	21	**10**	11	**5**	5	**–**	–	**24**	20	**13**	10	**72**	67
Sanlam Life and Savings	**11**	12	**6**	8	**3**	3	**–**	–	**14**	12	**11**	10	**45**	45
Sanlam Investments	**1**	–	**1**	–	**2**	2	**–**	–	**–**	1	**–**	–	**4**	3
Santam	**6**	7	**3**	3	**–**	–	**–**	–	**–**	–	**2**	–	**11**	10
Group office	**2**	2	**–**	–	**–**	–	**–**	–	**10**	7	**–**	–	**12**	9
Pan-Africa	**8**	9	**6**	7	**–**	–	**2**	4	**8**	9	**1**	–	**25**	29
Asia	**2**	3	**1**	1	**–**	–	**–**	–	**–**	–	**–**	–	**3**	4
India	**1**	2	**1**	1	**–**	–	**–**	–	**–**	–	**–**	–	**2**	3
Malaysia	**1**	1	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1**	1
Total investable assets	**30**	33	**17**	19	**5**	5	**2**	4	**32**	29	**14**	10	**100**	100
Total investable domestic assets	**18**	18	**8**	9	**5**	5	**–**	–	**20**	16	**13**	10	**64**	58
Total investable foreign assets	**12**	15	**9**	10	**–**	–	**2**	4	**12**	13	**1**	–	**36**	42

4 Supplementary IFRS 17 information including reconciliation to EV of covered business

4.1 IFRS 17 value metrics[1]

This note provides enhanced disclosures with regards to IFRS 17 financial performance measures for long-duration life insurance contracts measured under GMM and VFA including investment in the Sanlam Allianz JV. For the GMM and VFA business, the IFRS 17 CSM plus risk adjustment balances for in-force business and IFRS 17 new business value on a net of tax and non-controlling interest basis are the starting point in building the bridge to the VIF/VNB included in the EV of covered business.

For the year ended 31 December	R million	2025	2024	Change
IFRS 17 CSM plus Risk adjustment balance[2]				
Gross of tax and non-controlling interest		**42 225**	41 030	1 195
Net of tax and non-controlling interest[4]		**30 370**	29 458	912
IFRS 17 new business value[3]				
Gross of tax and non-controlling interest		**3 000**	3 001	(1)
Net of tax and non-controlling interest[4]		**2 133**	2 125	8

(1) Alternative performance measures for life insurance contracts measured under the general model and variable fee approach on a net of reinsurance basis. Includes the SanlamAllianz Life joint venture (based on Sanlam share).
(2) CSM plus risk adjustment balance at the end of the year represents the future profit to be recognised in the statement of comprehensive income over time. The change in CSM plus risk adjustment balance is a key driver of growth in life insurance earnings, and is a key component of the value of in-force covered business.
(3) Based on CSM plus Risk adjustment less Loss component balances at initial recognition for new business insurance contracts issued (net of reinsurance contracts held) in the period. Contract modification impact of R1 069 million (2024: R637 million) recognised as new business in terms of IFRS 17 is excluded, which is aligned with the treatment in the value of new business of covered business.
(4) Allows for deferred tax on future profits contained in the CSM and Risk adjustment balances, as well as tax on upfront losses recognised on onerous new business contracts in the period.

4.2 Reconciliation between IFRS 17 value and embedded value metrics

The following table provides a reconciliation from Sanlam's key IFRS 17 measures for GMM and VFA business and VIF/VNB of covered business.

Reconciliation between IFRS 17 performance measures and EV of covered business (before cost of capital)

For the year ended 31 December	2025	2024
IFRS 17 CSM plus Risk adjustment balance[1]	**30 370**	29 458
Reconciling items:		
Other VIF on longer-duration life insurance contracts[3]	**(2 218)**	(2 065)
VIF on specific shareholders' fund reserves[4]	**12 657**	12 145
VIF on investment contracts measured under IFRS 9	**18 763**	16 726
VIF on shorter-duration life insurance contracts	**3 629**	3 491
Other VIF[4]	**(954)**	(979)
Gross value of in-force of covered business (before cost of capital)	**62 247**	58 776
IFRS 17 new business value[1]	**2 133**	2 125
Reconciling items:		
Corporate activity impacts[2]	**–**	511
Other VNB on longer-duration life insurance contracts[3]	**36**	158
VNB on investment contracts measured under IFRS 9	**123**	(8)
VNB on shorter-duration life insurance contracts	**450**	381
Other VNB[5]	**(72)**	80
Gross value of new business of covered business (before cost of capital)	**2 670**	3 247

(1) Net of tax and non-controlling interest
(2) Included in the value of new business of covered business is the group's funeral joint arrangement with Capitec (not included in IFRS 17 new business value), and the Namibia value of new business contribution for the first six months of 2024 is based on 100% Sanlam share, i.e. before entering the SanlamAllianz joint venture on 1 July 2024 (59.6% Sanlam share allowed for in IFRS 17 new business value).
(3) Other VIF and VNB for longer-duration life insurance contracts – measured under the GMM and VFA – mainly include allowances for the impact of the risk margin embedded in the risk discount rate, expected investment profits or losses, and expense and tax cash flows not captured within IFRS 17 liabilities.
(4) Mainly driven by VIF on future releases of asset mismatch reserve and future releases of margins on reserves backed by insurance contract assets.
(5) Other VIF and VNB primarily reflect covered business not measured under IFRS 17 or IFRS 9, as well as group costs and withholding tax within SanlamAllianz that are not allocated to specific business units, and holding company expenses. Additionally, India's VIF and VNB are based on the local reserving basis, as IFRS 17 is not yet effective in that jurisdiction.

Notes to the supplementary information continued

for the year ended 31 December

4 Supplementary IFRS 17 information including reconciliation to EV of covered business continued

4.3 Adjusted CSM and risk adjustment reconciliations[1]

The CSM plus risk adjustment (RA) balance for contracts measured under the GMM and VFA represents the future profit to be recognised as insurance revenue (equity-accounted earnings for investment in joint ventures) in the statement of comprehensive income over time. This is a key driver of the future shareholder profits from in-force covered business included in the value of in-force covered business.

The table below sets out the movement in the CSM plus risk adjustment balance over the period.

For the year ended 31 December 2025	Sanlam Life & Savings[2]			Pan-Africa			Asia			Total		
R million	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment
Opening balance	**34 984**	**26 496**	**8 488**	**5 247**	**4 621**	**626**	**800**	**561**	**239**	**41 031**	**31 678**	**9 353**
Net change in balance from corporate activity	–	–	–	(757)	(667)	(90)	–	–	–	(757)	(667)	(90)
Adjusted opening balance	**34 984**	**26 496**	**8 488**	**4 490**	**3 954**	**536**	**800**	**561**	**239**	**40 274**	**31 011**	**9 263**
New business[3]	2 224	1 168	1 056	820	758	62	165	135	30	3 209	2 061	1 148
Profitable contracts	2 162	1 168	994	818	758	60	165	135	30	3 145	2 061	1 084
Onerous contracts	62	–	62	2	–	2	–	–	–	64	–	64
Interest accretion/unwinding of discount rates[4]	3 535	2 772	763	519	466	53	34	25	9	4 088	3 263	825
Expected release[5]	(5 404)	(4 308)	(1 096)	(775)	(693)	(82)	(130)	(106)	(24)	(6 309)	(5 107)	(1 202)
Core growth for the year	**355**	**(368)**	**723**	**564**	**531**	**33**	**69**	**54**	**15**	**988**	**217**	**771**
Experience variances and assumption changes	1 565	464	1 101	(358)	(391)	33	(58)	(47)	(11)	1 149	26	1 123
Recognised in profit or loss in current period[5][6]	1 501	(50)	1 551	146	98	48	(33)	(36)	3	1 614	12	1 602
Recognition in profit or loss deferred to future periods[6]	64	514	(450)	(504)	(489)	(15)	(25)	(11)	(14)	(465)	14	(479)
Foreign currency translation differences	–	–	–	(153)	(137)	(16)	(30)	(21)	(9)	(183)	(158)	(25)
Closing balance	**36 904**	**26 592**	**10 312**	**4 543**	**3 957**	**586**	**781**	**547**	**234**	**42 228**	**31 096**	**11 132**
Related deferred tax on future profits included in balance	(9 964)	(7 180)	(2 784)	(324)	(276)	(48)	(205)	(141)	(64)	(10 493)	(7 597)	(2 896)
Non-controlling interest	–	–	–	(1 080)	(889)	(191)	(282)	(199)	(83)	(1 362)	(1 088)	(274)
Closing balance after tax and non-controlling interest	**26 940**	**19 412**	**7 528**	**3 139**	**2 792**	**347**	**294**	**207**	**87**	**30 373**	**22 411**	**7 962**

(1) Includes the SanlamAllianz joint venture (based on Sanlam share). Amounts are net of reinsurance where relevant, and exclude RA liabilities for incurred claims.
(2) Refer to note 10.1.5 for an analysis per Sanlam Risk and Savings sub-cluster.
(3) The impact of contract modifications of R1 007 million and R62 million for CSM and Risk adjustment respectively recognised as new business in terms of IFRS 17 has been excluded. This differs from the presentation in the Annual Financial Statements (AFS) by reallocating these amounts from new business to experience variances and assumption changes.
(4) This reflects the accretion of interest / unwinding of discount rates on general model contracts, together with the expected interest related to contracts measured under the variable fee approach (VFA). This differs from the presentation of the amounts for VFA in the AFS by reallocating R843 million from experience variances and assumption changes to interest accretion / unwinding of discount rates.
(5) The CSM recognised in profit or loss is equal to the expected release plus the portion of experience variances / assumption changes recognised in the current period. The Risk adjustment recognised in profit or loss for the risk expired is equal to the expected release.
(6) The impact on the RA of economic experience variances/assumption changes (GMM only) and experience variances / assumption changes related to onerous groups of contracts is also recognised in profit or loss. The impact on the RA of other experience variances and assumption changes is deferred to future periods by adjusting the CSM.

