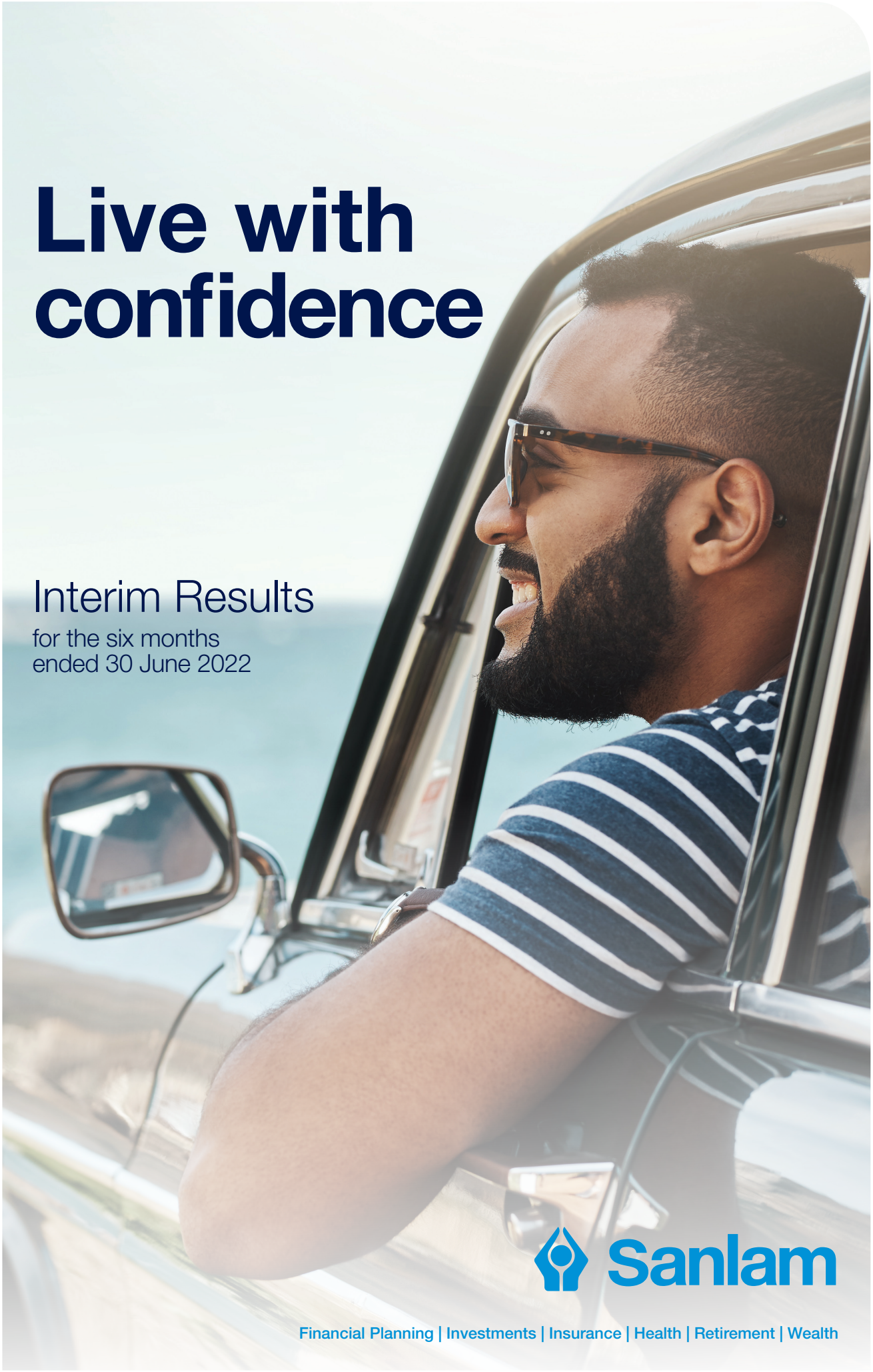
Live with confidence



Interim Results

for the six months
ended 30 June 2022

Sanlam

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

Basis of preparation

The Sanlam Group's International Financial Reporting Standards (IFRS) financial statements for the six months ended 30 June 2022 are presented based on and in compliance with IFRS. The basis of presentation and accounting policies for the IFRS financial statements and shareholders' information are, in all material respects, consistent with those applied in the 2021 Integrated Report and Annual Financial Statements apart from the following, which relate only to the shareholders information:

- Disposal related transaction costs are allocated to the proceeds on disposal.

All references to 2021 and commentary relate to the six months period ended 30 June 2021, unless otherwise stated.
All commentary relates to the first six months of 2022 relative to the first six months of 2021, unless otherwise indicated.

Forward-looking statements

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

Constant currency information

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

It is presented for illustrative purposes only and because of its nature may not fairly present the Group's financial position, changes in equity, result of operations or cash flows. All references to constant currency information are based on the translation of foreign currency results for the six months to 30 June 2022 at the weighted average exchange rate for the six months to 30 June 2021, which is also applied for the translation of comparative information.

The major currencies contributing to the exchange rate movements are the British pound, United States dollar, Indian rupee, Angolan kwanza, Malaysian ringgit and the Moroccan dirham.

Foreign currency/ZAR	United Kingdom	USA	Botswana	India	Morocco	Angola	Malaysia
31/12/2021	21,62	15,96	1,36	0,21	1,72	0,03	3,82
30/06/2022	19,90	16,38	1,32	0,21	1,61	0,04	3,70
(Strengthening)/Weakening	(8,0%)	2,6%	(2,5%)	(3,5%)	(6,6%)	31,6%	(3,2%)
Average first six months 2021	20,17	14,52	1,34	0,20	1,63	0,02	3,55
Average first six months 2022	19,99	15,40	1,31	0,20	1,59	0,03	3,61
(Strengthening)/Weakening	(0,9%)	6,0%	(2,2%)	2,1%	(2,5%)	48,5%	1,6%

In respect of the Group's investment in the former Saham Group, the constant currency information only allows for the impact of the change in exchange rate between the South African rand and the Moroccan dirham on the consolidated former Saham Group results. No adjustment is made for exchange rate movements between the Moroccan dirham and the reporting currencies of the former Saham subsidiaries.

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Administration 96

Sanlam Group
salient results

For the six months ended 30 June

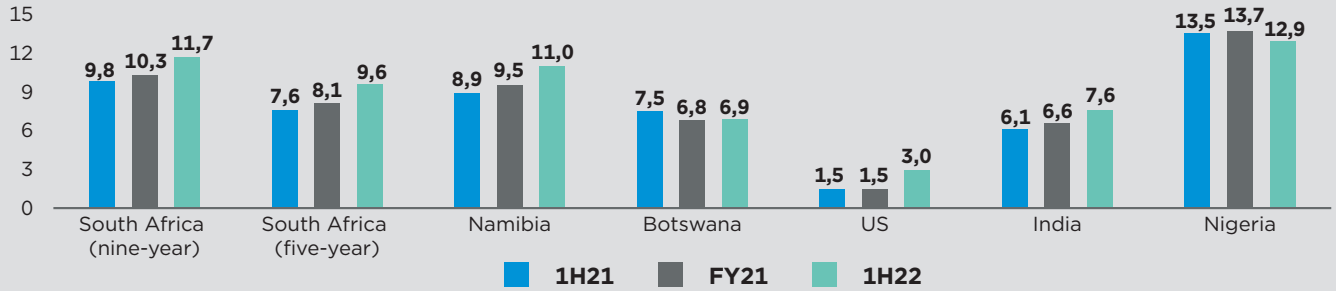
	Unit	2022	2021	△
Earnings				
Net result from financial services	R million	4 557	4 529	1%
Net operational earnings	R million	4 353	4 679	(7%)
Headline earnings	R million	3 681	4 003	(8%)
Weighted average number of shares	million	2 076	2 092	
Adjusted weighted average number of shares	million	2 209	2 230	
Net result from financial services per share	cents	206	203	2%
Net operational earnings per share	cents	197	210	(6%)
Diluted headline earnings per share	cents	177	191	(7%)
Business volumes				
Life insurance new business volumes	R million	33 231	35 686	(7%)
Net client cash flows	R million	37 074	37 814	(2%)
Net new covered business				
Value of new covered business	R million	1 076	1 289	(17%)
Covered business PVNBP	R million	43 032	45 672	(6%)
New covered business margin	%	2,50	2,82	
Group Equity Value				
Group Equity Value[1]	R million	130 697	142 390	
Group Equity Value per share[1]	cents	5 928	6 444	
Return on Group Equity Value per share	%	(2,8)	3,9	
Adjusted Return on Group Equity Value per share	%	6,8	6,1	
Solvency cover				
Sanlam Group[1]	%	174	173	
Sanlam Life Insurance Limited[1]	%	248	214	
Sanlam Life Insurance Limited covered business[1]	%	183	178	
Sanlam Group discretionary capital[1]	R million	6 624	2 936	

Notes

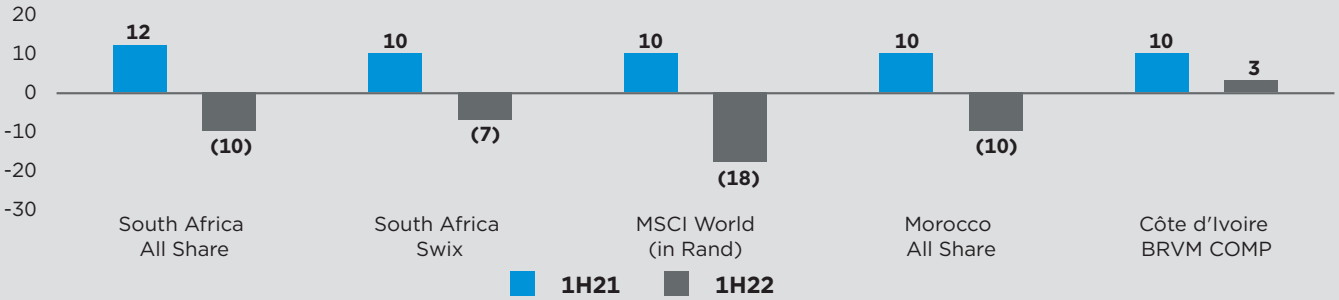
[1] Comparative figures on 31 December 2021.

Market and
interest rate information

Bond yields (%)



Equity markets – change in indices



Financial, strategic and **operational review**

Key performance and strategic overview

Sanlam experienced a strong recovery in the life insurance operations as a result of the impacts of COVID-19 coming under control, and strong growth in investment management and credit operating results despite volatile markets. Adverse weather conditions and the catastrophic floods in KwaZulu-Natal, South Africa, combined with other adverse factors at Santam, together with equity market falls in Morocco, resulted in a decline in earnings in the general insurance operations. The diversification of the Group meant that overall operating results were still robust despite the pressure on general insurance earnings. Rising interest rates had a significant negative impact on the valuation of the Group's operations and the value of new life business.

- Net result from financial services from life insurance was up 23%, investment management was up 25% and our credit operations were up 22%
- Net result from financial services from our general insurance operations declined by 57%
- The overall net result from financial services increased by 1% to R4,6 billion*
- Net operational earnings of R4,4 billion are 7% lower*
- Life insurance new business volumes of R33,2 billion are 1% lower on a comparative basis
- Net value of new life insurance business (VNB) of R1,1 billion is 17% lower (2% lower on a constant economic basis)
- Net VNB margin of 2,89% (on a constant economic basis) compared to 2,82% in 2021
- Net client cash inflows of R37,1 billion are 2% lower in constant currency
- Adjusted return on Group Equity Value (RoGEV) of 6,8% (14,1% annualised), relative to a hurdle of 6,9% (14,3% annualised)
- Group solvency ratio remains strong at 174%, well within target range of 150% to 190%
- Discretionary capital increased to R6,6 billion

The extremely difficult global macro conditions which have seen the far-reaching impacts of the Russian-Ukraine conflict, surging inflation and energy prices, supply chain disruptions and hardship for consumers, has created a difficult backdrop for the Group.

The Group however had a robust performance for the first six months of 2022 and continues to successfully navigate the challenging environment. Profitability in the Group's life insurance operations rebounded strongly, benefiting from lower mortality claims relative to 2021, which more than offset lower life insurance-related credit spread earnings. Our investment management operations reported improved earnings despite lower global markets, as earnings were augmented by performance and fund establishment fees, as well as growth in brokerage income. Credit and structuring earnings increased strongly driven by improved performances in South Africa and India. The Group's general insurance operations, however, recorded large declines in earnings, with Santam's result impacted by a perfect storm of events: adverse weather conditions including the KwaZulu-Natal floods, rising claims from Eskom load shedding impacts, steeply rising claims costs brought about by a combination of the inflationary surge and heightened crime, and its investment return on insurance funds impacted by volatility in global and local bond markets and lower equity markets; and the Pan-African operations also impacted by lower investment return on insurance funds due to the decline in Moroccan equity markets.

New business volumes in our life insurance operations were only marginally lower than the first six months of 2021 when excluding UK life disposals. Robust growth from most life insurance businesses were offset by weaker single premium sales in the South African Retail Affluent business. Sales from this line of business however still exceed pre-pandemic levels. Our general insurance operations recorded satisfactory performance as strong growth in the Pan-African business more than offset the weaker performance from India. Net fund inflows in our investment management operations declined but remained strongly positive as the exceptionally high base of 2021 and significant market volatility impacted the allocation of new mandates over the period, making the 2022 result acceptable.

The strong operating performance of the Group despite the environment has reinforced Sanlam's purpose, which is to help our clients live with confidence by empowering them to be financially confident, secure and prosperous. We serve all market segments across Africa and India with a broad set of products that are accessible and backed by a strong advice offering to protect and grow our clients' wealth. Our purpose is embedded in the Group's strategy which aims to improve our offering to clients by increasing our reach and scale through partnerships and use of digital technology.

* Foreign currency movement did not have a significant impact on earnings over this period.

The Group continued to execute its strategy and has made significant strides in strengthening operations in South Africa and across the continent, enabling future growth and creating competitive advantages through increased scale and product capabilities. In South Africa we completed the acquisition and integration of the Alexforbes life book. The Absa investment management, Alexforbes standalone retirement fund administration and Alexforbes LISP transactions are progressing through their respective regulatory approval processes, having received Competition authority support, and are on track to close before the end of 2022. These transactions will simplify our operations and place our group risk, asset management and LISP operations in leading positions in their respective market segments.

In Africa, the creation of a JV with Allianz will create an unrivalled platform across the continent, with significant client capabilities. The transaction is expected to close in the next 12 months. Our Pan-African general insurance operations reported an underwriting margin within the target range for the first six months of 2022, albeit it at the lower end, impacted by underperformance in the health line of business. Our life insurance operations continue to deliver profitable growth.

The Group continues to progress on digital transformation initiatives with benefits emerging in improved client experience and improved agent productivity. Our InsurTech JV with MTN (aYo) is progressing through regulatory approvals. The aYo platform has over 4 million active policies and is a key enabler of our aim to improve financial inclusion across the continent. We completed our partial exit from the UK, with only a focused international asset manager remaining. The Group realised proceeds of some R5 billion from these transactions, which was well in excess of their aggregate Group Equity Value (GEV).

In April 2022, leading global investment firm KKR acquired a 9,99% shareholding in Shriram General Insurance (SGI) from Shriram Capital Limited. Sanlam was supportive of the KKR transaction despite the reduction in our exposure to the business as a result of the dilutionary effect of the transaction. Sanlam's direct interest in SGI remained unchanged, although its total effective economic interest reduced by 2,6% to 40,3%. The valuation attributed to SGI for purposes of the transaction was around R38 billion (Rs 18 000 crore) and exceeded the implied value of SGI in Sanlam's GEV of around R9 billion (100% stake) as on 31 December 2021, and in these circumstances, Sanlam supported the transaction.

The Group remains focused on disciplined and value enhancing deployment of capital. Most of our strategic activity to date has been capital neutral and has allowed us to improve our market positions and client offering, while at the same time building our discretionary capital base. The Group continues to explore value enhancing opportunities, in line with our capital allocation framework, particularly in areas that will improve our client proposition. If we cannot deploy capital effectively, we will return it to shareholders in the most efficient way possible.

Operating environment

The operating environment in the first six months of 2022 was significantly affected by the broader impacts of the Russian-Ukraine conflict which resulted in increased commodity prices, especially energy prices. The consequent surge in global inflation in the second quarter of 2022 weighed heavily on GDP growth and on the financial wellbeing of consumers.

In South Africa, after a strong first quarter, it is estimated that the combination of the KwaZulu-Natal floods and electricity load-shedding resulted in a material contraction in real GDP in the second quarter of 2022. Broadening price pressures raises concern around the erosion of real personal disposable income, especially among low-income earners.

In Africa outside of South Africa, commodity producing countries real GDP forecasts for 2022 were adjusted higher, including Zambia and Angola where the Group operates. Robust GDP growth rates are also still being recorded in economies such as Uganda, Tanzania and Kenya in East Africa, and Côte d' Ivoire and Senegal in West Africa. However, weaker agricultural production in Morocco prompted material downward revisions to growth expectations for 2022.

The volatile market environment, weakened GDP outlook in South Africa and contracting consumer savings resulted in a moderation in new business levels, from very strong growth in the comparative period, particularly for investment and complex risk products. New business growth rates in Africa outside of South Africa remained relatively robust, with the absence of large investment mandate awards the only detractor.

The increase in long-term interest rates since 31 December 2021 negatively impacted the Group's VNB and GEV results. Economic assumption changes had a 15% negative impact on VNB and 4% negative impact on GEV.

Declines in equity market levels resulted in lower returns on the Group's capital portfolio. The hedged equity strategy which is in place for the capital allocated to the South African life insurance operations mitigated the market impact to a large extent. However, negative returns were recorded on capital held in Santam and in the African operations outside of South Africa. Weaker equity market returns resulted in additional negative investment variances of 4% on GEV.

Foreign currency movements did not have a significant impact on the net result from financial services over this period. However, the GEV valuations of the non-South African operations were negatively impacted by the stronger closing rand exchange rate relative to the British pound and some of the Pan-African currencies which the Group is exposed to.

Refer to page 2 for additional equity information and interest rate movements for 2022

Group equity value

GEV amounted to R130,7 billion or 5 928 cents per share on 30 June 2022. RoGEV amounted to negative 2,8% for the six-month period, including the 2021 final dividend paid. RoGEV for the covered business was positive 0,1%, with non-covered business (including discretionary capital and other) at negative 5,0%.

Adjusted RoGEV, which excludes the impact of actual investment return relative to long-term assumptions, interest rate changes, other one-off effects not under management control, and currency exchange rate movements, amounted to 6,8%, marginally below the 6,9% hurdle for the first six months of 2022. The covered business adjusted RoGEV was 6,9%, and the non-covered business (including discretionary capital and other) recorded an adjusted RoGEV of 6,7%.

Adjusted RoGEV was marginally below the hurdle rate mainly due to the following operational impacts:

- Weaker contribution from new business due to lower single premium volumes;
- Negative operating assumption changes relating to long-duration persistency which has improved, and the allowance for weaker economic environment impacts on the general insurance and credit operations;
- The impact of higher project expenses associated with strategic activity; and
- Santam's adjusted RoGEV was lower than hurdle as its weaker performance resulted in a return on capital that underperformed its hurdle rate.

Analysis of RoGEV for the six months ended 30 June 2022

	Total	△	Covered	△	Non-covered	△
GEV at 31 December 2021	142 390		60 577		81 813	
Expected return	6 286	4,4%	2 979	4,9%	3 307	4,0%
Value of new covered business	1 076	0,8%	1 076	1,8%	–	–
Operating experience variances	577	0,4%	314	0,5%	263	0,3%
Operating assumption changes	(424)	(0,3%)	(653)	(1,1%)	229	0,3%
Return on listed businesses	912	0,6%	–	–	912	1,1%
Expected return on net asset value	427	0,3%	497	0,8%	(70)	(0,1%)
Other earnings	809	0,6%	(25)	–	834	1,0%
Adjusted RoGEV	9 663	6,8%	4 188	6,9%	5 475	6,7%
Investment variances	(5 682)	(4,0%)	(2 854)	(4,7%)	(2 828)	(3,5%)
Economic assumption changes	(5 838)	(4,1%)	(1 790)	(3,0%)	(4 048)	(4,9%)
Foreign currency translation differences	(1 677)	(1,2%)	(108)	(0,2%)	(1 569)	(1,9%)
Santam return underperformance	(1 006)	(0,7%)	–	–	(1 006)	(1,2%)
Tax rate changes and other	488	0,4%	621	1,1%	(133)	(0,2%)
Actual RoGEV	(4 052)	(2,8%)	57	0,1%	(4 109)	(5,0%)

The covered business recorded a return of positive 0,1% and an adjusted return of positive 6,9% for the first six months of 2022. The main components contributing to the return on covered business are:

- Expected return on covered business reflects the unwind of the discount rate contributing 4,9%.
- VNB contributed 1,8% with strong contributions from SEM and an improved contribution from Retail Mass. Retail Affluent and Corporate had relatively weaker contributions largely due to product mix changes and lower volumes of single premium business in Retail Affluent (refer to page 36 for more information).
- Operating experience variances were R314 million (contributing 0,5%) for the first six months of 2022 (2021: negative R973 million), driven by the following key items:
  - Positive risk experience variances of R475 million relative to negative R1,8 billion in 2021 which was significantly impacted by excess mortality claims. All clusters contributed positively to risk experience, with the Retail Mass and Corporate businesses showing good recovery relative to 2021. The positive risk experience variances have returned to pre-pandemic levels.
  - Persistency weakened over the first six months of 2022, with negative experience variances of R298 million recorded relative to positive R452 million in 2021. Weaker persistency was experienced in the Retail Mass, Corporate and SEM businesses. The difficult consumer environment from higher food and transport inflation was more evident in the lower income market segments where Retail Mass operates, while Corporate was impacted by the loss of two large schemes. SEM experienced weaker persistency most notably driven by the non-renewal of some group schemes in Nigeria. Persistency experience in Retail Affluent was positive and continues to benefit from data analytics and client engagement.
  - Working capital management experience profits were R180 million relative to R198 million in 2021.
  - The widening of credit spreads resulted in lower positive credit spread variances of R8 million in 2022 relative to R179 million in 2021.

- Operating assumption changes were negative R653 million (contributing negative 1,1%) for 2022, relative to positive R403 million in 2021.
  - Persistency assumption changes were negative R580 million (2021: negative R51 million), relating mostly to later duration persistency on level premium risk business in Retail Affluent, which has improved.
  - Modelling and other assumption changes (including maintenance expenses) amounted to a negative R42 million (2021: positive R376 million). The comparative period was boosted by the release of discretionary reserves to offset the impact of COVID-19 on risk experience.
- Investment variances contributed negative 4,7% for 2022 reflecting negative market returns for the first six months of 2022.
- Economic assumption changes had a negative impact of 3,0% due to increases in long-term interest rates over the first six months of 2022.
- The positive 1,1% contribution from tax changes and other in 2022 is substantially due to the lowering of the corporate tax rate in South Africa from 28% to 27%.

The non-covered operations (including discretionary capital and other) achieved a return of negative 5,0% and an adjusted return of positive 6,7% for 2022. This adjusted return is a combination of a 7,7% return for the non-covered operations and a negative 1,1% for discretionary capital and other. The negative return for the discretionary capital and other bucket is mainly due to higher project expenses.

The main components contributing to the return on non-covered business are:

- Expected return reflects the unwind of the discount rate over the period, contributing 4,0%.
- Operating experience variances contributed positive 0,3% and benefited from better performance on SPA GI new business volumes and the credit businesses in India, as well as the uplift from the proceeds of the SGI KKR transaction at higher than GEV, which were reinvested in the Shriram credit businesses.
- Positive operating assumption changes of 0,3% relate mostly to the investment management operations due to improved expected fee income on certain products and lower maintenance expenses. This more than offset some negative operating assumption changes in the SEM general insurance and credit operations which reflect a likely deterioration in the performance of the health book and loan book credit quality over the short term, as a result of the weakening economic environment.
- The negative 4,9% contribution from economic assumption changes is largely due to increases in reference yields which impacted the valuations of most non-covered entities. The valuations of the Pan-African operations were significantly impacted by the higher reference yields. Certain of the Pan-African operations are valued using reference yields that are linked to the USD risk free rate, which increased over the period.
- The negative 1,9% impact from the currency translation differences is due to a stronger closing rand exchange rate against the significant valuation currencies on 30 June 2022. This had a further negative impact on the valuations of the Pan-African operations.

Earnings

Net result from financial services increased by 1% relative to the first six months of 2021, in line with the comparative period in constant currency. Strong performances from the Group's life insurance, investment management and credit and structuring operations were offset by a significantly weaker performance from the general insurance operations.

R million	June 2022	June 2021	Δ	Δ CC
Net result from financial services (by Line of business)	4 557	4 529	1%	0%
Life insurance	2 736	2 227	23%	23%
General insurance	592	1 373	(57%)	(59%)
Investment Management	472	377	25%	22%
Credit and Structuring	754	619	22%	20%
Administration, Health & Other	3	(67)	>100%	87%
Investment return	14	247	(94%)	(85%)
Net project expenses	(218)	(97)	(>100%)	(>100%)
Net operational earnings	4 353	4 679	(7%)	(8%)
Net result from financial services (by Cluster)	4 557	4 529	1%	0%
Sanlam Life and Savings	2 747	2 086	32%	32%
Sanlam Emerging Markets	1 159	1 313	(12%)	(15%)
Sanlam Investment Group	498	610	(18%)	(20%)
Santam	244	621	(61%)	(61%)
Group Office	(91)	(101)	10%	10%

Net result from financial services would be 10% higher excluding the impacts of excess mortality experience (including discretionary reserve releases and repricing), higher new business strain, widening credit spreads, UK assets disposals, KwaZulu-Natal floods and CBI reserve releases, and market volatility on SPA GI investment return on insurance funds and Glacier participating portfolios, in the current and comparable periods.

