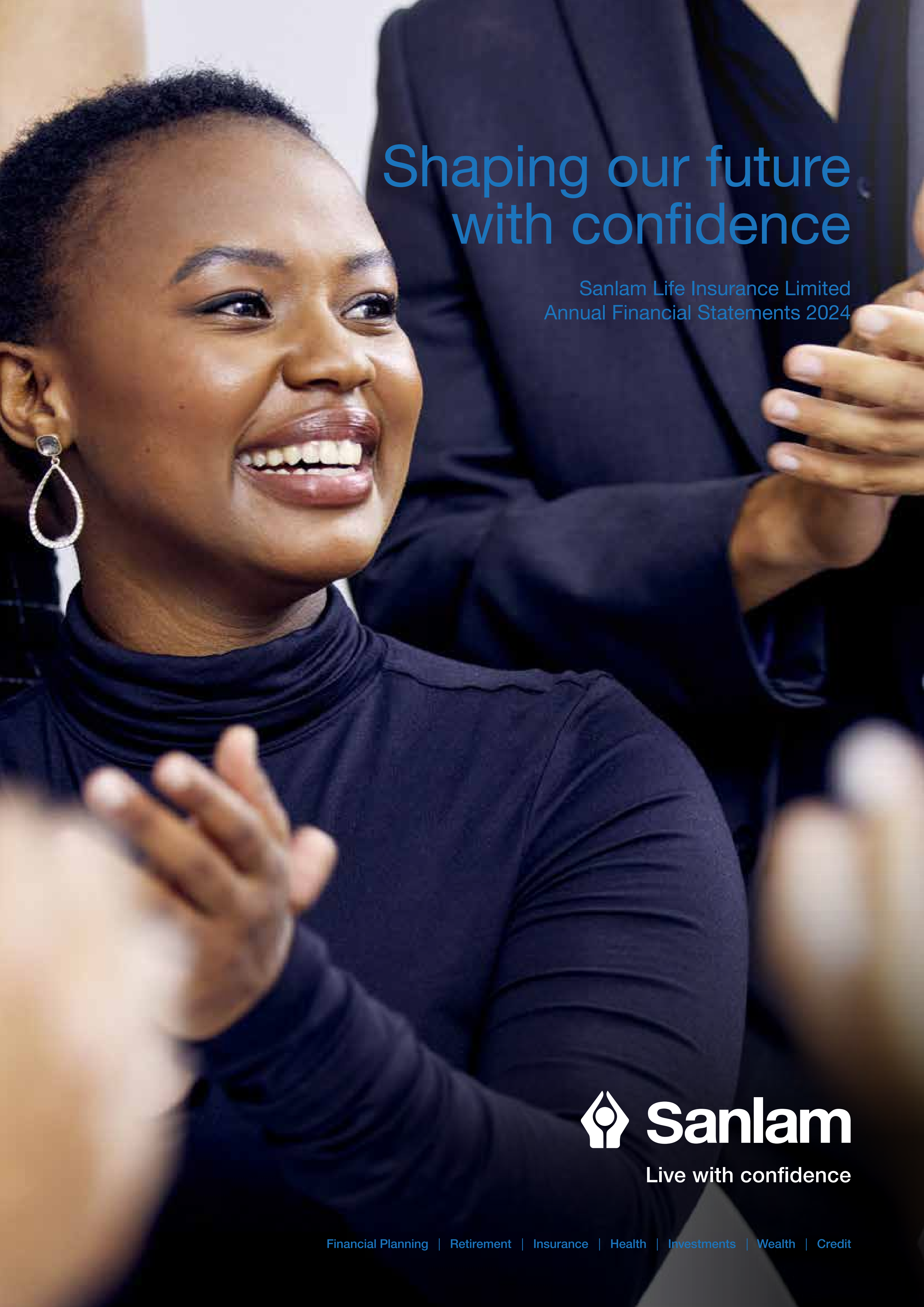

Shaping our future with confidence

Sanlam Life Insurance Limited
Annual Financial Statements 2024

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Directors' responsibility for financial reporting

The board of Sanlam Life Insurance Limited takes responsibility for the integrity, objectivity and reliability of the group and company annual financial statements of Sanlam Life Insurance Limited in accordance with IFRS® Accounting Standards. Adequate accounting records have been maintained. The board endorses the principle of transparency in financial reporting. The responsibility for the preparation and presentation of the annual financial statements has been delegated to management.

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

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

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

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

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

The annual financial statements were approved by the board and signed on its behalf by:

Paul Hanratty

Paul Hanratty
Group Chief Executive
Cape Town
5 March 2025

Temba Mvusi

Temba Mvusi
Chairperson
Cape Town
5 March 2025

Internal financial reporting control (IFC) environmental

The directors, whose names are stated below, hereby confirm that:

(a) the annual financial statements set out on pages 20 to 322, fairly present in all material respects the financial position, financial performance and cash flows of Sanlam Life Insurance Limited in terms of IFRS Accounting Standards;

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

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

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

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

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

Paul Hanratty

Paul Hanratty
Group Chief Executive
5 March 2025

Abigail Mukhuba

Abigail Mukhuba
Finance Director
5 March 2025

Independent auditors' report

To the Shareholder of Sanlam Life Insurance Limited
Report on the audit of the consolidated and separate financial statements
Our opinion

We have audited the consolidated and separate financial statements of Sanlam Life Insurance Limited (the Company) and its subsidiaries (together the Group) set out on pages 20 to 315, which comprise:

- the group and company statements of financial position as at 31 December 2024;
- the group and company statements of comprehensive income for the year then ended;
- the group and company statements of changes in equity for the year then ended;
- the group and company statements of cash flow for the year then ended;
- the notes to the financial statements, including material accounting policy information, the capital and risk management report and basis of preparation.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Sanlam Life Insurance Limited as at 31 December 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

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

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

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

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

	Consolidated financial statements	Separate financial statements
Final materiality	R1,38 billion	R1,20 billion
How we determined it	5% of profit before tax from continuing operations	5% of profit before tax from continuing operations
Rationale for the materiality benchmark applied	We chose profit before tax from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most likely to be measured by users when evaluating a profit-oriented entity and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector and is further based on our professional judgement after consideration of qualitative factors that impact the Group.	We chose profit before tax from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most likely to be measured by users when evaluating a profit-oriented entity and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector and is further based on our professional judgement after consideration of qualitative factors that impact the Company.

Independent auditors' report continued

Group audit scope

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

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

In total, we identified 79 components of which 56 are inconsequential. We identified four components at which further audit procedures were performed on the entire financial information of the component, either because audit evidence needed to be obtained on all or a significant proportion of the components financial information, or that component represents a pervasive risk of material misstatement to the consolidated financial statements.

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

Accordingly, we involve 12 component auditors in performing the audit work at these 12 components.

Based on our risk assessment procedures, we have determined that there is a less than reasonable possibility of a material misstatement in the remaining financial information not subject to further audit procedures.

Group auditor oversight

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

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

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

Key audit matters

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

Governance | Basis of preparation | Group and company financial results | Capital risk management | Actuarial notes | Employment equity report

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

Key audit matter	How our audit addressed the key audit matter
Valuation of policy liabilities and assets (detailed in the accounting policies and notes 7, 8, 9, 10 and 28.2 to the consolidated and separated financial statements) As at 31 December 2024, the Group and Company held insurance contract assets and liabilities as well as reinsurance contract assets and liabilities because of its insurance operations. The Group and Company applies IFRS 17: Insurance Contracts ("IFRS 17") to insurance contracts and reinsurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features (DPF) (collectively referenced as "policy liability balances"). The present value of fulfilment cash flows (PVFCF) contained in policy liability balances are associated with significant uncertainties requiring the use of expert judgement embedded within complex actuarial models relying on subjective assumptions relating to future events including probability-weighted best estimate assumptions regarding the expected claims and lapses. Changes to these assumptions may result in material changes to the valuation. The contractual service margin (CSM) is impacted by assumption changes to the PVFCF for future coverage that influences the release of the CSM in the current year and future periods. The most significant assumptions made in the valuation of policy liability balances arising from the Group's and Company's insurance and reinsurance contracts relate to: • Future mortality, longevity and morbidity • Persistency assumptions with regard to lapse, surrender and paid-up rates • Future maintenance expenses • Discount rates • Inflation We considered the valuation of policy liability balances to be a key audit matter in our audit of the consolidated and separate financial statements because of the following: • The significant judgements and high degree of estimation uncertainty relating to the magnitude and timing of the projected cash flows and the use of significant unobservable assumptions applied in valuing it; • The use of complex actuarial methods, together with significant judgements and assumptions; and • The material nature of the policy liability balances on Sanlam's statement of financial position and resultant impact on the statement of comprehensive income for the year ended 31 December 2024.	Our audit of the policy liability balances included the following audit procedures that were executed with the assistance of our actuarial specialists. We tailored our testing of the policy liability balances with reference to the various portfolios of contracts and the various measurement models applied and performed testing on a disaggregated basis. Our procedures included the following: • Using our actuarial expertise, we assessed the valuation methodology and assumptions for compliance against the latest actuarial guidance, legislation and approved Group and Company accounting policies in accordance with IFRS 17. • We challenged key assumptions, and the methodologies and processes used to determine and update these assumptions, through comparison with externally observable data and our assessment of the Group's and Company's analysis of experience to date and allowance for future uncertainty. Our challenge focused on the following assumptions: – future mortality, longevity and morbidity changes, – persistency assumptions, – future maintenance expense assumptions, and – discount rates and inflation. • We tested the design and implementation as well as effectiveness of management controls over models, including that any changes to models have been appropriately tested and the impacts quantified by management. • The reasonableness of the amortisation of the CSM was assessed as follows: – For a sample of individual retail life group of contracts, we recalculated the CSM using an independent model. – For a sample of corporate life insurance group of contracts, an analysis and reperformance of the CSM build-up was performed. • We evaluated the reasonability of key measures as follows: – Build-up and changes in the probability-weighted best estimate liabilities (BEL), risk adjustment (RA) and CSM by comparing expected changes to previous periods and unexpected changes to our knowledge of changes in the business and assumptions, based on the experience investigation results and assumption changes approved by management/governance structures. • For the valuation of the liability for incurred claims (LIC) for PAA contracts across the Group and Company: – We either assessed management's valuation or independently valued the balances based on our independent models. – We assessed the adequacy of the assumptions applied by management, eg delay factors, and assessed the adequacy of the year-end valuation with reference to prior years and key ratios. Based on the procedures performed as detailed above, we did not raise any material exceptions with respect to our audit of the policy liability balances.

Independent auditors’ report continued

Key audit matter

Goodwill impairment assessment (detailed in the accounting policies and notes 1 and 28.1 to the consolidated financial statements)

As at 31 December 2024, the Group recognised goodwill in the consolidated financial statements amounting to R3,7 billion.

The carrying amount of goodwill is reviewed biannually for impairment and written down where the recoverable amount is less than the carrying amount.

In performing the impairment test, the carrying amount of each cash generating unit (CGU), is compared to the recoverable amount of the respective CGU.

The recoverable amount of each CGU is determined based on fair value less cost to sell for entities that are CGUs.

Management performed an impairment assessment over the CGUs by calculating their fair value less cost to sell.

Management has applied significant judgement in determining the recoverable amount given the key assumptions applied in performing the impairment assessments. Key assumptions include:

- Annual growth rates
- Average perpetuity growth rates
- Average local discount rates
- Value of New Business (VNB) multiples
- Risk premiums

We considered the goodwill impairment assessment to be a matter of most significance to our audit due to the:

- – Significant judgement exercised by management in assessing impairment including the estimation uncertainty around the assumptions applied; and
- – Magnitude of the goodwill balance.

How our audit addressed the key audit matter

Our audit approach included the following audit procedures for the goodwill impairment assessment:

Determining the fair value less cost to sell of the CGUs:

We performed the following with assistance from our valuation experts:

- We held discussions with management and inspected governance reports to obtain an understanding of the methodology applied by management in performing its fair value assessment to confirm whether the approach adopted by management in the valuation models applied on the CGUs are consistent with market practice and the applicable requirements of IFRS 13: Fair Value Measurement (“IFRS 13”). This informed management’s impairment assessment performed in respect of the requirements of IAS 36: Impairment of Assets (“IAS 36”).
- We assessed the key assumptions by comparing inputs in the valuation models to observable sources (where available), including the assessment of historical and budgeted performance of the relevant entities.
- We considered the appropriateness of inputs that required significantly more judgement. Our challenge was focused on inputs such as annual growth rates, average perpetuity growth rates, discount rates, VNB multiples, average risk discount rates and risk premia by benchmarking inputs against those of other comparable industry participants.
- We selected a sample of CGUs, and independently reperformed the fair value calculation using market observable and comparable industry inputs. In performing the above, we determined an independent range of indicative equity values.
- For a sample of CGUs represented by listed investments we compared the fair value of the investment to the listed share price of such entity.

Goodwill impairment testing

- We tested the mathematical accuracy of the valuations report. We agreed the final fair values audited and compared to the goodwill recorded. In addition, we assessed internal and external factors in consideration of goodwill in our final assessment. No impairment indicators other than reported in financial statements were noted.
- We assessed the adequacy of the disclosures relating to goodwill in terms of IAS 36.

Based on the procedures performed as detailed above, we did not raise any material exceptions with respect to our audit of the Goodwill impairment assessment.

Key audit matter

Acquisition of Assupol – Valuation of intangible assets and insurance contracts acquired – (detailed in the accounting policies and notes 28.2 and 34.1 to the consolidated financial statements)

On 1 October 2024, Sanlam Life Insurance Limited acquired a 100% shareholding in Assupol Holdings Limited (“Assupol”). The transaction necessitated that the underlying assets and liabilities acquired under this business combination are accounted for in line with the principles set out in IFRS 3: Business Combinations (“IFRS 3”), read with IFRS 17: Insurance Contracts and IFRS 13: Fair Value Measurement.

We consider the accounting for this transaction a matter of most significance to our audit due to:

- The significant judgements and high degree of estimation uncertainty relating to the valuation of projected cash flows and the use of significant unobservable assumptions applied in valuing intangible assets and the insurance assets and liabilities at the date of acquisition.
- The magnitude of the transaction and specifically the material value associated within the insurance contract assets and liabilities that are recognised at acquisition.

How our audit addressed the key audit matter

Our audit of the valuation of the assets and liabilities at acquisition included the following audit procedures that were executed with the assistance of our actuarial specialists:

Procedures over intangible assets acquired

Our procedures over the balances included the following:

- We assessed the exercise performed by management to identify all potential separately identifiable intangible assets against the requirements of IFRS 3: Business Combinations, our knowledge of other transactions concluded in the industry and assets that have emanated as a result;
- We challenged key assumptions and the methodologies through comparison with externally observable data and our assessment of the Group’s analysis of experience to date with allowance for future uncertainty. Our challenge focused primarily on the values associated with intangible assets recognised that had not been reflected in the financial statements of Assupol, namely the customer relationships and trademark values.
- In valuing the abovementioned intangibles, we challenged the following key assumptions used by management:
  - – Value of new business (“VNB”) measures used in the valuation of benefits expected from customer relationships and the associated VNB multiples.
  - – We assessed the cash flows used in the VNB models against business plans or against actual cash flows in recent years.

Procedures over insurance contract assets and liabilities

We tailored our testing of the policy asset and liability balances with reference to the various portfolios of contracts and the various measurement models applied. Our procedures over the contracts acquired included the following:

- With the assistance of our actuarial specialists, we assessed the fair value methodology applied in the determination of the consideration paid/received for insurance contract assets and liabilities and assumptions for compliance against the requirements as set out in IFRS13: Fair Value Measurement. In addition, we assessed the process applied against prevailing actuarial guidance, legislation and the approved Group accounting policy in accordance with IFRS 17;
- We challenged the assumptions used by management in deriving the fulfilment cash flows by assessing the reasonability where these differed from those used in the underlying records of Assupol;
- Our challenge focused on the following key assumptions:
  - – Grouping applied by management where these are different to that used by Assupol;
  - – Elimination of loss components recognised by Assupol at acquisition and the impacts of release of profits to the income statement in future periods relating to this cohort of contracts;
  - – The use of a discount rate that is aligned with approved Sanlam policy at acquisition date in determining the present value of the fulfilment cash flows;
  - – The risk adjustment for non-financial risk applied for these cohort of contracts; and
  - – CSM recognition pattern applied.

Based on the procedures performed as detailed above, we did not raise any material exceptions with respect to our audit of the valuation and completeness of the intangible assets and insurance contracts recognised at acquisition.

Independent auditors' report continued

Key audit matter	How our audit addressed the key audit matter
Fair value of investments in subsidiaries, associated companies and joint ventures (detailed in the accounting policies and notes 12.3.3, 37 and 40 in the separate financial statements) The valuation of unlisted investments in subsidiaries, associated companies and joint ventures is based on the fair value of both life insurance entities and other Sanlam businesses. We considered the fair value of investments in subsidiaries, associated companies and joint ventures to be a matter of most significance to the audit due to the complexity and judgement involved in the various unobservable valuation inputs. Key assumptions include amongst other: • Adjusted earnings multiple • Budgets and forecasts • Growth rates • Cost of capital • Risk premiums	Our audit included the following audit procedures for the fair value of investments in subsidiaries, associated companies and joint ventures: Fair value of investments in non-listed, non-covered entities We performed the following with assistance from our valuation experts: • We held discussions with management to obtain an understanding of the methodology applied by management in performing its fair value assessment to confirm whether the approach adopted by management in the valuation models is consistent with market practice and the applicable requirement of IFRS 13: *Fair Value Measurement*. • We assessed the valuation models by comparing inputs to observable sources (where available), including the assessment of historical and budgeted performance of the relevant entities. We observed the Sanlam Non-Life Asset Controlling Body (SNLACB) valuation approval process through attendance at quarterly meetings to gain an understanding of the process as well as the governance around these valuations. • We considered the appropriateness of inputs that required significantly more judgement, such as adjusted earnings multiple, sustainable EBITDA, budgets and forecasts, growth rates and risk premiums by benchmarking inputs against those of other comparable industry participants. • For selected significant other businesses we independently reperformed the fair value calculation using market observable and comparable industry inputs, with the assistance of our valuation experts. In performing the above, we determined a range of indicative equity values and assessed whether the client value was within the acceptable respective range. Fair value of investments in non-listed covered entities During the year, we observed the Sanlam Actuarial Committee valuation approval process through attendance at quarterly meetings. The fair value (appraisal value) of life insurance entities is determined by calculating their embedded value plus a multiple of value of new business. Our audit procedures on the assumptions, methodologies and models, underlying the embedded value calculations, were performed with the assistance of our actuarial specialists: • In accordance with actuarial guidance, specifically Actuarial Practice Note (APN) 107, we assessed: – The methodology applied to adjust the shareholders' fund at net asset value to derive the adjusted net worth (ANW); – The value of new business (VNB) methodology as documented and reviewed, as well as the application of the methodology to determine the VNB; and – The methodology to determine the net value of in-force business (PVIF), specifically whether the methodology was consistent with the valuation of the liabilities reflected in the ANW.

Key audit matter	How our audit addressed the key audit matter
	• We evaluated the assumptions applied by management in determining the economic assumptions used in the calculation of the PVIF, such as the valuation rate of interest, to assess whether these were reflective of the assets backing insurance contract liabilities and market data. This included assessing, on a sample basis, whether the correct rates have been applied in the valuation models. • We assessed the non-economic assumptions (mortality, morbidity, persistency and expense assumptions) for consistency with Sanlam's analysis of its own experience, its policy for setting assumptions as applied in previous valuations and accepted market practice. • We assessed, on a sample basis, whether the correct assumptions were applied in the valuation models. • We assessed management's documented model changes for consistency with the embedded value methodology (APN 107) and the adequacy of management's testing of the changes and their impacts. For a sample of entities, we evaluated the reasonability of the impact of VNB on the valuation by assessing the VNB margin (VNB divided by the present value of new business premiums), comparing to the VNB margin in the prior period and obtaining management's explanation of changes from the prior period. • We reviewed the discounted earnings forecasts in existing projection models used to calculate the implied VNB multiple range. This was compared to known recent transactions in a particular market for reasonableness. Based on the procedures performed as detailed above, we did not raise any material exceptions with respect to our audit of the investments in subsidiaries, associated companies and joint ventures.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sanlam Life Insurance Limited Annual Financial Statements 2024", which includes the Certificate by Company Secretary, the Directors' Report and the Audit Committee Report as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditors' report thereon.

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

Independent auditors' report continued

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. and KPMG Inc. have been the joint auditor of Sanlam Life Insurance Limited for two years and four years respectively.

KPMG Inc

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

6 March 2025

PricewaterhouseCoopers Inc.

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

6 March 2025

Certificate by company secretary

In my capacity as company secretary, I hereby certify, in terms of the Companies Act 71 of 2008, as amended (Act), that for the year ended 31 December 2024, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

Adela Fortune

Adela Fortune
Company secretary

5 March 2025

The audit committee report

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

The audit committee's roles and responsibilities are outlined in its board-approved charter which is included in the governance report available at: to be updated (https://www.sanlam.com/downloads/governance/2024/Sanlam-Governance-Report-2024.pdf).

Some of these functions are elaborated on in this report. It evaluated the company's internal financial controls and has satisfied itself that there were no material breakdowns in these controls in the reporting period that impacted on the reasonability of financial reporting to stakeholders.

The committee evaluated the performance of the Group Finance Director and is satisfied with the experience and the expertise accordingly. The committee ensured that the group has established appropriate financial reporting procedures and that those procedures are operating.

The committee is also satisfied that the joint external auditors have considered all significant matters concerning the group's annual financial statements and how these were addressed by the committee. Furthermore, in accordance with paragraph 7.3(e)(iii) of the JSE Debt and Specialist Securities Listing Requirements, the committee expressed its satisfaction with the independence of the joint external auditors and audit firms and confirmed that they are thereby able to conduct their audit functions objectively without any undue influence from the company. The appointment of KPMG and PwC as joint auditors will be tabled as a resolution to the shareholders at the 2025 AGM.

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

Kobus Möller

Kobus Möller
Chairperson: audit committee

5 March 2025

Directors' report

for the year ended 31 December 2024

Nature of business

The core activities of Sanlam Life Insurance Limited (Sanlam Life/the company) include long-term insurance, investment management and other related financial services activities. Sanlam Life is a public company incorporated in terms of the Companies Act No 71 of 2008, as amended (Companies Act) in South Africa.

Corporate governance

Application of and approach to King IV™

The board is satisfied with the work and resources allocated in 2024 to apply and explain all aspects of King IV as appropriate. The risk and compliance committee, the audit, actuarial and finance committee, and the human resources and remuneration committee are all satisfied that Sanlam Life complied with and applied King IV principles.

Appropriate actions, where required, are implemented to ensure continued adherence to the obligations. Sanlam regularly assesses its application and compliance levels to ensure that all areas requiring improvement have been appropriately identified and addressed.

In the reporting period, the board held five scheduled meetings, two *ad hoc* meetings and a two-day board strategy session to consider and deliberate on strategic matters. Other focus areas during the 2024 financial year include:

- The group's keys risks, risk appetite breaches, solvency position and risk and ethical profile update in the group ORSA on a quarterly basis, via the risk committee respectively. The Board provided oversight on the management of material and emerging risks, ensuring alignment with Sanlam Life's risk appetite and strategic objectives.
- The implementation of Sanlam Life's governance policy by Sanlam Allianz and Afrocentric and will oversee its implementation by Assupol and NMS Insurance Services in 2025.
- Risk Deep Dives performed on certain businesses to identify potential risks and opportunities.
- The annual review of the board and committee charter roles and responsibilities and annual planners to ensure effective governance oversight.
- The promotion of a risk-aware culture within the organisation, through the risk and compliance committee, by approving training programmes and communication strategies related to risk awareness.
- The group's tax framework.
- The annual review of the ethics report.
- The completion of the annual review of the enterprise risk management framework.
- The assurance from the respective committees on performance of the heads of control functions.
- Initiatives undertaken by Group Legal, Compliance and Financial Crime Office and the Clusters in order to promote a sound and strong ethical climate in the Sanlam Life Group.
- No material ethical breaches were reported during the financial year.

At Sanlam Life, information management and information technology (IIT) is regarded as a strategic focus area. Sanlam Life acknowledges the pivotal role that IIT governance and digital transformation play in conducting business in a highly competitive environment. The group has a high level of maturity in IIT governance.

The board, supported by the risk and compliance committee and digital transformation and information technology (DTIT) forum, has the ultimate responsibility and accountability for the management and governance of IIT. IIT management and governance are deemed essential for Sanlam Life to achieve its strategic objectives and are deeply entrenched in how the group conducts its business. This ensures that it remains relevant and creates a "future-fit" culture to enable the group to respond appropriately to its stakeholders' expectations and demands.

Various governance structures across the group (not all statutory) exist for the business clusters. These cluster governance structures have committees and/or forums with a specific mandate, role and set of responsibilities. Most operating business decisions are made by these cluster governance structures and cluster management teams. These structures are responsible for generating memorandums and formulating matters for consideration by the Sanlam Life board. All businesses, clusters and governance structures in the group are supported by clear approval frameworks and agreed business principles to ensure a coherent and consistent application of the group's governance approach across the businesses.

The company is a wholly owned subsidiary of its ultimate holding company, Sanlam Limited and has been included in the group's application of the King IV Code. The group's application of the King IV Code disclosure is included in its King IV report available at (https://www.sanlam.com/downloads/governance/2024/king-iv-report-2024.pdf).

Specifically, under the group's Code of Ethical Conduct, no material breaches were reported during 2024. The group Compliance Officer (supported by various compliance functions in business clusters and units) facilitates the management of compliance by analysing statutory and regulatory requirements and monitoring the implementation and execution. Material deviations are reported to the risk and compliance committee. No material deviations were reported in 2024.

Board responsibilities and functioning

All the directors of Sanlam Limited (Sanlam) also serve on the board of Sanlam Life, a wholly owned subsidiary of Sanlam. The two boards function as an integrated unit in practice as far as possible. Both boards have the same directors, chairs, executive directors and Group Chief Executive.

The Sanlam and Sanlam Life board meetings are combined and are held concurrently, thereby removing one layer of discussions in the decision-making process. This promotes the productivity and efficiency of the two boards and prevents duplication of effort while optimising the flow of information.

The Sanlam Life board is responsible for the overall oversight of Sanlam Life as a solo insurer and the general risk management and oversight of the entity. The Sanlam Life board has the following board committees:

- Audit, actuarial and finance;
- Risk and compliance;
- Human resources and remuneration; and
- Customer interest.

The board of directors have confirmed that they have executed their responsibilities under the evaluation policy. Also refer to the governance report, available at (https://www.sanlam.com/downloads/governance/2024/Sanlam-Governance-Report-2024.pdf).

Audit, actuarial and finance committee (audit committee)

In line with global best practice, the roles and responsibilities of the audit and risk committee continue to be split into two separate committees, namely, a risk and compliance committee and an audit, actuarial and finance committee. This allows sufficient attention to be devoted to the audit and risk matters.

Members and dates of appointment

- Kobus Moller (member since 1 January 2020; Chair from 11 March 2020)
- Andrew Birrell (member since 1 September 2019, alternate Chair from December 2021)
- Nicolaas Kruger (10 June 2020)
- Mathukana Mokoka (14 March 2018)
- Karabo Nondumo (1 January 2016)
- Ndivhuwo Manyonga (1 July 2024)

Meetings

The audit committee meets quarterly. Should the need arise, additional meetings are held. The joint external audit partners and other assurance providers attend committee meetings as invitees. During the year under review, two additional meetings were held totalling six meetings for the year.

During the reporting period, meetings were also attended by Sanlam Life's Group Chief Executive, Group Finance Director, Group Chief Actuary and Chief Risk Officer, Chief Audit Executive, the heads of business clusters (as required), heads of control functions, Chair of the central credit committee, Chair of the actuarial forum and Chairs of the business clusters' finance and risk forums.

Composition and role

In compliance with the requirements of the Companies Act, all members of the audit committee are independent non-executive directors and appointed annually by shareholders at the AGM for the following financial year as at 31 December 2024, the committee consisted of six members with financial, actuarial and other relevant experience (as described in the audit committee charter).

The audit committee carries out all statutory and oversight responsibilities in terms of section 94 of the Companies Act on behalf of the majority of subsidiary companies in the group. It oversees the preparation of the financial and non-financial information provided in the reporting suite. To review assurances obtained on non-financial information, the Chair of the committee is also a member the risk and compliance committee. To ensure cross-membership, the chair of the risk and compliance committee is a member of the audit committee. They are regarded as instrumental in disclosing sustainability-related aspects, internal controls and risk mitigation.

A key aspect the audit committee attended to in the review period was to continuously ensure that the joint external auditors were executing their statutory duties independently and objectively. The audit committee is satisfied with the process followed and the collaboration between the joint external audit firms.

In accordance with the board-approved non-audit services policy that governs the level and nature of non-audit services permitted by the group's external auditors, the audit committee considered the non-audit assignments performed during the reporting period and has satisfied itself that the provision of those services did not impede on the independence of Sanlam's external auditors.

The audit committee is satisfied that the joint external audit firms and audit partners are independent of the group or any company of the group and resolved that it be recommended to shareholders at the 2025 AGM that KPMG and PwC be reappointed as joint auditors.

Directors' report continued

for the year ended 31 December 2024

The audit committee, after due consideration, recommends the annual financial statements to the board for approval. It also performs the prescribed statutory requirements, including those applicable to the joint external auditors. The last mentioned includes the annual recommendation of the joint external auditors to the shareholders at the AGM, agreement as to the scope of the audit and budgeted audit fees in the annual audit plan presentation, as well as the approval of the final audit fees. As required by the Companies Act, the committee reviews compliance of the joint external auditors with the non-audit services policy of the group annually.

This committee's charter is also reviewed by the board annually. The audit committee is satisfied it has discharged its legal, regulatory and other responsibilities.

Risk and compliance committee (Risk committee)

Members and dates of appointment

- Andrew Birrell (member since 1 September 2019, Chair from 11 June 2020)
- Nicolaas Kruger (member since 10 June 2020, alternate Chair since December 2021)
- Mathukana Mokoka (14 March 2018)
- Kobus Moller (1 January 2020)
- Abigail Mukhuba (1 October 2020)
- Karabo Nondumo (1 January 2016)
- Willem Van Biljon (1 August 2021)
- Thembisa Skweyiya (appointed 1 January 2023). (Resigned 3 February 2025)
- Ndivhuwo Manyonga (appointed 1 January 2024).

Meetings

The risk committee meets at least quarterly. Because of this committee's group-wide role, the external joint audit partners and other assurance providers attend the committee meetings as standing invitees. Risk committee meetings are also attended by Sanlam Life's Group Chief Executive, the Chief Actuary and Chief Risk Officer, the Chief Audit Executive, the heads of business clusters (as required), the heads of control functions, the Chair of the digital technology and IT forum, Chair of the central credit committee, Chairs of the business clusters' finance and risk forums and Chair of the actuarial forum.

Composition and role

At 31 December 2024, the committee consisted of five members with financial, actuarial and other relevant experience (as described in the committee charter). The committee's mandate is clearly defined in its charter, which is reviewed and approved by the board annually. Its primary role is to advise and assist the board in fulfilling its responsibilities for overseeing the design and implementation of Sanlam Life's group risk assurance framework and responsibilities.

The committee primarily assisted the board with:

- Ensured an independent risk management function;
- Determined the risk appetite and level of risk tolerance for the group;
- Ensured compliance with the group risk assurance framework and supporting policies; as well as compliance-related policies;
- Evaluated adequacy and efficiency of the group's risk management system, business continuity and emerging risk assessments;
- Continued to identify any build-up and concentration of the various risks to which the group is exposed;
- Ensured appropriate risk disclosures to stakeholders;
- Oversaw formal assessments of the group's governance, risk and compliance management processes;
- Oversaw IT governance, information management and security across the group;
- Oversaw the implementation of balance-sheet management strategies, including optimising the required capital for South African life insurance subsidiaries;
- Oversaw risks associated with acquisitions, mergers and transition implementation.
- Commissioned a risk assessment of outsourced service providers to limit risk exposures and safeguard the business;
- With the support of the digital transformation and IT forum, oversight of technology strategy execution across business clusters and monitoring the continuous advancement of the group's defences against cybercrime;
- Continued to review the group's digital transformation strategy, considering the group's heightened approach to digital transformation and ensuring the business adapts appropriately to the expectations of the group's key stakeholders; and
- Oversaw Sanlam's investment performance, together with the customer interest committee.

The committee evaluates and considers several risk areas, including but not limited to strategic risks, governance risks, market and credit risks, asset-liability mismatch risks, funding liquidity risks, insurance risks (life business and general insurance business), fraud-related risks, operational risks, reputational risks, compliance risks, legal and regulatory risks, IT governance, information systems and cyber-related risks, environment-related risks, and market conduct risks.

The performance of Sanlam Life's Chief Actuary and Chief Risk Officer, the head of control function of risk management, and the head of control function of compliance are assessed annually. The risk and compliance committee confirmed its satisfaction with the outcome of the performance review that was conducted during the 2024 reporting period. It was confirmed that each function operates effectively and continuously supports the committee in responding to and executing its obligations.

The group's central credit committee, and the digital transformation and IT forum function as sub-committees of the risk and compliance committee. The reason for this is due to these governance structures' roles and responsibilities that are predominantly derived from the risk and compliance committee's mandate and/or closely aligned to the committee's role and key focus areas.

The committee confirmed that it is satisfied with the effectiveness and performance of the company's risk management processes and the quality of the management information that is presented to the committee for its consideration relating to Sanlam Life's approach towards governance, risk and compliance management.

Human resources (HR) and remuneration committee

Members and dates of appointment:

- Shirley Zinn (Chair) (member since 6 December 2018; Chair since 11 June 2020)
- Karabo Nondumo (member since 6 December 2017, alternate Chair since December 2021)
- Patrice Motsepe (2 March 2004)
- Temba Mvusi (appointed 1 April 2024)

Meetings

The human resources and remuneration committee meets quarterly. In the 2024 financial year, meetings were also attended by the Group Chief Executive, the Group Finance Director, the Group Human Resources Executive, and Head: Group Rewards.

Committee composition and role

This committee is responsible for monitoring and advising on the group's human intellectual capital, diversity management and transformation processes for employees. In particular, the group chief executive consults the committee on all executive appointments, and it reviews succession planning relevant to all the group exco members and the Group Chief Executive's position.

The committee is responsible for the remuneration strategy of the group, the approval of guidelines for incentive schemes and the annual determination of remuneration. It recognises local and international industry trends and benchmarks, ensures incentive schemes align with good business practices, and rewards excellent performance. It makes recommendations to the board regarding directors' remuneration. The Chair of the board is a member of the human resources and remuneration committee.

The committee will continue to review value drivers in the group to ensure incentives are directly aligned and address the integration of acquired businesses. The principles of simplification and transparency will inform any forward-looking policy decisions.

In line with King IV recommendations, the group's remuneration policy is annually tabled to shareholders for a non-binding advisory vote at its AGM. This vote enables shareholders to express their views on the group's remuneration policies and their implementation. Sanlam Life supports the benefit of an advisory vote, which aims top remote constructive dialogue between Sanlam and its shareholders. It also highlights the compensation criteria of interest to investors, such as linking performance and strategy. At the AGM in 2024, Sanlam's shareholders endorsed the company's remuneration policy. However, we continue to invite shareholders to individual engagements to discuss specific concerns and/or enquiries relating to the implementation report.

Directors' report continued

for the year ended 31 December 2024

Customer interest committee

Members and dates of appointment

- Nicolaas Kruger (member since June 2020; Chair from June 2020)
- Mathukana Mokoka (June 2020)
- Elias Masilela (October 2019)
- Andrew Birrell (March 2021)
- Ebenezer Essoka (December 2021)
- Willem Van Biljon (September 2021)
- Thembisa Skweyiya (January 2023). (Resigned 3 February 2025)

Meetings

The customer interest committee meets at least four times a year. The Group Chief Executive Officer, Group Chief Actuary, Chief Risk Officer and selected senior management attend committee meetings.

Composition and role

At 31 December 2024, the committee consisted of seven members all of whom are independent non-executive directors (including the Chair).

The committee's role is to assist the board to discharge its responsibilities relating to the fair treatment of clients. Its primary function is to act as an advisory body and provide guidance to the Sanlam board on strategic customer-related aspects. This includes keeping the board abreast of topical and material customer-related issues and ensuring that reports issued by Sanlam enable its stakeholders to make an informed assessment of the way the group treats its clients.

The committee also provides guidance on questions that could arise from time to time regarding the six fairness outcomes defined by the FSCA under the Treating Customers Fairly (TCF) legislation. Accordingly, the committee continuously monitors how effectively Sanlam meets its obligations to its clients. It also has ongoing oversight of Sanlam's approach to managing market conduct and compliance-related risks. It also considers Sanlam's product performance, including client or policyholder investment performance relative to appropriate benchmarks. The committee is responsible for performing compliance monitoring regarding Sanlam Life's principles and practices of financial management as applicable to its smoothed bonus, reversionary bonus and participating annuity types of businesses. It is also responsible for the continuous monitoring and reporting of Sanlam TCF delivery and provides quarterly feedback to the board on TCF compliance-related matters, concerns and/or risks.

Group and company results

Profit before tax for the Sanlam Life Insurance Limited Group for operations increased from R19 401 million (represented with discontinued operations of R3 394 million) in 2023 to R27 604 million (represented with discontinued operations of R3 239 million) in 2024. Further details regarding the Sanlam Life Insurance Limited Group's results are included in the financial statements on pages 37 to 255.

Share capital

There were no changes in the authorised and issued share capital of the company during the financial year.

Dividend

A dividend of R8 000 million was declared and paid in the 2024 financial year (2023: R6 700 million).

Subsidiaries

Details of the company's principal subsidiaries are set out on page 249.

Holding company

Sanlam Life Insurance Limited is a wholly owned subsidiary of Sanlam Limited, a company incorporated in South Africa and listed on the JSE Limited, A2X and the Namibian Stock Exchange.

Directors' interest in contracts

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

Directors' emoluments

Refer to note 25.1 for details on directors' emoluments. Further details can also be found in the Sanlam Group remuneration report 2024 online.

Employment equity

The required report in terms of section 21 of the Employment Equity Act has been submitted and a compliance certificate has been issued. See page 322 for an extract of the report.

Subsequent events

Shriram wealth management, stockbroking and asset management operations in India

In early 2025, the group agreed transactions to subscribe for additional shares in Shriram's wealth and stockbroking businesses, increasing its effective economic shareholding from 26% to 50%. The group also subscribed for additional shares in Shriram's listed asset management operations, Shriram Asset Management Company, to increase its effective economic shareholding from 16,3% to 34,8%. These transactions remain subject to regulatory approvals. The combined capital outlay for these transactions is R946 million, funded from discretionary capital.

The asset and wealth management businesses have not been a strategic focus of the partnership to date but given the development of the Indian domestic market in recent years, supported by tailwinds of economic growth, financialisaton of savings and maturing capital markets, Sanlam believes that the opportunity is significant and of strategic importance. The financial impact is anticipated to be largely neutral on earnings and dividends in the early years, but it is expected to become accretive from year three onwards as the businesses experience significant asset growth.

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

The company is from time to time, as an essential part of conducting the business of the Sanlam Life Group, required to provide financial assistance to group companies as part of its day-to-day operations in the form of loan funding, guarantees or general financial assistance as contemplated in section 45 of the Act.

In accordance with section 45(5) of the Act this serves to give notice that the Sanlam Life board, in line with existing practice, approved that the company may, in accordance with and subject to the provisions of section 45 of the Act and in terms of the special resolution passed at the company's annual general meeting in 2024, provide such direct or indirect financial assistance to related and inter-related companies and corporations as described in section 45 of the Act.

The amount and format of financial assistance which may be granted pursuant to the resolution is subject to ongoing review by the Sanlam Life board and may in total exceed the reporting threshold of 0,1% of the Sanlam Life Group's net asset value provided for in the Act.

Approval of annual financial statements

The directors have approved the annual financial statements as reflected on page 1, including the certificate by the Company Secretary on page 11, and the audit, actuarial and finance committee report for the 2024 financial year on page 11.

Basis of preparation

Basis of preparation

Introduction

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

The following revised IFRS Accounting Standards and interpretations have been applied in the 2024 financial year, and do not have a material impact on the results:

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

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

- Effective 1 January 2025:
  - Lack of Exchangeability (Amendments to IAS 21)
- Effective 1 January 2026:
  - Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and IFRS 9)
  - Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7 and IFRS 9, IFRS 10 and IAS 7)
- Effective 1 January 2027:
  - Presentation and Disclosure in Financial Statements (IFRS 18)

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

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

In August 2020, the IASB published "phase 2" amendments introducing several changes applicable during the effective transition to the new benchmark interest rates. Interest rate benchmark reform – Phase 2 (Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39) became effective on 1 January 2021. The amendments allow for changes in the contractual cash flows of financial instruments resulting from the Interbank Offered Rates (IBOR) reform to be treated as a simple reset of their variable interest rate, provided, however, that such changes are made on an economically equivalent basis. The South African Reserve Bank (SARB) has indicated its intention to move away from the Johannesburg Interbank Average Rate (JIBAR) and to create an alternative reference rate for South Africa, namely the South African Overnight Index Average (ZARONIA). The transition from JIBAR to ZARONIA in South Africa is expected in 2026. A group-wide programme has been mobilised. All cluster CFOs as well as Internal Audit are engaged to ensure that the group has adequately addressed all impacted areas across all clusters. The group has representation on the Market Practitioners Group (MPG) to ensure that the group has coverage across all the material working groups.

Use of estimates, assumptions and judgements

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

Although estimates are based on management's best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may differ from these estimates. Refer to note 28 of the consolidated financial statements for further information on critical estimates and judgements and note 31 of the consolidated financial statements for information on contingencies.

Governance | Basis of preparation | Group and company financial results | Capital risk management | Actuarial notes | Employment equity report

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

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

- Deposits and similar securities included in the asset mix of policyholders' and shareholders' fund investment portfolios, which are disclosed as investments in the statement of financial position;
- Short-term investments that are disclosed as working capital assets, refer to note 16; and
- Cash and cash equivalents that are disclosed as working capital assets, refer to note 17, apart from bank overdrafts, which are disclosed as working capital liabilities, refer to note 15.

Financial instruments

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

- Capital and risk management report on pages 258 to 315
- Note 12: Investments
- Note 13: Trading account assets and liabilities
- Note 15: Trade receivables and payables
- Note 21.1: Net investment contracts
- Note 22: Term finance
- Note 28: Critical accounting estimates and judgements
- Note 37: Fair value

Accounting policies

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

Basis of consolidation

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

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

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

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

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

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

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

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

Basis of preparation continued

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

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

Cell captives

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

- First-party cell captive arrangements are arrangements where the risks that are being insured relate to the cell shareholder's own operations or operations within the cell shareholder's group of companies. The cell shareholder and the policyholder are considered the same person. Where more than one contract is entered into with a single counterparty, it shall be considered a single contract, and the shareholder and insurance agreement are considered together for risk transfer purposes. As these first party cell captive arrangements are a single contract there is no significant risk transfer and such cell captive facilities are accounted for as investment contracts.
- Third-party cell captives allow clients to purchase non-convertible preference shares in the registered insurance company which undertakes the professional insurance management of the cell, including; underwriting, reinsurance, claims management, actuarial and statistical analysis, investment, and accounting services. The shareholders' agreement, however, determines that the cell shareholders remain responsible for the solvency of the cell captive arrangements. In substance, the insurance company therefore reinsures this business to the cell shareholder. The cell shareholder's interest represents the cell shareholder's funds, in respect of the insurance business conducted in the cell structures, held by the insurer, and is included under third-party cell insurance contract liabilities. The liabilities due to cell shareholders have been assessed to be highly interrelated with the in-substance reinsurance component of the reinsurance contracts and is treated similarly to non-distinct investment components which are not accounted for separately.

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

Business combinations under common control

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

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

Foreign currencies

Transactions and balances

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

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Foreign operations

Statement of comprehensive income items of foreign operations (including foreign subsidiaries, associates and joint ventures) with a functional currency different from the presentation currency, are converted to South African rand at the weighted average exchange rates for the financial year, except where the average exchange rate is not representative of the timing of specific items, in which instances the exchange rate on transaction date is used. The closing rate is used for the translation of assets and liabilities, including goodwill, intangible assets and fair value adjustments arising on the acquisition of foreign entities. At acquisition, equity is translated at the rate ruling on the date of acquisition. Post-acquisition equity is translated at the rates prevailing when the change in equity occurred. Exchange differences arising on the translation of foreign operations are transferred to a foreign currency translation reserve until the disposal of the net investment when it is released to the statement of comprehensive income.

Policy liabilities

The valuation bases and methodology used to measure the policy liabilities of all material lines of insurance and investment business for the group are set out below, and comply with the requirements of the IFRS Accounting Standards. An explanation of the recognition of insurance amounts in profit or loss is covered on page 32 to 33.

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

Classification

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

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

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

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

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

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

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

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

Life insurance – Risk and general insurance business

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

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

Basis of preparation continued

For some insurance contracts without direct participation features, the group performs investment activity to generate an investment return included in an investment component or amount the policyholder has a right to withdraw. Such an insurance contract provides an investment-return service and is measured under the GMM. Refer to note 28.2.2.3 on page 203 for further details on the types of contracts in the group providing investment-return services.

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

The material classes of General insurance business (including reinsurance contracts held) are measured using the PAA. This includes contracts with a coverage period longer than one year that are assessed to be eligible for measurement under the PAA (refer to note 28.2.1 on page 197 for further details).

Life insurance – Savings business

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

The accounting model applied to these insurance contracts for liability measurement purposes is the VFA. The VFA modifies the default measurement model in IFRS 17 (GMM) to reflect that the consideration the group receives for the contract is a variable fee. Initial measurement (excluding PAA) provides further details on the measurement of the variable fee. The group uses judgement in determining the eligibility of contracts for the VFA (refer to note 28.2.1 for further details).

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

Investment contracts with DPF

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

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

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

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

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

Separation of components

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

Aggregation (including unit of account)

The lowest unit of account explicitly mentioned in IFRS 17 is the contract, and therefore the group has assumed that an insurance arrangement with the legal form of a single contract would generally be considered a single unit of account. However, there might be certain cases where the legal form of a contract does not reflect the substance. Insurance contracts which cover multiple insurance risks can be separated into separate contracts for measurement purposes where the group has applied judgement to assess that the legal form of the insurance contract does not reflect the substance and separation is required. Note 28.2.1.1 on page 198 provides further details.

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

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

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

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

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

The group uses judgement in identifying portfolios and assessing the appropriate level at which reasonable and supportable information is available to determine the groups of insurance contracts based on expected profitability at initial recognition. Refer to note 28.2.1.1 for further details.

Reinsurance contracts held

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

Measurement of insurance contracts

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

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

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

Recognition

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

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

Reinsurance contracts held

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

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

Basis of preparation continued

Contract boundaries

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

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

A substantive obligation to provide services ends when the group:

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

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

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

Reinsurance contracts held

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

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

Initial measurement (excluding PAA)

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

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

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

Fulfilment cash flows

The fulfilment cash flows comprise unbiased and probability-weighted *estimates of future cash flows* within the contract boundary, with *discount* rates being applied to the future cash flows to adjust for the time value of money and financial risks related to those cash flows. The fulfilment cash flows consider all reasonable and supportable information available at the reporting date without undue cost or effort. Note 28.2.2.2 on page 199 provides further details on the determination of the probability-weighted estimates of future cash flows and discount rates.

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

An *explicit risk adjustment for non-financial risk* is estimated separately from the other estimates and forms part of the fulfilment cash flows for a group of insurance contracts. The risk adjustment represents the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk. Note 28.2.2.2 on page 199 provides further details on the methods and assumptions used to determine the risk adjustment for non-financial risk.

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

Insurance contracts accounted for under the VFA

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

Reinsurance contracts held

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

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

Discount rates

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

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

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

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

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

Risk-free or real-world discount rates can be applied to cash flows that vary based on the returns on underlying items. Risk-free discount rates are consistent with the rates applied to cash flows that do not vary based on returns on underlying items. Real-world discount rates are consistent with a risk-free yield curve plus a risk premium which reflects the variability in the cash flows based on the underlying mix of asset classes other than fixed-interest securities. For the material lines of business in the group, real-world discount rates are applied to cash flows that vary based on the returns on underlying items.

Contractual service margin

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

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

The group did not recognise (or derecognise) any assets for insurance acquisition cash flows in the 2024 reporting period for insurance contracts measured under GMM or VFA.

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

Reinsurance contracts held

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

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

Basis of preparation continued

Subsequent measurement (excluding PAA)

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

Fulfilment cash flows

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

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

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

Insurance contracts accounted for under the GMM

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

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

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

The group applies judgement to determine whether the premium experience adjustments relate to current (or past) or future service. Refer to note 28.2.2.3 for further details.

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

Insurance contracts accounted for under the VFA

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

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

The adjustments to the CSM are measured based on the current discount rates. The group does not apply the risk mitigation option and therefore changes in TVOG will adjust the CSM. The group does not use derivatives or other investment assets to actively hedge the financial risks related to the changes in TVOG.

Contractual service margin

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

Reinsurance contracts held

For a group of reinsurance contracts held, the same steps are followed (as described above for a group of insurance contracts issued) to adjust the carrying amount of the CSM at the end of each reporting period, with the main differences in the features of the reinsurance contracts held summarised below:
- The CSM at initial recognition for new contracts recognised in the period is adjusted for a loss recovery component when underlying insurance contracts are onerous (refer to initial measurement (excluding PAA) on note 26 for further details);
- The adjustment to the CSM for changes in the fulfilment cash flows related to future service is after any adjustment to the loss recovery component for changes in the fulfilment cash flows for the underlying insurance contracts which adjusted a loss component; and
- The amount of the CSM recognised as income or expenses from reinsurance contracts held in profit or loss is based on the services received from the reinsurer(s) in the period.

Coverage units

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

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

The coverage units for contracts measured under the GMM consider the quantity of benefits and expected coverage period of investment-return services (where relevant), in addition to the insurance coverage provided (or reinsurance coverage received). The coverage units for contracts measured under the VFA consider the quantity of benefits and expected coverage period of investment-related services as well as any insurance coverage provided (where relevant). Note 28.2.2.3 provides further details on the coverage units identified for the material lines of business measured under GMM and VFA, including the relative weighting of the benefits provided.

Basis of preparation continued

Loss component

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

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

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

Reinsurance contracts held

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

Contracts measured under the PAA

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

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

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

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

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

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

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

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

The group did not recognise (or derecognise) any assets for insurance acquisition cash flows in the 2024 reporting period for insurance contracts issued measured under the PAA.

A risk adjustment for non-financial risk is determined for the liability for incurred claims where there is uncertainty in the size of the estimate and/or the timing of the underlying cash flows. Note 28.2.2.2 provides further details on the methods and assumptions used to determine the risk adjustment for non-financial risk.