Notes to the supplementary information continued

for the year ended 31 December

4 Supplementary IFRS 17 information including reconciliation to EV of covered business continued

4.3 Adjusted CSM and risk adjustment reconciliations continued

For the year ended 31 December 2024	Sanlam Life & Savings[7]			Pan-Africa			Asia			Total		
R million	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment
Opening balance	29 532	22 502	7 030	6 365	5 568	797	723	496	227	36 620	28 566	8 054
Net change in balance from corporate activity[2]	3 504	2 575	929	(840)	(664)	(176)	–	–	–	2 664	1 911	753
Adjusted opening balance	33 036	25 077	7 959	5 525	4 904	621	723	496	227	39 284	30 477	8 807
New business[3]	2 295	1 561	734	835	764	71	188	152	36	3 318	2 477	841
Profitable contracts	2 161	1 561	600	832	764	68	188	152	36	3 181	2 477	704
Onerous contracts	134	–	134	3	–	3	–	–	–	137	–	137
Interest accretion/unwinding of discount rates[4]	2 977	2 412	565	651	607	44	24	22	2	3 652	3 041	611
Expected release[5]	(4 549)	(3 708)	(841)	(892)	(812)	(80)	(94)	(74)	(20)	(5 535)	(4 594)	(941)
Core growth for the year	723	266	457	594	559	35	118	101	17	1 435	926	509
Experience variances and assumption changes	1 225	1 153	72	(217)	(221)	4	(77)	(61)	(16)	931	871	60
Recognised in profit or loss in current period[5][6]	397	(212)	609	(12)	(22)	10	6	(12)	18	391	(246)	637
Recognition in profit or loss deferred to future periods[6]	828	1 365	(537)	(205)	(199)	(6)	(83)	(49)	(34)	540	1 117	(577)
Foreign currency translation differences	–	–	–	(558)	(533)	(25)	37	26	11	(521)	(507)	(14)
Eliminate corporate activity normalisation impacts	–	–	–	(98)	(89)	(9)	–	–	–	(98)	(89)	(9)
Closing balance	34 984	26 496	8 488	5 246	4 620	626	801	562	239	41 031	31 678	9 353
Related deferred tax on future profits included in balance	(9 446)	(7 154)	(2 292)	(404)	(345)	(59)	(209)	(144)	(65)	(10 059)	(7 643)	(2 416)
Non-controlling interest	–	–	–	(1 224)	(1 026)	(198)	(289)	(204)	(85)	(1 513)	(1 230)	(283)
Closing balance after tax and non-controlling interest	25 538	19 342	6 196	3 618	3 249	369	303	214	89	29 459	22 805	6 654

(1) Includes the SanlamAllianz joint venture (based on Sanlam share).
(2) Assume an effective date of 1 January 2024 for the relevant corporate activity transactions finalised during 2024 (Assupol acquisition, Capitec termination and Namibia entering the SanlamAllianz JV), with corresponding adjustments to the movements for the year ending 31 December 2024.
(3) The impact of contract modifications of R505 million and R132 million for CSM and Risk adjustment respectively recognised as new business in terms of IFRS 17 has been excluded. This differs from the presentation in the Annual Financial Statements (AFS) by reallocating these amounts from new business to experience variances and assumption changes.
(4) This reflects the accretion of interest / unwinding of discount rates on general model contracts, together with the expected interest related to contracts measured under the variable fee approach (VFA). This differs from the presentation of the amounts for VFA in the AFS by reallocating R943 million from experience variances and assumption changes to interest accretion / unwinding of discount rates.
(5) The CSM recognised in profit or loss is equal to the expected release plus the portion of experience variances / assumption changes recognised in the current period. The Risk adjustment recognised in profit or loss for the risk expired is equal to the expected release.
(6) The impact on the RA of economic experience variances / assumption changes (GMM only) and experience variances / assumption changes related to onerous groups of contracts is also recognised in profit or loss. The impact on the RA of other experience variances and assumption changes is deferred to future periods by adjusting the CSM.
(7) Refer to note 10.1.5 for an analysis per Sanlam Risk and Savings sub-cluster.

Sanlam Limited
Annual Financial Statements 2025

Notes to the supplementary information continued

for the year ended 31 December

5 Value of new covered business

R million	Total 2025	Total 2024	Sanlam Life and Savings 2025	Sanlam Life and Savings 2024	Pan-Africa 2025	Pan-Africa 2024	Asia 2025	Asia 2024
Value of new covered business (at point of sale)								
Gross value of new covered business	**2 744**	3 386	**1 943**	2 352	**576**	676	**225**	358
Cost of capital	**(381)**	(347)	**(179)**	(134)	**(107)**	(129)	**(95)**	(84)
Value of new covered business	**2 363**	3 039	**1 764**	2 218	**469**	547	**130**	274
Value of new business attributable to								
Shareholders' fund	**2 294**	2 902	**1 764**	2 218	**469**	469	**61**	215
Non-controlling interest	**69**	137	**–**	–	**–**	78	**69**	59
Value of new covered business	**2 363**	3 039	**1 764**	2 218	**469**	547	**130**	274
Analysis of new business profitability								
Before non-controlling interest								
Present value of new business premiums	**115 375**	105 176	**99 264**	88 685	**8 153**	9 512	**7 958**	6 979
New business margin	**2,05%**	2,89%	**1,78%**	2,50%	**5,75%**	5,75%	**1,63%**	3,93%
After non-controlling interest								
Present value of new business premiums	**113 854**	103 231	**99 264**	88 685	**8 153**	8 955	**6 437**	5 591
New business margin	**2,01%**	2,81%	**1,78%**	2,50%	**5,75%**	5,24%	**0,95%**	3,85%
Capitalisation factor – recurring premiums	**4,2**	3,8	**5,4**	4,4	**2,3**	2,4	**3,0**	3,1

Geographical analysis

R million	Value of new covered business 2025	Value of new covered business 2024	Present value of new business premiums 2025	Present value of new business premiums 2024	New business margin 2025	New business margin 2024
Before non-controlling interest						
South Africa	**1 764**	2 218	**99 264**	88 685	**1,78%**	2,50%
SA Retail Mass	**619**	719	**11 838**	14 389	**5,23%**	5,0%
Sanlam Risk and Savings	**577**	654	**19 149**	15 555	**3,01%**	4,20%
Glacier	**370**	662	**46 477**	45 296	**0,80%**	1,46%
Sanlam Corporate	**198**	183	**21 800**	13 445	**0,91%**	1,36%
Pan-Africa	**469**	547	**8 153**	9 512	**5,75%**	5,75%
Asia	**130**	274	**7 958**	6 979	**1,63%**	3,93%
Total	**2 363**	3 039	**115 375**	105 176	**2,05%**	2,89%
After non-controlling interest						
South Africa	**1 764**	2 218	**99 264**	88 685	**1,78%**	2,50%
SA Retail Mass	**619**	719	**11 838**	14 389	**5,23%**	5,00%
Sanlam Risk and Savings	**577**	654	**19 149**	15 555	**3,01%**	4,20%
Glacier	**370**	662	**46 477**	45 296	**0,80%**	1,46%
Sanlam Corporate	**198**	183	**21 800**	13 445	**0,91%**	1,36%
Pan-Africa	**469**	469	**8 153**	8 955	**5,75%**	5,24%
Asia	**61**	215	**6 437**	5 591	**0,95%**	3,85%
Total	**2 294**	2 902	**113 854**	103 231	**2,01%**	2,81%