Life Insurance

Life insurance net result from financial services increased strongly as improvements in Sanlam Life and Savings (SLS) and Sanlam Emerging Markets (SEM) earnings more than offset the impact of unrealised losses from widening credit spreads on life insurance-based earnings from the Group's Central Credit Manager (CCM) in Sanlam Investment Group (SIG).

R million	June 2022	June 2021	△	△ CC
Net result from financial services	2 736	2 227	23%	23%
SLS	2 458	1 831	34%	34%
Retail Mass	660	423	56%	56%
Retail Affluent	1 538	1 068	44%	44%
Corporate*	260	(558)		
Discretionary reserve release*	–	898		
SEM	322	256	26%	29%
SPA Life	305	210	45%	50%
India	20	40	(50%)	(53%)
Other*	(3)	6		
SIG*	(44)	140		
International*	–	14		
SanFin*	(44)	126		

* percentage changes are less than or greater than 100%

SLS recorded a solid performance relative to 2021. Lower mortality claims resulted in a strong rebound in risk experience profits in all business units. On an embedded value basis, risk experience was positive over the period, relative to negative experience (net of the release of discretionary reserves) in the comparative period.

SLS strengthened its mortality basis at the end of 2021 and the release of this additional margin allowed the Group to begin rebuilding reserves released during the pandemic. The Group will review our policy with respect to holding reserves for future contingencies such as the pandemics mortality actuarial basis, at year end, as part of the annual actuarial basis review process.

Retail Mass benefited from lower mortality claims in the individual, group and Capitec Bank funeral businesses. This more than offset lower investment income, weakening persistency and higher new business strain in the individual life business. *Retail Affluent* recorded lower mortality claims and increased asset-based fee income due to higher average assets under management, which more than offset a decline in Glacier earnings from lower annuity longevity profits and income earned from products where Glacier shares in the actual investment return earned over the period on the underlying portfolio. *Corporate,* which was most impacted by excess mortality claims in 2021, recorded a strong rebound in earnings due to lower mortality claims and improved morbidity experience.

SEM life insurance benefited from lower mortality claims in the Southern and East Africa regions as well as higher earnings in Nigeria from improved mortality profits and good investment performance. These more than offset the lower earnings in Morocco due to relatively weaker investment market returns. India's earnings decreased largely due to higher new business strain and some delayed reporting of COVID-19 claims. India's results are reported with a three-month lag.

SIG net result from financial services decreased significantly, reflecting lower earnings due to credit spread movements on international bonds in the CCM business in SanFin and higher hedging costs. These items resulted in a loss for the first six months of 2022 relative to a profit in the comparative period.

SanFin manages a portfolio of diversified corporate credit assets which back life insurance liabilities (non-participating policyholder portfolios). All realised and unrealised mark-to-market changes, changes in doubtful debt provisions and actual defaults are for the account of shareholders and recognised in net result from financial services.

Credit spreads on listed and unlisted debt widened significantly in the first six months of 2022, as a result of the global inflation outlook, interest rate hiking cycle and general risk off sentiment. These spread movements have caused unrealised mark-to-market losses which had a negative impact of around R200 million in net result for financial services for 2022 (2021: gains of R65 million).

General insurance

General insurance net result from financial services was impacted by much lower earnings from Santam and SPA GI.

R million	June 2022	June 2021	△	△ CC
Net result from financial services	592	1 373	(57%)	(59%)
SEM	348	752	(54%)	(57%)
SPA GI	238	649	(63%)	(67%)
India	110	95	16%	14%
Other	–	8	(100%)	(100%)
Santam	244	621	(61%)	(61%)

SEM general insurance net result from financial services decreased significantly. SPA GI was significantly impacted by lower investment return on insurance funds due to the decline in Moroccan equity markets (10% decline in the Moroccan All Share index compared to a positive return of 10% in 2021). Unrealised losses on equities of R262 million (net of tax and non-controlling interests) were recorded over the period (gains of R227 million in the comparative period). This contributed to SPA GI recording an investment return on insurance funds of negative 1,5%. The underwriting margin of 5,0% was at the lower end of the 5% to 9% target range. Higher claims experience on health business and weaker performance from certain of the East African businesses detracted from results. India's net result from financial services increased by 16% due to improved claims experience and higher investment return on insurance funds.

Santam's performance was significantly impacted by the weather-related catastrophe events experienced during the first three months of the year and the devastating floods in the KwaZulu-Natal province during early April 2022. The deterioration in the infrastructure in KwaZulu-Natal contributed to the extent of the claims experienced. A further significant impact for Santam has arisen from surging inflation, where the cost of claims has escalated well ahead of premium increases. Eskom load shedding has also resulted in a dramatic increase in claims arising from that cause. Crime related claims have also increased significantly. These claims impacts were off-set to some extent by a reduction in the COVID-19 related contingent business interruption (CBI) claims provision, contributing to a net underwriting margin of 2,3% (30 June 2021: 6,7%) for the Conventional Insurance business, below Santam's target range of 5% to 10%. The investment return on insurance funds was adversely impacted by the steep rise in interest rates which created mark-to-market losses in the international bond portfolio held as part of the float to support international risk underwritten by Santam. Shareholders are referred to Santam's interim results released on 1 September 2022 for more information (www.santam.com).

Investment management

Investment management earnings benefited from good growth in both the SEM and SIG operations.

R million	June 2022	June 2021	△	△ CC
Net result from financial services	472	377	25%	22%
SEM	38	29	31%	28%
SIG	434	348	25%	22%
Sanlam Investments	171	103	66%	66%
Wealth Management	102	91	12%	12%
International	161	154	5%	(2%)

SEM net result from financial services from the investment management portfolio increased strongly due to higher fee income from increased assets under management, supported by strong net fund inflows in Southern and East Africa in 2021.

SIG's net result from financial services increase was driven by improved performances from the Sanlam Investments and Wealth Management businesses. Sanlam Investments' (third-party investment manager) contribution increased by 38% excluding the impact of once-off tax adjustments, with all underlying businesses performing well due to higher average assets under management despite market declines. This was further augmented by performance fees due to sustained outperformance from equity portfolios and fund establishment fees in the Alternatives business. Wealth Management benefited from strong growth in brokerage income. The International business recorded higher earnings due to lower expenses and rand depreciation more than offsetting lower fee income due to the decline in equity markets.

Credit and structuring

Credit and structuring net result from financial services increased due to improved earnings in SLS and SEM.

R million	June 2022	June 2021	△	△ CC
Net result from financial services	754	619	22%	20%
SLS – Sanlam Personal Loans (SPL)	86	63	37%	37%
SEM	560	434	29%	27%
SPA	102	112	(9%)	(9%)
India	458	322	42%	39%
SIG – SanFin	108	122	(11%)	(11%)

SPL net result from financial services increased mainly due to lower bad debt charges on a reduced gross loan book size.

SEM net result from financial services from the credit and structuring businesses increased strongly due to an improved performance in India where higher net interest income was supported by the stronger loan book growth and collections. However, SPA earnings decreased due to lower earnings contribution from Letshego which was impacted by lower net interest income and higher bad debt charges.

SIG's net result from financial services from the credit and structuring businesses declined due to lower earnings in the structuring business in SanFin due to the impact of exceptional equity market returns on equity-linked financing structures in the comparative period and lower transaction volumes in 2022.

Net operational earnings

Net operational earnings of R4,4 billion decreased by 7%, due to the combined effect of lower net investment return on shareholder capital portfolios of R14 million relative to R247 million in 2021 and increased project expenditure. Project expenses were higher than 2021 due to the increased spend on initiatives supporting execution of the Group's strategy.

Attributable earnings

Attributable earnings increased by 51% to R 5,6 billion from R3,7 billion in the comparative period. The increase is due to the inclusion of profit on disposal of the UK assets of R1,7 billion net of costs and the inclusion of fund transfers[1] of positive R262 million (2021: negative R720 million), partly offset by net impairments of R401 million (2021: positive R57 million) relating mainly to the B-BBEE SPV in response to the movement in the Sanlam share price.

Headline earnings and diluted headline earnings

Headline earnings and diluted headline earnings per share decreased by 7%, similar to the decline in net operational earnings.

[1] Fund transfers include:
- non-economic mismatch profits and losses recognised in terms of IFRS through the elimination of Sanlam shares held in policyholder portfolios as treasury shares of positive R162 million (2021: negative R79 million);
- the recognition of deferred tax assets in respect of assessed losses in policyholder portfolios of negative R238 million (2021: positive R13 million);
- the consolidation of the B-BBEE SPV which results in the recognition of interest paid on funding in the SPV, mark-to-market changes on the hedging instruments in the structure and administration costs incurred by the SPV of negative R111 million (2021: negative R384 million);
- the impact of hyperinflation on the opening balance of monetary assets and liabilities (negative R25 million); and
- the elimination of B-BBEE SPV impairments charge of R399 million (2021: impairment charge reversal of R329 million).

New business volumes

Life Insurance

Life insurance new business volumes declined by 7% (1% lower excluding UK disposals), largely due to lower single premium sales in the South African Retail Affluent business. All other businesses recorded satisfactory growth in new business volumes.

R million	June 2022	June 2021	△	△ CC
New business volumes	33 231	35 686	(7%)	(7%)
SLS	27 480	28 567	(4%)	(4%)
Retail Mass - Recurring Premiums	1 851	1 654	12%	12%
Retail Affluent	20 906	22 769	(8%)	(8%)
Single Premiums	19 904	21 782	(9%)	(9%)
Recurring Premiums	1 002	987	2%	2%
Corporate	4 723	4 144	14%	14%
Single Premiums	4 572	3 948	16%	16%
Recurring Premiums	151	196	(23%)	(23%)
SEM	5 751	5 149	12%	12%
SPA Life	4 455	4 197	6%	7%
India	609	542	12%	10%
Malaysia	687	410	68%	65%
SIG	–	1 970	(100%)	(100%)

Retail Mass continued its strong new business growth trajectory, with the individual life business performing particularly well, recording growth of 27%. Capitec Bank funeral sales increased by 17%, while the group businesses recorded lower sales.

Retail Affluent new business volumes declined due to lower single premium sales of guaranteed annuities and international products. Recurring premium sales increased largely due to strong growth in savings business which more than offset lower risk sales in the agency channels and BrightRock. Sales trends were weaker in the first four months of 2022 but showed improved trends in the months of May and June 2022.

Corporate's new business volumes increased due to good sales of single premium investment products. Recurring premium volumes were lower as a softening of market rates for group risk business was observed over the period.

SPA life insurance recorded good growth in most regions, with Botswana being the major detractor due to lower group and credit life business volumes. **India** benefited from stronger performance from direct channels, while **Malaysia** continues to benefit from diversification of distribution to digital channels and growth in group scheme business.

NET VNB* decreased by 17% largely due to the rise in long bond yields used to value the new business but was only 2% lower on a constant economic basis.

SLS VNB was 25% lower (down 8% on a constant economic basis), with both Retail Affluent and Corporate decreasing due to mix changes to lower margin products, and Retail Affluent further impacted by lower single premium volumes. Retail Mass VNB increased 3% (27% higher on a constant economic basis), reflecting continued strong volume growth.

SEM VNB increased by 18% (up 24% on a constant economic basis), with strong improvements reported across the portfolio due to higher volumes, with Botswana the only notable detractor.

The Group covered business net VNB margin of 2.50% was lower than the 2.82% recorded in 2021 largely due to the rise in long bond yields. VNB margin was 2.89% on a constant economic basis. SLS recorded a margin of 2.18% (2.61% on a constant economic basis) (2021: 2.81%) while SEM's margin improved strongly to 4.11% (4.28% on a constant economic basis) (2021: 3.81%).

* see page 37 for more detailed disclosure

General insurance

General insurance new business volumes increased by 4% (6% excluding reinstatement premiums at Santam).

SEM general insurance new business volumes (net earned premiums) increased by 8%. SPA GI increased by 11% (12% in constant currency) due to good growth in motor business which was partly offset by lower volumes in the health business. In India, Shriram General Insurance (SGI) was impacted by lower sales through Shriram channels. Third-party premium increases in India were implemented from 1 June 2022, which will bring some relief to SGIs' third-party portfolio, despite these increases being much lower than the historical average.

Santam achieved strong gross written premium growth of 7% in the Conventional Insurance business, with robust growth at Santam Re and well supported by the Specialist business. Growth in net earned premiums was impacted by reinsurance reinstatement premiums due to the impact of catastrophe events over the period.

Net client cash flows

Group net client cash flows were marginally lower than in the comparative period, largely due to lower net flows in the investment management businesses which were affected by the global macro environment.

R million	June 2022	June 2021	△	△ CC
Life insurance	13 762	8 335	65%	65%
Investment business	15 821	21 750	(27%)	(28%)
General insurance	7 491	7 729	(3%)	(3%)
Total	37 074	37 814	(2%)	(2%)

Life insurance net client cash inflows improved strongly due to the decline in outflows from lower mortality claim payments relative to the first six months of 2021. The South Africa Corporate business in particular recorded a sharp turnaround in net client cash flows.

Investment management recorded net client cash inflows of R15,8 billion, 27% lower than 2021, reflecting the unusually good experience of 2021. 2021 included significant mandates awarded in both SIG and SEM.

SIG investment management net client cash inflows declined by 34% to R11,7 billion, reflecting the unusually good experience of 2021. This was due to lower inflows in Sanlam Investments where lower inflows at Satrix and Sanlam Multi-Manager more than offset strong inflows in the Alternatives business. Wealth and International net flows were weaker than 2021. SEM recorded net outflows due to no significant mandates awarded over the period. 2021 included a large inflow in Botswana.

General insurance net client cash flows declined due to the significant claim payments at Santam due to the adverse weather conditions and KwaZulu-Natal floods.

Capital and solvency

The capital and solvency position of the Group and its main operating entities remained strong and within target ranges on 30 June 2022. The Group solvency cover ratio was 174% on 30 June 2022 (31 December 2021: 173%). The solvency cover ratio of Sanlam Life covered was 183% on 30 June 2022 (31 December 2021: 178%) and Sanlam solo was 248% on 30 June 2022 (31 December 2021: 214%).

The Group solvency cover ratio increased slightly from 31 December 2021 due to the positive impact of lower prescribed equity stresses, which was largely offset by operating experience, investment variances and assumption changes, widening of credit spreads and poor investment market performance.

Discretionary capital increased from R2,9 billion on 31 December 2021 to R6,6 billion on 30 June 2022. The increase is largely due to R3,0 billion in net proceeds from the UK disposals, coupled with Sanlam's share of the Santam special dividend of R542 million and positive investment return on Sanlam Life capital.

The Sanlam Life and Pensions UK Limited transaction closed on 27 April 2022; and the Sanlam Private Investments UK Limited and Sanlam Wealth Planning Holdings UK Limited transactions closed on 6 May 2022.

The Group's solvency targets have proven to be very conservative and the Group has demonstrated strong balance sheet resilience through the COVID-19 pandemic, economic volatility and market volatility. The Group has held additional discretionary capital as a temporary measure to provide a buffer against potential future COVID-19 impacts and market volatility. As part of the preparation for the introduction of the new insurance accounting standard from 1 January 2023, the Group will reassess its various capital targets to ensure optimal deployment of capital while maintaining the strength which characterises the Group and supports our promise to customers.

Competition commission

The Competition Commission released a media statement on 25 August 2022 in which it indicated that it was investigating pricing practices relating to eight South African life insurance companies, including Sanlam Life and Brightrock.

The Competition Commission has not furnished Sanlam Life or Brightrock with any information that would enable Sanlam Life to form a view on this matter. Sanlam values the trust of its customers highly and conducts its business in a manner that has regard to the highest ethical standards, adhering to all relevant legislation.

We therefore do not believe that the work of the Competition Commission will result in any processes at Sanlam being highlighted as problematic, although we are concerned about the damage that the publicity from the media release will do to our reputation as a leading player in the industry.

Sanlam is considering the various options for resolution. We will keep shareholders appraised of how we intend to deal with the matter in due course.

Outlook

Sanlam remains uniquely positioned to capture the growth opportunity across the African continent by leveraging the reach of our broad platform and partnership model to drive financial inclusion through providing simple products, at scale, using increased digital capabilities. The Group continues to make satisfactory progress in implementing its strategy and remains focused on the successful integration of the completed transactions, while ensuring the outstanding transactions progress smoothly through their respective approval processes.

The Group continues to progress on the modernisation of our existing platforms under Sanlam 2.0, and at the same time developing our existing digital platforms including Indie, MiWay Life, MiWay Blink, Sanlam Credit Solutions, Satrix and our stake in Easy Equities. Our future partnerships with Allianz and MTN are key to the delivery of our aspirations in Africa, and we continue to work on the successful buildout of these initiatives.

The annual advance in the rate of global inflation is expected to slow in the second half of 2022, but we expect inflation to remain well above central bank target levels, with interest rate hiking cycles likely to continue. Although economic activity is expected to recover in the second half of 2022, moderate average real GDP growth of 2,0% is expected in South Africa for 2022. Given global headwinds, growth in Africa outside of South Africa is also expected to slow although remaining robust, with GDP growth of more than 3,5% expected in Sub-Saharan Africa in 2022.

Consumer pressure from elevated inflation, market uncertainty and a high comparative base is likely to result in muted levels of new business growth over the remainder of the year, largely impacting investment business. However, the resilience of the South African and broader Pan-African economies, especially those that benefit from higher commodity prices, coupled with our diverse product offering, market segment presence and strong distribution capabilities, should continue to provide support to the absolute level of sales volumes.

In the medium term we expect that consumers will be able to review their life insurance and general insurance coverage to adjusted to higher nominal price levels, supporting medium term growth in volumes in these areas.

Although persistency experience, especially in lower income market segments, is likely to remain under pressure, the Group continues to attract robust levels of client inflows and remains a trusted partner for clients in a challenging economic and market environment. The Group still holds the 2,5% mass lapse provision in the value of in-force. This provision affords an element of conservativeness should global economic conditions deteriorate further. Our data and digital initiatives, coupled with our shared value offerings, including WealthBonus, have been well accepted by the market and are proving to be a strong retention mechanism.

Mortality experience has been satisfactory over the first six months of 2022. The Group continues to closely monitor mortality experience for any deterioration, especially over the winter months, and continues to assess adequacy of pricing and reserving. The positive impact of the repricing of group risk, changes to underwriting for retail risk business and the decline in the severity of COVID-19 impacts on mortality may continue into the rest of 2022 and beyond, absent any new variants of COVID-19 with severe mortality impacts.

Lower stock market levels during the first six months of 2022 have begun to reverse and the overall direction and level of markets in the second half of the year will impact second half earnings. Credit spread changes in the second half of 2022 will also impact earnings.

Santam, in line with other South African general insurers, is actively reviewing policy conditions and premium rates on renewal. This reflects the much higher claims costs being experienced as a result of the inflation already experienced and the significant deterioration in the infrastructure and environment. Underwriting experience in the second half of the year will depend on the usual vagaries the business is subject to, but to the extent to which new pricing and benefits can be implemented. Because such repricing only takes place on policy renewal, the full impact of these actions will only emerge in 2023.

The severe impacts of higher inflation on our customers and our own cost basis necessitates a strong focus across the Group on control of expenses. The Group will continue to invest strongly as we are positive about the outlook for the Group, but there is also a great deal of focus on efficiency within existing operations. Some of the acquisitions to create scale will take several years to fully yield efficiency benefit, but these are receiving focus from management.

The overall capital strength of Sanlam, our diversified portfolio, strong competitive position in each market in which we operate and record of execution, remain key differentiators. The Group remains well-positioned and will continue to deliver long-term value to all stakeholders as we implement our purpose-led strategy, despite the difficult operating environment that is likely to persist for the remainder of 2022.


Confidence Rule 60:
IF YOU BELIEVE
IN IT INVEST IN IT.

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

To the shareholders of Sanlam Limited

Introduction

We have reviewed the condensed consolidated financial statements of Sanlam Limited, contained in the accompanying interim report, which comprise the group statement of financial position at 30 June 2022 and group statements of comprehensive income, changes in equity and cash flows for the six-months then ended, accounting policies and basis of preparation and the shareholders (segmental) information and selected explanatory notes as set out on pages 36 to 67.

Directors' responsibility for interim financial statements

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

Auditors' responsibility

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Sanlam Limited for the six-months ended 30 June 2022 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young Inc.
Director: Christo du Toit
Registered Auditor Chartered Accountant CA(SA)

No. 3 Dock Road Waterway House
V&A Waterfront
Cape Town

7 September 2022

KPMG Inc

KPMG Inc.
Director: Pierre Fourie
Registered Auditor Chartered Accountant CA(SA)

KPMG Crescent
85 Empire Road
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7 September 2022

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Accounting policies and basis of preparation

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

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

The policy liabilities and profit entitlement rules are determined in accordance with prevailing legislation, generally accepted actuarial practice and the stipulations contained in the demutualisation proposal for Sanlam Life Insurance Limited. There have been no material changes in the financial soundness valuation basis since 31 December 2021.

The accounting policies and basis of preparation for the IFRS condensed consolidated financial statements, which includes Shareholders' Information as segmental reporting, are in all material respects consistent with those applied in the 2021 Annual Financial Statements apart from the adoption of new IFRSs at the beginning of the 2022 financial year. The purpose of the Shareholders' Information is to provide segmental information to users in respect of the Group shareholders' fund in a format that corresponds to that used by management in evaluating the performance of the Group and is segmental information to the condensed financial statements prepared in terms of IFRS. The Group reports segments grouped according to the similarity of the solution offerings and market segmentations of the various businesses.

The following new or revised IFRSs and interpretations have been applied in the 2022 financial period:

- Effective 1 January 2022:
  - *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to* IAS 37*)*
  - *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to* IAS 16*)*
  - *Reference to the Conceptual Framework (Amendments to* IFRS 3*)*
  - *Annual Improvements to IFRS Standards 2018-2020, pertaining to* IFRS 9 *and* IFRS 16.

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

- Effective 1 January 2023:
  - *IFRS 17 – Insurance contracts*
  - *Classification of liabilities as current or non-current (Amendments to* IAS 1*)*
  - *Definition of Accounting Estimate (Amendments to* IAS 8*)*
  - *Disclosure of Accounting Policy (Amendments to* IAS 1 *and IFRS Practice Statement 2)*
  - *Amendments regarding deferred tax on leases and decommissioning obligations (Amendments to IAS 12)*

The Group does not expect any of the above new or revised IFRS and interpretations issued by the IASB, but not yet effective, to have a material impact, except for IFRS 17 – Insurance contracts.

IFRS 17 – *Insurance Contracts* (IFRS 17) establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. It will replace *IFRS 4 – Insurance Contracts* (IFRS 4).

The effective date of IFRS 17 is for reporting periods beginning on or after 1 January 2023, with comparative numbers for 2022.

The key objectives of IFRS 17 are comparable recognition and measurement of contracts in the scope of the standard, the recognition of insurance service results based on the insurance contract services provided to the policyholder and provision of disclosures that allows the users of the financial statements to assess the impact of these contracts on the financial position, financial results, and cash flows of the entity. The standard distinguishes between the sources of profit and quality of earnings between insurance service results and insurance finance income and expense (reflecting the effect of, and changes in, the time value of money and financial risk).

The Group made good progress with implementation readiness since 31 December 2021 as outlined below:

- All group-level policy and methodology principles have been finalised;
- Detailed product level and country level (for Sanlam Emerging Markets) accounting policy choices and actuarial valuation bases are progressing well and is currently being reviewed;
- Development, testing, and implementation of new technology solutions that will enable the Group to meet the requirements of the standard are ongoing; and
- The change management process is ongoing with the priority being placed on training to various stakeholders throughout the organisation.

The Group continues to evaluate the financial impact of IFRS 17 on its consolidated financial statements. The high-level estimate of the impact of IFRS 17 on the Group's 31 December 2021 transition balance sheet was completed during the first half of 2022. The results were however subject to a number of limitations and exclusions. Another iteration of the transition balance sheet impact is planned for September 2022 ahead of being finalised in December 2022.

Sanlam will provide a general update on the implementation and expected impact of IFRS 17 to the market during the fourth quarter of 2022. The Group expects to be able to disclose an estimate of the transition impact of IFRS 17 in its consolidated financial statements for the year ending 31 December 2022, in accordance with the requirements of IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors.*

Use of estimates, assumptions and judgements

The preparation of the 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 Statement of Comprehensive Income, as well as contingent liabilities. The accounting estimates and assumptions have been reviewed in line with the COVID-19 outbreak and included in considerations in the preparation of the interim consolidated financial statements. The major items subject to the application of estimates, assumptions and judgements include:

- Assessment of control or significant influence over investees;
- Impairment of goodwill and investment value of business acquired;
- The liability arising from claims under general insurance contracts;
- The fair value of unlisted investments, unlisted debt, property valuations and determining IFRS 5 and classifying IFRS 5 between non-current assets held for sale and discontinued operations;
- The valuation of policy liabilities;
- Impairment of financial assets, including measurement of ECL (expected credit losses) allowances for trade receivables;
- Potential claims and contingencies;
- The consolidation of investment funds where the Group has less than a majority interest;
- Determining the lease term of contracts with renewal and termination options – Group as lessee;
- Application of hyperinflation accounting;
- Leases – Estimating the incremental borrowing rate; and
- Deferred tax – Utilisation of historic losses.