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

For groups of insurance contracts measured under the PAA, no material onerous groups of insurance contracts have been recognised in the 2024 reporting period.

Reinsurance contracts held

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

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

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

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

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

Derecognition and modification

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

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

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

If an insurance contract not accounted for under the PAA is transferred to a third party, or a contract modification results in the derecognition of the original insurance contract and recognition of a new contract, the group adjusts the CSM of the group of insurance contracts from which the contract has been derecognised based on the difference between the changes in estimates of fulfilment cash flows of the group of insurance contracts resulting from the contract being derecognised and:
- for transfers to a third party, the premium charged by the third party; or
- for a contract modification, the premium that the group would have charged had it entered into a new contract with the modified terms at the date of the contract modification.

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

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

Measurement of investment contracts in scope of IFRS 9
Contracts with investment management services

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

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

Basis of preparation continued

Non-participating annuity business

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

Guaranteed plans and fixed return products

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

Working capital

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

Explanation of recognised insurance amounts in profit or loss

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

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

Insurance revenue

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

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

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

Insurance service expenses

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

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

Income or expenses from reinsurance contracts

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

[3] Changes in the risk adjustment for non-financial risk excluding changes included in insurance finance income or expenses (refer to insurance (and reinsurance) finance income and expense for further details) and changes related to future service which adjust the CSM.

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

Insurance (and reinsurance) finance income and expense

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

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

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

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

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

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

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

Note 7 provides more information on the amounts recognised in insurance finance income or expenses and the investment returns on the assets held in respect of insurance contracts.

Amortisation of insurance acquisition cash flows

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

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

Group and company financial results

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Statement of financial position

as at

R million	Notes	Group 31 December 2024	Group Restated[1] 31 December 2023	Group Restated[1] 1 January 2023	Company 31 December 2024	Company Restated[1] 31 December 2023	Company Restated[1] 1 January 2023
ASSETS							
Goodwill	1	**3 773**	3 930	1 990	**753**	753	753
Equipment	2	**1 619**	1 489	1 037	**703**	498	455
Right-of-use assets	3.1	**1 266**	1 139	908	**147**	181	202
Owner-occupied properties	4	**992**	1 015	686	**589**	645	568
Intangible assets	5	**4 130**	3 053	706	**298**	371	404
Contract costs for investment management services	6	**2 768**	2 822	3 128	**2 708**	2 741	2 754
Investment contract assets	21	**789**	–	–	**789**	–	–
Insurance contract assets	8	**13 736**	9 478	8 858	**999**	1 362	974
Reinsurance contract assets	9	**11 233**	14 530	18 680	**4 167**	4 389	4 205
Deferred tax	11.1	**942**	1 434	1 442	**111**	151	318
Investments		**996 271**	826 072	769 687	**873 887**	771 245	689 969
Investment properties	12.1	**6 928**	6 989	9 564	**6 396**	6 643	8 715
Investment in subsidiaries, associated companies and joint ventures	12.2, 12.3.3	**47 776**	43 610	20 272	**156 415**	139 989	127 487
Equities and similar securities	12.3.1	**197 503**	158 708	185 887	**85 492**	77 516	73 959
Interest-bearing investments	12.3.2	**347 331**	250 806	243 385	**209 582**	163 780	141 270
Structured transactions	12.3.2	**33 092**	26 179	17 591	**28 529**	22 818	14 194
Investment funds	12.3.2	**332 661**	301 937	264 557	**374 465**	342 753	306 043
Deposits and similar securities[1]	12.3.2	**30 980**	37 843	28 431	**13 008**	17 746	18 301
Trading account assets[1]	13	**4 278**	4 661	5 302	**2 313**	2 417	2 947
Advances to customers	14	**4 213**	4 065	–	**–**	–	–
Non-current assets classified as held for sale	35	**6 837**	47 213	111 606	**3 473**	2 207	860
Working capital assets		**54 858**	51 340	48 056	**14 429**	19 559	12 443
Trade and other receivables	15.1	**15 548**	18 270	14 285	**4 539**	7 510	4 445
Taxation		**490**	897	134	**–**	–	–
Short-term investments	16	**7 462**	9 087	5 373	**1 039**	3 570	1 170
Cash and cash equivalents[1]	17	**31 358**	23 086	28 264	**8 851**	8 479	6 828
Total assets		**1 107 705**	972 241	972 086	**905 366**	806 519	716 851

[1] The prior year has been restated to reclassify collateral pledged and received from cash and cash equivalents to trading account assets and liabilities, in order to align with the definition of cash and cash equivalents in IAS 7. Refer to note 39 for additional information.

Statement of financial position continued

as at

R million	Notes	Group 31 December 2024	Group Restated[1] 31 December 2023	Group Restated[1] 1 January 2023	Company 31 December 2024	Company Restated[1] 31 December 2023	Company Restated[1] 1 January 2023
EQUITY AND LIABILITIES							
Capital and reserves							
Share capital and premium	18	5 000	5000	5000	5 000	5 000	5 000
Treasury shares		(294)	(265)	(159)	–	–	–
Other reserves	19	6 824	6 965	5 027	5 362	5 362	5 362
Retained earnings		86 747	76 728	73 616	129 834	115 599	104 140
Shareholders' fund		98 277	88 428	83 484	140 196	125 961	114 502
Non-controlling interest	20	7 892	7 155	13 244	–	–	–
Total equity		106 169	95 583	96 728	140 196	125 961	114 502
Insurance contract liabilities	8	232 554	193 374	205 389	172 766	155 501	144 942
Reinsurance contract liabilities	9	5 232	5 686	4 171	–	–	10
Investment contract liabilities	21	554 955	488 501	441 660	519 769	459 748	401 839
Term finance	22	20 778	12 850	6 856	12 957	4 392	2 031
Lease liabilities	3.2	1 619	1 455	1 170	199	238	257
Structured transactions liabilities	12.3.2	12 838	12 285	11 561	9 720	6 077	5 105
External investors in consolidated funds		124 755	76 176	88 813	–	–	–
Trading account liabilities[1]	13.2	6 431	7 555	4 599	4 463	5 288	2 165
Deferred tax	11.1	8 506	8 670	6 583	4 563	4 845	4 190
Non-current liabilities classified as held for sale	35	–	39 403	76 169	–	–	–
Collateral guarantee contracts		120	111	127	–	–	–
Loans from subsidiaries	12.3.3	–	–	–	27 598	28 795	31 114
Working capital liabilities		33 748	30 592	28 260	13 135	15 674	10 696
Trade and other payables	15.2	30 329	28 508	26 716	10 758	14 389	10 021
Provisions	23	248	166	210	18	18	18
Taxation		3 171	1 918	1 334	2 359	1267	657
Total equity and liabilities		1 107 705	972 241	972 086	905 366	806 519	716 851

[1] The prior year has been restated to reclassify collateral pledged and received from cash and cash equivalents to trading account assets and liabilities, in order to align with the definition of cash and cash equivalents in IAS 7. Refer to note 39 for additional information.

Statement of comprehensive income

for the year ended 31 December

R million	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Result from insurance operations		13 147	10 369	6 407	5 904
Result from insurance contracts	10	14 695	11 580	6 891	6 218
Insurance service result		13 007	9 760	3 236	4 129
Insurance revenue		93 475	87 840	26 266	24 835
Insurance service expenses		(75 553)	(70 684)	(22 581)	(20 188)
Income or (expense) from reinsurance contracts		(4 915)	(7 396)	(449)	(518)
Insurance investment result		1 688	1 820	3 655	2 089
Insurance finance income or (expense)		(28 597)	(14 303)	(24 491)	(11 917)
Reinsurance finance income or (expense)		94	187	429	247
Investment income on assets held in respect of insurance contracts		10 791	9 528	8 649	7 607
Investment surpluses/(deficit) on assets held in respect of insurance contracts		19 400	6 408	19 068	6 152
Other expenses relating to insurance operations	25	(1 548)	(1 211)	(484)	(314)
Result from other operations		11 999	7 156	20 157	15 767
Revenue	24	16 647	8 989	7 795	6 921
Investment income		31 523	24 282	22 201	19 352
Investment surpluses		54 710	58 808	61 360	59 711
Change in fair value of investment contract liabilities		(66 679)	(65 773)	(63 269)	(62 553)
Change in fair value of external investors' liabilities		(6 996)	(9 184)	–	–
Sales remuneration		(1 136)	(1 052)	(909)	(792)
Administration costs		(16 070)	(8 914)	(7 021)	(6 872)
Impairments	25.3	(1 413)	(12)	–	–
Net impairment losses on financial assets and contract assets		(62)	22	–	–
Other impairments		(1 351)	(34)	–	–
Amortisation of intangibles		(489)	(91)	(91)	(75)
Net operating result		23 244	17 422	26 473	21 596
Equity-accounted earnings	12.2.1	5 496	2 793	–	–
Finance cost – other	26	(1 136)	(814)	(439)	(314)
Profit before tax from continuing operations		27 604	19 401	26 034	21 282
Taxation	11.2	(7 525)	(6 668)	(3 799)	(3 174)
Shareholders' fund		(5 855)	(3 992)	(2 609)	(1 717)
Policyholders' fund		(1 670)	(2 676)	(1 190)	(1 457)
Profit for the period from continuing operations		20 079	12 733	22 235	18 108
Profit for the period from discontinued operations	35	3 240	3 394	–	–
Profit for the year		23 319	16 127	22 235	18 108
Other comprehensive income (net of tax): to be recycled through profit or loss in subsequent periods:					
Movement in foreign currency translation reserve		156	1 879	–	–
Other comprehensive income of equity-accounted investments		(3 181)	(2 337)	–	–
Movement in cash flow hedge reserve		–	11	–	–
Other comprehensive income (net of tax): not to be recycled through profit or loss in subsequent periods:					
Employee benefits remeasurement loss		–	(20)	–	–
Comprehensive income for the year		20 294	15 660	22 235	18 108
Allocation of profit for the year		23 319	16 127	22 235	18 108
Profit for the year from continuing operations		20 079	12 733	22 235	18 108
Shareholders' fund		17 877	10 985	22 235	18 108
Non-controlling interest		2 202	1 748	–	–
Profit for the year from discontinued operations		3 240	3 394	–	–
Shareholders' fund		3 107	2 883	–	–
Non-controlling interest		133	511	–	–
Allocation of comprehensive income for the year		20 294	15 660	22 235	18 108
Shareholders' fund		17 934	13 169	22 235	18 108
Non-controlling interest		2 360	2 491	–	–

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Statement of changes in equity

for the year ended 31 December

Group

R million	Share capital	Share premium	Treasury shares	Non-distributable reserve[4]	Foreign currency translation reserve	Common control reserve[5]	Retained earnings	Subtotal: equity holders	Consolidation reserve[1]	Total: equity holders	Non-controlling interest	Total equity
Balance at 1 January 2023	1	4 999	(159)	5 889	698	(2 234)	73 616	82 810	674	83 484	13 244	96 728
Comprehensive income	–	–	–	7	1 671	–	11 492	13 170	–	13 170	2 490	15 660
Profit for the year	–	–	–	–	–	–	13 872	13 872	–	13 872	2 259	16 131
Other comprehensive income	–	–	–	7	1 671	–	(2 380)	(702)	–	(702)	231	(471)
Other comprehensive income (net of tax): to be recycled through profit or loss in subsequent periods:												
Movement in foreign currency translation reserve[4]	–	–	–	–	1 641	–	(1)	1 640	–	1 640	235	1 875
Other comprehensive income of equity-accounted investments	–	–	–	–	30	–	(2 367)	(2 337)	–	(2 337)	–	(2 337)
Cash flow hedge	–	–	–	7	–	–	–	7	–	7	4	11
Other comprehensive income: not to be recycled through profit or loss in subsequent periods:												
Employee benefits remeasurement loss	–	–	–	–	–	–	(12)	(12)	–	(12)	(8)	(20)
Net (acquisition)/disposal of treasury shares	–	–	(82)	–	–	–	(55)	(137)	–	(137)	(84)	(221)
Share-based payments[3]	–	–	–	–	–	–	70	70	–	70	47	117
Transfer to/(from) non-distributable reserve	–	–	–	104	–	–	(104)	–	–	–	–	–
Transfer (from)/to consolidation reserve	–	–	–	–	–	–	136	136	(136)	–	–	–
Dividends[2]	–	–	–	–	–	–	(6 700)	(6 700)	–	(6 700)	(1 986)	(8 686)
Acquisitions, disposals and other movements in interests[5]	–	–	(24)	(671)	2	935	(1 727)	(1 485)	26	(1 459)	(6 556)	(8 015)
Balance at 1 January 2024	1	4 999	(265)	5 329	2 371	(1 299)	76 728	87 864	564	88 428	7 155	95 583
Comprehensive income	**–**	**–**	**–**	**–**	**128**	**–**	**17 806**	**17 934**	**–**	**17 934**	**2 360**	**20 294**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**20 984**	**20 984**	**–**	**20 984**	**2 335**	**23 319**
Other comprehensive income	**–**	**–**	**–**	**–**	**128**	**–**	**(3 178)**	**(3 050)**		**(3 050)**	**25**	**(3 025)**
Other comprehensive income: to be recycled through profit or loss in subsequent periods:												
Movement in foreign currency translation reserve	**–**	**–**	**–**	**–**	**131**	**–**	**–**	**131**	**–**	**131**	**25**	**156**
Other comprehensive income of equity-accounted investments	**–**	**–**	**–**	**–**	**(3)**	**–**	**(3 178)**	**(3 181)**	**–**	**(3 181)**	**–**	**(3 181)**
Net acquisition of treasury shares[1][3]	**–**	**–**	**(29)**	**–**	**–**	**–**	**(65)**	**(94)**	**–**	**(94)**	**(61)**	**(155)**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**49**	**49**	**–**	**49**	**32**	**81**
Transfer to/(from) non-distributable reserve	**–**	**–**	**–**	**4**	**–**	**–**	**(4)**	**–**	**–**	**–**	**–**	**–**
Transfer (from)/to consolidation reserve	**–**	**–**	**–**	**–**	**–**	**–**	**242**	**242**	**(242)**	**–**	**–**	**–**
Dividends[2]	**–**	**–**	**–**	**–**	**–**	**–**	**(8 000)**	**(8 000)**	**–**	**(8 000)**	**(1 129)**	**(9 129)**
Acquisitions, disposals and other movements in interests[5]	**–**	**–**	**–**	**(12)**	**(20)**	**–**	**(9)**	**(41)**	**1**	**(40)**	**(465)**	**(505)**
Balance at 31 December 2024	**1**	**4 999**	**(294)**	**5 321**	**2 479**	**(1 299)**	**86 747**	**97 954**	**323**	**98 277**	**7 892**	**106 169**

(1) Refer to note 19 for additional information.
(2) A dividend of R160 per share (2023: R134 per share) was declared and paid in 2024 in respect of the 2023 financial year. Dividends proposed or declared after the statement of financial position date are not recognised at the statement of financial position date.
(3) Comprises movement in initial cost of shares held by subsidiaries (excluding policyholder funds) and the share incentive trust. Net acquisition of treasury shares comprises of an acquisition of R155 million (2023: R200 million).
(4) Movement in foreign currency translation reserve includes foreign currency translation reserve recycle from profit on disposal of LIA.
(5) Disposals in the current year relate to the Namibian operations: Disposals in 2023 relate to Pan-Africa: R12 092 million. The remaining non-controlling interest of Brightrock was acquired in 2023 for R256 million.

Statement of changes in equity continued

for the year ended 31 December 2024

Company

R million	Share capital	Share premium	Common control reserve	Non-distributable reserve	Retained earnings	Total equity
Balance at 1 January 2023	1	4 999	(67)	5 429	104 140	114 502
Profit for the year	–	–	–	–	18 108	18 108
Dividends paid	–	–	–	–	(6 700)	(6 700)
Other movements	–	–	–	–	51	51
Balance at 1 January 2024	1	4 999	(67)	5 429	115 599	125 961
Profit for the year	–	–	–	–	22 235	22 235
Dividends paid[1]	–	–	–	–	(8 000)	(8 000)
Balance at 31 December 2024	1	4 999	(67)	5 429	129 834	140 196

[1] A dividend of R160 per share (2023: R134 per share) was declared and paid in 2024 in respect of the 2023 financial year. Dividends proposed or declared after the statement of financial position date are not recognised at the statement of financial position date.

Cash flow statement

for the year ended 31 December

		Group		Company	
			Restated[1]		Restated[1]
R million	Notes	2024	2023	2024	2023
Cash flow from operating activities		5 631	(15 553)	4 390	2 001
Cash generated utilised in operations[1]	33.1	(20 637)	(39 505)	(15 303)	(14 695)
Interest and preference share dividends received		29 483	20 808	13 988	8 865
Interest paid		(1 090)	(842)	(393)	(296)
Dividends received		5 623	10 361	8 936	9 858
Dividends paid		(1 129)	(1 986)	–	–
Taxation paid		(6 619)	(4 389)	(2 838)	(1 731)
Cash flow from investment activities		(6 274)	(1 247)	(12 394)	(2 720)
Acquisition of subsidiaries and associated companies	33.2	(10 971)	(1 323)	(12 063)	(2 400)
Disposal of subsidiaries and associated companies	33.3	5 442	1 023	6	–
Payments made for the acquisition of equipment		(801)	(668)	(508)	(222)
Proceeds in respect of the sale of equipment		258	33	195	29
Payments made for the acquisition of owner-occupied properties		–	(125)	(6)	(77)
Proceeds in respect of the sale of owner-occupied properties		–	22	–	–
Payments made for the acquisition of other intangible assets		(241)	(319)	(18)	(50)
Proceeds in respect of the sale of other intangible assets		39	110	–	–
Cash flow from financing activities		6 378	1 280	8 367	2 276
Acquisition of treasury shares		(155)	(220)	–	–
Acquisition of non-controlling interest		(46)	(716)	–	–
Disposal of non-controlling interest		347	–	–	–
Term finance raised		10 482	3 386	8 469	2 386
Term finance repaid		(3 882)	(878)	(31)	(50)
Lease liabilities repaid		(368)	(292)	(71)	(60)
Net (decrease)/increase in cash and cash equivalents[1]		5 735	(15 520)	363	1 557
Effect of exchange rate movement on cash balances		110	418	8	94
Cash and cash equivalents at beginning of the year[1]		25 510	40 612	8 479	6 828
Cash and cash equivalents at the end of the year[1]	33.4	31 355	25 510	8 850	8 479

[1] The prior year has been restated to reclassify collateral pledged and received from cash and cash equivalents to trading account assets and liabilities respectively in order to align with the definition of cash and cash equivalents in IAS 7. Refer to note 39 for additional information.

Notes to the annual financial statements

for the year ended 31 December 2024

1 Goodwill

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

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

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

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

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

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

Goodwill in respect of associated companies and joint ventures is included in the carrying value of investments in associated companies and joint ventures. Refer to note 12.2 for additional information.

R million	Group 2024	Group 2023	Company 2024	Company 2023
Balance at the beginning of the year	**3 930**	1 990	**753**	753
Gross carrying amount	**4 042**	2 110	**753**	753
Accumulated impairment	**(112)**	(120)	**–**	–
Additions during the year	**8**	–		
Acquired through business combinations[1]	**806**	2 112	**–**	–
Reclassified from/(to) non-current assets held for sale[2]	**196**	(173)	**–**	–
Impairments	**(1 149)**	–		
Disposals	**(9)**	–		
Foreign currency translation differences	**(4)**	–		
Other	**(5)**	1	**–**	–
Balance at the end of the year	**3 773**	3 930	**753**	753
Gross carrying amount	**5 056**	4 042	**753**	753
Accumulated impairment	**(1 283)**	(112)	**–**	–
Allocation of goodwill				
Life insurance	**808**	617		
MCIS Insurance[2]	**196**	–		
Brightrock Holdings[6]	**441**	441		
Other life businesses	**171**	176		
Other Sanlam businesses	**2 965**	3 313		
Santam[3]	**958**	955		
Sanlam Personal Loans[1]	**863**	863		
Glacier	**164**	91		
Afrocentric[1]	**–**	1 144		
NMS Insurance Services[1]	**806**	–		
Other non-life businesses	**174**	260		
Total goodwill	**3 773**	3 930		

(1) Goodwill acquired through business combinations relates mainly to the acquisition of NMS Insurance Services (Pty) Ltd (NMS Insurance Services) R806 million. The previous year relates to mainly the acquisitions of Afrocentric R1 144 million and Sanlam Personal Loans R863 million.
(2) MCIS Insurance was classified as a disposal group held for sale as at 30 June 2024. During the fourth quarter, both Sanlam and the potential buyer have agreed to halt discussions and as such MCIS is no longer classified as held for sale. Refer to note 35.2 for additional information.
(3) The recoverable amount used for goodwill impairment testing is based on fair value less cost of disposal, which is driven by the listed price of Santam.

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Impairments of goodwill summary

Using embedded value method	Unit	MCIS Insurance[1][2] 2024	Brightrock Holdings[2] 2024	Brightrock Holdings[2] 2023
Point used on the relevant yield curve	Year		**7,1**	7,3
Gross investment return:				
Fixed-interest securities	%	**4,9**	**9,1**	10,8
Cash	%	**3,9**	**10,1**	9,8
Inflation rate	%	**2,4**	**9,2**	8,8
Risk discount rate	%	**7,9**	**13,6**	14,3
Sensitivities on base value of	R million	**1 775**	**1 591**	1 341
Risk discount rate increase by 1%	R million	**1 630**	**1 398**	1 176
Investment return and inflation decrease by 1%, coupled with a 1% decrease in risk discount rates, and with bonus rates changing commensurately	R million	**1 746**	**1 803**	1 350

Using discounted cash flow method	2024 Recoverable amount[3]	2024 Average discount rate[3]	2023 Recoverable amount	2023 Average discount rate
Goodwill held on group level	**1 894**	**17,1%**	1 894	17,1%
Afrocentric	**1 403**	**18,7%**	2 220	19,6%
Sanlam Personal Loans	**2 397**	**21,2%**	2 066	22,1%

(1) MCIS Insurance was classified as a disposal group held for sale as at 30 June 2024. During the fourth quarter, both Sanlam and the potential buyer have agreed to halt discussions and as such MCIS is no longer classified as held for sale. Refer to note 35.2 for additional information.
(2) The recoverable amount is determined as the embedded value, together with a multiple of value of new business (VNB multiple) of 12 and 8.5 for MCIS insurance and Brightrock Holdings, respectively.
(3) The recoverable amounts used for goodwill impairment testing are based on the fair value less cost to sell. The valuations were done based on an average perpetuity growth rate of 5% and cash flows are forecasted for 10 years, which is aligned with industry norms, whereafter a perpetuity factor is applied.

Other than as disclosed for Brightrock, management believes that no reasonably possible change in any of the other key assumptions would cause the carrying value of any cash generating unit to exceed its recoverable amount.

Notes to the annual financial statements continued

for the year ended 31 December 2024

2 Equipment

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

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

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

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

	Group				
R million	Computer equipment	Furniture	Equipment	Vehicles and other	Total
Balance at 1 January 2023: re-presented[(1)]	579	62	236	160	1 037
Cost	2 152	239	587	541	3 519
Accumulated depreciation and impairment	(1 573)	(177)	(351)	(381)	(2 482)
Additions and expenditure capitalised	392	41	52	183	668
Depreciation	(297)	(27)	(63)	(70)	(457)
Acquired through business combinations	203	74	45	41	363
Other disposals	(5)	(4)	(11)	(13)	(33)
Reclassified from/(to) non-current assets held for sale	(21)	(16)	(4)	(70)	(111)
Impairments	(6)	–	–	–	(6)
Transfer from/(to) owner-occupied properties	–	–	–	15	15
Foreign currency translation differences	–	3	1	9	13
Balance at 1 January 2024	845	133	256	255	1 489
Cost	2 760	343	656	635	4 394
Accumulated depreciation and impairment	(1 915)	(210)	(400)	(380)	(2 905)
Additions and expenditure capitalised	371	35	312	83	801
Depreciation	(292)	(58)	(46)	(30)	(426)
Acquired through business combinations	48	15	–	34	97
Disposals of subsidiaries	–	–	–	–	–
Other disposals	(18)	(14)	(186)	(40)	(258)
Reclassified from/(to) non-current assets held for sale	34	17	10	86	147
Impairments	29	–	–	–	29
Transfer from/(to) owner-occupied properties	–	–	67	2	69
Foreign currency translation differences	–	–	–	3	3
Other movements	(334)	142	–	(140)	(332)
Balance at 31 December 2024	683	270	413	253	1 619
Cost	2 325	685	871	636	4 517
Accumulated depreciation and impairment	(1 642)	(415)	(458)	(383)	(2 898)

(1) Prior year has been enhanced to split out the reconciliation per class of equipment.

	Company				
R million	Computer equipment	Furniture	Equipment	Vehicles and other	Total
Balance at 1 January 2023 – re-presented[(1)]	177	30	216	32	455
Cost	782	124	505	124	1 535
Accumulated depreciation and impairment	(605)	(94)	(289)	(92)	(1 080)
Additions and expenditure capitalised	162	19	33	8	222
Depreciation	(114)	(9)	(26)	(1)	(150)
Other disposals	(1)	–	(11)	(17)	(29)
Balance at 1 January 2024	224	40	212	22	498
Cost	896	93	524	108	1 621
Accumulated depreciation and impairment	(672)	(53)	(312)	(86)	(1 123)
Additions and expenditure capitalised	210	11	287	–	508
Depreciation	(127)	(12)	(34)	(1)	(174)
Other disposals	(10)	–	(185)	–	(195)
Transfer from owner-occupied properties	–	–	66	–	66
Balance at 31 December 2024	297	39	346	21	703
Cost	1 033	98	691	114	1 936
Accumulated depreciation and impairment	(736)	(59)	(345)	(93)	(1 233)

(1) Prior year has been enhanced to split out the reconciliation per class of equipment.

3 Leases

This note provides information for leases where the group is a lessee. For leases where the group is a lessor, see note 12.1 and 12.6.

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

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

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

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

On initial recognition, the carrying value of the lease liability also includes:

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

Notes to the annual financial statements continued

for the year ended 31 December 2024

3 Leases continued

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

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

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

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

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

3.1 Rights-of-use assets

R million	Note	2024 Properties	2024 Computer equipment, furniture, equipment, vehicles and other	2024 Total	2023 Properties	2023 Computer equipment, furniture, equipment, vehicles and other	2023 Total
Group							
Balance at the beginning of the year		1 133	6	1 139	891	17	908
Additions		330	25	355	534	16	550
Acquired through business combinations		136	–	136	115	–	115
Disposal of subsidiaries		–	–	–	(3)	–	(3)
Termination of lease agreements		(26)	7	(19)	(3)	–	(3)
Effect of modification of lease terms		(16)	–	(16)	(6)	–	(6)
Reclassified to non-current assets held for sale	35	62	(1)	61	(69)	(2)	(71)
Variable lease payment adjustment		–	–	–	(5)	–	(5)
Depreciation		(351)	(15)	(366)	(321)	(18)	(339)
Impairment		(1)	–	(1)	–	(7)	(7)
Foreign currency translation differences		(41)	18	(23)	–	–	–
Balance at the end of the year		1 226	40	1 266	1 133	6	1 139
Company							
Balance at the beginning of the year		179	2	181	200	2	202
Additions		32	–	32	69	–	69
Effect of modification of lease terms		3	–	3	(22)	–	(22)
Variable lease payment adjustment		–	–	–	(6)	–	(6)
Depreciation		(69)	–	(69)	(62)	–	(62)
Balance at the end of the year		145	2	147	179	2	181

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3.2 Lease liabilities

R million	Note	Group 2024	Group 2023	Company 2024	Company 2023
Balance at the beginning of the year		1 455	1 170	238	257
Additions		328	490	29	69
Acquired through business combinations		201	155	22	–
Disposal of subsidiaries		(6)	(8)	(6)	–
Termination of lease agreement		(20)	(6)	–	–
Variable lease payment adjustment		(8)	(20)	(8)	(20)
Effect of modification of lease terms		(7)	55	17	(8)
Interest accrued		136	100	–	24
Lease payments[1]		(504)	(392)	(93)	(84)
Reclassified (to)/from non-current liabilities held for sale	35	66	(91)	–	–
Foreign currency translation differences		(1)	2	–	–
Net other movements		(21)	–	–	–
Balance at the end of the year		1 619	1 455	199	238

[1] Lease payments expenses are made up of capital and interest repayments of respectively R368 million (2023: R292 million) and R93 million (2023: R60 million).

R million	Group 2024	Group 2023	Company 2024	Company 2023
Maturity analysis – carrying value	1 619	1 455	199	238
Due within one year	487	353	85	63
Due within one to five years	965	775	112	136
Due within five to 10 years	167	327	2	39
Maturity analysis – undiscounted	1 887	1 798	214	260
Due within one year	527	433	86	77
Due within one to five years	1 147	1 012	124	160
Due within five to 10 years	213	353	4	23
The group is exposed to the following potential cash flows (undiscounted) which are not included in the lease liability:	122	99		
Extension options	122	99		
Leases not yet commenced to which the lessee is committed	–	–		

3.3 Additional profit or loss and cash flow information

Refer to the expenses (note 25) and the finance cost (note 26) notes for information about depreciation and interest expense respectively. Total cash outflow in respect of leases in the year was R843 million (2023: R746 million) and R342 million (2023: R320 million) respectively, which includes other operating lease expenses.

Notes to the annual financial statements continued

for the year ended 31 December 2024

4 Owner-occupied properties

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

		Group		Company	
R million	Note	2024	2023	2024	Re-presented[1] 2023
Balance at beginning of the year		1 015	686	645	568
Cost[1]		1 055	695	656	575
Accumulate depreciation and impairment[1]		(40)	(9)	(11)	(7)
Additions and expenditure capitalised		6	130	6	77
Disposals		–	(22)	–	–
Transfers to equipment		(68)	(15)	(66)	–
Depreciation		(6)	(22)	–	–
Reclassified to non-current assets held for sale	35	41	(42)	–	–
Acquired through business combinations		1	310	–	–
Foreign currency translation differences		–	(1)	–	–
Other movements		3	(9)	4	–
Balance at the end of the year		992	1 015	589	645
Cost[1]		1 035	1 055	595	656
Accumulate depreciation and impairment[1]		(43)	(40)	(6)	(11)

[1] Prior year disclosure has been enhanced to include cost and accumulated depreciation and impairment.

5 Intangible assets

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

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

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

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

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

R million	Note	Acquired computer software	Internally developed software	Key business relationships	Other[1]	Total
Group						
Balance at 1 January 2023		170	98	309	129	706
Gross carrying amount		215	200	748	256	1 419
Accumulated amortisation and impairment		(45)	(102)	(439)	(127)	(713)
Additions during the year		47	8	53	122	230
Acquired through business combinations		56	919	936	444	2 355
Expenditure capitalised		–	–	–	81	81
Disposals		–	–	(6)	(95)	(101)
Amortisation		(13)	(2)	(68)	(88)	(171)
Impairments		–	–	–	(21)	(21)
Reclassified to non-current assets held for sale	35	6	(98)	(6)	–	(98)
Foreign currency translation differences		1	3	4	73	81
Other movements		–	–	–	(9)	(9)
Balance at 1 January 2024		267	928	1 222	636	3 053
Gross carrying amount		455	1 579	2 032	1 001	5 067
Accumulated amortisation and impairment		(188)	(651)	(810)	(365)	(2 014)
Additions during the year		3	193	9	59	264
Acquired through business combinations		–	299	882	16	1 197
Expenditure capitalised		–	–	–	22	22
Disposals		–	1	(16)	(23)	(38)
Amortisation		(36)	(176)	(213)	(110)	(535)
Impairments[2][3]		(16)	(156)	(15)	(10)	(197)
Reversal of impairments		–	–	–	–	–
Reclassified from non-current assets held for sale	35	–	103	–	–	103
Foreign currency translation differences		(2)	(2)	–	–	(4)
Other movements		40	256	14	(45)	265
Balance at 31 December 2024		256	1 446	1 883	545	4 130
Gross carrying amount		535	3148	2 965	1 047	7 695
Accumulated amortisation and impairment		(279)	(1 702)	(1 082)	(502)	(3 565)
Company						
Balance at 1 January 2023		174	–	44	186	404
Gross carrying amount		212	–	196	196	604
Accumulated amortisation and impairment		(38)	–	(152)	(10)	(200)
Additions		–	–	–	23	23
Expenditure capitalised		28	–	–	–	28
Amortisation		(9)	–	(19)	(56)	(84)
Balance at 1 January 2024		193	–	25	153	371
Gross carrying amount		240	–	195	219	654
Accumulated amortisation and impairment		(47)	–	(170)	(66)	(283)
Expenditure capitalised		–	–	–	18	18
Amortisation		(12)	–	(19)	(60)	(91)
Balance at 31 December 2024		181	–	6	111	298
Gross carrying amount		240	–	195	237	672
Accumulated amortisation and impairment		(59)	–	(189)	(126)	(374)

[1] The other asset class is the sum of patents and licences, brands, trademarks and trade names as well as indefinite useful life intangible assets.
[2] An impairment of computer software was recognised in 2024 that relates to the development of on premise solution software for Santam. It was decided to migrate to cloud solutions. The full capitalised amount of 162 million was impaired.
[3] For the further information relating to the impairment for Afrocentric please refer to note 28.1

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5 Intangible assets continued

R million	Expected useful life (years)	2024	Restated[2] 2023
Allocation of key business relationships			
Sanlam Corporate	5 – 10	740	907
Sanlam Risk and Savings[1]	10	598	118
Sanlam Retail Mass	10	283	–
Glacier[1]	10	106	–
Santam	3 – 6	80	91
Sanlam Investments Group	8 – 15	76	106
Total key business relationships		1 883	1 222

(1) Both Sanlam Risk and Savings and Glacier were previously reported under the segment SA Retail Affluent.
(2) The prior year has been restated for the inclusion of SIG.

6 Contract costs for investment management services

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

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

		Group		Company	
R million	Note	2024	Re-presented[1] 2023	2024	Re-presented[1] 2023
Balance at the beginning of the year		2 822	3 128	2 741	2 754
Acquisition costs capitalised		468	568	411	420
Expensed for the year[1]		(243)	(302)	(254)	(258)
Amortisation[1]		(198)	(188)	(190)	(175)
Impairments[1]		(8)	(14)	–	–
Reclassified (to)/from non-current assets held for sale	35	(73)	(349)	–	–
Disposals		–	(41)	–	–
Foreign currency translation differences		–	20	–	–
Balance at the end of the year		2 768	2 822	2 708	2 741

(1) Amortisation and impairments were previously part of the expense for the year line. The change in disclosure is to provide additional useful information to the reader.

Notes to the annual financial statements continued

for the year ended 31 December 2024

7 Insurance and reinsurance contract carrying amounts

Group

Summary of net carrying amount

R million	Note	2024 Total	2024 Life insurance Risk business	2024 Life insurance Savings business	2024 General insurance	2023 Total	2023 Life insurance Risk business	2023 Life insurance Savings business	2023 General insurance
Net insurance contract carrying amount		218 818	109 300	74 972	34 546	183 896	86 400	65 182	32 314
Insurance contract liabilities	8.1	232 554	122 544	74 972	35 038	193 374	95 470	65 182	32 722
Insurance contract assets	8.1	(13 736)	(13 244)	–	(492)	(9 478)	(9 070)	–	(408)
Net reinsurance contract carrying amount		(6 001)	(2 247)	–	(3 754)	(8 844)	(2 372)	–	(6 472)
Reinsurance contract liabilities	9.1	5 232	2 226	–	3 006	5 686	2 797	–	2 889
Reinsurance contract assets	9.1	(11 233)	(4 473)	–	(6 760)	(14 530)	(5 169)	–	(9 361)
Net carrying amount		212 817	107 053	74 972	30 792	175 052	84 028	65 182	25 842

Summary of result from insurance contracts

R million	2024 Total	2024 Life insurance Risk business	2024 Life insurance Savings business	2024 General insurance	2023 Total	2023 Life insurance Risk business	2023 Life insurance Savings business	2023 General insurance
Insurance service result	13 182	7 949	862	4 371	11 292	6 698	1 749	2 845
Insurance revenue	94 462	48 195	2 101	44 166	112 282	52 264	2 989	57 029
Insurance service expenses	(76 338)	(40 042)	(1 239)	(35 057)	(90 425)	(42 683)	(1 240)	(46 502)
Income or expense from reinsurance contracts	(4 942)	(204)	–	(4 738)	(10 565)	(2 883)	–	(7 682)
Insurance investment result	1 888	3 633	(588)	(1 157)	4 022	4 296	(575)	301
Result from insurance contracts (including profits from discontinued operations)	15 070	11 582	274	3 214	15 314	10 994	1 174	3 146
Profit from discontinued operations	375				3 734			
Result from insurance contracts	14 695				11 580			

(1) Refer to note 10.1 for additional information.
(2) Refer to note 10.2 for additional information.
(3) Refer to note 10.3 for additional information.

Company

Summary of net carrying amount

R million	Note	2024 Total	2024 Life insurance Risk business	2024 Life insurance Savings business	2023 Total	2023 Life insurance Risk business	2023 Life insurance Savings business
Net insurance contract carrying amount		171 768	112 613	59 155	154 139	91 299	62 840
Insurance contract liabilities	8.1	172 767	113 612	59 155	155 501	92 661	62 840
Insurance contract assets	8.1	(999)	(999)	–	(1 362)	(1 362)	–
Net reinsurance contract carrying amount		(4 167)	(4 167)	–	(4 389)	(4 389)	–
Reinsurance contract assets	9.1	(4 167)	(4 167)	–	(4 389)	(4 389)	–
Net carrying amount		167 601	108 446	59 155	149 750	86 910	62 840

Summary of result from insurance contracts

R million	2024 Total	2024 Life insurance Risk business	2024 Life insurance Savings business	2023 Total	2023 Life insurance Risk business	2023 Life insurance Savings business
Insurance service result	3 236	2 454	782	4 129	2 819	1 310
Insurance revenue	26 266	24 912	1 354	24 835	23 030	1 805
Insurance service expenses	(22 581)	(22 009)	(572)	(20 188)	(19 693)	(495)
Income or expense from reinsurance contracts	(449)	(449)	–	(518)	(518)	–
Insurance investment result	3 655	4 009	(354)	2 089	2 496	(407)
Result from insurance contracts	6 891	6 463	428	6 218	5 315	903

(1) Refer to note 10.1 for additional information.
(2) Refer to note 10.2 for additional information.
(3) Refer to note 10.3 for additional information.

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7 Insurance and reinsurance contract carrying amounts continued

7.1 Reconciliation of net carrying amount per valuation component: Total

Group

R million	Insurance Total	Insurance Best estimate of future cash flows[1]	Insurance Risk adjustment for non-financial risk	Insurance Contractual service margin[5]	Reinsurance Total	Reinsurance Best estimate of future cash flows[1]	Reinsurance Risk adjustment for non-financial risk	Reinsurance Contractual service margin[5]
2024								
Recognised in statement of comprehensive income[2]	10 452	9 423	(1 321)	2 350	4 809	6 036	277	(1 504)
Changes that relate to current service	(19 345)	(10 919)	(1 194)	(7 232)	4 541	1 740	664	2 137
Contracts measured under the premium allocation approach	(11 475)	(12 067)	592	–	4 632	4 648	(16)	–
Contracts not measured under the premium allocation approach	(7 870)	1 148	(1 786)	(7 232)	(91)	(2 908)	680	2 137
Recognition of contractual service margin for services provided or received[3]	(7 232)	–	–	(7 232)	2 137	–	–	2 137
Release of risk adjustment for risk expired	(1 786)	–	(1 786)	–	680	–	680	–
Experience adjustments and other amounts[4]	1 148	1 148	–	–	(2 908)	(2 908)	–	–
Changes that relate to future service	108	(6 069)	(661)	6 838	(26)	3 198	(321)	(2 903)
New contracts recognised during the period[5]	259	(6 710)	1 786	5 183	(22)	2 831	(455)	(2 398)
Changes in estimates recognised in the contractual service margin[6]	–	645	(2 300)	1 655	–	367	134	(501)
Changes in estimates recognised in profit or loss[7]	(151)	(4)	(147)	–	(4)	–	–	(4)
Changes in incurred claims related to past service	709	1 921	(1 212)	–	427	288	139	–
Net finance (income) or expense	28 980	24 490	1 746	2 744	(133)	810	(205)	(738)
Cash flow	11 340	11 340	–	–	(1 704)	(1 704)	–	–
Insurance premiums received and ceding premiums paid to reinsurers	113 301	113 301	–	–	(12 759)	(12 759)	–	–
Insurance claims paid and claims recovered from reinsurers[8]	(82 944)	(82 944)	–	–	11 050	11 050	–	–
Insurance acquisition cash flows paid	(13 134)	(13 134)	–	–	–	–	–	–
Administration and other expenses paid[4]	(5 883)	(5 883)	–	–	5	5	–	–
Net movement for the year	21 792	20 763	(1 321)	2 350	3 105	4 332	277	(1 504)
Recognised in other comprehensive income – foreign currency translation differences	24	21	–	3	2	3	–	(1)
Liabilities acquired through business combinations	(2 149)	(7 651)	2 110	3 392	(186)	(119)	(12)	(55)
Reclassified (to)/from non-current liabilities held for sale	15 255	14 391	472	392	(78)	(29)	(27)	(22)
Balance at the beginning of the year	183 896	143 042	11 122	29 732	(8 844)	1 166	(2 780)	(7 230)
Balance at the end of the year	218 818	170 566	12 383	35 869	(6 001)	5 353	(2 542)	(8 812)

(1) Based on the liability for remaining coverage/remaining coverage component for the premium allocation approach.
(2) Includes the impact of recognising non-onerous contracts during the period and the impact of recognising changes in estimates in the contractual service margin, with a net zero impact on the total carrying amount. These impacts are shown in separate line items and therefore not included in this total in notes 8.2 and 8.3.
(3) The termination of the group's funeral joint co-operation arrangement with Capitec resulted in the derecognition of the insurance contract liabilities (including the CSM) as at 31 October 2024. This resulted in an increase in the contractual service margin (CSM) recognised as income in insurance revenue for insurance contracts.
(4) Administration and other expenses paid and experience adjustments related to administration and other expenses, are not presented in notes 8.2, 8.3 and 8.4 for simplicity.
(5) Only relevant to contracts measured under the general model and variable fee approach.
(6) The Capitec transaction has also resulted in the CSM being adjusted to reflect the derecognition of the fulfilment cash flows (i.e. best estimate of future cash flows and the risk adjustment for non-financial risk) as at 31 October 2024. The release of the net negative fulfilment cash flows at the termination date (increasing the best estimate of future cash flows and reducing the risk adjustment) has been reflected as a net negative adjustment to the CSM (before recognition of the CSM as income in insurance revenue).
(7) For insurance contracts, this represents increases and reversals of losses on onerous contracts, and for reinsurance contracts, changes in estimates adjusting the loss recovery component.
(8) The repayments of investment components in the period are included in this line item.

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7 Insurance and reinsurance contract carrying amounts continued

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

Group

	Insurance				Reinsurance			
R million	Total	Best estimate of future cash flows[1]	Risk adjustment for non-financial risk	Contractual service margin[5]	Total	Best estimate of future cash flows[1]	Risk adjustment for non-financial risk	Contractual service margin[5]
2023[2]								
Recognised in statement of comprehensive income[3]	(6 255)	(9 728)	1 252	2 221	10 384	13 783	(500)	(2 899)
Changes that relate to current service	(23 017)	(16 290)	(694)	(6 033)	13 199	11 226	588	1 385
Contracts measured under the premium allocation approach	(12 995)	(13 903)	908	–	11 036	10 941	95	–
Contracts not measured under the premium allocation approach	(10 022)	(2 387)	(1 602)	(6 033)	2 163	285	493	1 385
Recognition of contractual service margin for services (provided) or received	(6 033)	–	–	(6 033)	1 385	–	–	1 385
Release of risk adjustment for risk expired	(1 602)	–	(1 602)	–	493	–	493	–
Experience adjustments and other amounts[4]	(2 387)	(2 387)	–	–	285	285	–	–
Changes that relate to future service	629	(8 123)	2 988	5 764	(29)	5 027	(1 170)	(3 886)
New contracts recognised during the period[5]	226	(7 361)	2 190	5 397	(7)	3 018	(831)	(2 194)
Changes in estimates recognised in the contractual service margin	–	(1 142)	775	367	–	2 009	(339)	(1 670)
Changes in estimates recognised in profit or loss[6]	403	380	23	–	(22)	–	–	(22)
Changes in incurred claims related to past service	531	2 207	(1 676)	–	(2 594)	(2 942)	348	–
Net finance (income) or expense	15 602	12 478	634	2 490	(192)	472	(266)	(398)
Cash flow	19 012	19 012	–	–	(7 283)	(7 283)	–	–
Insurance premiums received and ceding premiums paid to reinsurers	132 363	132 363	–	–	(22 948)	(22 948)	–	–
Insurance claims paid and claims recovered from reinsurers[7]	(95 914)	(95 914)	–	–	15 642	15 642	–	–
Insurance acquisition cash flows paid	(12 134)	(12 134)	–	–	–	–	–	–
Administration and other expenses paid[4]	(5 303)	(5 303)	–	–	23	23	–	–
Net movement for the year	12 757	9 284	1 252	2 221	3 101	6 500	(500)	(2 899)
Recognised in other comprehensive income – foreign currency translation differences	392	364	15	13	51	50	(2)	3
Reclassified (to)/from non-current liabilities held for sale	(25 784)	(22 273)	(1 035)	(2 476)	2 512	2 489	73	(50)
Balance at the beginning of the year	196 531	155 667	10 890	29 974	(14 508)	(7 873)	(2 351)	(4 284)
Balance at the end of the year	183 896	143 042	11 122	29 732	(8 844)	1 166	(2 780)	(7 230)

(1) Based on the liability for remaining coverage/remaining coverage component for the premium allocation approach.
(2) This is a new disclosure based on information that has been disclosed. The intention is to provide the reader with more valuable information.
(3) Includes the impact of recognising non-onerous contracts during the period and the impact of recognising changes in estimates in the contractual service margin, with a net zero impact on the total carrying amount. These impacts are shown in separate line items and therefore not included in this total in notes 8.2.2 and 8.3.
(4) Administration and other expenses paid and experience adjustments related to administration and other expenses, are not presented in notes 8.2, 8.3 and 8.4 for simplicity.
(5) Only relevant to contracts measured under the general model and variable fee approach.
(6) For insurance contracts, this represents increases and reversals of losses on onerous contracts, and for reinsurance contracts, changes in estimates adjusting the loss recovery component.
(7) The repayments of investment components in the period are included in this line item.

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7 Insurance and reinsurance contract carrying amounts continued

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

Company

R million	Insurance Total	Insurance Best estimate of future cash flows[1]	Insurance Risk adjustment for non-financial risk	Insurance Contractual service margin[4]	Reinsurance Total	Reinsurance Best estimate of future cash flows[1]	Reinsurance Risk adjustment for non-financial risk	Reinsurance Contractual service margin[5]
2024								
Recognised in statement of comprehensive income[2]	20 241	18 782	534	925	22	(197)	(75)	294
Changes that relate to current service	(4 054)	(964)	(492)	(2 598)	51	154	92	(195)
Contracts measured under the premium allocation approach	(617)	(617)	–	–	(2)	(2)	–	–
Contracts not measured under the premium allocation approach	(3 437)	(347)	(492)	(2 598)	53	156	92	(195)
Recognition of contractual service margin for services provided or received	(2 598)	–	–	(2 598)	(195)	–	–	(195)
Release of risk adjustment for risk expired	(492)	–	(492)	–	92	–	92	–
Experience adjustments and other amounts[3]	(347)	(347)	–	–	156	156	–	–
Changes that relate to future service	(71)	(2 359)	124	2 164	(1)	(341)	(100)	440
New contracts recognised during the period[4]	4	(1 974)	478	1 500	(1)	(25)	(20)	44
Changes in estimates recognised in the contractual service margin	–	(404)	(260)	664	–	(316)	(80)	396
Changes in estimates recognised in profit or loss[5]	(75)	19	(94)	–	–	–	–	–
Changes in incurred claims related to past service	(125)	(198)	73	–	399	412	(13)	–
Net finance (income) or expense	24 491	22 303	829	1 359	(427)	(422)	(54)	49
Cash flow	(2 612)	(2 612)	–	–	200	200	–	–
Insurance premiums received and ceding premiums paid to reinsurers	39 489	39 489	–	–	(1 550)	(1 550)	–	–
Insurance claims paid and claims recovered from reinsurers[6]	(36 676)	(36 676)	–	–	1 750	1 750	–	–
Insurance acquisition cash flows paid	(2 871)	(2 871)	–	–	–	–	–	–
Administration and other expenses paid[3]	(2 554)	(2 554)	–	–	–	–	–	–
Net movement for the year	17 629	16 170	534	925	222	3	(75)	294
Balance at the beginning of the year	154 139	131 798	4 908	17 433	(4 389)	(4 309)	(493)	413
Balance at the end of the year	171 768	147 968	5 442	18 358	(4 167)	(4 306)	(568)	707

[1] Based on the liability for remaining coverage/remaining coverage component for the premium allocation approach.
[2] Includes the impact of recognising non-onerous contracts during the period and the impact of recognising changes in estimates in the contractual service margin, with a net zero impact on the total carrying amount. These impacts are shown in separate line items and therefore not included in this total in notes 8.2.2 and 8.3.
[3] Administration and other expenses paid and experience adjustments related to administration and other expenses, are not presented in notes, and for simplicity.
[4] Only relevant to contracts measured under the general model and variable fee approach.
[5] For insurance contracts, this represents increases and reversals of losses on onerous contracts, and for reinsurance contracts, changes in estimates adjusting the loss recovery component.
[6] The repayments of investment components in the period are included in this line item.