Sanlam Limited
Annual Financial Statements 2025

Notes to the supplementary information continued

for the year ended 31 December

6 Covered business sensitivity analysis

R million	Gross value of in-force business 2025	2024	Cost of capital 2025	2024	Net value of in-force business 2025	2024	Change from base value % 2025	2024
Value of in-force covered business sensitivity analysis								
Base value	**62 248**	58 776	**(4 182)**	(4 478)	**58 066**	54 298	**–**	–
Risk discount rate increase by 1%	**58 840**	55 765	**(4 597)**	(4 736)	**54 243**	51 029	**(7)**	(6)
Investment return and inflation decrease by 1%, coupled with a 1% decrease in risk discount rates, and with bonus rates changing commensurately	**63 498**	60 383	**(4 201)**	(4 708)	**59 297**	55 675	**2**	3
Equity and property values decrease by 10%, without a corresponding change in dividend and rental yields	**60 448**	57 137	**(4 161)**	(4 441)	**56 287**	52 696	**(3)**	(3)
Expected return on equity and property investments increase by 1%, without a corresponding change in discount rates	**62 923**	59 296	**(4 139)**	(4 451)	**58 784**	54 845	**1**	1
Rand exchange rate depreciates by 10%	**62 603**	59 145	**(4 262)**	(4 567)	**58 341**	54 578	**–**	1
Non-commission maintenance expenses (excluding investment expenses) decrease by 10%	**64 841**	61 308	**(4 175)**	(4 581)	**60 666**	56 727	**4**	5
Discontinuance rates decrease by 10%	**64 313**	60 756	**(4 331)**	(4 703)	**59 982**	56 053	**3**	3
Mortality and morbidity decrease by 5% for life assurance business	**65 234**	61 660	**(4 166)**	(4 600)	**61 068**	57 060	**5**	5
Mortality and morbidity decrease by 5% for annuity business	**61 770**	58 450	**(4 187)**	(4 479)	**57 583**	53 971	**(1)**	(1)
Gross value of in-force business profile								
Year 1 – 5	**56%**	58%						
Year 1	**16%**	16%						
Year 2	**13%**	14%						
Year 3	**11%**	11%						
Year 4	**9%**	9%						
Year 5	**7%**	8%						
Year 6 – 10	**24%**	24%						
Year 11 – 20	**16%**	14%						
Year 20+	**4%**	4%						

R million	Gross value of new business 2025	2024	Cost of capital 2025	2024	Net value of new business 2025	2024	Change from base value % 2025	2024
Value of new covered business sensitivity analysis								
Base value	**2 670**	3 248	**(376)**	(346)	**2 294**	2 902	**–**	–
Risk discount rate increase by 1%	**2 294**	2 982	**(365)**	(362)	**1 929**	2 620	**(16)**	(10)
Investment return and inflation decrease by 1%, coupled with a 1% decrease in risk discount rates, and with bonus rates changing commensurately	**2 676**	3 296	**(336)**	(357)	**2 340**	2 939	**2**	1
Non-commission maintenance expenses (excluding investment expenses) decrease by 10%	**2 957**	3 527	**(346)**	(351)	**2 611**	3 176	**14**	9
Acquisition expenses (excluding commission and commission related expenses) decrease by 10%	**3 072**	3 595	**(346)**	(347)	**2 726**	3 248	**19**	12
Discontinuance rates decrease by 10%	**3 066**	3 553	**(368)**	(368)	**2 698**	3 185	**18**	10
Mortality and morbidity decrease by 5% for life assurance business	**3 000**	3 585	**(347)**	(355)	**2 653**	3 230	**16**	11
Mortality and morbidity decrease by 5% for annuity business	**2 601**	3 199	**(350)**	(346)	**2 251**	2 853	**(2)**	(2)

7 Economic assumptions – covered business

7.1 Gross investment return, risk discount rate and inflation

%	2025	2024
Sanlam Life		
Point used on the relevant yield curve	**9 year**	9 year
Fixed-interest securities	**8,5**	10,7
Equities	**12,0**	14,2
Offshore investments	**11,0**	13,2
Hedged equity	**7,5**	9,7
Property	**9,5**	11,7
Cash	**7,5**	9,7
Inflation rate	**(CPI curve +1,5%)**	(CPI curve +1,5%)
Risk discount rate	**11,0**	13,2
Sanlam Developing Markets[1]		
Point used on the relevant yield curve	**5 year**	5 year
Fixed-interest securities	**7,7**	9,2
Equities and offshore investments	**11,2**	12,7
Hedged equities	**6,7**	8,2
Property	**8,7**	10,2
Cash	**6,7**	8,2
Inflation rate	**5,7**	7,2
Risk discount rate	**10,2**	11,7

[1] *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 (2024: 25bps and 70bps) for non-participating annuities, between 0bps and 70bps (2024: 0bps and 70bps) for individual risk business, between 25bps and 75bps (2024: 25bps to 75bps) for inflation-linked annuities and capped at 120bps (2024: 120bps), reflecting both illiquidity premiums and credit risk premium for guarantee plans.

Notes to the supplementary information continued

for the year ended 31 December

7 Economic assumptions – covered business continued

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

	R million		Fixed-interest securities %		Equities %		Hedged equities %		Property %		Cash %		Total %	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Required capital														
South Africa[1]	**6 017**	6 763	**9**	–	**6**	3	**73**	59	**–**	–	**12**	38	**100**	100
Africa – excluding South Africa	**2 105**	2 428	**61**	57	**11**	12	**–**	–	**1**	1	**27**	30	**100**	100
Shriram Life Insurance (India)	**924**	866	**100**	100	**–**	–	**–**	–	**–**	–	**–**	–	**100**	100
MCIS (Malaysia)	**739**	799	**70**	67	**18**	18	**–**	–	**–**	–	**12**	15	**100**	100
Total required capital	**9 785**	10 856												
Free surplus	**3 322**	2 609												
Adjusted net asset value	**13 107**	13 465												

[1] *At 31 December 2025 asset mix backing the Sanlam Life required capital is 97% hedged (31 December 2024: 98%).*

7.3 Assumed long-term expected return on required capital

	Gross %		Net %	
	2025	2024	**2025**	2024
Sanlam Life[1]	**7,5**	9,7	**6,6**	8,1
Sanlam Developing Markets	**7,6**	9,1	**5,9**	7,1
Assupol	**8,3**	9,8	**6,1**	7,2
Sanlam Namibia	**9,3**	11,7	**8,4**	10,5
Sanlam Namibia Holdings	**8,2**	9,9	**7,2**	8,7
Shriram Life Insurance (India)	**6,6**	6,5	**5,7**	5,5
MCIS (Malaysia)	**4,6**	4,9	**4,3**	4,5

[1] *Sanlam Life uses subordinated debt as a part of its capital base. The cost of required capital in the Embedded Value of Covered Business has been increased to reflect this risks associated with using subordinated debt to back required capital. This increased cost equates to approximately 1,33% p.a. of the value of the subordinated debt.*

8 Value of non-covered operations sensitivity analysis

8.1 Valuation methodology

	Total	
R million	**2025**	2024
Listed share price	**29 646**	26 626
Santam	**28 987**	26 626
Ninety One	**659**	–
Discounted cash flows	**60 700**	61 312
Sanlam Life and Savings	**7 998**	7 836
Glacier	**4 091**	3 312
Sanlam Personal Loans	**3 050**	2 397
Sanlam Corporate	**618**	1 464
Other operations	**239**	663
Pan-Africa: SanlamAllianz	**15 353**	20 112
Asia	**22 540**	20 630
India	**22 540**	20 364
Malaysia	**–**	266
Sanlam Investments	**14 809**	12 734
Sanlam Investments	**4 789**	3 670
Wealth Management	**5 099**	4 119
International	**2 934**	3 265
Sanlam Financial Markets	**1 987**	1 680
Net asset value	**4 360**	2 488
Sanlam Investments	**1 026**	1 024
Sanlam Investments	**367**	225
International	**269**	409
Sanlam Financial Markets	**390**	390
Pan-Africa: SanlamAllianz	**1 765**	–
Asia: India	**1 569**	539
Sanlam Life and Savings	**–**	925
Total	**94 706**	90 426

Notes to the supplementary information continued

for the year ended 31 December

8 Value of non-covered operations sensitivity analysis continued

8.2 Sensitivity analysis: businesses valued at discounted cash flows

	Base value		Risk discount rate +1%		Perpetuity growth rate +1%		Equities and properties -10%		Risk discount rate -1%		Rand exchange rate depreciation +10%	
R million	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Sanlam Life and Savings	**7 998**	7 836	**7 279**	7 173	**8 339**	8 005	**7 463**	7 303	**8 853**	8 448	**7 998**	7 813
Glacier	**4 091**	3 312	**3 707**	3 008	**4 283**	3 415	**3 556**	2 779	**4 553**	3 620	**4 091**	3 289
Sanlam Personal Loans	**3 050**	2 397	**2 799**	2 221	**3 154**	2 460	**3 050**	2 397	**3 343**	2 600	**3 050**	2 397
Sanlam Corporate	**618**	1 464	**553**	1 349	**654**	1 513	**618**	1 464	**697**	1 599	**618**	1 464
Other operations	**239**	663	**220**	595	**248**	617	**239**	663	**260**	629	**239**	663
Pan-Africa: SanlamAllianz	**15 353**	20 112	**13 985**	18 223	**16 447**	21 165	**15 353**	20 112	**17 588**	22 302	**16 888**	21 831
Asia	**22 540**	20 630	**19 194**	17 292	**25 456**	23 596	**22 540**	20 630	**27 124**	25 252	**24 793**	22 693
India	**22 540**	20 364	**19 194**	17 026	**25 456**	23 330	**22 540**	20 364	**27 124**	24 986	**24 793**	22 400
Malaysia	**–**	266	**–**	266	**–**	266	**–**	266	**–**	266	**–**	293
Sanlam Investments	**14 809**	12 734	**13 299**	11 573	**15 628**	13 296	**13 107**	11 247	**16 653**	13 660	**15 159**	13 088
Sanlam Investments[1]	**4 789**	3 670	**4 314**	3 326	**5 016**	3 817	**4 089**	3 190	**5 353**	3 608	**4 812**	3 700
Wealth Management	**5 099**	4 119	**4 558**	3 731	**5 419**	4 319	**4 713**	3 821	**5 772**	4 588	**5 111**	4 132
International	**2 934**	3 265	**2 613**	2 962	**3 118**	3 425	**2 452**	2 668	**3 332**	3 635	**3 249**	3 576
Sanlam Financial Markets	**1 987**	1 680	**1 814**	1 554	**2 075**	1 735	**1 853**	1 568	**2 196**	1 829	**1 987**	1 680
	60 700	61 312	**53 757**	54 261	**65 870**	66 062	**58 463**	59 292	**70 218**	69 662	**64 838**	65 425
Weighted average assumption			**15,3%**	16,1%	**2 – 7%**	2 – 7%						