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 6 of the condensed consolidated financial statements for further information on significant changes since the previous reporting period in terms of critical estimates and judgements and note 7 of the condensed consolidated financial statements for information on contingencies.

External review

The jointly appointed auditors, Ernst & Young Incorporated and KPMG Incorporated, reviewed the interim condensed financial statements and Shareholders' Information of the Group at 30 June 2022. These reviews were conducted in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Copies of the unqualified joint review reports of Ernst & Young Incorporated and KPMG Incorporated are presented on page 14.

Group Equity Value

at 30 June

R million	Note	Group Equity Value June Reviewed 2022	Group Equity Value December Audited 2021	Value of in-force/ Fair value adjustment June Reviewed 2022	Value of in-force/ Fair value adjustment December Audited 2021
Sanlam Life and Savings		51 592	54 159	43 474	45 942
Covered business[1]	6.1.4	46 782	48 937	40 767	42 997
SA Retail Affluent		29 880	31 849	27 131	28 998
SA Retail Mass		11 523	11 761	10 133	10 548
Sanlam Corporate		5 379	5 327	3 503	3 451
Non-Covered business		4 810	5 222	2 707	2 945
SA Retail Affluent		3 974	4 319	3 000	3 095
Glacier		2 449	2 736	2 107	2 321
Other operations		1 525	1 583	893	774
Sanlam Corporate: Health		836	903	(293)	(150)
Sanlam Emerging Markets[2]		38 605	40 354	6 133	7 493
Covered business	6.2.7	8 539	9 026	3 662	3 801
SPA Life		6 447	6 923	2 813	2 947
Saham		1 276	1 533	33	22
Namibia		2 022	2 084	1 522	1 562
Botswana		1 494	1 540	1 157	1 153
Other African operations		1 655	1 766	101	210
India		1 110	1 092	488	491
Malaysia		982	1 011	361	363
Non-Covered business		30 066	31 328	2 471	3 692
SPA GI		17 165	18 875	1 944	3 570
Saham		15 653	17 474	2 028	3 719
Other general insurance operations[3]		1 512	1 401	(84)	(149)
India		12 277	11 749	1 373	826
Other operations[3]		624	704	(846)	(704)
Sanlam Investment Group		14 417	19 583	7 112	10 234
Covered business[4]	6.3.2	1 654	2 614	(1 050)	(894)
Non-covered business		12 763	16 969	8 162	11 128
Sanlam Investments		3 105[5]	3 209[5]	1 031	1 844
Wealth Management		3 019	3 273	2 773	3 026
International[6]		5 190	8 917	3 071	4 896
Sanlam Specialised Finance		1 449	1 570	1 287	1 362
Santam		17 069	18 241	10 422	10 587
Discretionary capital		6 624	2 936	–	–
Other capital		5 077	9 605	–	–
Present value of holding company expenses	9	(2 687)	(2 488)	(2 687)	(2 488)
Group Equity Value		130 697	142 390	64 454	71 768
Covered business	2	56 975	60 577	43 379	45 904
Non-covered business	4.1	64 708	71 760	23 762	28 352
Group operations		121 683	132 337	67 141	74 256
Discretionary and other capital		9 014	10 053	(2 687)	(2 488)
Group Equity Value		130 697	142 390	64 454	71 768
Value per share	8	59,28	64,44		

[1] Excludes subordinated debt funding of Sanlam Life.
[2] Sanlam Emerging Markets is disclosed on the current structure before taking into account the proposed joint venture transaction with Allianz.
[3] Santam Namibia has been reclassified from other operations to general insurance operations.
[4] Sanlam disposed of its interest in Sanlam Life and Pensions in the UK in April 2022 (2021: R804 million).
[5] Includes Sanlam share (75%) of the third party asset management business of R3 340 million (31 December 2021: R3 763 million).
[6] Sanlam disposed of its stake in UK Wealth and Financial Planning businesses in May 2022 (2021: R2 562 million).

Adjusted net asset value		Elimination of goodwill and VOBA		Shareholders' fund at net asset value	
June Reviewed 2022	*December Audited 2021*	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
8 118	*8 217*	(1 079)	(1 020)	9 197	9 237
6 015	*5 940*	(1 079)	(1 020)	7 094	6 960
2 749	*2 851*	(639)	(662)	3 388	3 513
1 390	*1 213*	(185)	(189)	1 575	1 402
1 876	*1 876*	(255)	(169)	2 131	2 045
2 103	*2 277*	–	–	2 103	2 277
974	*1 224*	–	–	974	1 224
342	*415*	–	–	342	415
632	*809*	–	–	632	809
1 129	*1 053*	–	–	1 129	1 053
32 472	*32 861*	(2 812)	(3 089)	35 284	35 950
4 877	*5 225*	(2 812)	(3 089)	7 689	8 314
3 634	*3 976*	(2 236)	(2 469)	5 870	6 445
1 243	*1 511*	(1 535)	(1 728)	2 778	3 239
500	*522*	–	–	500	522
337	*387*		–	337	387
1 554	*1 556*	(701)	(741)	2 255	2 297
622	*601*	(311)	(322)	933	923
621	*648*	(265)	(298)	886	946
27 595	*27 636*	–	–	27 595	27 636
15 221	*15 305*	–	–	15 221	15 305
13 625	*13 755*	–	–	13 625	13 755
1 596	*1 550*	–	–	1 596	1 550
10 904	*10 923*	–	–	10 904	10 923
1 470	*1 408*	–	–	1 470	1 408
7 305	*9 349*	–	–	7 305	9 349
2 704	*3 508*	–	–	2 704	3 508
4 601	*5 841*	–	–	4 601	5 841
2 074	*1 365*	–	–	2 074	1 365
246	*247*	–	–	246	247
2 119	*4 021*	–	–	2 119	4 021
162	*208*	–	–	162	208
6 647	*7 654*	–	–	6 647	7 654
6 624	*2 936*	–	–	6 624	2 936
5 077	*9 605*	(1 197)	(1 197)	6 274	10 802
–	–		–	–	–
66 243	*70 622*	(5 088)	(5 306)	71 331	75 928
13 596	*14 673*	(3 891)	(4 109)	17 487	18 782
40 946	*43 408*	–	–	40 946	43 408
54 542	*58 081*	(3 891)	(4 109)	58 433	62 190
11 701	*12 541*	(1 197)	(1 197)	12 898	13 738
66 243	*70 622*	(5 088)	(5 306)	71 331	75 928
				32,35	34,36

Analysis of Group Equity Value per line of business

at 30 June

R million	Total		Life Business		General Insurance	
	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
Southern Africa	93 496	99 005	52 469	54 960	17 938	19 017
South Africa	85 152	90 577	48 436	50 747	17 069	18 241
Other	8 344	8 428	4 033	4 213	869	776
North and West Africa	15 907	18 277	1 846	2 197	15 458	17 414
East Africa	1 366	1 144	575	519	838	685
Other International	19 928	23 964	2 085	2 901	2 650	2 786
Total	130 697	142 390	56 975	60 577	36 884	39 902

R million	Investment Management		Credit & Structuring		Administration, Health & Other	
	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
Southern Africa	7 306	7 744	4 317	4 340	11 466	12 944
South Africa	6 561	6 975	2 151	2 196	10 935	12 418
Other	745	769	2 166	2 144	531	526
North and West Africa	–	–	–	–	(1 397)	(1 334)
East Africa	182	183	–	–	(229)	(243)
Other International	5 294	9 046	9 899	9 231	–	–
Total	12 782	16 973	14 216	13 571	9 840	11 367

Change in **Group Equity Value**

at 30 June 2022 (reviewed)

R million	GEV at the beginning of period	Earnings	Net capital investment	Dividend paid	GEV at end of period
Sanlam Life and Savings	54 159	52	16	(2 635)	51 592
Covered business	48 937	216	87	(2 458)	46 782
SA Retail Affluent	31 849	(282)	(149)	(1 538)	29 880
SA Retail Mass	11 761	254	168	(660)	11 523
Sanlam Corporate	5 327	244	68	(260)	5 379
Non-Covered business	5 222	(164)	(71)	(177)	4 810
SA Retail Affluent	4 319	(98)	(71)	(176)	3 974
Glacier	2 736	(170)	(30)	(87)	2 449
Other operations	1 583	72	(41)	(89)	1 525
Sanlam Corporate: Health	903	(66)	–	(1)	836
Sanlam Emerging Markets	40 354	(1 763)	770	(756)	38 605
Covered business	9 026	25	(190)	(322)	8 539
SPA Life	6 923	40	(213)	(303)	6 447
Saham	1 533	(126)	(169)	38	1 276
Namibia	2 084	80	(21)	(121)	2 022
Botswana	1 540	89	(53)	(82)	1 494
Other African operations	1 766	(3)	30	(138)	1 655
India	1 092	17	21	(20)	1 110
Malaysia	1 011	(32)	2	1	982
Non-Covered business	31 328	(1 788)	960	(434)	30 066
SPA GI	18 875	(1 998)	269	19	17 165
Saham	17 474	(1 941)	119	1	15 653
Other general insurance operations[1]	1 401	(57)	150	18	1 512
India	11 749	382	232	(86)	12 277
Other operations[1]	704	(172)	459	(367)	624
Sanlam Investment Group	19 583	(1 850)	(3 077)	(239)	14 417
Covered business	2 614	(184)	(820)	44	1 654
Sanlam UK	804	(30)	(774)	–	–
Central Credit Manager	1 810	(154)	(46)	44	1 654
Non-covered business	16 969	(1 666)	(2 257)	(283)	12 763
Sanlam Investments	3 209	137	–	(241)	3 105
Wealth Management	3 273	(173)	–	(81)	3 019
International	8 917	(1 415)	(2 257)	(55)	5 190
Sanlam Specialised Finance	1 570	(215)	–	94	1 449
Santam	18 241	(94)	–	(1 078)	17 069
Discretionary capital	2 936	72	3 616	–	6 624
Other capital	9 605	(270)	3 116	(7 374)	5 077
Present value of holding company expenses	(2 488)	(199)	–	–	(2 687)
Elimination of intergroup dividends	–	–	(4 708)	4 708	–
Group Equity Value	142 390	(4 052)	(267)	(7 374)	130 697
Covered business	60 577	57	(923)	(2 736)	56 975
Non-Covered business	71 760	(3 712)	(1 368)	(1 972)	64 708
Group operations	132 337	(3 655)	(2 291)	(4 708)	121 683
Discretionary and other capital	10 053	(397)	6 732	(7 374)	9 014
Elimination of intergroup dividends	–	–	(4 708)	4 708	–
Group Equity Value	142 390	(4 052)	(267)	(7 374)	130 697

[1] Santam Namibia has been reclassified from other operations to general insurance operations.

Change in Group Equity Value

at 30 June 2021 (reviewed)

R million	GEV at the beginning of period	Earnings	Net capital investment	Dividend paid	GEV at end of period
Sanlam Life and Savings	52 278	3 981	(341)	(1 985)	53 933
Covered business	47 597	3 486	(341)	(1 831)	48 911
SA Retail Affluent[1]	32 043	2 950	(448)	(1 514)	33 031
SA Retail Mass	10 596	411	54	(423)	10 638
Sanlam Corporate	4 958	125	53	106	5 242
Non-Covered business	4 681	495	–	(154)	5 022
SA Retail Affluent	4 035	163	–	(123)	4 075
Glacier	2 553	222	–	(91)	2 684
Other operations	1 482	(59)	–	(32)	1 391
Sanlam Corporate: Health	646	332	–	(31)	947
Sanlam Emerging Markets	35 323	186	318	(703)	35 124
Covered business	8 638	123	(239)	(256)	8 266
SPA Life	6 793	106	(357)	(209)	6 333
Saham	1 548	(58)	(134)	(33)	1 323
Namibia	2 063	110	(21)	(34)	2 118
Botswana	1 588	(11)	(58)	(74)	1 445
Other African operations	1 594	65	(144)	(68)	1 447
India	1 002	67	16	(40)	1 045
Malaysia	843	(50)	102	(7)	888
Non-Covered business	26 685	63	557	(447)	26 858
SPA GI	16 877	(234)	191	(134)	16 700
Saham	15 827	(246)	178	(111)	15 648
Other general insurance operations	1 050	12	13	(23)	1 052
India	8 954	477	(7)	48	9 472
Other operations	854	(180)	373	(361)	686
Sanlam Investment Group	19 003	608	354	(574)	19 391
Covered business	3 091	(526)	143	(140)	2 568
Non-Covered business	15 912	1 134	211	(434)	16 823
Sanlam Investments	2 949	893	–	(173)	3 669
Wealth Management	2 588	213	3	(73)	2 731
International	8 928	(187)	208	(52)	8 897
Sanlam Specialised Finance	1 447	215	–	(136)	1 526
Santam	17 277	326	–	–	17 603
Discretionary capital	636	(47)	(52)	–	537
Other capital	9 782	191	2 848	(6 615)	6 206
Present value of holding company expenses	(2 487)	(89)	–	–	(2 576)
Elimination of intergroup dividends	–	–	(3 262)	3 262	–
Group Equity Value	131 812	5 156	(135)	(6 615)	130 218
Covered business	59 326	3 083	(437)	(2 227)	59 745
Non-Covered business	64 555	2 018	768	(1 035)	66 306
Group operations	123 881	5 101	331	(3 262)	126 051
Discretionary and other capital	7 931	55	2 796	(6 615)	4 167
Elimination of intergroup dividends	–	–	(3 262)	3 262	–
Group Equity Value	131 812	5 156	(135)	(6 615)	130 218

[1] The release of discretionary reserves against excess risk claims experience is reported under SA Retail Affluent in Change in Group Equity Value, but shown separately in Note 6.1 on page 48.

Return on **Group Equity Value**

%	Six months reviewed June 2022	Six months reviewed June 2021	Twelve months audited December 2021
Sanlam Life and Savings	0,1	7,6	15,1
Covered business	0,4	7,3	14,6
SA Retail Affluent	(0,9)	9,2	17,0
SA Retail Mass	2,2	3,9	15,4
Sanlam Corporate	4,6	2,5	(2,3)
Non-Covered business	(3,1)	10,6	20,4
SA Retail Affluent	(2,3)	4,0	15,4
Glacier	(6,2)	8,7	14,2
Other operations	4,5	(4,0)	17,6
Sanlam Corporate: Health	(7,3)	51,4	51,4
Sanlam Emerging Markets	(4,4)	0,5	15,9
Covered business	0,3	1,4	10,4
SPA Life	0,6	1,6	9,5
Saham	(8,2)	(3,7)	1,7
Namibia	3,8	5,3	7,6
Botswana	5,8	(0,7)	1,4
Other African operations	(0,2)	4,1	27,8
India	1,6	6,7	15,6
Malaysia	(3,2)	(5,9)	12,3
Non-Covered business	(5,7)	0,2	17,6
SPA GI	(10,6)	(1,4)	10,2
Saham	(11,1)	(1,6)	9,9
Other general insurance operations[1]	(3,9)	1,1	14,5
India	3,3	5,3	31,9
Other operations[1]	(24,4)	(21,1)	17,3
Sanlam Investment Group	(9,1)	3,2	14,6
Covered business	(7,0)	(17,0)	(12,1)
Non-covered business	(9,4)	7,1	19,7
Sanlam Investments	4,3	30,3	18,8
Wealth Management	(5,3)	8,2	32,7
International	(14,6)	(2,1)	14,5
Sanlam Specialised Finance	(13,7)	14,9	30,8
Santam	(0,5)	1,9	7,3
Discretionary capital and other	(4,3)	0,7	(4,3)
Group Equity Value[2]	(2,8)	3,9	13,1
Covered business	0,1	5,2	12,6
Non-covered	(5,1)	3,1	15,6
Group operations	(2,7)	4,1	14,2
Discretionary and other capital	(4,3)	0,7	(4,3)
Group Equity Value	(2,8)	3,9	13,1
RoGEV per share	(2,8)	3,9	13,9
Sanlam Group hurdle rate	6,9	*6,6*	*13,6*

[1] Santam Namibia has been reclassified from other operations to general insurance operations.

[2] Refer to the financial review on page 5 for adjusted RoGEV information.

Analysis of GEV Earnings

at 30 June

Covered business[1]

R million	Total June Reviewed 2022	Total June Reviewed 2021	Value of in-force June Reviewed 2022	Value of in-force June Reviewed 2021
Operational earnings	3 716	3 509	781	1 441
Value of new life insurance business[2]	1 076	1 289	2 734	2 895
Unwinding of discount rate	2 979	2 790	2 914	2 682
Expected profit	–	–	(4 302)	(3 967)
Operating experience variances	314	(973)	(107)	457
Risk experience	475	(1 781)	171	(118)
Persistency	(298)	452	(64)	610
Maintenance expenses	7	103	(2)	1
Working capital management	180	198	–	(2)
Credit spread	8	179	–	–
Other	(58)	(124)	(212)	(34)
Operating assumption changes	(653)	403	(458)	(626)
Risk experience	(31)	78	(33)	(351)
Persistency	(580)	(51)	2	(23)
Maintenance expenses	44	121	(10)	85
Modelling changes and other	(86)	255	(417)	(337)
Net investment return	(21)	122	–	–
Expected return on adjusted net asset value	497	483	–	–
Investment variances on adjusted net asset value	(518)	(361)	–	–
Valuation and economic basis	(4 226)	177	(4 020)	16
Investment variances on in-force business	(2 336)	955	(1 992)	893
Economic assumption changes	(1 790)	(661)	(1 899)	(723)
Investment yields	(1 789)	(657)	(1 902)	(722)
Long-term asset mix assumptions and other	(1)	(4)	3	(1)
Foreign currency translation differences	(100)	(117)	(129)	(154)
Change in tax basis	621	(77)	604	(75)
Loss on disposal of subsidiaries and associate companies	(30)	–	–	–
Net project expenses	(3)	(2)	–	–
Revaluation of business held for sale	–	(585)	–	(754)
Loss on change in ownership	–	(61)	–	–
GEV earnings: covered business	57	3 083	(2 635)	628
Acquired value of in-force	100	80	130	9
Disposal of businesses	(784)	–	–	–
Transfers from/(to) other Group operations	(119)	77	–	(30)
Transfers from covered business	(2 856)	(2 821)	–	–
Embedded value of covered business at the beginning of the period	60 577	59 326	49 427	47 887
Embedded value of covered business at the end of the period	56 975	59 745	46 922	48 494

[1] Refer to note 6 for an analysis per cluster.

[2] Refer to note 1 for additional information.

Covered business per cluster

at 30 June

R million	Total June Reviewed 2022	Total June Reviewed 2021	Value of in-force June Reviewed 2022	Value of in-force June Reviewed 2021
Sanlam Life and Savings	46 782	48 911	42 510	44 013
Sanlam Emerging Markets	8 539	8 266	4 540	4 460
Sanlam Investment Group	1 654	2 568	(128)	21
Sanlam Group	56 975	59 745	46 922	48 494

Cost of capital		Adjusted net asset value		
June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	December Audited 2021
(138)	(33)	3 073	2 101	7 100
(139)	(131)	(1 519)	(1 475)	2 764
65	108	–	–	5 538
–	–	4 302	3 967	–
9	(44)	412	(1 386)	(2 742)
(2)	(17)	306	(1 646)	(4 205)
(13)	(18)	(221)	(140)	712
3	1	6	101	150
–	–	180	200	365
–	–	8	179	295
21	(10)	133	(80)	(59)
(73)	34	(122)	995	1 540
1	1	1	428	(867)
(19)	6	(563)	(34)	1 533
(2)	(1)	56	37	(91)
(53)	28	384	564	965
–	–	(21)	122	925
–	–	497	483	956
–	–	(518)	(361)	(31)
131	35	(337)	126	211
61	(25)	(405)	87	1 402
41	23	68	39	(1 310)
45	27	68	38	(1 303)
(4)	(4)	–	1	(7)
29	37	–	–	119
17	(2)	–	–	(80)
–	–	(30)	–	–
–	–	(3)	(2)	(10)
–	169	–	–	(595)
–	–	–	(61)	(61)
10	169	2 682	2 286	7 490
(30)	(2)	–	73	84
–	–	(784)	–	–
–	–	(119)	107	(920)
–	–	(2 856)	(2 821)	(5 403)
(3 523)	(3 675)	14 673	15 114	59 326
(3 543)	(3 508)	13 596	14 759	60 577

Cost of capital		Adjusted net asset value		
June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	December Audited 2021
(1 743)	(1 854)	6 015	6 752	48 937
(878)	(743)	4 877	4 549	9 026
(922)	(911)	2 704	3 458	2 614
(3 543)	(3 508)	13 596	14 759	60 577

Analysis of GEV Earnings continued

Non-covered business

R million	Total		Sanlam Life and Savings	
	June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021
Earnings from operations valued at listed share prices	(94)	395	–	–
Earnings from operations valued at net asset value	(70)	6	–	–
Earnings from operations valued based on discounted cash flows	(3 548)	1 617	(164)	495
Unwinding of discount rate	3 307	3 029	468	436
Operating experience and investment variances[1]	(2 565)	531	(266)	(138)
General insurance	43	115	–	–
Investment management	(2 949)	282	–	–
Credit and banking	559	197	(31)	(59)
Administration, health and other	(218)	(63)	(235)	(79)
Operating assumption changes[2]	229	97	(46)	265
General insurance	(268)	(385)	–	–
Investment management	804	45	–	–
Credit and banking	(174)	155	80	(20)
Administration, health and other	(133)	282	(126)	285
Economic assumption changes	(3 517)	(918)	(383)	(68)
Change in tax basis	150	–	63	–
Foreign currency translation differences	(1 152)	(1 122)	–	–
GEV earnings: Non-covered operations	(3 712)	2 018	(164)	495

R million	Total		Sanlam Life and Savings	
	June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021
[1] Operating experience and investment variances	(2 565)	531	(266)	(138)
General insurance business	43	115	–	–
Risk experience	(57)	30	–	–
Premium income	602	(16)	–	–
Investment return and net fund flows	14	50	–	–
Maintenance expenses	(288)	81	–	–
Other	(228)	(30)	–	–
Investment management	(2 949)	282	–	–
Investment return and net fund flows	(2 713)	224	–	–
Other	(236)	58	–	–
Credit business	559	197	(31)	(59)
Income	23	(114)	75	(73)
Other	536	311	(106)	14
Administration, health and other	(218)	(63)	(235)	(79)
Income	(227)	4	(227)	(11)
Other	9	(67)	(8)	(68)
[2] Operating assumption changes	229	97	(46)	265
General insurance business	(268)	(385)	–	–
Risk experience	(174)	250	–	–
Premium income	(85)	161	–	–
Maintenance expenses	(364)	(373)	–	–
Modelling and other assumption changes	355	(423)	–	–
Investment management	804	45	–	–
Net fund flows	(402)	(229)	–	–
Other	1 206	274	–	–
Credit business	(174)	155	80	(20)
Income	(68)	(252)	75	(25)
Bad debts	(440)	90	14	–
Other	334	317	(9)	5
Administration, health and other	(133)	282	(126)	285
Maintenance expenses	2	(145)	2	(146)
Other	(135)	427	(128)	431

Sanlam Emerging Markets		Sanlam Investment Group		Santam		
June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	December Audited 2021
–	–	–	69	(94)	326	1 260
(20)	(83)	(50)	89	–	–	159
(1 768)	146	(1 616)	976	–	–	8 643
1 888	1 687	951	906	–	–	5 881
700	408	(2 999)	261	–	–	225
43	115	–	–	–	–	(313)
50	21	(2 999)	261	–	–	227
590	256	–	–	–	–	18
17	16	–	–	–	–	293
(566)	(239)	841	71	–	–	1 917
(268)	(385)	–	–	–	–	53
(37)	(26)	841	71	–	–	760
(254)	175	–	–	–	–	1 204
(7)	(3)	–	–	–	–	(100)
(2 679)	(771)	(455)	(79)	–	–	(1 562)
(2)	–	89	–	–	–	–
(1 109)	(939)	(43)	(183)	–	–	2 182
(1 788)	63	(1 666)	1 134	(94)	326	10 062

Sanlam Emerging Markets		Sanlam Investment Group	
June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021
700	408	(2 999)	261
43	115	–	–
(57)	30	–	–
602	(16)	–	–
14	50	–	–
(288)	81	–	–
(228)	(30)	–	–
50	21	(2 999)	261
(2)	6	(2 711)	218
52	15	(288)	43
590	256	–	–
(52)	(41)	–	–
642	297	–	–
17	16	–	–
–	15	–	–
17	1	–	–
(566)	(239)	841	71
(268)	(385)	–	–
(174)	250	–	–
(85)	161	–	–
(364)	(373)	–	–
355	(423)	–	–
(37)	(26)	841	71
(3)	(1)	(399)	(228)
(34)	(25)	1 240	299
(254)	175	–	–
(143)	(227)	–	–
(454)	90	–	–
343	312	–	–
(7)	(3)	–	–
–	1	–	–
(7)	(4)	–	–

Analysis of GEV Earnings continued

Discretionary and other capital

R million	Total June Reviewed 2022	Total June Reviewed 2021	Total December Audited 2021
Investment return and other	79	(5)	(11)
B-BBEE SPV impairment	(399)	329	(145)
Corporate expenses	(290)	(190)	(241)
Net group office expenses	(91)	(101)	(240)
Change in present value of holding company expenses	(199)	(89)	(1)
Share-based payment transactions	213	(79)	53
GEV earnings: discretionary and other capital	(397)	55	(344)