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7 Insurance and reinsurance contract carrying amounts continued

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

Company

R million	Insurance Total	Insurance Best estimate of future cash flows[1]	Insurance Risk adjustment for non-financial risk	Insurance Contractual service margin[5]	Reinsurance Total	Reinsurance Best estimate of future cash flows[1]	Reinsurance Risk adjustment f or non-financial risk	Reinsurance Contractual service margin[5]
2023[2]								
Recognised in statement of comprehensive income[3]	7 267	6 538	735	(6)	273	174	(62)	161
Changes that relate to current service	(5 226)	(2 333)	(382)	(2 511)	410	464	52	(106)
Contracts measured under the premium allocation approach	(1 228)	(1 228)	–	–	134	134	–	–
Contracts not measured under the premium allocation approach	(3 998)	(1 105)	(382)	(2 511)	276	330	52	(106)
Recognition of contractual service margin for services (provided) or received	(2 511)	–	–	(2 511)	(106)	–	–	(106)
Release of risk adjustment for risk expired	(382)	–	(382)	–	52	–	52	–
Experience adjustments and other amounts[4]	(1 105)	(1 105)	–	–	330	330	–	–
Changes that relate to future service	297	(2 001)	1 071	1 227	(14)	(126)	(121)	233
New contracts recognised during the period[5]	101	(1 933)	410	1 624	–	(13)	(12)	25
Changes in estimates recognised in the contractual service margin	–	(232)	629	(397)	–	(113)	(109)	222
Changes in estimates recognised in profit or loss[6]	196	164	32	–	(14)	–	–	(14)
Changes in incurred claims related to past service	280	353	(73)	–	123	85	38	–
Net finance (income) or expense	11 916	10 519	119	1 278	(246)	(249)	(31)	34
Cash flow	2 902	2 902	–	–	(468)	(468)	–	–
Insurance premiums received and ceding premiums paid to reinsurers	39 340	39 340	–	–	(3 253)	(3 253)	–	–
Insurance claims paid and claims recovered from reinsurers[7]	(31 020)	(31 020)	–	–	2 785	2 785	–	–
Insurance acquisition cash flows paid	(2 859)	(2 859)	–	–	–	–	–	–
Administration and other expenses paid[4]	(2 559)	(2 559)	–	–	–	–	–	–
Net movement for the year	10 169	9 440	735	(6)	(195)	(294)	(62)	161
Balance at the beginning of the year	143 970	122 358	4 173	17 439	(4 194)	(4 015)	(431)	252
Balance at the end of the year	154 139	131 798	4 908	17 433	(4 389)	(4 309)	(493)	413

(1) Based on the liability for remaining coverage/remaining coverage component for the premium allocation approach.
(2) This is a new disclosure based on information that has been disclosed. The intention is to provide the reader with more valuable information.
(3) Includes the impact of recognising non-onerous contracts during the period and the impact of recognising changes in estimates in the contractual service margin, with a net zero impact on the total carrying amount. These impacts are shown in separate line items and therefore not included in this total in notes 8.2.2 and 8.3.
(4) Administration and other expenses paid and experience adjustments related to administration and other expenses, are not presented in notes 8.2, 8.3 and 8.4, and for simplicity.
(5) Only relevant to contracts measured under the general model and variable fee approach.
(6) For insurance contracts, this represents increases and reversals of losses on onerous contracts, and for reinsurance contracts, changes in estimates adjusting the loss recovery component.
(7) The repayments of investment components in the period are included in this line item.

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8 Insurance contract carrying amount

8.1 Analysis of net insurance contract carrying amount

Group

Analysis per line of business and valuation method

			Liability for remaining coverage				Incurred claims[1]			Analysis of liability for remaining coverage		
R million	Note	Total	Subtotal[1]	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Loss component
2024												
Life insurance – Risk business	8.2	109 300	91 279	50 404	9 997	31 340	18 021	17 257	764	91 279	90 618	661
Premium allocation approach[1]		12 418	(462)	–	–	–	12 880	12 235	645	(462)	(515)	53
General model		96 882	91 741	50 404	9 997	31 340	5 141	5 022	119	91 741	91 133	608
Life insurance – Savings business	8.3	74 972	74 480	69 505	481	4 494	492	463	29	74 480	74 407	73
Variable fee approach		74 972	74 480	69 505	481	4 494	492	463	29	74 480	74 407	73
General insurance	8.4	34 546	16 334	605	1	35	18 212	17 101	1 111	16 334	16 316	18
Premium allocation approach[1]		33 905	15 693	–	–	–	18 212	17 101	1 111	15 693	15 675	18
General model		641	641	605	1	35	–	–	–	641	641	–
Net insurance contract carrying amount		218 818	182 093	120 514	10 479	35 869	36 725	34 821	1 904	182 093	181 341	752
Premium allocation approach[1]		46 323	15 231	–	–	–	31 092	29 336	1 756	15 231	15 160	71
General model		97 523	92 382	51 009	9 998	31 375	5 141	5 022	119	92 382	91 774	608
Variable fee approach		74 972	74 480	69 505	481	4 494	492	463	29	74 480	74 407	73
Net insurance contract carrying amount		218 818	182 093	120 514	10 479	35 869	36 725	34 821	1 904	182 093	181 341	752
Insurance contract liability balances		232 554	197 991	146 416	6 305	29 167	34 563	32 696	1 867	197 991	197 333	658
Insurance contract asset balances		(13 736)	(15 898)	(25 902)	4 174	6 702	2 162	2 125	37	(15 898)	(15 992)	94
Net insurance contract carrying amount		218 818	182 093	120 514	10 479	35 869	36 725	34 821	1 904	182 093	181 341	752
2023												
Life insurance – Risk business	8.2	86 400	70 891	37 500	8 666	25 410	15 509	14 978	531	70 891	70 353	538
Premium allocation approach[1]		10 782	(685)	–	–	–	11 467	11 037	430	(685)	(685)	–
General model		75 618	71 576	37 500	8 666	25 410	4 042	3 941	101	71 576	71 038	538
Life insurance – Savings business	8.3	65 184	64 193	59 603	309	4 281	991	987	4	64 193	64 193	–
Variable fee approach		65 184	64 193	59 603	309	4 281	991	987	4	64 193	64 193	–
General insurance	8.4	32 312	12 800	632	1	41	19 512	17 901	1 611	12 800	12 800	–
Premium allocation approach[1]		31 638	12 126	–	–	–	19 512	17 901	1 611	12 126	12 126	–
General model		674	674	632	1	41	–	–	–	674	674	–
Net insurance contract carrying amount		183 896	147 884	97 735	8 976	29 732	36 012	33 866	2 146	147 884	147 346	538
Premium allocation approach[1]		42 420	11 441	–	–	–	30 979	28 938	2 041	11 441	11 441	–
General model		76 292	72 250	38 132	8 667	25 451	4 042	3 941	101	72 250	71 712	538
Variable fee approach		65 184	64 193	59 603	309	4 281	991	987	4	64 193	64 193	–
Net insurance contract carrying amount		183 896	147 884	97 735	8 976	29 732	36 012	33 866	2 146	147 884	147 346	538
Insurance contract liability balances		193 374	158 970	114 104	6 631	26 116	34 404	32 295	2 109	158 970	158 412	558
Insurance contract asset balances		(9 478)	(11 086)	(16 369)	2 345	3 616	1 608	1 571	37	(11 086)	(11 066)	(20)
Net insurance contract carrying amount		183 896	147 884	97 735	8 976	29 732	36 012	33 866	2 146	147 884	147 346	538

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

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8 Insurance contract carrying amount continued

8.1 Analysis of net insurance contract carrying amount continued

Company

Analysis per line of business and valuation method

			Liability for remaining coverage				Incurred claims[1]			Analysis of liability for remaining coverage		
R million	Note	Total	Subtotal[1]	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Loss component
2024												
Life insurance – Risk business	8.2	112 613	98 091	79 155	4 539	14 806	14 522	13 887	635	98 091	97 600	491
Premium allocation approach[1]		11 619	(409)	–	–	–	12 028	11 492	536	(409)	(409)	–
General model		100 994	98 500	79 155	4 539	14 806	2 494	2 395	99	98 500	98 009	491
Life insurance – Savings business	8.3	59 155	58 503	54 686	265	3 552	652	649	3	58 503	58 500	3
Variable fee approach		59 155	58 503	54 686	265	3 552	652	649	3	58 503	58 500	3
Net insurance contract carrying amount		171 768	156 594	133 841	4 804	18 358	15 174	14 536	638	156 594	156 100	494
Premium allocation approach[1]		11 619	(409)	–	–	–	12 028	11 492	536	(409)	(409)	–
General model		100 994	98 500	79 155	4 539	14 806	2 494	2 395	99	98 500	98 009	491
Variable fee approach		59 155	58 503	54 686	265	3 552	652	649	3	58 503	58 500	3
Net insurance contract carrying amount		171 768	156 594	133 841	4 804	18 358	15 174	14 536	638	156 594	156 100	494
Insurance contract liability balances		172 767	158 108	136 156	4 382	17 979	14 659	14 031	628	158 108	157 604	504
Insurance contract asset balances		(999)	(1 514)	(2 315)	422	379	515	505	10	(1 514)	(1 504)	(10)
Net insurance contract carrying amount		171 768	156 594	133 841	4 804	18 358	15 174	14 536	638	156 594	156 100	494
2023												
Life insurance – Risk business	8.2	91 298	77 904	60 576	4 111	13 743	13 394	12 882	512	77 904	77 325	579
Premium allocation approach[1]		10 372	(526)	–	–	–	10 898	10 481	417	(526)	(526)	–
General model		80 926	78 430	60 576	4 111	13 743	2 496	2 401	95	78 430	77 851	579
Life insurance – Savings business	8.3	62 841	62 189	58 218	281	3 690	652	648	4	62 189	62 189	–
Variable fee approach		62 841	62 189	58 218	281	3 690	652	648	4	62 189	62 189	–
Net insurance contract carrying amount		154 139	140 093	118 794	4 392	17 433	14 046	13 530	516	140 093	139 514	579
Premium allocation approach[1]		10 372	(526)	–	–	–	10 898	10 481	417	(526)	(526)	–
General model		80 926	78 430	60 576	4 111	13 743	2 496	2 401	95	78 430	77 851	579
Variable fee approach		62 841	62 189	58 218	281	3 690	652	648	4	62 189	62 189	–
Net insurance contract carrying amount		154 139	140 093	118 794	4 392	17 433	14 046	13 530	516	140 093	139 514	579
Insurance contract liability balances		155 501	141 716	121 377	3 835	17 030	13 785	13 279	506	141 716	141 143	573
Insurance contract asset balances		(1 362)	(1 623)	(2 583)	557	403	261	251	10	(1 623)	(1 629)	6
Net insurance contract carrying amount		154 139	140 093	118 794	4 392	17 433	14 046	13 530	516	140 093	139 514	579

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

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8 Insurance contract carrying amount continued

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

8.2.1 Premium allocation approach

Group

Reconciliation per valuation component

	2024						2023					
		Liability for remaining coverage		Incurred claims				Liability for remaining coverage		Incurred claims		
R million	Total	Excluding loss component	Loss component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Loss component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk
Recognised in statement of comprehensive income	(2 913)	(13 100)	(9)	10 196	10 192	4	(3 386)	(14 580)	4	11 190	11 186	4
Recognised in insurance revenue	(13 490)	(13 490)	–	–	–	–	(15 804)	(15 804)	–	–	–	–
Recognised in insurance service expenses	9 495	372	(9)	9 132	9 176	(44)	11 809	1 211	4	10 594	10 616	(22)
Claims incurred during the year (excluding investment component)	9 437	–	–	9 437	9 551	(114)	10 444	–	–	10 444	10 450	(6)
Change in liability for past service	(305)	–	–	(305)	(375)	70	150	–	–	150	166	(16)
Increase and reversal of losses on onerous contracts	(9)	–	(9)	–	–	–	4	–	4	–	–	–
Amortisation of insurance acquisition cash flows	372	372	–	–	–	–	1 211	1 211	–	–	–	–
Insurance finance income or expenses	1 082	18	–	1 064	1 016	48	609	13	–	596	570	26
Cash flow	4 286	13 442	–	(9 156)	(9 156)	–	4 814	14 892	–	(10 078)	(10 078)	–
Premiums received during the year	13 840	13 840	–	–	–	–	16 125	16 125	–	–	–	–
Incurred claims – investment components	–	(26)	–	26	26	–	–	(22)	–	22	22	–
Claims paid during the year	(9 182)	–	–	(9 182)	(9 182)	–	(10 100)	–	–	(10 100)	(10 100)	–
Insurance acquisition cash flows paid	(372)	(372)	–	–	–	–	(1 211)	(1 211)	–	–	–	–
Net movement for the year	1 373	342	(9)	1 040	1 036	4	1 428	312	4	1 112	1 108	4
Recognised in other comprehensive income – foreign currency translation differences	7	17	–	(10)	(10)	–	(4)	(20)	–	16	8	8
Liabilities acquired through business combinations	48	–	51	(3)	–	(3)	–	–	–	–	–	–
Reclassified as non-current liabilities held for sale	208	(189)	11	386	172	214	(1 229)	(168)	(10)	(1 051)	(838)	(213)
Balance at beginning of the year	10 782	(685)	–	11 467	11 037	430	10 587	(809)	6	11 390	10 759	631
Balance at end of the year[(1)(2)]	12 418	(515)	53	12 880	12 235	645	10 782	(685)	–	11 467	11 037	430

[(1)] Balance at the end of the year includes insurance contract assets of R69 million (2023: R18 million) and insurance contract liabilities of R12 488 million (2023: R10 802 million).
[(2)] Balance at the end of the year includes insurance contract assets of R18 million (2022: R127 million) and insurance contract liabilities of R10 802 million (2022: R10 713 million).

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8 Insurance contract carrying amount continued

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

8.2.1 Premium allocation approach continued

Company

Reconciliation per valuation component

	2024					2023				
		Liability for remaining coverage	Incurred claims				Liability for remaining coverage	Incurred claims		
R million	Total	Excluding loss component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk
Recognised in statement of comprehensive income	(587)	(6 695)	6 108	5 989	119	(991)	(6 661)	5 670	5 657	13
Recognised in insurance revenue	(6 801)	(6 801)	–	–	–	(6 762)	(6 762)	–	–	–
Recognised in insurance service expenses	5 185	106	5 079	5 007	72	5 219	101	5 118	5 130	(12)
Claims incurred during the year (excluding investment component)	5 172	–	5 172	5 172	–	4 790	–	4 790	4 790	–
Change in liability for past service	(93)	–	(93)	(165)	72	328	–	328	340	(12)
Amortisation of insurance acquisition cash flows	106	106	–	–	–	101	101	–	–	–
Insurance finance income or expenses	1 029	–	1 029	982	47	552	–	552	527	25
Cash flow	1 833	6 811	(4 978)	(4 978)	–	1 883	6 684	(4 801)	(4 801)	–
Premiums received during the year	6 917	6 917	–	–	–	6 785	6 785	–	–	–
Claims paid during the year	(4 978)	–	(4 978)	(4 978)	–	(4 801)	–	(4 801)	(4 801)	–
Insurance acquisition cash flows paid	(106)	(106)	–	–	–	(101)	(101)	–	–	–
Net movement for the year	1 246	116	1 130	1 011	119	892	23	869	856	13
Balance at beginning of the year	10 373	(525)	10 898	10 481	417	9 480	(549)	10 029	9 625	404
Balance at end of the year[(1)(2)]	11 619	(409)	12 028	11 492	536	10 372	(526)	10 898	10 481	417

(1) Balance at the end of the year include insurance contract liabilities of R11 619 million (2023: R10 373 million).
(2) Balance at the end of the year include insurance contract liabilities of R10 373 million (2022: R9 480 million).

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8 Insurance contract carrying amount continued

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

8.2.2 General model

Group

Reconciliation per valuation component

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin: Subtotal	Contractual service margin: Fair value transition approach	Contractual service margin: Other[1]	Liability for remaining coverage: Total	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Incurred claims
2024										
Non-onerous contracts recognised during the year[2]	–	(6 433)	1 588	4 845	–	4 845	–	–	–	–
Recognised in statement of comprehensive income	6 369	10 203	(138)	(3 696)	(697)	(2 999)	6 369	(15 634)	48	21 955
Recognised in insurance revenue[3]	(31 634)	(23 448)	(1 748)	(6 438)	(1 667)	(4 771)	(31 634)	(31 514)	(120)	–
Expected incurred claims excluding investment components	(23 244)	(23 244)	–	–	–	–	(23 244)	(23 161)	(83)	–
Expected administration and other expenses	(2 015)	(2 015)	–	–	–	–	(2 015)	(1 986)	(29)	–
Release of risk adjustment for risk expired	(1 748)	–	(1 748)	–	–	–	(1 748)	(1 740)	(8)	–
Recognition of contractual service margin for services provided[4]	(6 438)	–	–	(6 438)	(1 667)	(4 771)	(6 438)	(6 438)	–	–
Premium experience adjustments related to current service and other amounts[9]	1 825	1 825	–	–	–	–	1 825	1 825	–	–
Amounts related to income tax that are specifically chargeable to the policyholder	(14)	(14)	–	–	–	–	(14)	(14)	–	–
Recognised in insurance service expenses[3]	21 798	21 808	(10)	–	–	–	21 798	–	50	21 748
Claims incurred during the year (excluding investment component) and other incurred insurance service expenses	21 911	21 911	–	–	–	–	21 911	–	–	21 911
Expected incurred claims excluding investment components	23 244	23 244	–	–	–	–	23 244	–	–	23 244
Experience adjustment	(1 333)	(1 333)	–	–	–	–	(1 333)	–	–	(1 333)
Change in liability for past service[5]	(163)	(165)	2	–	–	–	(163)	–	–	(163)
Initial loss on onerous contracts recognised during the year[2]	252	118	134	–	–	–	252	–	252	–
Increase and reversal of losses on onerous contracts[2]	(202)	(56)	(146)	–	–	–	(202)	–	(202)	–
Insurance finance income or expenses – impact of unwinding discount rates and financial assumption changes	16 205	11 843	1 620	2 742	970	1 772	16 205	15 880	118	207
Changes in estimates recognised in contractual service margin[2][6]	–	880	(2 257)	1 377	175	1 202	–	–	–	–
Cash flow	15 960	15 960	–	–	–	–	15 960	37 265	–	(21 305)
Premiums received during the year	43 392	43 392	–	–	–	–	43 392	43 392	–	–
Incurred claims – investment components	–	–	–	–	–	–	–	(767)	–	767
Claims paid during the year[7]	(22 072)	(22 072)	–	–	–	–	(22 072)	–	–	(22 072)
Insurance acquisition cash flows paid	(5 360)	(5 360)	–	–	–	–	(5 360)	(5 360)	–	–
Net movement for the year	22 329	20 610	(807)	2 526	(522)	3 048	22 329	21 631	48	650
Recognised in other comprehensive income – foreign currency translation differences	25	25	–	–	4	(4)	25	20	–	5
Liabilities acquired through business combinations	(2 410)	(7 903)	2 103	3 390	222	3 168	(2 410)	(3 133)	–	723
Reclassified as non-current liabilities held for sale	1 320	1 253	53	14	(13)	27	1 320	1 577	22	(279)
Balance at beginning of the year	75 618	41 441	8 767	25 410	10 281	15 129	75 618	71 038	538	4 042
Balance at end of the year[8]	96 882	55 426	10 116	31 340	9 972	21 368	96 882	91 133	608	5 141

(1) Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.

(2) Relates to future service. Line items without a superscript relate to current service.

(3) Line items do not align to the statement of comprehensive income due to the offsetting effect of the reallocation of premium relating to insurance acquisition cash flows and allocations to loss component presented in insurance revenue and insurance service expenses in the statement of comprehensive income but not included in these reconciliations, as well as administration and other expenses attributable to insurance contracts presented in insurance service expenses in the statement of comprehensive income but not included in these reconciliations.

(4) The termination of the group's funeral co-operation arrangement with Capitec (31 October 2024) resulted in the derecognition of the insurance contract liabilities (including the CSM) as at 31 October 2024. This resulted in an increase in the contractual service margin (CSM) recognised as income in insurance revenue for insurance contracts.

(5) Relates to past service. Line items without a superscript relate to current service.

(6) The Capitec transaction has also resulted in the contractual service margin being adjusted to reflect the derecognition of the fulfilment cash flows (ie best estimate of future cash flows and the risk adjustment of the net negative fulfilment cash flows and reducing the risk adjustment) has been reflected as a net negative adjustment to the CSM (before recognition of the CSM as income in income revenue).

(7) The repayments of investment components in the year are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the year).

(8) Balance at the end of the year includes insurance contract assets of R13 175 million (2023: R9 052 million) and insurance contract liabilities of R110 057 million (2023: R84 669 million).

(9) The Capitec recapture fee of R1,88 billion has been recognised as income in insurance revenue for insurance contracts issued, presented as a reduction in the best estimate of future cash flows in this reconciliation. The Capitec termination has also resulted in an inter-company transfer between Sanlam Developing Markets (for insurance contracts issued) and Centriq (for reinsurance contracts held) – this has resulted in an increase in the best estimate of future cash flows for insurance contracts issued, however, with an offsetting impact for reinsurance contracts held in note 9.2.2 and therefore a net zero impact for the group on a net of reinsurance basis.

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8 Insurance contract carrying amount continued

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

8.2.2 General model continued

Group

Reconciliation per valuation component continued

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

(1) Line items do not align to the statement of comprehensive income due to the offsetting effect of the reallocation of premium relating to insurance acquisition cash flows and allocations to loss component presented in insurance revenue and insurance service expenses in the statement of comprehensive income but not included in these reconciliations, as well as administration and other expenses attributable to insurance contracts presented in insurance service expenses in the statement of comprehensive income but not included in these reconciliations.
(2) Relates to future service. Line items without a superscript relate to current service.
(3) Line items do not align to the statement of comprehensive income due to the offsetting effect of the reallocation of premium relating to insurance acquisition cash flows and allocations to loss component presented in insurance revenue and insurance service expenses in the statement of comprehensive income but not included in these reconciliations, as well as administration and other expenses attributable to insurance contracts presented in insurance service expenses in the statement of comprehensive income but not included in these reconciliations.
(4) Relates to past service. Line items without a superscript relate to current service.
(5) The repayments of investment components in the year are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the year).
(6) Balance at the end of the year includes insurance contract assets of R9 052 million (2022: R8 035 million) and insurance contract liabilities of R84 669 million (2022: R78 150 million).

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8 Insurance contract carrying amount continued

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

8.2.2 General model continued

Company

Reconciliation per valuation component

				Contractual service margin				Liability for remaining coverage		
R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Subtotal	Fair value transition approach	Other[4]	Total	Excluding loss component	Loss component	Incurred claims
2024										
Non-onerous contracts recognised during the year[3]	–	(1 600)	413	1 187	–	1 187	–	–	–	–
Recognised in statement of comprehensive income	11 288	11 645	243	(600)	(373)	(227)	11 288	(1 969)	(88)	13 345
Recognised in insurance revenue[1]	(17 108)	(14 685)	(464)	(1 959)	(1 137)	(822)	(17 108)	(17 049)	(59)	–
Expected incurred claims excluding investment components	(13 887)	(13 887)	–	–	–	–	(13 887)	(13 840)	(47)	–
Expected administration and other expenses	(874)	(874)	–	–	–	–	(874)	(864)	(10)	–
Release of risk adjustment for risk expired	(464)	–	(464)	–	–	–	(464)	(462)	(2)	–
Recognition of contractual service margin for services provided	(1 959)	–	–	(1 959)	(1 137)	(822)	(1 959)	(1 959)	–	–
Premium experience adjustments related to current service and other amounts	81	81	–	–	–	–	81	81	–	–
Amounts related to income tax that are specifically chargeable to the policyholder	(5)	(5)	–	–	–	–	(5)	(5)	–	–
Recognised in insurance service expenses[1]	13 167	13 242	(75)	–	–	–	13 167	–	(71)	13 238
Claims incurred during the year (excluding investment component) and other incurred insurance service expenses	13 256	13 256	–	–	–	–	13 256	–	–	13 256
Expected incurred claims excluding investment components	13 887	13 887	–	–	–	–	13 887	–	–	13 887
Experience adjustment	(631)	(631)	–	–	–	–	(631)	–	–	(631)
Change in liability for past service[2]	(18)	(19)	1	–	–	–	(18)	–	–	(18)
Initial loss on onerous contracts recognised during the year[3]	4	(14)	18	–	–	–	4	–	4	–
Increase and reversal of losses on onerous contracts[3]	(75)	19	(94)	–	–	–	(75)	–	(75)	–
Insurance finance income or expenses – impact of unwinding discount rates and financial assumption changes	15 229	13 088	782	1 359	764	595	15 229	15 080	42	107
Changes in estimates recognised in contractual service margin[3]	–	(252)	(224)	476	(80)	556	–	–	–	–
Cash flow	8 780	8 780	–	–	–	–	8 780	22 127	–	(13 347)
Premiums received during the year	25 459	25 459	–	–	–	–	25 459	25 459	–	–
Incurred claims – investment components	–	–	–	–	–	–	–	(606)	–	606
Claims paid during the year[5]	(13 953)	(13 953)	–	–	–	–	(13 953)	–	–	(13 953)
Insurance acquisition cash flows paid	(2 726)	(2 726)	–	–	–	–	(2 726)	(2 726)	–	–
Net movement for the year	20 068	18 573	432	1 063	(453)	1 516	20 068	20 158	(88)	(2)
Balance at beginning of the year	80 926	62 977	4 206	13 743	8 359	5 384	80 926	77 851	579	2 496
Balance at end of the year[6]	100 994	81 550	4 638	14 806	7 906	6 900	100 994	98 009	491	2 494

[1] Line items do not align to the statement of comprehensive income due to the offsetting effect of the reallocation of premium relating to insurance acquisition cash flows and allocations to loss component presented in insurance revenue and insurance service expenses in the statement of comprehensive income but not included in these reconciliations, as well as administration and other expenses attributable to insurance contracts presented in insurance service expenses in the statement of comprehensive income but not included in these reconciliations.
[2] Relates to past service. Line items without a superscript relate to current service.
[3] Relates to future service. Line items without a superscript relate to current service.
[4] Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
[5] The repayments of investment components in the year are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the year).
[6] Balance at the end of the year includes insurance contract assets of R999 million (2023: R1 362 million) and insurance contract liabilities of R101 993 million (2023: R82 288 million).

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8 Insurance contract carrying amount continued

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

8.2.2 General model continued

Company

Reconciliation per valuation component continued

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin: Subtotal	Contractual service margin: Fair value transition approach	Contractual service margin: Other[4]	Total	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Incurred claims
2023										
Non-onerous contracts recognised during the year[3]	–	(1 729)	366	1 363	–	1 363	–	–	–	–
Recognised in statement of comprehensive income	444	1 258	(263)	(551)	(446)	(105)	444	(11 163)	286	11 321
Recognised in insurance revenue[1]	(15 520)	(13 335)	(356)	(1 829)	(1 131)	(698)	(15 520)	(15 485)	(35)	–
Expected incurred claims excluding investment components	(12 024)	(12 024)	–	–	–	–	(12 024)	(11 993)	(31)	–
Expected administration and other expenses	(734)	(734)	–	–	–	–	(734)	(731)	(3)	–
Release of risk adjustment for risk expired	(356)	–	(356)	–	–	–	(356)	(355)	(1)	–
Recognition of contractual service margin for services provided	(1 829)	–	–	(1 829)	(1 131)	(698)	(1 829)	(1 829)	–	–
Premium experience adjustments related to current service and other amounts	(574)	(574)	–	–	–	–	(574)	(574)	–	–
Amounts related to income tax that are specifically chargeable to the policyholder	(3)	(3)	–	–	–	–	(3)	(3)	–	–
Recognised in insurance service expenses[1]	11 590	11 591	(1)	–	–	–	11 590	–	302	11 288
Claims incurred during the year (excluding investment component) and other incurred insurance service expenses	11 330	11 330	–	–	–	–	11 330	–	–	11 330
Expected incurred claims excluding investment components	12 024	12 024	–	–	–	–	12 024	–	–	12 024
Experience adjustment	(694)	(694)	–	–	–	–	(694)	–	–	(694)
Change in liability for past service[2]	(42)	19	(61)	–	–	–	(42)	–	–	(42)
Initial loss on onerous contracts recognised during the year[3]	103	75	28	–	–	–	103	–	103	–
Increase and reversal of losses on onerous contracts[3]	199	167	32	–	–	–	199	–	199	–
Insurance finance income or expenses – impact of unwinding discount rates and financial assumption changes	4 374	3 002	94	1 278	685	593	4 374	4 322	19	33
Changes in estimates recognised in contractual service margin[3]	–	530	599	(1 129)	361	(1 490)	–	–	–	–
Cash flow	9 803	9 803	–	–	–	–	9 803	22 070	–	(12 267)
Premiums received during the year	25 247	25 247	–	–	–	–	25 247	25 247	–	–
Incurred claims – investment components[5]	–	–	–	–	–	–	–	(466)	–	466
Claims paid during the year	(12 733)	(12 733)	–	–	–	–	(12 733)	–	–	(12 733)
Insurance acquisition cash flows paid	(2 711)	(2 711)	–	–	–	–	(2 711)	(2 711)	–	–
Net movement for the year	10 247	9 862	702	(317)	(85)	(232)	10 247	10 907	286	(946)
Balance at beginning of the year	70 679	53 115	3 504	14 060	8 444	5 616	70 679	66 944	293	3 442
Balance at end of the year[6]	80 926	62 977	4 206	13 743	8 359	5 384	80 926	77 851	579	2 496

(1) Line items do not align to the statement of comprehensive income due to the offsetting effect of the reallocation of premium relating to insurance acquisition cash flows and allocations to loss component presented in insurance revenue and insurance service expenses in the statement of comprehensive income but not included in these reconciliations, as well as administration and other expenses attributable to insurance contracts presented in insurance service expenses in the statement of comprehensive income but not included in these reconciliations.
(2) Relates to past service. Line items without a superscript relate to current service.
(3) Relates to future service. Line items without a superscript relate to current service.
(4) Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
(5) The repayments of investment components in the year are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the year).
(6) Balance at the end of the year includes insurance contract assets of R1 362 million (2022: R974 million) and insurance contract liabilities of R82 288 million (2022: R71 653 million).

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8 Insurance contract carrying amount continued

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

Variable fee approach

Group

Reconciliation per valuation component

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

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(3) Relates to future service. Line items without a superscript relate to current service.
(4) Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
(5) The repayments of investment components in the year are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the year).
(6) Changes in the variable fee due to the effect of and changes in the time value of money and financial risks, including the effect of financial guarantees, are related to future service. These impacts are therefore presented as changes in estimates recognised in the contractual service margin and are excluded from the insurance finance income or expenses line item.
(8) Balance at the end of the year include insurance contract liabilities of R74 972 million (2023: R65 184 million).

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8 Insurance contract carrying amount continued

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

Variable fee approach continued

Group

Reconciliation per valuation component continued

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

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(3) Relates to future service. Line items without a superscript relate to current service.
(4) Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
(5) The repayments of investment components in the year are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the year).
(6) Changes in the variable fee due to the effect of and changes in the time value of money and financial risks, including the effect of financial guarantees, are related to future service. These impacts are therefore presented as changes in estimates recognised in the contractual service margin and are excluded from the insurance finance income or expenses line item.
(7) Balance at the end of the year include insurance contract liabilities of R65 184 million (2022: R81 686 million).

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8 Insurance contract carrying amount continued

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

Variable fee approach continued

Company

Reconciliation per valuation component

				Contractual service margin				Liability for remaining coverage		
R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Subtotal	Fair value transition approach	Other[4]	Total	Excluding loss component	Loss component	Incurred claims
2024										
Non-onerous contracts recognised during the year[3]	–	(360)	47	313	–	313	–	–	–	–
Recognised in statement of comprehensive income	6 985	7 652	(28)	(639)	(402)	(237)	6 985	6 905	3	77
Recognised in insurance revenue[1]	(1 328)	(661)	(28)	(639)	(402)	(237)	(1 328)	(1 328)	–	–
Expected incurred claims excluding investment components	(97)	(97)	–	–	–	–	(97)	(97)	–	–
Expected administration and other expenses	(415)	(415)	–	–	–	–	(415)	(415)	–	–
Release of risk adjustment for risk expired	(28)	–	(28)	–	–	–	(28)	(28)	–	–
Recognition of contractual service margin for services provided	(639)	–	–	(639)	(402)	(237)	(639)	(639)	–	–
Premium experience adjustments related to current service and other amounts	(1)	(1)	–	–	–	–	(1)	(1)	–	–
Amounts related to income tax that are specifically chargeable to the policyholder	(148)	(148)	–	–	–	–	(148)	(148)	–	–
Recognised in insurance service expenses[1]	80	80	–	–	–	–	80	–	3	76
Claims incurred during the year (excluding investment component) and other incurred insurance service expenses	91	91	–	–	–	–	91	–	–	91
Expected incurred claims excluding investment components	97	97	–	–	–	–	97	–	–	97
Experience adjustment	(6)	(6)	–	–	–	–	(6)	–	–	(6)
Change in liability for past service[2]	(14)	(14)	–	–	–	–	(14)	–	–	(14)
Increase and reversal of losses on onerous contracts	3	3					3	–	3	
Insurance finance income or expenses – impact of unwinding discount rates and financial assumption changes[6]	8 233	8 233	–	–	–	–	8 233	8 233	–	–
Changes in estimates recognised in contractual service margin[3]	–	(152)	(36)	188	(27)	215	–	–	–	–
Cash flow	(10 671)	(10 671)	–	–	–	–	(10 671)	(10 594)	–	(77)
Premiums received during the year	7 113	7 113	–	–	–	–	7 113	7 113	–	–
Incurred claims – investment components	–	–	–	–	–	–	–	(17 668)	–	17 668
Claims paid during the year[5]	(17 745)	(17 745)	–	–	–	–	(17 745)	–	–	(17 745)
Insurance acquisition cash flows paid	(39)	(39)	–	–	–	–	(39)	(39)	–	–
Net movement for the year	(3 686)	(3 531)	(17)	(138)	(429)	291	(3 686)	(3 689)	3	–
Balance at beginning of the year	62 841	58 866	285	3 690	2 624	1 066	62 841	62 189	–	652
Balance at end of the year[7]	59 155	55 335	268	3 552	2 195	1 357	59 155	58 500	3	652

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[3] Relates to future service. Line items without a superscript relate to current service.

[4] Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.

[5] The repayments of investment components in the year are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the year).

[6] Changes in the variable fee due to the effect of and changes in the time value of money and financial risks, including the effect of financial guarantees, are related to future service. These impacts are therefore presented as changes in estimates recognised in the contractual service margin and are excluded from the insurance finance income or expenses line item.

[7] Balance at the end of the year include insurance contract liabilities of R59 155 million (2023: R62 841 million).

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8 Insurance contract carrying amount continued

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

Variable fee approach continued

Company

Reconciliation per valuation component continued

				Contractual service margin				Liability for remaining coverage		
R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Subtotal	Fair value transition approach	Other[4]	Total	Excluding loss component	Loss component	Incurred claims
2023										
Non-onerous contracts recognised during the year	–	(278)	17	261	–	261	–	–	–	–
Recognised in statement of comprehensive income	5 252	5 960	(26)	(682)	(512)	(170)	5 252	5 203	–	49
Recognised in insurance revenue[1]	(1 786)	(1 078)	(26)	(682)	(512)	(170)	(1 786)	(1 786)	–	–
Expected incurred claims excluding investment components	(108)	(108)	–	–	–	–	(108)	(108)	–	–
Expected administration and other expenses	(515)	(515)	–	–	–	–	(515)	(515)	–	–
Release of risk adjustment for risk expired	(26)	–	(26)	–	–	–	(26)	(26)	–	–
Recognition of contractual service margin	(682)	–	–	(682)	(512)	(170)	(682)	(682)	–	–
Premium experience adjustments related to current service and other amounts	(342)	(342)	–	–	–	–	(342)	(342)	–	–
Amounts related to income tax that are specifically chargeable to the policyholder	(113)	(113)	–	–	–	–	(113)	(113)	–	–
Non-onerous contracts recognised during the year	48	48	–	–	–	–	48	–	–	48
Claims incurred during the year (excluding investment component) and other incurred insurance service expenses	54	54	–	–	–	–	54	–	–	54
Expected incurred claims excluding investment components	108	108	–	–	–	–	108	–	–	108
Experience adjustment	(54)	(54)	–	–	–	–	(54)	–	–	(54)
Change in liability for past service[2]	(6)	(6)	–	–	–	–	(6)	–	–	(6)
Insurance finance income or expenses – impact of unwinding discount rates and financial assumption changes[6]	6 990	6 990	–	–	–	–	6 990	6 989	–	1
Changes in estimates recognised in contractual service margin[3]	–	(761)	29	732	863	(131)	–	–	–	–
Cash flow	(6 220)	(6 220)	–	–	–	–	(6 220)	(6 284)	–	64
Premiums received during the year	7 312	7 312	–	–	–	–	7 312	7 312	–	–
Incurred claims – investment components	–	–	–	–	–	–	–	(13 551)	–	13 551
Claims paid during the year[5]	(13 487)	(13 487)	–	–	–	–	(13 487)	–	–	(13 487)
Insurance acquisition cash flows paid	(45)	(45)	–	–	–	–	(45)	(45)	–	–
Net movement for the year	(968)	(1 299)	20	311	351	(40)	(968)	(1 081)	–	113
Balance at beginning of the year	63 809	60 165	265	3 379	2 273	1 106	63 809	63 270	–	539
Balance at end of the year[7]	62 841	58 866	285	3 690	2 624	1 066	62 841	62 189	–	652

[1] Line items do not align to the statement of comprehensive income due to the offsetting effect of the reallocation of premium relating to insurance acquisition cash flows and allocations to loss component presented in insurance revenue and insurance service expenses in the statement of comprehensive income but not included in these reconciliations, as well as administration and other expenses attributable to insurance contracts presented in insurance service expenses in the statement of comprehensive income but not included in these reconciliations.
[2] Relates to past service. Line items without a superscript relate to current service.
[3] Relates to future service. Line items without a superscript relate to current service.
[4] Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
[5] The repayments of investment components in the year are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the year).
[6] Changes in the variable fee due to the effect of and changes in the time value of money and financial risks, including the effect of financial guarantees, are related to future service. These impacts are therefore presented as changes in estimates recognised in the contractual service margin and are excluded from the insurance finance income or expenses line item.
[7] Balance at the end of the year include insurance contract liabilities of R62 841 million (2022: R63 809 million).

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8 Insurance contract carrying amount continued

8.4 Reconciliation of net carrying amount: General insurance

8.4.1 Premium allocation approach

Group

Reconciliation per valuation component

R million	2024 Total	2024 Liability for remaining coverage: Excluding loss component	2024 Liability for remaining coverage: Loss component	2024 Incurred claims: Subtotal	2024 Incurred claims: Best estimate of future cash flows	2024 Incurred claims: Risk adjustment for non-financial risk	2023 Total	2023 Liability for remaining coverage: Excluding loss component	2023 Incurred claims: Subtotal	2023 Incurred claims: Best estimate of future cash flows	2023 Incurred claims: Risk adjustment for non-financial risk
Recognised in statement of comprehensive income	(6 985)	(36 458)		29 473	29 973	(500)	(8 945)	(51 247)	42 302	42 894	(592)
Recognised in insurance revenue	(44 068)	(44 068)		–	–	–	(57 038)	(57 038)	–	–	–
Recognised in insurance service expenses	34 938	6 423		28 515	29 093	(578)	46 502	5 251	41 251	41 938	(687)
Claims incurred during the period (excluding investment component)	27 308	–		27 308	26 602	706	41 024	–	41 024	40 110	914
Change in incurred claims related to past service	1 207	–		1 207	2 491	(1 284)	227	–	227	1 828	(1 601)
Insurance acquisition cash flows expensed	6 423	6 423		–	–	–	5 251	5 251	–	–	–
Insurance finance income or expenses	2 145	1 187		958	880	78	1 591	540	1 051	956	95
Cash flow	9 234	40 007		(30 773)	(30 773)	–	10 425	51 521	(41 096)	(41 096)	–
Premiums received during the period	48 256	48 256		–	–	–	56 772	56 772	–	–	–
Incurred claims – investment components	–	(1 101)		1 101	1 101	–	–	(505)	505	505	–
Claims paid during the period	(31 874)	–		(31 874)	(31 874)	–	(41 601)	–	(41 601)	(41 601)	–
Insurance acquisition cash flows paid	(7 148)	(7 148)		–	–	–	(4 746)	(4 746)	–	–	–
Net movement for the year	2 249	3 549	–	(1 300)	(800)	(500)	1 480	274	1 206	1 798	(592)
Recognised in other comprehensive income – foreign currency translation differences	–	–	–	–	–	–	(122)	–	(122)	(122)	–
Liabilities acquired through business combinations	18	–	18	–	–	–	–	–	–	–	–
Reclassified (to)/from non-current liabilities held for sale	–	–	–	–	–	–	(3 161)	–	(3 161)	(3 161)	–
Balance at beginning of the year	31 638	12 126	–	19 512	17 901	1 611	33 441	11 852	21 589	19 386	2 203
Balance at end of the year[(1)(2)]	33 905	15 675	18	18 212	17 101	1 111	31 638	12 126	19 512	17 901	1 611

(1) Balance at the end of the year includes insurance contract assets of R492 million (2023: R408 million) and insurance contract liabilities of R34 397 million (2023: R32 047 million).

(2) Balance at the end of the year includes insurance contract assets of R408 million (2022: R696 million) and insurance contract liabilities of R32 047 million (2022: R34 138 million).

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8 Insurance contract carrying amount continued

8.4 Reconciliation of net carrying amount: General insurance continued

8.4.2 General model

Group

Reconciliation per valuation component continued

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin Subtotal: Contractual service margin	Other[3]	Total	Liability for remaining coverage Excluding loss component	Incurred claims
2024								
Recognised in statement of comprehensive income	96	102	–	(6)	(6)	96	(18)	114
Recognised in insurance revenue[1]	(98)	(90)	–	(8)	(8)	(98)	(98)	–
Expected incurred claims excluding investment components	(90)	(90)	–	–	–	(90)	(90)	–
Recognition of contractual service margin for services provided	(8)	–	–	(8)	(8)	(8)	(8)	–
Recognised in insurance service expenses[1]	114	114	–	–	–	114	–	114
Claims incurred during the year (excluding investment component)[2]	114	114	–	–	–	114	–	114
Expected incurred claims excluding investment components	90	90		–	–	90	–	90
Experience adjustment	24	24		–	–	24	–	24
Insurance finance income or expenses – impact of unwinding discount rates and financial assumption changes	80	78	–	2	2	80	80	–
Changes in estimates recognised in contractual service margin	–	–	–	–	–	–	–	–
Cash flow	(129)	(129)	–	–	–	(129)	(15)	(114)
Claims paid during the year[6]	(114)	(114)	–	–	–	(114)	–	(114)
Insurance acquisition cash flows	(15)	(15)	–	–	–	(15)	(15)	–
Net movement for the year	(33)	(27)		(6)	(6)	(33)	(33)	–
Balance at beginning of the year	674	632	1	41	41	674	674	–
Balance at end of the year[4]	641	605	1	35	35	641	641	–
2023								
Recognised in statement of comprehensive income	88	69	–	19	19	88	88	–
Recognised in insurance revenue[1]	9	14	–	(5)	(5)	9	9	–
Recognition of contractual service margin for services provided	(5)	–	–	(5)	(5)	(5)	(5)	–
Premium experience adjustments related to current service and other amounts	14	14	–	–	–	14	14	–
Insurance finance income or expenses – impact of unwinding discount rates and financial assumption changes	79	55	–	24	24	79	79	–
Cash flow	(116)	(116)	–	–	–	(116)	(116)	
Incurred claims – investment components	–	–	–	–	–	–	(116)	116
Claims paid during the year[6]	(116)	(116)	–	–	–	(116)	–	(116)
Net movement for the year	(28)	(47)	–	19	19	(28)	(28)	–
Balance at beginning of the year	702	679	1	22	22	702	702	–
Balance at end of the year[5]	674	632	1	41	41	674	674	–

[1] Line items do not align to the statement of comprehensive income due to the offsetting effect of the reallocation of premium relating to insurance acquisition cash flows and allocations to loss component presented in insurance revenue and insurance service expenses in the statement of comprehensive income but not included in these reconciliations, as well as administration and other expenses attributable to insurance contracts presented in insurance service expenses in the statement of comprehensive income but not included in these reconciliations.
[2] Expected incurred claims excluding investment components approximate actual incurred claims excluding investment component.
[3] Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
[4] Balance at the end of the year include insurance contract liabilities of R641 million (2023: R674 million).
[5] Balance at the end of the year include insurance contract liabilities of R674 million (2022: R702 million).
[6] The repayments of investment components in the period are included in this line item with the investment components incurred being shown separately in the line item above (presented as a net zero impact on the movement in the period).