[1] *Includes third-party asset management business based on the following main assumptions:*
– Weighted average discount rate: 16,4% (December 2024: 18,2%)
– Weighted average perpetuity growth rate: 5% (December 2024: 5,0%)

01 Governance 02 Capital and risk management 03 Basis of preparation 04 Group financial results 05 Company financial results 06 Remuneration report 07 Supplementary information

Sanlam Limited
Annual Financial Statements 2025

Notes to the supplementary information continued

for the year ended 31 December

9 Business volumes

9.1 Analysis of new business and total funds received

	Life business[1]		General insurance		Investment business[2]		Total	
R million	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Sanlam Life and Savings	**73 030**	63 512	**–**	–	**83 621**	72 085	**156 651**	135 597
Sanlam Risk and Savings	**4 072**	3 399	**–**	–	**152**	135	**4 224**	3 534
Recurring	**2 408**	2 153	**–**	–	**14**	9	**2 422**	2 162
Single	**1 664**	1 246	**–**	–	**138**	126	**1 802**	1 372
Glacier: Single	**46 024**	44 694	**–**	–	**75 258**	61 834	**121 282**	106 528
SA Retail Mass: Recurring	**3 137**	4 674	**–**	–	**–**	–	**3 137**	4 674
Sanlam Corporate	**19 797**	10 745	**–**	–	**8 211**	10 116	**28 008**	20 861
Recurring	**483**	508	**–**	–	**616**	317	**1 099**	825
Single	**19 314**	10 237	**–**	–	**7 595**	9 799	**26 909**	20 036
Pan-Africa: SanlamAllianz	**6 747**	7 358	**12 079**	13 033	**19 063**	17 357	**37 889**	37 748
Recurring	**2 617**	2 323	**12 079**	13 033	**–**	–	**14 696**	15 356
Single	**4 130**	5 035	**–**	–	**19 063**	17 357	**23 193**	22 392
Asia	**3 340**	3 016	**3 119**	2 675	**–**	–	**6 459**	5 691
India	**2 112**	1 789	**2 893**	2 413	**–**	–	**5 005**	4 202
Recurring	**1 419**	1 114	**2 893**	2 413	**–**	–	**4 312**	3 527
Single	**693**	675	**–**	–	**–**	–	**693**	675
Malaysia	**1 228**	1 227	**226**	262	**–**	–	**1 454**	1 489
Recurring	**883**	749	**226**	262	**–**	–	**1 109**	1 011
Single	**345**	478	**–**	–	**–**	–	**345**	478
Sanlam Investments	**–**	–	**–**	–	**255 007**	207 769	**255 007**	207 769
Investment Management SA	**–**	–	**–**	–	**224 865**	177 123	**224 865**	177 123
Wealth Management	**–**	–	**–**	–	**18 966**	13 902	**18 966**	13 902
International	**–**	–	**–**	–	**11 176**	16 744	**11 176**	16 744
Santam	**–**	–	**39 984**	33 431	**–**	–	**39 984**	33 431
Total new business	**83 117**	73 886	**55 182**	49 139	**357 691**	297 211	**495 990**	420 236
Recurring premiums on existing funds:								
Sanlam Life and Savings	**42 452**	40 638	**–**	–	**7 132**	6 084	**49 584**	46 722
SA Retail Mass	**13 385**	12 841	**–**	–	**–**	–	**13 385**	12 841
Sanlam Risk and Savings	**18 875**	17 544	**–**	–	**129**	154	**19 004**	17 698
Glacier	**–**	268	**–**	–	**–**	–	**–**	268
Sanlam Corporate	**10 192**	9 985	**–**	–	**7 003**	5 930	**17 195**	15 915
Pan-Africa: SanlamAllianz	**5 951**	6 613	**–**	–	**–**	–	**5 951**	6 613
SanlamAllianz	**5 951**	6 613	**–**	–	**–**	–	**5 951**	6 613
Asia	**3 486**	3 199	**–**	–	**–**	–	**3 486**	3 199
India	**1 816**	1 625	**–**	–	**–**	–	**1 816**	1 625
Malaysia	**1 670**	1 574	**–**	–	**–**	–	**1 670**	1 574
Total funds received	**135 006**	124 336	**55 182**	49 139	**364 823**	303 295	**555 011**	476 770

[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.

9.2. Analysis of net inflow/(outflow) of funds

	Life business[1]		General insurance		Investment business[2]		Total	
R million	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Sanlam Life and Savings	**29 610**	8 791	**–**	–	**11 962**	5 991	**41 572**	14 782
SA Retail Mass	**8 549**	7 277	**–**	–	**–**	–	**8 549**	7 277
Sanlam Risk and Savings	**(759)**	(1 988)	**–**	–	**(10)**	(95)	**(769)**	(2 083)
Glacier	**11 760**	9 551	**–**	–	**10 125**	1 587	**21 885**	11 138
Sanlam Corporate	**10 060**	(6 049)	**–**	–	**1 847**	4 499	**11 907**	(1 550)
Pan-Africa	**3 828**	5 566	**4 659**	5 300	**4 145**	(2 250)	**12 632**	8 616
Asia	**2 256**	2 380	**914**	896	**–**	–	**3 170**	3 276
India	**2 514**	2 419	**860**	848	**–**	–	**3 374**	3 267
Malaysia	**(258)**	(39)	**54**	48	**–**	–	**(204)**	9
Sanlam Investments	**–**	–	**–**	–	**50 530**	13 697	**50 530**	13 697
Investment Management SA	**–**	–	**–**	–	**47 254**	8 379	**47 254**	8 379
Wealth Management	**–**	–	**–**	–	**2 359**	4 423	**2 359**	4 423
International	**–**	–	**–**	–	**917**	895	**917**	895
Santam	**–**	–	**18 848**	13 770	**–**	–	**18 848**	13 770
Total net fund inflows	**35 694**	16 737	**24 421**	19 966	**66 637**	17 438	**126 752**	54 141

[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 supplementary information continued

for the year ended 31 December

10 Cluster information

10.1 Sanlam Life and Savings

10.1.1 Analysis of earnings

R million	Life business and health 2025	Life business and health 2024	Credit and structuring 2025	Credit and structuring 2024	Investment management 2025	Investment management 2024	Corporate and other 2025	Corporate and other 2024	Total 2025	Total 2024
Net result from financial services[1]	**7 955**	8 094	**27**	50	**244**	223	**(304)**	(9)	**7 922**	8 358
Risk and Savings	**3 055**	2 840	**–**	–	**6**	9	**–**	–	**3 061**	2 849
Glacier	**1 285**	1 039	**–**	–	**238**	214	**–**	–	**1 523**	1 253
SA Retail Mass	**2 371**	3 335	**–**	–	**–**	–	**–**	–	**2 371**	3 335
Sanlam Corporate	**1 082**	1 047	**–**	–	**–**	–	**–**	–	**1 082**	1 047
Other	**162**	(167)	**27**	50	**–**	–	**(304)**	(9)	**(115)**	(126)
Less: project expenses	**(48)**	(34)	**–**	–	**(4)**	(3)	**–**	–	**(52)**	(37)
Exclude: specific shareholders' fund adjustments as per page 298 of supplementary information	**(1 705)**	320	**–**	–	**(114)**	(51)	**–**	–	**(1 819)**	269
Less: impact of adjusting the CSM at locked-in rates	**346**	(171)	**–**	–	**–**	–	**–**	–	**346**	(171)
Operating profit	**6 548**	8 209	**27**	50	**126**	169	**(304)**	(9)	**6 397**	8 419
Add: net investment return on shareholder capital and shareholders' fund reserves	**2 696**	6 866	**–**	–	**7**	7	**(607)**	(4 369)	**2 096**	2 504
Adjusted headline earnings	**9 244**	15 075	**27**	50	**133**	176	**(911)**	(4 378)	**8 493**	10 923
Operating profit	**6 548**	8 209	**27**	50	**126**	169	**(304)**	(9)	**6 397**	8 419
Risk and Savings	**1 092**	3 513	**–**	–	**6**	9	**–**	–	**1 098**	3 522
Glacier	**1 133**	1 090	**–**	–	**120**	160	**–**	–	**1 253**	1 250
SA Retail Mass	**3 030**	2 740	**–**	–	**–**	–	**–**	–	**3 030**	2 740
Sanlam Corporate	**1 131**	1 033	**–**	–	**–**	–	**–**	–	**1 131**	1 033
Other	**162**	(167)	**27**	50	**–**	–	**(304)**	(9)	**(115)**	(126)

[1] *For life business, this includes non-cash items (e.g. 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.*