Reconciliation of Group Equity Value earnings

R million	June Reviewed 2022	June Reviewed 2021	December Audited 2021
Earnings (excluding fund transfers)	3 089	2 313	11 164
Normalised attributable earnings	5 349	4 436	9 860
Earnings recognised directly in equity			
Foreign currency translation differences	(2 002)	(1 864)	1 495
Net cost of treasury shares delivered	(239)	(341)	(415)
Share-based payments	216	267	468
Change in ownership of subsidiaries	(104)	(180)	(127)
Other comprehensive income	(131)	(5)	(117)
Fair value adjustments	(7 215)	2 468	5 493
Change in fair value adjustments: non-life	(4 590)	1 671	3 786
Earnings from covered business: VIF	(2 625)	797	1 707
Adjustments to net worth	74	375	551
Present value of holding company expenses	(199)	(89)	(1)
Movement in book value of treasury shares: non-life subsidiaries	(45)	(74)	(74)
Change in goodwill/VOBA less VIF acquired	318	538	626
Group Equity Value earnings	(4 052)	5 156	17 208

Analysis of Shareholders' Fund

Net Asset Value

at 30 June

R million	Sanlam Life[1] June Reviewed 2022	Sanlam Life[1] December Audited 2021	Sanlam Emerging Markets[2] [3] June Reviewed 2022	Sanlam Emerging Markets[2] [3] December Audited 2021	Sanlam Investment Group June Reviewed 2022	Sanlam Investment Group December Audited 2021
Assets						
Equipment	451	454	612	660	66	59
Right-of-use assets	317	366	144	204	162	258
Owner-occupied properties	450	453	1 840	1 906	127	125
Goodwill	718	718	11 842	12 399	1 153	1 171
Value of business acquired	618	533	3 498	3 947	225	238
Other intangible assets	11	15	495	444	206	232
Deferred acquisition costs	2 332	2 362	356	249	23	22
Investments	18 162	20 330	45 983	48 020	5 447	5 210
Properties	19	19	5 731	6 138	–	–
Associated companies	1 179	1 144	18 353	18 501	342	356
Joint ventures	760	976	–	–	91	47
Equities and similar securities	501	481	6 953	7 888	178	348
Interest-bearing investments	6 216	5 460	6 402	5 842	677	143
Structured transactions	406	162	6	5	171	–
Investment funds	6 887	9 059	7 089	7 570	3 850	3 972
Cash, deposits and similar securities	2 194	3 029	1 449	2 076	138	344
Deferred tax	755	1 195	1 072	761	159	206
Assets of disposal groups classified as held for sale	–	–	7	715	–	2 439
General insurance technical assets	–	–	4 396	3 685	–	–
Working capital assets	5 269	7 289	24 697	18 997	24 036	25 674
Trade and other receivables	650	1 334	17 772	12 417	20 903	21 717
Taxation	468	318	1 061	822	3	20
Cash, deposits and similar securities	4 151	5 637	5 864	5 758	3 130	3 937
Total assets	29 083	33 715	94 942	91 987	31 604	35 634
Equity and liabilities						
Shareholders' fund	15 050	18 044	36 875	37 410	7 763	10 291
Non-controlling interest	16	49	11 741	12 431	458	472
Total equity	15 066	18 093	48 616	49 841	8 221	10 763
Term finance	2 027	1 992	2 892	2 925	763	560
Lease liabilities	425	446	166	216	259	298
Structured transactions liabilities	56	220	–	–	3	49
Cell owners' interest	–	–	–	–	–	–
Deferred tax	1 030	107	3 148	3 346	19	117
Liabilities of disposal groups classified as held for sale	–	–	–	465	–	558
General insurance technical provisions	–	–	22 366	21 088	–	–
Working capital liabilities	10 479	12 857	17 754	14 106	22 339	23 289
Trade and other payables	9 066	11 973	16 144	13 100	21 962	22 789
Provisions	42	43	460	332	1	27
Taxation	1 371	841	1 150	674	376	473
Total equity and liabilities	29 083	33 715	94 942	91 987	31 604	35 634
Analysis of shareholders' fund						
Covered business	7 094	6 960	7 689	8 314	2 704	3 508
Non-covered business	2 103	2 277	27 595	27 636	4 601	5 841
Discretionary and other capital	5 853	8 807	1 591	1 460	458	942
Shareholders' fund at net asset value	15 050	18 044	36 875	37 410	7 763	10 291
Consolidation reserve	697	941	62	62	–	–
Shareholders' fund per Group statement of financial position on page 70	15 747	18 985	36 937	37 472	7 763	10 291

(1) Includes the operations of SA Retail Affluent, SA Retail Mass, Sanlam Corporate and discretionary capital held by Sanlam Life.
(2) Includes discretionary capital held by Sanlam Emerging Markets.
(3) In line with how we manage the business, individual line items include the assets and liabilities held for sale that differs from the statement of financial position on page 70. Upon the successful completion of the transaction, the investment in the joint venture will be equity accounted.
(4) Elimination of intercompany balances, other investments and term finance between companies within the Group.

Santam		Group Office		Consolidation Entries[4]		Shareholders' fund at net asset value	
June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
358	363	–	–	–	–	1 487	1 536
555	569	–	–	–	–	1 178	1 397
17	19	–	–	–	–	2 434	2 503
1 013	946	–	–	1 197	1 197	15 923	16 431
–	–	–	–	–	–	4 341	4 718
98	40	–	–	–	–	810	731
–	–	–	–	–	–	2 711	2 633
31 141	29 377	10 029	6 955	(6 306)	(5 519)	104 456	104 373
–	–	–	–	–	–	5 750	6 157
4 063	4 294	–	–	(3 996)	(4 196)	19 941	20 099
–	35	–	–	–	–	851	1 058
2 276	2 702	–	–	2 345	3 115	12 253	14 534
16 163	16 875	6 999	6 955	(4 775)	(4 558)	31 682	30 717
261	215	–	–	–	–	844	382
7 656	4 923	–	–	120	120	25 602	25 644
722	333	3 030	–	–	–	7 533	5 782
86	84	–	–	19	(33)	2 091	2 213
–	–	–	–	–	–	7	3 154
17 954	15 840	–	–	–	–	22 350	19 525
17 600	16 783	3 114	2 950	(3 374)	(2 562)	71 342	69 131
9 650	8 328	2 950	2 760	(3 520)	(2 754)	48 405	43 802
20	5	–	–	–	–	1 552	1 165
7 930	8 450	164	190	146	192	21 385	24 164
68 822	64 021	13 143	9 905	(8 464)	(6 917)	229 130	228 345
6 647	7 654	8 487	5 241	(3 491)	(2 712)	71 331	75 928
4 645	5 234	–	–	(4 804)	(4 724)	12 056	13 462
11 292	12 888	8 487	5 241	(8 295)	(7 436)	83 387	89 390
2 541	2 552	3 350	3 470	–	–	11 573	11 499
742	744	–	–	–	–	1 592	1 704
32	1	–	–	–	–	91	270
5 182	4 900	–	–	–	–	5 182	4 900
69	63	–	–	–	–	4 266	3 633
–	–	–	–	–	–	–	1 023
42 049	36 471	–	–	–	–	64 415	57 559
6 915	6 402	1 306	1 194	(169)	519	58 624	58 367
6 591	5 837	1 302	1 190	(272)	502	54 793	55 391
148	174	4	4	16	17	671	597
176	391	–	–	87	–	3 160	2 379
68 822	64 021	13 143	9 905	(8 464)	(6 917)	229 130	228 345
–	–	–	–	–	–	17 487	18 782
6 647	7 654	–	–	–	–	40 946	43 408
–	–	8 487	5 241	(3 491)	(2 712)	12 898	13 738
6 647	7 654	8 487	5 241	(3 491)	(2 712)	71 331	75 928
–	–	–	–	(6 471)	(7 552)	(5 712)	(6 549)
6 647	7 654	8 487	5 241	(9 962)	(10 264)	65 619	69 379

Shareholders' Fund

Income Statement

for the six months ended 30 June

R million	Sanlam Life and Savings					
	SA Retail Affluent[1]		SA Retail Mass		Sanlam Corporate	
	June Reviewed 2022	June Reviewed 2021	June Reviewed 2022	June Reviewed 2021	June Reviewed 2022	June Reviewed 2021
Financial services income	7 551	8 649	5 666	5 097	3 293	3 470
Sales remuneration	(1 156)	(1 158)	(844)	(793)	(45)	(39)
Income after sales remuneration	6 395	7 491	4 822	4 304	3 248	3 431
Underwriting policy benefits	(1 621)	(2 243)	(2 976)	(2 958)	(1 824)	(3 237)
Administration costs	(2 536)	(2 279)	(922)	(804)	(956)	(854)
Result from financial services before tax	2 238	2 969	924	542	468	(660)
Tax on result from financial services	(518)	(836)	(264)	(125)	(128)	190
Result from financial services after tax	1 720	2 133	660	417	340	(470)
Non-controlling interest	27	–	–	6	–	–
Net result from financial services	1 747	2 133	660	423	340	(470)
Net investment income	110	47	29	17	37	12
Investment income	134	54	32	22	38	13
Tax on investment income	(24)	(6)	(3)	(5)	(1)	(1)
Non-controlling interest	–	(1)	–	–	–	–
Net investment surpluses	–	62	(20)	25	(5)	35
Investment surpluses	3	72	(24)	40	(7)	45
Tax on investment surpluses	(3)	(14)	4	(15)	2	(10)
Non-controlling interest	–	4	–	–	–	–
Project expenses	(2)	(3)	–	–	–	(2)
Net operational earnings	1 855	2 239	669	465	372	(425)
Net amortisation of value of business acquired and other intangibles	(26)	(26)	(4)	(4)	(8)	(5)
Equity participation costs	–	–	–	–		–
Net non-operational equity-accounted earnings	–	–	–	–	(14)	(31)
Non-operational equity-accounted earnings	–	–	–	–	(14)	(31)
Tax on non-operational equity-accounted headline earnings	–	–	–	–	–	–
Non-controlling interest	–	–	–	–	–	–
Net profit on disposal of subsidiaries and associated companies	(29)	–	–	–	–	–
Net (loss)/profit on disposal of subsidiaries and associated companies	(29)	–	–	–	–	–
Tax on (loss)/profit on disposal of subsidiaries and associated companies	–	–	–	–	–	–
Non-controlling interest	–	–	–	–	–	–
Impairment charges/(reversals)	(2)	(5)	–	–	–	(8)
Normalised attributable earnings	1 798	2 208	665	461	350	(469)
Fund transfers	3	(7)	(245)	11	4	(7)
Attributable earnings per Group statement of comprehensive income	1 801	2 201	420	472	354	(476)
Net (loss)/profit on disposal of subsidiaries and associated companies[3]	29	–	–	–	–	–
Impairments	2	5	–	–	–	8
Net equity-accounted non-headline earnings	–	–	–	–	1	23
Headline earnings	1 832	2 206	420	472	355	(445)
Diluted earnings per share						
Weighted average number of shares for operational earnings per share (million)						
Net result from financial services (cents)	79	96	30	19	15	(21)

[1] The release of discretionary reserves against excess risk claims experience in 2021 as well as Real Futures business is reported under SA Retail Affluent in the income statement but shown separately in the detailed information as reported in Note 6.1.

[2] Includes discontinued operations.

[3] For shareholder fund purposes, wind-down and transaction related costs are set off against the proceeds on disposal which is not taken into account for headline earnings.

Sanlam Emerging Markets[2]		Sanlam Investment Group		Santam		Group Office & Other		Total		Total
June Reviewed 2022	June Reviewed 2021	June Reviewed 2022	June Reviewed 2021	June Reviewed 2022	June Reviewed 2021	June Reviewed 2022	June Reviewed 2021	June Reviewed 2022	June Reviewed 2021	December Audited 2021
13 598	13 469	3 003	3 832	13 564	13 701	13	(133)	46 688	48 085	99 632
(2 182)	(1 921)	(105)	(207)	(1 921)	(1 726)	–	–	(6 253)	(5 844)	(11 881)
11 416	11 548	2 898	3 625	11 643	11 975	13	(133)	40 435	42 241	87 751
(6 048)	(5 472)	–	–	(9 040)	(8 332)	–	–	(21 509)	(22 242)	(46 671)
(3 423)	(3 177)	(2 187)	(2 673)	(2 018)	(2 173)	(281)	(245)	(12 323)	(12 205)	(25 057)
1 945	2 899	711	952	585	1 470	(268)	(378)	6 603	7 794	16 023
(513)	(940)	(126)	(266)	(174)	(396)	77	114	(1 646)	(2 259)	(4 644)
1 432	1 959	585	686	411	1 074	(191)	(264)	4 957	5 535	11 379
(273)	(646)	(87)	(76)	(167)	(453)	100	163	(400)	(1 006)	(1 910)
1 159	1 313	498	610	244	621	(91)	(101)	4 557	4 529	9 469
36	73	56	22	149	48	79	96	496	315	766
135	184	59	23	345	112	65	62	808	470	1 072
(82)	(87)	(4)	–	(89)	(25)	20	20	(183)	(104)	(196)
(17)	(24)	1	(1)	(107)	(39)	(6)	14	(129)	(51)	(110)
(133)	(188)	(144)	40	(180)	(23)	–	(19)	(482)	(68)	544
(218)	(316)	(198)	44	(392)	(46)	31	30	(805)	(131)	873
72	74	47	(5)	93	11	(8)	(11)	207	30	(231)
13	54	7	1	119	12	(23)	(38)	116	33	(98)
(65)	(51)	(34)	(21)	(27)	(20)	(90)	–	(218)	(97)	(491)
997	1 147	376	651	186	626	(102)	(24)	4 353	4 679	10 288
(162)	(182)	(28)	(69)	(13)	(15)	–	–	(241)	(301)	(738)
–	–	–	–	(1)	(1)	–	–	(1)	(1)	(1)
–	–	–	–	25	25	–	–	11	(6)	16
–	–	–	–	41	40	–	–	27	9	49
–	–	–	–	–	–	–	–	–	–	(2)
–	–	–	–	(16)	(15)	–	–	(16)	(15)	(31)
(4)	–	1 661	8	–	–	–	–	1 628	8	229
(4)	–	1 661	8	–	–	–	–	1 628	8	233
–	–	–	–	–	–	–	–	–	–	(5)
–	–	–	–	–	–	–	–	–	–	1
–	103	–	(356)	–	(6)	(399)	329	(401)	57	66
831	1 068	2 009	234	197	629	(501)	305	5 349	4 436	9 860
(24)	14	(2)	(2)	(6)	(5)	532	(724)	262	(720)	(387)
807	1 082	2 007	232	191	624	31	(419)	5 611	3 716	9 473
4	–	(1 966)	(8)	–	–	–	–	(1 933)	(8)	(229)
–	(103)	–	356	–	6	–	–	2	272	(211)
–	–	–	–	–	–	–	–	1	23	8
811	979	41	580	191	630	31	(419)	3 681	4 003	9 041
53	59	22	27	11	28	(4)	(5)	2 208,8 206	2 229,6 203	2 224,0 426

Net result from **Financial Services**

for the six months ended 30 June

Analysis per line of business[1]

R million	Life Business		General Insurance	
	June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021
Southern Africa	2 582	2 085	502	612
South Africa	2 414	1 957	186	532
Other	168	128	316	80
North and West Africa	113	102	(48)	633
East Africa	24	(20)	(10)	(10)
Other International	17	60	148	138
Emerging Markets	17	46	148	138
Developed Markets	–	14	–	–
Total	2 736	2 227	592	1 373

[1] Refer to note 6 for an analysis per cluster.

Investment Management		Credit & Structuring		Administration, Health Management & Other		Total		Total
June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	December Audited 2021
304	219	296	300	(269)	1	3 415	3 217	7 166
273	194	194	185	8	91	3 075	2 959	6 734
31	25	102	115	(277)	(90)	340	258	432
(1)	(2)	–	(3)	207	(117)	271	613	907
8	6	–	–	(7)	(10)	15	(34)	3
161	154	458	322	72	59	856	733	1 393
–	–	458	322	72	59	695	565	1 033
161	154	–	–	–	–	161	168	360
472	377	754	619	3	(67)	4 557	4 529	9 469

Notes to the Shareholders' Fund Information

for the six months ended 30 June (reviewed)

1. Value of new covered business

R million	Note	Total 2022	Total 2021
Value of new covered business (at point of sale)			
Gross value of new covered business		1 396	1 607
Cost of capital		(167)	(162)
Value of new covered business		1 229	1 445
Value of new business attributable to			
Shareholders' fund	2	1 076	1 289
Non-controlling interest		153	156
Value of new covered business		1 229	1 445
Analysis of new business profitability			
Before non-controlling interest			
Present value of new business premiums		46 177	48 739
New business margin		2,66%	2,96%
After non-controlling interest:			
Present value of new business premiums		43 032	45 672
New business margin		2,50%	2,82%
Capitalisation factor – recurring premiums		3,5	3,6

Geographical analysis

R million	Value of new covered business 2022	Value of new covered business 2021	Present value of new business premiums 2022	Present value of new business premiums 2021	New business margin 2022	New business margin 2021
Before non-controlling interest						
Southern Africa	991	1 246	39 795	40 856	2,49%	3,05%
South Africa	793	1 065	36 202	37 534	2,19%	2,84%
SA Retail Affluent	433	671	25 363	27 732	1,71%	2,42%
SA Retail Mass	348	342	5 406	4 657	6,44%	7,34%
Sanlam Corporate	12	52	5 433	5 145	0,22%	1,01%
Other Southern Africa	198	181	3 593	3 322	5,51%	5,45%
North and West Africa	74	99	2 383	2 465	3,11%	4,02%
East Africa	19	(2)	885	758	2,15%	(0,26%)
Other International	145	102	3 114	4 660	4,66%	2,19%
Total	1 229	1 445	46 177	48 739	2,66%	2,96%

	Sanlam Life and Savings						Sanlam Emerging Markets		Sanlam Investment Group	
	SA Retail Affluent		SA Retail Mass		Corporate					
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	468	722	370	346	33	80	525	454	–	5
	(35)	(51)	(22)	(4)	(21)	(28)	(89)	(74)	–	(5)
	433	671	348	342	12	52	436	380	–	–
	425	652	348	339	12	52	291	246	–	–
	8	19	–	3	–	–	145	134	–	–
	433	671	348	342	12	52	436	380	–	–
	25 363	27 732	5 406	4 657	5 433	5 145	9 975	9 147	–	2 058
	1,71%	2,42%	6,44%	7,34%	0,22%	1,01%	4,37%	4,15%	–	0,00%
	25 105	27 392	5 406	4 620	5 433	5 145	7 088	6 457	–	2 058
	1,69%	2,38%	6,44%	7,34%	0,22%	1,01%	4,11%	3,81%	–	0,00%
	5,4	6,0	2,9	2,9	5,7	6,1	2,9	2,8	n/a	4,3

Geographical analysis

R million	Value of new covered business		Present value of new business premiums		New business margin	
	2022	2021	2022	2021	2022	2021
After non-controlling interest						
Southern Africa	910	1 149	38 367	39 342	2,37%	2,92%
South Africa	785	1 043	35 944	37 157	2,18%	2,81%
SA Retail Affluent	425	652	25 105	27 392	1,69%	2,38%
SA Retail Mass	348	339	5 406	4 620	6,44%	7,34%
Sanlam Corporate	12	52	5 433	5 145	0,22%	1,01%
Other Southern Africa	125	106	2 423	2 185	5,16%	4,85%
North and West Africa	58	69	1 881	1 891	3,08%	3,65%
East Africa	6	(4)	591	490	1,02%	(0,82%)
Other International	102	75	2 193	3 949	4,65%	1,90%
Total	1 076	1 289	43 032	45 672	2,50%	2,82%

Notes to the Shareholders' Fund Information continued

for the six months ended 30 June

2. Covered business sensitivity analysis

R million	Gross value of in-force business		Cost of capital		Net value of in-force business		Change from base value %	
	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
Value of in-force covered business sensitivity analysis								
Base value	46 922	49 427	(3 543)	(3 523)	43 379	45 904		
Risk discount rate increase by 1%	44 729	47 000	(3 937)	(3 951)	40 792	43 049	(6)	(6)
Gross value of in-force business profile								
Year 1-5	59%	58%						
Year 1	17%	18%						
Year 2	14%	13%						
Year 3	11%	11%						
Year 4	9%	9%						
Year 5	8%	7%						
Year 6 – 10	23%	23%						
Year 11 – 20	15%	16%						
Year 20+	3%	3%						
Value of new covered business sensitivity analysis								
Base value	1 215	3 046	(139)	(282)	1 076	2 764		
Risk discount rate increase by 1%	1 085	2 751	(153)	(319)	932	2 432	(13)	(12)

3. Economic assumptions – covered business

3.1 Gross investment return, risk discount rate and inflation

%	June Reviewed 2022	December Audited 2021
Sanlam Life[1]		
Point used on the relevant yield curve	9 year	9 year
Fixed-interest securities	11,7%	10,3%
Equities	15,2%	13,8%
Offshore investments	14,2%	12,8%
Hedged equity	10,7%	9,3%
Property	12,7%	11,3%
Cash	10,7%	9,3%
Inflation rate[1]	9,7%	8,3%
Risk discount rate	14,2%	12,8%
[1] Expense inflation of 13,7% (2021: 11.8%) assumed for retail business administered on old platforms.		
Sanlam Developing Markets[1]		
Point used on the relevant yield curve	5 year	5 year
Fixed-interest securities	9,6%	8,1%
Equities and offshore investments	13,1%	11,6%
Hedged equities	8,6%	7,1%
Property	10,6%	9,1%
Cash	8,6%	7,1%
Inflation rate	7,6%	6,1%
Risk discount rate	12,1%	10,6%
[1] Excludes the Sanlam Life products written on the SDM licence.		
Botswana Life Insurance		
Point used on the relevant yield curve	n/a	n/a
Fixed-interest securities	6,9%	6,8%
Equities and offshore investments	10,4%	10,3%
Hedged equities	n/a	n/a
Property	7,9%	7,8%
Cash	5,9%	5,8%
Inflation rate	3,9%	3,8%
Risk discount rate	10,4%	10,3%
Saham Assurance Maroc		
Point used on the relevant yield curve	n/a	n/a
Fixed-interest securities	2,6%	2,3%
Equities and offshore investments	6,1%	5,8%
Hedged equities	n/a	n/a
Property	3,6%	3,3%
Cash	1,6%	1,3%
Inflation rate	0,0%	0,0%
Risk discount rate	6,6%	6,3%

Illiquidity premiums

Assumed illiquidity premiums generally amount to between 25bps and 70bps (2021: 25bps and 70bps) for non-participating annuities, between 0bps and 70bps (2021: Zero bps) for individual risk business, between 25bps and 75bps (2021: 25bps to 75bps) for inflation-linked annuities and capped at 120bps (2021: 120bps), reflecting both illiquidity premiums and credit risk premium for guarantee plans.

Notes to the Shareholders' Fund Information continued
for the six months ended 30 June

3. Economic assumptions – covered business (continued)

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

	R million		Fixed-interest securities		Equities	
%	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
Required capital						
South Africa[1]	8 778	8 660	–	–	3	3
Namibia	500	522	7	6	6	36
Botswana Life	337	387	–	–	–	–
Saham	883	1 111	94	95	6	5
Sanlam Life insurance (Kenya)	98	100	85	85	–	–
Other African operations	1 098	1 131	74	74	3	3
Shriram Life Insurance (India)	442	416	100	90	–	10
MCIS (Malaysia)	718	619	69	68	18	17
Sanlam Investments and Pensions (UK)	–	620	–	80	–	–
Total required capital	12 854	13 566				
Free Surplus	742	1 107				
Adjusted net asset value	13 596	14 673				

[1] The 30 June 2022 asset mix backing the Sanlam Life required capital is 98% hedged (31 December 2021: 98%).