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8 Insurance contract carrying amount continued

8.5 Carrying value of new insurance contracts issued during the year

Group

R million	2024 Total	2024 Groups of contracts: Expected to be profitable at initial recognition	2024 Groups of contracts: Onerous at initial recognition	2024 Groups of contracts: Acquired through business combinations	2023 Total	2023 Groups of contracts: Expected to be profitable at initial recognition	2023 Groups of contracts: Onerous at initial recognition
Estimate of the present value of future cash inflows	(80 926)	(45 744)	(2 789)	(32 393)	(51 569)	(49 799)	(1 770)
Estimate of the present value of future cash outflows (excluding insurance acquisition cash flows)	61 056	34 249	2 135	24 672	38 373	36 942	1 431
Insurance acquisition cash flows	5 430	4 651	779	–	5 835	5 352	483
Risk adjustment for non-financial risk	3 902	1 654	134	2 114	2 190	2 108	82
Contractual service margin	8 582	5 190	–	3 392	5 397	5 397	–
Net carrying amount of insurance contracts issued during the year	(1 956)	–	259	(2 215)	226	–	226
Analysis per line of business							
Life insurance – Risk business	(2 158)	–	252	(2 410)	219	–	219
Estimate of the present value of future cash inflows	(79 364)	(44 448)	(2 523)	(32 393)	(50 211)	(48 511)	(1 700)
Estimate of the present value of future cash outflows (excluding insurance acquisition cash flows)	59 606	33 200	1 917	24 489	37 621	36 241	1 380
Insurance acquisition cash flows	5 532	4 808	724	–	5 554	5 097	457
Risk adjustment for non-financial risk	3 827	1 589	134	2 104	2 161	2 079	82
Contractual service margin	8 241	4 851	–	3 390	5 094	5 094	–
Life insurance – Savings business	202	–	7	195	7	–	7
Estimate of the present value of future cash inflows	(1 562)	(1 296)	(266)	–	(1 358)	(1 288)	(70)
Estimate of the present value of future cash outflows (excluding insurance acquisition cash flows)	1 450	1 049	218	183	752	701	51
Insurance acquisition cash flows	(102)	(157)	55	–	281	255	26
Risk adjustment for non-financial risk	75	65	–	10	29	29	–
Contractual service margin	341	339	–	2	303	303	–
Net carrying amount of insurance contracts issued during the year	(1 956)	–	259	(2 215)	226	–	226

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8 Insurance contract carrying amount continued

8.5 Carrying value of new insurance contracts issued during the year continued

Company

	2024			2023		
		Groups of contracts			Groups of contracts	
R million	Total	Expected to be profitable at initial recognition	Onerous at initial recognition	Total	Expected to be profitable at initial recognition	Onerous at initial recognition
Estimate of the present value of future cash inflows	(24 500)	(23 663)	(837)	(24 037)	(22 572)	(1 465)
Estimate of the present value of future cash outflows (excluding insurance acquisition cash flows)	19 770	19 000	770	19 362	18 092	1 270
Insurance acquisition cash flows	2 756	2 703	53	2 743	2 473	270
Risk adjustment for non-financial risk	478	460	18	411	383	28
Contractual service margin	1 500	1 500	–	1 624	1 624	–
Net carrying amount of insurance contracts issued during the year	4	–	4	103	–	103
Analysis per line of business						
Life insurance – Risk business	4	–	4	103	–	103
Estimate of the present value of future cash inflows	(24 234)	(23 397)	(837)	(23 837)	(22 372)	(1 465)
Estimate of the present value of future cash outflows (excluding insurance acquisition cash flows)	19 897	19 127	770	19 466	18 196	1 270
Insurance acquisition cash flows	2 723	2 670	53	2 717	2 447	270
Risk adjustment for non-financial risk	431	413	18	394	366	28
Contractual service margin	1 187	1 187	–	1 363	1 363	–
Life insurance – Savings business	–	–	–	–	–	–
Estimate of the present value of future cash inflows	(266)	(266)	–	(200)	(200)	–
Estimate of the present value of future cash outflows (excluding insurance acquisition cash flows)	(127)	(127)	–	(104)	(104)	–
Insurance acquisition cash flows	33	33	–	26	26	–
Risk adjustment for non-financial risk	47	47	–	17	17	–
Contractual service margin	313	313	–	261	261	–
Net carrying amount of insurance contracts issued during the year	4	–	4	103	–	103

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8 Insurance contract carrying amount continued

8.6 Expected recognition of contractual service margin

Analysis per line of business

Group

Life insurance – Risk business

R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10[1]	>10
	Years						
2024							
Balance at beginning of the year	**31 340**	**28 037**	**25 328**	**23 489**	**21 937**	**20 612**	**16 787**
Accretion of interest on liabilities under the general model	**2 506**	**2 313**	**2 644**	**2 525**	**2 420**	**11 475**	**31 434**
Recognised in statement of comprehensive income	**(5 809)**	**(5 022)**	**(4 483)**	**(4 077)**	**(3 745)**	**(15 300)**	**(48 221)**
Balance at the end of the year	**28 037**	**25 328**	**23 489**	**21 937**	**20 612**	**16 787**	**–**
Re-presented – 2023[1]							
Balance at beginning of the year	25 410	22 902	20 780	18 936	17 744	16 707	13 396
Accretion of interest on liabilities under the general model	2 017	1 844	1 708	2 048	1 955	8 999	23 752
Recognised in statement of comprehensive income	(4 525)	(3 966)	(3 552)	(3 240)	(2 992)	(12 310)	(37 148)
Balance at the end of the year	22 902	20 780	18 936	17 744	16 707	13 396	–

Life insurance – Savings business

R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10[1]	>10
	Years						
2024							
Balance at beginning of the year	**4 494**	**4 231**	**3 978**	**3 725**	**3 500**	**3 298**	**2 391**
Allocation of investment return to contracts under the variable fee approach	**480**	**456**	**416**	**405**	**391**	**1 485**	**3 958**
Recognised in statement of comprehensive income	**(743)**	**(709)**	**(669)**	**(630)**	**(593)**	**(2 392)**	**(6 349)**
Balance at the end of the year	**4 231**	**3 978**	**3 725**	**3 500**	**3 298**	**2 391**	**–**
Re-presented – 2023[1]							
Balance at beginning of the year	4 281	4 104	3 941	3 782	3 591	3 421	2 958
Allocation of investment return to contracts under the variable fee approach	540	526	501	435	421	1 745	8 870
Recognised in statement of comprehensive income	(717)	(689)	(660)	(626)	(591)	(2 208)	(11 828)
Balance at the end of the year	4 104	3 941	3 782	3 591	3 421	2 958	–

General insurance

R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10[1]	>10
	Years						
2024							
Balance at beginning of the year	**35**	**31**	**26**	**21**	**14**	**5**	**–**
Accretion of interest on liabilities under the general model	**4**	**3**	**4**	**3**	**2**	**1**	**–**
Recognised in statement of comprehensive income	**(8)**	**(8)**	**(9)**	**(10)**	**(11)**	**(6)**	**–**
Balance at the end of the year	**31**	**26**	**21**	**14**	**5**	**–**	**–**
Re-presented – 2023[1]							
Balance at beginning of the year	41	37	33	29	23	16	–
Accretion of interest on liabilities under the general model	3	3	4	3	3	4	–
Recognised in statement of comprehensive income	(7)	(7)	(8)	(9)	(10)	(20)	–
Balance at the end of the year	37	33	29	23	16	–	–

Total

R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10[1]	>10
	Years						
2024							
Balance at beginning of the year	**35 869**	**32 299**	**29 332**	**27 235**	**25 451**	**23 915**	**19 178**
Accretion of interest on liabilities under the general model	**2 510**	**2 316**	**2 648**	**2 528**	**2 422**	**11 476**	**31 434**
Allocation of investment return to contracts under the variable fee approach	**480**	**456**	**416**	**405**	**391**	**1 485**	**3 958**
Recognised in statement of comprehensive income	**(6 560)**	**(5 739)**	**(5 161)**	**(4 717)**	**(4 349)**	**(17 698)**	**(54 570)**
Balance at the end of the year	**32 299**	**29 332**	**27 235**	**25 451**	**23 915**	**19 178**	**–**
Re-presented – 2023[1]							
Balance at beginning of the year	29 732	27 043	24 754	22 747	21 358	20 144	16 354
Accretion of interest on liabilities under the general model	2 020	1 847	1 712	2 051	1 958	9 003	23 752
Allocation of investment return to contracts under the variable fee approach	540	526	501	435	421	1 745	8 870
Recognised in statement of comprehensive income	(5 249)	(4 662)	(4 220)	(3 875)	(3 593)	(14 538)	(48 976)
Balance at the end of the year	27 043	24 754	22 747	21 358	20 144	16 354	–

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

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8 Insurance contract carrying amount continued

8.6 Expected recognition of contractual service margin continued

Analysis per line of business

Company

Life insurance – Risk business

	Years						
R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10[1]	>10
2024							
Balance at beginning of the year	14 806	14 177	13 567	13 371	13 171	12 964	12 500
Accretion of interest on liabilities under the general model	1 291	1 250	1 630	1 609	1 586	8 312	25 010
Recognised in statement of comprehensive income	(1 920)	(1 860)	(1 826)	(1 809)	(1 793)	(8 776)	(37 510)
Balance at the end of the year	14 177	13 567	13 371	13 171	12 964	12 500	–
Re-presented – 2023[1]							
Balance at beginning of the year	13 743	13 147	12 566	12 006	11 834	11 663	11 076
Accretion of interest on liabilities under the general model	1 209	1 160	1 121	1 473	1 455	7 297	22 162
Recognised in statement of comprehensive income	(1 805)	(1 741)	(1 681)	(1 645)	(1 626)	(7 884)	(33 238)
Balance at the end of the year	13 147	12 566	12 006	11 834	11 663	11 076	–

Life insurance – Savings business

	Years						
R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10[1]	>10
2024							
Balance at beginning of the year	3 552	3 396	3 241	3 079	2 937	2 813	2 168
Allocation of investment return to contracts under the variable fee approach	457	434	397	388	376	1 443	3 939
Recognised in statement of comprehensive income	(613)	(589)	(559)	(530)	(500)	(2 088)	(6 107)
Balance at the end of the year	3 396	3 241	3 079	2 937	2 813	2 168	–
Re-presented – 2023[1]							
Balance at beginning of the year	3 690	3 563	3 449	3 339	3 199	3 080	2 823
Allocation of investment return to contracts under the variable fee approach	513	499	476	414	402	1 685	8 844
Recognised in statement of comprehensive income	(640)	(613)	(586)	(554)	(521)	(1 942)	(11 667)
Balance at the end of the year	3 563	3 449	3 339	3 199	3 080	2 823	–

Total

	Years						
R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10[1]	>10
2024							
Balance at beginning of the year	18 358	17 573	16 808	16 450	16 108	15 777	14 668
Allocation of investment return to contracts under the variable fee approach	1 291	1 250	1 630	1 609	1 586	8 312	25 010
Allocation of investment return to contracts under the variable fee approach	457	434	397	388	376	1 443	3 939
Recognised in statement of comprehensive income	(2 533)	(2 449)	(2 385)	(2 339)	(2 293)	(10 864)	(43 617)
Balance at the end of the year	17 573	16 808	16 450	16 108	15 777	14 668	–
Re-presented – 2023							
Balance at beginning of the year	17 433	16 710	16 015	15 345	15 033	14 743	13 899
Accretion of interest on liabilities under the general model	1 209	1 160	1 121	1 473	1 455	7 297	22 162
Allocation of investment return to contracts under the variable fee approach	513	499	476	414	402	1 685	8 844
Recognised in statement of comprehensive income	(2 445)	(2 354)	(2 267)	(2 199)	(2 147)	(9 826)	(44 905)
Balance at the end of the year	16 710	16 015	15 345	15 033	14 743	13 899	–

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

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

R million	2024	2023
Group		
Properties	2 348	2 495
Financial investments	52 178	60 369
Equities and similar securities	12 529	14 493
Deposits and similar securities (Investments)	1 773	2 518
Structured transactions	1 174	1 351
Interest-bearing investments	20 079	20 092
Government interest-bearing investments	9 119	10 391
Corporate interest-bearing investments	8 797	6 453
Other interest-bearing investments	2 163	3 248
Investment funds	16 623	21 915
Net working capital	12 771	12 664
Cash and cash equivalents	6 236	1 643
Underlying items for contracts with direct participating features	73 533	77 171

R million	2024	2023
Company		
Properties	2 348	2 495
Financial investments	50 584	58 729
Equities and similar securities	12 365	14 334
Deposits and similar securities (Investments)	1 773	2 518
Structured transactions	1 125	1 308
Interest-bearing investments	19 397	19 353
Government interest-bearing investments	8 472	9 705
Corporate interest-bearing investments	8 762	6 400
Other interest-bearing investments	2 163	3 248
Investment funds	15 924	21 216
Cash and cash equivalents	6 223	1 615
	59 155	62 839

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9 Reinsurance contract carrying amount

9.1 Analysis of net reinsurance contract carrying amount

Group

Analysis per line of business and valuation method

R million	Note	Total	Remaining coverage component				Incurred claims component		
			Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk
2024									
Life insurance – Risk business	9.2	(2 247)	2 232	12 506	(1 760)	(8 777)	(4 479)	(4 311)	(168)
Premium allocation approach[1]		(2 293)	263	–	–	–	(2 556)	(2 411)	(145)
General model		46	1 969	12 506	(1 760)	(8 777)	(1 923)	(1 900)	(23)
General insurance	9.3	(3 754)	2 501	1 474	(1)	(35)	(6 255)	(5 642)	(613)
Premium allocation approach[1]		(5 203)	1 063	–	–	–	(6 266)	(5 653)	(613)
General model		1 449	1 438	1 474	(1)	(35)	11	11	–
Net reinsurance contract carrying amount		(6 001)	4 733	13 980	(1 761)	(8 812)	(10 734)	(9 953)	(781)
Premium allocation approach[1]		(7 496)	1 326	–	–	–	(8 822)	(8 064)	(758)
General model		1 495	3 407	13 980	(1 761)	(8 812)	(1 912)	(1 889)	(23)
Net reinsurance contract carrying amount		(6 001)	4 733	13 980	(1 761)	(8 812)	(10 734)	(9 953)	(781)
Reinsurance contract liabilities		5 232	5 783	14 435	(1 297)	(9 409)	(551)	(551)	–
Reinsurance contract assets		(11 233)	(1 050)	(455)	(464)	597	(10 183)	(9 402)	(781)
Net reinsurance contract carrying amount		(6 001)	4 733	13 980	(1 761)	(8 812)	(10 734)	(9 953)	(781)
2023									
Life insurance – Risk business	9.2	(2 373)	1 550	10 084	(1 942)	(7 189)	(3 923)	(3 801)	(122)
Premium allocation approach[1]		(2 070)	597	–	–	–	(2 667)	(2 577)	(90)
General model		(303)	953	10 084	(1 942)	(7 189)	(1 256)	(1 224)	(32)
General insurance	9.3	(6 471)	2 334	1 511	(1)	(41)	(8 805)	(8 090)	(715)
Premium allocation approach[1]		(7 951)	865	–	–	–	(8 816)	(8 101)	(715)
General model		1 480	1 469	1 511	(1)	(41)	11	11	–
Net reinsurance contract carrying amount		(8 844)	3 884	11 595	(1 943)	(7 230)	(12 728)	(11 891)	(837)
Premium allocation approach[1]		(10 021)	1 462	–	–	–	(11 483)	(10 678)	(805)
General model		1 177	2 422	11 595	(1 943)	(7 230)	(1 245)	(1 213)	(32)
Net reinsurance contract carrying amount		(8 844)	3 884	11 595	(1 943)	(7 230)	(12 728)	(11 891)	(837)
Reinsurance contract liabilities		5 686	6 254	10 942	(1 117)	(5 469)	(568)	(568)	–
Reinsurance contract assets		(14 530)	(2 370)	653	(826)	(1 761)	(12 160)	(11 323)	(837)
Net reinsurance contract carrying amount		(8 844)	3 884	11 595	(1 943)	(7 230)	(12 728)	(11 891)	(837)

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

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9 Reinsurance contract carrying amount continued

9.1 Analysis of net reinsurance contract carrying amount continued

Company

Analysis per line of business and valuation method

			Remaining coverage component				Incurred claims component		
R million	Note	Total	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk
2024									
Life insurance – Risk business	9.2	(4 167)	(324)	(603)	(428)	707	(3 843)	(3 703)	(140)
Premium allocation approach[1]		(2 757)	–	–	–	–	(2 757)	(2 639)	(118)
General model		(1 410)	(324)	(603)	(428)	707	(1 086)	(1 064)	(22)
Net reinsurance contract carrying amount		(4 167)	(324)	(603)	(428)	707	(3 843)	(3 703)	(140)
Premium allocation approach[1]		(2 757)	–	–	–	–	(2 757)	(2 639)	(118)
General model		(1 410)	(324)	(603)	(428)	707	(1 086)	(1 064)	(22)
Net reinsurance contract carrying amount		(4 167)	(324)	(603)	(428)	707	(3 843)	(3 703)	(140)
Reinsurance contract assets		(4 167)	(324)	(603)	(428)	707	(3 843)	(3 703)	(140)
Net reinsurance contract carrying amount		(4 167)	(324)	(603)	(428)	707	(3 843)	(3 703)	(140)
2023									
Life insurance – Risk business	9.2	(4 389)	(1 383)	(1 415)	(381)	413	(3 006)	(2 894)	(112)
Premium allocation approach[1]		(2 475)	–	–	–	–	(2 475)	(2 387)	(88)
General model		(1 914)	(1 383)	(1 415)	(381)	413	(531)	(507)	(24)
Net reinsurance contract carrying amount		(4 389)	(1 383)	(1 415)	(381)	413	(3 006)	(2 894)	(112)
Premium allocation approach[1]		(2 475)	–	–	–	–	(2 475)	(2 387)	(88)
General model		(1 914)	(1 383)	(1 415)	(381)	413	(531)	(507)	(24)
Net reinsurance contract carrying amount		(4 389)	(1 383)	(1 415)	(381)	413	(3 006)	(2 894)	(112)
Reinsurance contract assets		(4 389)	(1 383)	(1 415)	(381)	413	(3 006)	(2 894)	(112)
Net reinsurance contract carrying amount		(4 389)	(1 383)	(1 415)	(381)	413	(3 006)	(2 894)	(112)

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

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9 Reinsurance contract carrying amount continued

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

9.2.1 Premium allocation approach

Group

Reconciliation per valuation component

	2024					2023				
			Incurred claims component					Incurred claims component		
R million	Total	Remaining coverage component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total	Remaining coverage component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk
Recognised in statement of comprehensive income	(36)	847	(883)	(845)	(38)	558	1 813	(1 255)	(1 259)	4
Income or expense from reinsurance contracts[1]	136	676	(540)	(517)	(23)	729	1 774	(1 045)	(1 056)	11
Reinsurance expenses for the portion of ceded premiums recovered during the period	676	676	–	–	–	1 766	1 766	–	–	–
Claims incurred during period (excluding invest comp) recoverable reinsurance contracts	(833)	–	(833)	(825)	(8)	(1 145)	–	(1 145)	(1 143)	(2)
Changes in incurred claims related to past service	293	–	293	308	(15)	144	–	144	131	13
Other income or expenses from reinsurance contracts	–	–	–	–	–	(36)	8	(44)	(44)	–
Reinsurance finance income or expense	(172)	171	(343)	(328)	(15)	(171)	39	(210)	(203)	(7)
Cash flow	(150)	(1 072)	922	922	–	(709)	(1 300)	591	591	–
Premiums paid	(909)	(909)	–	–	–	(1 178)	(1 178)	–	–	–
Recoveries received under reinsurance contracts held	759	–	759	759	–	431	–	431	431	–
Incurred claims recoverable – investment components	–	(163)	163	163	–	–	(160)	160	160	–
Administration and other expenses	–	–	–	–	–	38	38	–	–	–
Net movement for the year	(186)	(225)	39	77	(38)	(151)	513	(664)	(668)	4
Recognised in other comprehensive income – foreign currency translation differences	4	(11)	15	15	–	5	(5)	10	11	(1)
Reclassified as non-current liabilities held for sale	(41)	(98)	57	74	(17)	(108)	(324)	216	198	18
Balance at beginning of the year	(2 070)	597	(2 667)	(2 577)	(90)	(1 816)	413	(2 229)	(2 118)	(111)
Balance at end of the year[2][3]	(2 293)	263	(2 556)	(2 411)	(145)	(2 070)	597	(2 667)	(2 577)	(90)

(1) Reinsurance expenses are recognised similarly to insurance revenue, reflecting the portion of the premiums paid allocated in profit or loss for services provided by reinsurers in the period, with the other amounts representing the net amounts (income) recoverable from reinsurers. Refer to the income or expense from reinsurance contracts section in the basis of presentation for further details.

(2) Balance at the end of the year includes reinsurance contract assets of R2 788 million (2023: R2 564 million) and reinsurance contract liabilities of R497 million (2023: R490 million).

(3) Balance at the end of the year includes reinsurance contract assets of R2 564 million (2022: R2 260 million) and reinsurance contract liabilities of R490 million (2022: R446 million).

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9 Reinsurance contract carrying amount continued

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

9.2.1 Premium allocation approach continued

Company

Reconciliation per valuation component

R million	2024 Total	2024 Remaining coverage component	2024 Incurred claims component: Subtotal	2024 Incurred claims component: Best estimate of future cash flows	2024 Incurred claims component: Risk adjustment for non-financial risk	2023 Total	2023 Remaining coverage component	2023 Incurred claims component: Subtotal	2023 Incurred claims component: Best estimate of future cash flows	2023 Incurred claims component: Risk adjustment for non-financial risk
Recognised in statement of comprehensive income	(216)	523	(739)	(709)	(30)	49	894	(845)	(850)	5
Income or expense from reinsurance contracts[1]	103	523	(420)	(405)	(15)	226	894	(668)	(681)	13
Reinsurance expenses for the portion of ceded premiums recovered during the period	523	523	–	–	–	894	894	–	–	–
Claims incurred during period (excluding invest comp) recoverable reinsurance contracts	(525)	–	(525)	(525)	–	(760)	–	(760)	(760)	–
Changes in incurred claims related to past service	105	–	105	120	(15)	92	–	92	79	13
Reinsurance finance income or expense	(319)	–	(319)	(304)	(15)	(177)	–	(177)	(169)	(8)
Cash flow	(66)	(523)	457	457	–	(452)	(894)	442	442	–
Premiums paid	(523)	(523)	–	–	–	(894)	(894)	–	–	–
Recoveries received under reinsurance contracts held	457	–	457	457	–	442	–	442	442	–
Net movement for the year	(282)	–	(282)	(252)	(30)	(403)	–	(403)	(408)	5
Balance at beginning of the year	(2 475)	–	(2 475)	(2 387)	(88)	(2 072)	–	(2 072)	(1 979)	(93)
Balance at end of the year[2][3]	(2 757)	–	(2 757)	(2 639)	(118)	(2 475)	–	(2 475)	(2 387)	(88)

[1] Reinsurance expenses are recognised similarly to insurance revenue, reflecting the portion of the premiums paid allocated in profit or loss for services provided by reinsurers in the period, with the other amounts representing the net amounts (income) recoverable from reinsurers. Refer to the income or expense from reinsurance contracts section in the basis of presentation for further details.
[2] Balance at the end of the year include reinsurance contract assets of R2 757 million (2023: R2 476 million).
[3] Balance at the end of the year include reinsurance contract assets of R2 476 million (2022: R2 072 million).

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9 Reinsurance contract carrying amount continued

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

9.2.2 General model

Group

Reconciliation per valuation component

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

[1] Relates to past service. Line items without a superscript relate to current service.
[2] Relates to future service. Line items without a superscript relate to current service.
[3] Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
[4] Balance at the end of the year includes reinsurance contract assets of R1 685 million (2023: R2 612 million) and reinsurance contract liabilities of R1 729 million (2023: R2 307 million).

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9 Reinsurance contract carrying amount continued

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

9.2.2 General model continued

Group

Reconciliation per valuation component continued

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

(1) Relates to past service. Line items without a superscript relate to current service.
(2) Relates to future service. Line items without a superscript relate to current service.
(3) Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
(4) Balance at the end of the year includes reinsurance contract assets of R2 612 million (2022: R3 070 million) and reinsurance contract liabilities of R2 307 million (2022: R1 126 million).

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9 Reinsurance contract carrying amount continued

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

9.2.2 General model continued

Company

Reconciliation per valuation component

				Contractual service margin			Remaining coverage component			
R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Subtotal	Fair value transition approach	Other[3]	Total	Excluding loss recovery component	Loss recovery component	Incurred claims component
2024										
Contracts recognised during the year for future coverage	–	(25)	(20)	45	–	45	–	–	–	–
Recognised in statement of comprehensive income	238	330	55	(147)	(50)	(97)	238	2 087	(1)	(1 848)
Income or expense from reinsurance contracts	346	448	94	(196)	(45)	(151)	346	2 175	(1)	(1 828)
Recognition of contractual service margin for services received	(195)	–	–	(195)	(45)	(150)	(195)	(195)	–	–
Release of risk adjustment for risk expired	92	–	92	–	–	–	92	92	–	–
Premium experience adjustments related to current service and other amounts	168	168	–	–	–	–	168	168	–	–
Expected incurred claims (excluding investment components) recoverable from reinsurance contracts	–	–	–	–	–	–	–	2 110	–	(2 110)
Claims experience adjustments related to current service	(12)	(12)	–	–	–	–	(12)	–	–	(12)
Changes in incurred claims related to past service[1]	294	292	2	–	–	–	294	–	–	294
Loss recovery component recognised during the year for future coverage[2]	(1)	–	–	(1)	–	(1)	(1)	–	(1)	–
Reinsurance finance income or expenses	(108)	(118)	(39)	49	(5)	54	(108)	(88)	–	(20)
Impact of unwinding discount rates and financial assumption changes	(108)	(118)	(39)	49	(5)	54	(108)	(88)	–	(20)
Changes in estimates recognised in contractual service margin[2]	–	(316)	(80)	396	228	168	–	–	–	–
Cash flow	266	266	–	–	–	–	266	(1 027)	–	1 293
Premiums paid	(1 027)	(1 027)	–	–	–	–	(1 027)	(1 027)	–	–
Recoveries received under reinsurance contracts held	1 293	1 293	–	–	–	–	1 293	–	–	1 293
Net movement for the year	504	255	(45)	294	178	116	504	1 060	(1)	(555)
Balance at beginning of the year	(1 914)	(1 922)	(405)	413	(59)	472	(1 914)	(1 390)	7	(531)
Balance at end of the year[4]	(1 410)	(1 667)	(450)	707	119	588	(1 410)	(330)	6	(1 086)

[1] Relates to past service. Line items without a superscript relate to current service.
[2] Relates to future service. Line items without a superscript relate to current service.
[3] Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
[4] Balance at the end of the year include reinsurance contract assets of R1 410 million (2023: R1 914 million).

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9 Reinsurance contract carrying amount continued

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

9.2.2 General model continued

Company

Reconciliation per valuation component continued

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin: Subtotal	Contractual service margin: Fair value transition approach	Contractual service margin: Other[3]	Remaining coverage component: Total	Remaining coverage component: Excluding loss recovery component	Remaining coverage component: Loss recovery component	Incurred claims component
2023										
Contracts recognised during the year for future coverage	–	(12)	(14)	26	–	26	–	–	–	–
Recognised in statement of comprehensive income	222	256	54	(88)	12	(100)	222	1 900	(14)	(1 664)
Income or expense from reinsurance contracts	292	336	77	(121)	24	(145)	292	1 971	(14)	(1 665)
Recognition of contractual service margin for services received	(106)	–	–	(106)	24	(130)	(106)	(106)	–	–
Release of risk adjustment for risk expired	52	–	52	–	–	–	52	52	–	–
Premium experience adjustments related to current service and other amounts	331	331	–	–	–	–	331	331	–	–
Expected incurred claims (excluding investment components) recoverable from reinsurance contracts	–	–	–	–	–	–	–	1 695	–	(1 695)
Claims experience adjustments related to current service	(1)	(1)	–	–	–	–	(1)	–	–	(1)
Change in past service[1]	31	6	25	–	–	–	31	–	–	31
Loss recovery component recognised during the year for future coverage[2]	(1)	–	–	(1)	–	(1)	(1)	–	(1)	–
Changes in estimates which adjust the loss recovery component[2]	(14)	–	–	(14)	–	(14)	(14)	–	(14)	–
Allocation of loss recovery component[2]	–	–	–	–	–	–	–	(1)	1	–
Reinsurance finance income or expenses	(70)	(80)	(23)	33	(12)	45	(70)	(71)	–	1
Excluding recognition of assumption changes in contract service margin at locked-in interest rates	(70)	(80)	(23)	33	(12)	45	(70)	(71)	–	1
Changes in estimates recognised in contractual service margin[2]	–	(116)	(107)	223	87	136	–	–	–	–
Cash flow	(14)	(14)	–	–	–	–	(14)	(2 358)	–	2 344
Premiums paid	(2 358)	(2 358)	–	–	–	–	(2 358)	(2 358)	–	–
Recoveries received under reinsurance contracts held	2 344	2 344	–	–	–	–	2 344	–	–	2 344
Net movement for the year	208	114	(67)	161	99	62	208	(458)	(14)	680
Balance at beginning of the year	(2 122)	(2 036)	(338)	252	(158)	410	(2 122)	(932)	21	(1 211)
Balance at end of the year[4]	(1 914)	(1 922)	(405)	413	(59)	472	(1 914)	(1 390)	7	(531)

[1] Relates to past service. Line items without a superscript relate to current service.
[2] Relates to future service. Line items without a superscript relate to current service.
[3] Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
[4] Balance at the end of the year include reinsurance contract assets of R1 914 million (2022: R2 132 million) and reinsurance contract liabilities of Rnil million (2022: R10 million).

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9 Reinsurance contract carrying amount continued

9.3 Reconciliation of net carrying amount: General insurance

9.3.1 Premium allocation approach

Group

Reconciliation per valuation component

	2024					2023				
			Incurred claims component					Incurred claims component		
R million	Total	Remaining coverage component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total	Remaining coverage component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk
Recognised in statement of comprehensive income	4 733	8 364	(3 631)	(3 733)	102	7 357	13 512	(6 155)	(6 508)	353
Income or expense from reinsurance contracts[1]	4 633	8 175	(3 542)	(3 680)	138	7 693	13 098	(5 405)	(5 812)	407
Reinsurance expenses for the portion of ceded premiums recovered during the period	8 175	8 175	–	–	–	13 098	13 098	–	–	–
Claims incurred during period (excluding investment components) recoverable reinsurance contract	(3 386)	–	(3 386)	(3 378)	(8)	(2 923)	–	(2 923)	(3 020)	97
Changes in incurred claims related to past service	(156)	–	(156)	(302)	146	(2 758)	–	(2 758)	(3 068)	310
Other income or expenses from reinsurance contracts	–	–	–	–	–	276	–	276	276	–
Reinsurance finance income or expense	100	189	(89)	(53)	(36)	(336)	414	(750)	(696)	(54)
Accretion of interest	100	189	(89)	(53)	(36)	(336)	414	(750)	(696)	(54)
Cash flow	(1 985)	(8 166)	6 181	6 181	–	(5 463)	(15 351)	9 888	9 888	–
Premiums paid	(6 805)	(6 805)	–	–	–	(14 426)	(14 426)	–	–	–
Recoveries received under reinsurance contracts held	4 820	–	4 820	4 820	–	8 963	–	8 963	8 963	–
Administration and other expenses	–	–	–	–	–	–	–	–	–	–
Incurred claims recoverable – investment components	–	(1 361)	1 361	1 361	–	–	(925)	925	925	–
Net movement for the year	2 748	198	2 550	2 448	102	1 894	(1 839)	3 733	3 380	353
Recognised in other comprehensive income – foreign currency translation differences	–	–	–	–	–	49	–	49	49	–
Reclassified as non-current liabilities held for sale	–	–	–	–	–	2 373	–	2 373	2 373	–
Balance at beginning of the year	(7 951)	865	(8 816)	(8 101)	(715)	(12 267)	2 704	(14 971)	(13 903)	(1 068)
Balance at end of the year[2][3]	(5 203)	1 063	(6 266)	(5 653)	(613)	(7 951)	865	(8 816)	(8 101)	(715)

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

[2] Balance at the end of the year includes reinsurance contract assets of R6 760 million (2023: R9 361 million) and reinsurance contract liabilities of R1 558 million (2023: R1 410 million).

[3] Balance at the end of the year includes reinsurance contract assets of R9 361 million (2022: R13 349 million) and reinsurance contract liabilities of R1 410 million (2022: R1 082 million).

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9 Reinsurance contract carrying amount continued

9.3 Reconciliation of net carrying amount: General insurance

9.3.2 General model

Group

Reconciliation per valuation component

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Subtotal: Contractual service margin	Other[3]	Total	Remaining coverage component excluding loss recovery component	Incurred claims component
2024								
Recognised in statement of comprehensive income	236	230	–	6	6	236	236	–
Income or (expense) from reinsurance contracts	105	97		8	8	105	105	
Recognition of contractual service margin for services received	8	–	–	8	8	8	8	–
Premium experience adjustments related to current service and other amounts	97	97	–	–	–	97	97	–
Reinsurance finance income or (expenses)						–	–	–
Impact of unwinding discount rates and financial assumption changes	131	133	–	(2)	(2)	131	131	–
Cash flow	(267)	(267)	–	–	–	(267)	(267)	–
Premiums paid	(141)	(141)	–	–	–	(141)	(141)	–
Recoveries received under reinsurance contracts held	(126)	(126)	–	–	–	(126)	–	(126)
Administration and other expenses	–	–	–	–	–	–	–	–
Incurred claims recoverable – investment components	–	–	–	–	–	–	(126)	126
Net movement for the year	(31)	(37)	–	6	6	(31)	(31)	–
Balance at beginning of the year	1 480	1 522	(1)	(41)	(41)	1 480	1 469	11
Balance at end of the year[4]	1 449	1 485	(1)	(35)	(35)	1 449	1 438	11
2023								
Recognised in statement of comprehensive income	49	69	–	(20)	(20)	49	49	–
Reinsurance finance income or expenses	49	69	–	(20)	(20)	49	49	–
Excluding recognition of assumption changes in contract service margin at locked-in interest rates	49	69	–	(20)	(20)	49	49	–
Changes in estimates recognised in contractual service margin[2]	–	–	(1)	1	1	–	–	–
Cash flow	(88)	(88)	–	–	–	(88)	(99)	11
Premiums paid	(88)	(88)	–	–	–	(88)	(88)	–
Incurred claims recoverable – investment components	–	–	–	–	–	–	(11)	11
Net movement for the year	(39)	(19)	(1)	(19)	(19)	(39)	(50)	11
Balance at beginning of the year	1 519	1 541	–	(22)	(22)	1 519	1 519	–
Balance at end of the year[5]	1 480	1 522	(1)	(41)	(41)	1 480	1 469	11

[1] Relates to past service. Line items without a superscript relate to current service.
[2] Relates to future service. Line items without a superscript relate to current service.
[3] Other covers amounts for insurance contracts that existed at the transition date to which Sanlam applied the fully retrospective approach, plus amounts for insurance contracts recognised subsequent to the transition date.
[4] Balance at the end of the year include reinsurance contract liabilities of R1 448 million (2023: R1 480 million).
[5] Balance at the end of the year include reinsurance contract liabilities of R1 480 million (2022: R1 519 million).

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9 Reinsurance contract carrying amount continued

9.4 Carrying value of new reinsurance contracts held during the period

	2024				2023			
		Groups of contracts				Groups of contracts		
R million	Total	with net gain at initial recognition	Net cost at initial recognition	Acquired through business combinations	Total	Net gain at initial recognition	Net cost at initial recognition	Acquired through business combinations
Group								
Estimate of the present value of future cash inflows	(8 157)	(5 289)	(231)	(2 637)	(6 986)	(6 847)	(139)	–
Estimate of the present value of future cash outflows	10 869	8 175	176	2 518	10 004	9 907	97	–
Insurance acquisition cash flows	–	–	–	–	–	–	–	–
Risk adjustment for non-financial risk	(467)	(442)	(13)	(12)	(831)	(826)	(5)	–
Contractual service margin	(2 431)	(2 444)	68	(55)	(2 187)	(2 234)	47	–
Net carrying amount of reinsurance contracts issued during the year	(186)	–	–	(186)	–	–	–	–
Analysis per line of business								–
Life insurance – Risk business	(186)	–	–	(186)	–	–	–	–
Estimate of the present value of future cash inflows	(8 157)	(5 289)	(231)	(2 637)	(6 986)	(6 847)	(139)	–
Estimate of the present value of future cash outflows (excluding insurance acquisition cash flows)	10 869	8 175	176	2 518	10 004	9 907	97	–
Insurance acquisition cash flows	–	–	–	–	–	–	–	–
Risk adjustment for non-financial risk	(467)	(442)	(13)	(12)	(831)	(826)	(5)	–
Contractual service margin	(2 431)	(2 444)	68	(55)	(2 187)	(2 234)	47	–
Net carrying amount of reinsurance contracts held during the year	(186)	–	–	(186)	–	–	–	–
Company								
Estimate of the present value of future cash inflows	(403)	(201)	(202)	–	–	–	–	–
Estimate of the present value of future cash outflows	378	213	165	–	(302)	(197)	(105)	–
Insurance acquisition cash flows	–	–	–	–	290	214	76	–
Risk adjustment for non-financial risk	(20)	(10)	(10)	–	(14)	(10)	(4)	–
Contractual service margin	45	(2)	47	–	26	(7)	33	–
Net carrying amount of reinsurance contracts issued during the year	–	–	–	–	–	–	–	–
Analysis per line of business								
Life insurance – Risk business	–	–	–	–	–	–	–	–
Estimate of the present value of future cash inflows	(403)	(201)	(202)	–	(302)	(197)	(105)	–
Estimate of the present value of future cash outflows (excluding insurance acquisition cash flows)	378	213	165	–	290	214	76	–
Insurance acquisition cash flows	–	–	–	–	–	–	–	–
Risk adjustment for non-financial risk	(20)	(10)	(10)	–	(14)	(10)	(4)	–
Contractual service margin	45	(2)	47	–	26	(7)	33	–
Net carrying amount of reinsurance contracts held during the year	–	–	–	–	–	–	–	–

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9 Reinsurance contract carrying amount continued

9.5 Expected recognition of contractual service margin

Group

Analysis per line of business

Life insurance – Risk business

R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10[1]	>10
	Years						
2024							
Balance at beginning of the period	(8 777)	(6 953)	(5 604)	(4 532)	(3 669)	(2 967)	(957)
Accretion of interest	(519)	(414)	(326)	(266)	(217)	(577)	47
Recognised in statement of comprehensive income	2 343	1 763	1 398	1 129	919	2 587	910
Balance at the end of the period	(6 953)	(5 604)	(4 532)	(3 669)	(2 967)	(957)	–
Re-presented – 2023[1]							
Balance at beginning of the period	(7 189)	(5 872)	(4 859)	(4 045)	(3 365)	(2 794)	(1 026)
Accretion of interest	(436)	(360)	(302)	(249)	(211)	(626)	14
Recognised in statement of comprehensive income	1 753	1 373	1 116	929	782	2 394	1 012
Balance at the end of the period	(5 872)	(4 859)	(4 045)	(3 365)	(2 794)	(1 026)	–

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

General insurance

R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10[1]	>10
	Years						
2024							
Balance at beginning of the period	(35)	(31)	(26)	(21)	(14)	(5)	–
Accretion of interest	(4)	(3)	(4)	(3)	(2)	(1)	–
Recognised in statement of comprehensive income	8	8	9	10	11	6	–
Balance at the end of the period	(31)	(26)	(21)	(14)	(5)	–	–
Re-presented – 2023[1]							
Balance at beginning of the period	(41)	(37)	(33)	(29)	(23)	(16)	–
Accretion of interest	(3)	(3)	(4)	(3)	(3)	(4)	–
Recognised in statement of comprehensive income	7	7	8	9	10	20	–
Balance at the end of the period	(37)	(33)	(29)	(23)	(16)	–	–

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

Total

R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10[1]	>10
	Years						
2024							
Balance at beginning of the period	(8 812)	(6 984)	(5 630)	(4 553)	(3 683)	(2 972)	(957)
Accretion of interest	(523)	(417)	(330)	(269)	(219)	(578)	47
Recognised in statement of comprehensive income	2 351	1 771	1 407	1 139	930	2 593	910
Balance at the end of the period	(6 984)	(5 630)	(4 553)	(3 683)	(2 972)	(957)	–
Re-presented – 2023[1]							
Balance at beginning of the period	(7 230)	(5 909)	(4 892)	(4 074)	(3 388)	(2 810)	(1 026)
Accretion of interest	(439)	(363)	(306)	(252)	(214)	(630)	14
Recognised in statement of comprehensive income	1 760	1 380	1 124	938	792	2 414	1 012
Balance at the end of the period	(5 909)	(4 892)	(4 074)	(3 388)	(2 810)	(1 026)	–

Company

Analysis per line of business

Life insurance – Risk business

R million	<1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10[1]	>10
	Years						
2024							
Balance at beginning of the period	707	581	470	390	327	279	196
Accretion of interest	59	48	52	43	36	144	265
Recognised in statement of comprehensive income	(185)	(159)	(132)	(106)	(84)	(227)	(461)
Balance at the end of the period	581	470	390	327	279	196	–
Re-presented – 2023[1]							
Balance at beginning of the period	413	347	279	215	169	137	70
Accretion of interest	40	34	27	28	24	84	138
Recognised in statement of comprehensive income	(106)	(102)	(91)	(74)	(56)	(151)	(208)
Balance at the end of the period	347	279	215	169	137	70	–

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

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10 Result from insurance contracts

10.1 Analysis of contribution to result from insurance contracts: Total

Group

R million	2024 Total	2024 Best estimate of future cash flows[1]	2024 Risk adjustment for non-financial risk	2024 Contractual service margin	2023 Total	2023 Best estimate of future cash flows[1]	2023 Risk adjustment for non-financial risk	2023 Contractual service margin
Insurance revenue	94 462	85 452	1 778	7 232	112 282	104 652	1 597	6 033
Movement in net liability recognised as insurance revenue[2]	91 307	82 289	1 786	7 232	109 222	101 587	1 602	6 033
Allocation of premium relating to insurance acquisition cash flows[3]	3 275	3 275	–	–	3 187	3 187	–	–
Allocations to loss component[3][4]	(120)	(112)	(8)	–	(127)	(122)	(5)	–
Insurance service expenses	(76 338)	(76 979)	641	–	(90 425)	(91 093)	668	–
Movement in net amount recognised as insurance service expenses[2]	(66 734)	(67 367)	633	–	(82 062)	(82 725)	663	–
Amortisation of insurance acquisition cash flows[3]	(3 275)	(3 275)	–	–	(3 187)	(3 187)	–	–
Allocations to loss component[3]	120	112	8	–	127	122	5	–
Administration and other expenses[5]	(6 449)	(6 449)	–	–	(5 303)	(5 303)	–	–
Contracts measured under the premium allocation approach	(2 543)	(2 543)	–	–	(1 917)	(1 917)	–	–
Contracts not measured under the premium allocation approach	(3 906)	(3 906)	–	–	(3 386)	(3 386)	–	–
Expected expenses	(3 286)	(3 286)	–	–	(2 985)	(2 985)	–	–
Experience adjustment	(620)	(620)	–	–	(401)	(401)	–	–
Income or expense from reinsurance contracts[6]	(4 942)	(2 028)	(803)	(2 111)	(10 565)	(8 295)	(914)	(1 356)
Insurance service result	13 182	6 445	1 616	5 121	11 292	5 264	1 351	4 677
Insurance investment result	1 888				4 022			
Insurance finance income or expense	(28 980)	(24 490)	(1 746)	(2 744)	(15 602)	(12 478)	(634)	(2 490)
Fair value returns on underlying items under the variable fee approach	(9 468)	(9 468)	–	–	(8 737)	(8 737)	–	–
Accretion of interest on liabilities under the general model at current rates	(7 841)	(4 299)	(798)	(2 744)	(6 688)	(3 454)	(744)	(2 490)
Recognition of assumption changes in contractual service margin at locked-in interest rates	227	240	(13)	–	101	52	49	–
Economic assumption changes under the general model at current rates[7]	(8 671)	(7 862)	(809)	–	1 934	1 752	182	–
Other finance income or expense[9]	(3 227)	(3 101)	(126)		(2 212)	(2 091)	(121)	–
Reinsurance finance income or expense[6]	133	(810)	205	738	192	(472)	266	398
Investment return on assets	30 735				19 432			
Result from insurance contracts[8]	15 070				15 314			

[1] Based on the liability for remaining coverage/remaining coverage component for the premium allocation approach.
[2] Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 8.2.1 to 9.3.2.
[3] Only relevant to contracts not measured under the premium allocation approach.
[4] Allocation of loss component should be deducted as it is included in the movement in net liability recognised as insurance revenue but should not form part of insurance revenue.
[5] Administration and other expenses relate to attributable in insurance service expenses.
[6] Only applicable to reinsurance contracts held.
[7] The amounts included in profit or loss due to changes in insurance liabilities as a result of changes in financial (economic) assumptions related to discount rates and inflation rates at the reporting date, including the effect of changes in financial guarantees.
[8] Includes results from both continued and discontinued operations (Refer to note 36).
[9] Insurance finance income or expenses for contracts measured under the premium allocation approach.
[10] The sources of finance income or expenses have been disclosed throughout the financial statements. To evaluate the relationship between insurance finance income or expenses and the investment return on its assets please consider the notes to the financial statements

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10 Result from insurance contracts continued

10.1 Analysis of contribution to result from insurance contracts: Total continued

Company

R million	2024 Total	2024 Best estimate of future cash flows[1]	2024 Risk adjustment for non-financial risk	2024 Contractual service margin	2023 Total	2023 Best estimate of future cash flows[1]	2023 Risk adjustment for non-financial risk	2023 Contractual service margin
Insurance revenue	26 266	23 178	490	2 598	24 835	21 943	381	2 511
Movement in net liability recognised as insurance revenue[2]	25 237	22 147	492	2 598	24 063	21 170	382	2 511
Allocation of premium relating to insurance acquisition cash flows[3]	1 088	1 088	–		807	807	–	–
Allocations to loss component[3][4]	(59)	(57)	(2)		(35)	(34)	(1)	–
Insurance service expenses	(22 581)	(22 586)	5	–	(20 187)	(20 201)	14	–
Movement in net amount recognised as insurance service expenses[2]	(18 432)	(18 435)	3		(16 857)	(16 870)	13	–
Amortisation of insurance acquisition cash flows[3]	(1 087)	(1 087)	–		(806)	(806)	–	–
Allocations to loss component[3]	59	57	2		35	34	1	–
Administration and other expenses[5]	(3 121)	(3 121)	–	–	(2 559)	(2 559)	–	–
Contracts measured under the premium allocation approach	(906)	(906)	–		(643)	(643)	–	–
Contracts not measured under the premium allocation approach	(2 215)	(2 215)	–	–	(1 916)	(1 916)	–	–
Expected expenses	(1 284)	(1 284)	–		(1 246)	(1 246)	–	–
Experience adjustment	(931)	(931)	–		(670)	(670)	–	–
Income or expense from reinsurance contracts[6]	(449)	(566)	(79)	196	(518)	(549)	(90)	121
Insurance service result	3 236	26	416	2 794	4 130	1 193	305	2 632
Insurance investment result	3 655				2 088			
Insurance finance income or expense	(24 491)	(22 303)	(829)	(1 359)	(11 917)	(10 524)	(115)	(1 278)
Fair value returns on underlying items under the variable fee approach	(8 233)	(8 233)	–	–	(6 990)	(6 990)	–	–
Accretion of interest on liabilities under the general model at current rates	(7 792)	(6 056)	(377)	(1 359)	(6 196)	(4 631)	(287)	(1 278)
Recognition of assumption changes in contractual service margin at locked-in interest rates	211	235	(24)	–	27	20	7	–
Economic assumption changes under the general model at current rates[7]	(7 648)	(7 267)	(381)	–	1 794	1 604	190	–
Other finance income or expense	(1 029)	(982)	(47)		(552)	(527)	(25)	–
Reinsurance finance income or expense[6]	427	422	54	(49)	246	249	31	(34)
Investment return on assets	27 719				13 759			
Result from insurance contracts[9]	6 891				6 218			

[1] Based on the liability for remaining coverage/remaining coverage component for the premium allocation approach.
[2] Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 8.2.1 to 9.3.2.
[3] Only relevant to contracts not measured under the premium allocation approach.
[4] Allocation of loss component should be deducted as it is included in the movement in net liability recognised as insurance revenue but should not form part of insurance revenue.
[5] Administration and other expenses relate to attributable in insurance service expenses.
[6] Only applicable to reinsurance contracts held.
[7] The amounts included in profit or loss due to changes in insurance liabilities as a result of changes in financial (economic) assumptions related to discount rates and inflation rates at the reporting date, including the effect of changes in financial guarantees.
[8] Insurance finance income or expense for contracts measured under the premium allocation approach.
[9] Includes results from both continued and discounted operations. Refer to note 36.
[10] The sources of finance income or expenses have been disclosed throughout the financial statements. To evaluate the relationship between insurance finance income or expenses and the investment return on its assets please consider the notes to the financial statements.

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10 Result from insurance contracts continued

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

10.2.1 Premium allocation approach

Reconciliation per valuation component

R million	2024 Total	2024 Liability for remaining coverage/Remaining coverage component: Excluding loss component	2024 Liability for remaining coverage/Remaining coverage component: Loss component	2024 Incurred claims/Incurred claims component: Subtotal	2024 Incurred claims/Incurred claims component: Best estimate of future cash flows	2024 Incurred claims/Incurred claims component: Risk adjustment for non-financial risk	2023 Total	2023 Liability for remaining coverage/Remaining coverage component: Excluding loss component	2023 Liability for remaining coverage/Remaining coverage component: Loss component	2023 Incurred claims/Incurred claims component: Subtotal	2023 Incurred claims/Incurred claims component: Best estimate of future cash flows	2023 Incurred claims/Incurred claims component: Risk adjustment for non-financial risk
Group												
Insurance revenue[(1)]	13 490	13 490	–	–	–	–	15 804	15 804	–	–	–	–
Movement in net liability recognised as insurance revenue[(2)]	13 490	13 490	–	–	–	–	15 804	15 804	–	–	–	–
Insurance service expenses	(12 038)	(372)	9	(11 675)	(11 719)	44	(13 726)	(1 211)	(4)	(12 511)	(12 533)	22
Movement in net amount recognised as insurance service expenses[(2)]	(9 495)	(372)	9	(9 132)	(9 176)	44	(11 809)	(1 211)	(4)	(10 594)	(10 616)	22
Administration and other expenses[(3)]	(2 543)	–	–	(2 543)	(2 543)	–	(1 917)	–	–	(1 917)	(1 917)	–
Income or expense from reinsurance contracts[(4)]	(136)	(676)	–	540	517	23	(729)	(1 774)	–	1 045	1 056	(11)
Insurance service result	1 316	12 442	9	(11 135)	(11 202)	67	1 349	12 819	(4)	(11 466)	(11 477)	11
Insurance investment result	289						1 226					
Insurance finance income or expense	(1 082)	(18)	–	(1 064)	(1 016)	(48)	(609)	(13)	–	(596)	(570)	(26)
Reinsurance finance income or expense[(4)]	172	(171)	–	343	328	15	171	(39)	–	210	203	7
Investment return on assets	1 199						1 664					
Result from insurance contracts	1 605						2 575					
Company												
Insurance revenue[(1)]	6 801	6 801	–	–	–	–	6 762	6 762	–	–	–	–
Movement in net liability recognised as insurance revenue[(2)]	6 801	6 801	–	–	–	–	6 762	6 762	–	–	–	–
Insurance service expenses	(6 091)	(106)	–	(5 985)	(5 913)	(72)	(5 862)	(101)	–	(5 761)	(5 773)	12
Movement in net amount recognised as insurance service expenses[(2)]	(5 185)	(106)	–	(5 079)	(5 007)	(72)	(5 219)	(101)	–	(5 118)	(5 130)	12
Administration and other expenses[(3)]	(906)	–	–	(906)	(906)	–	(643)	–	–	(643)	(643)	–
Income or expense from reinsurance contracts[(4)]	(103)	(523)	–	420	405	15	(226)	(894)	–	668	681	(13)
Insurance service result	607	6 172	–	(5 565)	(5 508)	(57)	674	5 767	–	(5 093)	(5 092)	(1)
Insurance investment result	416						650					
Insurance finance income or expense	(1 029)	–	–	(1 029)	(982)	(47)	(552)	–	–	(552)	(527)	(25)
Reinsurance finance income or expense[(4)]	319	–	–	319	304	15	177	–	–	177	169	8
Investment return on assets	1 126						1 025					
Result from insurance contracts	1 023						1 324					

[(1)] Relates to expected premium receipts allocated to each coverage period.
[(2)] Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 8.2.1.
[(3)] Administration and other expenses relate to attributable insurance service expenses.
[(4)] Only applicable to reinsurance contracts held.

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10 Result from insurance contracts continued

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

10.2.2 General model

Group

Analysis per valuation component

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

[1] Administration and other expenses relate to attributable in insurance service expenses.
[2] Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 8.2.2.
[3] Allocation of loss component would be deducted as it is included in movement in net liability recognised as insurance result and should not form part of insurance revenue.
[4] Only applicable to reinsurance contracts held.
[5] The amounts included in profit or loss due to changes in insurance liabilities as a result of changes in financial (economic) assumptions related to discount rates and inflation rates at the reporting date, including the effect of changes in financial guarantees. Refer to the insurance (and reinsurance) finance income and expense section in the basis of presentation for further details.

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10 Result from insurance contracts continued

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

10.2.2 General model continued

Group

Analysis per valuation component continued

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total	Liability for remaining coverage/Remaining coverage component: Excluding loss component/loss recovery component	Liability for remaining coverage/Remaining coverage component: Loss component/Loss recovery component	Incurred claims/Incurred claims component
2023								
Insurance revenue	36 460	30 066	1 469	4 925	36 460	36 587	(127)	–
Movement in net liability recognised as insurance revenue[2]	33 459	27 060	1 474	4 925	33 459	33 459	–	–
Allocation of premium relating to insurance acquisition cash flows	3 128	3 128	–	–	3 128	3 128	–	–
Allocations to loss component[3]	(127)	(122)	(5)	–	(127)	–	(127)	–
Insurance service expenses	(28 957)	(28 916)	(41)	–	(28 957)	(2 736)	(485)	(25 736)
Movement in net liability recognised as insurance service expenses[2]	(23 276)	(23 230)	(46)	–	(23 276)	85	(612)	(22 749)
Amortisation of insurance acquisition cash flows	(3 128)	(3 128)	–	–	(3 128)	(3 128)	–	–
Allocations to loss component	127	122	5	–	127	–	127	–
Administration and other expenses[1]	(2 680)	(2 680)	–	–	(2 680)	307	–	(2 987)
Expected expenses	(2 126)	(2 126)	–	–	(2 126)	–	–	(2 126)
Experience adjustment	(554)	(554)	–	–	(554)	307	–	(861)
Income or expense from reinsurance contracts[4]	(2 154)	(280)	(518)	(1 356)	(2 154)	(8 464)	39	6 271
Insurance service result	5 349	870	910	3 569	5 349	25 387	(573)	(19 465)
Insurance investment result	3 070				3 070			
Insurance finance income or expense	(4 574)	(1 595)	(513)	(2 466)	(4 574)	(4 404)	(70)	(100)
Accretion of interest on liabilities under the general model at current rates	(6 609)	(3 399)	(744)	(2 466)	(6 609)	(6 434)	(64)	(111)
Recognition of assumption changes in contractual service margin at locked-in interest rates	101	52	49	–	101	100	1	–
Economic assumption changes[5]	1 934	1 752	182	–	1 934	1 930	(7)	11
Reinsurance finance income or expense[4]	(266)	(849)	205	378	(266)	(171)	6	(101)
Investment return on assets	7 910				7 910			
Result from insurance contracts	8 419				8 419			

[1] Administration and other expenses relate to attributable insurance service expenses.
[2] Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 8.2.2.
[3] Allocation of loss component would be deducted as it is included in movement in net liability recognised as insurance result and should not form part of insurance revenue.
[4] Only applicable to reinsurance contracts held.
[5] The amounts included in profit or loss due to changes in insurance liabilities as a result of changes in financial (economic) assumptions related to discount rates and inflation rates at the reporting date, including the effect of changes in financial guarantees. Refer to the insurance (and reinsurance) finance income and expense section in the basis of presentation for further details.

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10 Result from insurance contracts continued

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

10.2.2 General model continued

Company

Analysis per valuation component

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total	Liability for remaining coverage/ Remaining coverage component: Excluding loss component/loss recovery component	Liability for remaining coverage/ Remaining coverage component: Loss component/ Loss recovery component	Incurred claims/ Incurred claims component
2024								
Insurance revenue	18 111	15 690	462	1 959	18 111	18 111	–	–
Movement in net liability recognised as insurance revenue[2]	17 108	14 685	464	1 959	17 108	17 049	59	–
Allocation of premium relating to insurance acquisition cash flows	1 062	1 062	–	–	1 062	1 062	–	–
Allocations to loss component[3]	(59)	(57)	(2)	–	(59)	–	(59)	–
Insurance service expenses	(15 918)	(15 995)	77	–	(15 918)	(1 062)	130	(14 986)
Movement in net amount recognised as insurance service expenses[2]	(13 167)	(13 242)	75	–	(13 167)	–	71	(13 238)
Amortisation of insurance acquisition cash flows	(1 062)	(1 062)	–	–	(1 062)	(1 062)	–	–
Allocations to loss component	59	57	2	–	59	–	59	–
Administration and other expenses[1]	(1 748)	(1 748)	–	–	(1 748)	–	–	(1 748)
Expected expenses	(1 436)	(1 436)	–	–	(1 436)	–	–	(1 436)
Experience adjustment	(312)	(312)	–	–	(312)	–	–	(312)
Income or expense from reinsurance contracts[4]	(346)	(448)	(94)	196	(346)	(2 175)	1	1 828
Insurance service result	1 847	(753)	445	2 155	1 847	14 874	131	(13 158)
Insurance investment result	3 593				3 593			
Insurance finance income or expense	(15 229)	(13 088)	(782)	(1 359)	(15 229)	(15 080)	(42)	(107)
Accretion of interest on liabilities under the general model at current rates	211	235	(24)	–	211	211	–	–
Recognition of assumption changes in contractual service margin at locked-in interest rates	(7 792)	(6 056)	(377)	(1 359)	(7 792)	(7 693)	(42)	(57)
Economic assumption changes[5]	(7 648)	(7 267)	(381)	–	(7 648)	(7 598)	–	(50)
Reinsurance finance income or expense[4]	108	118	39	(49)	108	88	–	20
Investment return on assets	18 714				18 714			
Result from insurance contracts	5 440				5 440			

(1) Administration and other expenses relate to attributable in insurance service expenses.

