
Sanlam
Live with confidence
Annual Results
2025
Financial Planning | Retirement | Insurance | Health | Investments | Wealth | Credit

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Abigail Mukhuba

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01

Overview and strategy

Key messages



- Track record of consistent, high-quality growth
- Robust new business growth, underpinned by Sanlam's strong competitive positioning
- Completed key strategic transactions, creating a stronger, simpler and more resilient business
- Strong financial performance and cash generation, enabling a 9% increase in the dividend

Vision 2030

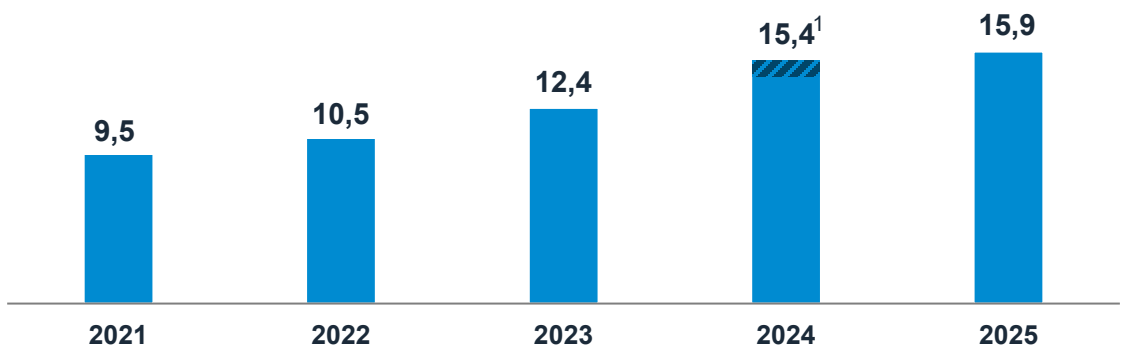
Our vision	**To be a leading emerging markets financial services group, delivering sustainable long-term growth through our operations in high potential markets**					
Our growth vectors	**Shriram financial services ecosystem in India**	**Accelerating specialist capability via Lloyd's**	**Unlocking the Pan-African insurance frontier**	**Winning as 'one Sanlam' in South Africa**	**Building a solutions-led, emerging markets asset manager**	
Delivering	**Operating profit growth** **> RSA CPI + 6%**	**Return on equity** **> 20%**	**Adjusted RoGEV** **> RSA RFR[1] + 4%**	**Dividend growth** **> RSA CPI + 4%[2]**	**Group economic solvency ratio** **150% to 190%**	**Sustainability index** ***4 out of 5***
Enabled by	**Client experience excellence**	**High quality strategic partnerships**	**Technology transformation & AI**	**Integrated ESG & investing for good**	**Talented & engaged staff**	

Our purpose **To empower generations to be financially confident, secure and prosperous**

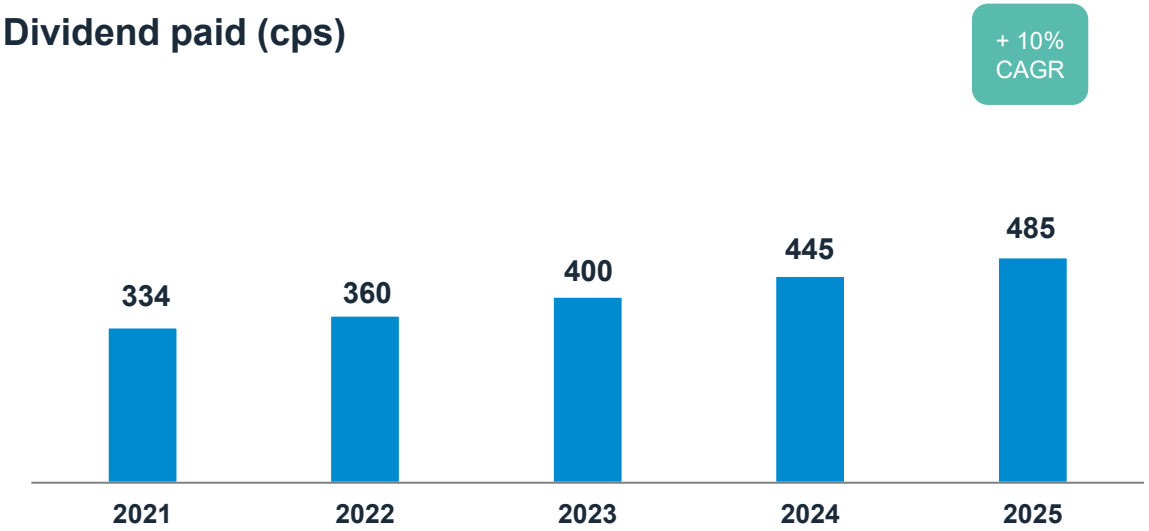
1. Nine-year point on RSA yield curve
2. On a rolling three-year basis

Consistent track record

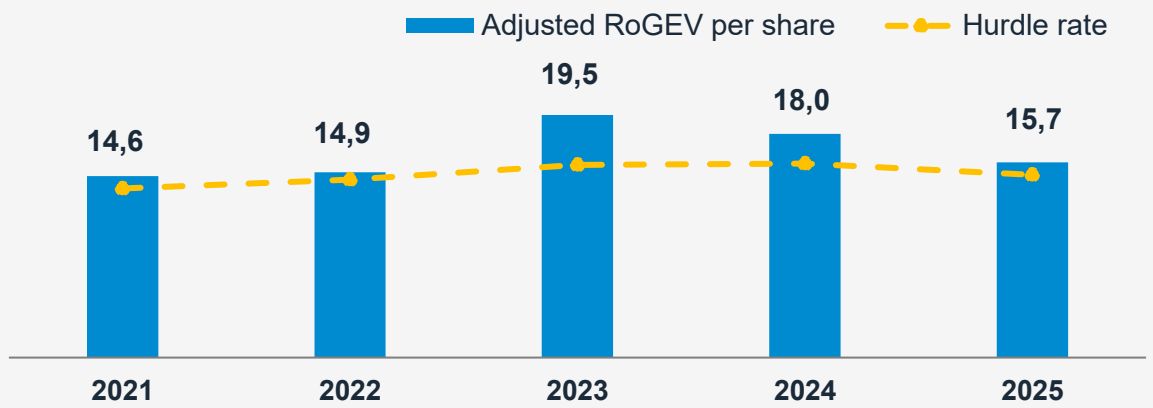
NRFFS (R billion)



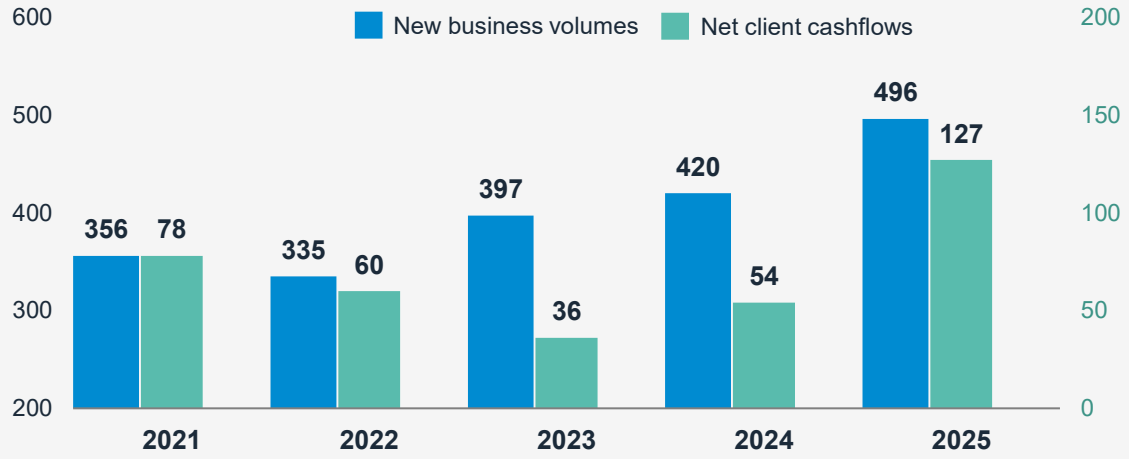
Dividend paid (cps)



Adjusted RoGEV (%)



New business (R billion)



1. 2024 includes a one-off reinsurance recapture fee of R1 372 million net of tax

Strong underlying results



Growth[1]

+22% Group new business volumes

R127 bn Net client cash flows

(11%) Value of covered new business

Earnings[1]

+20% NRFFS

+5% Net operational earnings

Return on GEV

13,4% RoGEV per share

15,7% Adjusted RoGEV per share

Economic solvency ratio

183%

Dividend

485 Cents per share

+10,4%CAGR[2] >RSA CPI[2] + 4%

1. Normalised for currency movement and corporate activity
2. On a rolling three-year basis

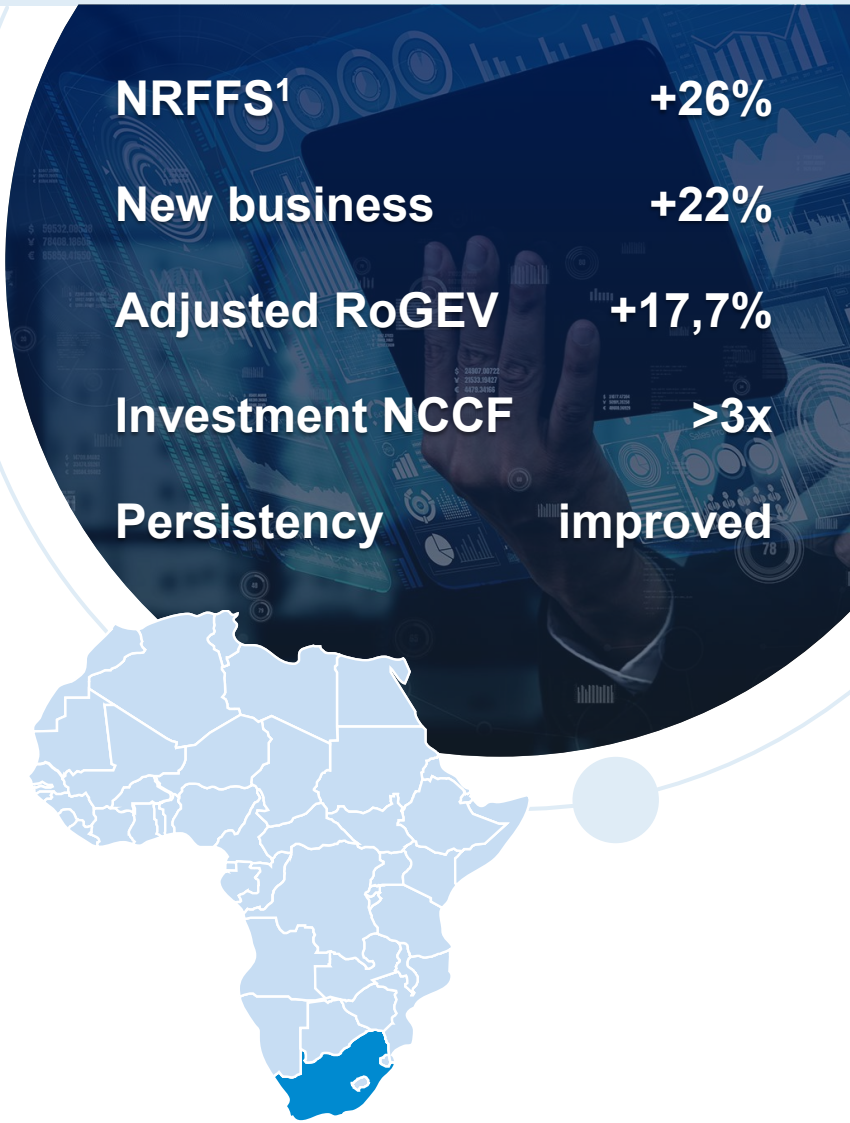
Operational excellence in South Africa

Ninety One

- South Africa leg of transaction successfully completed in February 2026
- Sanlam now holds 12,5% equity interest
- Nearly R400 billion assets under management to transfer to Ninety One in 1H2026
- Retained top-tier, leading multi-management, indexation, private wealth & alternative businesses
- Continued focus on enhancing growth across operations