3.3 Assumed long-term expected return on required capital

	Gross return on required capital		Net return on required capital	
%	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
Sanlam Life	10,7%	9,3%	9,0%	7,8%
Sanlam Developing Markets	9,5%	8,0%	7,4%	6,7%
Sanlam Namibia	12,7%	11,3%	11,4%	10,2%
Sanlam Namibia Holdings	10,9%	9,4%	9,5%	8,2%
Botswana Life Insurance	6,9%	6,8%	5,2%	5,1%
Saham Assurance Maroc	2,6%	2,3%	2,6%	2,3%
Sanlam Life insurance (Kenya)	12,8%	11,9%	8,9%	8,3%
Shriram Life Insurance (India)	7,5%	7,3%	6,4%	6,2%
MCIS (Malaysia)	5,0%	4,4%	4,6%	4,1%
Sanlam Investments and Pensions (UK)	1,6%	1,6%	1,2%	1,2%

Hedged Equities		Property		Cash		Total	
June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
90	91	–	–	7	6	100	100
–	–	–	–	87	58	100	100
–	–	50	50	50	50	100	100
–	–	–	–	–	–	100	100
–	–	–	–	15	15	100	100
–	–	3	3	20	20	100	100
–	–	–	–	–	–	100	100
–	–	–	–	13	15	100	100
–	–	–	–	–	20	–	100

Notes to the Shareholders' Fund Information continued
for the six months ended 30 June

4. Value of non-covered operations sensitivity analysis

4.1 Valuation methodology

R million	Total June Reviewed 2022	Total December Audited 2021
Listed share price – Santam	17 069	18 241
Discounted cash flows	47 273	53 091
Sanlam Life and Savings	4 810	5 222
Glacier	2 449	2 736
Sanlam Personal Loans	1 243	1 248
Sanlam Corporate: Health	836	903
Other operations	282	335
Sanlam Emerging Markets	31 092	32 325
Saham	15 653	17 474
India	12 277	11 749
Letshego	1 104	1 108
Capricorn Investment Holdings	968	926
Other operations	1 090	1 068
Sanlam Investment Group	11 371	15 544
Sanlam Investments	3 017	3 114
Wealth Management	3 019	3 273
International	4 276	7 977
Sanlam Specialised Finance	1 059	1 180
Net asset value	366	428
Sanlam Investment Group	1 392	1 425
Sanlam Investments	88	95
International	914	940
Sanlam Specialised Finance	390	390
Sanlam Emerging Markets	(1 026)	(997)
Total	64 708	71 760

4.2 Sensitivity analysis: businesses valued at discounted cash flows

R million	Base value June Reviewed 2022	Base value December Audited 2021	Risk discount rate +1% June Reviewed 2022	Risk discount rate +1% December Audited 2021	Perpetuity growth rate +1% June Reviewed 2022	Perpetuity growth rate +1% December Audited 2021
Sanlam Life and Savings	4 810	5 222	4 439	4 800	4 946	5 397
Glacier	2 449	2 736	2 237	2 496	2 534	2 844
Sanlam Personal Loans	1 243	1 248	1 166	1 165	1 265	1 275
Sanlam Corporate: Health	836	903	771	828	860	934
Other operations	282	335	265	311	287	344
Sanlam Emerging Markets	31 092	32 325	26 916	27 867	34 834	36 479
Saham	15 653	17 474	13 717	15 281	17 380	19 503
India	12 277	11 749	10 440	9 922	14 052	13 620
Letshego	1 104	1 108	966	956	1 201	1 221
Capricorn Investment Holdings	968	926	878	835	1 015	980
Other operations	1 090	1 068	915	873	1 186	1 155
Sanlam Investment Group	11 371	15 544	10 313	14 038	11 913	16 507
Sanlam Investments[1]	3 017	3 114	2 749	2 802	3 127	3 258
Wealth Management International	3 019	3 273	2 771	3 005	3 120	3 400
	4 276	7 977	3 806	7 139	4 580	8 630
Sanlam Specialised Finance	1 059	1 180	987	1 092	1 086	1 219
	47 273	53 091	41 668	46 705	51 693	58 383
Weighted average assumption			15,7%	14,5%	2–7%	2–7%

R million	Equities and properties -10% June Reviewed 2022	Equities and properties -10% December Audited 2021	Risk discount rate -1% June Reviewed 2022	Risk discount rate -1% December Audited 2021	Rand exchange rate depreciation +10% June Reviewed 2022	Rand exchange rate depreciation +10% December Audited 2021
Sanlam Life and Savings	4 583	4 977	5 239	5 712	4 810	5 222
Glacier	2 222	2 491	2 697	3 017	2 449	2 736
Sanlam Personal Loans	1 243	1 248	1 330	1 342	1 243	1 248
Sanlam Corporate: Health	836	903	911	990	836	903
Other operations	282	335	301	363	282	335
Sanlam Emerging Markets	31 092	32 325	37 128	38 873	34 086	35 446
Saham	15 653	17 474	18 485	20 760	17 218	19 221
India	12 277	11 749	14 973	14 477	13 505	12 924
Letshego	1 104	1 108	1 280	1 308	1 214	1 219
Capricorn Investment Holdings	968	926	1 076	1 038	968	926
Other operations	1 090	1 068	1 314	1 290	1 181	1 156
Sanlam Investment Group	10 032	13 825	12 670	17 482	11 816	16 078
Sanlam Investments[1]	2 646	2 711	3 335	3 487	3 051	3 137
Wealth Management	2 697	2 911	3 311	3 591	3 030	3 286
International	3 706	7 109	4 880	9 119	4 676	8 475
Sanlam Specialised Finance	983	1 094	1 144	1 285	1 059	1 180
	45 707	51 127	55 037	62 067	50 712	56 746

[1] Includes third party asset management business based on the following main assumptions:
- Weighted average discount rate: 19,3% (December 2021: 17.8%)
- Weighted average perpetuity growth rate: 5,0% (December 2021: 5.0%)

Notes to the Shareholders' Fund Information continued

for the six months ended 30 June

5. Business volumes

5.1 Analysis of new business and total funds received

R million	Life business[1] June Reviewed 2022	Life business[1] June Reviewed 2021	General insurance June Reviewed 2022	General insurance June Reviewed 2021	Investment business[2] June Reviewed 2022	Investment business[2] June Reviewed 2021	Total June Reviewed 2022	Total June Reviewed 2021	December Audited 2021
Sanlam Life and Savings	27 480	28 567	–	–	26 161	25 738	53 641	54 305	108 752
SA Retail Affluent	20 906	22 769	–	–	23 109	21 853	44 015	44 622	90 977
Recurring	1 002	987	–	–	8	9	1 010	996	2 083
Single	19 904	21 782	–	–	23 101	21 844	43 005	43 626	88 894
SA Retail Mass – recurring	1 851	1 654	–	–	–	–	1 851	1 654	3 850
Sanlam Corporate	4 723	4 144	–	–	3 052	3 885	7 775	8 029	13 925
Recurring	151	196	–	–	30	2	181	198	890
Single	4 572	3 948	–	–	3 022	3 883	7 594	7 831	13 035
Sanlam Emerging Markets	5 751	5 149	8 365	7 752	5 267	9 773	19 383	22 674	48 799
Southern Africa	2 235	2 175	1 165	449	4 648	9 135	8 048	11 759	21 884
Recurring	472	423	1 165	449	–	16	1 637	888	2 852
Single	1 763	1 752	–	–	4 648	9 119	6 411	10 871	19 032
North and West Africa	1 485	1 437	5 848	5 898	–	–	7 333	7 335	13 826
Recurring	879	879	5 848	5 898	–	–	6 727	6 777	12 719
Single	606	558	–	–	–	–	606	558	1 107
East Africa	735	585	473	404	619	638	1 827	1 627	9 320
Recurring	110	192	473	404	–	–	583	596	1 255
Single	625	393	–	–	619	638	1 244	1 031	8 065
Other International	1 296	952	879	1 001	–	–	2 175	1 953	3 769
Recurring	799	674	879	1 001	–	–	1 678	1 675	3 109
Single	497	278	–	–	–	–	497	278	660
Sanlam Investment Group	–	1 970	–	–	73 463	84 288	73 463	86 258	171 752
Investment Management SA	–	–	–	–	56 922	61 339	56 922	61 339	120 156
Wealth Management	–	–	–	–	5 366	5 317	5 366	5 317	9 795
International	–	1 970	–	–	11 175	17 632	11 175	19 602	41 801
Recurring	–	27	–	–	–	–	–	27	45
Single	–	1 943	–	–	11 175	17 632	11 175	19 575	41 756
Santam	–	–	13 400	13 189	–	–	13 400	13 189	26 583
Total new business	33 231	35 686	21 765	20 941	104 891	119 799	159 887	176 426	355 886

[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.

R million	Life business[1] June Reviewed 2022	Life business[1] June Reviewed 2021	General insurance June Reviewed 2022	General insurance June Reviewed 2021	Investment business[2] June Reviewed 2022	Investment business[2] June Reviewed 2021	Total June Reviewed 2022	Total June Reviewed 2021	December Audited 2021
Recurring premiums on existing funds:									
Sanlam Life and Savings	17 266	15 728	–	–	1 997	2 145	19 263	17 873	35 833
SA Retail Affluent	7 802	7 632	–	–	73	68	7 875	7 700	15 632
SA Retail Mass	4 516	4 082	–	–	–	–	4 516	4 082	7 809
Sanlam Corporate	4 948	4 014	–	–	1 924	2 077	6 872	6 091	12 392
Sanlam Emerging Markets	4 673	4 321	–	–	(144)	179	4 529	4 500	8 910
Southern Africa	1 880	1 897	–	–	–	–	1 880	1 897	3 551
North and West Africa	915	765	–	–	–	–	915	765	1 578
East Africa	369	321	–	–	(144)	179	225	500	1 249
Other International	1 509	1 338	–	–	–	–	1 509	1 338	2 532
Sanlam Investment Group	–	185	–	–	–	14	–	199	402
Total funds received	55 170	55 920	21 765	20 941	106 744	122 137	183 679	198 998	401 031

Notes to the Shareholders' Fund Information continued

for the six months ended 30 June

5. Business volumes (continued)

5.2 Analysis of payments to clients

R million	Life business[1] June Reviewed 2022	Life business[1] June Reviewed 2021	General insurance June Reviewed 2022	General insurance June Reviewed 2021	Investment business[2] June Reviewed 2022	Investment business[2] June Reviewed 2021	Total June Reviewed 2022	Total June Reviewed 2021	Total December Audited 2021
Sanlam Life and Savings	34 506	38 649	–	–	23 833	27 320	58 339	65 969	129 328
SA Retail Affluent	24 197	26 046	–	–	19 002	18 602	43 199	44 648	91 179
Surrenders	3 766	4 477	–	–	–	–	3 766	4 477	8 952
Other	20 431	21 569	–	–	19 002	18 602	39 433	40 171	82 227
SA Retail Mass	3 608	3 673	–	–	–	–	3 608	3 673	7 562
Surrenders	256	235	–	–	–	–	256	235	467
Other	3 352	3 438	–	–	–	–	3 352	3 438	7 095
Sanlam Corporate	6 701	8 930	–	–	4 831	8 718	11 532	17 648	30 587
Surrenders	1 609	1 471	–	–	952	602	2 561	2 073	4 094
Other	5 092	7 459	–	–	3 879	8 116	8 971	15 575	26 493
Sanlam Emerging Markets	6 902	6 036	5 234	4 881	5 362	6 574	17 498	17 491	37 869
Southern Africa	3 396	2 987	424	220	4 735	5 178	8 555	8 385	19 552
Surrenders	666	396	–	–	–	–	666	396	800
Other	2 730	2 591	424	220	4 735	5 178	7 889	7 989	18 752
North and West Africa	1 473	1 283	3 905	3 665	–	–	5 378	4 948	9 860
Surrenders	980	823	–	–	–	–	980	823	1 593
Other	493	460	3 905	3 665	–	–	4 398	4 125	8 267
East Africa	561	520	350	233	627	1 396	1 538	2 149	4 316
Surrenders	61	80	–	–	–	–	61	80	162
Other	500	440	350	233	627	1 396	1 477	2 069	4 154
Other International	1 472	1 246	555	763	–	–	2 027	2 009	4 141
Surrenders	336	270	–	–	–	–	336	270	569
Other	1 136	976	555	763	–	–	1 691	1 739	3 572
Sanlam Investment Group	–	2 900	–	–	61 728	66 493	61 728	69 393	139 107
Investment Management SA	–	–	–	–	45 009	44 577	45 009	44 577	93 804
Wealth Management	–	–	–	–	4 643	3 760	4 643	3 760	7 933
International	–	2 900	–	–	12 076	18 156	12 076	21 056	37 370
Santam	–	–	9 040	8 331	–	–	9 040	8 331	16 405
Total payments to clients	41 408	47 585	14 274	13 212	90 923	100 387	146 605	161 184	322 709

[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.

5.3 Analysis of net inflow/(outflow) of funds

R million	Life business[1] June Reviewed 2022	Life business[1] June Reviewed 2021	General insurance June Reviewed 2022	General insurance June Reviewed 2021	Investment business[2] June Reviewed 2022	Investment business[2] June Reviewed 2021	Total June Reviewed 2022	Total June Reviewed 2021	December Audited 2021
Sanlam Life and Savings	10 240	5 646	–	–	4 325	563	14 565	6 209	15 257
SA Retail Affluent	4 511	4 355	–	–	4 180	3 319	8 691	7 674	15 430
SA Retail Mass	2 759	2 063	–	–	–	–	2 759	2 063	4 097
Sanlam Corporate	2 970	(772)	–	–	145	(2 756)	3 115	(3 528)	(4 270)
Sanlam Emerging Markets	3 522	3 434	3 131	2 871	(239)	3 378	6 414	9 683	19 840
Southern Africa	719	1 085	741	229	(87)	3 957	1 373	5 271	5 883
North and West Africa	927	919	1 943	2 233	–	–	2 870	3 152	5 544
East Africa	543	386	123	171	(152)	(579)	514	(22)	6 253
Other International	1 333	1 044	324	238	–	–	1 657	1 282	2 160
Sanlam Investment Group	–	(745)	–	–	11 735	17 809	11 735	17 064	33 047
Investment Management SA	–	–	–	–	11 913	16 762	11 913	16 762	26 352
Wealth Management	–	–	–	–	723	1 557	723	1 557	1 862
International	–	(745)	–	–	(901)	(510)	(901)	(1 255)	4 833
Santam	–	–	4 360	4 858	–	–	4 360	4 858	10 178
Total net fund inflows	13 762	8 335	7 491	7 729	15 821	21 750	37 074	37 814	78 322

Notes to the Shareholders' Fund Information continued
for the six months ended 30 June

6. Cluster Information

6.1 Sanlam Life and Savings

6.1.1 Analysis of earnings

R million	Life business June Reviewed 2022	Life business June Reviewed 2021	Credit & Structuring June Reviewed 2022	Credit & Structuring June Reviewed 2021
Net result from financial services	2 458	1 831	86	63
SA Retail Affluent	1 538	1 068	86	63
Recurring premium business	1 128	466	–	–
Glacier	386	576	–	–
Other	24	26	86	63
SA Retail Mass	660	423	–	–
Sanlam Corporate	260	(558)	–	–
Reserve release & other	–	898	–	–
Net investment return	88	183	–	–
Net other earnings	(38)	(48)	–	–
Normalised attributable earnings	2 508	1 966	86	63

6.1.2 Assets under management

R million	SA Retail Affluent – Recurring premium business June Reviewed 2022	SA Retail Affluent – Recurring premium business December Audited 2021	SA Retail Affluent – Glacier June Reviewed 2022	SA Retail Affluent – Glacier December Audited 2021
Life business	164 802	176 529	241 046	253 490
Investment operations	1 655	1 859	192 064	194 189
Total assets under management	166 457	178 388	433 110	447 679

6.1.3 Credit business

R million	Gross size of loan book June Reviewed 2022	Gross size of loan book December Audited 2021
Sanlam Personal Loans	5 124	5 173

Administration, Health Management & Other		Total		
June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	December Audited 2021
203	192	2 747	2 086	4 806
123	93	1 747	1 224	2 381
17	(1)	1 145	465	948
89	88	475	664	1 198
17	6	127	95	235
–	–	660	423	769
80	88	340	(470)	(1 391)
–	11	–	909	3 047
63	15	151	198	395
(47)	(36)	(85)	(84)	(300)
219	171	2 813	2 200	4 901

SA Retail Mass		Sanlam Corporate		Total	
June Reviewed 2022	December Audited 2021	**June Reviewed 2022**	December Audited 2021	**June Reviewed 2022**	December Audited 2021
5 335	5 630	125 103	127 385	536 286	563 034
–	–	–	–	193 719	196 048
5 335	5 630	125 103	127 385	730 005	759 082

Interest margin		Bad debt ratio		Administration cost as % of net interest	
June Reviewed 2022	December Audited 2021	**June Reviewed 2022**	December Audited 2021	**June Reviewed 2022**	December Audited 2021
15,4%	15,5%	4,2%	4,3%	35,3%	35,5%

Notes to the Shareholders' Fund Information continued

for the six months ended 30 June

6. Cluster Information (continued)

6.1 Sanlam Life and Savings (continued)

6.1.4 Analysis of change in GEV – covered business

	Total		Value of in-force	
R million	June Reviewed 2022	June Reviewed 2021	June Reviewed 2022	June Reviewed 2021
Operational earnings	3 326	3 166	634	1 380
Value of new life insurance business	785	1 043	2 208	2 384
Unwinding of discount rate	2 630	2 429	2 633	2 396
Expected profit	–	–	(3 824)	(3 424)
Operating experience variances	429	(950)	(30)	486
Risk experience	414	(1 599)	148	(115)
Persistency	(161)	470	10	615
Maintenance expenses	28	69	–	–
Working capital management	150	174	–	–
Credit spread	46	48	–	–
Other	(48)	(112)	(188)	(14)
Operating assumption changes	(518)	644	(353)	(462)
Risk experience	–	143	–	(316)
Persistency	(548)	7	31	7
Maintenance expenses	56	191	(4)	95
Modelling changes and other	(26)	303	(380)	(248)
Net investment return	88	183	–	–
Expected return on adjusted net asset value	216	238	–	–
Investment variances on adjusted net asset value	(128)	(55)	–	–
Valuation and economic basis	(3 819)	198	(3 555)	148
Investment variances on in-force business	(2 137)	877	(1 795)	843
Economic assumption changes	(1 682)	(679)	(1 760)	(695)
Investment yields	(1 684)	(679)	(1 763)	(695)
Long-term asset mix assumptions and other	2	–	3	–
Change in tax basis	621	–	604	–
Loss on change in ownership	–	(61)	–	–
Goodwill and VOBA from business combinations	–	–	–	–
GEV earnings: covered business	216	3 486	(2 317)	1 528
Acquired value of in-force	100	80	130	9
Transfers to other Group operations	–	(199)	–	–
Transfers from covered business	(2 471)	(2 053)	–	–
Embedded value of covered business at the beginning of the period	48 937	47 597	44 697	42 476
Embedded value of covered business at the end of the period	46 782	48 911	42 510	44 013

Cost of capital		Net asset value		
June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	December Audited 2021
(89)	50	2 781	1 736	6 737
(76)	(78)	(1 347)	(1 263)	2 235
(3)	33	–	–	4 818
–	–	3 824	3 424	–
39	(8)	420	(1 428)	(2 269)
(4)	(2)	270	(1 482)	(3 560)
15	(6)	(186)	(139)	742
–	–	28	69	131
–	–	150	174	318
–	–	46	48	113
28	–	112	(98)	(13)
(49)	103	(116)	1 003	1 953
–	–	–	459	(764)
(20)	–	(559)	–	1 626
–	–	60	96	35
(29)	103	383	448	1 056
–	–	88	183	385
–	–	216	238	480
–	–	(128)	(55)	(95)
59	(45)	(323)	95	(103)
42	(30)	(384)	64	1 159
17	(15)	61	31	(1 262)
18	(15)	61	31	(1 261)
(1)	–	–	–	(1)
17	–	–	–	–
–	–	–	(61)	
–	–	–	–	(61)
(13)	5	2 546	1 953	6 958
(30)	(2)	–	73	96
–	–	–	(199)	(1 200)
–	–	(2 471)	(2 053)	(4 514)
(1 700)	(1 857)	5 940	6 978	47 597
(1 743)	(1 854)	6 015	6 752	48 937

Notes to the Shareholders' Fund Information continued

for the six months ended 30 June

6. Cluster Information (continued)

6.2 Sanlam Emerging Markets

6.2.1 Analysis of net result from financial services

R million	Life business June Reviewed 2022	Life business June Reviewed 2021	General Insurance June Reviewed 2022	General Insurance June Reviewed 2021	Investment Management June Reviewed 2022	Investment Management June Reviewed 2021
SPA Life	516	426	–	–	103	85
SPA GI	–	–	284	1 488	–	–
Other International	14	72	227	209	–	–
Corporate costs	–	–	–	–	–	–
Gross result from financial services	530	498	511	1 697	103	85
Tax on result from financial services	(102)	(127)	(84)	(504)	(29)	(27)
Non-controlling interests	(106)	(115)	(79)	(441)	(36)	(29)
Net result from financial services	322	256	348	752	38	29
SPA Life	305	210	–	–	38	29
SPA GI	–	–	238	649	–	–
Other International[1]	17	46	110	103	–	–
Corporate costs	–	–	–	–	–	–
Saham[1]	(16)	40	226	687	–	–
Other	338	216	122	65	38	29
Net result from financial services	322	256	348	752	38	29

[1] Earnings exclude cost allocation.

6.2.2 Analysis of General insurance and Reinsurance gross result from financial services

R million	Gross written premiums June Reviewed 2022	Gross written premiums June Reviewed 2021	Net earned premiums[1] June Reviewed 2022	Net earned premiums[1] June Reviewed 2021	Claims ratio (%) June Reviewed 2022	Claims ratio (%) June Reviewed 2021
SPA GI	13 127	11 474	7 490	6 762	61,8	60,9
Southern Africa	2 358	1 903	1 166	922	36,0	39,7
North and West Africa	10 036	8 853	5 854	5 444	66,5	64,6
East Africa	733	718	470	396	66,4	58,9
Other International	1 117	1 214	881	1 003	63,3	76,2
Total General insurance and Reinsurance	14 244	12 688	8 371	7 765	61,9	62,9
Saham	11 546	10 060	6 681	6 079	62,5	61,7
Other	2 698	2 628	1 690	1 686	59,7	67,1

[1] Net earned premiums consists of General insurance, Reinsurance and Health business before consolidation.

Credit & Structuring		Corporate & Other		Total		
June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	December Audited 2021
229	303	40	35	888	849	1 765
–	–	(59)	(120)	225	1 368	2 034
597	427	102	84	940	792	1 571
–	–	(108)	(110)	(108)	(110)	(203)
826	730	(25)	(111)	1 945	2 899	5 167
(213)	(226)	(85)	(56)	(513)	(940)	(1 839)
(53)	(70)	1	9	(273)	(646)	(1 101)
560	434	(109)	(158)	1 159	1 313	2 227
102	112	(3)	(2)	442	349	795
–	–	(74)	(103)	164	546	682
458	322	72	59	657	530	951
–	–	(104)	(112)	(104)	(112)	(201)
–	–	(130)	(188)	80	539	588
560	434	21	30	1 079	774	1 639
560	434	(109)	(158)	1 159	1 313	2 227

Underwriting margin (%)		Investment return on Insurance funds margin (%)		Net insurance result (%)	
June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021
5,0	5,1	(1,5)	15,5	3,5	20,6
26,6	23,8	1,2	2,1	27,8	25,9
1,7	2,7	(2,6)	18,7	(0,9)	21,4
(8,1)	(4,6)	5,2	2,8	(2,9)	(1,8)
(4,1)	(7,3)	30,5	28,0	26,4	20,7
4,0	3,5	1,9	17,1	5,9	20,6
6,0	6,0	(2,3)	16,9	3,7	22,9
(3,6)	(5,4)	18,2	17,8	14,6	12,4

Notes to the Shareholders' Fund Information continued
for the six months ended 30 June

6. Cluster Information (continued)

6.2 Sanlam Emerging Markets (continued)

6.2.3 Analysis of insurance funds

R million	June Reviewed 2022	December Audited 2021
SPA GI	13 499	13 785
Other International	8 819	9 120
Total insurance funds	22 318	22 905
Saham	12 619	13 007
Other subsidiaries	720	538
Total Subsidiaries	13 339	13 545
Associated companies[1]	8 979	9 360
Total insurance funds	22 318	22 905

[1] Sanlam's effective share.

6.2.4 Analysis of net investment return

	Life business		General Insurance		Investment Management	
R million	June Reviewed 2022	June Reviewed 2021	June Reviewed 2022	June Reviewed 2021	June Reviewed 2022	June Reviewed 2021
SPA Life	100	118	–	–	47	3
SPA GI	–	–	22	(127)	–	–
Other International	13	19	(39)	(32)	–	–
Corporate	–	–	–	–	–	–
Gross investment return	113	137	(17)	(159)	47	3
Tax on investment return	(24)	(21)	8	26	(1)	(1)
Non-controlling interests	(13)	(11)	10	13	(19)	(1)
Net investment return	76	105	1	(120)	27	1
Saham	10	29	(3)	(53)	–	–
Other	66	76	4	(67)	27	1
Net investment return	76	105	1	(120)	27	1

Asset allocation (%)

Equities and similar securities		Investment properties		Interest-bearing securities		Cash, deposits and similar securities	
June Reviewed 2022	December Audited 2021	**June Reviewed 2022**	December Audited 2021	**June Reviewed 2022**	December Audited 2021	**June Reviewed 2022**	December Audited 2021
45	44	32	36	18	15	5	5
5	6	–	–	93	92	2	2
29	29	19	22	47	46	5	3
48	47	34	38	17	15	1	–
–	–	–	–	32	31	68	69
46	45	32	37	18	15	4	3
5	6	–	–	91	90	4	4
29	29	19	22	47	46	5	3

Credit and Banking		Corporate and other		Total		
June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	December Audited 2021
(1)	(1)	(11)	16	135	136	127
–	–	(81)	(84)	(59)	(211)	(201)
(35)	23	–	(8)	(61)	2	82
–	–	(98)	(59)	(98)	(59)	233
(36)	22	(190)	(135)	(83)	(132)	241
9	6	(2)	(23)	(10)	(13)	(108)
–	–	18	29	(4)	30	(3)
(27)	28	(174)	(129)	(97)	(115)	130
–	–	(56)	(76)	(49)	(100)	(157)
(27)	28	(118)	(53)	(48)	(15)	287
(27)	28	(174)	(129)	(97)	(115)	130

Notes to the Shareholders' Fund Information continued

for the six months ended 30 June

6. Cluster Information (continued)

6.2 Sanlam Emerging Markets (continued)

6.2.5 Analysis of capital portfolio

	R million	
	June Reviewed 2022	December Audited 2021
SPA Life	4 047	4 714
SPA GI	15 349	16 038
Other International	13 238	13 691
Total capital portfolio[1]	32 634	34 443
Saham	14 144	15 737
Other subsidiaries	6 379	5 996
Total subsidiaries	20 523	21 733
Associated companies[2]	12 111	12 710
Total capital portfolio[1]	32 634	34 443

[1] Includes float assets.