(2) Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 8.2.2.

(3) Allocation of loss component would be deducted as it is included in movement in net liability recognised as insurance result and should not form part of insurance revenue.

(4) Only applicable to reinsurance contracts held.

(5) The amounts included in profit or loss due to changes in insurance liabilities as a result of changes in financial (economic) assumptions related to discount rates and inflation rates at the reporting date, including the effect of changes in financial guarantees. Refer to the insurance (and reinsurance) finance income and expense section in basis of presentation for further details.

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10 Result from insurance contracts continued

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

10.2.2 General model continued

Company

Analysis per valuation component continued

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total	Liability for remaining coverage/ Remaining coverage component: Excluding loss component/loss recovery component	Loss component/ Loss recovery component	Incurred claims/ Incurred claims component
2023								
Insurance revenue	16 268	14 084	355	1 829	16 268	16 303	(35)	–
Movement in net liability recognised as insurance revenue[2]	15 520	13 335	356	1 829	15 520	15 520	–	–
Allocation of premium relating to insurance acquisition cash flows	783	783	–	–	783	783	–	–
Allocations to loss component[3]	(35)	(34)	(1)	–	(35)	–	(35)	–
Insurance service expenses	(13 831)	(13 833)	2	–	(13 831)	(789)	(267)	(12 775)
Movement in net liability recognised as insurance service expenses[2]	(11 590)	(11 591)	1	–	(11 590)	–	(302)	(11 288)
Amortisation of insurance acquisition cash flows	(783)	(783)	–	–	(783)	(783)	–	–
Allocations to loss component	35	34	1	–	35	–	35	–
Administration and other expenses[1]	(1 493)	(1 493)	–	–	(1 493)	(6)	–	(1 487)
Expected expenses	(731)	(731)	–	–	(731)	–	–	(731)
Experience adjustment	(762)	(762)	–	–	(762)	(6)	–	(756)
Income or expense from reinsurance contracts[4]	(292)	(336)	(77)	121	(292)	(1 971)	14	1 665
Insurance service result	2 145	(85)	280	1 950	2 145	13 543	(288)	(11 110)
Insurance investment result	1 846				1 846			
Insurance finance income or expense	(4 374)	(3 002)	(94)	(1 278)	(4 374)	(4 322)	7	(33)
Accretion of interest on liabilities under the general model at current rates	(6 195)	(4 626)	(291)	(1 278)	(6 195)	(6 131)	13	(51)
Recognition of assumption changes in contractual service margin at locked-in interest rates	27	20	7	–	27	32	(5)	–
Economic assumption changes[5]	1 794	1 604	190	–	1 794	1 777	(1)	18
Reinsurance finance income or expense[4]	70	80	23	(33)	70	71	–	(1)
Investment return on assets	6 150				6 150			
Result from insurance contracts	3 991				3 991			

[1] Administration and other expenses relate to attributable insurance service expenses.
[2] Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 8.2.2.
[3] Allocation of loss component would be deducted as it is included in movement in net liability recognised as insurance result and should not form part of insurance revenue.
[4] Only applicable to reinsurance contracts held.
[5] The amounts included in profit or loss due to changes in insurance liabilities as a result of changes in financial (economic) assumptions related to discount rates and inflation rates at the reporting date, including the effect of changes in financial guarantees. Refer to the insurance (and reinsurance) finance income and expense section in the basis of presentation for further details.

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10 Result from insurance contracts continued

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

Variable fee approach

Group

Analysis per valuation component

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

[1] Administration and other expenses relate to attributable in insurance service expenses.
[2] Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 8.3.

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for the year ended 31 December 2024

10 Result from insurance contracts continued

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

Variable fee approach

Group

Analysis per valuation component

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Incurred claims
2023								
Insurance revenue	2 989	1 758	128	1 103	2 989	2 989	–	–
Movement in net liability recognised as insurance revenue[1]	2 930	1 699	128	1 103	2 930	2 930	–	–
Allocation of premium relating to insurance acquisition cash flows	59	59	–	–	59	59	–	–
Insurance service expenses	(1 240)	(1 240)	–	–	(1 240)	(59)	(13)	(1 168)
Movement in net liability recognised as insurance service expenses[2]	(475)	(475)	–	–	(475)	–	(13)	(462)
Amortisation of insurance acquisition cash flows	(59)	(59)	–	–	(59)	(59)	–	–
Administration and other expenses[2]	(706)	(706)	–	–	(706)	–	–	(706)
Expected expenses	(859)	(859)	–	–	(859)	–	–	(859)
Experience adjustment	153	153	–	–	153	–	–	153
Insurance service result	1 749	518	128	1 103	1 749	2 930	(13)	(1 168)
Insurance investment result	(575)				(575)			
Insurance finance income or expense	(8 749)	(8 749)	–	–	(8 749)	(8 737)	–	(12)
Investment return on assets	8 174				8 174			
Result from insurance contracts	1 174				1 174			

[1] Administration and other expenses relate to attributable insurance service expenses.
[2] Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 8.3.

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10 Result from insurance contracts continued

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

Variable fee approach

Company

Analysis per valuation component

R million	Total	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Incurred claims
2024								
Insurance revenue	1 354	687	28	639	1 354	1 354	–	–
Movement in net liability recognised as insurance revenue[2]	1 328	661	28	639	1 328	1 328	–	–
Allocation of premium relating to insurance acquisition cash flows	26	26	–	–	26	26	–	–
Insurance service expenses	(572)	(572)	–	–	(572)	(26)	(3)	(543)
Movement in net amount recognised as insurance service expenses[2]	(80)	(80)	–	–	(80)	–	(3)	(77)
Amortisation of insurance acquisition cash flows	(26)	(26)	–	–	(26)	(26)	–	–
Administration and other expenses[1]	(466)	(466)	–	–	(466)	–	–	(466)
Expected expenses	(415)	(415)	–	–	(415)	–	–	(415)
Experience adjustment	(51)	(51)	–	–	(51)	–	–	(51)
Insurance service result	782	115	28	639	782	1 328	(3)	(543)
Insurance investment result	(354)				(354)			
Insurance finance income or expenses – fair value returns on underlying items and finance amounts and related incurred claims	(8 233)	(8 233)	–	–	(8 233)	(8 233)	–	–
Investment return on assets	7 879				7 879			
Result from insurance contracts	428				428			
2023								
Insurance revenue	1 786	1 078	26	682	1 786	1 786	–	–
Movement in net liability recognised as insurance revenue[3]	1 786	1 078	26	682	1 786	1 786	–	–
Allocation of premium relating to insurance acquisition cash flows	–	–	–	–	–	–	–	–
Insurance service expenses	(495)	(495)	–	–	(495)	(19)	–	(476)
Movement in net amount recognised as insurance service expenses[3]	(48)	(48)	–	–	(48)	–	–	(48)
Amortisation of insurance acquisition cash flows	(19)	(19)	–	–	(19)	(19)	–	–
Administration and other expenses[2]	(428)	(428)	–	–	(428)	–	–	(428)
Expected expenses	(515)	(515)	–	–	(515)	–	–	(515)
Experience adjustment	87	87	–	–	87	–	–	87
Insurance service result	1 291	583	26	682	1 291	1 767	–	(476)
Insurance investment result	(407)				(407)			
Insurance finance income or expenses – fair value returns on underlying items and finance amounts and related incurred claims	(6 990)	(6 990)	–	–	(6 990)	(6 989)	–	(1)
Investment return on assets	6 583	–	–	–	6 583	–	–	–
Result from insurance contracts	884				884			

[1] Administration and other expenses relate to attributable insurance service expenses.

[2] Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 8.3.

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10 Result from insurance contracts continued

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

10.4.1 Premium allocation approach

Group

Reconciliation per valuation component

	2024					2023				
		Liability for remaining coverage/Remaining coverage component	Incurred claims/Incurred claims component				Liability for remaining coverage/Remaining coverage component	Incurred claims/Incurred claims component		
R million	Total	Excluding loss component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Subtotal	Best estimate of future cash flows	Risk adjustment for non-financial risk
Insurance revenue[1]	44 068	44 068	–	–	–	57 038	57 038	–	–	–
Movement in net liability recognised as insurance revenue[2]	44 068	44 068	–	–	–	57 038	57 038	–	–	–
Insurance service expenses	(34 938)	(6 423)	(28 515)	(29 093)	578	(46 502)	(5 251)	(41 251)	(41 938)	687
Movement in net liability recognised as insurance service expenses[2]	(34 938)	(6 423)	(28 515)	(29 093)	578	(46 502)	(5 251)	(41 251)	(41 938)	687
Income or expense from reinsurance contracts[3]	(4 633)	(8 175)	3 542	3 680	(138)	(7 693)	(13 098)	5 405	5 812	(407)
Insurance service result	4 497	29 470	(24 973)	(25 413)	440	2 843	38 689	(35 846)	(36 126)	280
Insurance investment result	(946)					429				
Insurance finance income or expense	(2 145)	(1 187)	(958)	(880)	(78)	(1 591)	(540)	(1 051)	(956)	(95)
Reinsurance finance income or expense[3]	(100)	(189)	89	53	36	336	(414)	750	696	54
Investment return on assets	1 299					1 684				
Result from insurance contracts	3 551					3 272				

(1) Relates to expected premium receipts allocated to each coverage period.
(2) Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 8.4.1.
(3) Only applicable to reinsurance contracts held.

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10 Result from insurance contracts continued

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

10.4.2 General model

Group

Analysis per valuation component

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

(1) Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 8.4.2.

(2) Only applicable to reinsurance contracts held.

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10 Result from insurance contracts continued

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

10.4.2 General model

R million	Total	Best estimate of future cash flows	Contractual service margin	Total	Liability for remaining coverage/Remaining coverage component excluding loss component/loss recovery component	Incurred claims/ Incurred claims component
2023						
Insurance revenue	(9)	(14)	5	(9)	(9)	–
Movement in net liability recognised as insurance revenue[1]	(9)	(14)	5	(9)	(9)	–
Income or expense from reinsurance contracts[2]	11	11	–	11	–	11
Insurance service result	2	(3)	5	2	(9)	11
Insurance investment result	(128)			(128)		
Insurance finance income or (expense)	(79)	(55)	(24)	(79)	(79)	–
Accretion of interest on liabilities under the general model	(79)	(55)	(24)	(79)	(79)	–
Reinsurance finance income or expense[2]	(49)	(69)	20	(49)	(49)	–
Result from insurance contracts	(126)			(126)		

[1] Movement in net liability recognised as insurance revenue is equal to the 'Recognised in insurance revenue' line in the reconciliation of net carrying amount. Movement in net amount recognised as insurance service expenses is equal to the 'Recognised in insurance service expenses' line in the reconciliation of net carrying amount. Refer to note 8.4.2.

[2] Only applicable to reinsurance contracts held.

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11 Taxation

11.1 Deferred tax

Deferred tax

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

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

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

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

In 2021, the Organisation for Economic Co-operation and Development released the Global Anti-Base Erosion Model Rules (GMT Rules), which rules introduce a global minimum tax of 15% in all jurisdictions in which a multi-national group with consolidated revenue exceeding €750 million, operates. As a multinational enterprise group, the Sanlam group is subject to the GMT Rules introduced in South Africa and elsewhere with effect 1 January 2024. Based on our impact assessment, the introduction of the GMT Rules did not result in any material additional taxes payable by Sanlam and its subsidiaries requiring additional provisions for the year ended 31 December 2024. Current top-up taxes under the GMT Rules relating to the Sanlam group's operations in Namibia and Mauritius (where the applicable effective tax rates may be below 15%), were recognised in relation to investments held through a joint venture which top-up taxes were taken into account in the equity accounted earnings of such joint venture included in the Sanlam group's results. The Sanlam group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax under the GMT Rules and account for it as current tax when it is incurred.

Reconciliation of the deferred tax balances

R million	Note	Group Income Tax	Group Capital Gains Tax	Company Income Tax	Company Capital Gains Tax
Balance at 1 January 2023		(3 051)	(2 090)	(2 230)	(1 642)
Temporary differences charged to the statement of comprehensive income		(1 392)	(1 290)	(45)	(1 153)
Accruals and provisions		(35)	(11)	(1)	–
Tax losses and credits		93	3	(58)	–
Net unrealised investment surpluses on shareholders' fund		(102)	(280)	–	(108)
Net unrealised investment (surpluses)/deficits on policyholders' fund		(79)	(1 019)	–	(1 047)
Intangible assets		2	–	–	–
IFRS 17 phasing-in amount		(1 205)	–	–	–
Leases		(42)	–	–	1
Share-based payments		26	1	–	1
Other temporary differences		(50)	16	14	–
Acquired through business combinations		(28)	–	–	–
Reclassified as non-current liabilities held for sale	36	244	(8)	1	–
Change in tax rate		5	–	–	–
Disposal of subsidiaries		17	(23)	–	–
Foreign currency translation differences		(106)	10	–	–
IFRS 17 phasing-in release		476	–	375	–
Balance at 31 December 2023		(3 835)	(3 401)	(1 899)	(2 795)
Temporary differences credited/(charged) to the statement of comprehensive income		621	(336)	(15)	(160)
Accruals and provisions		196	–	(10)	–
Tax losses and credits		(110)	–	–	–
Net unrealised investment surpluses on shareholders' fund		(345)	210	–	310
Net unrealised investment surpluses on policyholders' fund		(2)	(555)	–	(474)
Intangible assets		35	–	–	–
IFRS 17 phasing-in amount		770	–	–	–
Leases		(4)	–	–	–
Share-based payments		43	4	–	4
Other temporary differences		38	5	(5)	–
Acquired through business combinations		(843)	(53)	–	–
Reclassified as non-current liabilities held for sale	36	(230)	–	–	–
Disposal of subsidiaries		(1)	–	–	–
Foreign currency translation differences		(2)	–	–	–
IFRS 17 phasing-in release		516	–	417	–
Balance at 31 December 2024		(3 774)	(3 790)	(1 497)	(2 955)

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R million	Group Income Tax	Group Capital Gains Tax	Company Income Tax	Company Capital Gains Tax
Analysis of deferred tax balances at 31 December 2024	(3 774)	(3 790)	(1 497)	(2 955)
Accruals and provisions	865	–	67	–
Tax losses and credits	1202	11	–	–
Net unrealised investment surpluses on shareholders' fund	(516)	(964)	–	(489)
Net unrealised investment surpluses on policyholders' fund	(89)	(2 841)	–	(2 472)
Leases	31	–	–	–
IFRS 17 phasing-in amount	(2 868)	–	(1 607)	–
Tax basis zeroisation of negative policy liabilities	(1 759)	–	–	–
Share-based payments	146	7	35	7
Intangible assets	(367)	–	–	–
Other temporary differences	(419)	(3)	8	(1)
Analysis of deferred tax balances at 31 December 2023	(3 846)	(3 390)	(1 901)	(2 793)
Accruals and provisions	684	–	90	–
Tax losses and credits	1 029	200	(14)	190
Net unrealised investment surpluses on shareholders' fund	(23)	(1 336)	–	(989)
Net unrealised investment surpluses on policyholders' fund	6	(2 262)	–	(1 998)
Intangibles	17	–	1	–
Leases	(4 333)	–	(2 007)	–
Share-based payments	(728)	–	–	–
IFRS 17 phasing-in amount	103	3	25	3
Tax basis zeroisation of negative policy liabilities	(297)	–	–	–
Other temporary differences	(304)	5	4	1

Reconciliation of total net deferred tax

R million	Group 2024	Group 2023	Company 2024	Company 2023
Total deferred tax asset recognised	942	1 434	111	151
Total deferred tax liability recognised	(8 506)	(8 670)	(4 563)	(4 845)
Total net deferred tax	(7 564)	(7 236)	(4 452)	(4 694)

11.2 Current income tax

Current income tax

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

Group

Analysis of income tax per category

R million	Current income tax 2024	Current income tax 2023	Deferred tax 2024	Deferred tax 2023	Total 2024	Total 2023
RSA – current year	5 254	3 247	413	1 331	5 667	4 578
RSA – prior year	967	29	(1 075)	–	(108)	29
Dividends tax – policyholders	88	89	–	–	88	89
Foreign tax	128	1 121	37	61	165	1 182
Capital gains tax	1 399	212	340	1 288	1 739	1 500
Tax expense (including profit from discontinued operations)	7 836	4 698	(285)	2 680	7 551	7 378
IFRS 17 phasing-in release	516	476	(516)	(476)	–	–
Tax expense after release	8 352	5 174	(801)	2 204	7 551	7 378

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11 Taxation continued

11.2 Current income tax continued

Company

Analysis of income tax per category

R million	Normal Income Tax 2024	Normal Income Tax 2023	Deferred Tax 2024	Deferred Tax 2023	Total 2024	Total 2023
RSA – current year	2 150	1 639	16	44	2 166	1 683
Dividends tax -policyholders	82	81	–	–	82	81
Foreign tax	2	45	–	–	2	45
Capital gains tax	1 389	211	160	1 153	1 549	1 364
Tax expense (including profit from discontinued operations)	3 623	1 976	176	1 197	3 799	3 173
IFRS 17 phasing-in release	417	375	(417)	(375)	–	–
Tax expense after release	4 040	2 351	(241)	822	3 799	3 173

R million	Total Group 2024	Total Group 2023	Total Company 2024	Total Company 2023
Shareholders' fund	5 867	4 668	1 190	1 717
Policyholders' fund	1 684	2 710	2 609	1 457
Tax expense (including profit from discontinued operations)	7 551	7 378	3 799	3 174
Taxation (discontinued operations)	26	710		
Taxation (continuing operations)	7 525	6 668		

%	Group 2024	Group 2023	Company 2024	Company 2023
Standard rate of taxation	27,0	27,0	27,0	27,0
Adjusted for:				
Non-taxable income[(1)]	(4,9)	3,0	(7,1)	(7,4)
Disallowed expenses[(2)]	0,4	0,7	–	0,1
Utilisation of assessed losses	–	(0,1)	–	–
Investment surpluses[(3)]	(0,3)	(5,6)	(7,6)	(9,8)
Foreign tax rate differential	(0,3)	(0,3)	–	–
Policyholders[(4)]	3,9	10,4	2,7	5,0
Other fund transfers	0,9	0,7	–	–
Prior year adjustment	(0,1)	(0,1)	–	–
Other	1	(1,3)	–	–
Effective tax rate	27,6	34,4	15,0	14,9

(1) Non-taxable income relates primarily to equity-accounted earnings and dividend income.
(2) Disallowable expenses includes impairment.
(3) Investment surpluses relate to realised and unrealised gains.
(4) Ploci holidays refers to tax on net investment contract liabilities.

12 Investments

12.1 Investment properties

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

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

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

Group

R million	Note	South African portfolio: Office buildings	South African portfolio: Retail buildings	South African portfolio: Industrial buildings	South African portfolio: Undeveloped land	International portfolio: Office buildings	Total investment properties
Reconciliation of carrying amount of properties							
Balance at 1 January 2023		3 484	4 640	592	446	402	9 564
Additions		33	14	5	–	116	168
Disposals		–	(5)	(146)	(111)	(37)	(299)
Reclassified to disposal groups classified as held for sale	35	–	(1 347)	–	–	(478)	(1 825)
Other movements		(278)	289	(11)	–	–	–
Acquired through business combinations		5	–	–	8	–	13
Foreign currency translation differences		–	–	–	–	1	1
Investment surpluses		(517)	(137)	25	–	(4)	(633)
Balance at 31 December 2023		2 727	3 454	465	343	–	6 989
Additions		63	–	1	169	15	248
Disposals		–	(259)	–	–	–	(259)
Reclassified from disposal groups classified as held for sale	35	(589)	147	101	–	–	(341)
Investment surpluses		148	61	81	1	–	291
Balance at 31 December 2024		2 349	3 403	648	513	15	6 928

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12 Investments continued

12.1 Investment properties continued

R million	Group 2024	2023
Reconciliation of straight-line rental adjustment		
Straight-line rental adjustment – balance at the beginning of the year	**310**	280
Movement for the year included in the statement of comprehensive income	**40**	30
Straight-line rental adjustment – balance at the end of the year	**350**	310
Contractual future minimum lease payments receivable under non-cancellable operating leases		
Due within one year	**586**	689
Due from one to five years	**1 007**	1 229
Due from five to 10 years	**621**	584
Future minimum lease payments	**2 214**	2 502

The value drivers underpinning the valuation of properties have not significantly changed since 31 December 2023.

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

Unobservable inputs across sectors	Group 2024	2023
South African portfolio		
Discounted cash flow method		
Vacancy rate	**23,10%**	18,00%
Expected expense growth (average over five years, range cover different types of expenses)	**5,10% – 15,00%**	5,10% – 9,60%
Office buildings		
Discount rate	**12,97% – 15,07%**	12,75% – 13,54%
Exit capitalisation rate	**9,00% – 12,40%**	8,94% – 11,09%
Retail buildings		
Discount rate	**12,57% – 14,26%**	12,21% – 15,00%
Exit capitalisation rate	**7,65% – 10,50%**	8,00% – 10,77%
Industrial buildings		
Discount rate	**13,11% – 13,92%**	13,38% – 14,30%
Exit capitalisation rate	**9,00% – 9,75%**	9,91% – 10,42%
International portfolio		
Discounted cash flow method		
Vacancy rate	**14,19% and 28,00%**	13,12% and 21%
Expected expense growth (average over five years, range cover different types of expenses)	**n/a**	n/a
Office buildings		
Discount rate	**11,75% – 12,25%**	11,50% – 12,25%
Exit capitalisation rate	**8,75% – 10,00%**	9,75% – 10,00%

Company

R million	Note	South African portfolio: Office buildings	Retail buildings	Industrial buildings	Total investment properties
Reconciliation of carrying amount of properties					
Balance at 1 January 2023		3 485	4 639	591	8 715
Additions		34	14	6	54
Disposals		–	(5)	(146)	(151)
Reclassified to disposal groups classified as held for sale	35	–	(1 347)	–	(1 347)
Other movements		(277)	289	(11)	1
Investment surpluses		(517)	(137)	25	(629)
Balance at 31 December 2023		2 725	3 453	465	6 643
Additions		**63**	**–**	**1**	**64**
Disposals		**–**	**(259)**	**–**	**(259)**
Reclassified to disposal groups classified as held for sale	35	**(589)**	**147**	**101**	**(341)**
Investment surpluses		**147**	**61**	**81**	**289**
Balance at 31 December 2024		**2 346**	**3 402**	**648**	**6 396**

R million	Company 2024	2023
Reconciliation of straight-line rental adjustment		
Straight-line rental adjustment – balance at the beginning of the year	**310**	280
Movement for the year included in the statement of comprehensive income	**40**	30
Straight-line rental adjustment – balance at the end of the year	**350**	310
Contractual future minimum lease payments receivable under non-cancellable operating leases		
Due within one year	**584**	642
Due from one to five years	**1 003**	1 162
Due from five to 10 years	**621**	584
Future minimum lease payments	**2 208**	2 388

The value drivers underpinning the valuation of properties have not significantly changed since 31 December 2023.

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

Unobservable inputs across sectors	Company 2024	2023
South African portfolio		
Discounted cash flow method		
Vacancy rate	**23%**	18%
Expected expense growth (average over five years, range cover different types of expenses)	**5,10% – 15,00%**	5,10% – 9,60%
Office buildings		
Discount rate	**12,97% – 15,07%**	12,75% – 13,54%
Exit capitalisation rate	**9,00% – 12,40%**	8,94% – 11,09%
Retail buildings		
Discount rate	**12,57% – 14,26%**	12,21% – 15,00%
Exit capitalisation rate	**7,65% – 10,50%**	8,00% – 10,77%
Industrial buildings		
Discount rate	**13,11% – 13,92%**	13,38% – 14,30%
Exit capitalisation rate	**9,00% – 9,75%**	9,91% – 10,42%

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12 Investments continued

12.2 Investment in associated companies and joint ventures

Associated companies

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

Investments in associated companies are recognised on the date significant influence is obtained and derecognised on the date significant influence is lost. Investments in associated companies, other than those investments, or portions thereof, held by investment-linked life insurance funds, are initially recognised at cost. The results of these associated companies after initial recognition are accounted for using the equity method of accounting, whereby the group's share of the associated companies' post-acquisition profit or loss is recognised in the group statement of comprehensive income as equity-accounted earnings, and the group's share of associated companies' other comprehensive income is presented in group other comprehensive income (other than those related to dividends), with a corresponding adjustment to the carrying value of investments in associated companies. Net losses are only recognised to the extent of the net investment in an associated company, unless the group has incurred obligations or made payments on behalf of the associated company. Equity-accounted earnings are based on accounting policies uniform to those of the group. The carrying amount is reviewed bi-annually for indicators of impairment and written down where this is considered necessary. The carrying value of the investment in an associated company includes goodwill. Investments in associated companies, or portions thereof, held by investment-linked life insurance funds are treated as investments at fair value through profit or loss and are not equity-accounted. Where associated companies are valued using fair value, the fair value level is considered to be level 3.

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

The results of joint ventures, other than those held by investment-linked life insurance funds, are accounted for using the equity method of accounting, whereby the group's share of the joint ventures' profit or loss is recognised in the group statement of comprehensive Income as equity-accounted earnings, and the group's share of joint ventures' other comprehensive income is presented in group other comprehensive income, with a corresponding adjustment to the carrying value of investments in joint ventures. Net losses are only recognised to the extent of the net investment in a joint venture, unless the group has incurred obligations or made payments on behalf of the joint venture. Equity-accounted earnings are based on accounting policies uniform to those of the group. The carrying value of the investment in a joint venture is reviewed bi-annually for indicators of impairment and written down where this is considered necessary. The carrying value of the investment in a joint venture includes goodwill.

Investments in joint ventures, or portions thereof, held by investment-linked life insurance funds are treated as investments at fair value through profit or loss and are not equity-accounted.

For impairment purposes each, investment is tested for impairment individually and goodwill is not tested separately from the investment in associated companies and joint ventures, nor is any impairment allocated to any underlying assets. Impairment losses in respect of associated companies and joint ventures is based on the greater of value in use or fair value less cost to sell and is recognised in the statement of comprehensive income, with reversal of future years allowed. Reversal of impairments are limited to the original cost.

		Group	
R million	Note	2024	Restated 2023[5]
Investments in associated companies	12.2.3	21 786	20 602
Shriram Capital Private Limited		11 794	10 793
Shriram Finance Limited		538	2 451
Shriram General Insurance		2 157	1 728
Shriram Life Insurance		751	675
Capital Legacy Solutions		1 395	1 369
Capricorn Investment Holdings[1]		–	1 292
Pacific & Orient Insurance Co. Berhad		433	447
ARC Financial Services Investments (ARC FSI)[2]		–	1 283
ARC Financial Services Holdings (ARC FSH)[2]		3 995	
Other associated companies		723	564
Investments in joint ventures	12.2.4	30 276	24 300
SanlamAllianz Africa[3]		29 751	23 781
Speqtel Investment Holdings[4]		524	517
Other joint ventures		1	2
Total investments in associates and joint ventures (including assets held for sale)		52 062	44 902
Reclassified as non-current assets held for sale	35	(4 286)	(1 292)
Total investments in associates and joint ventures		47 776	43 610

(1) 23% interest in Capricorn Investment Holdings was disposed in June 2024.
(2) During the year, the group entered into an asset-for-share transaction in which disposed its 25% stake in ARC FSI for a 25% stake in ARC FSH, which now holds 100% in ARC FSI.
(3) With effect from 1 October 2023, Sanlam and Allianz formed a joint venture, namely SanlamAllianz with Sanlam holding 59,59%. A further 8,59% stake in SanlamAllianz is held for sale as at 31 December 2024. The transaction is highly probable and requirements of IFRS 5 are met to disclose the 8,59% stake as held for sale. Refer to note 35.3.1 for additional information.
(4) The investment is carried at fair value as it is held by an investment-linked insurance fund.
(5) The prior year has been restated for Capital Legacy. A significant portion of the balance was included in the "other associated companies" line, hence no impact to the balance sheet as the carrying amount of associates was reported correctly.

12.2.1 Equity-accounted earnings

		Group	
R million	Note	2024	Restated 2023[1]
Investments in associated companies			
Shriram Capital Private Ltd		1 999	1 613
Shriram Finance Ltd		138	308
Shriram General Insurance		516	308
Shriram Life Insurance		93	100
Letshego	32	–	83
Capricorn Investment Holdings		98	177
Pacific & Orient		(37)	(13)
Afrocentric health		–	43
ARC Financial Services Investment[1]		111	247
aYo Holdings	32	–	(419)
ARC Financial Services Holdings		(67)	–
Other associated companies		37	281
Capital Legacy Solutions (Pty) Ltd		57	56
Investments in joint ventures		2 649	457
Pan Africa		2 649	343
Sanlam Personal Loans		–	74
Other joint ventures		–	40
Equity-accounted earnings (including profits from discontinued operations)		5 594	3 241
Equity-accounted earnings (discontinued operations)		98	448
Equity-accounted earnings (continuing operations)		5 496	2 793

(1) The prior year has been restated for Capital Legacy. A significant portion of the balance was included in the "other associated companies" line, hence no impact to the balance sheet as the carrying amount of associates was reported correctly.

12.2.2 Impairment of equity-accounted investments

Impairments of equity-accounted investments in 2024 is R0 million (2023: R0).

12.2.3 Investments in associated companies

Details of material associated companies

	Group			
	Shriram Capital Private Limited[1][3]		Shriram Finance Limited[1]	
R million	2024	2023	2024	2023
Carrying value of interest – equity method	11 794	10 793	538	2 451
Fair value of interest[3]	21 022	17 528	921	3 001
Effective interest in issued share capital – shareholders' fund[2]	41%	41%	0%	2%
Summarised financial information:				
Investment (losses)/surpluses	2 459	18 453	80 780	69 564
Post-tax profit from continuing operations	5 165	681	17 623	16 574
Other comprehensive (loss)	(410)	–	–	(1 387)
Total comprehensive income	4 755	681	17 623	15 187
Assets and liabilities				
Non-current assets	37 932	76 183	564 265	465 931
Current assets	2 183	2 252	40 906	28 894
Non-current liabilities	(7 063)	(45 154)	(364 349)	(286 095)
Current liabilities	(223)	(1 502)	(123 913)	(105 525)
Net asset value	32 829	31 779	116 909	103 205
Non-controlling interest	4 428	8 221	1 651	679
Shareholders' fund	28 401	23 558	115 258	102 526
Calculated carrying value	11 559	9 588	473	2 062
Goodwill recognised in the carrying value of associate	235	1 205	65	389
Carrying value	11 794	10 793	538	2 451
Dividends received	–	1 593	22	90

(1) Shriram Capital Private Limited has business operations (credit, life and general insurance) mainly in India. Earnings for 2024 have been accounted for the period 1 October 2023 to 30 September 2024. On 28 March 2024, Sanlam sold 1,59% of 2,09% of the direct interest in Shriram Finance Limited (subsidiary company of Shriram Capital Private Limited), resulting in an effective holding of 9,54% (2023: 10,21%). The group considers having significant influence to participate in the financial and operating policy decisions of Shriram Finance Limited due to having a representative on the board. Shriram Finance Limited operates mainly in India and is a credit provider.
(2) The effective interest of 40,70% relates to the holding in Shriram Capital Private Limited through Sanlam Emerging Markets Mauritius Limited.
(3) During December 2022, Shriram Transport Finance Company, Shriram City Union Finance Limited and Shriram Capital Limited were merged into one entity, Shriram Finance Limited. The new structure is reflected in the 2023 results.

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for the year ended 31 December 2024

12 Investments continued

12.2 Investment in associated companies and joint ventures continued

12.2.3 Investments in associated companies continued

Details of material associated companies continued

R million	Group: Shriram General Insurance[1] 2024	Shriram General Insurance[1] 2023	Shriram Life Insurance[2] 2024	Shriram Life Insurance[2] 2023
Carrying value of interest – equity method	2 157	1 728	751	675
Fair value of interest[5]	3 997	3 355	1 958	2 111
Effective interest in issued share capital – shareholders' fund	23%	23%	23%	23%
Summarised financial information:				
Revenue	5 996	4 624	4 703	3 732
Post-tax profit from continuing operations	2 250	918	67	65
Other comprehensive income	–	386	30	24
Total comprehensive income	2 250	1 304	97	89
Assets and liabilities				
Non-current assets	29 654	26 987	28 470	23 720
Current assets	1 488	1 216	1 050	763
Non-current liabilities	(23 893)	(21 762)	(26 107)	(21 285)
Current liabilities	(1 132)	(1 462)	(1 202)	(1 134)
Net asset value	6 117	4 979	2 211	2 064
Non-controlling interest	16	22	–	–
Shareholders' fund	6 101	4 957	2 211	2 064
Calculated carrying value	1 398	1 136	509	475
Recognition of hedge on acquisition	(34)	(34)	(10)	(10)
Goodwill recognised in the carrying value of associate	793	626	252	210
Carrying value	2 157	1 728	751	675
Dividends received	60	674	52	55

R million	Group: Pacific & Orient[3] 2024	Pacific & Orient[3] 2023	Capital Legacy Solutions[4] 2024	Capital Legacy Solutions[4] 2023
Carrying value of interest – equity method	433	447	1 395	1 369
Fair value of interest[5]	433	447	1 538	925
Fair value of interest – based on quoted prices for listed businesses	–	–	–	–
Effective interest in issued share capital – shareholders' fund	49%	49%	26%	26%
Summarised financial information:				
Revenue	1 195	1 009	853	754
Post-tax profit from continuing operations	(73)	(27)	418	211
Post-tax profit/(loss) from discontinued operations	–	–		
Other comprehensive loss	–	–		
Total comprehensive income	(73)	(27)	418	211
Assets and liabilities				
Non-current assets	3 082	2 930	1 350	1 494
Current assets	362	317	558	540
Non-current liabilities	(2 292)	(2 315)	(332)	(415)
Current liabilities	(268)	(20)	(202)	(293)
Net asset value	884	912	1 374	1 326
Non-controlling interest	–	–	307	–
Shareholders' fund	884	912	1 067	1 326
Calculated carrying value	433	447	371	345
Goodwill recognised in the carrying value of associate	–	–	1024	1 024
Carrying value	433	447	1 395	1 369
Dividends received	–	–		

[1] The group holds a 23% interest in Shriram general insurance, a general insurance business in India.
[2] The group holds a 23% interest in Shriram Life insurance, a life insurance business in India.
[3] The group holds a 49% interest in Pacific & Orient Insurance Co. Berhad, a niche general insurance business in Malaysia.
[4] The group holds a 26% interest in Capital Legacy Solutions, a fiduciary business with a unique life insurance offering.
[5] The level 3 fair value is determined based on a discounted cash flow model.

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R million	Group: ARC Financial Services Holdings[1] 2024	ARC Financial Services Investments[1] 2023
Carrying value of interest – equity method	3 995	1 283
Fair value of interest[2]	3 995	1 175
Effective interest in issued share capital – shareholders' fund	25%	25%
Summarised financial information:		
Investment (losses)/surpluses	(340)	1 170
Post-tax profit/(loss) from continuing operations	(267)	887
Total comprehensive income/(loss)	(267)	887
Assets and liabilities		
Non-current assets	17 954	7 526
Current assets	298	436
Non-current liabilities	(1 271)	(2 508)
Current liabilities	(1 001)	(321)
Net asset value	15 980	5 133
Non-controlling interest	–	–
Shareholders' fund	15 980	5 133
Calculated carrying value	3 995	1 283
Carrying value	3 995	1 283
Dividends received	–	–

[1] During the year, the group entered into an asset-for-share transaction in which it disposed of its 25% stake in ARC FSI, as well as a cash consideration of R2 571 million for a 25% stake in ARC FSH, which now holds 100% in ARC FSI. ARC FSH, is an entity focusing on opportunities in the South African and African financial services and diversified investments (non-financial) industries.
[2] The level 3 fair value is determined based on a sum-of-the-parts valuation which includes a combination of the following methods: discounted cash flow model, earnings multiple and quoted share prices.

Details of immaterial associated companies:

R million	Group 2024	2023
Post-tax profit from continuing operations	159	(5)
Post-tax profit from discontinued operations	–	263
Total comprehensive income	159	258

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for the year ended 31 December 2024

12 Investments continued

12.2 Investment in associated companies and joint ventures continued

12.2.3 Investments in joint ventures

Details of material joint ventures

R million	Group SanlamAllianz Africa[1] 2024	Restated[2] 2023
Carrying value of interest – equity method[1]	29 751	23 781
Fair value of interest[3]	30 438	25 022
Effective interest in issued share capital: Class A	59,59%	58,60%
Summarised financial information		
Non-current assets	175 863	138 490
Net reinsurance contract assets	8 578	6 417
Current assets	19 191	19 000
Non-current liabilities	(134 838)	(100 205)
Current liabilities	(13 325)	(16 130)
Non-controlling interest	(5 541)	–
Total equity	49 928	47 572
Calculated carrying value	29 752	24 018
Revenue[2]	45 722	9 469
Net operating result	7 452	1 748
Profit before tax	7 265	1 410
Taxation	(2 024)	(451)
Post-tax profit from continuing operations	5 240	959
Other comprehensive income	(2 982)	(949)
Total comprehensive income	2 258	10
Dividends received	–	–

(1) The group holds a 59,59% interest in SanlamAllianz Africa, a jointly controlled entity. The jointly controlled entity is an insurance entity focusing on opportunities on the African continent. A further 8,59% stake of Pan-Africa is held for sale as at 31 December 2024. The transaction is highly probable and the requirements of IFRS 5 are met to disclose the 8,59% stake as held for sale. Included in the carrying value is R4 286 million reclassified to held for sale. Refer to note 36.2 for additional information.
(2) Included in insurance revenue is an amount of R4 835 million (2023: R4 941 million) of revenue that is only recognised on consolidation due to the application of the IFRS 17 requirements of business combinations relating to amounts forming part of liabilities for incurred claims in the underlying GI SanlamAllianz subsidiaries. These revenue amounts are not reflected in the insurance revenue figures of the relevant stand-alone GI SanlamAllianz businesses. Prior year has been restated accordingly.
(3) The level 3 fair value is based on a discounted cash flow model.

Details of individually immaterial joint ventures:

R million	Group 2024	2023
Post-tax profit/(loss) from continuing operations	112	85
Total comprehensive income/(loss)	112	85

12.3 Other investments

Other investments comprise:
- Equities and similar securities;
- Interest-bearing investments;
- Structured transactions (including non-trading derivatives);
- Investment funds; and
- Deposits and similar securities.

These investments are either classified as subsequently measured at fair value through profit or loss (measured at fair value) or at amortised cost (measured at amortised cost), as described in the financial instruments accounting policy note. Loans of investment scrip are not treated as sales and purchases.

Structured transactions

Structured transaction assets include derivatives (ie foreign exchange contracts, interest rate futures, forward rate agreements, interest rate and equity options, currency swaps, credit default and interest rate swaps), structured notes (including equity linked notes) and collateralised securities (excluding fair value). Structured transaction liabilities consist of only derivatives.

Fair values are obtained from quoted market prices. In the absence of quoted market prices the group uses valuation techniques that incorporate factors that market participants would consider in setting the price and are consistent with accepted economic methodologies for pricing derivatives such as discounted cash flow models and option pricing models, as appropriate. The group calibrates its valuation techniques against market transactions or any available observable market data. Day one gains or losses on structured transactions measured using these valuation techniques are recognised in the statement of comprehensive income to the extent that they arise from a technique that incorporates only variables based on observable market data. The difference between the fair value at initial recognition and the transaction price is deferred. After initial recognition, the deferred difference is recognised as a gain or loss only to the extent that it arises from a change in a factor that market participants would take into account in pricing the asset/liability.

The group does not separate embedded derivatives related to investment contract liabilities recognised at fair value. Derivatives are used for trading purposes by SanFin and for non-trading purposes by other group businesses. The fair values related to trading derivatives are included in trade and other receivables and the fair values of non-trading derivatives are included in the structured transactions. Non-trading transactions are those which are held for accounting and economic hedging purposes as part of the group's risk management strategy against assets, liabilities, positions or cash flows measured at fair value, as well as structures incorporated in the product design of policyholder products.

Structured transaction liabilities are classified as mandatorily measured at fair value through profit or loss.

Deposits and similar securities

Deposits and similar securities consist of cash at hand, negotiable certificates of deposit and other short-term highly liquid investments with maturity profiles of more than 90 days. Refer to note 37 for additional information on measurement.

12.3.1 Equities and similar securities

R million	Group 2024	Group 2023	Company 2024	Company 2023
Equities and similar securities comprise:				
Listed on the JSE – at market value[1]	54 950	54 540	50 162	50 418
Unlisted – at fair value[2]	2 707	2 091	2 559	2 091
Offshore equity investments	34 767	25 009	32 771	25 007
Listed – at market value	34 767	25 009	32 771	25 007
Unlisted – at fair value	–	–	–	–
Equities held by consolidated investment funds	105 079	77 068	–	–
Total equities and similar securities	197 503	158 708	85 492	77 516

(1) Equities and similar securities of Rnil million (2023: R5 478 million) were reclassified to non-current assets held for sale in the current year. Refer to note 35 for additional information.
(2) Equities and similar securities (company) of R925 million were reclassified to non-current assets held for sale in the current year (2023: Rnil).

Equities are mandatorily measured at fair value through profit or loss.

Spread of equities listed on the JSE by sector (%)	Group 2024	2023
Consumer services	8,9	11,7
Consumer goods	12,6	7,5
Financials	26,0	24,1
Basic materials	17,5	21,5
General industrials	4,9	4,4
Telecommunications	3,1	4,4
Healthcare	4,1	5,5
Information technology	13,5	11,5
Property	2,7	2,4
Other	6,7	7,0
	100,0	100,0

Shares held in ultimate holding company – Sanlam Ltd

R million	Group 2024	Group 2023	Company 2024	Company 2023
Shareholders				
Number of shares (thousand)	1 878	1 885	1 878	1 885
Fair value (R million)	103	137	103	137
Policyholders				
Number of shares (thousand)	11 855	12 173	11 554	11 381
Fair value (R million)	1 030	886	1 004	829

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12 Investments continued

12.3 Other investments continued

12.3.2 Investments other than equities and similar securities, equity-accounted investments and properties

Group

R million	Designated as at fair value through profit or loss[1]	Mandatorily measured at fair value through profit or loss	Total fair value	Amortised cost (gross)	Amortised cost (net)[2]	Total
31 December 2024						
Deposits and similar securities	30 980	–	30 980	–	–	30 980
Structured transactions	4 850	28 242	33 092	–	–	33 092
Interest-bearing investments	347 304	–	347 304	27	27	347 331
Government interest-bearing investments	134 024	–	134 024	20	20	134 044
Corporate interest-bearing investments	176 072	–	176 072	–	–	176 072
Other interest-bearing investments	37 208	–	37 208	7	7	37 215
Investment funds	–	332 661	332 661	–	–	332 661
Total[2]	383 134	360 903	744 037	27	27	744 064
Structured transaction liabilities	–	12 838	12 838	–	–	12 838
31 December 2023						
Deposits and similar securities	37 843	–	37 843	–	–	37 843
Structured transactions	1 917	24 262	26 179	–	–	26 179
Interest-bearing investments	249 312	–	249 312	1 494	1 494	250 806
Government interest-bearing investments	97 101	–	97 101	21	21	97 122
Corporate interest-bearing investments	119 028	–	119 028	–	–	119 028
Other interest-bearing investments	33 183	–	33 183	1 473	1 473	34 656
Investment funds	–	301 937	301 937	–	–	301 937
Total[2]	289 072	326 199	615 271	1 494	1 494	616 765
Structured transaction liabilities	–	12 285	12 285	–	–	12 285

[1] The group has designated certain investment assets as fair value through profit or loss to reduce or limit accounting mismatches. The change during the period and cumulatively in fair value through profit and loss that is attributable to change in the credit risk of the financial asset is determined as the change triggered by factors other than changes in benchmark interest rate. The impact of changes in credit risk for 2024 and 2023 was not material. For financial assets designated at fair value through profit or loss, the maximum exposure to credit risk is equivalent to the carrying amount of the financial asset.

[2] The estimated fair value of investments valued at amortised cost amounts to R27 million (2023: R1 494 million). These are classified as level 2 instruments and the valuation is based on discounted cash flows.

Company

R million	Designated as at fair value through profit or loss[1]	Mandatorily measured at fair value through profit or loss	Total fair value
2024			
Deposits and similar securities	13 008	–	13 008
Structured transactions	2 416	26 114	28 530
Interest-bearing investments	209 582	–	209 582
Government interest-bearing investments	61 607	–	61 607
Corporate interest-bearing investments	110 533	–	110 533
Other interest-bearing investments	37 442	–	37 442
Investment funds	–	374 465	374 465
Total	225 006	400 579	625 585
Structured transaction liabilities	–	9 720	9 720
2023			
Deposits and similar securities	17 746	–	17 746
Structured transactions	843	21 976	22 819
Interest-bearing investments	163 780	–	163 780
Government interest-bearing investments	54 615	–	54 615
Corporate interest-bearing investments	76 811	–	76 811
Other interest-bearing investments	32 354	–	32 354
Investment funds	–	342 753	342 753
Total	182 369	364 729	547 098
Structured transaction liabilities	–	6 077	6 077

[1] The change during the year and cumulatively in fair value through profit and loss that is attributable to change in the credit risk of the financial asset is determined as the change triggered by factors other than changes in benchmark interest rate. For financial assets designated at fair value through profit or loss, the maximum exposure to credit risk is equivalent to the carrying amount of the financial asset.

Maturity analysis

Group

R million	On demand	<1 year	1 – 5 years	>5 years	Total
31 December 2024					
Deposits and similar securities[1]	395	22 430	7 802	353	30 980
Structured transactions	34	5 536	27 275	247	33 092
Interest-bearing investments	3 244	59 268	157 156	127 663	347 331
Government interest-bearing investments	–	23 356	15 158	95 530	134 044
Corporate interest-bearing investments	3 209	27 428	122 024	23 411	176 072
Other interest-bearing investments	35	8 484	19 974	8 722	37 215
Investment funds	332 661	–	–	–	332 661
Total	336 334	87 234	192 233	128 263	744 064
Structured transaction liabilities – Present value	40	6 353	383	6 062	12 838
Structured transaction liabilities – Undiscounted	–	4 329	117	12 666	17 112
31 December 2023					
Deposits and similar securities[1]	–	19 971	17 677	195	37 843
Structured transactions	(9 005)	25 494	3 894	5 796	26 179
Interest-bearing investments	(2 511)	61 131	104 687	87 499	250 806
Government interest-bearing investments	–	16 866	14 312	65 944	97 122
Corporate interest-bearing investments	(2 521)	34 414	72 727	14 408	119 028
Other interest-bearing investments	10	9 851	17 648	7 147	34 656
Investment funds	301 937	–	–	–	301 937
Total	290 421	106 596	126 258	93 490	616 765
Structured transaction liabilities – Present value	–	3 975	3 548	4 762	12 285
Structured transaction liabilities – Undiscounted	–	8 054	1 739	2 884	12 677

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12 Investments continued

12.3 Other investments continued

12.3.2 Investments other than equities and similar securities, equity-accounted investments and properties continued

Company R million	On demand	<1 year	1 – 5 years	>5 years	Total
31 December 2024					
Deposits and similar securities[1]	395	11 946	464	203	13 008
Structured transactions	34	4 895	24 841	(1 240)	28 530
Interest-bearing investments	2 160	34 937	107 927	64 558	209 582
Government interest-bearing investments	–	10 729	6 358	44 520	61 607
Corporate interest-bearing investments	2 125	15 434	81 657	11 317	110 533
Other interest-bearing investments	35	8 774	19 912	8 721	37 442
Investment funds	374 465	–	–	–	374 465
Total	377 054	51 778	133 232	63 521	625 585
Structured transaction liabilities – Present value	40	4 290	30	5 360	9 720
Structured transaction liabilities – Undiscounted	–	4 321	117	12 666	17 104
31 December 2023					
Deposits and similar securities[1]	–	13 357	4 194	195	17 746
Structured transactions	(9 005)	24 937	2 557	4 330	22 819
Interest-bearing investments	505	29 836	75 960	57 479	163 780
Government interest-bearing investments	–	4 023	9 196	41 396	54 615
Corporate interest-bearing investments	495	18 136	49 244	8 936	76 811
Other interest-bearing investments	10	7 677	17 520	7 147	32 354
Investment funds	342 753	–	–	–	342 753
Total	334 253	68 130	82 711	62 004	547 098
Structured transaction liabilities – Present value	–	2 732	72	3 273	6 077
Structured transaction liabilities – Undiscounted	–	3 296	1 316	1 505	6 117

[1] Call accounts and money market securities with maturity profile greater than 90 days, but less than one year are included in the less than one year's maturity.

12.3.3 Investments in subsidiaries, associated companies and joint ventures[1]

R million	Company 2024	2023
Investments in subsidiaries	149 797	134 292
Equity holding	146 025	128 579
Loans to subsidiaries	3 772	5 713
Investments in associated companies	6 618	5 697
Shriram Finance Limited	991	3 401
ARC Financial Services Holdings	4 062	–
Other	1 565	2 296
Total	156 415	139 989
Loans from subsidiaries	(27 598)	(28 795)

[1] Investments in subsidiaries, associated companies and joint ventures are classified as fair value through profit or loss.

Loans from subsidiaries

Refer to note 40 for details of principal subsidiaries.