Assupol

- Successfully transitioned 100% of agents and rolled out over 100 fully operational retail branches
- Delivered improved persistency and a 32% agency productivity improvement
- Well positioned to accelerate product diversification and unlock meaningful cross-sell opportunities
- Achieved strong financial outcomes in 2025:
  - +25% NRFFS[1]
  - +11% PVNBP[2]
  - +17% VNB, underscoring the value of our strengthened integrated distribution model



1. Normalised for currency and corporate activity
2. Present value of new business premiums on a normalised basis

Transformative growth across Africa and India

NRFFS[1,2] +3%
New business volumes[1,2] +17%
Adjusted RoGEV +6,3%



- SanlamAllianz integrations progressing well with 10/11 completed and Morocco to be completed by 2H2026
- Financial performance remains strong despite volatile macro-environment and increased tax provisions
- Presence in 25 countries, exited Zimbabwe and Niger
- Top 3 positions held:
  - General Insurance: 17 of 24 markets
  - Life insurance: 15 out of 21 markets

NRFFS[1] +4%
New business volumes[1] +27%
Adjusted RoGEV +29,8%



- Insurance transactions completed in 1Q2026
  - SGIC economic interest: from 40,25% to 50,99%
  - SLIC economic interest: from 41,83% to 53,7%
- Acquisition of additional 14,7% Piramal's stake in SLIC subject to regulatory approval
- MUFG 20% acquisition of SFL subject to regulatory approval
- Earnings impacted by investment in growth initiatives and regulatory changes
- Credit book double-digit growth with stable credit experience

1. Normalised for currency and corporate activity
2. 100% of SanlamAllianz in constant currency

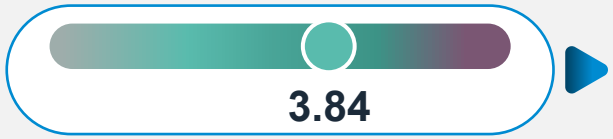
Santam Syndicate 1918

- Swift transition from ‘making-it-happen’ into business-as-usual operations
- Seasoned London-based executive team in place
  Recruitment remains a key priority
- Approved capacity exceeded £300 million, within the target range announced in 2025
- The syndicate concluded Consortia and Facility lines of more than USD40 million to date
- Policy Administration System successfully built and deployed
- Secured and occupied new office premises



Sustainability Index

Overall Baseline Index Score[1]



Score interpretation

Poor	Below avg.	Average	Good	Excellent
1.0 – 1.4	1.5 – 2.4	2.5 – 3.4	3.5 – 4.4	4.5 – 5.0

Target by 2030

4 out of **5**

Primary index element : external ratings and governance

- MSCI
- S&P Global CSA
- BBBEE (RSA Specific)
- CDP
- Institutional shareholder services
- Sustainalytics

Secondary index element : baseline performance

Social and financial inclusion	**96 million** lives touched (2024: 92 million)	**R196 million** in CSI spend (2024: R155 million)	**>775k people** reached through financial education
Climate and environment	**USD 1,9 billion** committed for various mitigation projects through CFM	**86%** climate risk integrated across underwriting via geocoding	**87%** of our investment portfolio considers climate change risk analysis
Client engagement and satisfaction	**3,3 out of 5** client engagement score in South Africa		
Employee engagement	**86%** employee pulse satisfaction(2024: 86%)		**41** employee net promoter score (2024: 40)

top EMPLOYER South Africa 2025 FOR A BETTER WORLD OF WORK

1. Overall baseline index score based on the primary index elements, secondary index elements tracked for internal purposes

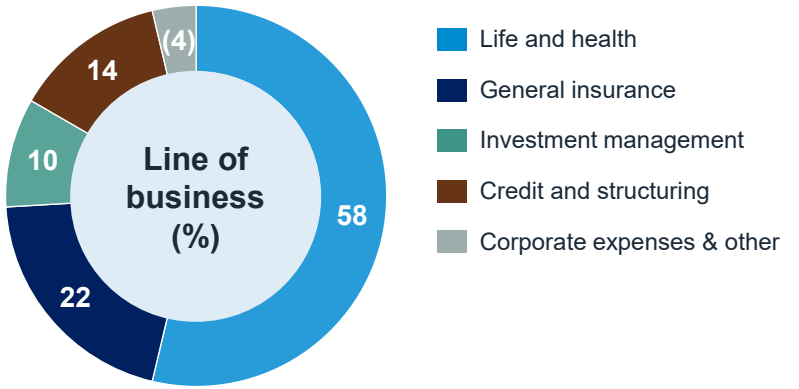
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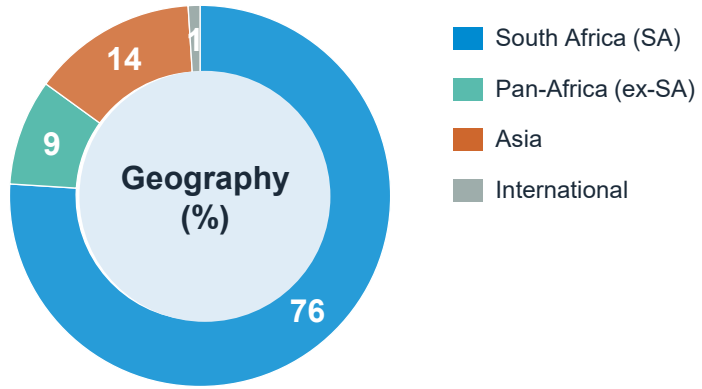
Financial results



Earnings

R million	2025	2024	Actual% change	Normalised% change
Life insurance and health	9 257	9 333[1]	(1)	25
General insurance	3 577	3 047	17	17
Investment management	1 508	1 403	7	14
Credit and structuring	2 266	2 142	6	15
Corporate expenses and other	(669)	(482)	(39)	(47)
NRFFS	**15 939**	**15 443**	**3**	**20**
Net investment return	**1 962**	**3 542**	**(45)**	
Project expenses	**(747)**	**(441)**	**(69)**	
Net operational earnings	**17 154**	**18 544**	**(7)**	**5**





Life insurance and health
- Favourable mortality experience and stronger higher-asset fee income
- Ongoing operational pressures in the South Africa health portfolio

General insurance
- Lower attritional and large weather-related claims in South Africa
- Pan-Africa affected by higher tax settlements, increased tax provisions and elevated corporate claims

Investment management
- Solid performance from South African asset management and Glacier

Credit and structuring
- Continued strong growth in India and solid contribution from South African structuring

Investment return
- Impacted by foreign exchange translation losses and higher funding costs

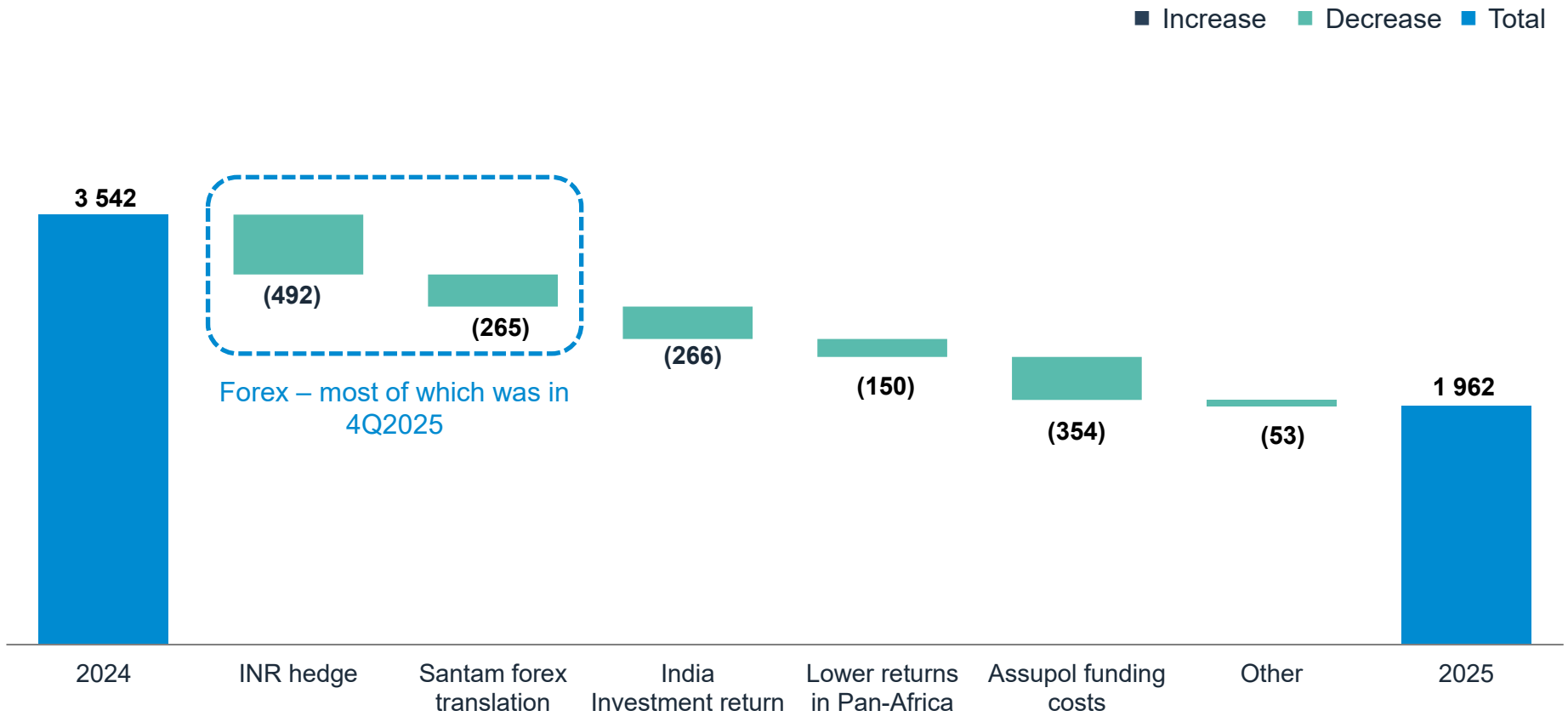
Corporate expenses
- Includes investment in client experience system modernisation

Project expenses
- Costs related to establishing Syndicate 1918 and progressing the SFL/MUFG transaction

1. 2024 includes a once-off reinsurance recapture fee of R1 372 million net of tax