[2] Sanlam's effective share.

6.2.6 Assets under management

	Southern Africa		North and West Africa	
R million	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
Life business	33 241	34 588	21 265	21 053
Investment operations	43 932	49 977	–	–
Total assets under management	77 173	84 565	21 265	21 053

Credit and structuring

	Size of loan books (Sanlam share)		Net interest margin	
R million	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
Shriram Transport Finance Company	25 099	24 599	7,5%	6,9%
Shriram City Union Finance	6 015	5 729	12,7%	12,3%
Capricorn Investment Holdings	9 896	9 807	5,5%	5,7%
Letshego	2 649	2 683	15,3%	17,6%

Asset allocation (%)

Equities and similar securities		Investment properties		Interest-bearing securities		Cash, deposits and similar securities	
June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
11	14	18	18	51	51	20	17
43	45	33	33	21	19	3	3
9	8	–	–	86	81	5	11
25	26	18	18	51	48	6	8
46	47	36	35	17	17	1	1
6	7	11	11	62	53	21	29
34	36	28	28	31	27	7	9
10	8	–	–	85	85	5	7
25	26	18	18	51	48	6	8

East Africa		Other International		Total	
June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
4 851	4 611	13 814	14 818	73 171	75 070
52 829	54 740	–	–	96 761	104 717
57 680	59 351	13 814	14 818	169 932	179 787

Bad debt ratio		Administration cost as % of net interest margin	
June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
2,7%	2,9%	23,0%	25,3%
2,4%	2,7%	41,3%	39,5%
0,7%	1,0%	91,9%	84,6%
1,3%	0,2%	70,0%	54,7%

Notes to the Shareholders' Fund Information continued

for the six months ended 30 June

6. Cluster Information (continued)

6.2 Sanlam Emerging Markets (continued)

6.2.7 Analysis of change in GEV – covered business

	Total		Value of in-force	
R million	June Reviewed 2022	June Reviewed 2021	June Reviewed 2022	June Reviewed 2021
Operational earnings	483	307	150	82
Value of new life insurance business	291	246	526	480
Unwinding of discount rate	342	327	280	269
Expected profit	–	–	(476)	(497)
Operating experience variances	(62)	(116)	(75)	(11)
Risk experience	61	(186)	23	(2)
Persistency	(137)	(20)	(74)	(8)
Maintenance expenses	(21)	35	(2)	1
Working capital management	30	24	–	(2)
Credit spread	8	3	–	–
Other	(3)	28	(22)	–
Operating assumption changes	(88)	(150)	(105)	(159)
Risk experience	(31)	(65)	(33)	(35)
Persistency	(32)	(58)	(29)	(30)
Maintenance expenses	(12)	(70)	(6)	(10)
Modelling changes and other	(13)	43	(37)	(84)
Net investment return	(155)	(103)	–	–
Expected return on adjusted net asset value	181	156	–	–
Investment variances on adjusted net asset value	(336)	(259)	–	–
Valuation and economic basis	(300)	(54)	(315)	(180)
Investment variances on in-force business	(48)	3	(47)	(24)
Economic assumption changes	(152)	50	(139)	(15)
Investment yields	(149)	54	(139)	(14)
Long-term asset mix assumptions and other	(3)	(4)	–	(1)
Foreign currency translation differences	(100)	(107)	(129)	(141)
Change in tax basis	–	(25)	–	(25)
Net project expenses	(3)	(2)	–	–
GEV earnings: covered business	25	123	(165)	(123)
Acquired value of in-force	–	–	–	–
Disposal of businesses	(10)	–	–	–
Transfers from/(to) other Group operations	(119)	91	–	(30)
Transfers from covered business	(383)	(586)	–	–
Embedded value of covered business at the beginning of the period	9 026	8 638	4 705	4 613
Embedded value of covered business at the end of the period	8 539	8 266	4 540	4 460

Cost of capital		Net asset value		
June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	December Audited 2021
(2)	1	335	224	365
(63)	(48)	(172)	(186)	529
62	58	–	–	648
–	–	476	497	–
(24)	(25)	37	(80)	(571)
2	(15)	36	(169)	(656)
(28)	(11)	(35)	(1)	(26)
3	1	(22)	33	22
–	–	30	26	47
–	–	8	3	8
(1)	–	20	28	34
23	16	(6)	(7)	(241)
1	1	1	(31)	(103)
1	6	(4)	(34)	(109)
(2)	(1)	(4)	(59)	(91)
23	10	1	117	62
–	–	(155)	(103)	374
–	–	181	156	299
–	–	(336)	(259)	75
28	94	(13)	32	203
19	5	(20)	22	152
(20)	55	7	10	(25)
(17)	59	7	9	(22)
(3)	(4)	–	1	(3)
29	34	–	–	76
–	–	–	–	(26)
–	–	(3)	(2)	(10)
26	95	164	151	906
–	–	–	–	(12)
–	–	(10)	–	–
–	–	(119)	121	95
–	–	(383)	(586)	(601)
(904)	(838)	5 225	4 863	8 638
(878)	(743)	4 877	4 549	9 026

Notes to the Shareholders' Fund Information continued

for the six months ended 30 June

6. Cluster Information (continued)

6.3 Sanlam Investment Group

6.3.1 Analysis of earnings

R million	Sanlam Investments		Wealth Management		International	
	June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021
Financial services income[1]	1 210	1 064	561	500	829	1 576
Sales remuneration	–	–	–	–	(105)	(207)
Income after sales remuneration	1 210	1 064	561	500	724	1 369
Administration cost[1]	(914)	(815)	(436)	(389)	(557)	(1 133)
Gross result from financial services before performance fees	296	249	125	111	167	236
Net performance fees[1]	51	27	12	12	–	–
Gross result from financial services	347	276	137	123	167	236
Tax on result from financial services	(66)	(102)	(35)	(32)	(4)	(46)
Non-controlling interest	(85)	(54)	–	–	(2)	(22)
Net result from financial services	196	120	102	91	161	168
Life	–	–	–	–	–	14
Investment management	196	120	102	91	161	154
Credit and structuring	–	–		–	–	–
Net investment return	(36)	(23)	–	–	(98)	28
Life	–	–	–	–	–	(14)
Investment management	(36)	(23)	–	–	(98)	42
Project expenses	(14)	(3)	–	–	(18)	(14)
Net operational earnings	146	94	102	91	45	182
Amortisation of intangible assets	–	(9)	(9)	(9)	(5)	(48)
Profit on disposal of subsidiaries and associates	–	–	–	–	1 661	8
Impairments and other	–	–	–	–	–	(356)
Normalised attributable earnings	146	85	93	82	1 701	(214)

[1] Financial services income and administration costs on page 32 includes performance fees and the related administration costs.

SanFin		Corporate Services		Consolidation		Total		
June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	December Audited 2021
357	686	1	–	(33)	(37)	2 925	3 789	7 352
–	–	–	–	–	–	(105)	(207)	(327)
357	686	1	–	(33)	(37)	2 820	3 582	7 025
(267)	(348)	(31)	(21)	33	37	(2 172)	(2 669)	(5 273)
90	338	(30)	(21)	–	–	648	913	1 752
–	–	–	–	–	–	63	39	96
90	338	(30)	(21)	–	–	711	952	1 848
(26)	(90)	5	4	–	–	(126)	(266)	(427)
–	–	–	–	–	–	(87)	(76)	(123)
64	248	(25)	(17)	–	–	498	610	1 298
(44)	126	–	–	–	–	(44)	140	172
–	–	(25)	(17)	–		434	348	808
108	122	–	–	–	–	108	122	318
46	56	–	1	–	–	(88)	62	356
46	56	–	–	–	–	46	42	109
–	–	–	1	–		(134)	20	247
–	–	(2)	(4)	–	–	(34)	(21)	(100)
110	304	(27)	(20)	–	–	376	651	1 554
–	–	(14)	(3)	–	–	(28)	(69)	(97)
–	–	–	–	–	–	1 661	8	206
–	–	–	–	–	–	–	(356)	(386)
110	304	(41)	(23)	–	–	2 009	234	1 277

Notes to the Shareholders' Fund Information continued

for the six months ended 30 June

6. Cluster Information (continued)

6.3 Sanlam Investment Group (continued)

6.3.2 Analysis of change in GEV – covered business

	Total		Value of in-force	
R million	**June Reviewed 2022**	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021
Operational earnings	(93)	36	(3)	(21)
Value of new life insurance business	–	–	–	31
Unwinding of discount rate	7	34	1	17
Expected profit	–	–	(2)	(46)
Operating experience variances	(53)	93	(2)	(18)
Risk experience	–	4	–	(1)
Persistency	–	2	–	3
Maintenance expenses	–	(1)	–	–
Credit spread	(46)	128	–	–
Other	(7)	(40)	(2)	(20)
Operating assumption changes	(47)	(91)	–	(5)
Persistency	–	–	–	–
Maintenance expenses	–	–	–	–
Modelling changes and other	(47)	(91)	–	(5)
Net investment return	46	42	–	–
Expected return on adjusted net asset value	100	89	–	–
Investment variances on adjusted net asset value	(54)	(47)	–	–
Valuation and economic basis	(107)	33	(150)	48
Investment variances on in-force business	(151)	75	(150)	74
Economic assumption changes	44	(32)	–	(13)
Investment yields	44	(32)	–	(13)
Long-term asset mix assumptions and other	–	–	–	–
Foreign currency translation differences	–	(10)	–	(13)
Change in tax basis	–	(52)	–	(50)
Profit on disposal of subsidiaries	(30)	–	–	–
Revaluation of business held for sale	–	(585)	–	(754)
GEV earnings: covered business	(184)	(526)	(153)	(777)
Disposal value of in-force	(774)	–	–	–
Transfers from/(to) other covered business Group operations	–	185	–	–
Transfers from covered business	(2)	(182)	–	–
Embedded value of covered business at the beginning of the period	2 614	3 091	25	798
Embedded value of covered business at the end of the period	1 654	2 568	(128)	21

Cost of capital		Net asset value		
June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	December Audited 2021
(47)	(84)	(43)	141	(2)
–	(5)	–	(26)	–
6	17	–	–	72
–	–	2	46	–
(6)	(11)	(45)	122	98
–	–	–	5	11
–	(1)	–	–	(4)
–	–	–	(1)	(3)
–	–	(46)	128	174
(6)	(10)	1	(10)	(80)
(47)	(85)	–	(1)	(172)
–	–	–	–	16
–	–	–	–	(35)
(47)	(85)	–	(1)	(153)
–	–	46	42	166
–	–	100	89	177
–	–	(54)	(47)	(11)
44	(14)	(1)	(1)	111
–	–	(1)	1	91
44	(17)	–	(2)	(23)
44	(17)	–	(2)	(20)
–	–	–	–	(3)
–	3	–	–	43
–	(2)	–	–	(54)
–	–	(30)	–	–
–	169	–	–	(595)
(3)	69	(28)	182	(374)
–	–	(774)	–	–
–	–	–	185	185
–	–	(2)	(182)	(288)
(919)	(980)	3 508	3 273	3 091
(922)	(911)	2 704	3 458	2 614

Notes to the Shareholders' Fund Information continued

for the six months ended 30 June

6. Cluster Information (continued)

6.3 Sanlam Investment Group (continued)

6.3.3 Assets under management

	Assets under management		Fee Income (%)		Administration cost (%)	
R million	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021	June Reviewed 2022	December Audited 2021
Sanlam Investments[1]	721 655	748 968	0,31	0,30	0,22	0,21
Wealth Management	103 954	109 253	1,05	1,05	0,82	0,82
International[2]	165 486	282 002	0,60	0,91	0,46	0,73
Intra-cluster eliminations	(31 140)	(33 938)				
Asset management operations	959 955	1 106 285				
Covered business	54 728	117 575				
Sanlam UK	–	62 418				
SanFin	54 728	55 157				
Assets under management	1 014 683	1 223 860				

[1] Includes Sanlam assets of R178 billion (December 2021: R183 billion).

[2] Includes Sanlam assets of R64 billion (December 2021: R75 billion).

6.3.4 Asset mix of assets under management

R million	Fixed Interest	Equities	Offshore	Properties	Cash	Total
2022						
Sanlam Investments	145 500	307 740	147 430	29 213	91 772	721 655
Wealth Management	–	50 923	50 564	–	2 467	103 954
International	–	–	165 486	–	–	165 486
Intra-cluster consolidation						(31 140)
Assets under management – Asset management operations	145 500	358 663	363 480	29 213	94 239	959 955
2021						
Sanlam Investments	149 215	326 844	149 594	31 232	92 083	748 968
Wealth Management	–	53 230	54 011	–	2 012	109 253
International	–	–	282 002	–	–	282 002
Intra-cluster consolidation						(33 938)
Assets under management – Asset management operations	149 215	380 074	485 607	31 232	94 095	1 106 285

6.4 Santam

6.4.1 Business volumes

R million	June Reviewed 2022	June Reviewed 2021	December Audited 2021
Gross written premiums	24 743	20 070	42 129
Net earned premiums	13 400	13 189	26 583
Net fund flows	4 360	4 858	10 178

6.4.2 Insurance activities

	Gross written premiums		Underwriting Result	
R million	June Reviewed 2022	June Reviewed 2021	June Reviewed 2022	June Reviewed 2021
Conventional insurance	16 543	15 498	365	902
Motor	7 633	7 129	141	643
Property	6 206	5 731	(300)	(90)
Engineering	857	923	228	94
Liability	785	675	261	85
Transportation	560	584	(89)	24
Accident and health	349	284	60	49
Guarantee	42	59	15	26
Crop	81	93	64	75
Other	30	20	(15)	(4)
Alternative risk (ART)	8 200	4 572	56	56
Total	24 743	20 070	421	958

Ratios[1]	June Reviewed 2022	June Reviewed 2021
Administration cost ratio	15,2%	16,5%
Claims ratio	67,7%	63,4%
Underwriting margin	2,3%	6,7%
Investment return on insurance funds margin	0,2%	1,5%

R million	June Reviewed 2022	June Reviewed 2021	December Audited 2021
Conventional Insurance			
Net earned premiums	13 018	12 791	25 858
Net claims incurred	(8 817)	(8 109)	(16 023)
Net commission	(1 920)	(1 721)	(3 458)
Management expenses (excluding BEE costs)	(1 916)	(2 059)	(4 248)
Underwriting result: Conventional insurance	365	902	2 129
Investment return on insurance funds	30	200	400
Net insurance result	395	1 102	2 529
Net other income	103	153	307
Alternative Risk[2]	103	153	306
Other	–	–	1
Strategic participations	88	216	356
Saham	12	141	204
SEM target shares	76	75	152
Santam BEE cost	(1)	(1)	(2)
Gross result from financial services	585	1 470	3 190
Tax and non-controlling interest	(341)	(849)	(1 812)
Net result from financial services	244	621	1 378

[1] Ratios are calculated as a percentage of net earned premiums for the conventional business.

[2] Includes operating income and expenses relating to ART business and other operating income and expenses not related to underwriting results.

Notes to the Shareholders' Fund Information continued
for the six months ended 30 June

6. Cluster Information (continued)

6.5 Group Office

Analysis of earnings

R million	Group Office & Other		Consolidation[1]		Total		
	June Reviewed 2022	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	**June Reviewed 2022**	June Reviewed 2021	December Audited 2021
Financial services income	141	102	(128)	(235)	13	(133)	115
Administration cost	(281)	(245)	-	-	(281)	(245)	(458)
Results from financial services	(140)	(143)	(128)	(235)	(268)	(378)	(343)
Tax on result from financial services	49	42	28	72	77	114	103
Non-controlling interest	-	-	100	163	100	163	-
Net result from financial services	(91)	(101)	-	-	(91)	(101)	(240)
Net investment income	79	96	-	-	79	96	235
Net investment surpluses	-	(19)	-	-	-	(19)	(82)
Project expenses	(90)	-	-	-	(90)	-	(112)
Net operational earnings	(102)	(24)	-	-	(102)	(24)	(199)
(Impairment)/reversal[2]	(399)	329	-	-	(399)	329	(145)
Normalised attributable earnings	(501)	305	-	-	(501)	305	(344)

[1] Includes the consolidation entries relating to SEM target shares and Saham included within the Santam results.

[2] An impairment charge of R399 million in respect of the Broad-Based Black Economic Empowerment Special Purpose Vehicle (B-BBEE SPV) has been recognised in 2022 (June 2021: R329 million impairment reversal; December 2021: R145 million). The impairment charge in 2022 is mainly due to higher interest rates and inflation assumptions applied in the recoverability assessment as well as the impact of the decrease in the Sanlam share price from 31 December 2021.

7. Normalised diluted earnings per share

Cents	**June Reviewed 2022**	June Reviewed 2021	December Audited 2021
Normalised diluted earnings per share:			
Net result from financial services	206	203	426
Operational earnings	197	210	463
Profit attributable to shareholders' fund	242	199	443

R million	June Reviewed 2022	June Reviewed 2021	December Audited 2021
Analysis of operational earnings (refer shareholders' fund income statement on page 32			
Net result from financial services	4 557	4 529	9 469
Operational earnings	4 353	4 679	10 288
Normalised Profit attributable to shareholders' fund	5 349	4 436	9 860
Reconciliation of operational earnings:			
Headline earnings per note 1 on page 74	3 681	4 003	9 041
Add/(Less):	672	676	1 247
Fund transfers	(262)	720	387
B-BBEE SPV impairment/(reversal)	399	(329)	145
Net equity-accounted earnings	(12)	(17)	(24)
Net amortisation of value of business acquired and other intangibles	241	301	738
Profit on disposal of subsidiaries[1]	305	–	–
Equity participation costs	1	1	1
Operational earnings	4 353	4 679	10 288

[1] For shareholder fund purposes, wind-down and transaction related costs are set off against the proceeds on disposal, as indicated in the financial review.

	Million	Million	Million
Adjusted number of shares:			
Weighted average number of shares for diluted earnings per share (refer note 1 on page 75)	2 076,1	2 091,6	2 087,8
Add: Weighted average Sanlam shares held by policyholders and B-BBEE SPV	132,7	138,0	136,2
Adjusted weighted average number of shares for normalised diluted earnings per share	2 208,8	2 229,6	2 224,0

8. Value per share

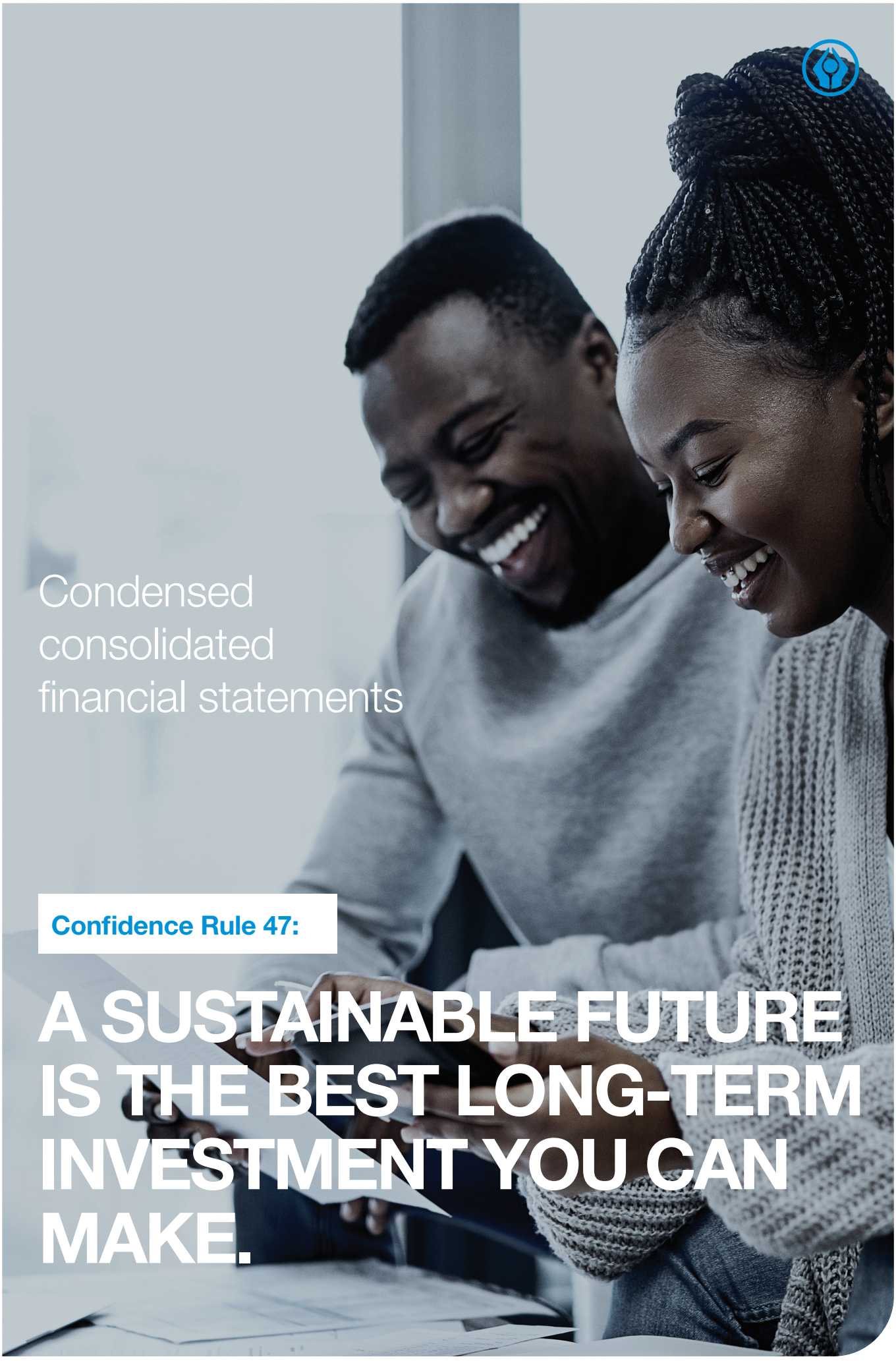
	June Reviewed 2022	December Audited 2021
	R million	R million
Net asset value per share is calculated on the Group shareholders' fund at net asset value	71 331	75 928
Equity value per share is calculated based on the Group Equity Value	130 697	142 390
Number of shares for value per share	Million	Million
Number of ordinary shares in issue	2 226,9	2 226,9
Shares held by subsidiaries in shareholders' fund	(48,2)	(43,0)
Outstanding shares in respect of Sanlam Limited long-term incentive schemes	26,0	25,7
Adjusted number of shares for value per share	2 204.7	2 209,6

9. Present value of holding company expenses

The present value of holding company expenses has been calculated by applying a multiple of 7,8 (31 December 2021: 8,2) to the after tax recurring corporate expenses.

10. Shares repurchased and cancelled

Sanlam shareholders granted general authorities to the Group at the 2022 and 2021 annual general meetings to repurchase Sanlam shares in the market. The 17 million Sanlam Limited shares acquired in 2021 at zero value as a result of qualifying Sanlam Life Insurance Limited's policyholders who became shareholders on demutualisation forfeiting their rights due to being untraceable, was not sold at 30 June 2022.



Condensed consolidated financial statements

Confidence Rule 47:

A SUSTAINABLE FUTURE IS THE BEST LONG-TERM INVESTMENT YOU CAN MAKE.