10.1.2 Assets under management

R million	SA Retail Mass 2025	SA Retail Mass 2024	Risk and Savings 2025	Risk and Savings 2024	Glacier 2025	Glacier 2024	Sanlam Corporate 2025	Sanlam Corporate 2024	Total 2025	Total 2024
Life business	**12 403**	9 954	**203 037**	178 611	**406 339**	345 963	**225 947**	180 885	**847 726**	715 413
Investment operations	**–**	–	**2 111**	1 823	**498 690**	423 047	**–**	–	**500 801**	424 870
Total assets under management	**12 403**	9 954	**205 148**	180 434	**905 029**	769 010	**225 947**	180 885	**1 348 527**	1 140 283

[1] *The prior year comparative figures have been restated to include Assupol assets under management of R5 055 million.*

10.1.3 Credit business

R million	Gross size of loan book 2025	Gross size of loan book 2024	Interest margin 2025	Interest margin 2024	Bad debt ratio 2025	Bad debt ratio 2024	Administration cost as % of net interest 2025	Administration cost as % of net interest 2024
Sanlam Personal Loans	**5 989**	5 371	**16,3%**	15,7%	**7,5%**	7,0%	**47,3%**	46,2%

Notes to the supplementary information continued

for the year ended 31 December

10 Cluster information continued

10.1 Sanlam Life and Savings continued

10.1.4 Analysis of change in GEV – covered business

	Total		Gross value of in-force		Cost of capital		Adjusted net asset value	
R million	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Operational earnings	**10 932**	9 713	**2 649**	1 472	**362**	(16)	**7 921**	8 257
Value of new life insurance business	**1 764**	2 218	**4 812**	4 393	**(202)**	(158)	**(2 846)**	(2 017)
Unwinding of discount rate	**6 999**	6 350	**7 055**	6 325	**(56)**	25	**–**	–
Expected profit	**–**	–	**(9 698)**	(7 740)	**–**	–	**9 698**	7 740
Operating experience variances	**1 482**	1 082	**(213)**	(1 605)	**498**	(12)	**1 197**	2 699
Risk experience	**1 057**	937	**(71)**	102	**(2)**	(31)	**1 130**	866
Persistency	**200**	(104)	**378**	79	**17**	(7)	**(195)**	(176)
Maintenance expenses	**71**	(121)	**8**	–	**–**	–	**63**	(121)
Working capital management	**424**	439	**–**	–	**–**	–	**424**	439
Other[1]	**(270)**	(69)	**(528)**	(1 786)	**483**	26	**(225)**	1 691
Operating assumption changes	**687**	63	**693**	99	**122**	129	**(128)**	(165)
Risk experience	**428**	(87)	**367**	(83)	**(1)**	(6)	**62**	2
Persistency	**165**	148	**146**	133	**(6)**	(15)	**25**	30
Maintenance expenses	**–**	29	**52**	(43)	**–**	–	**(52)**	72
Modelling changes and other	**94**	(27)	**128**	92	**129**	150	**(163)**	(269)
Net investment return	**482**	360	**–**	–	**–**	–	**482**	360
Expected return on adjusted net asset value	**325**	369	**–**	–	**–**	–	**325**	369
Investment variances on adjusted net asset value	**157**	(9)	**–**	–	**–**	–	**157**	(9)
Valuation and economic basis	**1 026**	1 104	**1 053**	1 077	**(77)**	(3)	**50**	30
Investment variances on in-force business	**995**	809	**952**	728	**(18)**	38	**61**	43
Economic assumption changes: Investment yields	**31**	295	**101**	349	**(59)**	(41)	**(11)**	(13)
Goodwill from business	**(383)**	(34)	**(148)**	(34)	**–**	–	**(235)**	–
GEV earnings: covered business	**12 057**	11 143	**3 554**	2 515	**285**	(19)	**8 218**	8 647
Acquired value of in-force	**39**	6 912	**25**	4 401	**(1)**	(851)	**15**	3 362
Transfers from/(to) other group operations	**(13)**	(1 221)	**179**	(121)	**–**	–	**(192)**	(1 100)
Transfers from covered business	**(8 578)**	(8 655)	**–**	–	**–**	–	**(8 578)**	(8 655)
Embedded value of covered business at the beginning of the period	**58 031**	49 852	**53 605**	46 810	**(2 540)**	(1 670)	**6 966**	4 712
Embedded value of covered business at the end of the period	**61 536**	58 031	**57 363**	53 605	**(2 256)**	(2 540)	**6 429**	6 966

[1] *The impact of the termination of the group's funeral joint venture with Capitec (31 October 2024) is included in other operating experience variances, resulting in a decrease in the net value of in-force and an increase in adjusted net asset value.*

Sanlam Limited
Annual Financial Statements 2025

Notes to the supplementary information continued

for the year ended 31 December

10 Cluster information continued

10.1.5 Adjusted CSM and Risk adjustment reconciliations

For the year ended 31 December 2025 R million	Risk and Savings			Glacier			Retail Mass			Sanlam Corporate			Total		
	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment
Opening balance	**15 182**	**11 747**	**3 435**	**4 724**	**4 097**	**627**	**10 784**	**6 874**	**3 910**	**4 294**	**3 778**	**516**	**34 984**	**26 496**	**8 488**
Net change in balance from corporate activity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Adjusted opening balance	**15 182**	**11 747**	**3 435**	**4 724**	**4 097**	**627**	**10 784**	**6 874**	**3 910**	**4 294**	**3 778**	**516**	**34 984**	**26 496**	**8 488**
New business	556	352	204	441	367	74	1 040	317	723	187	132	55	2 224	1 168	1 056
Profitable contracts	548	352	196	441	367	74	992	317	675	181	132	49	2 162	1 168	994
Onerous contracts	8	–	8	–	–	–	48	–	48	6	–	6	62	–	62
Interest accretion/unwinding of discount rates	1 584	1 240	344	467	412	55	975	657	318	509	463	46	3 535	2 772	763
Expected release	(2 125)	(1 823)	(302)	(618)	(547)	(71)	(2 088)	(1 422)	(666)	(573)	(516)	(57)	(5 404)	(4 308)	(1 096)
Core growth for the year	**15**	**(231)**	**246**	**290**	**232**	**58**	**(73)**	**(448)**	**375**	**123**	**79**	**44**	**355**	**(368)**	**723**
Experience variances and assumption changes	155	(384)	539	97	(209)	306	1 227	1 085	142	86	(28)	114	1 565	464	1 101
Recognised in profit or loss in current period	863	56	807	218	27	191	333	(140)	473	87	7	80	1 501	(50)	1 551
Recognition in profit or loss deferred to future periods	(708)	(440)	(268)	(121)	(236)	115	894	1 225	(331)	(1)	(35)	34	64	514	(450)
Closing balance	**15 352**	**11 132**	**4 220**	**5 111**	**4 120**	**991**	**11 938**	**7 511**	**4 427**	**4 503**	**3 829**	**674**	**36 904**	**26 592**	**10 312**
Related deferred tax on future profits included in balance	(4 145)	(3 006)	(1 139)	(1 380)	(1 112)	(268)	(3 223)	(2 028)	(1 195)	(1 216)	(1 034)	(182)	(9 964)	(7 180)	(2 784)
Closing balance after tax and non-controlling interest	**11 207**	**8 126**	**3 081**	**3 731**	**3 008**	**723**	**8 715**	**5 483**	**3 232**	**3 287**	**2 795**	**492**	**26 940**	**19 412**	**7 528**

For the year ended 31 December 2024 R million	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment	Total	Contractual service margin	Risk adjustment
Opening balance	15 237	11 949	3 288	3 575	3 181	394	6 839	3 966	2 873	3 881	3 406	475	29 532	22 502	7 030
Net change in balance from corporate activity	–	–	–	–	–	–	3 504	2 575	929	–	–	–	3 504	2 575	929
Adjusted opening balance	15 237	11 949	3 288	3 575	3 181	394	10 343	6 541	3 802	3 881	3 406	475	33 036	25 077	7 959
New business	425	234	191	866	780	86	799	400	399	205	147	58	2 295	1 561	734
Profitable contracts	408	234	174	866	780	86	692	400	292	195	147	48	2 161	1 561	600
Onerous contracts	17	–	17	–	–	–	107	–	107	10	–	10	134	–	134
Interest accretion/unwinding of discount rates	1 501	1 213	288	401	361	40	568	378	190	507	460	47	2 977	2 412	565
Expected release	(2 221)	(1 898)	(323)	(495)	(445)	(50)	(1 306)	(891)	(415)	(527)	(474)	(53)	(4 549)	(3 708)	(841)
Core growth for the year	(297)	(451)	154	773	696	77	60	(113)	173	187	134	53	723	266	457
Experience variances and assumption changes	239	248	(9)	377	220	157	380	446	(66)	229	239	(10)	1 225	1 153	72
Recognised in profit or loss in current period	198	(98)	296	35	(25)	60	167	(69)	236	(3)	(20)	17	397	(212)	609
Recognition in profit or loss deferred to future periods	41	346	(305)	342	245	97	213	515	(302)	232	259	(27)	828	1 365	(537)
Closing balance	15 179	11 746	3 433	4 725	4 097	628	10 783	6 874	3 909	4 297	3 779	518	34 984	26 496	8 488
Related deferred tax on future profits included in balance	(4 100)	(3 172)	(928)	(1 275)	(1 106)	(169)	(2 912)	(1 856)	(1 056)	(1 159)	(1 020)	(139)	(9 446)	(7 154)	(2 292)
Closing balance after tax and non-controlling interest	11 079	8 574	2 505	3 450	2 991	459	7 871	5 018	2 853	3 138	2 759	379	25 538	19 342	6 196