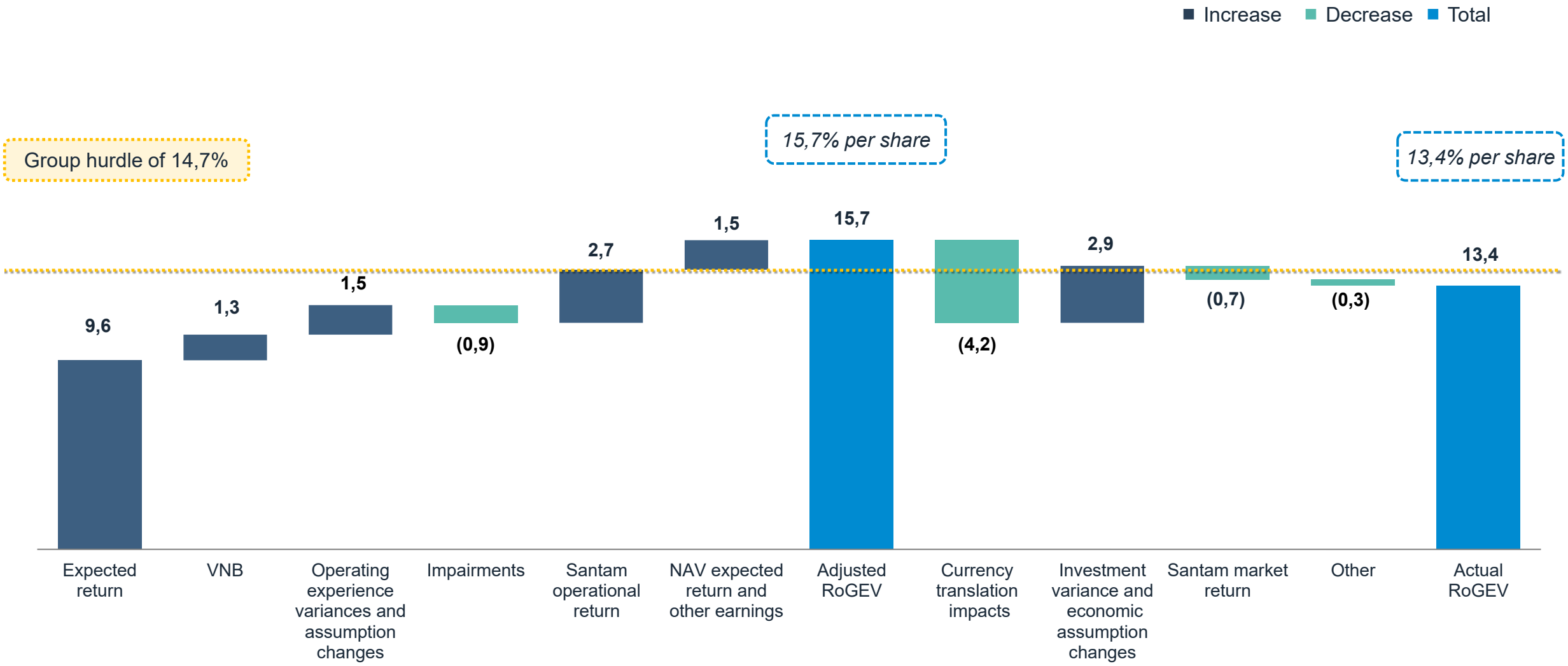
Rand strength drives investment returns (R million)





Net investment return	**3 542**							**1 962**
Net investment income	1 940							1 847
Net investment surplus	2 220							1 156
Finance cost	(618)							(1 041)

Return on group equity value (RoGEV) (%)



Potential GEV uplift from listed share prices

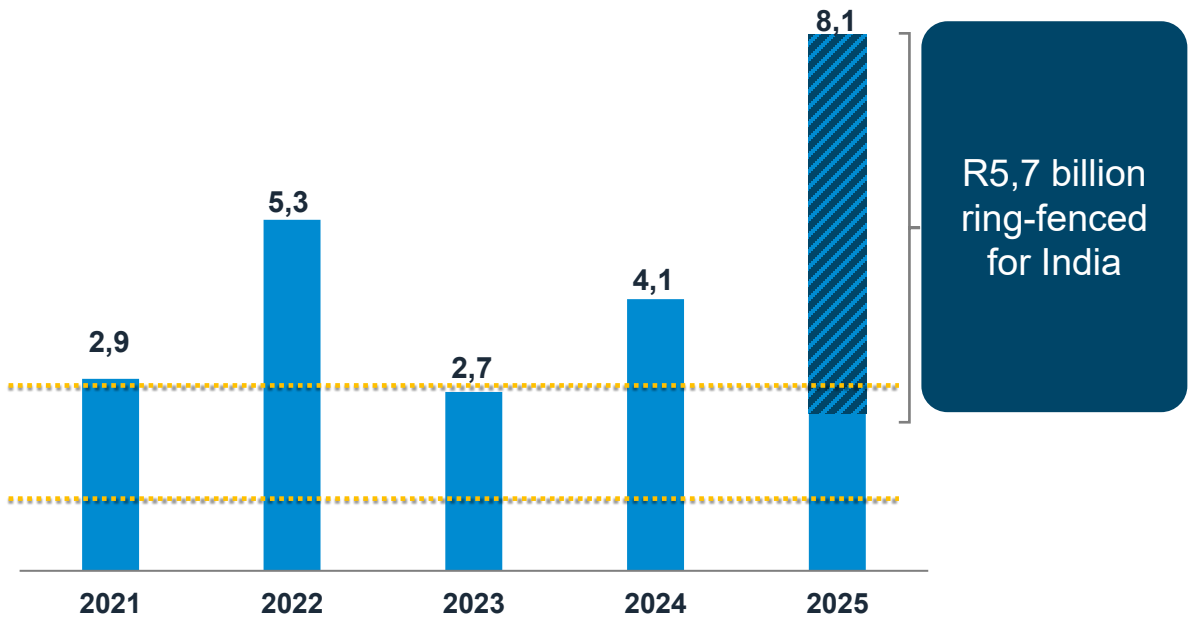
R million	31 Dec 2025 DCF valuation	12 Month 110% VWAP	31 Dec 2025 listed share price	Potential GEV uplift
Shriram Finance Limited (SFL)	18 688 INR 746	18 834 INR 752	24 940 INR 996	6 273
Ninety One Plc impact (UK)			659 £2.16	nil[1]
Ninety One Limited impact (South Africa)	2 692		3 144 R48.28	452
Total potential GEV uplift from SFL and Ninety One share price				6 725

- A valuation at 31 December 2025 share price would result in valuation uplift of R6,7 billion
  - SFL valuation capped at 110% of the 12-month VWAP
  - Ninety One Ltd would have uplift of R452 million at 31 Dec 2025 share price

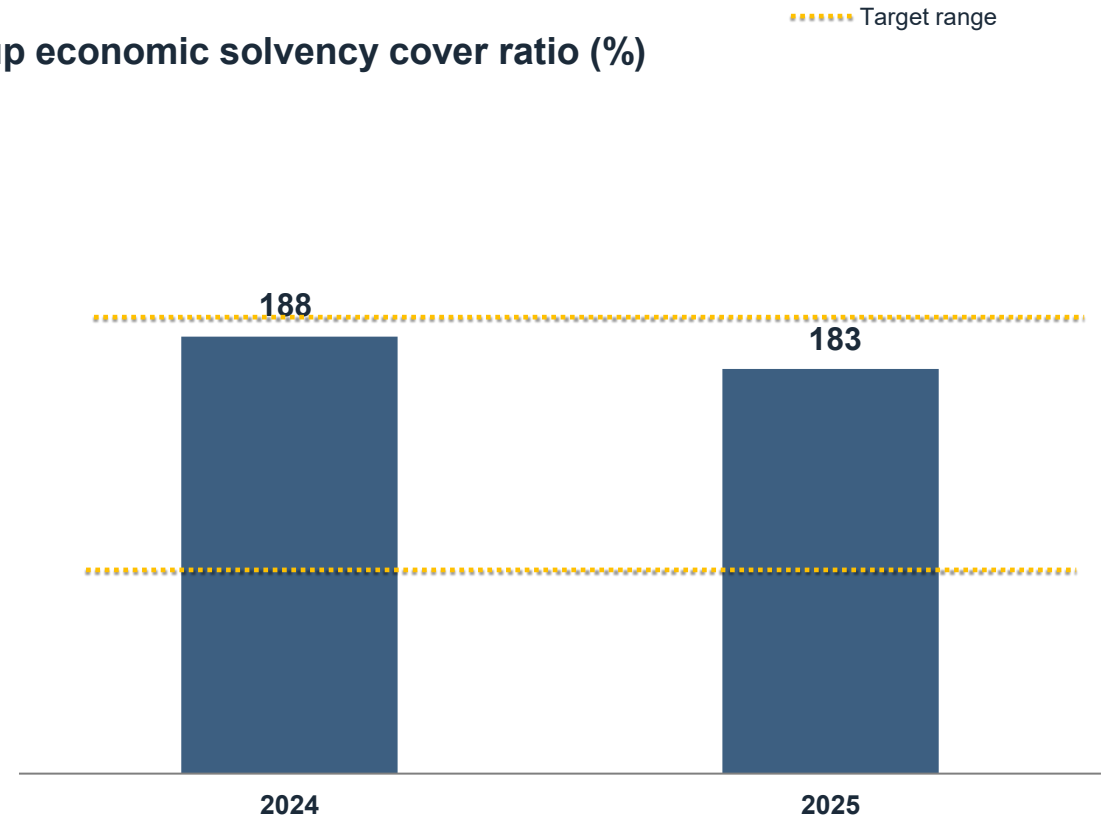
1. Currently valued at the listed share price and future uplift will be from share price movements (£2.16 at 31 December 2025)

Capital and solvency

Discretionary capital (R billion)



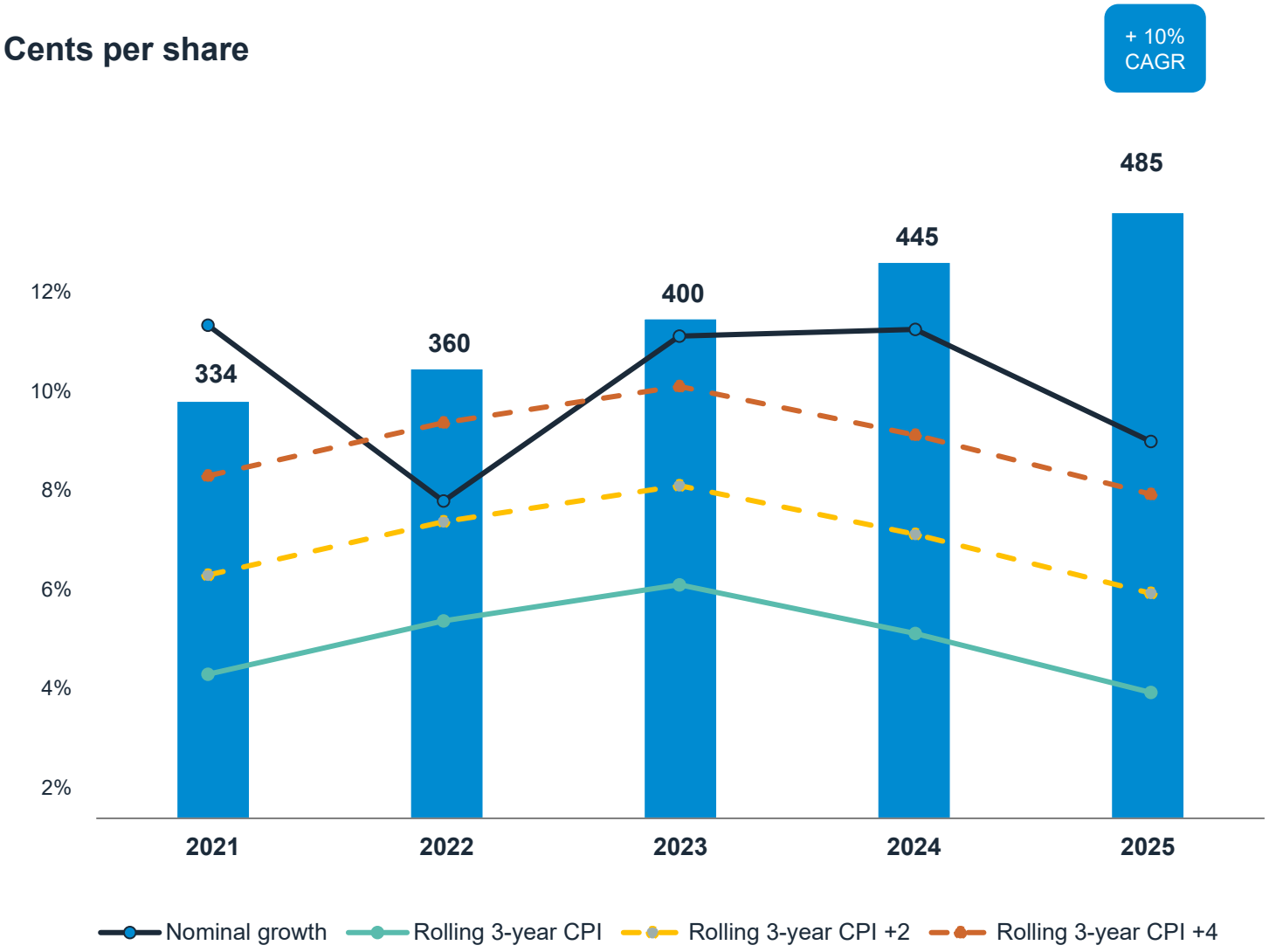
Group economic solvency cover ratio (%)