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Group Statement of Financial Position

at 30 June

R million	Notes	Reviewed June 2022	Audited December 2021
ASSETS			
Equipment		1 120	1 730
Right-of-use assets		1 139	1 481
Owner-occupied properties		868	2 582
Goodwill		4 190	16 431
Value of business acquired		978	4 718
Other intangible assets		411	746
Deferred acquisition costs		3 247	3 225
Long-term reinsurance assets		2 341	2 188
Investments		759 708	834 287
Investment property		10 212	17 980
Investments in associates and joint ventures	4	19 420	22 755
Equities and similar securities	4	180 609	191 958
Interest-bearing investments	4	247 004	271 840
Structured transactions	4	13 381	12 434
Investment funds	4	248 252	278 145
Cash, deposits and similar securities	4	40 830	39 175
Deferred tax asset		1 759	3 154
Non-current assets classified as held for sale	10	114 210	81 386
General insurance technical assets		18 933	19 525
Working capital assets		64 804	84 725
Trade and other receivables	4	45 281	55 806
Taxation		878	1 218
Cash, deposits and similar securities	4	18 645	27 701
Total assets		973 708	1 056 178
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium		12 784	12 784
Treasury shares		(1 982)	(1 671)
Other reserves		4 912	6 078
Retained earnings		49 905	52 188
Shareholders' fund		65 619	69 379
Non-controlling interests		12 196	13 517
Total equity		77 815	82 896
Long-term policy liabilities		572 136	641 196
Insurance contracts		146 285	186 658
Investment contracts	4	425 851	454 538
Term finance	4	14 333	15 116
Margin business		5 413	5 330
Other interest-bearing liabilities		8 920	9 786
Lease liabilities		1 540	1 789
Structured transactions liabilities	4	15 422	8 898
External investors in consolidated funds	4	96 837	85 506
Cell owners' interest (third party)		5 182	4 900
Deferred tax liability		1 916	7 311
Non-current liabilities classified as held for sale	10	82 073	78 700
General insurance technical provisions		44 886	57 559
Working capital liabilities		61 568	72 307
Trade and other payables	4	59 552	69 123
Provisions		247	628
Taxation		1 769	2 556
Total equity and liabilities		973 708	1 056 178

Group Statement of **Comprehensive Income**

for the six months ended 30 June

R million	Notes	Reviewed 2022	Re-presented[1] Reviewed 2021
Continuing operations			
Net income		10 627	83 138
Financial services income	3	45 309	44 727
Reinsurance premiums paid		(8 881)	(7 346)
Reinsurance commission received		1 086	1 048
Investment income		15 527	14 368
Investment (deficits)/surpluses[2]		(43 631)	37 476
Finance cost – margin business		(115)	(123)
Change in fair value of external investors' liability		1 332	(7 012)
Net insurance and investment contract benefits and claims		12 440	(59 850)
Long-term insurance and investment contract benefits[3]		21 424	(52 201)
General insurance claims		(18 724)	(13 648)
Reinsurance claims received		9 740	5 999
Expenses		(17 783)	(16 987)
Sales remuneration		(5 864)	(5 570)
Administration costs		(11 919)	(11 417)
Impairments		10	(289)
Net impairment losses on financial assets		(2)	(9)
Other impairments		12	(280)
Amortisation of intangibles		(137)	(198)
Net operating result		5 157	5 814
Equity-accounted earnings		1 099	979
Finance cost – other		(350)	(356)
Net monetary loss (Lebanon hyperinflation)		(10)	–
Profit before tax from continuing operations		5 896	6 437
Taxation		(320)	(2 683)
Shareholders' fund		(1 197)	(1 325)
Policyholders' fund		877	(1 358)
Profit for the period from continuing operations		5 576	3 754
Profit for the period from discontinued operations	10.2	369	815
Profit for the period		5 945	4 569
Other comprehensive loss (net of tax): to be recycled through profit or loss in subsequent periods			
Movement in foreign currency translation reserve		(2 588)	(2 066)
Other comprehensive (loss)/income of equity-accounted investments		(106)	3
Other comprehensive income (net of tax): not to be recycled through profit or loss in subsequent periods			
Employee benefits re-measurement gain		12	–
Comprehensive income for the period		3 263	2 506
Allocation of comprehensive income:			
Profit for the period from continuing operations		5 576	3 754
Shareholders' fund		5 302	3 360
Non-controlling interests		274	394
Profit for the period from discontinued operations		369	815
Shareholders' fund		309	356
Non-controlling interests		60	459
Comprehensive income for the period		3 263	2 506
Shareholders' fund		3 511	1 856
Non-controlling interests		(248)	650
Earnings attributable to shareholders (cents):			
Profit for the period:			
Basic earnings per share	1	273,7	180,0
Diluted earnings per share	1	270,3	177,7
Earnings attributable to shareholders (cents) of continuing operations:			
Profit for the period from continuing operations:			
Basic earnings per share from continuing operations	1	258,6	162,8
Diluted earnings per share from continuing operations	1	255,4	160,6

[1] Prior period re-presented due to discontinued operations. Refer to note 10.2 for additional information.

[2] Significant investment deficits on policyholder portfolios experienced in the current period due to downturn in global markets given political and economical circumstances.

[3] Long-term insurance and investment contract benefits are positive due to significant investment deficits on the policyholders portfolios in the current period.

Group Statement of Changes in Equity

for the six months ended 30 June

R million	Reviewed 2022	Reviewed 2021
Shareholders' fund		
Balance at beginning of the period	69 379	64 712
Comprehensive income	3 511	1 856
Profit for the period	5 611	3 716
Other comprehensive loss	(2 100)	(1 860)
Other comprehensive loss (net of tax): to be recycled through profit or loss in subsequent periods		
Movement in foreign currency translation reserve	(2 002)	(1 855)
Other comprehensive loss of equity-accounted investments	(106)	(5)
Other comprehensive income (net of tax): not to be recycled through profit or loss in subsequent periods		
Employee benefits re-measurement gain	8	–
Net acquisition of treasury shares[1]	(424)	(321)
Share-based payments	216	267
Change in ownership of subsidiaries	(104)	(180)
Dividends paid[2]	(6 959)	(6 235)
Balance at end of the period	65 619	60 099
Non-controlling interests		
Balance at beginning of the period	13 517	12 512
Comprehensive (loss)/income	(248)	650
Profit for the period	334	853
Other comprehensive loss	(582)	(203)
Other comprehensive loss (net of tax): to be recycled through profit or loss in subsequent periods		
Movement in foreign currency translation reserve	(586)	(211)
Other comprehensive income of equity-accounted investments	–	8
Other comprehensive income (net of tax): not to be recycled through profit or loss in subsequent periods		
Employee benefits re-measurement gain	4	–
Net acquisition of treasury shares[1]	(63)	(44)
Share-based payments	19	19
Acquisitions, disposals and other movements in interests	14	(120)
Dividends paid	(1 043)	(361)
Balance at end of the period	12 196	12 656
Shareholders' fund	69 379	64 712
Non-controlling interests	13 517	12 512
Total equity at the beginning of the period	82 896	77 224
Shareholders' fund	65 619	60 099
Non-controlling interests	12 196	12 656
Total equity at the end of the period	77 815	72 755

[1] Comprises movement in cost of shares held by subsidiaries, the share incentive trust, other consolidated funds and the broad-based black economic empowerment special purpose vehicle (B-BBEE SPV).

[2] Dividend of 334 cents per share declared and paid during 2022 in respect of the 2021 financial year (2021: 300 cents).

Group Statement of **Cash Flow**

for the six months ended 30 June

R million	Notes	Reviewed 2022	Restated[1] Reviewed 2021
Cash flows from operating activities		(234)	(9 551)
Cash utilised in operations[1]	5.1	(4 260)	(12 766)
Interest and preference share dividends received[1]		9 129	7 903
Interest paid		(482)	(459)
Dividends received[1]		5 907	4 790
Dividends paid		(7 992)	(6 561)
Taxation paid		(2 536)	(2 458)
Cash flows from investing activities		137	(319)
Acquisition of subsidiaries and associated companies	5.2	281	(93)
Disposal of subsidiaries and associated companies	5.3	97	–
Payments made for the acquisition of equipment		(258)	(263)
Proceeds in respect of the sale of equipment		26	49
Payments made for the acquisition of owner-occupied properties		(47)	(20)
Proceeds in respect of the disposal of owner-occupied properties		136	8
Payments made for the acquisition of other intangible assets		(98)	–
Cash flows from financing activities		(449)	(1 241)
Acquisition of treasury shares		(631)	(595)
Disposal of treasury shares		145	230
Acquisition/(disposal) of non-controlling interest		36	(298)
Term finance raised		1 427	441
Term finance repaid		(1 270)	(729)
Lease liabilities repaid		(156)	(290)
Net decrease in cash and cash equivalents		(546)	(11 111)
Effect of exchange rate movements on cash balances		(403)	(445)
Cash, deposits and similar securities at beginning of the period		50 078	48 410
Cash, deposits and similar securities at end of the period	5.4	49 129	36 854

[1] The prior period amounts is restated to treat reinvestment from distributions of investment funds as non-cash. It did not affect the Statement of Financial Position, Statement of Comprehensive Income or the Statement of Changes in Equity. Refer to note 13 for additional information.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June

1. Earnings per share

For basic earnings per share the weighted average number of ordinary shares is adjusted for the treasury shares held by subsidiaries, consolidated vehicles (including the B-BBEE SPV) and policyholders. Basic earnings per share is calculated by dividing earnings by the adjusted weighted average number of shares in issue.

For diluted earnings per share the weighted average number of ordinary shares is adjusted for the shares not yet issued under the Sanlam Share Incentive Scheme and treasury shares held by subsidiaries, consolidated investment vehicles and policyholders. The shares held by the B-BBEE SPV are considered as an option for dilutive earnings per share purposes that will have an impact on the dilution as the Sanlam share price increases. Diluted earnings per share is calculated by dividing earnings by the adjusted diluted weighted average number of shares in issue.

Refer to page 67 for normalised earnings per share, which is based on the economic earnings attributable to the shareholders' fund, and should also be used when evaluating the Group's economic performance.

Cents	Reviewed 2022	Re-presented[1] Reviewed 2021
Basic earnings per share:		
Headline earnings	179,6	193,9
Profit attributable to shareholders' fund	273,7	180,0
Diluted earnings per share:		
Headline earnings	177,3	191,4
Profit attributable to shareholders' fund	270,3	177,7
Basic earnings per share from continuing operations:		
Headline earnings	164,3	176,5
Profit attributable to shareholders' fund	258,6	162,8
Diluted earnings per share from continuing operations:		
Headline earnings	162,2	174,1
Profit attributable to shareholders' fund	255,4	160,6
Basic earnings per share from discontinued operations:		
Headline earnings	15,3	17,5
Profit attributable to shareholders' fund	15,1	17,2
Diluted earnings per share from discontinued operations:		
Headline earnings	15,1	17,3
Profit attributable to shareholders' fund	14,9	17,0

	2022			Re-presented[1] 2021		
R million	Continuing operation	Discontinued operation	Total	Continuing operation	Discontinued operation	Total
Analysis of earnings:						
Profit attributable to shareholders' fund	5 302	309	5 611	3 360	356	3 716
Less: Gross (profit)/loss on disposal of subsidiaries and associated companies	(1 937)	4	(1 933)	(8)	–	(8)
Less: Equity-accounted non-headline earnings	1	–	1	23	–	23
Plus: Impairments	2	–	2	267	5	272
Gross impairments	2	–	2	270	5	275
Non-controlling interests	–	–	–	(3)	–	(3)
Headline earnings	3 368	313	3 681	3 642	361	4 003

[1] Prior period re-presented due to discontinued operations. Refer to note 10.2 for additional information.

Million	Reviewed 2022	Reviewed 2021
Number of shares:		
Number of ordinary shares in issue at beginning of the period	2 226,9	2 226,9
Less: Weighted Sanlam shares held by subsidiaries and consolidated vehicles (including policyholders and B-BBEE SPV)	(176,8)	(162,9)
Adjusted weighted average number of shares for basic earnings per share	2 050,1	2 064,0
Add: Number of shares in respect of Sanlam Limited long-term incentive schemes	26,0	27,6
Adjusted weighted average number of shares for diluted earnings per share	2 076,1	2 091,6

2. Reconciliation of segmental information

R million	Reviewed 2022	Re-presented[1] Reviewed 2021
Segment financial services income (per Shareholders' fund income statement)	46 688	48 085
Sanlam Life and Savings	16 510	17 216
SA Retail Affluent	7 551	8 649
SA Retail Mass	5 666	5 097
Sanlam Corporate	3 293	3 470
Sanlam Emerging Markets[1]	13 598	13 469
Sanlam Investment Group	3 003	3 832
Santam	13 564	13 701
Group Office and other	13	(133)
IFRS adjustments[2]	10 927	7 750
Discontinued operations (included in segment financial services income)	(12 306)	(11 108)
Total financial services income	45 309	44 727
Segment results (per Shareholders' fund income statement after tax and non-controlling interest)	5 349	4 436
Sanlam Life and Savings	2 813	2 200
SA Retail Affluent	1 798	2 208
SA Retail Mass	665	461
Sanlam Corporate	350	(469)
Sanlam Emerging Markets	831	1 068
Discontinued operation[1]	369	815
Continuing operation[1]	462	253
Sanlam Investment Group	2 009	234
Santam	197	629
Group Office and other	(501)	305
Non-controlling interests included in segment result	334	853
Fund transfers	262	(720)
Total profit for the period	5 945	4 569
Segment IFRS 15 revenue from contracts with customers		
Sanlam Life and Savings	3 405	3 796
SA Retail Affluent	2 210	2 849
SA Retail Mass	(2)	3
Sanlam Corporate	1 197	944
Sanlam Emerging Markets[1]	536	447
Sanlam Investment Group	2 772	3 083
Santam	265	158
Total revenue in the scope of IFRS 15	6 978	7 484

[1] Prior period re-presented due to discontinued operations. Refer to note 10.2 and note 3 for additional information.
[2] IFRS adjustments mainly include earnings on capital from operating associates and joint ventures of (R1 681) million (2021: (R1 484) million) and reinsurance premiums paid of R11 431 million (2021: R9 573 million) (these items are classified differently between the Shareholders' fund income statement on page 32 and 33 and the IFRS Statement of Comprehensive Income).

Notes to the Condensed Consolidated Financial Statements for the six months ended 30 June continued

3. Financial services income

Financial services income is considered to be revenue for IFRS purposes and can be disaggregated as follows:

3.1 According to primary geography

R million	South Africa	Rest of Africa	Other International	Total
	June 2022 – Reviewed			
IFRS 15 Revenue	5 330	535	1 113	6 978
Administration fees	3 283	442	223	3 948
Asset management and performance fees	1 320	46	645	2 011
Commissions	305	47	230	582
Consulting fees	154	–	7	161
Actuarial and risk management fees	131	–	–	131
Trust and estate fees	90	–	–	90
Other	47	–	8	55
Revenue not within the scope of IFRS 15	32 598	3 479	2 254	38 331
Financial services income	37 928	4 014	3 367	45 309

R million	South Africa	Rest of Africa[1]	Other International	Total[1]
	June 2021 – Reviewed and re-presented[1]			
IFRS 15 Revenue	5 409	462	1 613	7 484
Administration fees	3 456	314	525	4 295
Asset management and performance fees[1]	1 306	105	766	2 177
Commissions	265	43	310	618
Consulting fees	152	–	8	160
Actuarial and risk management fees	115	–	–	115
Trust and estate fees	69	–	–	69
Other	46	–	4	50
Revenue not within the scope of IFRS 15[1]	31 558	3 505	2 180	37 243
Financial services income	36 967	3 967	3 793	44 727

[1] Prior period re-presented due to discontinued operations. Refer to note 10.2 for additional information.

3.2 According to timing of revenue recognition

R million	June 2022 – Reviewed At a point in time	Over time	Total
IFRS 15 Revenue	780	6 198	6 978
Administration fees	261	3 687	3 948
Asset management and performance fees	2	2 009	2 011
Commissions	453	129	582
Consulting fees	13	148	161
Actuarial and risk management fees	–	131	131
Trust and estate fees	51	39	90
Other	–	55	55
Revenue not within the scope of IFRS 15			38 331
Financial services income			45 309

R million	June 2021 – Reviewed and re-presented[1] At a point in time	Over time[1]	Total[1]
IFRS 15 Revenue	467	7 017	7 484
Administration fees	27	4 268	4 295
Asset management and performance fees[1]	2	2 175	2 177
Commissions	391	227	618
Consulting fees	11	149	160
Actuarial and risk management fees	–	115	115
Trust and estate fees	33	36	69
Other	3	47	50
Revenue not within the scope of IFRS 15[1]			37 243
Financial services income			44 727

[1] Prior period re-presented due to discontinued operations. Refer to note 10.2 for additional information.

Notes to the Condensed Consolidated Financial Statements for the six months ended 30 June continued

4. Financial assets and financial liabilities

Classification of financial instruments

R million	Fair value through profit or loss		Fair value through other comprehensive income	Total fair value
	Mandatorily	Designated		
June 2022 – Reviewed				
Investments	440 104	280 321	–	720 425
Equities and similar securities	180 609	–	–	180 609
Investment in joint ventures[2]	–	451	–	451
Interest-bearing investments	–	240 146	–	240 146
Structured transactions	11 243	2 138	–	13 381
Investment funds	248 252	–	–	248 252
Cash, deposits and similar securities	–	37 586	–	37 586
Working capital assets	15 999	2 837	–	18 836
Trade and other receivables[3]	15 999	2 837	–	18 836
Cash deposits and similar securities	–	–	–	–
Total financial assets	456 103	283 158	–	739 261
External investors in consolidated funds	–	96 837	–	96 837
Investment contract liabilities	–	425 851	–	425 851
Term finance	–	4 567	–	4 567
Structured transaction liabilities	15 422	–	–	15 422
Trade and other payables[3]	1 679	15 662	–	17 341
Total financial liabilities	17 101	542 917	–	560 018
December 2021 – Audited				
Investments	480 342	299 830	–	780 172
Equities and similar securities	191 958	–	–	191 958
Investment in joint ventures[2]	–	444	–	444
Interest-bearing investments	–	259 345	–	259 345
Structured transactions	10 239	2 195	–	12 434
Investment funds	278 145	–	–	278 145
Cash, deposits and similar securities	–	37 846	–	37 846
Working capital assets	16 162	2 858	1 954	20 974
Trade and other receivables[3]	16 162	2 858	–	19 020
Cash, deposits and similar securities	–	–	1 954	1 954
Total financial assets	496 504	302 688	1 954	801 146
External investors in consolidated funds	–	85 506	–	85 506
Investment contract liabilities	–	454 538	–	454 538
Term finance	–	4 544	–	4 544
Structured transaction liabilities	8 898	–	–	8 898
Trade and other payables[3]	3 714	16 648	–	20 362
Total financial liabilities	12 612	561 236	–	573 848

[1] Movement in expected credit loss allowance is mainly due to foreign currency translation differences.
[2] Only the joint venture that is held by an insurance linked fund is designated at fair value through profit and loss and is therefore included in note 4.
[3] Trade and other receivables and trade and other payables on the Statement of Financial Position include non-financial instruments which are not included in note 4.

Amortised cost gross	Expected credit loss allowance[1]	Amortised cost net	Total
10 633	(531)	10 102	730 527
–	–	–	180 609
–	–	–	451
7 257	(399)	6 858	247 004
–	–	–	13 381
–	–	–	248 252
3 376	(132)	3 244	40 830
47 275	(2 852)	44 423	63 259
28 609	(2 831)	25 778	44 614
18 666	(21)	18 645	18 645
57 908	(3 383)	54 525	793 786
		–	96 837
		–	425 851
		9 766	14 333
		–	15 422
		36 383	53 724
		46 149	606 167
14 388	(564)	13 824	793 996
–	–	–	191 958
–	–	–	444
12 921	(426)	12 495	271 840
–	–	–	12 434
–	–	–	278 145
1 467	(138)	1 329	39 175
64 458	(2 989)	61 469	82 443
38 692	(2 970)	35 722	54 742
25 766	(19)	25 747	27 701
78 846	(3 553)	75 293	876 439
		–	85 506
		–	454 538
		10 572	15 116
		–	8 898
		42 927	63 289
		53 499	627 347

Notes to the Condensed Consolidated Financial Statements for the six months ended 30 June continued

5. Notes to the Statement of Cash Flow

5.1 Cash utilised in operations

R million	Notes	Reviewed June 2022	Restated[1] June Reviewed 2021
Profit before tax per Statement of Comprehensive Income		6 327	7 681
Profit before tax from continuing operations		5 896	6 437
Profit before tax from discontinued operations	10.2	431	1 244
Net movement in policy liabilities		(27 885)	33 443
Non-cash flow items		43 713	(28 451)
Depreciation		440	491
Bad debts written off		56	25
Share-based payments		234	287
Profit on disposal of subsidiaries and associates		(1 933)	(8)
Fair value adjustments and change in external investors' liability		45 532	(29 138)
Net monetary loss (hyperinflation)		25	–
Net impairment losses on financial assets and other impairments		227	501
Amortisation of intangibles		472	578
Equity-accounted earnings		(1 340)	(1 187)
Items excluded from cash utilised in operations		(17 864)	(14 686)
Interest and preference share dividends accrued		(11 546)	(9 398)
Interest paid		500	545
Dividend accrued		(6 818)	(5 833)
Net acquisition of investments[1]		(7 572)	(8 806)
Decrease in net working capital assets and liabilities		(979)	(1 947)
Cash utilised in operations[1]		(4 260)	(12 766)

[1] The prior period amounts have been restated to treat reinvestment from distributions of investment funds as non-cash. It did not affect the Statement of Financial Position, Statement of Comprehensive Income or the Statement of Changes in Equity. Refer to note 13 for additional information.

5.2 Acquisition of subsidiaries

R million	June Reviewed 2022	June Reviewed 2021
During the period, various interests in subsidiaries were acquired within the Group.		
The fair value of assets acquired via business combinations is as follows:		
Equipment	(6)	–
Right-of-use assets	(24)	–
Goodwill	(66)	(36)
Value of business acquired	(135)	–
Other intangible assets	(66)	(106)
Long-term reinsurance assets	(642)	–
Deferred tax assets	(8)	–
Trade and other receivables	(36)	–
Taxation	(9)	–
Cash, deposits and similar securities	(414)	–
Long-term policy liabilities	900	–
Lease liabilities	30	–
Deferred tax liabilities	52	–
Trade and other payables	159	–
Provisions	1	–
Total purchase consideration	(264)	(142)
Plus: Previously held interest at fair value	81	–
Cash element consideration	(183)	(142)
Plus: Cash, deposits and similar securities acquired	414	–
Plus: Deferred purchase consideration	50	49
Cash component of acquisition of subsidiaries	281	(93)

The acquisitions during the current period relate to the acquisition of the 51% remaining shareholding of Indwe Broker Holdings Group (Pty) Ltd from ARC Financial Services Investments (Pty) Ltd for a consideration of R83 million as well as the acquisition of the Alexander Forbes risk business for a consideration of R100 million.

5.3 Disposal of subsidiaries and associated companies

R million	June Reviewed 2022
During the period, various interests in subsidiaries were disposed of within the Group.	
Investment in associated company	41
The fair value of assets disposed of were as follows:	
Investments	
Equipment	8
Right-of-use assets	8
Other intangible assets	6
Non-current assets held for sale	80 692
Trade and other receivables	96
Lease liabilities	(7)
Non-current liabilities held for sale	(78 869)
Trade and other payables	(54)
Non-controlling interest	(4)
Profit on disposal of subsidiaries and associates	1 933
Total disposal price	3 850
Less: Cash and cash equivalents disposed of	(3 298)
Less: Deferred purchase consideration	(414)
Less: Deemed disposal	(41)
Cash component of disposal of subsidiaries and associated companies	97

The disposals during the period mainly relates to the disposal of the UK businesses. Refer to note 10.1 for more information.

5.4 Cash, deposits and similar securities

For the purposes of the Cash Flow Statement, 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	June Reviewed 2022	June Reviewed 2021
Working capital: Cash, deposits and similar securities	18 645	24 530
Investment cash	40 830	38 259
Bank overdrafts	(1 648)	(1 169)
Total cash, deposits and similar securities – as per the Statement of Financial Position	57 827	61 620
Less: Investment cash with original maturities of greater than 3 months	(19 247)	(24 766)
Plus: Cash, deposits and similar securities included in non-current assets held for sale	10 549	–
Total cash, deposits and similar securities – as per Statement of Cash Flow	49 129	36 854

Included in cash and cash equivalents are restricted cash balances of R7 035 million (2021: R5 639 million) relating mainly to Credit Support Agreements (CSA) with derivative counterparties as well as initial margins with the JSE in respect of exchange traded derivatives.

5.5 Non-cash transactions

Interest and dividend income in respect of investment funds to the amount of R1 760 million (2021: R1 466 million) and R911 million (2021: R1 043 million) were reinvested. Both of these transactions represent non-cash transactions and also affected the “Net acquisition of investments” in note 5.1 above.

Notes to the Condensed Consolidated Financial Statements for the six months ended 30 June continued

6. 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 for the Group's assets and liabilities. Management applies judgement in determining best 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 which had a significant impact on the interim financial statements are summarised below.

6.1 Impairment of goodwill and value of business acquired and other assets

The recoverable amount of goodwill, value of business acquired (non-insurance related) and other intangible assets for impairment testing purposes has been determined based on the value in use of the businesses. Impairment testing in respect of insurance related value of business acquired forms part of the liability adequacy test of insurance liabilities. For life businesses the recoverable amount is determined as the embedded value of life insurance businesses plus a value of new life insurance business multiple. For non-life businesses the value in use was determined on a discounted cash flow valuation basis. These are considered to be the appropriate measure of value in use.

Refer to pages 39 and 40 of the Shareholders' Information respectively for the main assumptions applied in determining the embedded value of covered business and the fair value of other Group businesses. Embedded value of covered business and fair value sensitivity analyses are provided on page 38 of the Shareholders' Information respectively.

6.1.1 Shriram Capital (Sanlam Emerging Markets)

In local currency, the valuation of the recoverable amount of Shriram Transport Finance Company (STFC) and Shriram Capital increased since December 2021. The strengthening of the rand against the Indian Rupee decreased the valuation by a further 3,7%.

As a testament to the Shriram business model, the retail credit businesses have remained stable despite the economic environment. The growth in the loan books is steadily gaining momentum while the focus on asset quality is maintained. Both disbursements and collections for STFC and SCUF have remained healthy. Sanlam Emerging Markets has a direct investment in STFC and indirect investments in both STFC and Shriram City Union Finance (SCUF), via Shriram Capital. The proceeds of the sale of 10% of Shriram General Insurance by Shriram Capital Limited, was used to increase the exposure to both STFC and SCUF.

The recovery since 31 December 2021 has outperformed the valuation assumption in terms of the recoverable amount.

	30 June 2022		31 December 2021	
R million	STFC	Shriram Capital	STFC	Shriram Capital
Value in use	1 998	10 189	1 955	9 864
Carrying value	1 977	9 505	1 962	8 899
Excess/(deficit) over carrying value	21	684	(7)	965
Gross impairment previously reported	(7)	–	(7)	–
Reversal of impairment	–	–	–	672

The only significant difference in the valuation assumptions from 31 December 2021 to 30 June 2022 was the increase in the discount rate of STFC from 13,4% to 14,2% and of Shriram Capital from 14,0% to 14,7%, respectively. There were no other significant adjustments made to the key assumptions in determining the value in use for these cash generating units.

Refer to note 4.2 of the Shareholders' Information section for sensitivity analysis iro Shriram non-life businesses. Life comprise approximately 10% of the total value in use.