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For the purpose of key assumptions and sensitivity disclosures, the investment in subsidiaries, associated companies and joint ventures, including loans to subsidiaries are broken down as follows:

R million	Company 2024	2023
Listed entities	29 141	24 489
Santam Limited	26 680	19 456
Afrocentric Investment Corporation	1 470	1 632
Shriram Finance Limited	991	3 401
Non-listed covered[1]	84 038	75 033
Sanlam Emerging Markets (Pty) Ltd	55 357	53 159
Sanlam Development Markets	16 310	17 034
Safrican Insurance Company Ltd	2 302	1 883
Brightrock Holdings (Pty) Ltd	1 866	1 696
Capital Legacy	1 538	927
Assupol	6 571	–
Other	94	334
Non-listed non-covered[1]	43 236	40 466
U.R.D. Beleggings (Pty) Ltd	22 082	21 957
Electra Investments (SA) (Pty) Ltd	6 306	6 306
Glacier Financial Holdings (Pty) Ltd	3 730	3 392
Sanlam Personal Loans (Pty) Ltd	2 615	2 174
Rycklof-Beleggings (Pty) Ltd	1 466	1 465
ARC Financial Services Investments (Pty) Ltd (ARCFSI)	–	1 283
ARC Financial Services Holdings (Pty) Ltd (ARC FSH)	4 062	–
NMS Insurance Services (Pty) Ltd	406	–
Other[2]	2 569	3 890
Total	156 415	139 989

[1] Covered businesses are long-term insurance business written by Sanlam Life & Savings, Sanlam Emerging Markets and Sanlam Employee Benefits. Non-covered businesses relate to holdings , lending and unlisted general insurance companies.
[2] Other consists of individually immaterial dormant entities and loans.

The sensitivity analysis provided in note 37, is based on the following changes in assumptions:

	Company 2024	2023
Risk discount rate (RDR)	1%	1%

The weighted average assumptions for non-covered non-listed investments are as follow:

	Company 2024	2023
Risk discount rate (RDR)	15,90%	16,10%

12.4 Use of valuation techniques to determine fair value

Refer to note 37 for additional disclosures.

12.5 External investors consolidated funds

These are designated at fair value through profit or loss. Refer to note 37 for the fair value levels.

12.6 Investment return

Investment income

Investment income includes interest, net rental income and dividend income. Interest income is accounted for on a time proportionate basis that takes into account the effective yield on the asset and includes the net income earned from interest margin business.

Rental income is recognised on an accrual basis, apart from operating leases that contain fixed escalation clauses, where it is recognised on a straight-line basis over the lease term. The difference between rental income on a straight-line and accrual basis is recognised as part of the carrying amount of properties in the statement of financial position.

Dividend income is recognised once the last day for registration has passed. Capitalisation shares received in terms of a capitalisation issue from reserves, other than share premium or a reduction in share capital, are treated as dividend income.

Investment surpluses

Investment surpluses consist of net realised gains and losses on the sale of investments and net unrealised fair value gains and losses on the valuation of investments at fair value, excluding investments relating to capital market activities. Net realised gains and losses relate to gains and losses recognised on the disposal of the investments. Net unrealised fair value gains and losses relate to fair value adjustments arising on the valuation of investments which are still held by the group. Costs directly attributable to the acquisition of financial assets classified as at fair value through profit or loss are recognised in the statement of comprehensive income as investment surpluses. Investment surpluses are recognised in profit or loss in the statement of comprehensive income on the date of sale or upon valuation to fair value.

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12 Investments continued

12.6 Investment return continued

R million	Group 2024	Group 2023	Company 2024	Company 2023
Investment income				
Equities and similar securities	7 626	12 472	11 427	14 063
Interest-bearing, preference shares and similar securities	35 127	24 764	18 923	12 388
Properties	490	637	478	521
Rental income – excluding contingent rental	669	753	657	693
Contingent rental income	–	64	–	–
Rental related expenses	(179)	(180)	(179)	(172)
Income from margin business[1]	22	–	22	–
Dividend received from investment properties	(41)	(13)	–	(13)
Total investment income (including profit from discontinued operations)	**43 224**	**37 860**	**30 850**	**26 959**
Profit from discontinued operations	910	4 049		
Investment surpluses/(deficits) on assets held in respect of insurance contracts (continuing operations)	10 791	9 528		
Investment income (continuing operations)	31 523	24 282		
Interest income on financial assets measured at amortised cost	–	50		

[1] Refer to note 26 for finance cost incurred in respect of margin business.

R million	Group 2024	Group 2023	Company 2024	Company 2023
Investment surpluses/(deficits)				
Financial assets	73 086	67 685	80 154	66 023
Financial assets designated as at fair value through profit or loss	(454)	2 290	(2 475)	(4 311)
Financial assets mandatorily measured at fair value through profit or loss	73 540	65 383	82 629	70 334
Financial assets measured at amortised cost	–	12	–	–
Financial liabilities	140	(10)	(22)	(10)
Financial liabilities designated as at fair value through profit or loss	140	(10)	(22)	(10)
Financial liabilities measured at amortised cost	–	–	–	–
Investment properties	291	(633)	290	(629)
Profit on disposal of subsidiaries, associated companies and operations	4 043	433	6	479
Total investment (deficits)/surpluses (including profit from discontinued operations)	**77 560**	**67 475**	**80 428**	**65 863**
Profit from discontinued operations	3 450	2 259		
Investment surpluses/(deficits) on assets held in respect of insurance contracts (continuing operations)	19 400	6 408		
Investment (deficits)/surpluses (continuing operations)	54 710	58 808		
Investment return includes:				
Foreign exchange gains	–	189	9	9
Financial assets measured at amortised cost				
Gains on derecognition of financial assets measured at amortised cost	–	12	–	–
Losses on derecognition of financial assets measured at amortised cost	–	–	–	–

Profit on disposal of subsidiaries, associated companies and operations

R million	Group 2024	Group 2023	Company 2024	Company 2023
Sanlam Life and Savings	6	821	6	479
Sanlam Risk and Savings[1]	–	965	–	276
Sanlam Corporate	6	(144)	6	203
Santam	–	118	–	–
Sanlam Emerging Markets	4 037	(506)	–	–
Pan-Africa	2 803	(497)	–	–
Asia	1 234	(9)	–	–
Profit on disposal of subsidiaries, associated companies and operations	4 043	433	6	479

[1] Sanlam Risk and Savings was previously reported as SA Retail Affluent.

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13 Trading account assets and liabilities

13.1 Trading account assets

Trading account assets include equities and similar securities, interest-bearing instruments, CSA collateral and margin received from clients or counterparties and derivative financial instruments relating to the trading transactions undertaken by the group for market making, to service customer needs, for proprietary purposes, as well as any related economic hedging transactions. These transactions are marked-to-market (fair values) after initial recognition and any gains or losses arising are recognised in the statement of comprehensive income. The fair values related to such contracts and commitments are determined on the same basis as described for non-trading instruments in the policy note for financial instruments and are reported on a gross basis in the statement of financial position as positive and negative replacement values to the extent that set-off is not required by IAS 32 – Financial Instruments: Presentation.

R million	Group 2024	Group Restated[1] 2023	Company 2024	Company Restated[1] 2023
Classification of trading account assets				
Mandatorily measured at fair value through profit or loss	–	229	–	229
Designated at fair value through profit or loss	4 278	4 432	2 313	2 188
Total trading account assets	**4 278**	**4 661**	**2 313**	**2 417**

[1] The prior years have been restated for collateral included in cash and cash equivalents please refer note 39 for additional information.

Maturity analysis of trading account assets

Group R million	Non-derivative trading account assets[1] 2024	Non-derivative trading account assets[1] 2023	Derivative trading account assets 2024	Derivative trading account assets 2023	Total trading account assets[1] 2024	Total trading account assets[1] 2023
Fair value						
On demand	4 186	4 659	2	2	4 188	4 661
Due within one year	90	–	–	–	90	–
Total	**4 276**	**4 659**	**2**	**2**	**4 278**	**4 661**
Undiscounted						
On demand	4 186	4 659	2	2	4 188	4 661
Due within one year	90	–	–	–	90	–
Total	**4 276**	**4 659**	**2**	**2**	**4 278**	**4 661**

Maturity analysis of trading account assets

Company R million	Non-derivative trading account assets 2024	Non-derivative trading account assets 2023	Derivative trading account assets 2024	Derivative trading account assets 2023	Total trading account assets 2024	Total trading account assets 2023
Fair value – Restated[1]						
On demand	2 311	2 415	2	2	2 313	2 417
Due within one year	–	–	–	–	–	–
Total	**2 311**	**2 415**	**2**	**2**	**2 313**	**2 417**
Undiscounted – Restated[1]						
On demand	2 311	2 415	2	2	2 313	2 417
Due within one year	–	–	–	–	–	–
Total	**2 311**	**2 415**	**2**	**2**	**2 313**	**2 417**

[1] The prior years have been restated for collateral included in cash and cash equivalents please refer note 39 for additional information.

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for the year ended 31 December 2024

13 Trading account assets and liabilities continued

13.2 Trading account liabilities

Trading account liabilities consists of borrowings in terms of the commercial paper programme to fund the activities in the group, repurchase agreements which fund the long bond positions and which are also used as a source of funding using borrowed bond scrip, CSA collateral and margin received from clients or counterparties, short bond and equity positions and interest rate and equity derivative liabilities. These transactions are marked-to-market (fair values) after initial recognition and any gains or losses arising are recognised in the statement of comprehensive income. The fair values related to such contracts and commitments are determined on the same basis as described for non-trading instruments in the policy note for financial instruments and are reported on a gross basis in the statement of financial position as positive and negative replacement values to the extent that set-off is not required by IAS 32 – Financial Instruments: Presentation.

	Group		Company	
		Restated[1]		Restated[1]
R million	2024	2023	2024	2023
Classification of trading account liabilities:				
Designated at fair value through profit or loss	5 582	6 868	4 463	5 288
Other payables at amortised cost	849	687	–	–
Total trading account liabilities	6 431	7 555	4 463	5 288

[1] The prior years have been restated for collateral included in cash and cash equivalents please refer note 39 for additional information.

Included in trading account liabilities are repurchase agreement positions of R852 million (2023: R687 million) which is secured by interest-bearing investments with a carrying value of R1 124 million (2023: R1 248 million). It relates to the sale of interest-bearing investments with an agreement to repurchase these investments at a fixed price at a later date. Where financial instruments are sold subject to a commitment to repurchase them, the financial instrument is not derecognised and remains in the statement of financial position. The proceeds received are recognised as a liability (trading account payable) carried at fair value.

	Group		Company	
R million	2024	2023	2024	2023
Maturity analysis of trading account – fair value[1]				
On demand	5 582	–	4 463	–
Due within one year	350	7 037	–	5 288
Due from two to five years	499	417	–	–
Due after five years	–	101	–	–
Total	6 431	7 555	4 463	5 288
Maturity analysis of trading account – undiscounted[1]				
On demand	5 582	–	4 463	–
Due within one year	350	7 037	–	5 285
Due from two to five years	499	417	–	–
Due after five years	–	101	–	–
Total	6 431	7 555	4 463	5 285

[1] The prior years have been restated for collateral included in cash and cash equivalents. Refer to note 39 for additional information.

14 Advances to customers

Advances to customers are measured initially at fair value plus incremental direct transaction costs. Subsequently, these are carried at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of advances to customers and of allocating interest income over the relevant period. The amortised cost of advances to customers is the amount at which it is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any impairment loss allowance. The gross carrying amount of advances to customers is the amortised cost of it before adjusting for any impairment loss allowance.

Advances to customers are assessed on an individual basis for indicators of impairment. Advances to customers are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the advance, the estimated future cash flows have been impacted, as well as observable changes in national or local economic conditions that correlate with default on advances.

	2024			2023		
R million	Gross amortised cost	ECL on financial assets at amortised cost	Net amortised cost	Gross amortised cost	ECL on financial assets at amortised cost	Net amortised cost
Advances to customers	4 253	(40)	4 213	4 048	17	4 065

[1] Advances to customers acquired through business combinations is a purchased credit-impaired asset. Upon acquisition of the entity, there was an ECL of R858 million.

Maturity analysis of advances to customers

	Group	
R million	2024	2023
Due within one year	927	970
Due from one to five years	3 172	2 986
Due after five years	114	109
Total	4 213	4 065

The estimated fair value of advances to customers at amortised cost approximate the carrying value. This valuation is based on a discounted cash flows and is classified as level 3.

The change during the period and cumulatively in fair value through profit or loss that is attributable to changes in the credit risk of the financial asset is determined as the change triggered by factors other than changes in the benchmark interest rates. The impact of the changes in credit risk for 2024 are not material.

The amount of the impairment is based on the expected credit loss (ECL) that is the difference between the cash flows that are due from customers in accordance with the contract and the cash flows that are expected to be received, discounted at the advances' original effective interest rates. Changes in the carrying amount of the portfolio expected credit losses are charged to the statement of comprehensive income.

Extensive data has been collated and a number of scenario based models have been developed for the credit risk analysis and assessment, as well as the measurement of ECL.

The total impairment provisions consist of the expected credit loss model and post-model overlays. The ECL model is calibrated to provide through-the-cycle losses. The post-model overlay includes forward-looking information that incorporates specific macroeconomic variables to adjust the losses accordingly.

The group uses a three stage model in determining the ECL allowance on its advances to customers which is based on changes in credit risk quality since initial recognition.

Stage 1: No significant increase in credit risk since initial recognition. Includes advances to customers not credit-impaired at initial recognition. 12-month ECL allowance is recognised. Indicators include less than one full instalment in arrears, technical cures and restructures. The effective interest is calculated on the gross carrying amount (ie before taking into account any ECL allowances).

Stage 2: A significant increase in credit risk has been identified. However, advances to customers are determined not to be credit-impaired. ECL is measured based on a lifetime basis. Indicators include but not limited to; one or two full instalments in arrears, fully cured restructures but excluding technical cures. The effective interest is calculated on the gross carrying amount (ie before taking into account any ECL allowances).

Stage 3: Represents advances to customers that are credit-impaired. ECL measured based on a lifetime basis. Indicators include but not limited to; three or more instalments in arrears, the customer is in financial distress and technical cures identified. The effective interest is calculated on the net carrying amount (ie after taking into account any ECL allowances).

Notes to the annual financial statements continued

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14 Advances to customers continued

A cure occurs when an account does not meet the default definition for a specified number of months. Thus, a cure is defined as the movement of exposures from a non-performing loan status to a performing loan status. A technical cure relates to a non-restructure performing account that defaulted and cured to a performing loan status, but is still classified as a non-performing loan or a technical cure relates to a restructured account that was forced into default at point of restructure. Non-restructure accounts should remain in a performing status for 12 consecutive months before it is removed from the non-performing loan status and restructure accounts should be in up-to-date status for 12 consecutive months measured against the new contract.

Modification gains/losses arise where the original term and/or interest rate of customer accounts have changed. Modification gains/losses are calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, and is recognised within the statement of comprehensive income.

The cashflow model is built solely on restructured accounts to ensure that the total expected credit loss and modification gains/losses are incorporated in the total provision number. The cashflow model calculates the difference between the cash flows that are due from customers in accordance with the restructured contract and the cash flows that the entity expects to receive discounted to restructure date at the original effective interest rate.

Restructured accounts are accounts (including customers under debt review) where there is a formal contractual arrangement between the customer and the company, where both parties have agreed to alter the terms of the original loan agreement. The contractual terms are changed in such a way to accept less than the original contractual amounts due, resulting in cash flow relief for the customer. The contract terms are generally adjusted when the customer can no longer afford the payments under the original agreement terms.

Suspended interest is the difference between the original interest amount due from a customer and the interest amount due on the amortised cost for credit-impaired advances to customers. Suspended interest on credit-impaired advances to customers is derecognised from provisions for impairment and recognised within the gross carrying amount of advances to customers.

Significant increase in credit risk

Significant increase in credit risk involves the company assessing whether the credit risk on advances to customers have increased significantly since initial recognition, the company compares the risk of a default occurring on the advances to customers at the reporting date with the risk of a default occurring on the advances to customers at the date of initial recognition. In making this assessment, the company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the company's customers operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant strategic advisors and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the company's core operations.

The company assumes that the credit risk on advances to customers have not increased significantly since initial recognition, if the advances to customers are determined to have low credit risk at the reporting date. Advances to customers are determined to have low credit risk if:
- the loan and advances have a low risk of default,
- the customer has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the customer to fulfil its contractual cash flow obligations.

Definition of default

An account is considered in default/non-performing when one of the following events occur:
- Three or more instalments in arrears (three or more full instalments in arrears), or resulting in a technical cure.
- Classification (An account will be classified once it meets the write-off criteria. From a system perspective, classification is a trigger for write-off)
- Distressed restructures are classified as non-performing at the point of restructure. Should the account be in an up-to-date state for 12 consecutive months measured against the new contract, they are moved from non-performing loan (NPL) to a performing loan.

Credit impaired financial assets

Credit impairment of advances to customers occur when there are one or more events that have a detrimental impact on the estimated future cash flows of advances to customers. Evidence that advances to customers are credit-impaired includes observable data about the following events:
- significant financial difficulty of the customer;
- a breach of contract, such as a default or past due event;
- for economic or contractual reasons relating to the customers' financial difficulty, having granted to the customer a concession(s) that the company and group would not otherwise consider;
- it is becoming probable that the customer will enter bankruptcy or other financial reorganisation; or
- the deterioration of an active market for advances to customers, because of market conditions.

Write-off policy

After exhausting all the practical avenues available to the company and in line with the internal collections department policy, based on the specific information and facts relating to each specific customer the relevant debts are written off as bad and charged to the statement of other comprehensive income, when future recoveries are considered immaterial. Accounts that are written off as bad are considered for hand over to an external debt collector when the relevant criteria are met.

15 Trade receivables and payables

15.1 Trade and other receivables

Trade and other receivables are measured in accordance with the classification categories below. Investment income due is classified in accordance with the classification of the asset that the investment income due stems from to the extent that it forms part of the carrying value of the instrument. Contract receivables are recognised when performance obligations are satisfied, but the compensation has not yet been received. Contract receivables are unconditional rights to consideration. A right to consideration is unconditional if only the passage of time is required before payment becomes due. Contract receivables are presented separately from contract assets and cannot be netted off against contract liabilities.

	Group 2024					
R million	Fair value	Gross amortised cost	ECL on financial assets at amortised cost	Net amortised cost	Non-financial instrument[2]	Total
Accounts receivable	–	9 951	(353)	9 598	1 166	10 764
Premiums receivable[1]	–	67	–	67	–	67
Investment income due	4	570	–	570	–	574
Amounts due from holding company and fellow subsidiaries	1 185	2 364	–	2 364	–	3 549
Contract receivables	–	594	–	594	–	594
Total trade and other receivables[3]	**1 189**	**13 546**	**(353)**	**13 193**	**1 166**	**15 548**

	Group 2023					
R million	Fair value	Gross amortised cost	ECL on financial assets at amortised cost	Net amortised cost	Non-financial instrument[2]	Total
Accounts receivable	12	13 181	(353)	12 828	1 220	14 060
Premiums receivable[1]	–	1 622	(320)	1 302	–	1 302
Investment income due	29	611	–	611	–	640
Amounts due from holding company and fellow subsidiaries	1 231	421	–	421	–	1 652
Contract receivables	–	616	–	616	–	616
Total trade and other receivables[3]	1 272	16 451	(673)	15 778	1 220	18 270

	Group	
R million	2024	2023
Classification of trade and other receivables:		
Mandatorily measured at fair value through profit or loss	1 189	1 272
Amortised cost	13 193	15 778
Non-financial instrument[2]	1 166	1 220
	15 548	18 270

[1] Premiums receivable relate to financial instruments measured within the scope of IFRS 9.
[2] Non-financial instruments refer to prepaid expenses.
[3] Trade and other receivables of R0 million (2023: R564 million) were reclassified to non-current assets held for sale in the previous year. Refer to note 32 for additional information.

Trade and other receivables are receivable within one year. The estimated fair value of receivables at amortised cost approximate the carrying value.

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15 Trade receivables and payables continued

15.1 Trade and other receivables continued

R million	Company 2024 Fair value	Gross amortised cost	Net amortised cost	Non-financial instrument[2]	Total
Accounts receivable	–	2 933	2 933	330	3 263
Investment income due	–	243	243	–	243
Amounts due from holding company and fellow subsidiaries	1 093	(203)	(203)	–	890
Contract receivables	–	143	143	–	143
Total trade and other receivables	1 093	3 116	3 116	330	4 539

R million	Company 2023 Fair value	Gross amortised cost	Net amortised cost	Non-financial instrument[2]	Total
Accounts receivable	–	5 014	5 014	323	5 337
Premiums receivable[1]	–	598	598	–	598
Investment income due	–	326	326	–	326
Amounts due from holding company and fellow subsidiaries	1 073	17	17	–	1 090
Contract receivables	–	159	159	–	159
Total trade and other receivables	1 073	6 114	6 114	323	7 510

	2024	2023
Classification of trade and other receivables:		
Mandatorily measured at fair value through profit or loss	1 093	1 073
Amortised cost	3 116	6 114
Non-financial instrument[2]	330	323
	4 539	7 510

[1] Premiums receivable relate to financial instruments measured within the scope of IFRS 9.
[2] Non-financial instruments refer to prepaid expenses.

Trade and other receivables are receivable within one year. The estimated fair value of receivables at amortised cost approximate the carrying value.

Reconciliation of contract receivables

R million	Group 2024	2023
Balance at the beginning of the year	616	634
Revenue recognised in the current reporting period	16 244	5 031
Consideration received	(16 266)	(5 584)
Acquisition/(disposal) of subsidiaries	–	535
Balance at the end of the year	594	616

Refer to note 24 for the disaggregation of revenue recognised in accordance with IFRS 15.

Reconciliation of expected credit losses

R million	Group 2024	2023
Accounts receivable		
Balance at the beginning of year	353	353
Net remeasurement of loss allowance	–	4
Foreign currency translation differences	–	(4)
Reclassified to non-current assets	–	–
Balance at the end of the year	353	353
Premiums receivable		
Balance at the beginning of year	320	320
Net remeasurement of loss allowance	–	256
Reclassified as non-current assets held for sale	–	(256)
Foreign currency translation differences	–	–
Other	(320)	–
Balance at the end of the year	–	320

Reconciliation of contract receivables

	Company 2024	2023
Balance at the beginning of the year	158	409
Revenue recognised in the current reporting period	7 614	123
Consideration received	(7 629)	(374)
Balance at the end of the year	143	158

Trade and other receivables:

Movement in expected credit loss allowance is mainly due to a decrease in net remeasurement of loss allowance of premiums receivable of R320 million.

Santam:

The general approach is applied to provide for expected credit losses prescribed by IFRS 9. To measure the expected credit losses, loans and receivables have been grouped based on shared credit risk characteristics and the days past due to create three categories, namely performing, underperforming and not performing. The expected loss rates are based on the payment profiles of receivables over a period of 36 months before year-end. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors, such as the socio-economic environment affecting the ability of the debtors to settle the receivables. Receivables that are 30 days or more past due are considered to be "not performing" and the default rebuttable presumption of 90 days prescribed by IFRS 9 is not applied.

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15 Trade receivables and payables continued

15.2 Trade and other payables

Trade and other payables are measured in accordance with the classification categories below. Accrued investment payable is classified in accordance with the classification of the liability that the investment payable stems from to the extent that it forms part of the carrying value of the instrument.

	Group		Company	
R million	2024	2023	2024	2023
Accounts payable	30 181	28 321	10 664	14 340
Accrued interest payable	145	49	94	49
Bank overdraft	3	138	–	–
Total trade and other payables	30 329	28 508	10 758	14 389
Classification of trade and other payables:				
Designated at fair value through profit or loss[(1)]	–	101	–	–
Other payables at amortised cost	28 713	26 388	9 502	12 834
Non-financial instruments[(2)]	1 616	2 019	1 256	1 555
Total trade and other payables	30 329	28 508	10 758	14 389

Trade and other payables are payable within one year. The estimated fair value of payables at amortised cost approximates carrying value.

(1) For trade and other payables designated at fair value through profit or loss, the amount contractually payable at maturity is equivalent to the carrying amount of the financial liability. The group has designated trade payables as fair value through profit or loss to reduce or limit accounting mismatches.

(2) Non-financial instruments include leave pay accrual and income received in advance.

16 Short-term investments

Short-term investments comprise of highly liquid investments with original maturities of three months or more, such as interest-bearing investments, structured transactions and deposits, and similar securities. Their main purpose is to ensure that the liquidity requirements of the group in the ordinary course of business are met.

Short-term investments are considered to be financial assets which on initial recognition are classified as designated at fair value through profit or loss. They are subsequently measured at fair value through profit or loss in order to reduce or limit accounting mismatches. Net gains and losses (ie on the sale of investments and fair value gains and losses), interest or dividend income and foreign exchange gains or losses are recognised in profit or loss.

Short-term investments that are classified as level 2 instruments and the valuation is based on discounted cash flows.

Refer to note 37 for further information in respect of the determination of fair value and fair value hierarchy.

Short-term investments are classified as follows:

	Group		Company	
R million	2024	2023	2024	2023
Designated at fair value through profit or loss	7 462	9 087	1 039	3 570

17 Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, call deposits and negotiable certificates of deposit with maturity profiles of less 90 days and is classified at amortised cost.

Cash and cash equivalents are classified as follows:

Group

	2024			Restated[(1)] 2023		
R million	Gross amortised cost	ECL on financial assets at amortised cost	Net amortised cost	Gross amortised cost	ECL on financial assets at amortised cost	Net amortised cost
Cash and cash equivalents	31 372	(14)	31 358	23 100	(14)	23 086

(1) The prior year has been restated to reclassify collateral pledged and received from cash and cash equivalents to trading account assets and liabilities respectively in order to align with the definition of cash and cash equivalents in IAS 7. Refer to note 39 for additional information.

Company

	2024			Restated[(1)] 2023		
R million	Gross amortised cost	ECL on financial assets at amortised cost	Net amortised cost	Gross amortised cost	ECL on financial assets at amortised cost	Net amortised cost
Cash and cash equivalents	8 851	–	8 851	8 479	–	8 479

(1) The prior year has been restated to reclassify collateral pledged and received from cash and cash equivalents to trading account assets and liabilities respectively in order to align with the definition of cash and cash equivalents in IAS 7. Refer to note 39 for additional information.

Reconciliation of expected credit losses

	Group	
	2024	2023
R million	Lifetime ECL (not credit-impaired)	Lifetime ECL (not credit-impaired)
Balance at the beginning of the year	14	6
Foreign currency translation differences	–	8
Balance at the end of the year	14	14

18 Share capital and premium

Share capital is classified as equity where the group has no obligation to deliver cash or other assets to shareholders.

Incremental costs attributable to the issue or cancellation of equity instruments are recognised directly in equity, net of tax if applicable.

Shares held in Sanlam Life by shareholder portfolios and related investment funds consolidated as part of IFRS 10, previously held as treasury shares (in the consolidation reserve), are recognised as a deduction from equity on consolidation. The cost of treasury shares acquired is deducted from equity on date of acquisition. The consideration received on the disposal of treasury shares, net of incremental costs attributable to the disposal and tax, is also recognised directly in equity.

	Group and company	
R million	2024	2023
Authorised share capital		
100 million ordinary shares of 1 cent each	1	1
Issued share capital and share premium		
50 million ordinary shares issued at:		
Nominal value of 1 cent per share	1	1
Share premium	4 999	4 999
Total nominal value and share premium	5 000	5 000

Special resolutions by subsidiary companies since the date of the previous directors' report relate to approval of directors' remuneration, general authority to purchase shares, general authority to provide financial assistance in terms of section 44 of the Companies Act, and general authority to provide assistance to inter-related companies in terms of section 45 of the Companies Act.

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19 Other reserves

Non-distributable reserve

The non-distributable reserve consists of the pre-acquisition reserve arising from the demutualisation of Sanlam Life Insurance Limited in 1998. The regulatory non-distributable reserves comprises mainly of the group's Botswana as well as Kenya, Malaysia and Saham operations which, in 2023, have been released as a result of the SanlamAllianz transaction.

Foreign currency translation reserve

The exchange differences arising on the translation of foreign operations to the presentation currency are transferred to the foreign currency translation reserve. On disposal of the net investment, the cumulative exchange differences relating to the operations disposed of are released to the statement of comprehensive income.

Consolidation reserve

Deferred tax assets recognised in respect of assessed tax losses in policyholder funds increases the group's net assets without a corresponding increase in policy liabilities. These create mismatches with a corresponding impact on the shareholders' fund. A separate reserve is created for these valuation differences owing to the fact that they represent accounting differences and not economic gains or losses for the shareholders' fund.

The group elected not to derecognise the investment in Sanlam Life shares held by policyholder portfolios and consolidated IFRS 10 vehicles as part of IFRS 17 transition and consequential amendment to IAS 32. This has been applied retrospectively.

In respect of the deferred tax, the reserve represents net assessed losses to the extent that assets are considered recognisable, and will be realised as the assessed tax losses are utilised.

Common control reserve

The common control reserve represents the difference between the acquisition value and the aggregate purchase consideration in respect of business combination transactions involving entities which are ultimately controlled by the same party or parties before and after the business combination.

	Group		Company	
R million	2024	2023	2024	2023
Non-distributable reserves	5 321	5 329	5 429	5 429
Pre-acquisition reserves upon demutualisation of Sanlam Life Insurance Limited	5 317	5 329	5 429	5 429
Regulatory reserves	4	–	–	–
Foreign currency translation reserve	2 479	2 371	–	–
Common Control Reserve[(1)]	(1 299)	(1 299)	(67)	(67)
Consolidation reserve	323	564	–	–
Policyholder fund investments in consolidated subsidiaries	(6)	(6)	–	–
Tax benefit in respect of the individual policyholders' tax fund (IPF) tax losses	329	570	–	–
Total reserves other than retained earnings	6 824	6 965	5 362	5 362

(1) The group common control reserve relates to the acquisition of Glacier Financial Holdings (Pty) Ltd and Simeka Consultants & Actuaries (Pty) Ltd from a fellow subsidiary, Sanlam Investment Holdings (Pty) Ltd.

20 Non-controlling interest

	Group	
R million	2024	2023
Santam Ltd	5 510	4 124
MCIS Insurance	666	742
Sanlam Namibia Holdings	–	900
Afrocentric Investment Corp Ltd	985	1 006
NMS Insurance Services	368	–
Other	179	322
Non-controlling shareholders' interest	7 644	7 094
Non-controlling policyholders' interest	248	61
Total non-controlling interest	7 892	7 155

21 Investment contracts

21.1 Analysis of movement in investment contract liabilities

All investment contracts liabilities and assets fall within the scope of IFRS 9 and are designated as at fair value through profit or loss as their fair value is dependent on the fair value of the underlying assets that are carried at fair value through profit or loss.

Premium income from investment policy contracts are recognised as an increase in investment contract liabilities. Claims incurred are recognised as a decrease in investment contract liabilities.

	Group		Company	
R million	2024	2023	2024	2023
Investment contract assets[(1)]	(789)	–	(789)	–
Investment contract liabilities	554 955	488 501	519 769	459 748
Net investment contracts	554 166	488 501	518 980	459 748

		Group		Company	
R million	Note	2024	2023	2024	2023
Investment contracts					
Income		135 141	136 762	125 283	124 400
Premium income	21.2	67 841	69 316	62 014	61 850
Change in fair value of investment contract liabilities (including tax)		67 300	67 446	63 269	62 550
Outflow		(74 248)	(76 428)	(65 845)	(66 481)
Policy benefits	21.3	(52 545)	(51 834)	(45 809)	(43 527)
Retirement fund terminations		(12 990)	(17 540)	(12 982)	(17 466)
Fees and other payments to shareholders' fund		(8 713)	(7 054)	(7 054)	(5 488)
Movement in policy loans		(205)	13	(206)	(10)
Net movement for the year		60 688	60 347	59 232	57 909
Liabilities acquired through business combinations		5 240		–	–
Reclassified to non-current liabilities held for sale		(263)	(13 506)	–	–
Balance at the beginning of the year[(1)]		488 501	441 660	459 748	401 839
Balance at the end of the year		554 166	488 501	518 980	459 748

(1) Investment contracts assets and investment liabilities have been separated to enhance the disclosure. The investment contract assets relate to two reinsurance contracts written by the group where there is no significant insurance risk. Included in the investment contract asset line is premium income of negative R63 million, investment return of R31 million, policy benefits of R15 million and fees, risk premiums and other payments to shareholders fund of R805 million.

21.2 Analysis of investment contract premiums received

	Group		Company	
R million	2024	2023	2024	2023
Individual business	46 882	43 190	41 059	35 730
Recurring	12 683	12 959	10 829	10 431
Single	32 964	28 351	29 245	23 683
Continuations	1 235	1 880	985	1 616
Employee benefits business	20 959	26 126	20 955	26 120
Recurring	9 321	7 940	9 317	7 934
Single	11 638	18 186	11 638	18 186
Total investment contract premium income	67 841	69 316	62 014	61 850

21.3 Analysis of investment contract policy benefits

	Group		Company	
R million	2024	2023	2024	2023
Individual business	(44 917)	(44 069)	(39 002)	(36 314)
Maturity benefits	(21 707)	(20 962)	(17 757)	(15 589)
Surrenders	(5 554)	(6 362)	(4 412)	(5 266)
Life and term annuities	(13 954)	(15 519)	(13 355)	(14 577)
Death and disability benefits	(3 702)	(1 226)	(3 478)	(882)
Employee benefits business	(7 628)	(7 765)	(6 807)	(7 213)
Withdrawal benefits	(5 797)	(4 447)	(5 359)	(4 211)
Pensions	(13)	(24)	(8)	(12)
Lump-sum retirement benefits	(126)	(1 407)	(126)	(1 407)
Death and disability benefits	(1 692)	(1 887)	(1 314)	(1 583)
Total investment contract policy benefits	(52 545)	(51 834)	(45 809)	(43 527)

Notes to the annual financial statements continued

for the year ended 31 December 2024

21 Investment contracts continued

21.4 Maturity analysis

R million	Group 2024	Group 2023	Company 2024	Company 2023
Open-ended[1]	**365 968**	312 497	**360 323**	308 223
Due within one year	**17 814**	18 226	**9 564**	10 907
Due from one to five years	**56 470**	50 468	**39 500**	35 226
Due after five years	**113 914**	107 310	**109 593**	105 392
Net investment contract liabilities	**554 166**	488 501	**518 980**	459 748

[1] Open-ended is defined as policies where the policyholder is entitled to the benefit at any future point (benefits are contractually available on demand).
[2] Undiscounted maturity analysis of net investment contract liabilities is not considered to materially different to the discounted maturity analysis disclosed in the above table.

22 Term finance

Term finance liabilities include:
- Liabilities incurred as part of interest margin business and matched by specific financial assets measured at amortised cost; and
- Other term finance liabilities measured at fair value or amortised cost as applicable.

Preference shares issued by the group that are redeemable or subject to fixed dividend payment terms are classified as term finance liabilities. Dividends paid in respect of term finance are recognised in the statement of comprehensive income as finance cost.

R million	Group 2024	Group 2023	Company 2024	Company 2023
22.1 Term finance comprises:				
Interest-bearing liabilities	**20 778**	12 850	**12 957**	4 392
	20 778	12 850	**12 957**	4 392
Interest-bearing liabilities				
Unsecured subordinated bonds of R2 billion were issued in three tranches (SLI5, SLI6 and SLI7) during 2021. SLI5 and SLI6 unsecured subordinated bonds carry interest at a floating rate (three-month JIBAR plus 155 and 174 basis points respectively) and mature on 16 August 2026 and 16 August 2028 respectively. SLI7 carries interest at a fixed rate of 8,42% and matures on 16 August 2028. During 2023, additional R2 billion in unsecured subordinated bonds were issued (SLI8 and SLI9). SLI8 (R972 million) carries a floating rate (three-month JIBAR plus 134 basis points) and matures on 5 April 2029. SLI9 (R1 028 million) carries a floating rate (three-month JIBAR plus 150 basis points) with a 5 October 2030 maturity date. During 2024, additional R2 billion in unsecured subordinated bonds were issued (SLI10 and SLI11). SLI10 (R820 million) carries a floating rate (three-month JIBAR plus 134 basis points) and matures on 8 April 2030. SLI11 (R1 180 million) carries a floating rate (three-month JIBAR plus 146 basis points) with a 8 April 2032 maturity date. Sanlam Ltd irrevocably and unconditionally guarantees to the noteholders the due and punctual performance of all obligations arising under the programme[1]	**6 038**	3 991	**6 038**	3 991
Unsecured subordinated bonds of R350 million were issued by Assupol in three tranches (ASP01U, ASP02U and ASP03U) during 2022. ASP01U and ASP02U unsecured subordinated bonds carry interest at a floating rate (three-month JIBAR plus 240 and 265 basis points respectively) and mature in September 2025 and September 2027 respectively. ASP03U carries interest at a fixed rate of 11,18% and matures in September 2027.	**352**	–	**–**	–
During November 2020, the Santam issued unsecured subordinated callable floating rate notes to the value of R1 billion. The effective interest rate for the floating rate notes represents the three-month JIBAR plus 198 basis points. The notes have an optional redemption date of 30 November 2025 with a final maturity date of 30 November 2030[1]. During May 2022, the Santam issued additional unsecured subordinated callable floating rate notes to the value of R1 billion. The effective interest rate for the floating rate notes represents the three-month JIBAR plus 159 basis points. The notes have an optional redemption date of 16 May 2027 with a final maturity date of 16 May 2032[1]. During April 2023, Santam issued additional five-year unsecured subordinated callable floating rate notes to the value of R1 billion. The effective interest rate for the floating rate notes is equivalent to the three-month JIBAR plus a spread of 150 basis points. The notes have a final maturity date of 6 April 2028[1].	**3 063**	3 053	**–**	–
A unsecured bridge loan facility was entered in September 2024 with Standard Bank. The bridge loan facility equals a total of R6,5 billion. The loan carries interest at a floating rate (three months JIBAR plus 107 basis points), with a 31 March 2025 maturity date and the option to extend with six months.	**839**	–	**–**	–
A unsecured bridge loan facility was entered in September 2024 with Standard Bank. The bridge loan facility equals a total of R6,5 billion. The loan carries interest at a floating rate (three months JIBAR plus 107 basis points), with a 31 March 2025 maturity date and the option to extend with six months.	**6 500**	–	**6 500**	–
Target share (or preference share) issued by Sanlam Emerging Markets (Pty) Ltd to Sanpref (Pty) Ltd ("Sanpref"). Sanpref has a right to request redemption of the shares, which right can only be exercised on or after 22 December 2021.	**–**	1 577	**–**	–
A credit facility agreement was entered in March 2019. The full capital repayment is due at the end of the five-year term (March 2024) and was extended in the current financial period by one year to March 2025. The credit facility equals a total of R900 million consisting of revolving credit facility of R600 million and general banking facility of R300 million. R642 million, inclusive of accrued interest, has been utilised by the group of which amounts have been applied to funding the working capital and general corporate requirements of the group. The rate of interest on the loan for each interest period is the percentage rate per annum which is the aggregate of the applicable margin and JIBAR[1].	**623**	642	**–**	–
The funding facility is secured by loans and advances and is governed by two bad debt covenants (60 – 90-day arrears and 12-month rolling bad debts average) and an equity covenant. The covenants are measured quarterly by the relevant parties to ensure that these covenants are not breached. The loan consists of multiple advances, with each advance repayable over a three-year period bearing interest at the three-year asset swap rate fixed at the time of the advance plus a margin. These interest rates range from 7,50% to 10,52% (2023: 6,04% to 10,52%), with monthly instalments of R193 396 062 (2023: R182 244 869) and a final instalment of R5 314 008 due on 31 May 2027.	**2 944**	3 178	**–**	
Other	**419**	409	**419**	401
	20 778	12 850	**12 957**	4 392

[1] The South African Revenue Bank (SARB) has indicated its intention to move away from the Johannesburg Interbank Average Rate (JIBAR) and to create an alternative reference rate for South Africa, namely the South African Overnight Index Average (ZARONIA). Please refer to the basis of preparation.

Notes to the annual financial statements continued

for the year ended 31 December 2024

22 Term finance continued

22.2 Reconciliation of term finance (including interest accrued)

R million	Note	Group 2024	Group 2023	Company 2024	Company 2023
Balance at the beginning of the year		12 850	6 856	4 392	2 031
Cash movements		5 951	5 670	8 020	2 070
New issuances		10 482	3 386	8 469	2 386
Acquired through business combinations		351	3 880	–	25
Capital repayment		(3 882)	(878)	(32)	(50)
Interest paid		(1 000)	(718)	(417)	(291)
Non-cash movements		1 849	324	417	291
Net fair value movements		10	248	–	–
Interest expense		1 000	718	417	291
Reclassified to non-current liabilities held for sale	35	839	(672)	–	–
Foreign currency translation differences		–	30	–	–
New issuances		128	–	128	
Balance at the end of the year (including interest accruals)		20 778	12 850	12 957	4 392
Balance comprises:					
Term finance		20 778	12 850	12 957	4 392

22.3 Maturity analysis of term finance

	Group 2024	Group 2023	Company 2024	Company 2023
Maturity analysis of term finance – fair value				
Due within one year	9 431	1 966	6 502	25
Due from one to five years	9 328	9 856	5 275	3 339
Due after five years	2 019	1 028	1 180	1 028
Total term finance liabilities	20 778	12 850	12 957	4 392
Maturity analysis of term finance – undiscounted				
Due within one year	9 868	2 582	6 500	388
Due from one to five years	11 334	12 032	6 841	4 827
Due after five years	2 838	1 114	1 996	1 114
Total term finance liabilities	24 040	15 728	15 337	6 329

22.4 Classification of term finance

R million	Note	Group 2024	Group 2023	Company 2024	Company 2023
At fair value through profit or loss	22.4.1	9 521	9 021	6 458	4 392
Other financial liabilities	22.4.2	11 257	3 829	6 499	–
Total term finance liabilities		20 778	12 850	12 957	4 392
22.4.1 Term finance classified as at fair value through profit or loss					
Total designated as at fair value through profit or loss[1]		9 521	9 021	6 458	4 392
Amount contractually payable at maturity		9 816	7 642	6 000	4 000
22.4.2 Term finance classified as other financial liabilities					
Total term finance liabilities measured at amortised cost		11 257	3 829	6 499	–

[1] The unsecured subordinated debt is designated at fair value through profit and loss, as it is managed on a fair value basis.

23 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the amounts that are expected to be paid to settle the obligations. Provisions are charged to the statement of comprehensive income in the line item to which it relates.

Details of the different classes of provisions are as follows:

R million	Notes	Possible claims	Other	Total
Group				
Balance at 1 January 2023		15	195	210
Charged to the statement of comprehensive income		–	115	115
Additional provisions		–	218	218
Unused amounts reversed		–	(103)	(103)
Acquired through business combinations		–	2	2
Utilised during the year		–	(20)	(20)
Transfer to trade and other payables		–	(15)	(15)
Reclassified to non-current liabilities held for sale	36	–	(122)	(122)
Foreign currency translation reserve		–	(4)	(4)
Balance at 1 January 2024		15	151	166
Charged to the statement of comprehensive income		–	40	40
Additional provisions		–	46	46
Unused amounts reversed		–	(6)	(6)
Acquired through business combinations		–	1	1
Utilised during the year		–	(9)	(9)
Transfer from trade and other payables		–	15	15
Reclassified from non-current liabilities held for sale	36	–	(1)	(1)
Foreign currency translation reserve		–	36	36
Balance at 31 December 2024		15	233	248
Analysis of provisions				
Current		–	192	192
Non-current		15	41	56
Total provisions at 31 December 2024		15	233	248

R million	Possible claims	Other	Total
Company			
Balance at 1 January 2023	15	3	18
Utilised during the year	–	–	–
Balance at 31 December 2023	15	3	18
Charged to the statement of comprehensive income	–	–	–
Additional provisions	–	–	–
Unused amounts reversed	–	–	–
Acquired through business combinations	–	–	–
Utilised during the year	–	–	–
Foreign currency translation reserve	–	–	–
Balance at 31 December 2024	15	3	18
Analysis of provisions			
Current	–	–	–
Non-current	15	3	18
Total provisions at 31 December 2024	15	3	18

Possible claims

The group provides for possible claims that may arise as a result of past events, transactions or investments. Due to the nature of the provision, the timing of the expected cash outflows is uncertain.

Estimates are reviewed annually and adjusted as appropriate for new circumstances.

Additional information in respect of these claims cannot be provided, due to the potential prejudice that such disclosure may confer on the group.

Other

Includes sundry provisions for probable outflows of resources from the group arising from past events. The timing of settlement cannot reasonably be determined.

Notes to the annual financial statements continued

for the year ended 31 December 2024

24 Revenue

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

Major revenue sources not within the scope of IFRS 15:

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

Major IFRS 15 revenue sources:

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

Revenue within the scope of IFRS 15 is either recognised at a point in time or over time. Revenue is recognised over time if one of the following criteria is met:
- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

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

IFRS 15 Revenue disaggregation

Revenue from contracts with customers is disaggregated by geographic location and type of revenue. It is also split per the group's key reporting segments. Sanlam believes it best depicts how the nature, amount, timing and uncertainty of the group's revenue and cash flows are affected by economic factors.

Recognition of different sources of revenue

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

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

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

Commissions from investment management or administration services in respect of investment contracts are recognised either at a point in time or over time. The fees are payable within 30 days of the service being rendered. Commission earned by the group at a point in time is earned by the group in its capacity as an intermediary.

Retail relates to revenue from the sale of goods in Afrocentric and is recognised at a point in time when control of goods have been transferred. The fees are payable 30 days from date of invoice.

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

Estate fees are recognised at a point in time when the administration of estates are completed. The fees are payable 30 days from date of invoice.

Health and risk management fees relates to revenue from the services provided by Afrocentric and is recognised over time. Payments are made on a monthly basis.

Marketing services relate to sales and marketing initiatives that support and promote the brands of various clients. The customer benefits as and when the services are rendered in terms of the signed contract. Marketing fees are paid monthly, which is in line with the frequency and timing of satisfying performance obligations under the contract.

IT revenue relate to administration of the fund/scheme (which include processing claims, collecting payments, maintaining records, member administration and IT services which includes hosting and switching fees). The customer benefits as services are provided, thus revenue is recognised as the services are rendered over the contract duration. The fee charged is per claim per month. The contracts provide for annual escalations. Such amendments are accounted for in the period in which they arise. The rates are updated from the month the increase is effective per the contract. Payments are made on a monthly basis.

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

Group

Analysis of revenue

According to primary geography

R million	South Africa	Pan-Africa	Total
31 December 2024			
IFRS 15 Revenue	16 015	229	16 244
Administration fees	9 505	206	9 711
Asset management and performance fees	640	–	640
Commissions	319	–	319
Consulting fees	465	–	465
Capitation fees	1 765	–	1 765
Health and risk management fees [1]	1 788	21	1 809
Retail	589	–	589
Marketing services	136	–	136
IT revenue	81	–	81
Other [2]	727	2	729
Revenue not within the scope of IFRS 15			403
Revenue[3]			16 647
31 December 2023			
IFRS 15 Revenue	6 884	–	6 884
Administration fees	5 453	–	5 453
Asset management and performance fees	509	–	509
Commission	227	–	227
Consulting fees	316	–	316
Trust and estate fees	119	–	119
Other[1] [2]	260	–	260
Revenue not within the scope of IFRS 15			2 105
Revenue[3]			8 989

Analysis of revenue

According to timing of revenue recognition

R million	At a point in time	Over time	Total
31 December 2024			
IFRS 15 Revenue	1 535	14 709	16 244
Administration fees	481	9 230	9 711
Asset management and performance fees	–	640	640
Commissions	126	193	319
Consulting fees	30	435	465
Capitation fees	–	1 765	1 765
Health and risk management fees [1]	–	1 809	1 809
Retail	589	–	589
Marketing services	–	136	136
IT revenue	–	81	81
Other [2]	309	420	729
Revenue not within the scope of IFRS 15			403
Revenue[3]			16 647
31 December 2023			
IFRS 15 Revenue	837	6 047	6 884
Administration fees	334	5 119	5 453
Asset management and performance fees	–	509	509
Commissions	131	96	227
Consulting fees	32	284	316
Trust and estate fees	80	39	119
Other[1] [2]	260	–	260
Revenue not within the scope of IFRS 15			2 105
Revenue[3]			8 989

(1) Health and risk management fees were previously included in the Other line. The change in disclosure is to provide additional useful information to the reader.
(2) Other IFRS 15 revenue relates to rebates, scrip lending fees received and licence fees.
(3) Sanlam Life and Savings primarily have revenue in South Africa, R15 340 million (2023: R14 145 million), as well as a small portion stemming from Other International and Pan-Africa, respectively, Rnil (2023: R1 million) and R229 million (2023: R144 million). Group office and Santam revenue stem from South Africa.

Notes to the annual financial statements continued

for the year ended 31 December 2024

24 Revenue continued

Company

Disaggregation of revenue

As all revenue for Life company originates from a South African source, a geographical split is not provided.

Disaggregation of revenue

According to timing of revenue recognition, all revenue is from a South African source

R million	Over time	Total
31 December 2024		
IFRS 15 Revenue	**7 614**	**7 614**
Administration fees	**7 029**	**7 029**
Asset management fees and performance fees	**585**	**585**
Revenue not within the scope of IFRS 15		**181**
Revenue		**7 795**
31 December 2023		
IFRS 15 Revenue	6 462	6 462
Administration fees	5 955	5 955
Asset management fees and performance fees	506	506
Commissions	1	1
Revenue not within the scope of IFRS 15		459
Revenue		6 921

25 Expenses

25.1 Expenses

Sales remuneration consists of commission payable to sales staff on long-term and short-term investment business and expenses directly related thereto, bonuses payable to sales staff and the group's contribution to their retirement and medical aid funds.

The portion of sales remuneration that is directly attributable and incremental to the acquisition of long-term recurring premium investment policy contracts is capitalised to the contract costs for investment management services asset and recognised over the period in which the related services are rendered and revenue recognised (refer to policy statement for contract costs for investment management services asset).

Sales remuneration recognised in the statement of comprehensive income includes the amortisation of contract cost for investment management service as well as sales remuneration incurred that is not directly attributable to the acquisition of long-term investment policy contracts.

Administration costs include, inter alia, indirect taxes such as VAT, property and administration expenses relating to owner-occupied property, property and investment expenses related to the management of the policyholders' investments, product development and training costs. It also includes expected credit losses of financial assets at amortised cost.

The group has elected not to recognise a lease liability for short-term **leases** (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred. These expenses are included under leases and recognised in the statement of comprehensive income.

The following **staff long-term incentive schemes** have been implemented in the group and have unvested conditions at the reporting date:

In terms of these plans, Sanlam undertakes to deliver a fixed number of shares to selected employees on pre-determined dates in the future, on condition that the employee is still in the employment of Sanlam on those dates. Vesting can occur in three tranches over a period starting three years from the grant date and meet specified individual performance hurdles. Group and/or cluster hurdles are also applicable for some of the plans. Refer to the online Remuneration Report for information on these plans. The fair value of equity instruments granted is measured on grant date using an appropriate valuation model, which takes into account the market price on grant date, the fact that employees will not be entitled to dividends until the shares vest (as applicable), as well as an assumption on the actual percentage of shares that will be delivered. The fair value of the equity instruments granted on the date of grant is recognised in the statement of comprehensive income on a straight-line basis over the vesting period, adjusted to reflect actual levels of vesting.