- R5,7 billion of 2025 discretionary capital balance ring-fenced for India life and general insurance transactions
- Group solvency remains stable and well within target range

Dividends per share

Cents per share





- Dividend within 1,0 – 1,2x cover[1]
- Cash profile supports our target to grow dividend by CPI +4%, on a three-year rolling basis
- Efficient cash utilisation for growth vectors reshaping Sanlam for accelerated growth and enhanced shareholder value over the long term

1. Cover on cash remitted from operations



03

Business performance

Life and health

NRFFS

R9,3 billion

-1%
(+25% normalised)

Net client cash flow

R36 billion

+>100%

New business volumes (PVNBP)

R114 billion

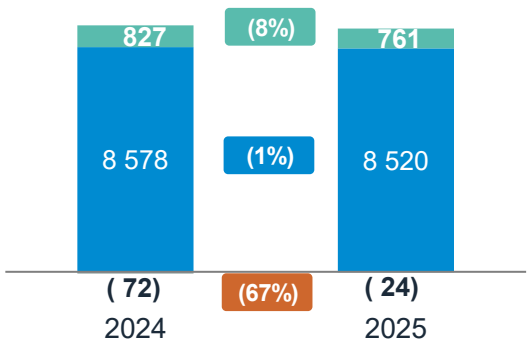
10%
(+17% normalised)

Value of new business (VNB)

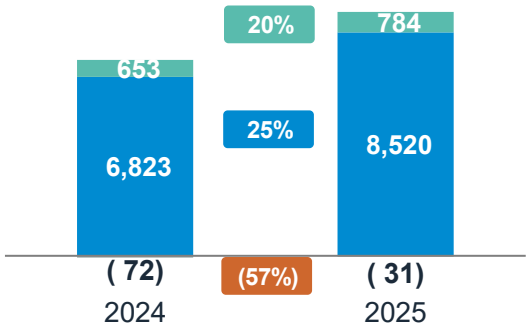
R2,3 billion

-21%
(-11% normalised)

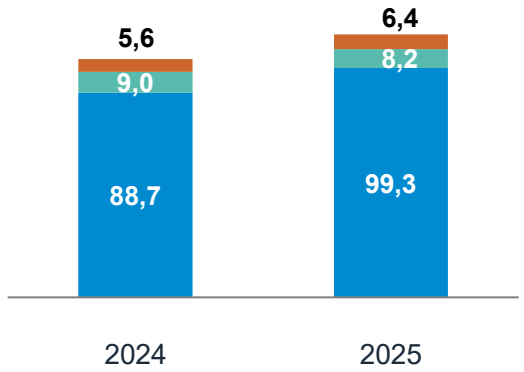
Actual NRFFS (R million)



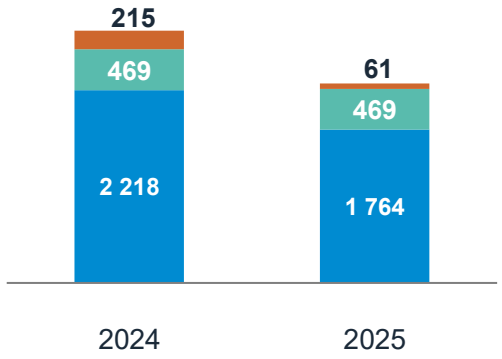
Normalised NRFFS (R million)



New business volumes (PVNBP) (R billion)



Value of new business (R million)



South Africa **Pan-Africa** **Asia**

- NRFFS supported by favourable mortality experience and higher-asset fee income offset by prior year reinsurance recapture fee
- Higher corporate, retail platform and market-linked annuity sales in South Africa and strong new business growth in Asia more than offset weaker life annuity flows
- VNB growth and margin impacted by change in business mix and J-curve impact of investment in distribution in India
- NCCF benefitted from improved corporate, market-linked annuity and platform sales, and better retention

General insurance

NRFFS

R3,6 billion

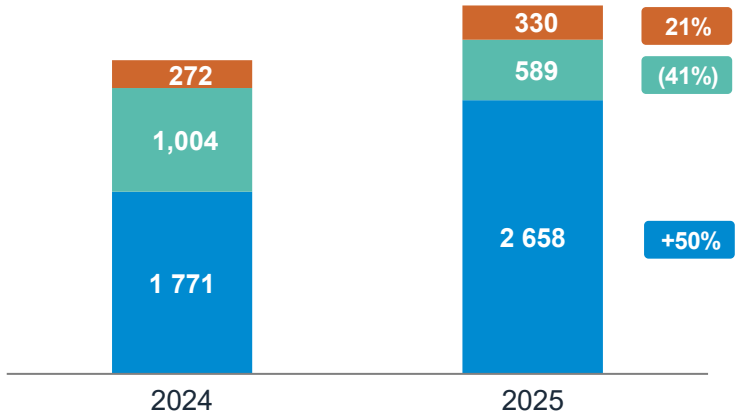
+17%
(+17% normalised)

New business volumes

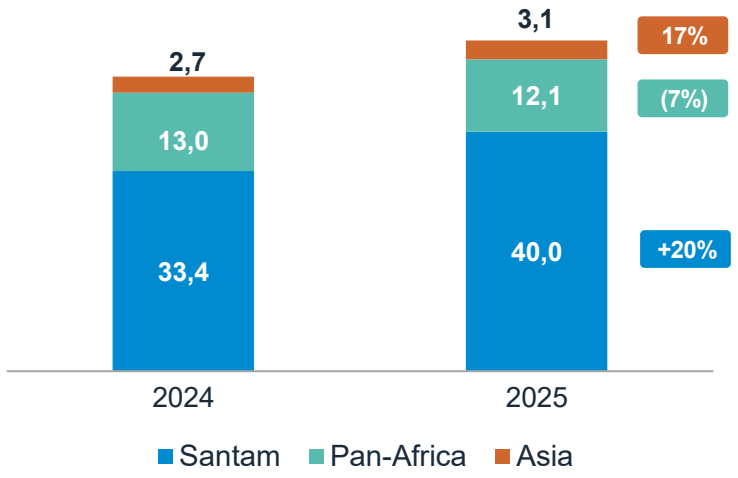
R27,1 billion

+12%
(+16% normalised)

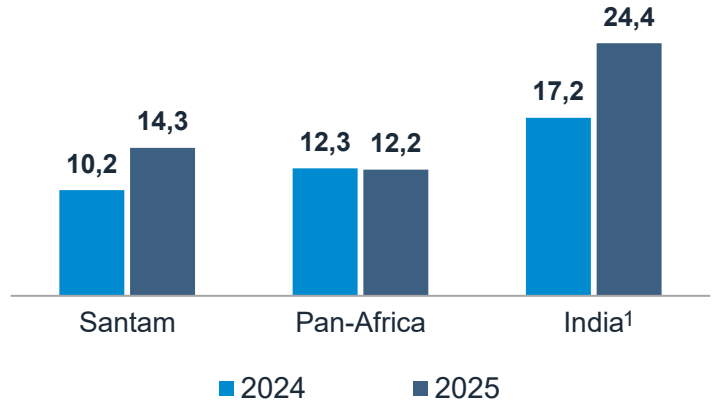
NRFFS (R million)



Net earned premiums (R billion)



Net insurance margin (%)



- Santam underwriting margin supported by strong favourable attritional and large weather-related claims experience and higher investment return on insurance funds
- Pan-Africa results impacted by higher tax settlements, increased provisions and elevated mid-sized corporate claims, net insurance margin within target range
- India earnings continue to benefit from solid book growth and effective cost management

1. Based on results as per local accounting standards in India

Investment management

NRFFS

R1,5 billion

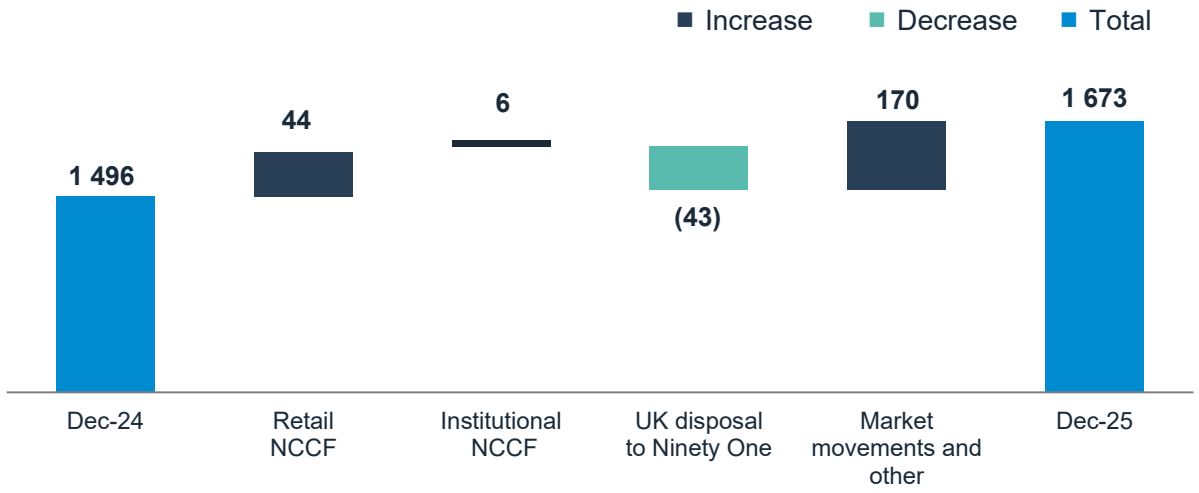
+7%
(+14% normalised)

Net client cash flows

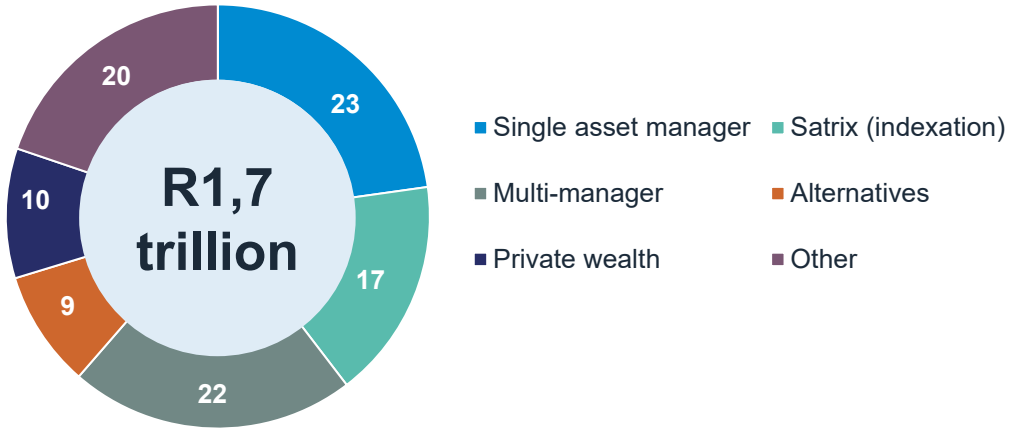
R67 billion

>+100%

Sanlam Investments (SI) assets under management (AuM) and NCCF (R billion)