Notes to the supplementary information continued

for the year ended 31 December

10 Cluster information continued

10.2 Pan-Africa

10.2.1 Analysis of earnings

R million	Life business 2025	Life business 2024	General insurance 2025	General insurance 2024	Investment management 2025	Investment management 2024	Credit and structuring 2025	Credit and structuring 2024	Corporate and other 2025	Corporate and other 2024	Total 2025	Total 2024
Net result from financial services	761	827	589	1 004	83	98	141	137	(207)	(257)	1 367	1 809
Less: project expenses	(25)	–	(71)	(85)	–	–	–	–	(133)	(151)	(229)	(236)
Exclude: specific shareholders' fund adjustments as per page 298 of supplementary information	7	(45)	38	118	–	–	–	–	–	–	45	73
Operating profit	743	782	556	1 037	83	98	141	137	(340)	(408)	1 183	1 646
Add: net investment return on shareholder capital and shareholders' fund reserves	600	601	876	993	18	17	(1)	3	120	63	1 613	1 677
Adjusted headline earnings	1 343	1 383	1 432	2 030	101	115	140	140	(220)	(345)	2 796	3 323

10.2.2 Analysis of SanlamAllianz key performance indicators

10.2.2.1 Analysis of general insurance and reinsurance

R million	Gross written premiums 2025	Gross written premiums 2024	Insurance revenue[1] 2025	Insurance revenue[1] 2024	Underwriting result 2025	Underwriting result 2024	Claims ratio (%) 2025	Claims ratio (%) 2024	Underwriting margin (%) 2025	Underwriting margin (%) 2024	Investment return on insurance funds margin (%) 2025	Investment return on insurance funds margin (%) 2024	Net insurance result (%) 2025	Net insurance result (%) 2024
Sanlam Allianz (100%)	33 008	31 400	36 852	35 141	1 279	1 432	61,3	59,3	5,6	6,5	6,5	5,8	12,2	12,3

[1] *Included in Insurance Revenue is an amount of R3 958 million (2024: R4 835 million) of revenue that is only recognised on consolidation due to the application of the IFRS 17 requirements for business combinations relating to amounts forming part of Liabilities for Incurred Claims in the underlying GI SanlamAllianz subsidiaries. These revenue amounts are not reflected in the Insurance Revenue figures of the relevant stand-alone GI SanlamAllianz businesses.*

10.2.2.2 Assets under management

R million	2025	2024
Life business	121 775	103 223
Investment operations	170 683	143 182
Total assets under management	292 458	246 405

Notes to the supplementary information continued

for the year ended 31 December

10 Cluster information continued

10.2 Pan-Africa continued

10.2.3 Analysis of change in GEV – covered business

	Total		Value of in-force		Cost of capital		Adjusted net asset value	
R million	2025	2024	2025	2024	2025	2024	2025	2024
Operational earnings	**944**	1 331	**294**	383	**(28)**	177	**678**	771
Value of new life insurance business	**469**	469	**621**	663	**(103)**	(126)	**(49)**	(68)
Unwinding of discount rate	**511**	601	**500**	593	**11**	8	**–**	–
Expected profit	**–**	–	**(639)**	(657)	**–**	–	**639**	657
Operating experience variances	**182**	228	**15**	51	**61**	61	**106**	116
Risk experience	**53**	4	**6**	18	**1**	–	**46**	(14)
Persistency	**74**	89	**6**	35	**52**	59	**16**	(5)
Maintenance expenses	**11**	48	**1**	–	**9**	2	**1**	46
Working capital management	**42**	110	**–**	–	**–**	–	**42**	110
Credit spread	**–**	1	**–**	–	**–**	–	**–**	1
Other	**2**	(24)	**2**	(2)	**(1)**	–	**1**	(22)
Operating assumption changes	**(218)**	33	**(203)**	(267)	**3**	234	**(18)**	66
Risk experience	**2**	(27)	**(2)**	(30)	**1**	1	**3**	2
Persistency	**(39)**	(62)	**(44)**	(56)	**–**	(3)	**5**	(3)
Maintenance expenses	**(79)**	(115)	**(74)**	(101)	**–**	–	**(5)**	(14)
Modelling changes and other	**(102)**	237	**(83)**	(80)	**2**	236	**(21)**	81
Net investment return	**253**	(73)	**–**	–	**–**	–	**253**	(73)
Expected return on adjusted net asset value	**361**	448	**–**	–	**–**	–	**361**	448
Investment variances on adjusted net asset value	**(108)**	(521)	**–**	–	**–**	–	**(108)**	(521)
Valuation and economic basis	**190**	(109)	**43**	(300)	**43**	135	**104**	56
Investment variances on in-force business	**278**	160	**174**	88	**(1)**	(2)	**105**	74
Economic assumption changes	**28**	(80)	**14**	(55)	**15**	(7)	**(1)**	(18)
Foreign currency translation differences	**(116)**	(189)	**(145)**	(333)	**29**	144	**–**	–
Regulatory and tax changes	**(89)**	(117)	**(84)**	(111)	**–**	–	**(5)**	(6)
Net project expenses	**(20)**	(9)	**–**	–	**–**	–	**(20)**	(9)
Goodwill from business	**450**	294	**450**	294	**–**	–	**–**	–
GEV earnings: covered business	**1 728**	1 317	**703**	266	**15**	312	**1 010**	739
Acquired value of in-force	**25**	287	**14**	110	**(4)**	(28)	**15**	205
Disposal of businesses	**(1 399)**	(1 635)	**(943)**	(1 297)	**108**	116	**(564)**	(454)
Transfers from covered business	**(263)**	(1 271)	**–**	–	**–**	–	**(263)**	(1 271)
Embedded value of covered business at the beginning of the period	**6 193**	7 495	**3 301**	4 222	**(758)**	(1 158)	**3 650**	4 431
Embedded value of covered business at the end of the period	**6 284**	6 193	**3 075**	3 301	**(639)**	(758)	**3 848**	3 650

Notes to the supplementary information continued

for the year ended 31 December

10 Cluster information continued

10.3 Asia

10.3.1 Analysis of earnings

R million	Life business 2025	Life business 2024	General insurance 2025	General insurance 2024	Credit and structuring 2025	Credit and structuring 2024	Corporate and other 2025	Corporate and other 2024	Total 2025	Total 2024
Net result from financial services	**(24)**	(72)	**330**	272	**1 743**	1 734	**154**	153	**2 203**	2 087
Less: project expenses	**–**	(35)	**–**	–	**–**	–	**–**	–	**–**	(35)
Exclude: specific shareholders' fund adjustments as per page 298 of supplementary information	**–**	–	**(31)**	(39)	**–**	–	**–**	–	**(31)**	(39)
Operating profit	**(24)**	(107)	**299**	233	**1 743**	1 734	**154**	153	**2 172**	2 013
Add: net investment return on shareholder capital and shareholders' fund reserves	**45**	124	**89**	325	**–**	17	**(200)**	149	**(66)**	615
Adjusted headline earnings	**21**	17	**388**	558	**1 743**	1 751	**(46)**	302	**2 106**	2 628

Analysis of India key performance indicators

India is reported with a three-month lag.

10.3.1.1 Analysis of operating profit

R million	2025	2024
Life business	**(82)**	71
General insurance	**360**	305
Credit and structuring	**1 743**	1 734
Corporate and other	**164**	166
Total net result from financial services[1]	**2 185**	2 276
Exclude: specific shareholders' fund adjustments as per page 298 of supplementary information	**(31)**	(37)
Operating profit	**2 154**	2 239
Add: net investment return on shareholder capital and shareholders' fund reserves	**(90)**	267
Adjusted headline earnings	**2 064**	2 506

[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 2024 credit and structuring net result from financial services includes nine months results on new shareholding and three months results on the old shareholding.*

10.3.2 Credit and structuring

R million	Size of loan books (Sanlam share) 2025	Size of loan books (Sanlam share) 2024	Net interest margin 2025	Net interest margin 2024	Bad debt ratio 2025	Bad debt ratio 2024	Administration cost as % of net interest margin 2025	Administration cost as % of net interest margin 2024
Shriram Finance Limited[1]	**49 411**	51 021	**8,7%**	9,3%	**2,7%**	2,8%	**29,8%**	29,7%

[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%. The size of loanbook (Sanlam share) is calculated on the new shareholding. The 2024 credit and structuring net result from financial services includes nine months results on new shareholding and three months results on the old shareholding.*

10.3.3 Insurance activities

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

R million	2025	2024
Gross written premium	**8 634**	7 273
Net earned premiums	**7 188**	5 996
Net claims incurred	**(5 051)**	(3 887)
Net commission	**(1 727)**	(1 570)
Management expenses	**(844)**	(801)
Underwriting result	**(434)**	(262)
Investment return on insurance funds	**1 666**	1 475
Net insurance result (100%)[1]	**1 232**	1 213
Sanlam share of the after tax-net insurance result (net movement in shareholders' fund reserves)	**264**	236
Net movement in shareholders' fund reserves	**31**	37
IFRS 17 adjustments	**65**	32
Net result from financial services per SHF IS	**360**	305
Exclude: specific shareholders' fund adjustments as per page 298 of supplementary information	**(31)**	(37)
Operating profit	**329**	268
Ratios (Shriram General Insurance)[1]		
Total net expense ratio	**35,8%**	39,5%
Claims ratio	**70,3%**	64,8%
Underwriting margin	**(6,0%)**	(4,4%)
Investment return on insurance funds margin	**23,2%**	24,6%