Restricted Share Plan

The Restricted Share Plan was introduced in 2006. Selected key employees are granted fully paid-up shares at no consideration in terms of retention and performance agreements. Unconditional vesting can occur on pre-determined dates subject to certain performance targets being met. The fair value of the equity instruments granted on the date of grant is recognised in the statement of comprehensive income on a straight-line basis over the vesting period, adjusted to reflect expected levels of vesting.

Notes to the annual financial statements continued

for the year ended 31 December 2024

25 Expenses continued

25.1 Expenses continued

Directors' remuneration

Non-executive directors' emoluments (Sanlam Ltd and Sanlam Life Ltd) for the year ended 31 December 2024 (R'000)[1]

Name	Directors' fees	Attendance and committees	Fees from group	Total
AS Birrell[2] (Non-resident)	1 109	2 230	2 981	6 320
AD Botha[2]	443	558	–	1 001
NAS Kruger	443	1 761	–	2 204
E Masilela	1 367	410	–	1 777
TI Mvusi (Chair)	3 532	36	–	3 568
M Mokoka	443	1 622	256	2 321
JP Möller	443	1 940	697	3 080
PT Motsepe (Deputy Chair)	674	672	–	1 346
KT Nondumo	443	2 149	798	3 390
SA Nkosi	443	503	–	946
J van Zyl	443	670	473	1 586
SA Zinn	443	859	–	1 302
E Essoka[3] (Non-resident)	1 109	1 038	–	2 147
N Manyonga	443	1 104	311	1 858
W Van Biljon	443	1 247	289	1 979
T Skweyiya	443	1 041	–	1 484
Total non-executive directors	12 664	17 840	5 805	36 309

[1] Excluding VAT.
[2] Nationality: British/South African.
[3] Nationality: Cameroonian.

Executive directors' emoluments (Sanlam Ltd and Sanlam Life Ltd) for the year ended 31 December 2024 (R'000)

					Annual bonus			
Name	Months in service	Salary	Company contributions	Subtotal: Guaranteed package	Cash	Deferred	Attributable value of LTIs vested[1]	Total remuneration
Paul Hanratty	12	6 130	–	6 130	–	–	–	6 130
Abigail Mukhuba	12	6 130	350	6 480	6 860	2 940	5 859	22 139
Total		12 260	350	12 610	6 860	2 940	5 859	28 269

Non-executive directors' emoluments (Sanlam Ltd and Sanlam Life Ltd) for the year ended 31 December 2023 (R'000)[1]

Name	Directors' fees	Attendance and committees	Fees from group	Total
AS Birrell[2] (Non-resident)	1 048	2 123	1 949	5 120
AD Botha	419	668	–	1 087
NAS Kruger[2]	419	1 521	–	1 940
E Masilela (Chair)	4 014	–	–	4 014
M Mokoka	419	1 517	255	2 191
JP Möller	419	1 682	703	2 804
PT Motsepe (Deputy Chair)	637	806	–	1 443
KT Nondumo	419	1 995	907	3 321
SA Nkosi	419	589	–	1 008
J van Zyl	419	859	230	1 508
SA Zinn	419	835	–	1 254
E Essoka[3] (Non-resident)	1 048	988	–	2 036
N Manyonga	419	582	44	1 045
W Van Biljon	419	1 206	140	1 765
T Skweyiya	419	1 011	–	1 430
Total non-executive directors	11 356	16 382	4 228	31 966

[1] Excluding VAT.
[2] Nationality: British/South African.
[3] Nationality: Cameroonian.

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25 Expenses continued

25.1 Expenses continued

Executive directors' emoluments for the year ended 31 December 2023 (R'000)

Name	Months in service	Salary	Company contributions	Subtotal: Guaranteed package	Annual bonus Cash	Annual bonus Deferred	Attributable value of LTIs vested[1]	Total remuneration
Paul Hanratty	12	6 130	–	6 130	–	–	–	6 130
Abigail Mukhuba	12	5 757	350	6 107	5 250	2 250	12 096	25 703
Total		11 887	350	12 237	5 250	2 250	12 096	31 833

Fees from group companies for the year ended 31 December 2024 (R'000)[1]

	Directors' fees	Attendance fees	Committee fees	Total
AS Birrell (Non-resident)	**947**	**977**	**1 057**	**2 981**
JP Möller	**–**	**–**	**697**	**697**
J van Zyl	**329**	**–**	**144**	**473**
M Mokoka	**256**	**–**	**–**	**256**
KT Nondumo	**376**	**–**	**422**	**798**
N Manyonga	**–**	**–**	**311**	**311**
W Van Biljon	**–**	**–**	**289**	**289**
Total fees from group companies	**1 908**	**977**	**2 920**	**5 805**

[1] Excluding VAT.

Fees from group companies for the year ended 31 December 2023 (R'000)[1]

	Directors' fees	Attendance fees	Committee fees	Total
AS Birrell (Non-resident)	646	847	456	1 949
M Mokoka	105	–	150	255
JP Möller	–	21	682	703
KT Nondumo	515	19	373	907
J van Zyl	160	–	70	230
N Manyonga	–	–	44	44
W Van Bijon	–	–	140	140
Total fees from group companies	1 426	887	1 915	4 228

[1] Excluding VAT.

Notes to the annual financial statements continued

for the year ended 31 December 2024

25 Expenses continued

25.1 Expenses continued

Group CEO remuneration structure summary

In the three prior years' remuneration reports, granular details of the group CEO's five-year remuneration arrangement (measured up to 31 December 2025) were disclosed together with engagements with shareholders. From a policy perspective, we provide a summary of the salient features only, as well as disclosure of the consistent application of LTI design principles.

This arrangement is designed to provide the group CEO with a high level of investment in Sanlam shares and to provide close alignment between his remuneration structure and shareholders' interest. It is therefore directly linked to the performance of Sanlam.

The components are as follows:

- Only 10% is cash salary (guaranteed pay of R6 130 000 per year, fixed for five years).
- The remaining 90% value is made up of Sanlam shares linked to performance conditions for vesting:
  - 5% – vests based on individual performance as evaluated by the Board
  - 30% – could vest based on short-term performance and the group CEO annual performance scorecard outcomes. Measured shares must be held until the end of the five-year period, plus the post-holding period until the end of the group CEO's contract term.
  - 30% – could vest based on long-term achievement of financial targets which are the same as for participants of the performance share plan (PDSP).
  - 35% – could vest based on stretch strategic delivery on top of a required base of financial hurdles and are termed OPP shares.

The arrangement is long-term focused and any share vesting is heavily weighted toward financial achievement. The arrangement places the group CEO fully on risk, and short-term, long-term and strategic measures are all balanced in the design.

The potential was benchmarked to comparable CEO's total pay at stretch and is at-market benchmarks and is therefore competitive. The remuneration arrangement was implemented within the rules of the LTI plans.

Share component	Number of shares	Performance
Restricted shares (in lieu of TGP)	328 590	Satisfactory performance per CEO scorecard as evaluated by the board.
Bonus shares	1 671 910	Assessed annually based on group CEO performance contract. Annual performance vesting ranges between 0% – 200%; 100% at target and 200% at stretch. For the full vesting of bonus shares stretch performance need to be achieved annually. Shares that have met the performance criteria (measured) must be held until end of the holding period (unless the board determines otherwise). Shares not meeting the criteria are forfeited annually and such forfeiture will be disclosed.
Performance Shares (measured over five years)	334 380	Same conditions as DSPs for Exco. Assessed over the measurement period based on group CEO performance contract outcome. In line with the LTI changes for the company (effective from June 2022), a substantial portion of these shares will be measured as PDSPs in accordance with the PDSP financial performance conditions set from the June 2022 awards, ie all performance shares and no more DSPs.
Performance Restricted Shares (A) (measured over five years)	496 605	Measured from 1 January 2021. Measurement is the same as for the 2020 PDSP A award conditions. The weighting of the conditions is: • Adjusted RoGEV • Dividend recovery and growth • Strategic recovery From 2022, the performance condition applicable to the 2022 PDSPs will apply for the remainder of the measurement period.
Performance Restricted Shares (B) (measured over five years)	496 605	Measured from 1 January 2021. Measurement is the same as disclosed for the 2020 PDSP B award conditions. From 2022, the performance condition applicable to the 2022 PDSPs will apply for the remainder of the measurement period.

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25 Expenses continued

25.1 Expenses continued

Share component	Number of shares	Financial measure	Description	Target (below threshold 0% and at stretch 100%)	Weighting
Out-Performance Plan (OPP) Restricted Share (measured over five years)	1 671 910	Stock rating P/GEV	Improve the rating from H2 2020 over the five years to a better average in 2024/2025	<1 = 0% 1,15 = 100%	25%
		Dividend growth 2021 – 2025	Average annual rate of growth between dividend paid in 2021 and the dividend paid in 2026 relating to the 2025 financial year	CPI + 1 = 0% >CPI + 3% = 100%	25%
		RoGEV 2021 – 2025	Average return implied by dividends and change in GEV from 1 January 2021 to 31 December 2025, adjusted for normalised investment returns if required	Risk-free rate (RFR) + 4% = 0% RFR + 8% = 100% for financial year 2021 From 2022 onward in line with the changes for RoGEV conditions applicable to OPPs this will be measured based on the range of CPI +6% – CPI +10%.	25%
		GEV added	Change in GEV: 1 January 2021 to 31 December 2025 plus dividends paid over the period in reference to years 2021 to 2025	R100 billion = 0% R150 billion = 100%	25%
		Total			100%
Total number of shares (maximum) for five years	5 000 000	**Post-employment holding period** It was agreed with the group CEO that shares which met the performance conditions and qualify for vesting in terms of the group CEO remuneration structure will be held for a further holding period until the end of his extended contract term.			

Modifier for the OPP restricted shares

The board may moderate the number of shares that qualify for vesting based on the financial metrics of the OPP component of the group CEO remuneration arrangement to reflect several areas that impact the long-term sustainability and value of the group. These were disclosed in detail in the prior remuneration reports and include:

- reshaping the Sanlam group through M&A and strategic partnerships;
- creating Value from Mergers and Acquisitions (M&A) *inter alia*, transformation of the workforce;
- modernisation of the business through data and digital transformation;
- fortress South Africa: Strengthen the competitive position in South Africa through partnerships and by driving deeper customers relationships through use of a wider product set, improved customer proposition;
- transformation of the employee base; and
- culture and ESG.

A maximum adjustment of an added 25% or decreased 25% may be made at the board's discretion (after testing of the financial metrics) to reflect these factors. Any discretion exercised in terms of this modifier will be transparently disclosed.

Extended employment contract for group CEO

During 2024, The Sanlam board requested Paul Hanratty, Sanlam group CEO, to extend his fixed term employment contract until 31 December 2027 to enable continuity as well as completion and bedding down of the current Sanlam strategy.

The Sanlam board is confident it has an excellent internal management team that provides executive succession coverage in all scenarios.

The group CEO will continue to have his existing remuneration arrangements and performance conditions in place until 30 June 2025, and the restricted shares that are awarded in terms of this arrangement and qualify for vesting will only vest post completion of his extended fixed-term contract.

Post 1 July 2025, the group CEO will be remunerated on a basis consistent with the current remuneration arrangement, with all shares awarded only vesting post completion of his extended fixed-term contract.

Equity participation by employees:

The details of the Sanlam Ltd shares that have been granted to Sanlam Life group employees are as follows:

000's	Shares 2024	Shares 2023
Group		
Executive share incentive scheme [2]		
Total number of shares at beginning of year	28 473	28 011
Unrestricted shares at beginning of year	(363)	(719)
Restricted shares at beginning of year	28 110	27 292
Total restricted shares and share options	28 110	27 292
Transfer of employees from/(to) other companies	81	–
Prior year corrections[1]	3 539	–
Additional shares issued pertaining to prior year tranches	156	–
New restricted shares granted in terms of restricted share and DSP schemes	7 434	7 856
Unconditional shares released, available for release, or taken up	(6 112)	(5 324)
Options and shares forfeited/transferred to new scheme	(1 813)	(1 714)
Restricted shares at end of year	31 395	28 110
Unrestricted shares at end of year[3]	519	363
Total number of shares at end of year	31 914	28 473
Total equity participation by employees	31 914	28 473

000's	Shares 2024	Shares 2023
Company		
Executive share incentive scheme[2]		
Total number of shares at beginning of year	25 541	25 362
Adjustment for exclusion of shares that may be required to settle OPP obligations	–	–
Unrestricted shares at beginning of year	(363)	(719)
Restricted shares at beginning of year	25 178	24 643
Total restricted shares and share options	25 178	24 643
Transfer of employees from/(to) other companies	(510)	–
Prior year corrections[1]	2 029	–
Additional shares issued pertaining to prior year tranches	156	–
New restricted shares granted in terms of restricted share and DSP schemes	6 021	6 582
Unconditional shares released, available for release, or taken up	(5 191)	(4 741)
Options and shares forfeited/transferred to new scheme	(1 657)	(1 306)
Restricted shares at end of year	26 026	25 178
Unrestricted shares at end of year[3]	460	363
Total number of shares at end of year	26 486	25 541
Total equity participation by employees	26 486	25 541

(1) Correction of prior year error relates to the omission of 2021 outperformance plan awards.
(2) Outstanding amount of loans granted in respect of these shares amounts to Rnil (2023: Rnil) for the group and Rnil (2023: Rnil) for the company. No new loans were granted during the current year.
(3) During the year 1 099 422 (group) (2023: 906 476) and 1 099 422 (company) (2023: 906 476) number of shares became unrestricted in terms of Restricted Share Plan.

Equity compensation plans

Details regarding the restricted shares outstanding on 31 December 2024 and the financial years during which they become unconditional, are as follows:

	Group Number of shares ('000)		Company Number of shares ('000)	
Unrestricted during year ending (subject to performance targets)	**2024**	2023	**2024**	2023
31 December 2024	–	5 431	–	4 791
31 December 2025	5 865	10 891	4 709	10 018
31 December 2026	12 942	6 859	10 922	5 800
31 December 2027	6 696	4 194	5 530	3 490
31 December 2028	4 040	2 163	3 247	1 793
31 December 2029	1 851	–	1 618	–
	31 394	29 538	26 026	25 892

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25 Expenses continued

25.1 Expenses continued

The total restricted shares granted to staff and executive directors were 7,7 million (2023: 7,9 million) for the group and 6,5 million (2023: 6,6 million) for the company.

The fair value of the grants on grant date, calculated in terms of IFRS 2, amounted to R456 million (2023: R395 million) for the group and R374 million (2023: R332 million) for the company and is expensed in the statement of comprehensive income over the vesting period of five years.

The fair value is based on the Sanlam share price on grant date, adjusted for dividends not accruing to participants during the vesting period.

	Group		Company	
R million	2024	2023	2024	2023
Auditors' remuneration				
Audit fees: statutory audit	236	258	112	134
Other services provided by auditors	2	2	–	1
Total auditors' remuneration	238	260	112	135
Admin costs: Depreciation (owned and leased assets)	797	813	241	214
Owned assets	431	474	173	151
Computer equipment	292	297	127	114
Furniture, equipment, vehicles and other	133	160	46	37
Owner-occupied properties	6	17	–	–
Leased assets	366	339	68	63
Computer equipment, furniture, equipment, vehicles and other	351	321	68	63
Properties	15	18	–	–
Leases	339	354	249	236
Short-term leases	321	321	249	236
Low-value leases	18	5	–	–
Variable lease payments	–	28	–	–
Consultancy fees	2 470	2 615	1 400	1 763
Technical, administrative and secretarial fees	256	560	23	17
Employee benefits	15 869	13 758	5 525	5 357
Salaries and other short-term benefits	14 628	12 526	5 025	4 877
Pension costs – defined contribution plans	642	693	154	191
Pension costs – defined benefit plans	2	4	1	2
Share-based payments	403	347	338	282
Other long-term incentive schemes	194	188	7	5
Technology	2 125	2 158	1 358	1 236
Office expenses	1 117	1 060	198	172
Asset management and distribution fees paid	1 234	833	801	425
Marketing expenses	661	1 011	422	412
Other	4 460	1 595	661	18
Total expenses (including that included in profit from discontinued operations)	29 566	25 017	10 990	10 199
Profit from discontinued operations (including administration costs, attributable insurance service expenses and other expenses relating to insurance operations)	177	5 001	–	–
Attributable insurance service expenses (continuing operations)	12 216	9 891	3 542	3 013
Other expenses relating to insurance operations (continuing operations)	1 103	1 211	427	314
Administration costs (continuing operations)	16 070	8 914	7 021	6 872
Number of employees (excluding advisors and associates) (unaudited)	22 741	21 707	5 889	5 886

R million	2024	2023
Other intangibles assets	535	171
Amortisation of intangibles (continuing operations)	535	171

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25.3 Impairments

R million	Notes	2024	2023
Net impairment losses on financial and contract assets		63	278
Investments other than equities and similar securities, equity-accounted investments and properties	12.3.2	–	–
Advances to customers	14	57	17
Trade and other receivables	15	6	261
Other impairments		1 350	(6)
Investment in equity-accounted investments	12.2.2	–	–
Goodwill	4.1	1 149	–
Equipment	2	(29)	(6)
Other intangible assets		196	–
Other impairment assets		34	–
Total impairments (including profit from discontinued operations)		1 413	272
Profit from discontinued operations		–	260
Impairments (continuing operations)		1 413	12

26 Finance cost

Finance costs are recognised as an expense in the statement of comprehensive income on an effective interest method.

	Group		Company	
R million	2024	2023	2024	2023
Interest-bearing liabilities designated as at fair value through profit or loss	893	719	417	291
Interest-bearing liabilities held at amortised cost	107	43	–	–
Lease liabilities	136	100	22	23
Finance cost – other (including profit from discontinued operations)	1 136	862	439	314
Profit from discontinued operations	–	48		
Finance cost – other (continuing operations)	1 136	814		

27 Collateral

27.1 Collateral provided

The following assets have been pledged as collateral for the group's structured transactions (of which majority relates to over-the-counter derivatives), liabilities or contingent liabilities, which is included in the statement of financial position, unless otherwise stated:

	Group		Company	
		Restated[1]		Restated[1]
R million	2024	2023	2024	2023
Investments (off-balance sheet)	1 367	169	1 361	–
Interest-bearing investments	1 367	169	1 361	–
Trading account assets[1]	4 000	4 433	2 113	2 189

The transferee does not have the right to sell or repledge the assets.

[1] The restatement relates to collateral reclassified from cash and cash equivalents to trading account assets. Refer to note 39 for additional information in respect of the restatement.

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27 Collateral continued

27.2 Collateral received

Collateral amounts reflected below are included in the Statement of financial position, unless otherwise stated.

27.2.1 Lending activities

The group is authorised to conduct lending activities as a lender in respect of local listed equity securities and listed government interest bearing investments to appropriately accredited institutions. In general, the lender retains the full economic risks and rewards of securities lent. Scrip lending agreements are governed by Global Master Securities Lending Agreement (GMSLA).

The main risk in scrip lending activities is the risk of default by the borrower of securities, ie the borrower fails to return the borrowed securities. Borrower default risk is mitigated by either requiring borrowers to post adequate levels of high-quality collateral and/or by the use of indemnity guarantees. The following collateral has been received in respect of securities lending activities conducted by the group.

	Group		Company	
	2024	2023	2024	2023
Fair value of collateral accepted as security for these activities	11 734	8 577	11 538	8 426
Carrying value of scrip on loan (Off-balance sheet):	10 614	7 549	10 437	7 427

Collateral of between 100% and 120% of the value of the loaned securities is held for 2024 and 2023.

27.2.2 Derivative transactions

Cash collateral, included in Trading account liabilities, is received for over-the-counter derivative exposures in terms of International Swaps and Derivatives Association (ISDA) agreements. Settlement/changes in the collateral is driven by the close out of the underlying derivative positions as well as the fluctuations in the underlying market values, which is monitored on a daily basis.

	Group		Company	
	2024	Restated[1] 2023	2024	Restated[1] 2023
Fair value of cash collateral received in terms of over the counter derivative transactions[2]	5 582	6 868	4 463	5 288

[2] The restatement relates to collateral reclassified from cash and cash equivalents to Trading account liabilities. Refer to note 39 for additional information in respect of the restatement.

28 Critical accounting estimates and judgements

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

The critical estimates and judgements made in applying the group's accounting policies are summarised below.

28.1 Impairment of goodwill and key business relationships

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

Afrocentric (Afrocentric Investment Corp Ltd)

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

For the December 2024 recoverable amount calculation, the 59.78% shareholding was valued on the discounted cash flow (DCF) basis based on an updated five-year projection. The value was substantially lower than the previous valuations due to a decline in the profitability of the Activo group and increased competition in the pharmacy delivery market.

Additionally further judgement was applied to allow for underlying uncertainties, including the longer-term impacts of National Health Insurance (NHI) and possible changes in key partnerships and clients. The recoverable amount of Afrocentric decreased from R2,5 billion in December 2023 to R1,6 billion in December 2024. This decrease in recoverable amount led to a goodwill impairment of R1 144 million and a key business relationships impairment of R15 million.

Goodwill has now been fully impaired.

R million	2024
Value in use	1 565
Carrying value	2 724
NAV	1 315
Goodwill allocated	1 144
Key business relationships – cost	733
Deferred tax on key business relationships	(198)
Key business relationships – amortisation and impairment	(116)
Deferred tax on amortisation of key business relationships	31
Non-controlling interest (NCI) key business relationships/deferred tax and amortisation of key business relationships	(185)
Net impairment as at 30 December 2024	(1 159)

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

Key assumptions

Key assumptions in determining the recoverable amount use for cash generating unit:

		2024	2023
Weighted average local discount rate	%	18,70	19,60
Weighted average perpetuity growth rate	%	5,00	5,00
Revenue: compounded annual growth rate (range of values over the 10 years)	%	5,99	7,10
Risk discount rate +100 basis points	R million	1 562	n/a
Risk discount rate -100 basis points	R million	1 829	n/a
Perpetuity growth rate +100 basis points	R million	1 736	n/a
Perpetuity growth rate -100 basis points	R million	1 641	n/a

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

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

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

28.2 Insurance and reinsurance contracts

This disclosure should be read in conjunction with the valuation methodology as described in the basis of presentation

28.2.1 Classification

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

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

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

Variable Fee Approach (VFA) eligibility

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

- a substantial share of the fair value returns on the underlying items is expected to be paid to the policyholders; and
- a substantial proportion of any change in the amounts to be paid to the policyholders is expected to vary with the change in fair value of the underlying items.

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28 Critical accounting estimates and judgements continued

28.2 Insurance and reinsurance contracts continued

28.2.1 Classification continued

Variable Fee Approach (VFA) eligibility continued

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

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

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

Premium allocation approach (PAA) eligibility

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

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

- Project the fulfilment cash flows of the group of insurance contracts and take into account the time value of money where the time between providing each part of the services and the related premium is more than a year.
- Determine the projected liability or asset for remaining coverage under the PAA at each projected time period (initial recognition and subsequent measurement at our external reporting frequency, ie half-yearly or annually).
- Determine the liability or asset for remaining coverage under the GMM (including the contractual service margin (CSM)) at initial recognition as well as subsequent measurement. The group will use judgement as described in section 6.2.2 below to determine the fulfilment cash flows and CSM at each projection point.
- At each projection point, the difference between the liability or asset for remaining coverage under the PAA and GMM is determined ("the difference").
- The difference is compared to the pre-determined materiality threshold (relative measure) at each point in time.
- Where the difference does not exceed the determined threshold (at any time) then the group passes the PAA eligibility test (for the base scenario).
- The group will perform scenario testing using the above process to ensure differences remain immaterial. Scenario testing will be performed at least annually, by updating the projected fulfilment cash flows under reasonably expected scenarios, which would affect cash flow variability. The group applies judgement in calibrating these scenarios for changes in market and non-market variables based on management's view of the key changes affecting cash flow and liability variability for each portfolio of insurance contracts.

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

28.2.1.1 Aggregation

The identification of portfolios of insurance contracts is driven by how the business is managed, with broad product lines being managed together and subject to similar risks. This could result in contracts allocated to a portfolio being measured under the VFA, and other contracts allocated to the same portfolio being measured under GMM. This is relevant to universal life insurance business in the Sanlam Life and Savings (SLS) cluster where these contracts are managed together and subject to similar risk, although the weighting between insurance/investment-related risks could differ between contracts. Contracts within a portfolio are subject to "similar risks" if the risks are non-offsetting and respond similarly to changes in key assumptions. This should not result in, for example:

- term life insurance contracts (exposing the group to mortality risk) and annuity contracts (exposing the group to longevity risk) being allocated to the same portfolio; and
- whole of life and term life insurance contracts (both types of contracts exposing the group to mortality risk) being allocated to the same portfolio if managed together.

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

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

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

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

Judgement has been applied to conclude that the proportion of insurance contracts issued that have no significant possibility of becoming onerous is immaterial to the group, and this profitability group is therefore not relevant for the 2023 reporting period. The group does not issue insurance contracts with sufficiently high profit margins to absorb the impact of any single scenario with no significant possibility of the insurance contracts becoming onerous.

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

For insurance contracts issued measured under the PAA, no contracts have been allocated to onerous groups of contracts at initial recognition in 2023. The group may have to apply judgement to assess whether facts and circumstances have indicated that a group of contracts has become onerous subsequent to initial recognition. This assessment will follow normal business practice of typically using three to five years of experience to form expectations of profitability. Expectations will be updated half-yearly to understand if a group of insurance contracts, which was previously assumed not to be onerous, subsequently becomes onerous due to changes in experience relative to the pricing basis. In 2023, the group has not identified any groups of insurance contracts issued measured under the PAA that have become onerous subsequent to initial recognition.

28.2.2 Measurement

28.2.2.1 Recognition and derecognition

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

28.2.2.2 Fulfilment cash flows

Fulfilment cash flows include the following components:

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

The probability-weighted estimates of future cash flows is determined through the following deterministic modelling approach, with contract level calculations typically being performed and aggregated for each group of insurance contracts:

- identifying all sets of cash flows directly related to the fulfilment of a particular group of insurance contracts;
- defining all reasonable outcomes (eg insured and other events such as policyholder death/survival and contract lapse/surrender) that affect the amount and timing of future cash flows;
- estimating the probability that the cash flows will occur based on the different possible outcomes; and
- calculating the probability-weighted mean (expected value) of future cash flows which reflects the full range of possible outcomes.

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

Estimates of future cash flows

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

Contract boundaries

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

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

Notes to the annual financial statements continued

for the year ended 31 December 2024

28 Critical accounting estimates and judgements continued

28.2 Insurance and reinsurance contracts continued

28.2.2 Measurement continued

28.2.2.2 Fulfilment cash flows continued

Expenses

The following expense cash flows are included within the boundary of a contract:

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

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

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

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

The investment management expenses for insurance contracts with underlying items (measured under the VFA) are typically chargeable to the policyholders under the terms of the contract and therefore these expenses related to underlying items are included in the fulfilment cash flows.

The group applies judgement to assess whether expected investment management expenses for insurance contracts without underlying items (measured under the GMM) should be included in the fulfilment cash flows and therefore, whether investment activity performed by the businesses enhances benefits from insurance coverage for policyholders. The group has determined that these expenses are included in fulfilment cash flows in most scenarios because a different level of benefits would likely be offered if policyholders' premiums are assumed to earn lower/higher investment returns as part of pricing (assuming these expenses are explicitly priced for in the premiums).

Decrements

Assumptions with regard to future mortality, disability and disability payment termination are consistent with the group's recent experience for the 4,5 years up to 30 June 2024. The mortality rates between policyholder groups allow for various rating factors, such as gender and smoker status. Given the significant size of Sanlam's insurance books and the length of its data history, the performance of Sanlam's insurance contracts during 'normal' conditions is predictable based on past experience. Mortality and disability rates are adjusted to allow for: the expected deterioration in mortality rates as a result of HIV/Aids; the expected improvements in mortality rates in the case of annuity business; and the expected impact of future pandemic events where relevant.

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

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

Surrender, lapse and paid-up rates are key assumptions in the measurement of life insurance contracts (risk and savings business). Assumptions with regard to future surrender, lapse and paid-up rates are based on the group's recent experience for the 4,5 years ending 30 June 2024. In addition, as appropriate, the assumptions for the future will also reflect the expected impact of extreme events.

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

Inflation assumptions

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

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

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

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

The following base expense inflation rates are applied in the group's main South African businesses:
(%)

South Africa – Sanlam Life	**CPI Curve +1,5% (capped at 10%)**	9,6
South Africa – Sanlam Developing Markets	**7,2**	7,8

The ultimate liability arising from claims under general insurance business

The estimation of the ultimate liability arising from claims under general insurance contracts is an important accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liability for incurred claims that the group will ultimately incur. Historic claims triangulations that cross-tabulate claims incurred by their date of loss and date of payment are used to determine the expected cost of future claims. A payment pattern based on the historic claims paid triangulation is used to determine the speed at which the claims provisions are run off in the future. Discount rate are applied to the future estimates of claims payments to allow for the time value of money included in these cash flows. Refer to notes 8.1 and 9.1 for further details on the incurred claims per valuation method.

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

Bonus rate assumptions

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

Discount rates

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

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

The group applies judgement to determine the point estimate illiquidity premium added to the risk-free yield curve to reflect the liquidity characteristics of the insurance contracts. An illiquidity premium is estimated for each portfolio of insurance contracts where relevant. Insurance contracts such as non-participating life annuities and income protection incurred claims that cannot be surrendered or lapsed, are illiquid. Illiquidity premiums are generally determined by comparing the spread on corporate bonds with the spread on credit default swap (CDSs).

Notes to the annual financial statements continued

for the year ended 31 December 2024

28 Critical accounting estimates and judgements continued

28.2 Insurance and reinsurance contracts continued

28.2.2 Measurement continued

28.2.2.2 Fulfilment cash flows continued

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

	1 year		5 years		10 years		15 years	
%	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
South Africa	**8,42**	8,77	**9,29**	11,42	**11,03**	16,44	**12,34**	17,92
Namibia	**8,42**	9,18	**9,29**	9,86	**11,03**	12,14	**12,34**	13,99
Malaysia	**3,29**	3,30	**3,66**	3,65	**3,86**	3,74	**4,03**	4,05

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

%	**2024**	2023
South Africa[(1)]	**0 – 0,25**	0 – 0,25
Namibia	**0 – 0,5**	0 – 0,5

[(1)] The prior year has been restated due to an error, the major geography South Africa was restated from 0 – 0,5% to 0 – 0,25%.

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

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

Risk adjustment for non-financial risk

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

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

The confidence level technique is determined with reference to a particular target confidence level. A distribution of fulfilment cash flows is required, from which the risk adjustment is determined based on the standard deviation around the mean for the target confidence level. The standard deviation is estimated assuming the same risk distribution used for solvency purposes. For life insurance businesses the standard deviation is therefore derived based on the solvency capital requirements and assuming that the fulfilment cash flows can be approximated by a normal distribution, whereas the standard deviation is derived from past claims development experience for general insurance businesses. The risk adjustment has been calibrated and calculated based on target confidence levels of 75% and 80% for Santam and SLS, respectively. For the material Pan-Africa and Asia GI businesses, the target confidence levels vary between 75% and 85% in the relevant territories.

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

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

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

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

28.2.2.3 Contractual service margin

Coverage units

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

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

The following definitions of coverage units are used for the material lines of business[(1)]:

		Relative weighting of the benefits provided[(2)]			
	Measurement model	Insurance coverage	Investment-related services	Investment-return services	Examples of coverage unit definitions
Risk insurance business	GMM	(A)			Guaranteed sum assured (for example term/whole life insurance business, funeral insurance business)
Non-participating life annuities	GMM	(A)		(a)	Annuity benefit payments[(3)] or guaranteed benefits available on death/surrender/withdrawal during the accumulation phase for deferred life annuities
Universal life insurance business	GMM	(A)		(a)	Maximum of the guaranteed benefits plus any vested bonuses
Other life insurance business providing investment-return services	GMM	(A)		(a)	Total of the guaranteed sum assured plus any vested bonuses
Proportional reinsurance	GMM	(A)			Maximum amounts recoverable from the reinsurer (for example for quota share reinsurance, the proportion of the guaranteed sum assured ceded)
Non-proportional reinsurance	GMM	(A)			Maximum amounts recoverable from the reinsurer (for example for excess of loss reinsurance, the excess of the guaranteed sum assured over and above the specified limit)
Universal life insurance business	VFA	(a)	(A)		Maximum of the underlying items and the guaranteed sum assured (including any vested bonuses)
Other life insurance savings business[(4)]	VFA	(a)	(A)		Total of the underlying items plus any insurance benefits (for example rider benefits/waivers)

[(1)] Coverage units are defined for each group of contracts and could vary based on the specific features/characteristics of the underlying contracts.
[(2)] The insurance contract services with a majority relative weighting of total benefits provided (ie greater than 50%) are denoted by (A), whereas the insurance contract services with a minority relative weighting of total benefits provided (i.e. less than 50%) are denoted by (a), where relevant. The actual weighting varies in each current and future period based on the relative differences between the insurance and investment-related benefits payable, which is mainly a function of the terms of each contract and the probability-weighted estimates of future cash flows.
For life insurance risk business, the main purpose of the insurance contracts issued is to provide insurance coverage to the policyholders, and therefore a lower weighting of benefits are provided by investment-return services (where relevant), relative to the benefits provided by insurance coverage.
The reinsurance contracts held by the group do not provide investment-return services.
[(3)] Investment-return services are provided on:
- immediate life annuities during guaranteed periods where payments are made on death or survival; and

deferred life annuities (relevant to Pan-Africa and Asia only) during the accumulation phase where payments are made on death or surrender/transfer.
[(4)] Including smoothed bonus business and participating life annuities.

Notes to the annual financial statements continued

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28 Critical accounting estimates and judgements continued

28.2 Insurance and reinsurance contracts continued

28.2.2 Measurement continued

28.2.2.3 Contractual service margin continued

Premium experience adjustments

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

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

28.3 Economic assumptions – covered business

Gross investment return, risk discount rate and inflation

Sanlam Life[(1)]

%	2024	2023
Point used on the relevant yield curve	9 year	9 year
Fixed-interest securities	10,7	11,6
Equities	14,2	15,1
Offshore investments	13,2	14,1
Hedged equity	9,7	10,6
Property	11,7	12,6
Cash	9,7	10,6
Inflation rate[(1)]	8,7	9,6
Risk discount rate	13,2	14,1

Sanlam Developing Markets[(2)]

%	2024	2023
Point used on the relevant yield curve	5 year	5 year
Fixed-interest securities	9,2	9,8
Equities and offshore investments	12,7	13,3
Hedged equity	8,2	8,8
Property	10,2	10,8
Cash	8,2	8,8
Inflation rate	7,2	7,8
Risk discount rate	11,7	12,3

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

Notes to the annual financial statements continued

for the year ended 31 December 2024

28 Critical accounting estimates and judgements continued

28.3 Economic assumptions – covered business continued

Illiquidity premiums

Investment returns on non-participating and inflation-linked annuities, as well as guarantee plans include assumed illiquidity premiums (including an allowance for credit risk where relevant) due to matching assets being held to maturity.

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

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

	R million		Fixed-interest securities %		Equities %		Hedged equities %		Property %		Cash %		Total %	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Required capital														
South Africa[1]	**6 763**	6 825	**–**	–	**3**	4	**59**	87	**–**	–	**38**	9	**100**	100
Africa – excluding South Africa	**2 428**	2 930	**57**	50	**12**	11	**–**	–	**1**	6	**30**	33	**100**	100
Shriram Life Insurance (India)	**866**	616	**100**	100	**–**	–	**–**	–	**–**	–	**–**	–	**100**	100
MCIS (Malaysia)	**799**	798	**67**	68	**18**	17	**–**	–	**–**	–	**15**	15	**100**	100
Total required capital	**10 856**	11 169												
Free surplus	**2 609**	1 551												
Adjusted net asset value	**13 465**	12 720												

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

Assumed long-term expected return on required capital

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

28.4 Policy liabilities for investment contracts with investment management services

The valuation of these contracts is linked to the fair value of the supporting assets and deviations from future investment return assumptions will therefore not have a material impact. The recoverability of the DAC asset is not significantly impacted by changes in lapse experience; if future lapse experience was to differ by 10% (2023: 10%) from management's estimates, no impairment of the DAC asset would be required.

28.5 Valuation of unlisted investments

The valuation of unlisted investments is based on generally accepted and applied investment techniques, but is subject to judgement in respect of the adjustments made by the group to allow for perceived risks. The appropriateness of the valuations is continuously tested through the group's approval framework, in terms of which the valuation of unlisted investments is reviewed and recommended for approval by the Audit, Actuarial and Finance Committee and Board by the Sanlam Non-listed Asset Controlling Body at each reporting period.

Refer to note 37 for additional information.

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28.6 Consolidation of investment funds

The group invest in a number of investment funds and has varying holdings. In terms of IFRS 10, the group considers itself to have control of a fund when it both owns the asset manager of the fund and holds greater than 20% thereof.

28.7 Deferred tax assets

During 2016, changes to South African insurance tax legislation gave rise to a change in the probability and timing of utilisations of historic losses in certain tax funds. As a result, management determined that it is now probable that these losses will be utilised and therefore that a deferred tax asset should be raised. In determining the extent to which these losses should be recognised, management forecast future profits, including the impact of new business, where applicable, as well as other business decisions that may affect future profits. Changes in these assumptions, as well as decisions made by the group in future may affect the extent to which these losses are utilised. Changes in the Taxation Laws Amendment Act 20 of 2021 announced the 80% limitation on the use of assessed losses effective for tax years ending on or after 31 March 2023 (applicable to the Sanlam group from 1 January 2023). Tax losses carried forward may only be applied against 80% of taxable income. This amendment impacted the level of the deferred tax asset held.

29 Retirement benefits for employees

Retirement benefits for employees are provided by a number of defined benefit and defined contribution pension and provident funds. The assets of these funds, including those relating to any actuarial surpluses, are held separately from those of the group. The retirement plans are funded by payments from employees and the relevant group companies, taking into account the recommendations of the retirement fund valuator.

Defined benefit plans

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognised immediately in other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income in net profit. When a fund is in a net surplus position, the value of any defined benefit asset recognised is restricted to the sum of any unrecognised past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

Notes to the annual financial statements continued

for the year ended 31 December 2024

29 Retirement benefits for employees continued

Defined contribution plans

Group contributions to the defined contribution funds are charged against the statement of comprehensive income in the year incurred.

The Sanlam Life group provides for the retirement and medical benefits of full-time employees and for certain part-time employees by means of defined benefit and defined contribution pension and provident funds.

Group and company

100% of employees were covered by defined contribution funds for both 2023 and 2024.

Although there are no active employees under the defined benefit plan the Sanlam Life group has 77 pensioners as at 31 December 2024 (2023: 90) who still receive an insured pension from the defined benefit fund.

29.1 Defined contribution pension funds

There are separate defined contribution funds for advisers, full-time and part-time office staff.

Group

The group contributed R642 million to these funds during 2024 (2023: R693 million).

Company

The company contributed R154 million to these funds during 2024 (2023: R191 million).

29.2 Defined benefit pension funds

The Sanlam Life insurance group has one defined benefit pension fund. This fund relates to Sanlam Developing Markets defined benefit fund SA.

Boards of Trustees oversee the affairs of the other defined benefit funds as required by the relevant legislation. The responsibilities of the Trustees are defined in these regulations. Adequate allowance for future salary increases for active members and allowance for pension increases in line with the funds' pension increase policies are required to ensure that the funds are always financially sound.

The Sanlam Developing Markets SA fund was in a materially sound position at 31 December 2024.

Principal actuarial assumptions:		Sanlam Developing Markets SA	
Valuation date		31 December 2024	31 December 2023
Pre-retirement discount rate	% pa	11,3	12,4
Post-retirement discount rate	% pa	6,0	7,1
Future pension increases	% pa	5,0	5,0
Actual experience:			
Actual return on assets	% pa	6,3	7,4

Based on reasonable actuarial assumptions about future experience, the employers' contribution, as a fairly constant percentage of the remuneration of the members of the funds, should be sufficient to meet the promised benefits of the funds. The expected return on defined benefit fund assets is calculated based on the long-term asset mix of these funds. The fund assets are analysed into different classes such as equities, bonds and cash, and a separate expected return is calculated for each class. Current market information and research of future trends are used as the basis for calculating these expected returns.

R million	2024	2023	2022	2021	2020
Group					
Net liability recognised in statement of financial position:					
Actuarial value of fund assets	85	81	81	86	89
Present value of fund obligations	(85)	(81)	(82)	(86)	(89)
Net present value of funded obligations	–	–	(1)	–	–
Net asset recognised in statement of financial position	–	–	(1)	–	–

Group

R million	Fund assets	Fund liabilities	Net asset/ (liability)
2024			
Balance at beginning of the year	81	(81)	–
Benefit payments	–	10	10
Interest income/(expense)	10	(10)	–
Actuarial gains and losses: Change in financial assumptions	(6)	(4)	(10)
Balance at the end of the year	85	(85)	–

R million	Fund assets	Fund liabilities	Net asset/ (liability)
2023			
Balance at beginning of the year	82	(81)	1
Benefit payments	–	10	10
Interest income/(expense)	10	(10)	–
Actuarial (losses) and gains: Change in financial assumptions	(11)	–	(11)
Balance at the end of the year	81	(81)	–

	Group	
R million	2024	2023
Fund assets comprise:		
Insurance policy	85	81
	85	81
The following discounted benefits payments are expected payments to be made in future years out of the defined benefit plan obligation:		
Due within one year	(9)	(8)
Due from one to five years	(10)	(10)
Due after five years	(66)	(63)
Total expected payments	(85)	(81)

29.3 Medical aid funds

The actuarially determined present value of medical aid obligations for disabled members and certain pensioners is fully provided for at year-end and is considered to be immaterial. The group has no further unprovided post-retirement medical aid obligations for current or retired employees.

30 Borrowing powers

In terms of the memorandum of incorporation of Sanlam Life Insurance Limited, the directors may at their discretion raise or borrow money for the purpose of the business of the company without limitation.

Material borrowings of the group and company are disclosed in note 22.

31 Commitments and contingencies

Possible obligations of the group, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the group and present obligations of the group where it is not probable that an outflow of economic benefits will be required to settle the obligation or where the amount of the obligation cannot be measured reliably, are not recognised in the group statement of financial position but are disclosed in the notes to the financial statements.

Possible assets of the group, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the group, are not recognised in the group statement of financial position and are only disclosed in the notes to the financial statements where an inflow of economic benefits is probable.

Notes to the annual financial statements continued

for the year ended 31 December 2024

31 Commitments and contingencies continued

31.1 Leasing commitments

R million	Group 2024	Group 2023	Company 2024	Company 2023
Future lease commitments:				
Lease rentals due within one year	40	54	20	18
Lease rentals due from one to five years	76	84	56	59
Lease rentals due after five years	2	15	2	14
Total lease commitments	**118**	**153**	**78**	**91**

Amounts reflected in lease commitments relate to short-term leases, low-value assets leases as well as variable lease payments.

31.2 Guarantees provided to others[1]

Financial guarantee contracts require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amounts determined in accordance with the ECL model under IFRS 9 — Financial Instruments; and the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 — Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

In addition to financial guarantees, Sanlam also has performance guarantee contracts in place. Performance guarantee contracts are not considered to be financial guarantee contracts and is accounted for in accordance with IFRS 9 – Financial Instruments as financial liabilities. It is initially recognised in the Statement of Financial Position at fair value when it becomes party to the contractual provisions. Subsequent to initial recognition, it is accounted for at the higher of: (i) the amount determined in accordance with the expected credit loss model; and (ii) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles in IFRS 15 – Revenue from Contracts with Customers. Listed below are performance guarantees currently in place:

- The guarantee in respect of the distribution agreement between Sanlam Life and Savings and Capitec, expired in April 2024, as a result of the partnership between Sanlam and Capitec dissolving in October 2024.
- During 2020 SEM Pty Ltd ("SEM") entered into a performance guarantee agreement with Stanbic Bank Kenya Limited ("Stanbic Kenya") for a revolving credit facility to be provided to Sanlam Kenya PLC (Sanlam Kenya), for which the board approved KES4 billion, but the SARB approval obtained amounted to an aggregate limit of approximately KES5 billion (approximately R720 million) in order to put a buffer in place in case the interest payments increase the total closer to KES5 billion. Sanlam will be providing an irrevocable guarantee to Stanbic Kenya for the due performance by SEM of its obligations to Sanlam Kenya in terms of the SEM guarantee. This guarantee was extended to 31 December 2024. A process is underway to transfer the economic interest of the original facility's guarantee (KES 3 billion) to the Sanlam-Allianz JVCo; and the increase in the facility of KES1 billion to be backed by SEM.

At initial recognition, the fair value of this guarantee was assessed to be immaterial. At the end of the reporting period, the fair value of the guarantees was calculated, with the fair value movement from initial recognition to the reporting date being immaterial.

The maximum amount of the guarantee in the earliest period in which the guarantee could be called, being "open-ended", is R720 million, which is only expected to be paid should the guarantees be triggered.

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 23). Given the high degree of uncertainty involved in determining the expected outcome, it is reasonably possible that outcomes in future financial years will be different to the current estimates.

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

[1] Restated based on the reassessment of guarantees in terms of IFRS 9.

31.3 Litigation, disputes and investigations

On 25 August 2022, the Competition Commission ("Commission") raided the offices of several life insurers including Sanlam Life Insurance Limited ("Sanlam") and Brightrock Life Limited ("Brightrock"). The Commission expressed concern that the conduct amongst insurers may contravene the Competition Act. Sanlam has not been engaged by the Commission since the raids at our offices and that of Brightrock. Such engagement would facilitate clarity and understanding of the complaint at hand. Sanlam does not believe it has engaged in activities that would place it in breach of the Competition Act. The insurance market is highly competitive with significant differentiation in terms of products, market share, pricing and benefits, distribution channels as well as new entrants.

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

31.4 Other

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

32 Related parties

32.1 Major shareholder

Sanlam Limited is the ultimate holding company of Sanlam Life Insurance Limited.

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

No other Sanlam shareholders have a significant influence and thus no other shareholder is a related party. The shares are widely held by public and non-public shareholders.

32.2 Transactions with post-employment benefit plans

Contributions to the post-employment benefit plans were R642 million in 2024 (2023: R693 million) for the group and R154 million in 2024 (2023: R191 million) for the company.

The trustees of the Sanlam Office Personnel Fund insured the pension fund obligations through a policy with Sanlam Life Insurance Limited during 2017 (refer to note 29).

32.3 Transactions with directors

Remuneration is paid to directors in the form of fees to non-executive directors and remuneration to executive directors of the company. All directors of Sanlam Life Insurance Limited have notified that they did not have a material interest in any contract of significance with the company, which could have given rise to a conflict of interest during the year. Details relating to directors' emoluments are included in note 25.1 and their shareholdings and share participation in Sanlam Limited are disclosed below:

Total interest of directors in share capital of Sanlam Limited at 31 December 2024

	2024			2023		
	Beneficial		Non-beneficial	Beneficial		Non-beneficial
	Direct	Indirect	Direct	Direct	Indirect	Direct
Executive directors						
PB Hanratty	4 731 943	–	–	4 757 021	–	–
AM Mukhuba	362 245	–	–	175 939	–	–
HC Werth	–	–	–	558 545	578 438	–
Total executive directors	**5 094 188**	–	–	5 491 505	578 438	-
Non-executive directors					–	
AS Birell	65 487	–	–	65 487	–	–
JP Moller	600 000	–	200 000	600 000	–	200 000
W van Biljon	1 169	–	–	1 169	–	–
J van Zyl	–	–	–	–	–	–
TI Mvusi (Chair)	100 000	36 617	–	–	–	–
Total non-executive directors	**766 656**	**36 617**	**200 000**	666 656	–	200 000
Total	**5 860 844**	**36 617**	**200 000**	6 158 161	578 438	200 000

32.4 Transactions with entities in the Sanlam group

During the year, the company, in the ordinary course of business, entered into various transactions with subsidiary companies, associated companies, joint ventures and other stakeholders.

32.5 Policy administration

Certain companies in the group carry out third-party policy and other administration activities for other related parties in the group. These transactions are entered into in the normal course of business. Policies held by key management personnel are not viewed as material.

Notes to the annual financial statements continued

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32 Related parties continued

32.6 Transactions with related parties

Certain companies in the group carry out third-party policy and other administration activities for other related parties in the Sanlam group. These transactions are entered into in the normal course of business.