SI 31 December 2025 AUM mix (%)



- Strong asset management fee income and net client cash flow contribution from South African multi-manager, indexation, and collective investment schemes.
- Retail investment management impacted by repricing on the Glacier platform
- Pan-Africa benefited from improved retail flows in Kenya and Namibia
- Subsequent to 31 December 2025, nearly R400 billion in AuM was disposed to Ninety One in the South Africa leg of the active asset management business sale

Credit and structuring

NRFFS

R2,3 billion

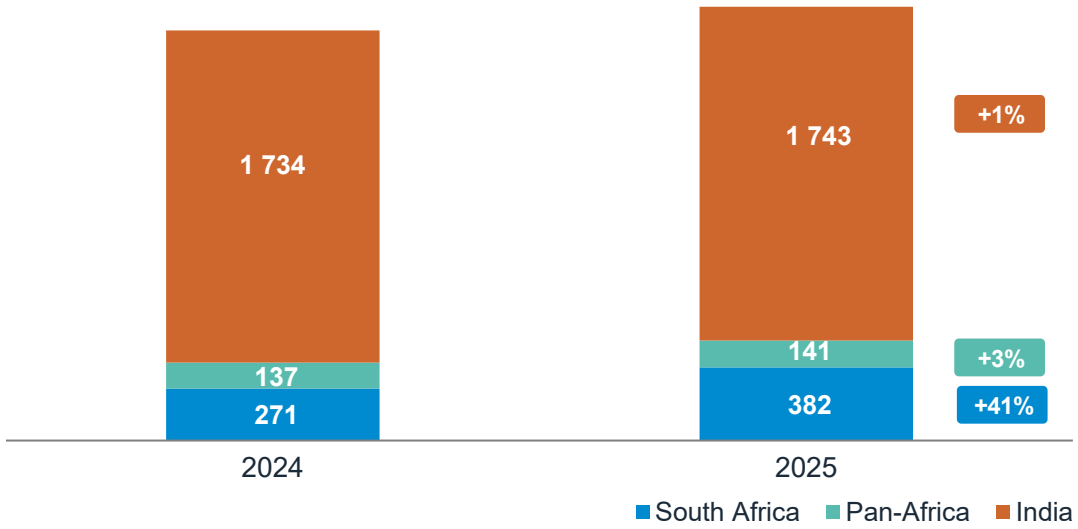
+6%
(+15% normalised)

India credit loan book[1]

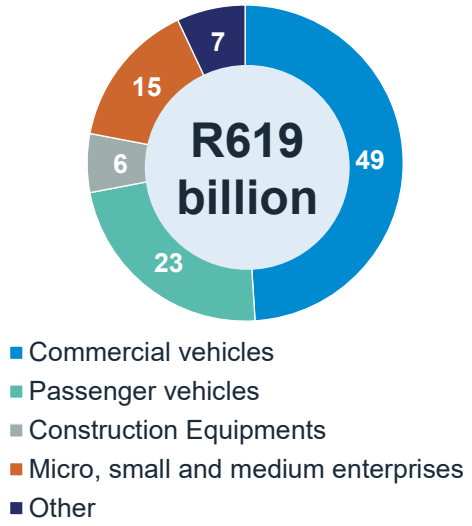
R619 billion

+16%[1]

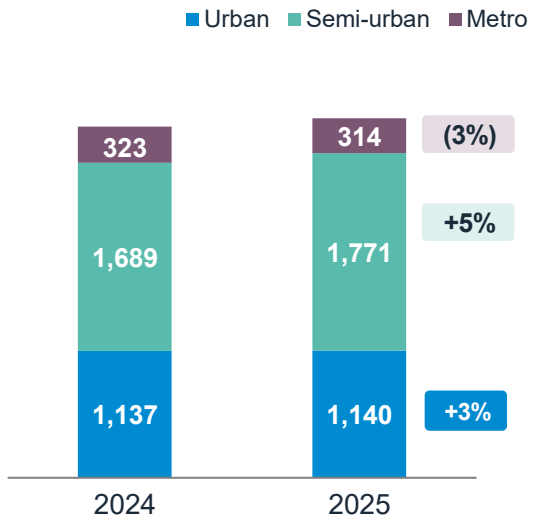
NRFFS (R million)



India segment 100% credit book composition 31 December 2025 (%)



Growing branch network in India



- Good earnings growth in India partly offset by excess liquidity, deliberate branch expansion operational costs for improved visibility, in addition to currency weakening
- South Africa benefited from strong fee income from structuring activities, partly offset by higher IFRS required credit provisions in Sanlam Personal Loans

1. 100% of Shriram Finance in constant currency

New reporting framework | Indicative 2025 performance on future metrics

2030 through-the-cycle targets

2030 through-the-cycle targets		Illustrative 2025 performance		
>RSA CPI + 6%	Earnings[1]	+20% NRFFS	+16% Operating profit ex investment variance[3]	Achieving target
>20%	Return on equity	17,1% Actual	18,1% Adjusted	On track for 2030
>RSA RFR + 4%	Return on GEV	13,4% RoGEV per share	15,7% Adjusted RoGEV per share	Achieving target
>RSA CPI + 4%	Dividend	485 Cents per share	+10,4%CAGR >RSA CPI + 4%[2]	Achieving target
150% to 190%	Economic Solvency ratio	183%		Achieving target
4 out of 5	Sustainability index	3,84		On track for 2030

Achieving target

On track for 2030

1. Normalised
2. On a three-year rolling basis
3. Investment variances from the investment activities associated with contractual service margin (CSM) and risk adjustment for non-financial risk (RANFR) margins in guaranteed liabilities written in the insurance operations

New reporting framework | Bridging NRFFS to adjusted headline earnings

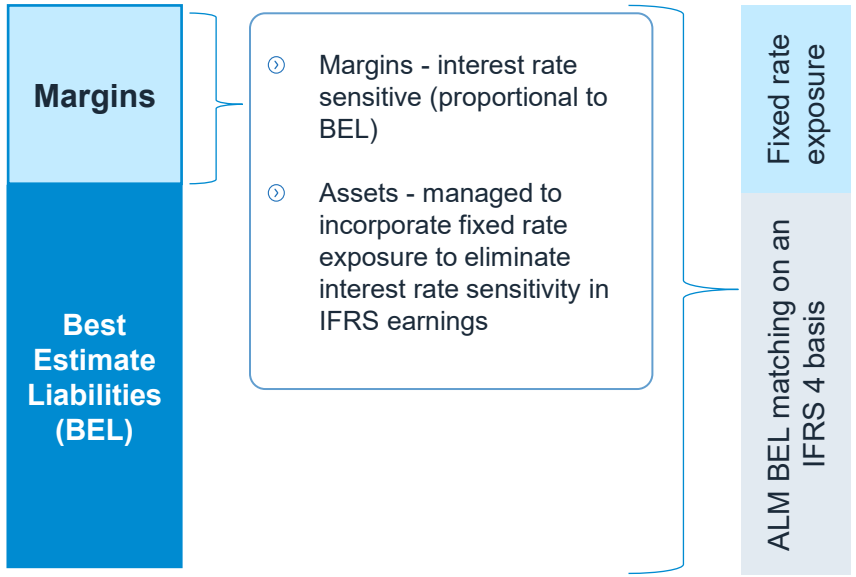
	Actual			Normalised		
R million	**2025**	2024	% change	**2025**	2024	%change
NRFFS	**15 939**	**15 443**	**3**	**16 102**	**13 418**	**20**
Release from AMR into NRFFS	(721)	(621)	(16)	(721)	(621)	(16)
Pre-funded modernisation project spend	(424)	5	(100)	(424)	5	(100)
Project expenses	(747)	(441)	(69)	(749)	(441)	(69)
Other	80	5	>100	80	5	>100
Operating profit ex investment variances	**14 127**	**14 391**	**(2)**	**14 288**	**12 366**	**16**
Investment variances	(405)	823	(100)	(403)	823	(100)
Operating profit	**13 722**	**15 214**	**(10)**	**13 885**	**13 189**	**5**
Net investment return on shareholder capital ex shareholders' fund reserves	1 962	3 542	(45)	1 973	3 542	(44)
Net investment return on shareholders' fund reserves	1 435	1 799	(20)	1 445	1 799	(2)
Adjusted headline earnings	**17 119**	**20 555**	**(17)**	**17 303**	**18 530**	**(7)**

- Operating profit reflects full investment market movements resulting in greater period-to-period volatility
- Dividend policy remains unchanged, continued smoothing of investment variances and project costs funded by established reserves

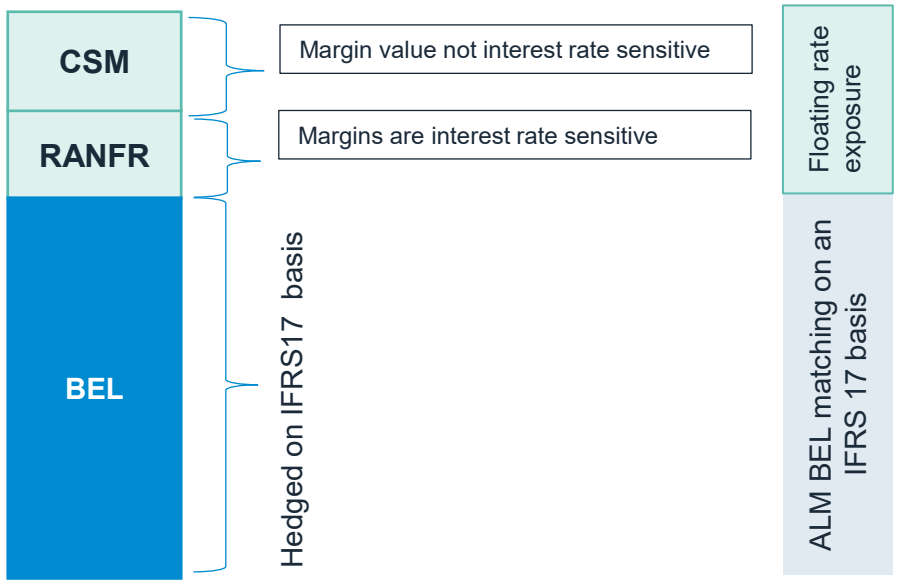
1. Includes investment return on AMR, FFF, pandemic, asset backing insurance contracts and other reserves