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

Notes to the supplementary information continued

for the year ended 31 December

10 Cluster information continued

10.3 Asia continued

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

R million	Total 2025	Total 2024	Value of in-force 2025	Value of in-force 2024	Cost of capital 2025	Cost of capital 2024	Adjusted net asset value 2025	Adjusted net asset value 2024
Operational earnings	137	145	185	274	(41)	(68)	(7)	(61)
Value of new life insurance business	61	215	489	593	(71)	(62)	(357)	(316)
Unwinding of discount rate	189	161	178	149	11	12	–	–
Expected profit	–	–	(356)	(491)	–	–	356	491
Operating experience variances	(126)	(304)	(2)	(43)	17	10	(141)	(271)
Risk experience	(138)	(73)	(2)	3	7	3	(143)	(79)
Persistency	(34)	(51)	(18)	(6)	4	10	(20)	(55)
Maintenance expenses	12	(118)	52	(40)	3	–	(43)	(78)
Other	34	(62)	(34)	–	3	(3)	65	(59)
Operating assumption changes	13	73	(124)	66	2	(28)	135	35
Risk experience	12	55	(57)	22	2	3	67	30
Persistency	(11)	–	(52)	(5)	4	5	37	–
Maintenance expenses	13	16	(17)	10	2	1	28	5
Modelling changes and other	(1)	2	2	39	(6)	(37)	3	–
Net investment return	(107)	146	–	–	–	–	(107)	146
Expected return on adjusted net asset value	66	45	–	–	–	–	66	45
Investment variances on adjusted net asset value	(173)	101	–	–	–	–	(173)	101
Valuation and economic basis	(233)	25	(248)	44	32	(8)	(17)	(11)
Investment variances on in-force business	14	55	(6)	56	–	–	20	(1)
Economic assumption changes	(79)	(50)	(37)	(38)	(5)	(2)	(37)	(10)
Foreign currency translation differences	(168)	20	(205)	26	37	(6)	–	–
Change in tax basis	(10)	–	–	–	–	–	(10)	–
Net project expenses	–	(5)	–	–	–	–	–	(5)
GEV earnings: covered business	(213)	311	(63)	318	(9)	(76)	(141)	69
Transfers from covered business	(109)	(97)	–	–	–	–	(109)	(97)
Embedded value of covered business at the beginning of the period	2 870	2 656	1 742	1 424	(325)	(249)	1 453	1 481
Embedded value of covered business at the end of the period	2 548	2 870	1 679	1 742	(334)	(325)	1 203	1 453

Sanlam Limited
Annual Financial Statements 2025

Notes to the supplementary information continued

for the year ended 31 December

10 Cluster information continued

10.4 Sanlam Investments

10.4.1 Analysis of earnings

R million	Sanlam investments 2025	Sanlam investments 2024	Wealth management 2025	Wealth management 2024	International 2025	International 2024	Sanlam Financial Markets 2025	Sanlam Financial Markets 2024	Corporate services 2025	Corporate services 2024	Consolidation 2025	Consolidation 2024	Total 2025	Total 2024
Result from life insurance contracts	–	–	–	–	–	–	731	546	–	–	–	–	731	546
Result from other operations	1 336	1 052	460	425	301	288	483	394	(60)	(68)	12	–	2 532	2 091
Revenue	4 121	3 663	1 686	1 521	760	826	874	723	–	–	(9)	(42)	7 432	6 691
Net other income	292	179	–	–	31	40	–	–	–	–	–	–	323	219
Sales remuneration	–	–	–	–	(61)	(72)	–	–	–	–	1	–	(60)	(72)
Administration costs	(3 077)	(2 790)	(1 226)	(1 096)	(429)	(506)	(391)	(329)	(60)	(68)	20	42	(5 163)	(4 747)
Gross result from financial services before performance fees	1 336	1 052	460	425	301	288	1 214	940	(60)	(68)	12	–	3 263	2 637
Performance fees	89	96	10	4	7	(2)	–	–	–	–	–	–	106	98
Gross result from financial services	1 425	1 148	470	429	308	286	1 214	940	(60)	(68)	12	–	3 369	2 735
Tax on result from financial services	(364)	(302)	(158)	(76)	(59)	(39)	(294)	(235)	16	18	(3)	–	(862)	(634)
Non-controlling interest	(406)	(314)	–	–	–	–	–	–	–	–	–	–	(406)	(314)
Net result from financial services	655	532	312	353	249	247	920	705	(44)	(50)	9	–	2 101	1 787
Life business	–	–	–	–	–	–	565	484	–	–	–	–	565	484
Investment management	655	532	312	353	249	247	–	–	(44)	(50)	9	–	1 181	1 082
Credit and structuring	–	–	–	–	–	–	355	221	–	–	–	–	355	221
Less: project expenses	(40)	(7)	–	–	(10)	–	(1)	(4)	–	–	–	–	(51)	(11)
Exclude: specific shareholders' fund adjustments as per page 298 of supplementary information	–	–	–	–	–	–	(11)	80	–	–	–	–	(11)	80
Operating profit	615	525	312	353	239	247	908	781	(44)	(50)	9	–	2 039	1 856
Add: net investment return on shareholder capital and shareholders' fund reserves	11	(54)	3	(1)	564	26	148	156	(8)	6	(405)	–	313	133
Life business	–	–	–	–	–	–	148	156	–	–	–	–	148	156
Investment management	11	(54)	3	(1)	564	26	–	–	(8)	6	(405)	–	165	(23)
Adjusted headline earnings	626	471	315	352	803	273	1 056	937	(52)	(44)	(396)	–	2 352	1 989

10.4.2 Asset under management

	Assets under management 2025 R million	Assets under management 2024 R million	Fee income 2025 %	Fee income 2024 %	Administration cost 2025 %	Administration cost 2024 %
Sanlam Investments[1]	1 342 988	1 120 468	0,30	0,32	0,19	0,22
Wealth Management	168 645	148 673	1,06	1,10	0,77	0,79
International[2]	93 926	168 594	0,42	0,37	0,19	0,19
Intra-cluster eliminations	(53 042)	(32 042)	–	–	–	–
Asset management operations	1 552 517	1 405 693				
Covered business Sanlam Financial Markets	120 956	90 043				
Assets under management	1 673 473	1 495 736				

[1] *Includes Sanlam assets of R278 billion (2024: R232 billion).*
[2] *Includes Sanlam assets of R67 billion (2024: R69 billion).*

Notes to the supplementary information continued

for the year ended 31 December

10 Cluster information continued

10.4 Sanlam Investments continued

10.4.2 Asset under management continued

10.4.2.1 Asset mix of assets under management

R million	Fixed interest	Equities	Offshore	Properties	Cash	Total
2025						
Sanlam Investments	**337 428**	**560 428**	**229 675**	**41 224**	**174 234**	**1 342 989**
Wealth Management	**–**	**76 122**	**89 809**	**–**	**2 714**	**168 645**
International	**–**	**–**	**93 926**	**–**	**–**	**93 926**
Intra-cluster consolidation	**–**	**–**	**–**	**–**	**–**	**(53 042)**
Assets under management – asset management operations	**337 428**	**636 550**	**413 410**	**41 224**	**176 948**	**1 552 518**
2024						
Sanlam Investments	278 796	430 008	200 681	33 460	177 523	1 120 468
Wealth Management	–	62 975	82 676	–	3 022	148 673
International	–	–	168 594	–	–	168 594
Intra-cluster consolidation	–	–	–	–	–	(32 042)
Assets under management – asset management operations	278 796	492 983	451 951	33 460	180 545	1 405 693

10.4.3 Analysis of change in GEV – covered business

R million	Total 2025	Total 2024	Gross value of in-force 2025	Gross value of in-force 2024	Cost of capital 2025	Cost of capital 2024	Adjusted net asset value 2025	Adjusted net asset value 2024
Operational earnings	**548**	582	**(3)**	(1)	**(12)**	9	**563**	574
Unwinding of discount rate	**15**	11	**16**	7	**(1)**	4	**–**	–
Expected profit	**–**	–	**(19)**	(8)	**–**	–	**19**	8
Operating experience variances	**545**	562	**1**	1	**–**	(5)	**544**	566
Credit spread	**544**	566	**–**	–	**–**	–	**544**	566
Other	**1**	(4)	**1**	1	**–**	(5)	**–**	–
Operating assumption changes	**(12)**	9	**(1)**	(1)	**(11)**	10	**–**	–
Net investment return	**163**	156	**–**	–	**–**	–	**163**	156
Expected return on adjusted net asset value	**85**	169	**–**	–	**–**	–	**85**	169
Investment variances on adjusted net asset value	**78**	(13)	**–**	–	**–**	–	**78**	(13)
Valuation and economic basis	**(80)**	(43)	**6**	76	**(86)**	(29)	**–**	(90)
Investment variances on in-force business	**1**	(15)	**1**	75	**–**	–	**–**	(90)
Economic assumption changes	**(81)**	(28)	**5**	1	**(86)**	(29)	**–**	–
GEV earnings: covered business	**631**	695	**3**	75	**(98)**	(20)	**726**	640
Transfers from/(to) other covered business Group operations	**231**	(700)	**–**	–	**–**	–	**231**	(700)
Transfers from covered business	**(726)**	(640)	**–**	–	**–**	–	**(726)**	(640)
Embedded value of covered business at the beginning of the period	**669**	1 314	**128**	53	**(855)**	(835)	**1 396**	2 096
Embedded value of covered business at the end of the period	**805**	669	**131**	128	**(953)**	(855)	**1 627**	1 396