6.2 The ultimate liability arising from claims under general insurance contracts

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 that the Group will ultimately incur.

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.

Refer below to Santam's specific COVID-19-related claim estimates:

There has been good progress made in finalising the remaining contingent business interruption (CBI) claims relating to the COVID-19 lockdown and associated reinsurance recoveries. Judgement is however still applied in the determination of the best estimate of the remaining insurance liability and reinsurance asset associated with the exposure to CBI claims.

The judgement applied includes:

Insurance liabilities:

- The assumptions used to determine the underlying exposure at a policy level
- The impact of the claims payment experience to date

Reinsurance assets:

- The proportion of CBI claims which aggregate as a single loss occurrence under the catastrophe reinsurance treaty
- Expected recoveries from applicable reinsurance contracts

The projected ultimate net insurance exposure at 30 June 2022 was R2,2 billion (December 2021: R2,55 billion). This comprised gross claims payments of R4,3 billion (December 2021: R3,2billion), a gross liability provision of R1,6 billion (December 2021: R3,2 billion) for open claims, a reinsurance recovery net of reinstatement premiums of R2,2 billion (December 2021: R0,6 billion) and a reinsurance asset of R1,5 billion (December 2021: R3,2 billion).

There are a number of interdependent judgements applied in the measurement of the insurance liability and reinsurance asset in relation to this exposure, and therefore when assessing the potential impact consideration should be applied to the ultimate net impact.

Provisions for CBI claims at 30 June 2022 has been reviewed, considering the claims payment experience to date, the level of claims aggregating for reinsurance recovery purposes, as well as expected recoveries from applicable reinsurance contracts. Following this review, the projected net ultimate exposure for CBI claims has reduced by R397 million. The reduction is mainly due to the actual claims experience to date being lower compared to initial estimates and positive feedback from the reinsurance panel on its catastrophe reinsurance claim.

There is still, however, uncertainty in relation to the ultimate exposure which will only be eliminated once the process has been finalised. A sensitivity analysis on the unsettled claims within the net CBI provision of R2,2 billion (December 2021: R2,55 billion) has been performed by assuming a 10% positive and negative combined impact on the assumptions used to derive the provision. A 10% positive movement in the combined assumptions used would result in a decrease in the net provision of 4% (December 2021: 6%). A 10% negative movement in the assumptions used would result in an increase in the net provision of 4% (December 2021: 6%).

Notes to the Condensed Consolidated Financial Statements for the six months ended 30 June continued

6. Critical accounting estimates and judgements (continued)

6.3 Investment properties

The value drivers underpinning the valuation of properties have not significantly changed since 31 December 2021. The COVID-19 pandemic has not put additional pressure on the expected long-term rental growth rates. Vacancy assumptions have however slightly decreased as management continues to negotiate new leases to reduce the vacancy rates.

At the reporting date, the key assumptions and unobservable inputs used by the Group in determining fair value were in the following ranges for the Group's portfolio of properties:

Unobservable inputs across sectors	Reviewed June 2022	Audited December 2021
South African portfolio		
Discounted cash flow method		
Base rate[1]	n/a	9,29%
Vacancy rate	15,80%	18,00%
Expected expense growth (average over 5 years, range cover different types of expenses)	5,10% – 11,00%	5,10% – 11,00%
Office buildings		
Discount rate	13,00% – 14,75%	12,01% – 14,76%
Exit capitalisation rate	8,44% – 10,50%	9,50% – 13,00%
Retail buildings		
Discount rate	11,60% – 15,90%	12,01% – 13,01%
Exit capitalisation rate	7,93% – 10,60%	9,50% – 11,25%
Industrial buildings		
Discount rate	14,00% – 14,50%	12,76% – 13,76%
Exit capitalisation rate	9,25% – 10,00%	9,50% – 13,00%
International portfolio		
The value drivers underpinning the valuation of properties have not changed since 31 December 2021.		

[1] The base rate has been replaced by using capitalisation rates determined by independent body South African Property Owners Association (SAPOA).

6.4 Foreign operation currencies and hyperinflation

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.

To the contrary, when the foreign operation's functional currency is the currency of a hyperinflationary economy, both the Statement of Comprehensive Income items and the assets and liabilities are translated at the prevailing closing rate. During the second half of 2020, Lebanon was included in the list of countries considered to be a hyperinflationary economy for accounting purposes. Sanlam applies the rate sanctioned by the Lebanese Central Bank which is available on a daily basis.

7. Commitments and contingencies

Shareholders are referred to the contingent liabilities disclosed in the 2021 Annual Financial Statements. The circumstances surrounding the contingent liabilities remain materially unchanged.

Sanlam has guaranteed obligations that may arise under SanFin's unlisted commercial paper programme, as well as SanFin'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 R7 billion guarantee utilisation limit in terms of the Group governance processes. At 30 June 2022 the utilisation of guarantees by SanFin amounted to R4,8 billion (2021: R4,2 billion).

Sanlam Life Insurance Limited has approved a guarantee facility, in March 2018 in respect of the distribution agreement between Sanlam Life and Savings and Capitec, which has been launched during 2018. The facility is subject to an internal limit of R500 million. Performance guarantees with the sum of R402 million (2021: R312 million) have been issued in respect of the sales up to 30 June 2022.

Financial claims are lodged against the Group from time to time. Provisions are recognised for claims based on best estimates of the expected outcome of the claims (refer to note 6.2). Given the high degree of uncertainty involved in determining the expected outcome, it is reasonably possible that outcomes in future financial years will be different to the current estimates.

8. Subsequent events

As noted in the Financial Review, the Competition Commission released a media statement on 25 August 2022 in which it indicated that it was investigating pricing practices relating to eight South African life insurance companies, including Sanlam and Brightrock. Sanlam is engaging with the Commission to better understand its concerns and respond accordingly.

No other material facts or circumstances have arisen between the dates of the Statement of Financial Position and this report that affect the financial position of the Sanlam Group at 30 June 2022 as reflected in these financial statements.

9. Related parties: Major shareholders

There were no transactions with major shareholders during 2022.

Notes to the Condensed Consolidated Financial Statements for the six months ended 30 June continued

10. 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 continuing use and a sale is considered highly probable. These assets are measured at the lower of their carrying value and their fair value less costs to sell, unless they are specifically excluded from the measurement provisions of IFRS 5: Non-current Assets Held For Sale and Discontinued Operations, in which case they are measured in accordance with the applicable IFRS. Immediately before initial classification as held for sale, the assets to be reclassified are measured in accordance with applicable IFRS.

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 Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the 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 statement of profit or loss.

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

					30 June 2022 – Reviewed		
R million	Segment	Valuation methodology	Fair value hierarchy	Note	Non-current assets held for sale	Non-current liabilities held for sale	Net
Assets					857	–	857
Investment properties	Sanlam Life and Savings	Fair value	Level 3		842	–	842
	Sanlam Emerging Markets	Fair value	Level 3		15	–	15
Discontinued operations					113 353	(82 073)	31 280
Sanlam Pan Africa	Sanlam Emerging Markets	Carrying value		10.2	113 353	(82 073)	31 280
					114 210	(82 073)	32 137

Refer to note 32 of the 2021 Annual Financial Statements for prior year balances.

10.1 Disposal groups

10.1.1 Sanlam Life and Pensions UK (Sanlam Investments Group)

Sanlam Life and Pensions (SLP) was reclassified as a disposal group held for sale at 30 June 2021 following the Sanlam Board decision to sell the investment. The transaction was concluded on the 27th of April 2022, resulting in a profit on sale of R354 million on group level.

10.1.2 Sanlam UK Wealth Management operation (Sanlam Investments Group)

Sanlam Private Investments and Sanlam Wealth Planning and their subsidiaries have been reclassified as a disposal group held for sale at 31 October 2021 following the Sanlam Board decision to sell the investment. The transaction was concluded on the 6th May 2022, resulting in a profit on sale of R1 612 million on a group level.

10.1.3 NSIA (Sanlam Emerging Markets)

Sanlam entered into a share purchase agreement to sell all the shares held in Sanlam Guinée, Sanlam Congo, Sanlam Gabon Vie and Sanlam Togo Vie (subsidiaries of San JV) to NSIA Participation (NSIA). The transaction was concluded on the 16th of June 2022 after all conditions precedent relating to the sale were met including receipt of regulatory approvals. The total consideration was XOF 7 869 million (approximately R202 million) of which XOF 3 793 million (approximately R96 million) is only payable within a year's time.

10.2 Discontinued operations

10.2.1 Sanlam Pan Africa (Sanlam Emerging Markets)

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

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

The transaction is expected to be finalised in the next 12 months, whereafter, all else being equal, the incorporated joint venture will be equity-accounted by Sanlam as shareholder unanimous consent is required over relevant activities. If regulatory approval are not obtained and for any reason the transaction is not successful, the treatment prior to classification as held for sale would apply.

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

Financial performance relating to the discontinued operation for the period is set out below:

R million	June Reviewed 2022	June Reviewed 2021
Net income	10 707	9 302
Financial services income	12 306	11 108
Reinsurance premiums paid	(2 550)	(2 227)
Reinsurance commission received	404	353
Investment income	1 818	1 386
Investment deficits	(1 037)	(1 222)
Change in fair value of external investors' liability	(234)	(96)
Net insurance and investment contract benefits and claims	(5 706)	(3 767)
Long-term insurance and investment contract benefits	(1 843)	(477)
General insurance claims	(4 066)	(3 660)
Reinsurance claims received	203	370
Expenses	(4 190)	(3 841)
Sales remuneration	(1 869)	(1 676)
Administration costs	(2 321)	(2 165)
Impairments	(237)	(212)
Net impairment losses on financial assets	(237)	(214)
Other impairments	–	2
Amortisation of intangibles	(335)	(380)
Net operating result	239	1 102
Equity-accounted earnings	241	208
Finance cost – other	(34)	(66)
Net monetary loss	(15)	–
Profit before tax from discontinued operations	431	1 244
Taxation	(62)	(429)
Shareholders' fund	(62)	(429)
Profit for the period from discontinued operations	369	815

Notes to the Condensed Consolidated Financial Statements for the six months ended 30 June continued

10. Disposal groups, discontinued operations and assets classified as held for sale (continued)

10.2 Discontinued operations (continued)

10.2.1 Sanlam Pan Africa (Sanlam Emerging Markets) (continued)

Assets and liabilities of discontinued operation:

The following assets and liabilities were reclassified as held for sale as at 30 June 2022.

R million	June 2022
Assets of discontinued operation classified as held for sale:	
Equipment	563
Right-of-use assets	113
Owner-occupied properties	1 643
Goodwill	11 732
Value of business acquired	3 363
Other intangible assets	409
Deferred acquisition costs	55
Long-term reinsurance assets	679
Investments	68 299
Investment property	7 960
Investments in associates and joint ventures	3 155
Equities and similar securities	9 987
Interest-bearing investments	27 880
Investment funds	13 398
Cash, deposits and similar securities	5 919
Deferred tax asset	1 033
General insurance technical assets	3 417
Working capital assets	22 047
Trade and other receivables	14 829
Taxation	700
Cash, deposits and similar securities	6 518
Total assets	113 353
Liabilities of discontinued operation classified as held for sale:	
Long-term policy liabilities	40 259
Insurance contracts	34 624
Investment contracts	5 635
Term finance	857
Lease liabilities	130
External investors in consolidated funds	3 358
Deferred tax liability	3 047
General insurance technical provisions	19 528
Working capital liabilities	14 894
Trade and other payables	13 469
Provisions	454
Taxation	971
Total liabilities	82 073

The foreign exchange losses and employee benefits re-measurement gain recognised in other comprehensive income in relation to the discontinued operation for the period is (R906) million (2021: (R1 012) million) and R12 million respectively. The foreign currency translation reserve for the discontinued operating is (R2 376) million as at 30 June 2022.

10.2 Discontinued operations (continued)

10.2.1 Sanlam Pan Africa (Sanlam Emerging Markets) (continued)

Cash flow information from discontinued operation

R million	June 2022	June 2021
Cash flow from operating activities	718	982
Cash flow from investment activities	(71)	(116)
Cash flow from financing activities	34	219
Net increase in cash and cash equivalents generated by discontinued operations	681	1 085

Fair value information on discontinued operation

Recurring fair value measurements (financial instruments)

R million	Level 1[1]	Level 2[1]	Level 3[2]	Total
30 June 2022 – reviewed				
Financial instruments				
Equities and similar securities	8 666	992	329	9 987
Corporate interest-bearing investments	81	4 222	–	4 303
Government interest-bearing investments	10 368	6 429	–	16 797
Investment funds	7 795	5 587	16	13 398
Cash, deposits and similar securities: Investments	–	4 707	–	4 707
Total assets at fair value	26 910	21 937	345	49 192
Financial instruments				
Investment contracts	–	5 635	–	5 635
External investors in consolidated funds	3 358	–	–	3 358
Total liabilities at fair value	3 358	5 635	–	8 993

[1] There were no transfers between level 1 and 2 in the current period.

[2] The reconciliation of movements in level 3 financial assets measured at fair value mainly comprises of net loss in Statement of Comprehensive Income and foreign exchange movements amounting to (R30) million and (R35) million respectively. Net loss in Statement of Comprehensive Income forms part of profit for the period from discontinued operations. The effect of 10% increase and equivalent decrease in price multiple amounts to R35 million and (R35) million respectively.

Notes to the Condensed Consolidated Financial Statements for the six months ended 30 June continued

11. Fair value disclosures

Determination of fair value and fair value hierarchy

Below follows required disclosure of fair value measurements, using a three-level fair value hierarchy that reflects the significance of the inputs used in determining the measurements. It should be noted that these 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 and quoted prices in an inactive market 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 (financial instruments)

R million	Level 1	Level 2	Level 3	Total
30 June 2022 – reviewed				
Financial instruments				
Equities and similar securities	178 758	1 081	770	180 609
Investment in joint ventures	–	–	451	451
Interest-bearing investments	81 492	158 106	548	240 146
Structured transactions	643	12 732	6	13 381
Investment funds	234 701	12 993	558	248 252
Trade and other receivables	10 403	8 324	109	18 836
Cash, deposits and similar securities: Investments	–	37 586	–	37 586
Total assets at fair value	505 997	230 822	2 442	739 261
Financial instruments				
External investors in consolidated funds	94 354	2 095	388	96 837
Investment contract liabilities	–	425 851	–	425 851
Term finance	–	4 567	–	4 567
Structured transactions liabilities	113	15 277	32	15 422
Trade and other payables	1 630	15 711	–	17 341
Total liabilities at fair value	96 097	463 501	420	560 018
31 December 2021 – audited				
Financial instruments				
Equities and similar securities	186 401	3 220	2 337	191 958
Investment in joint ventures	–	–	444	444
Interest-bearing investments	102 744	156 051	550	259 345
Structured transactions	585	11 849	–	12 434
Investment funds	261 685	15 752	708	278 145
Trade and other receivables	9 923	8 911	186	19 020
Cash, deposits and similar securities: Investments	–	37 846	–	37 846
Cash, deposits and similar securities: Working capital	–	1 954	–	1 954
Total assets at fair value	561 338	235 583	4 225	801 146
Financial instruments				
External investors in consolidated funds	83 310	1 836	360	85 506
Investment contract liabilities	–	454 538	–	454 538
Term finance	10	4 534	–	4 544
Structured transactions liabilities	3	8 895	–	8 898
Trade and other payables	3 366	16 996	–	20 362
Total liabilities at fair value	86 689	486 799	360	573 848

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

R million	Equities and similar securities	Investment in joint ventures	Interest-bearing investments	Structured transactions	Investment funds	Trade and other receivables	Total assets
Assets							
30 June 2022 – reviewed							
Balance at 1 January 2022	2 337	444	550	–	708	186	4 225
Net (loss)/gains in Statement of Comprehensive Income[1]	(37)	7	4	6	(427)	(22)	(469)
Acquisitions	245	–	(6)	–	437	–	676
Disposals	(1 363)	–	–	–	(9)	–	(1 372)
Foreign exchange movements	(28)	–	–	–	(1)	(7)	(36)
Reclassified to non-current assets held for sale	(384)	–	–	–	(18)	–	(402)
Transfers to level 2	–	–	–	–	–	(48)	(48)
Transfers to level 1[2]	–	–	–	–	(132)	–	(132)
Balance at 30 June 2022	770	451	548	6	558	109	2 442
31 December 2021 – audited							
Balance at 1 January 2021	1 146	427	542	–	617	398	3 130
Net (loss)/gains in Statement of Comprehensive Income[1]	(178)	17	43	–	(377)	(226)	(721)
Acquisitions	1 543	–	1	–	528	1	2 073
Disposals/settlements	(72)	–	(36)	–	(59)	(46)	(213)
Foreign exchange movements	(69)	–	–	–	(1)	(5)	(75)
Reclassified to non-current assets classified as held or sale	(33)	–	–	–	–	–	(33)
Transfers to level 3	–	–	–	–	–	64	64
Balance at 31 December 2021	2 337	444	550	–	708	186	4 225

[1] Net (loss)/gains in Statement of Comprehensive Income forms part of investment surpluses/(deficits).

[2] Investment funds are priced on a more regular basis and have been transferred from level 3 to level 1.

Notes to the Condensed Consolidated Financial Statements for the six months ended 30 June continued

11. Fair value disclosures (continued)

R million	Investment contract liabilities	External investors in consolidated funds	Structured transaction liabilities	Total liabilities
Liabilities				
30 June 2022 – reviewed				
Balance at 1 January 2022	–	360	–	360
Net loss in Statement of Comprehensive Income[1]	–	17	32	49
Foreign exchange movements	–	11	–	11
Balance at 30 June 2022	–	388	32	420
31 December 2021 – audited				
Balance at 1 January 2021	1 698	446	12	2 156
Net loss/(gains) in Statement of Comprehensive Income[1]	38	(115)	–	(77)
Acquisitions	29	–	–	29
Disposals	(154)	–	(12)	(166)
Foreign exchange movements	20	29	–	49
Reclassified to non-current liabilities held for sale	(1 631)	–	–	(1 631)
Balance at 31 December 2021	–	360	–	360

[1] Net loss/(gains) in Statement of Comprehensive Income forms part of investment surpluses/(deficits).

Gains or losses (realised and unrealised) in respect of level 3 financial instruments included in Statement of Comprehensive Income	Six months Reviewed 2022	Full year Audited 2021
Total losses included in Statement of Comprehensive Income for the period[1]	(518)	(2 015)
Total unrealised losses included in Statement of Comprehensive Income for assets held at the end of the reporting period[1]	(463)	(623)

[1] Total realised and unrealised losses included in Statement of Comprehensive Income forms part of investment surpluses/(deficits).

Transfers between levels

R million	Interest bearing invest-ments[1]	Total assets
Financial assets		
30 June 2022 – reviewed[2]		
31 December 2021 – audited		
Transfer from level 1 to level 2	(7 329)	(7 329)
Transfer from level 2 to level 1	211	211

[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.

[2] There were no transfers between level 1 to level 2 in the current period.

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

Instrument	Applicable to level	Valuation basis	Main assumptions	Significant unobservable input
Equities and similar securities	2 and 3	Discounted cash flow model (DCF) and Earnings multiple.	Cost of Capital and Consumer price index.	Cost of Capital, Adjusted earnings multiple, Budgets and Forecasts.
Interest-bearing investments	2 and 3	DCF and Quoted put/ surrender price by issuer.	Bond and interbank swap interest rate curve, Cost of Capital and Consumer price index.	Discount rate and Cost of Capital.
Investment in joint ventures	3	Earnings multiple	Earnings Multiple, Country risk and size of the business and marketability.	Adjusted earnings multiple and Sustainable EBITDA.
Structured transactions assets and liabilities	2 and 3	Option pricing models and DCF.	Bond and interbank swap interest rate curve, Forward equity and currency rates and Volatility risk adjustments.	n/a
Trade and other receivables/payables	2 and 3	DCF, Earnings multiple, Quoted put/surrender price by issuer and Option pricing models.	Bond and interbank swap interest rate curve, Cost of Capital, Consumer price index, Forward rate, Credit risk spread and Liquidity spread.	n/a
Cash, deposits and similar securities	2	Mark-to-market and Yield curve.	Bond and interbank swap interest rate curve.	n/a
External investors in consolidated funds	2 and 3	Current unit price of underlying unitised asset multiplied by the number of units held.	Unit prices	Based on underlying assets.
Investment contract liabilities and investment funds	2 and 3	Current unit price of underlying unitised asset, multiplied by the number of units held, Earnings multiple and DCF.	Bond and interbank swap interest rate curve, Cost of Capital, Consumer price index and Bond interest rate curve.	Earnings multiple
Term finance	2	DCF	Bond and forward rate, Credit ratings of issuer, Liquidity spread and Agreement interest curves.	n/a

Notes to the Condensed Consolidated Financial Statements for the six months ended 30 June continued

11. Fair value disclosures (continued)

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

R million	Carrying amount	Effect of a 10% increase in price multiple	Effect of a 10% decrease in price multiple	Carrying amount	Effect of a 1% increase in discount rate	Effect of a 1% decrease in discount rate
Six months – reviewed 30 June 2022						
Assets						
Other investments						
Equities and similar securities	770	77	(77)			
Interest-bearing investments	61	6	(6)	487	(31)	31
Structured transactions	6	1	(1)			
Investment in joint ventures	451	45	(45)			
Investment funds	558	56	(56)			
Trade and other receivables	45	5	(5)	64	(1)	1
Total	1 891	190	(190)	551	(32)	32
Liabilities						
External investors in consolidated funds	388	39	(39)			
Structured transactions liabilities	32	3	(3)			
Total	420	42	(42)			
Full year – audited 31 December 2021						
Assets						
Other investments						
Equities and similar securities	2 337	234	(234)			
Interest-bearing investments				550	(31)	31
Investment in joint ventures	444	44	(44)			
Investment funds	708	71	(71)			
Trade and other receivables				186	(14)	14
Total	3 489	349	(349)	736	(45)	45
Liabilities						
External Investors in consolidated funds	360	36	(36)			
Total	360	36	(36)			

12. Capital and risk management

Shareholders are referred to the capital and risk management report disclosed in the 2021 Annual Financial Statements. Below are specific areas highlighted where changes since December 2021 are considered to be material.

12.1 Market and credit risk

Comprehensive measures and limits are in place to control the exposure of the Group's capital to market and credit risks. 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.

12.1.1 Currency risk: Group's capital portfolio

Except for its exposure to the British pound, and the reclassification of the Group's capital shown as held-for-sale as part of the Allianz transaction, the exposure of the Group's capital portfolio to currency risk has not significantly changed since December 2021. Given the finalisation of the sale of Sanlam UK the Group's exposure to the British pound has increased from R782 million to R3 310 million. Refer to the financial review for exchange rate movements of major currencies for the period under review.

12.1.2 Credit risk: policyholder solutions and capital

Sanlam's life businesses are exposed to credit risk via policyholder solutions and the capital portfolio. There have been no significant changes in the way that Sanlam Group assesses and manages credit risk since 31 December 2021. Except for the reclassification of the Group's policyholder solutions and capital exposures shown as held-for-sale as part of the Allianz transaction, there has also not been significant changes of the aggregated credit risk exposures in comparison with 31 December 2021.

12.2 Santam: Financial assets and insurance receivables credit risk

There have been no significant changes in the way that Santam group assesses and manages credit risk since 31 December 2021. Santam continues to monitor all credit exposures and follow up on overdue amounts. There has also not been significant changes of the aggregated credit risk exposures of financial assets in comparison with 31 December 2021. Refer to Santam's 2021 Annual Financial Statements for additional information.

13. Restatement of Group Statement of Cash Flow

Investors of investments funds may elect for distributions received from collective investment schemes to be reinvested back into the fund or received in cash. Previously these distributions, for both scenarios were treated as cash received in the Group Statement of Cash Flow with an equal and opposite entry in net movement of investments asset (reflected in cash utilised in operations for Sanlam). This was in line with the industry treatment. During 2021, the treatment of distributions reinvested was revisited by the accounting industry which concluded that these should be treated as a non-cash flow item. The restatement does not have any impact on the overall Group cash flow from operating activities as reflected below.

The impact on the Group Statement of Cash Flow is as follows:

	2021		
R million	As previously reported	Adjustments	Restated
Cash flow from operating activities	(9 551)	–	(9 551)
Cash utilised in operations	(15 275)	2 509	(12 766)
Interest and preference share dividends received	9 369	(1 466)	7 903
Interest paid	(459)	–	(459)
Dividends received	5 833	(1 043)	4 790
Dividends paid	(6 561)	–	(6 561)
Taxation paid	(2 458)	–	(2 458)

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

Company Secretary
Sana-Ullah Bray

Executive Head: Investor Relations
Grant Davids

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Directors
Andrew Birrell, Anton Botha, Ebenezer Essoka, Paul Hanratty (Group Chief Executive), Nicolaas Kruger, Ndivhuwo Manyonga, Elias Masilela (Chair), Jeanett Modise, Mathukana Mokoka, Kobus Möller, Dr Patrice Motsepe (Deputy Chair), Abigail Mukhuba (Group Finance Director), Sipho Nkosi, Karabo Nondumo, Willem van Biljon, Dr Johan van Zyl, Heinie Werth and Dr Shirley Zinn

Dr Rejoice Simelane retired from the board of directors ("the Boards") of Sanlam and Sanlam Life Insurance Limited with effect from 05 March 2022, being the compulsory age of retirement as per the Memorandum of Incorporation. The Board wishes to thank Dr Simelane for her outstanding contribution to the Group since her appointment to the Board in 2004.



Contact

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