Transition to IFRS 17

IFRS 4



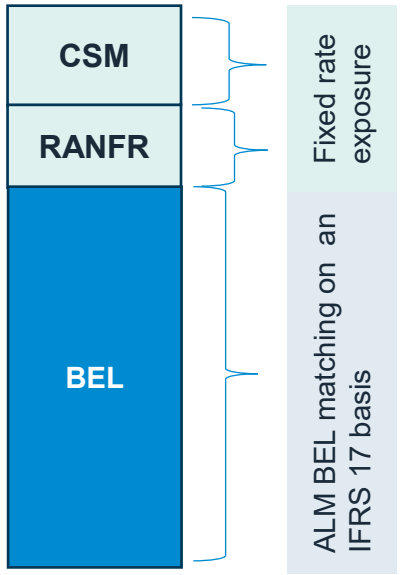
Current ALM strategy 2025+: IFRS 17



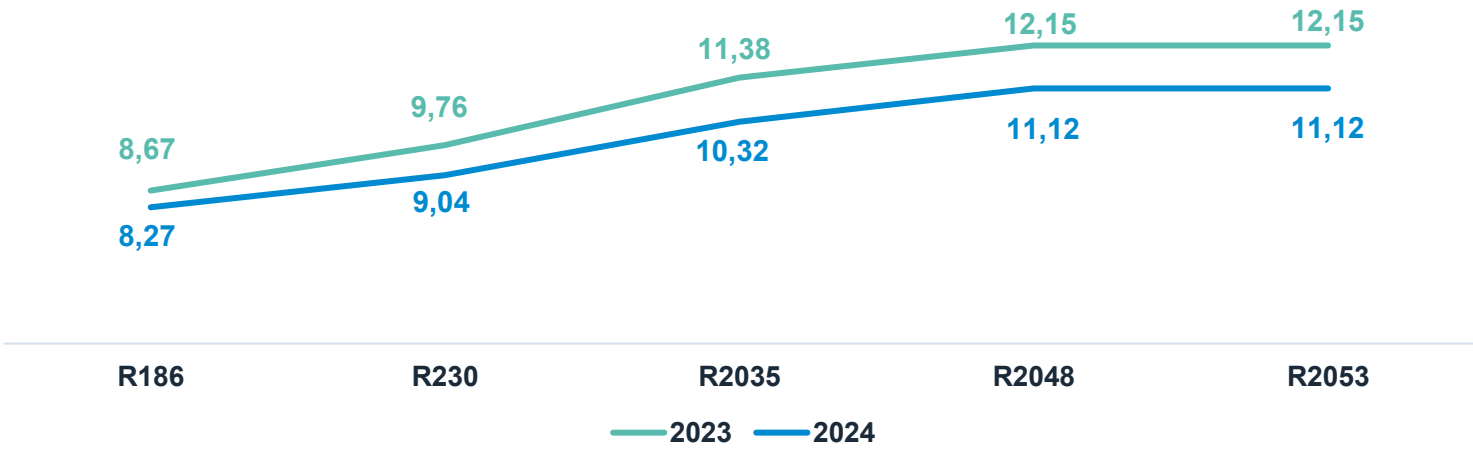
- Investment variances arise from asset and liability mismatches in respect of guaranteed insurance liabilities
  - This can emerge from profit/losses on unavoidable mismatches between assets and liabilities or deliberate mismatches to exploit market opportunities
  - Flow through the Asset Mismatch Reserve (AMR) and are released to dividends over time
- 2025 ALM strategy changes associated with IFRS 17 transition: Margin-backing assets shifted from fixed to floating rates, reducing capital requirements by c.R650m for solvency purposes, while retaining some investment variance volatility

Investment variances 2024

IFRS 17



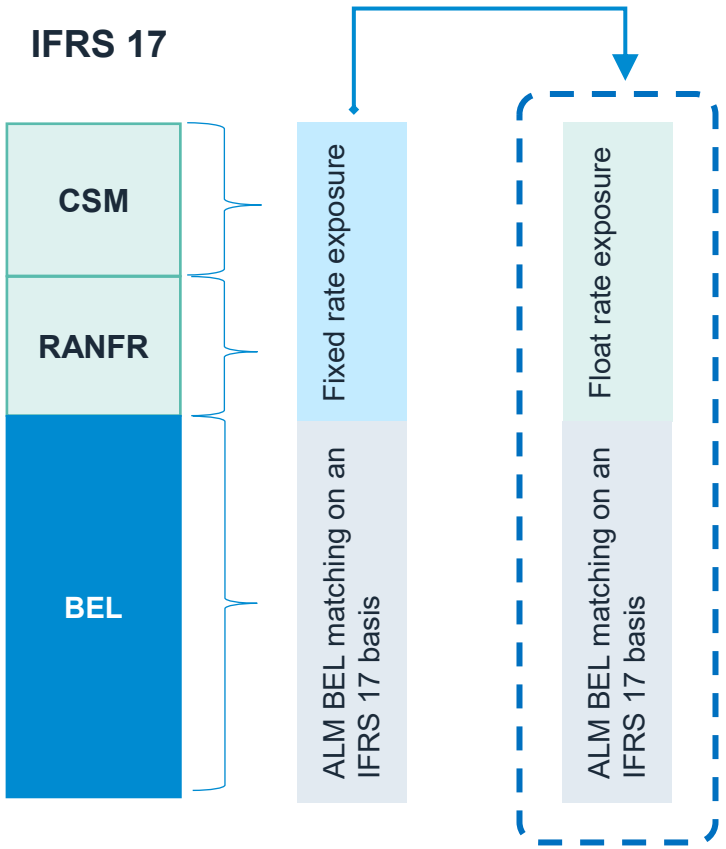
Bond yields Dec 2023 to Dec 2024 (%)



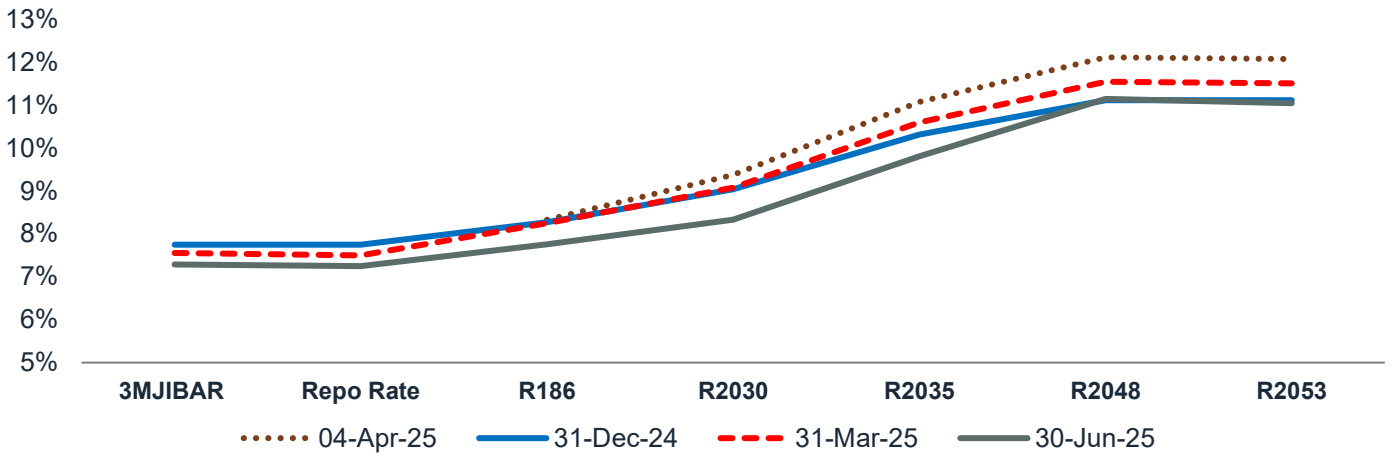
Investment variance of R1,4 billion (gross of tax) transferred to AMR

- Post IFRS 17 adoption (2023): Assets backing margins (CSM and RANFR) continued to be managed on an IFRS 4 basis
- Although liabilities were on an IFRS 17 basis, we continued to manage the assets backing the margins on an IFRS 4 basis given the prevailing elevated yields environment at the time
- This ALM strategy yielded a profit of R1,4 billion (gross of tax) from the drop in yields in 2024

2025 Investment variances



Bond yields Dec 2024 - 30 June 2025 (%)

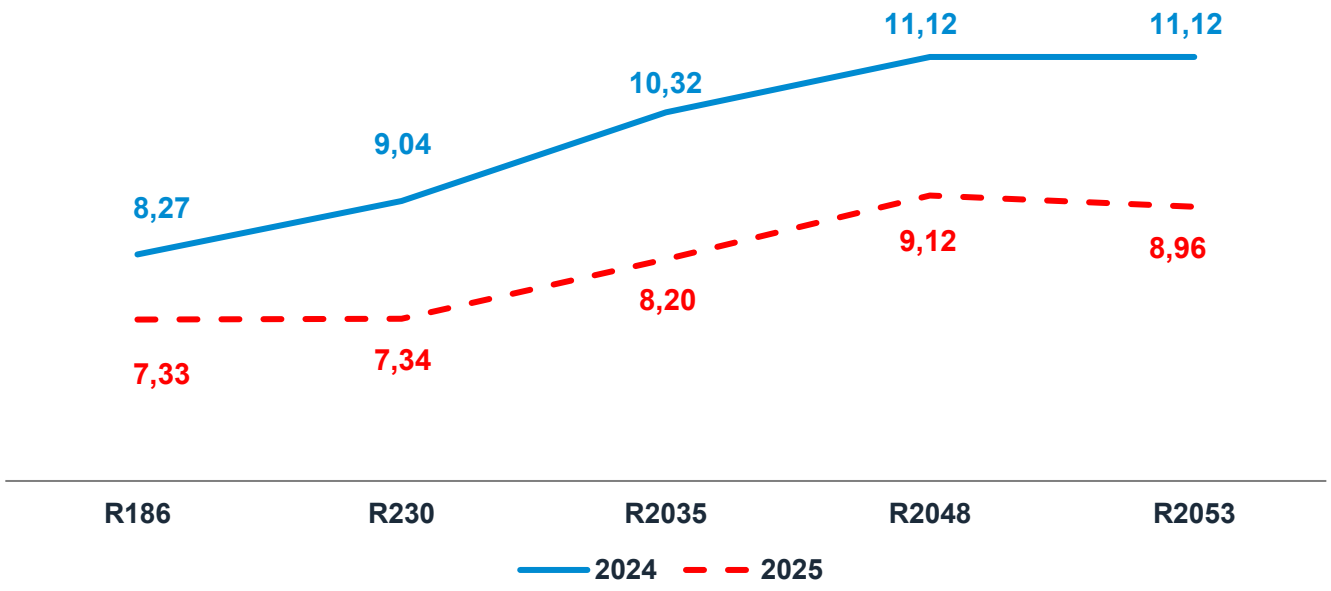


Investment variance of -R400 million (gross of tax) on transition of assets, crystalised total investment variance arising from transition at R1 billion (gross of tax) across 2024 and 2025

- 2025 ALM change: Assets backing margins shifted from fixed rate to floating rate exposure
- Objective was to lock in prior-year investment variances, reduce interest rate risk and improve capital efficiency
- The strategy change released c.R650 million of capital
- The change in strategy was successfully executed in 1H2025 (a period with significant volatility in financial markets and bond yields, particularly the tariff war induced volatility in March/April 2025)

Hedging effectiveness

Bond yields Dec 2024 – Dec 2025 (%)