10.5 Santam

10.5.1 Insurance activities

R million	Gross written premium 2025	Gross written premium Restated[1] 2024
Property	**19 970**	15 435
Motor	**16 817**	16 786
Engineering	**2 055**	2 526
Liability	**1 842**	2 804
Crop	**1 351**	1 345
Transportation	**1 194**	1 673
Accident and health	**720**	653
Other	**11**	86
Total: conventional insurance	**43 960**	41 308

Ratios[2]	2025	2024
Administration cost ratio	**19,0%**	18,1%
Claims ratio	**56,0%**	61,1%
Underwriting margin	**11,3%**	7,6%
Investment return on insurance funds margin	**3,0%**	2,6%

R million	2025	2024
Conventional insurance		
Insurance revenue	**44 116**	39 730
Gross written premium	**43 960**	41 308
Less: unearned premium and experience adjustments	**156**	(1 578)
Net earned premiums	**36 920**	32 192
Net claims incurred	**(20 657)**	(19 657)
Net commission	**(5 073)**	(4 270)
Management expenses	**(7 030)**	(5 824)
Underwriting result: conventional insurance	**4 160**	2 441
Investment return on insurance funds	**1 095**	823
Net insurance result	**5 255**	3 264
Net other income	**619**	561
Alternative risk[3]	**860**	694
Other	**(241)**	(133)
Strategic participations	**197**	175
NMSIS Insurance	**(20)**	**–**
SEM target shares	**217**	175
Gross result from financial services	**6 071**	4 000
Tax and non-controlling interest	**(3 413)**	(2 229)
Net result from financial services	**2 658**	1 771
Less: project expenses	**(120)**	(11)
Operating profit	**2 538**	1 760
Net investment return on shareholder capital and shareholders' fund reserves	**136**	532
Adjusted headline earnings	**2 674**	2 292

[1] The prior year comparative figures have been restated to correct a prior-year line of business misclassification
[2] Ratios are calculated as a percentage of net earned premiums for the conventional business.
[3] Includes operating income and expenses relating to ART business and other operating income and expenses not related to underwriting results.

Notes to the supplementary information continued

for the year ended 31 December

10 Cluster information continued

10.6 Group Office analysis of earnings

R million	Corporate expenses and other 2025	Corporate expenses and other 2024	Consolidation[1] 2025	Consolidation[1] 2024	Total 2025	Total 2024
Result from other operations	**(432)**	(504)	**(96)**	(196)	**(528)**	(700)
Revenue	**180**	227	**–**	–	**180**	227
Net other income	**–**	–	**(96)**	(196)	**(96)**	(196)
Administration costs	**(612)**	(731)	**–**	–	**(612)**	(731)
Results from financial services	**(432)**	(504)	**(96)**	(196)	**(528)**	(700)
Tax on result from financial services	**120**	135	**22**	51	**142**	186
Non-controlling interest	**–**	–	**74**	145	**74**	145
Net result from financial services	**(312)**	(369)	**–**	–	**(312)**	(369)
Less: project expenses	**(295)**	(111)	**–**	–	**(295)**	(111)
Operating profit	**(607)**	(480)	**–**	–	**(607)**	(480)
Net investment return on shareholder capital and shareholders' fund reserves	**(695)**	(120)	**–**	**–**	**(695)**	(120)
Adjusted headline earnings	**(1 302)**	(600)	**–**	–	**(1 302)**	(600)

[1] *Includes the consolidation entries relating to SEM target shares and Santam Finances included within the Santam results.*

11 Value per share

R million	2025	2024
Net asset value per share is calculated on the group shareholders' fund at net asset value	**100 986**	100 395
Equity value per share is calculated based on the group equity value	**185 559**	171 810
Million		
Number of shares for value per share		
Number of ordinary shares in issue	**2 117,1**	2 117,1
Shares held by subsidiaries in shareholders' fund	**(27,4)**	(29,6)
Outstanding shares in respect of Sanlam Limited long-term incentive schemes	**25,5**	27,5
Adjusted number of shares for value per share	**2 115,2**	2 115,0

Glossary

ACT (healthcare assets)	Afrocentric Investment Corporation Limited
AC	Accounting Consolidation
AFS	Absa Financial Services Limited
ALCO	Asset liability committee
ALM	Asset liability management
AM Best	Alfred M. Best
ANW	Adjusted net worth
APN	Advisory practice note
ARC	African Rainbow Capital Pty Ltd
ARC FS	African Rainbow Capital Financial Services Holding (Pty) Ltd
ARC FSI	ARC Financial Services Investments
ART	Alternative risk transfer
BAF	Business Approval Framework
B-BBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
BEL	Best estimate liability
BIFM	Botswana Insurance Fund Management
CBI	Contingent Business Interruption
CDSs	Credit default swaps
CIO	Group Chief Information Officer
COE	Committees of excellence
CPI	Consumer Price Index
CSA	Credit Support Agreements
CSM	Contractual service margin
DCF	Discounted cash flow model
D&A	Deduction and Aggregation
DPF	Discretionary participation features
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECL	Expected credit loss
ERM	Enterprise Risk Management
EV	Embedded value
FCTR	Foreign Currency Translation Reserve
FCFs	Fulfilment cash flows
FRA	Full retrospective approach
FSG	Funeral services group
FVA	Fair value approach
GEV	Group equity value
GI	General Insurance
GMM	General measurement model
GMSLA	Global Master Securities Lending Agreement
GOI	Governance over Insurers
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IPF	Individual policyholders' tax fund
ISDA	International Swaps and Derivatives Association
IT	Technology, cyber and information security
JIBAR	Johannesburg Interbank Average rate
JSE	Johannesburg Stock Exchange
JVCo	Joint venture company
LGD	Loss given default
LIA	Lebanon Insurance Africa
LRC	Loss recovery component
LIC	Liability for incurred claims
MCIS	Malaysian Cooperative Insurance Society
MRA	Modified retrospective approach
New Re	New Reinsurance Company Limited Switzerland
NRFFS	Net result from financial services
ORSA	Sanlam Group Own Risk and Solvency Assessment
OF	Own Funds
OPP	Out performance plan
PAA	Premium allocation approach
PA	Prudential Authority
Plc	Public limited company
Pty	Proprietary Limited
PVNBP	Present value of new business premiums
PVIF	Net value of in-force business
PVFP	Present value of future shareholder profits from in-force covered business
Re	Reinsurance Company
RoGEV	Return on group equity value
S&P	Standard & Poor's
SA	South Africa
SAM	Solvency Assessment and Management
SanFin	Sanlam Specialised Finance
SAN JV	Sanlam Emerging Markets Proprietary Limited and Santam Joint Venture
SAZ	SanlamAllianz
SAZ JV	SanlamAllianz Joint Venture
SCR	Solvency Capital Requirement
SEM	Sanlam Emerging Markets
SFL	Shriram Finance Limited
SGT	Sanlam Group Technology
SIEA	Sanlam Investments East Africa
SI	Sanlam Investments
SIM	Sanlam Investment Management
SIHC	Sanlam Investment Holdings Capital
SIH	Sanlam Investment Holding
SNT	Santam
SLS	Sanlam Life and Savings
SPA	Sanlam Pan-Africa
SPL	Sanlam Personal Loans
SPM	Sanlam Portfolio Management
SPV	Special purpose vehicle
SPW	Sanlam Private Wealth
SSA	Sanlam Share Account Nominee (Pty) Ltd
SSS	Sanlam Structured Solutions
TCF	Treating Clients Fairly
TCL	Total Care Lebanon
UBI	Ubuntu-Botho Investments
UK	United Kingdom
UMA	Underwriting Management Agencies
VaR	Value at risk
VAT	Value added tax
VFA	Variable fee approach
VNB	Value of new business
VOBA	Value of business acquired
WACC	Weighted average cost of capital
ZAR	South African Rand

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
Patrice Motsepe Deputy Chair
Paul Hanratty Group Chief Executive Officer
Abigail Mukhuba Group Finance Director
Andrew Birrell Risk and compliance chair
Anton Botha
Ebenezer Essoka
Elias Masilela
Johan van Zyl
Karabo Nondumo Social, ethics and sustainability chair
Jacobus (Kobus) Möller Audit, actuarial and finance chair
Mathukana Mokoka
Ndivhuwo Manyonga
Nicolaas Kruger Customer interest chair
Shirley Zinn Human resources and remuneration chair
Sipho Nkosi
Willem van Biljon Digital transformation and information chair

Executive Head – Investor Relations: Tokelo Mulaudzi

Group Company Secretary: Adela Fortune

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Debt Sponsor to Sanlam Life Insurance Limited
The Standard Bank of South Africa Limited

Transfer secretaries
Registered number: 2004/003647/07

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