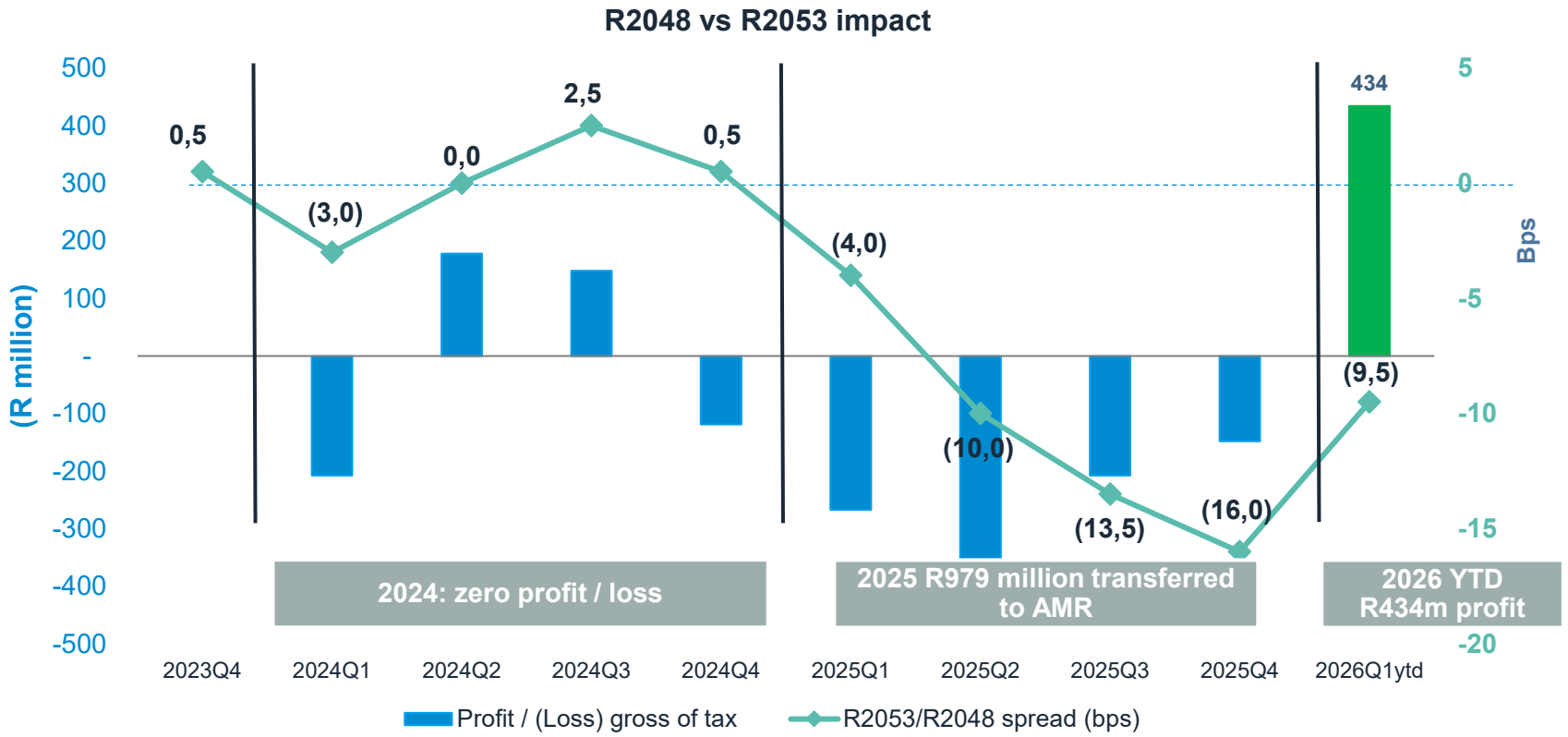
Effectiveness of BEL ALM

Change in Assets and Liabilities	R billion
BEL at 31 December 2024	79
BEL at 31 December 2025	110
Unwinding and yield impact on BEL over 2025	25
Hedging assets increase in value over 2025	25

- BEL hedging remained highly effective in 2025, despite a sharp decline in yields
- Assets and liabilities were matched closely with no ALM mismatch losses in respect of hedgeable portion of the BEL

Long-duration hedging

Practical ALM implications of hedging at the very long of the yield curve



ALM implications

- Long dated risk and annuity liabilities are hedged with RSA government bonds
- Limited issuance of R2053s required partial hedging with R2048s, creating a residual ALM mismatch
- The Prudential Authority (PA) includes the R2053 in the SAM yield curve despite pricing anomalies
- In 2025, the R2053/R2048 spread narrowed from 0bps to -16bps generating negative **unrealised** investment variances
- These dislocations occur periodically and typically unwind as longer dated bond issuances resume and yield curve relationships normalise
- The unrealised negative investment variances are **mark-to-market** in nature

- Our pricing and valuation basis for annuities and other long-dated liabilities assumes conversative assumption forward rates (reinvestment yields) at the long end of the curve

Ninety One shareholding change illustrative impact

R million	2025 Actual	Adjustments	2025 Illustrative
Net Result From Financial Services (NRFFS)	**15 939**	**(260)**	**15 708**
Operating profit	14 127	(260)	13 867
Net investment return	**1 962**	**1 188**	**3 150**
Net investment income	1 847	270	2 117
Net investment surplus (unrealised mark-to-market investment valuation impacts)	1 156	918	2 074
Finance costs	(1 041)		(1 041)
Adjusted headline earnings	**17 119**	**928**	**18 047**



- SIM active asset management was fully consolidated as a subsidiary, Ninety One shareholding is equity-accounted
- Shift from NRFFS / operating profit to investment return
- Cash generation remains strong
- Adjusted headline earnings would have increased by 6% benefiting from favourable mark-to-market gains and dividend income

Guidance to 2026



Guidance

2030 through-the-cycle targets	Metric	Illustrative 2025 performance	2026 outlook
>RSA CPI + 6%	Earnings[1]	Achieving target	Upcoming year priority
>20%	Return on equity	On track for 2030	Upcoming year priority
>RSA RFR + 4%	Return on GEV	Achieving target	Achieving target
>RSA CPI + 4%	Dividend	Achieving target	Achieving target
150% to 190%	Solvency ratio	Achieving target	Achieving target
4 out of 5	Sustainability index	On track for 2030	Upcoming year priority

- Achieving target
- On track for 2030
- Upcoming year priority

1. Normalised
2. On a three-year rolling basis
3. Investment variances from the investment activities associated with contractual service margin (CSM) and risk adjustment for non-financial risk (RANFR) margins in guaranteed liabilities written in the insurance operations



04

Priorities and outlook

Well positioned

- Growth platform is established and fully settled
- Growth vectors receiving inorganic investment
- Resilience in turbulent environment



Strong momentum



- Anticipate continued growth in new business – risks from Middle East conflict
- South Africa supported by investment in ecosystem
- Pan-Africa moved beyond restructuring; India remains a key near-term growth engine
- 2026 is a deliberate growth vectors investment
- Margin normalisation in SA (general insurance and group risk)
- Earnings growth moderates in 2026, but RoGEV and dividend growth remain on track

Focus areas



- Launch **banking in RSA**
- Launch a **group-wide rewards programme in RSA**
- Complete **integration of the Morocco businesses**
- Turnaround **general insurance performance** in SanlamAllianz and SanlamAllianz Re
- **Santam Syndicate 1918** in London
- **India growth**
- **Technology investment**


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Additional information

Basis for normalisation of financial results

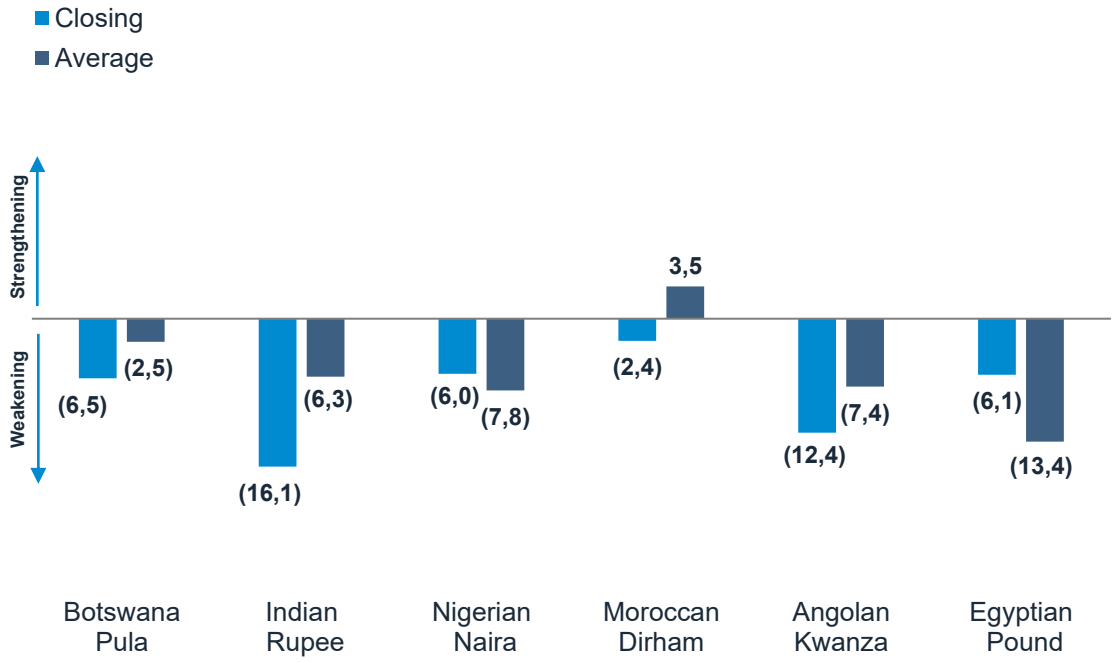
Corporate activity and one-off items (+15,1% on NRFFS)

Corporate activity

- SanlamAllianz
  - Allianz acquired 8,59% in SanlamAllianz
  - Sanlam Namibia sold to SanlamAllianz
- Sanlam Life and Savings
  - Acquired Assupol
  - Cessation of Capitec arrangement
- Sanlam Life and Santam
  - Sanlam Life acquired 60% in NMS insurance services (NMSIS)
  - Santam acquired 60% of the general insurance operations in NMSIS
- Sanlam Investments
  - Disposal of UK asset management operations
  - Disposal of other non-core assets
- India
  - Reduction in Shriram Finance Limited shareholding from 10,19% to 9,54%

Constant currency impact (+1,7% on NRFFS)

2025 exchange rate movements relative to the rand (% change)



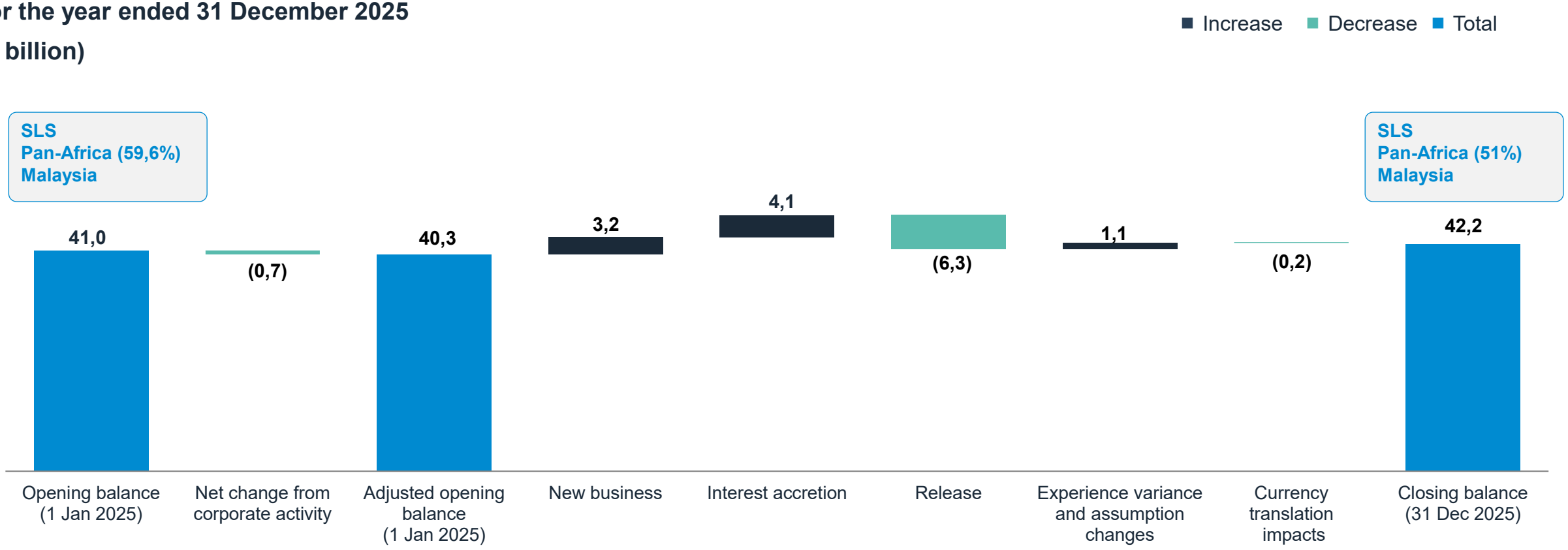
All transactions normalised to be effective from 1 January 2024 for like-for-like comparison

2025 results translated at the weighted average exchange rate for 2024

Store of future value | change in CSM and RA on adjusted basis

For the year ended 31 December 2025

(R billion)

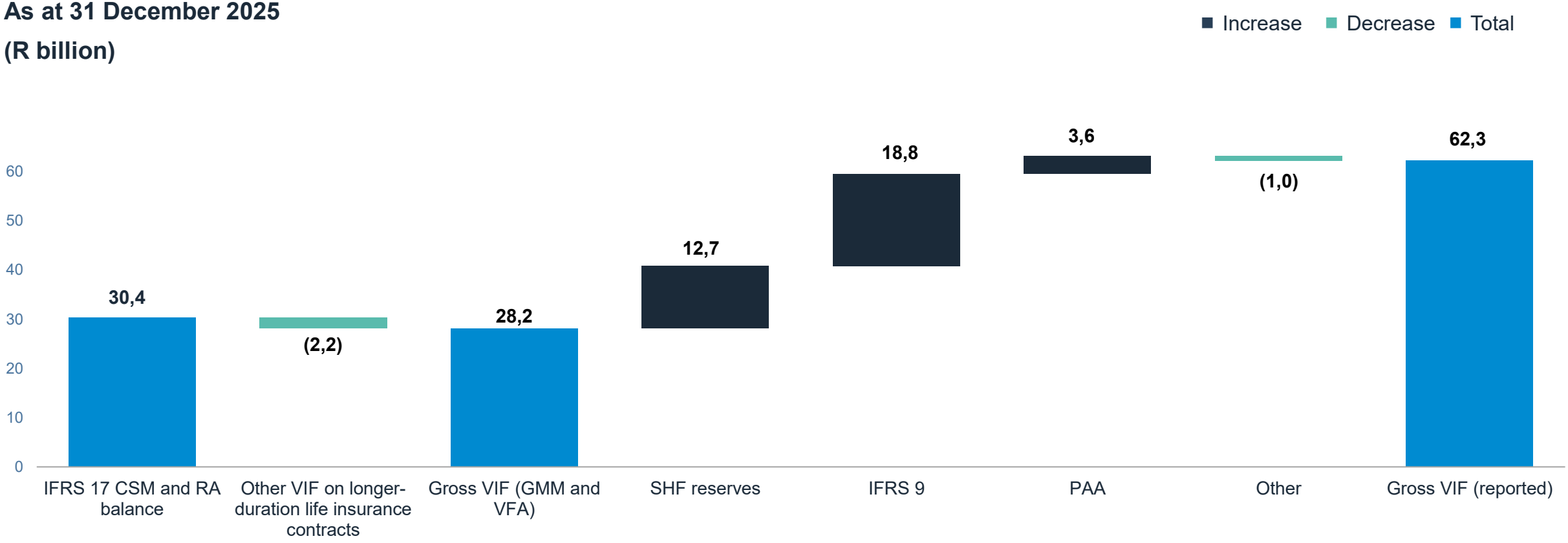


- 3% growth in CSM plus RA balance for the year driven by positive core growth and net positive variances and assumption changes impacts
- Core CSM and RA growth of R1.0 billion from satisfactory new business and interest earned higher than release into profit
- Positive experience variance mainly driven by increase in risk adjustment liabilities for GMM business in South Africa due to the decrease in local bond yields
- Some negative impacts in Pan-Africa and Malaysia from South Africa rand strengthening against other currencies

Reconciliation of IFRS 17 CSM and RA to gross VIF of covered business

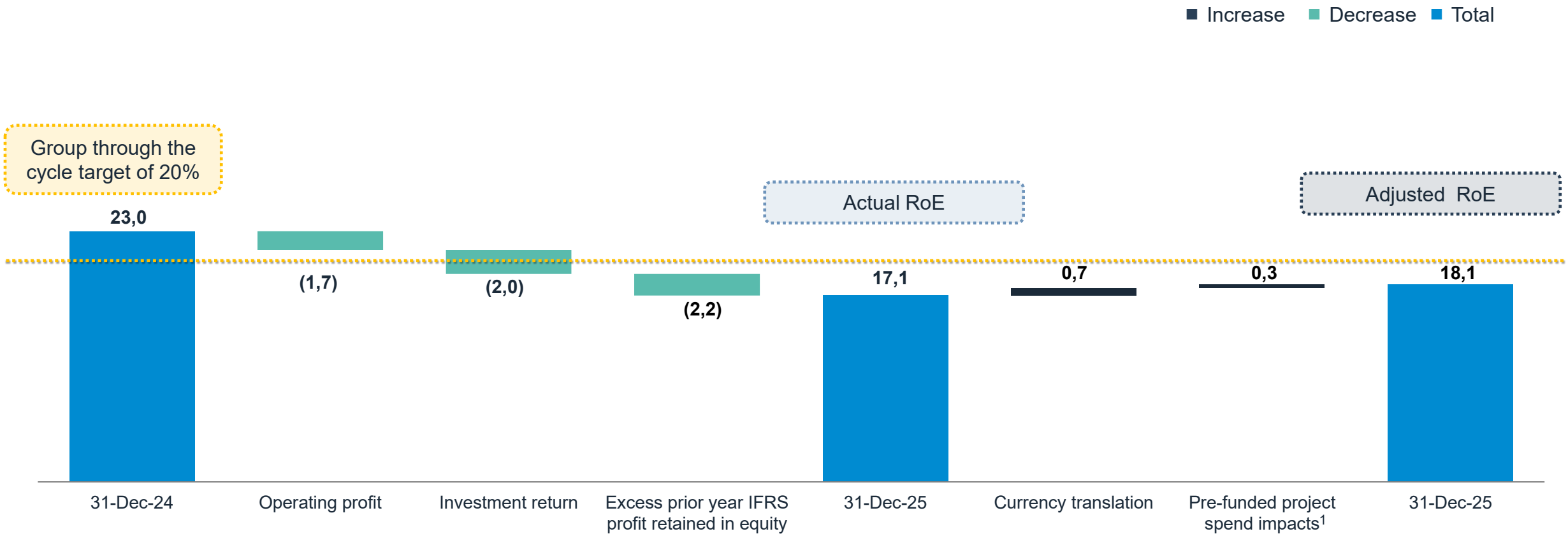
As at 31 December 2025

(R billion)



- The CSM and RA balance (net of tax and NCI) is the starting point in the reconciliation between IFRS 17 in-force value and gross VIF of covered business
- 45% of gross VIF is derived from CSM and RA on GMM and VFA insurance contracts
- 36% of gross VIF comes from investment contract business (IFRS 9) and short-duration life insurance business (PAA)
- 20% of gross VIF relates to Sanlam-specific SHF reserves on future releases of asset mismatch reserves and insurance contract assets (negative liabilities)

Return on equity (RoE) (%)



1. The release of shareholder fund reserves to absorb the actual digital transformation and modernisation project expenses recognised in the statement of comprehensive income

Cash generation and declaration

R million	2025	2024	% change
NRFFS	**15 939**	**15 443**	**3**
Amortisation of capitalised IT project and other non-cash adjustments	(189)	93	
Project expenses	(747)	(450)	
Cash earnings available for dividend distribution	**15 003**	**15 086**	**(1)**
Retained in business[1]	(5 045)	(4 240)	
Cash remittance to group	**9 958**	**10 846**	(8)
Funding costs	(279)	(49)	
Cash available for dividend distribution	**9 679**	**10 797**	**(10)**
Shortfall funded from/ (excess transferred to) discretionary capital[2]	**467**	**(1 507)**	
Dividend payable	**10 146**	**9 290**	**9**
Cash remittance ratio[3]	61%	67%	
Rolling 3-year growth[4]	10,4%	10,0%	
Pay out ratio (times cover of cash received from operations)[3]	1.0	1.0	



1. Retained in business for working capital and other organic growth requirements
2. 2024 includes the Capitec recapture fee retained in discretionary capital
3. Cash available for dividend distribution as a percentage of NRFFS. 2024 excludes Capitec reinsurance recapture fee of R1 372 million net of tax
4. 2025 rolling three-year CPI of 3,9% (2024: 5,1%)

Glossary of terms

Technical terms and definitions	
“Adjusted RoGEV”	Excludes from RoGEV the impact of actual investment return relative to long-term assumptions, interest rate changes, exchange rate movements and other impacts not under management control.
“ALM”	Assets-liability matching
“BEL”	Best estimate liability
“bps”	Basis points
“Cash NRFFS”	Cash NRFFS represents NRFFS as adjusted for the reversal of specific non-cash items: amortisation of capitalised IT projects and IFRS 17 specific and other non-cash adjustments.
“CSM”	Contractual service margin
“Covered business”	Life insurance business written by Sanlam Life and Savings and Sanlam Emerging Markets.
“Embedded value of covered business ” or “EV”	The present value of the expected future profits from all in-force policies, based on actuarial assumptions. Includes the value of the capital required to back the policies, over and above the reserves held, less the opportunity cost of this capital. Excludes future new business but does include the new business sold to the valuation date.
“Group equity value” or “GEV”	The aggregate of the following components: • The embedded value of covered business; • The fair value of other group operations based on longer-term assumptions, which includes the investment management, capital markets, general insurance, retail credit 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.
“Group economic solvency”	Based on Santam’s Economic Internal Model and includes foreseeable dividends in capital. The regulatory solvency ratio applies Santam’s Regulatory Internal Model and deducts such foreseeable dividends for compliance.

Glossary of terms

Technical terms and definitions	
“GWP”	Gross written premium
“Net client cash flows” or “NCCF”	New business volumes net of surrenders and other payments to clients.
“Net operational earnings”	Profit after tax earned by the group from operating activities and includes investment return earned on the capital portfolio and project expenditure.
“Net results from financial services “ or “NRFFS”	Profit earned by the group from operating activities and excludes investment return earned on the capital portfolio.
“Net operational earnings”	Net result from financial services including investment return and project expenses.
“New business volumes”	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.
“Operating profit”	NRFFS including investment return and project expenses, after allowing for Sanlam-specific shareholders’ fund adjustments.
“Persistency”	The rate at which policies remain in force (i.e. do not lapse).
“PVNBP”	Present value of new business premiums from covered business. Expected new business premiums’ cash flows are present valued based on lapse, premium collection and mortality assumptions over the expected life of the policy.
“RANFR”	Risk adjustment on non-financial risk
“Return on Group Equity Value” or “RoGEV”	The return generated on the GEV from the start to the end of the period, excluding dividends and changes in issued share capital. Normalised RoGEV excludes effects of factors beyond management control (e.g. investment market movements). Key contributors to the RoGEV are: the unwinding of the discount rate, VNB, experience variances (that is by how much actual experience is better/worse than expected), and actuarial assumption changes (called ‘basis changes’).

Glossary of terms

Technical terms and definitions	
“RFR”	Risk free rate.
“Sustainability index”	Group-wide performance framework that consolidates key ESG metrics to provide a single measure of the group’s performance.
“Value of new business” or “VNB”	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, net of the cost of capital over the life of this business.
“VFA”	Variable fee approach.
“VNB margin”	Profit margin of new life insurance business written, calculated by dividing value of new business by PVNBP.