Company

R million		Transactions		Balances outstanding	
Related parties	Transaction/balance type	2024	2023	2024	2023
Holding company					
Sanlam Ltd	Inter-company balances	–	–	497	(473)
	Distributions paid	(8 000)	(6 700)	–	–
	Distributions received	7	94	–	–
Subsidiaries (Direct and Indirect)					
Brightrock Life Ltd	Service, commission and marketing fees	–	8		
Channel Life Ltd	Distributions received	–	–	–	–
	Service, commission and marketing fees	–	24	–	–
Safrican Insurance Company Limited	Distributions received	118	–	–	–
	Service, commission and marketing fees	24	19	–	–
Sanlam Developing Markets (Pty) Ltd	Service, commission and marketing fees	192	204	–	–
	Distributions received	3 757	1 545	–	–
Sanlam Emerging Markets (Pty) Ltd	Distributions received	573	–	–	–
Sanlam Linked Investments (Pty) Ltd	Service and commission fees	24	24	–	–
Sanlam Private Wealth (Pty) Ltd	Service, commission and marketing fees	75	69	–	–
	Financial instruments	–	–	1 539	–
Sanlam Trust (Pty) Ltd	Service, commission and marketing fees	–	(28)	–	–
Santam Ltd	Service fees	361	345	–	–
	Distributions received	976	2 116	–	–
Fellow subsidiaries (Direct and Indirect)					
Gensec Holdings BV	Inter-company balances	–	–	33	33
Glacier Financial Holdings (Pty) Ltd	Service and marketing fees	(71)	(71)	–	–
	Inter-company balances	–	–	29	26
MiWay Finance (Pty) Ltd	Inter-company balances	–	–	(3)	(3)
Real Futures (Pty) Limited	Service, commission and marketing fees	–	(3)	–	–
Sanlam Capital Markets Ltd	Financial instruments	–	–	1 922	2 115
	Scrip lending fees	–	14	–	–
Sanlam Collective Investments (Pty) Ltd	Service, commission and marketing fees	51	50	–	–
	Inter-company balances	–	–	5	3
Sanlam Investment Holdings (Pty) Ltd	Inter-company balances	–	–	27	27
Sanlam Investments (Pty) Ltd	Inter-company balances	–	–	(63)	13
Sanlam Prefco (Pty) Ltd	Inter-company balances	–	–	(476)	(275)
Sanpref (Pty) Ltd	Inter-company balances	–	–	(35)	965
Simeka Consultants and Actuaries (Pty) Ltd	Inter-company balances	–	–	4	3
The Sanlam Limited Share Incentive Trust	Inter-company balances	–	–	(120)	40
Associate of holding company					
Gensec Property Services Ltd	Property Management fee	(27)	(27)	–	–
	Tenant commission	(13)	(13)	–	–
Joint Ventures					
Curo Fund Services (Pty) Ltd	Asset administration fee	45	45	–	–

32.6 Transactions with related parties continued

Company

R million		Transactions	
Related parties	Transaction	2024	2023
Funds			
Glacier AI Flexible Fund of Fund B	Distributions received	17	17
Glacier Global Stock Feeder Fund	Distributions received	5	3
Glacier Money Market Fund	Distributions received	543	507
Sanlam Growth Institutional Fund	Distributions received	45	37
Sanlam Institutional Special Opportunities Fund	Distributions received	20	21
Sanlam Investment Management Active Income Fund	Distributions received	388	422
Sanlam Investment Management Balanced Fund	Distributions received	358	477
Sanlam Investment Management Bond Plus Fund	Distributions received	–	207
Sanlam Investment Management Enhanced Yield Fund	Distributions received	802	723
Sanlam Investment Management Financial Fund	Distributions received	11	–
Sanlam Investment Management Flexible Income Fund	Distributions received	206	186
Sanlam Investment Management General Equity Fund	Distributions received	–	–
Sanlam Investment Management Inflation Plus Fund	Distributions received	779	741
Sanlam Investment Management Institutional Income Plus Fund	Distributions received	458	307
Sanlam Investment Management Managed Aggressive Fund of Funds	Distributions received	12	11
Sanlam Investment Management Managed Cautious Fund of Funds	Distributions received	29	26
Sanlam Investment Management Managed Conservative Fund of Funds	Distributions received	12	11
Sanlam Investment Management Managed Moderate Aggressive Fund of Funds	Distributions received	25	23
Sanlam Investment Management Managed Moderate Fund of Funds	Distributions received	50	48
Sanlam Investment Management Medium Equity Fund	Distributions received	–	28
Sanlam Investment Management Property Fund	Distributions received	139	197
Sanlam Investment Management Resources Fund	Distributions received	–	–
Sanlam Investment Management Small Cap Fund	Distributions received	11	12
Sanlam Investment Management Top Choice Equity Fund	Distributions received	53	47
Sanlam Multi Managed Aggressive Fund of Funds	Distributions received	2	2
Sanlam Multi Managed Balanced Fund of Funds	Distributions received	–	19
Sanlam Multi Managed Bond Fund	Distributions received	450	393
Sanlam Multi Managed Cautious Fund of Funds	Distributions received	34	27
Sanlam Multi Managed Conservative Fund of Funds	Distributions received	32	28
Sanlam Multi Managed Equity Fund	Distributions received	120	134
Sanlam Multi Managed Equity Index Fund	Distributions received	–	–
Sanlam Multi Managed Flexible Equity Fund	Distributions received	186	99
Sanlam Multi Managed Inflation Linked Bond Fund	Distributions received	81	157
Sanlam Multi Managed Institutional Balanced Fund	Distributions received	95	91
Sanlam Multi Managed Institutional Equity Fund	Distributions received	81	70
Sanlam Multi Managed Institutional Flexible Equity Fund	Distributions received	63	52
Sanlam Multi Managed Institutional Moderate Balanced Fund	Distributions received	87	–
Sanlam Multi Managed Institutional Momentum Equity Fund	Distributions received	52	57
Sanlam Multi Managed Institutional Positive Return Fund Four	Distributions received	9	4
Sanlam Multi Managed Institutional Positive Return Fund Three	Distributions received	51	44
Sanlam Multi Managed Institutional Prudential Balanced Fund One	Distributions received	68	76
Sanlam Multi Managed Institutional Prudential Income Provider Fund Two	Distributions received	–	–
Sanlam Multi Managed Institutional Quality Equity Fund	Distributions received	68	78
Sanlam Multi Managed Moderate Aggressive Fund of Funds	Distributions received	27	26
Sanlam Multi Managed Moderate Fund of Funds	Distributions received	76	52

Notes to the annual financial statements continued

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32 Related parties continued

32.6 Policy administration continued

R million Related parties	Transaction	Transactions 2024	2023
Sanlam Multi Managed Property Fund	Distributions received	51	52
Sanlam Multi Managed Yield Plus Fund	Distributions received	18	17
Sanlam Select Thematic Equity Fund	Distributions received	9	11
Satrix Balanced Index Fund	Distributions received	460	375
Satrix Bond Index Fund	Distributions received	554	502
Satrix Capped SWIX All Share Index Fund	Distributions received	61	56
Satrix Low Equity Balanced Index Fund	Distributions received	171	138
Satrix Money Market Fund	Distributions received	47	39
Satrix Property Index Fund	Distributions received	80	111
Satrix Quality Index Fund	Distributions received	5	–
Satrix Smartcore Index Fund	Distributions received	219	238
Satrix Swix Top40 Index Fund	Distributions received	–	318
Glacier AI Balanced Fund B	Distributions received	3	3
SIM Institutional Global Bond Fund B1	Distributions received	41	80
Absa Prime Equity Fund A	Distributions received	–	26
Absa Multi Managed Core Accumulation Fund B	Distributions received	241	217
Absa Multi Managed Core Growth Fund B	Distributions received	88	76
Absa Multi Managed Passive Accumulation Fund A	Distributions received	109	73
Absa Multi Managed Passive Growth Fund A	Distributions received	–	42
Glacier Long Term Global Feeder Fund B	Distributions received	–	–
Amplify SCI Absolute Fund A1	Distributions received	200	–
SMM Equity Index Fund B5	Distributions received	29	–
Graviton SCI Medium Equity Fund A1	Distributions received	37	–
Amplify SCI Defensive Balanced Fund A1	Distributions received	346	–
Amplify SCI Strategic Income Fund A1	Distributions received	1 479	–
Amplify SCI Flexible Equity Fund B4	Distributions received	322	–
Amplify SCI Equity Fund B7	Distributions received	25	–
Graviton SCI Flexible Income Fund A1	Distributions received	426	–
Graviton SCI Balanced Fund A1	Distributions received	52	–
Graviton SCI Low Equity Fund A1	Distributions received	25	–
SPW Equity Fund A1	Distributions received	5	–
SMMI Dynamic Balanced Fund B1	Distributions received	11	–
SPW Global High Quality Feeder Fund A1	Distributions received	–	–
Amplify SCI Balanced Fund A1	Distributions received	190	–
Amplify SCI Global Equity Feeder Fund B2	Distributions received	6	–
SIM Bond Fund A	Distributions received	576	–
Amplify SCI Property Equity Fund A	Distributions received	–	–
Amplify SCI SA Flexible Equity Fund B3	Distributions received	36	–
Satrix Top 40 Index Fund A1	Distributions received	90	–
Sanlam Global Balanced Fund of Funds B5	Distributions received	–	–
Amplify SCI Wealth Protector Fund B1	Distributions received	363	–

32.6 Policy administration continued

Group

R million Related parties	Transaction/balance type	Transactions 2024	Transactions 2023	Balances outstanding 2024	Balances outstanding 2023
Holding company					
Sanlam Ltd	Inter-company balances	–	–	497	(473)
	Dividends paid	(8 000)	(6 700)	–	–
	Dividends received	7	94	–	–
Subsidiaries of fellow subsidiaries		–	–	–	–
Sanlam Collective Investments (Pty) Ltd	Investment management fees	–	–	–	–
	Other income	51	46	–	–
	Administration costs	–	13	–	–
	Accounts receivable	–	3	–	–
Sanlam Capital Markets (Pty) Ltd	Structured notes	–	440	–	–
	Derivative assets	–	352	–	–
Glacier (Pty) Ltd	Service, commission and marketing fees	(71)	–	–	–
Sanlam Multi Managers International (Pty) Ltd	Investment management fees income	–	1	–	–
	Inter-company balances	–	–	–	61
	Financial services income	–	(89)	–	–
Sanpref (Pty) Ltd	Inter-company balances	–	–	(35)	965
Sanlam Spec (Pty) Ltd	Inter-company balances	–	–	–	40
The Sanlam Limited Share Incentive Trust	Inter-company balances	–	–	(120)	40
Sanlam Asset Management Ireland Ltd	Investment management fees income	–	–	–	–
Santam Ltd	Service fees	361	345	–	–
Coris Capital Holdings (Proprietary) Limited	Inter-company balances	–	–	–	32
Sanlam Investments (Pty) Ltd	Inter-company balances	–	–	–	(63)
Sanlam Prefco (Pty) Ltd	Inter-company balances	–	–	(476)	(275)
	Investment management fees income	–	2	–	–
Sanlam Investment Management (Pty) Ltd	Investment management fees	–	(89)	–	–
	Investment management fees income	–	(16)	–	–
Sanlam Private Wealth (Pty) Ltd: SA division	Financial services income	75	69	–	–
	Accounts receivable	–	13	–	–
	Mortgages and loans	–	1 450	–	–
	Accrued investment income	–	23	–	–

32.7 Key management personnel compensation

R million	Group 2024	Group 2023	Company 2024	Company 2023
Compensation paid to the group's key management personnel is as follows:				
Short-term employee benefits	531	556	222	188
Share-based payments[1]	109	147	56	57
Termination benefits	2	–	–	–
Other long-term benefits and incentive schemes	19	30	3	3
Total key management personnel compensation	661	733	281	248

[1] Consists of redemption of shares in respect of share-based payment schemes.

Notes to the annual financial statements continued

for the year ended 31 December 2024

33 Notes to the cash flow statement

33.1 Cash utilised in operations

	Group		Company	
		Restated and re-presented[1][2]		Restated and re-presented[1][2]
R million	2024	2023	2024	2023
Profit before tax per statement of comprehensive income	30 870	23 505	26 034	21 282
Profit before tax from continuing operations	27 604	19 401	26 034	21 282
Profit before tax from discontinued operations	3 266	4 104	–	–
Non-cash flow items	(74 821)	(77 360)	(64 405)	(62 343)
Insurance service result: Insurance revenue	(94 462)	(112 281)	(26 266)	(24 835)
Insurance service result: Insurance service expenses	58 465	67 982	17 078	15 580
Insurance service result: Income or (expense) from reinsurance contracts	4 942	10 565	449	518
Insurance investment result: Insurance finance income or (expense)	28 979	15 509	24 491	11 917
Insurance investment result: Reinsurance finance income or (expense)	(133)	(190)	(429)	(247)
Depreciation	798	812	243	213
Bad debts written off	465	140	28	17
Share-based payments	82	117	338	282
Profit on sale of subsidiaries and associates	(4 042)	(433)	(6)	(479)
Fair value adjustments and change in external investors' liability	(66 223)	(56 812)	(80 422)	(65 384)
Net monetary loss (hyperinflation)	–	29	–	–
Net impairment losses on financial assets and other impairments	1 413	272	–	–
Amortisation of intangibles	489	171	91	75
Equity-accounted earnings	(5 594)	(3 241)	–	–
Items excluded from cash utilised in operations	(41 597)	(36 361)	(29 932)	(26 074)
Interest and preference share dividends received	(42 733)	(37 223)	(30 371)	(26 389)
Interest accrued	(35 086)	(24 751)	(18 923)	(13 357)
Dividends accrued	(7 647)	(12 472)	(11 448)	(13 032)
Finance costs	1 136	862	439	315
Net movement in cash flows from operating assets and liabilities[2]	64 911	50 711	53 007	52 433
Net cash flows from investment contracts[2]	60 893	57 840	59 438	57 918
Income	135 141	136 762	125 283	124 399
Outflow	(74 248)	(78 921)	(65 845)	(66 481)
Other movements	–	(1)	–	–
Net cash flows from life insurance contracts[2]	8 118	14 006	(58)	5 466
Premium allocation approach	4 286	4 814	1 833	1 883
General model	15 960	17 199	8 780	9 803
Variable fee approach	(12 128)	(8 007)	(10 671)	(6 220)
Net cash flows from general insurance contracts[2]	9 105	10 309	–	–
Premium allocation approach	9 234	10 425	–	–
General model	(129)	(116)	–	–
Net cash flows from reinsurance contracts[2]	(1 818)	(7 283)	200	(466)
Premium allocation approach	(2 249)	(6 172)	(66)	(452)
General model	431	(1 111)	266	(14)
Net cash flows from financial assets and liabilities, including investment properties[2]	(19 081)	(25 877)	3 316	(9 386)
Net cash flows from trading account assets/liabilities[1]	(741)	3 597	(721)	3 645
Increase in advances to customers	(148)	37	–	–
Trade and other receivables	6 680	(600)	2 296	(2 392)
Trade and other payables	254	(3 658)	(3 677)	4 349
Loan payable: Related Party	–	–	(9 197)	(9 019)
Other	1 649	2 340	1 410	2 318
Cash utilised in operations	(20 637)	(39 505)	(15 303)	(14 695)

[1] The prior year has been restated to reclassify collateral pledged and received from cash and cash equivalents to trading account assets and liabilities respectively in order to align with the definition of cash and cash equivalents in IAS 7. Refer to note 39 for additional information.

[2] Prior period re-presented in order to group line items with the same nature together under net movement in cash flows from operating assets and liabilities. This was followed by expanding net movement from investment contracts and net cash flows from insurance and reinsurance to provide additional useful information to users of the financial statements. Net disposals/(acquisition) of investments have been renamed to net cash flows from financial assets and liabilities, including investment properties.

33.2 Acquisition of subsidiaries and associated companies

	Group		Company	
		Restated[1]		
R million	2024	2023	2024	2023
During the year, interests in subsidiaries and associated companies were acquired within the group and company.				
Investments in associated companies[1]	(9 342)	(24 944)	–	–
The fair value of assets acquired via business combinations is as follows:				
Goodwill	(806)	(2 092)	–	–
Equipment	(96)	(363)	–	–
Right-of-use assets	(136)	(115)	–	–
Owner-occupied property	–	(310)	–	–
Intangible assets	(1 207)	(2 463)	–	–
Insurance contract assets	(2 243)	–	–	–
Reinsurance contract assets	(195)	–	–	–
Advances to customers	–	(4 085)	–	–
Investments	(9 514)	(168)	(13 683)	(2 428)
Deferred tax assets	–	(233)	–	–
Trade and other receivables	(759)	(1 199)	–	–
Taxation	–	(21)	–	–
Cash and cash equivalents	(1 290)	(432)	–	–
Insurance contract liabilities	79	–	–	–
Reinsurance contract liabilities	8	–	–	–
Investment contract liabilities	5 240	–	–	–
Lease liabilities	202	155	–	–
Term finance	351	665	–	–
Loan payable	–	3 258	–	–
Deferred tax liabilities	920	458	–	–
Trade and other payables	1 003	999	–	–
Provisions	4	98	–	–
Taxation	99	72	–	–
Common control reserve	–	934	–	–
Non-controlling interest	350	942	–	–
Total purchase consideration	(17 332)	(28 844)	(13 683)	(2 428)
Plus: Previously held interest at fair value	4 939	26 304	1 492	–
Plus: Loan settlement	–	734	–	–
Plus: Deferred purchase consideration	132	51	128	28
Cash element of consideration	(12 261)	(1 755)	(12 063)	(2 400)
Less: Cash and cash equivalents acquired	1 290	432	–	–
Less: Deferred consideration payable	–	–	–	–
Cash component of acquisition of subsidiaries and associated companies[2]	(10 971)	(1 323)	(12 063)	(2 400)

[1] The acquisitions during the year relate to further investment in African Rainbow Capital Financial Services Holdings (Pty) Ltd (ARC FSH) to a total holding of 25% for a cash consideration of R2 571 million as well as further capitalisations in respect of SanlamAllianz joint venture (prior year: 26% holding in Capital Legacy for a cash consideration of R904 million).

[2] The acquisitions during the current year relate to Assupol Holding Ltd and NMS Insurance Services (SA) Ltd. Prior year acquisitions relate to SanlamAllianz joint venture, Afrocentric Investment Corporation Ltd, Capital Legacy Solutions (Pty) Ltd, the remaining shareholding of Sanlam Personal Loans (previously accounted for as a joint venture) as well as Alexander Forbes Client administration. The SanlamAllianz joint venture did not result in a cash element of consideration.

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33 Notes to the cash flow statement continued

33.3 Disposal of subsidiaries and associated companies

R million	Group 2024	Group 2023	Company 2024	Company 2023
During the year, various interests in subsidiaries and associated companies were disposed within the group.				
Investments in associated companies[1]	3 478	2 008	–	883
The fair value of assets disposed of were as follows:				
Right-of-use assets	–	4	–	–
Owner-occupied property	–	–	–	–
Other intangible assets	–	–	–	–
Investments	–	–	–	226
Deferred tax assets	–	6	–	–
Non-current assets held for sale	27 379	120 003	–	–
Trade and other receivables	–	22	–	–
Cash and cash equivalents	–	28	–	–
Lease liabilities	–	(6)	–	–
Non-current liabilities held for sale	(23 467)	(84 235)	–	–
Trade and other payables	–	(2)	–	–
Foreign currency translation reserve release	(122)	(1 309)	–	–
Non-controlling interest	(929)	(9 066)	–	–
Profit on disposal of subsidiaries and associates	4 042	433	6	480
	10 381	27 886	6	1 589
Less: Cash and cash equivalents disposed of	–	(28)	–	–
Less: Investment in joint venture retained	(4 939)	–		
Less: Deemed disposal	–	(26 835)	–	(1 589)
Cash component of disposal of subsidiaries and associated companies	5 442	1 023	6	–

[1] The current year disposals mainly relate to investments in associated companies, Shriram Finance and ARC FSI. The prior year disposals mainly relate to investments in associated companies and joint ventures, Funeral services group (FSG) in Botswana, ACT Healthcare Assets and Sanlam Personal loans, as well as investment in subsidiaries Sanlam Pan-Africa (previously treated as held for sale) and Sanlam Trust of which are considered to be deemed disposals.

33.4 Cash and cash equivalents

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

R million	Note	Group 2024	Group Restated[1] 2023	Company 2024	Company Restated[1] 2023
Bank and other cash balances		12 124	8 679	1 247	1 124
Deposits and similar securities – maturity <90 days		19 234	14 406	7 603	7 355
Total cash and cash equivalents – as per the statement of financial position	17	31 358	23 085	8 850	8 479
Bank overdrafts (included in Trade and other payables)	15.2	(3)	(137)	–	–
Plus: Cash and cash equivalents included in non-current assets held for sale		–	2 562	–	–
Total cash and cash equivalents – as per statement of cash flow		31 355	25 510	8 850	8 479

[1] The prior years have been restated for collateral included in cash and cash equivalents please refer note 39 for additional information.

33.5 Non-cash transactions

Dividends to the amount of R586 million (2023: R1 177 million) were received on loan account which affects the company only. In addition, dividends to the amount of R8 000 million (2023: R6 700 million) were paid to Sanlam Limited on loan account which affects both company and group. Both of these transactions represent non-cash transactions on loan account.

In addition to above, interest and dividend income in respect of investment funds to the amount of R4 353 million (2023: R4 198 million) and R2 024 million (2023: R2 111 million) for group and R4 093 million (2023: R4 032 million) and R1 926 million (2023: R1 997 million) for the company were reinvested, respectively. These transactions represent non-cash transactions and also affected the “Net acquisition of investments” in note 33.1 above.

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34 Business combinations

34.1 Assupol Holdings Ltd (Assupol)

Effective October 2024, the Sanlam group acquired 100% in Assupol, gaining control. The acquisition accounting is based on provisional estimates, which might result in adjustments to goodwill, intangibles, assets as well as deferred tax during the next 12 months.

The goodwill arising on the acquisition is attributable to synergies and future opportunities expected.

Details of the assets acquired and liabilities assumed, at fair value, are as follows:

R million	2024
Assets	
Pre-existing goodwill	75
Equipment	96
Right-of-use asset	136
Intangible assets	283
Other intangible assets	316
Insurance contract assets	2 214
Reinsurance contract assets	195
Deferred tax	–
Investments	9 514
Working capital assets	766
Trade and other receivables	56
Cash and cash equivalents	710
Total identifiable assets	13 595
Liabilities	
Insurance contract liabilities	–
Reinsurance contract liabilities	8
Investment contract liabilities	5 240
Term finance	351
Lease liability	201
Deferred tax liability	760
Working capital liabilities	367
Trade and other payables	304
Taxation	63
Total identifiable liabilities	6 927
Less: Pre-existing goodwill	(75)
Non-controlling interest	–
Total identifiable net assets	6 593
Net purchase consideration	6 593
Cash element of consideration	(6 593)
Net consideration	–

All available information has been taken into consideration in the purchase price allocation. The acquisition accounting is based on provisional estimates, which might result in adjustments to the recognised assets and liabilities as well as deferred tax during the next nine months.

Notes to the annual financial statements continued

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34 Business combinations continued

The revenue and other comprehensive income of Assupol since acquisition date included in the consolidated statement of comprehensive income as at 31 December 2024 is R1 443 million and R514 million, respectively. The revenue and other comprehensive income of the combined entity for the current reporting period as though the acquisition date occurred at the beginning of the reporting period is R6 126 million and R393 million respectively.

Trade receivables had a fair value of R57 million at acquisition date. The gross amount is R57 million and it is expected that R57 million will be collected. The fair value approximates the gross amount due to its short-term nature.

34.2 NMS Insurance Services

Effective November 2024, the Sanlam group acquired 60% in NMS Insurance Services, a South African subsidiary within MultiChoice Group Limited, gaining control for the first time. The acquisition accounting is based on provisional estimates, which might result in adjustments to goodwill, intangibles, assets as well as deferred tax during the next 12 months. The acquisition accounting of NMS Insurance has been provisionally finalised.

The goodwill arising on the acquisition is attributable to synergies and future opportunities expected. All available information has been taken into consideration in the purchase price allocation. It is considered provisional should new information come to light.

Details of the assets acquired and liabilities assumed, at fair value, are as follows:

R million	2024
Assets	
Intangible assets	591
Working capital assets	
Trade and other receivables	701
Cash and cash equivalents	554
Total identifiable assets	1 846
Liabilities	
Insurance contract liabilities	79
Deferred tax liability	160
Working capital liabilities	
Trade and other payables	698
Provisions	1
Taxation	36
Total identifiable liabilities	974
Equity	
Non-controlling interest	350
Total equity and liabilities	1 324
Total identifiable net assets	522
Goodwill arising on acquisition	806
Net purchase consideration	1 328
Less: cash consideration	(1 200)
Less: deferred consideration	(128)
Net consideration	–

The revenue and other comprehensive income of NMS Insurance Services since acquisition date included in the consolidated statement of comprehensive income as at 31 December 2024 is R103 million and R61 million respectively. The revenue and other comprehensive income of the combined entity for the current reporting period as though the acquisition date occurred at the beginning of the reporting period is R1,1 billion and R363 million respectively.

Details of receivables acquired is as follows:

R million	Fair value	Gross contractual amounts receivable	Expected credit losses
Major class of receivables	701	701	–

34.3 Other business combinations

Details of the assets acquired and liabilities assumed, at fair value, are as follows:

R million	2024
Assets	
Other intangible assets	18
Investments	50
Working capital assets	
Trade and other receivables	2
Cash and cash equivalents	24
Total identifiable assets	94
Liabilities	
Insurance contract liabilities	21
Working capital liabilities	
Provisions	3
Total identifiable liabilities	24
Total identifiable net assets	70
Less: Deferred consideration	(70)
Net consideration	-

Notes to the annual financial statements continued

for the year ended 31 December 2024

35 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 Accounting Standards. Immediately before initial classification as held for sale, the assets to be reclassified are measured in accordance with applicable IFRS Accounting Standards.

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

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

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

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 comprehensive income.

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

Group

R million	Segment	Measurement base	Fair value hierarchy	Note	Non-current assets held for sale	Non-current liabilities held for sale	Net
31 December 2024							
Assets					**6 837**	**–**	**6 837**
Investment properties	Sanlam Life and Savings	Fair value	Level 3	35.1	**2 548**	**–**	**2 548**
Investment in Joint venture	Pan-Africa	Carrying value		35.4	**4 286**	**–**	**4 286**
Owner-occupied properties	Asia	Carrying value			**3**	**–**	**3**
Total					**6 837**	**–**	**6 837**
31 December 2023							
Assets					2 210	–	2 210
Investment properties	Sanlam Life and Savings	Fair value	Level 3		2 207	–	2 207
Owner-occupied properties	Asia	Carrying value	Level 3		3	–	3
Disposal groups					18 246	(16 617)	1 629
MCIS	Asia	Carrying value		35.2	18 246	(16 617)	1 629
Discontinued operation					26 757	(22 786)	3 971
Sanlam Pan-Africa	Pan-Africa and Asia	Carrying value		35.3.1	26 757	(22 786)	3 971
Total					47 213	(39 403)	7 810

Company

R million	Segment	Measurement base	Fair value hierarchy	Note	Non-current assets held for sale	Non-current liabilities held for sale	Net
31 December 2024							
Assets					**3 473**	**–**	**3 473**
Investment properties	Sanlam Life and Savings	Fair value	Level 3	35.1	**2 548**	**–**	**2 548**
Other investments[1]	Sanlam Life and Savings	Fair value	Level 3		**925**	**–**	**925**
Total					**3 473**	**–**	**3 473**
31 December 2023							
Assets					2 207	–	2 207
Investment properties	Sanlam Life and Savings	Fair value	Level 3		2 207	–	2 207
Total					2 207	–	2 207

[1] The company has entered into a sales agreement with Santam to dispose of its 60% interest in the A1 ordinary shares in NMS Insurance Services for an initial cash consideration of R925 million.

35.1 Investment properties

During 2024, six further sales were approved by the Sanlam property committee. This allows the Sanlam Properties team to market the assets for sale to potential buyers for all eleven properties. Once serious buyers have been identified, the sale and purchase agreements are initiated. The purchase prices are approved by the Property Committee, in line with the latest internal valuations that were performed and approved in the previous month. The sales are expected to be finalised during 2024 – 2025, as the average sale period is 12 months.

35.2 Disposal groups

MCIS (Sanlam Emerging Markets) was a disposal group held for sale at December 2023 and June 2024. The probability of sale within the next 12 months is not likely and MCIS is no longer classified as a disposal group held for sale. The balance previously presented within 'Non-current assets held for sale' and 'Non-current liabilities held for sale' have been reclassified to the financial statement captions of the assets/liabilities prior to the disposal group being recognised as held for sale. Similarly, the results from the operation previously presented in discontinued operations have been reclassified and included in income from continuing operations for all periods presented.

35.3 Discontinued operations

35.3.1 Sanlam Pan-Africa (Pan-Africa)

An announcement to shareholders on 4 May 2022 indicated the initial shareholding split of SanlamAllianz was 60% and 40% to Sanlam and Allianz SE (Allianz) respectively, subject to certain postclosing adjustments, and excluded Sanlam's holdings in Namibia which were to be contributed at a later stage. Post-closing adjustments relating to movements in net asset value and corporate actions between initial agreement and transaction conclusion resulted in a final shareholding split of 59,6% and 40,4% to Sanlam and Allianz respectively. Shareholders and noteholders were notified that Sanlam integrated its Namibian holdings into SanlamAllianz at an initial valuation of R6,2 billion, subject to post-closing adjustments. To maintain the shareholding distribution of SanlamAllianz at 59,6% for Sanlam and 40,4% for Allianz, Sanlam subscribed for additional shares in SanlamAllianz, representing 59,6% of the valuation, and receive a cash consideration of R2,5 billion from SanlamAllianz, representing 40,4% of the valuation. SanlamAllianz financed this payment using a capital raise through a share issue to Allianz for cash. This transaction took effect on 7 October 2024.

Notes to the annual financial statements continued

for the year ended 31 December 2024

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

35.3 Disposal groups continued

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

R million	December 2024	December 2023
Result from insurance operations		
Result from insurance contracts	**368**	3 716
Insurance service result	**175**	1 532
Insurance revenue	**987**	24 442
Insurance service expenses	**(785)**	(19 741)
Income or expense from reinsurance contracts	**(27)**	(3 169)
Insurance investment result	**200**	2 202
Insurance finance income or expense	**(383)**	(1 206)
Reinsurance finance income or expense	**39**	4
Investment income on assets held in respect of insurance contracts	**479**	1 991
Investment surpluses on assets held in respect of insurance contracts	**65**	1 413
Other expenses relating to insurance operations	**(7)**	(18)
Result from other operations	**2 800**	357
Revenue	**123**	1 372
Investment income	**431**	2 058
Investment surpluses	**3 385**	846
Change in fair value of investment contract liabilities	**(622)**	(1 676)
Change in fair value of external investors' liabilities	**(297)**	(1 046)
Sales remuneration	**(43)**	(123)
Administration costs	**(177)**	(1 074)
Impairments	**–**	(260)
Net impairment losses on financial and contract assets	**–**	(259)
Other impairments	**–**	(1)
Amortisation of intangibles	**–**	(80)
Net operating result	**3 168**	3 733
Equity-accounted earnings	**98**	448
Finance cost – other	**–**	(48)
Net monetary gain	**–**	(29)
Profit before tax	**3 266**	4 104
Taxation		
Shareholders' fund	**(11)**	(676)
Policyholders' fund	**(15)**	(34)
Profit for the year	**3 240**	3 394

Cash flow information from discontinued operation

R million	December 2024	December 2023
Cash flow from operating activities	**(281)**	(12 358)
Cash flow from investment activities	**2 332**	907
Cash flow from financing activities	**(4)**	(2)
Net increase in cash and cash equivalents generated by discontinued operations	**2 047**	(11 453)

The results from this discontinued operation in 2024 have been included in the notes to the financial statements up until the date of disposal with a transfer to discontinued operation so as to reflect the results from continuing operations excluding discontinued operations.

35.4 Investment in joint venture

As part of the joint venture arrangement between Allianz and Sanlam, it was agreed that once Sanlam contributes its operations in Namibia, Allianz will have the option to increase its shareholding in the joint venture to a maximum of 49% (the Allianz Step up Transaction). A definitive agreement was concluded on 20th December 2024 in which SEM will dispose of 8,59% of its interest in SanlamAllianz to Allianz for an initial cash consideration of R4,5 billion, resulting in a final shareholding split between SEM and Allianz of 51% and 49% respectively. As at 31 December 2024, although regulatory approvals are still pending, the transaction is highly probable and the requirements of IFRS 5 are met to disclose the 8,59% stake as held for sale. It is expected that the transaction will become effective in first quarter of 2025.

36 Segmental information

The group segments are grouped according to the similarity of the solution offerings and market segmentations of the various businesses in line with how the business is reported to management and the board internally. The operating segments reported for IFRS 8 – Operating Segments purposes include the following:

The operating segments reported for IFRS 8 – Operating Segments purposes include the following:
- Sanlam Life and Savings
  - Sanlam Risk and Savings (previously reported under the segment SA Retail Affluent) (providing life insurance and investment solutions to the middle and upper level of the market);
  - Glacier (previously reported under the segment SA Retail Affluent) (providing investment solutions and life insurance to the middle and upper level of the market);
  - SA Retail Mass (providing life insurance and investment solutions to the entry level market); and
  - Sanlam Corporate (providing employee benefits services, group risk and investment services to retirement funds and corporates);
- Pan-Africa and Asia (incorporating mainly life insurance, general insurance, investment management and credit space) businesses;
- Sanlam Investment Group (incorporating investment and wealth management businesses); and
- Santam (being Sanlam's general insurance provider subsidiary in South Africa).

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

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

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

IFRS Accounting Standards adjustments represent the difference between shareholder fund reporting and IFRS. This includes but not limited to:
- Deferred tax recognised in respect of assessed losses in policyholder funds under IFRS which creates an artificial mismatch which impacts the group's shareholders' fund and earnings;
- Asset mismatch reserve – created in the group statement of financial position for investment variances emanating from insurance and investment contracts measured under IFRS 17 and IFRS 9 respectively. These reserves are not allowed under IFRS Accounting Standards.
- Discontinued operations – for shareholder fund reporting, discontinued operations in terms of IFRS 5 Non-current assets held for sale are not re-presented as is the case for IFRS Accounting Standards. These are accounted for as if the operations are not yet discontinued and derecognised when the disposal becomes effective.

Policyholder activities – to get to the full IFRS Accounting Standards amounts, policyholder activities are added as these are excluded for shareholders' fund reporting.

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

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36 Segmental information continued

R million	Sanlam Life and Savings[(1)] 2024	2023	Pan-Africa[(2)] 2024	Restated 2023	Asia[(2)] 2024	Restated 2023	Sanlam Investment Group 2024	2023	Santam 2024	2023	Group office and other 2024	2023	Consolidation entries and IFRS adjustments 2024	2023	Policyholder activities 2024	2023	Total 2024	2023
Investment in associates and joint ventures	5 341	1 436	41 202	25 054	12 949	15 970	–	–	1 798	1 524	(1 089)	–	(18)	(45 394)	(12 407)	45 020	47 776	43 610
Total assets	74 286	45 508	48 545	30 102	13 530	17 863	(9 183)	4 029	59 898	58 672	3 559	5 849	(18 386)	(6 543)	935 456	816 761	1 107 705	972 241
Total liabilities	24 557	24 255	186	3 904	(593)	259	(3 888)	949	46 865	48 217	3 463	3 374	(25 578)	(3 605)	956 524	799 305	1 001 536	876 658

R million	Sanlam Life and Savings 2024	2023	Pan-Africa[(2)] 2024	Restated 2023	Asia[(2)] 2024	Restated 2023	Sanlam Investment Group 2024	2023	Santam 2024	2023	Group office and other 2024	2023	Policyholder activities, consolidation entries and IFRS adjustments 2024	2023	Total 2024	2023
Insurance revenue[(4)]	46 226	39 122	987	24 442	1 842	1 671	–	158	52 317	46 882	–	–	(7 897)	(24 435)	93 475	87 840
Insurance service expenses	(36 579)	(31 395)	(785)	(19 741)	(1 932)	(1 528)	(435)	(417)	(40 038)	(37 344)	–	–	4 216	19 741	(75 553)	(70 684)
Income or expense from reinsurance contracts	(421)	(717)	(5)	(3 169)	–	16	–	–	(7 873)	(7 845)	–	–	3 384	4 320	(4 915)	(7 395)
Insurance finance income or expense	(25 881)	(11 109)	(383)	(1 206)	(1 231)	(1 190)	(511)	(242)	(1 365)	(72)	–	–	774	(484)	(28 597)	(14 303)
Investment income on assets held in respect of insurance contracts	7 356	7 945	479	1 991	638	644	1 493	1 011	1 301	1 100	–	–	(476)	(3 163)	10 791	9 528
Investments surpluses/(deficit) on assets held in respect of insurance contracts	19 657	5 133	65	1 413	469	618	–	–	–	–	–	–	(791)	(756)	19 400	6 408
Revenue[(5)]	15 491	7 953	113	1 236	(52)	–	(25)	606	364	722	643	631	113	(2 159)	16 647	9 548
Investment income	2 845	1 692	118	775	64	68	(1 288)	130	830	–	(652)	(568)	29 606	31 713	31 523	33 810
Investment surpluses/(deficits)	1 477	1 264	4 351	(989)	(106)	29	70	160	1 030	664	(223)	(261)	48 111	64 349	54 710	65 216
Change in fair value of investment contract liabilities	–	–	–	–	–	–	–	–	–	–	–	–	(66 679)	(65 773)	(66 679)	(65 773)
Finance cost – margin business	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Administration costs	(12 941)	(6 086)	(178)	(1 304)	(32)	(53)	393	468	(311)	(340)	(1 511)	(1 748)	(1 490)	150	(16 070)	(8 913)
Consultancy fees[(6)]	(1 277)	(918)	(70)	(130)	(1)	(1)	(32)	(3)	(367)	(596)	(722)	(966)	33	83	(2 436)	(2 531)
Employee benefits[(6)]	(8 556)	(5 138)	(121)	(2 217)	(1)	(1)	(647)	(602)	(5 010)	(4 474)	(1 536)	(1 325)	132	2 039	(15 739)	(11 718)
Depreciation[(7)]	(374)	(214)	(7)	(172)	–	–	(24)	(25)	(265)	(292)	(127)	(110)	6	166	(791)	(647)
Impairments	(1 235)	1	–	(273)	–	–	–	–	(177)	–	–	–	1	260	(1 413)	(12)
Amortisation of intangibles	(404)	(66)	–	(33)	(2)	(2)	(43)	(37)	(84)	(33)	–	–	44	80	(489)	91
Equity-accounted earnings	(38)	52	2 746	347	2 796	2 431	–	–	88	172	–	(35)	(96)	(173)	5 496	2 793
Finance cost – other	(546)	(322)	–	(49)	(45)	(46)	(2)	(3)	(539)	(437)	(4)	(4)	–	47	(1 136)	(814)
Taxation	(4 404)	(3 094)	(442)	(1 006)	(26)	(143)	(257)	(237)	(1 101)	(662)	210	255	(1 505)	(1 781)	(7 525)	(6 668)
Profit for the year from continuing operations	9 761	8 743	7 034	2 404	2 445	2 516	(606)	783	3 944	2 478	(1 537)	(1 730)	(962)	(2 461)	20 079	12 733
Profit for the year from discontinued operations	–	–	–	–	–	–	–	–	–	–	–	–	3 240	3 394	3 240	3 394

(1) Includes the operations of Sanlam Risk and Savings, together with Glacier (previously Sanlam Retail Affluent), SA Retail Mass, Sanlam Corporate and discretionary capital held by Sanlam Life.

(2) During the year ended 31 December 2024, the group re-evaluated its internal organisational structure and management reporting framework. As a result, the group has revised its reportable segments. Changes were made to better align with how the company's chief operating decision maker (CODM) evaluates performance and allocates resources after Sanlam contributed its' African operations to the newly incorporated joint venture, SanlamAllianz in 2023. Sanlam Emerging Markets has been disaggregated into Pan-Africa and Asia. Sanlam Life and Savings was disaggregated in 2023 disclosure into SA Retail Affluent, SA Retail Mass, Sanlam Corporate in the 2024 disclosure this was collapsed. Comparative disclosures have been restated accordingly.

(3) Policyholder activities, consolidation entries and IFRS Accounting Standards adjustments included in profit for the period/(loss) from continuing operations relates to Sanlam Life and Savings R0 million (2023: -R26 million), Pan-Africa and Asia R0 million (2023: -R3545 million), Sanlam Investment Group R0 million (2023: -R1 million), Santam R0 million (2023: R62 million) and Group office R0 million (2023: R87 million). Consolidation entries relate to inter-segmental transactions. For IFRS Accounting Standards adjustments, refer to additional information above table. Non-controlling interest is included in this column as it is excluded from the shareholders fund income statement.

(4) The decrease in Pan-Africa and Asia insurance revenue stem from the discontinued operations now being equity-accounted following the creation of the joint venture SanlamAllianz in September 2023.

(5) Inter-segmental revenue is included in the policyholder activities, consolidation entries and IFRS Accounting Standards adjustments column. Group office and other had net negative inter-segmental revenue of R0 million (2023: net positive -R631 million), Sanlam Investments Group had net negative inter-segmental revenue of R0 million (2023: net positive R156 million), Sanlam Life and Savings had net negative inter-segmental revenue R0 million (2023: net negative R129 million) and Pan-Africa and Asia had inter-segmental revenue of net negative R0 million (2023: net negative R24 million). Inter-segmental revenue stem mainly from IT-services, investment management services and marketing and brand services provided between segments.

(6) Following the IFRS Accounting Standards Interpretations committee's final agenda decision on operating segments regarding the disclosure of material items of income and expenses in terms of IFRS 8.23(f) and IAS 1.97 during the financial year, the group updated its disclosure of items included in the measure of profit or loss per segment. The prior year information was updated to align to the current year disclosures.

(7) Depreciation has been separately disclosed. The prior year information was updated to align to the current year disclosures.

Notes to the annual financial statements continued

for the year ended 31 December 2024

36 Segmental information continued

CSM balance per cluster

	31 December 2024			31 December 2023		
	Contractual service margin			Contractual service margin		
R million	Total (net of reinsurance)	Insurance	Reinsurance	Total (net of reinsurance)	Insurance	Reinsurance
Sanlam Life and Savings	26 494	26 163	331	22 502	22 372	130
Sanlam Risk and Savings and Glacier	15 844	15 454	390	15 131	15 001	130
SA Retail Mass	6 872	6 931	(59)	3 965	3 965	–
Sanlam Corporate	3 778	3 778	–	3 406	3 406	–
Asia	561	604	(43)	–	–	–
Asia: Malaysia[1]	561	604	(43)	–	–	–
Santam	–	9 102	(9 102)	–	7 360	(7 360)
Total balance	27 055	35 869	(8 814)	22 502	29 732	(7 230)

[1] Asia: Malaysia was reclassified as disposal group held for sale at 31 December 2023. These businesses are therefore presented as non-current assets/liabilities held for sale in the group statement of financial position, and excluded from the insurance and reinsurance contract balances. Refer to note 14 on page 169 for further details.

Geographical analysis of shareholder and policyholder non-current assets

R'million	Policyholder	Shareholder	IFRS adjustment	Total
31 December 2024				
South Africa	730 788	136 668	104 644	972 100
Pan-Africa	4	(15)	–	(11)
Other International	63 747	17 011	–	80 758
Non-current assets[1]	794 539	153 664	104 644	1 052 847

R'million	Policyholder	Shareholder	IFRS adjustment	Total
31 December 2023 Restated[2]				
South Africa	632 650	124 289	58 964	815 903
Pan-Africa	20 696	4 336	1 762	26 794
Other International	62 054	16 150	–	78 204
Non-current assets[1]	715 400	144 775	60 726	920 901

[1] Non-current assets include goodwill, property and equipment, right-of-use assets, owner-occupied properties, intangible assets, contract costs for investment management services, insurance contract assets, reinsurance contract assets, deferred tax asset, investments, trading account assets, advances to customers and non-current assets held for sale.

[2] The prior year has been restated for collateral included in cash and cash equivalents please refer note 39 for additional information.

Addition to non-current assets

R'million	2024	2023
Sanlam Life & Savings	3 924	6 520
Pan-Africa	111	515
Asia	24	16
Santam	278	715
Group Office	1	23
Addition to non-current assets[1]	4 338	7 789

[1] Consists of additions to non-current assets expected to be recovered more than 12 months after the reporting period. Non-current assets excludes in this context financial instruments, insurance contract assets, reinsurance contract assets and deferred tax assets.

Geographical analysis of shareholder and policyholder non-current assets

R'million	Policyholder	Shareholder	IFRS adjustment	Total
31 December 2024				
South Africa	424	16 825	(994)	16 255
Pan-Africa	–	63	(74)	(11)
Other International	–	–	–	–
IFRS 15 Revenue	424	16 888	(1 068)	16 244
Revenue not in scope of IFRS 15	–	–	403	403
Revenue	424	16 888	(665)	16 647
31 December 2023				
South Africa	76	9 202	(2 712)	6 566
Pan-Africa	–	1 257	(1 144)	113
Other International	(3)	–	208	205
IFRS 15 Revenue	73	10 459	(3 648)	6 884
Revenue not in scope of IFRS 15	–	–	2 105	2 105
Revenue	73	10 459	(1 543)	8 989

37 Fair value disclosures

Financial instruments

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

Recognition and derecognition

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

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

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

Cash collateral pledged as security (including JSE margins placed) are classified as trading account assets and cash collateral received related payables are classified as trading account liabilities.

Notes to the annual financial statements continued

for the year ended 31 December 2024

37 Fair value disclosures continued

Classification

Financial assets

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

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

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

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

Financial liabilities

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

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

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

Initial measurement

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

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

Subsequent measurement

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

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

Impairment

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

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

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

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

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

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

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

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

Measurement of expected credit losses

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

Presentation of loss allowances in the statement of financial position

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

Write-offs

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

Offsetting

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

Other financial liabilities

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

Determination of fair value and fair value hierarchy

Below follows required disclosure of fair value measurements, using a three-level fair value hierarchy that reflects the significance of the inputs used in determining the measurements. It should be noted that these disclosure 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 (ie as prices) or indirectly (ie derived from prices). For example, instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are categorised as level 2.

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

Notes to the annual financial statements continued

for the year ended 31 December 2024

37 Fair value disclosures continued

Group

R million	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
31 December 2024				
Non-financial instruments	–	–	6 928	6 928
Investment properties	–	–	6 928	6 928
Financial instruments	610 586	335 341	9 136	955 063
Equities and similar securities	194 666	582	2 255	197 503
Interest-bearing investments	110 763	236 541	–	347 304
Investment in joint ventures	–	–	524	524
Structured transactions	2	33 088	2	33 092
Investment funds[1]	305 130	21 176	6 355	332 661
Trade and other receivables	–	1 234	–	1 234
Deposits and similar securities	–	30 980	–	30 980
Trading account assets	–	4 278	–	4 278
Loan receivable	25	–	–	25
Short-term investments	–	7 462	–	7 462
Total assets at fair value	610 586	335 341	16 064	961 991
Financial instruments	121 645	586 057	–	707 702
Investment contract liabilities	–	554 955	–	554 955
External investors in consolidated funds	121 594	3 161	–	124 755
Term finance	–	9 521	–	9 521
Structured transactions liabilities	–	12 838	–	12 838
Trading account liabilities	–	5 582	–	5 582
Loans payables	51	–	–	51
Trade and other payable liabilities	–	–	–	–
Total liabilities at fair value	121 645	586 057	–	707 702

R million	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
31 December 2023 – restated[2]				
Non-financial instruments	–	–	6 989	6 989
Investment properties	–	–	6 989	6 989
Financial instruments	511 460	258 556	9 921	779 937
Equities and similar securities	146 246	9 502	2 960	158 708
Interest-bearing investments	85 119	163 650	532	249 301
Investment in joint ventures	–	–	517	517
Structured transactions	10	26 169	–	26 179
Investment funds[1]	280 052	15 973	5 912	301 937
Trade and other receivables	–	1 621	–	1 621
Deposits and similar securities[2]	1	37 842	–	37 843
Trading account assets	–	229	–	229
Loan receivable	32	–	–	32
Short-term investments	–	3 570	–	3 570
Cash and cash equivalents	–	–	–	–
Total assets at fair value	511 460	258 556	16 910	786 926
Financial instruments	73 297	518 758	1 584	593 639
Investment contract liabilities	–	488 501	–	488 501
External investors in consolidated funds	73 172	3 004	–	76 176
Term finance	–	7 444	1 577	9 021
Structured transactions liabilities	24	12 254	7	12 285
Trading account liabilities	–	7 555	–	7 555
Trade and other payables	101	–	–	101
Total liabilities at fair value	73 297	518 758	1 584	593 639

[1] Collective investment schemes that are quoted in an active market of transactions between investors and collective investment schemes based on a quoted/published price.
[2] The prior years have been restated for collateral included in cash and cash equivalents. Refer to note 39 for additional information.

Governance | Basis of preparation | Group and company financial results | Capital risk management | Actuarial notes | Employment equity report

Company

R million	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
31 December 2024				
Non-financial instruments	–	–	6 396	6 396
Investment properties	–	–	6 396	6 396
Financial instruments	526 710	207 805	137 401	871 916
Equities and similar securities	82 936	581	1 975	85 492
Investment in subsidiaries, joint ventures and associated companies	27 704	–	128 711	156 415
Interest-bearing investments	54 702	154 399	481	209 582
Structured transactions	–	28 529	–	28 529
Investment funds[1]	361 368	6 863	6 234	374 465
Trade and other receivables	–	1 073	–	1 073
Deposits and similar securities	–	13 008	–	13 008
Trading account assets	–	2 313	–	2 313
Loan receivable	–	–	–	–
Short-term investments	–	1 039	–	1 039
Total assets at fair value	526 710	207 805	143 797	878 312
Financial instruments	–	563 545	–	563 545
Investment contract liabilities	–	519 769	–	519 769
Term finance	–	6 458	–	6 458
Loans from subsidiaries	–	27 598	–	27 598
Structured transactions liabilities	–	9 720	–	9 720
Total liabilities at fair value	–	563 545	–	563 545

R million	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
31 December 2023 – restated[2]				
Non-financial instruments	–	–	6 643	6 643
Investment properties	–	–	6 643	6 643
Financial instruments	457 525	163 868	133 503	754 896
Equities and similar securities	75 424	506	1 586	77 516
Investment in subsidiaries, joint ventures and associated companies	–	–	126 131	126 131
Interest-bearing investments	49 392	81 530	517	131 439
Structured transactions	–	22 818	–	22 818
Investment funds[1]	332 709	5 261	4 783	342 753
Trade and other receivables	–	349	–	349
Deposits and similar securities[2]	–	17 746	–	17 746
Trading account assets	–	229	–	229
Loan receivable	–	31 859	486	32 345
Short-term investments	–	3 570	–	3 570
Total assets at fair value	457 525	163 868	140 146	761 539
Financial instruments	–	499 012	–	499 012
Investment contract liabilities	–	459 748	–	459 748
Term finance	–	4 392	–	4 392
Loans from subsidiaries	–	28 795	–	28 795
Structured transactions liabilities	–	6 077	–	6 077
Total liabilities at fair value	–	499 012	–	499 012

[1] Collective investment schemes that are quoted in an active market of transactions between investors and collective investment schemes based on a quoted/published price.
[2] The prior years have been restated for collateral included in cash and cash equivalents. Refer to note 39 for additional information.

Notes to the annual financial statements continued

for the year ended 31 December 2024

37 Fair value disclosures continued

Group

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

R million	Investment properties	Equities and similar securities	Interest-bearing investments	Investment Funds	Investment in joint ventures	Total assets
2024						
Assets						
Balance at 1 January 2024	6 989	2 960	532	5 912	517	16 910
Net gains/(losses) in statement of comprehensive income[1]	291	377	13	(892)	7	(204)
Acquisitions	248	2 824	–	1 786	–	4 858
Acquired through business combinations	–	–	–	–	–	–
Disposals	(259)	(4 113)	(28)	(451)	–	(4 851)
Reclassified to non-current assets held for sale	(341)	205	–	–	–	(136)
Foreign exchange movements	–	4	–	–	–	4
Other movements	–	–	–	–	–	–
IFRS Transitional amounts	–	–	–	–	–	–
Transfer into level 3	–	–	(517)	–	–	(517)
Balance at 31 December 2024	6 928	2 257	–	6 355	524	16 064

R million	Term finance	Structured transaction liabilities	Total liabilities
2024			
Liabilities			
Balance at 1 January 2024	1 577	7	1 584
Disposals	(1 577)	(7)	(1 584)
Balance at 31 December 2024	–	–	–

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

R million	Investment properties	Equities and similar securities	Interest-bearing investments	Investment Funds	Investment in joint ventures	Total assets
2023						
Assets						
Balance at 1 January 2023	9 564	817	543	2 258	471	13 653
Net gains/(losses) in statement of comprehensive income[1]	(633)	1 463	36	3 184	46	4 096
Acquired through business combinations	13	–	–	–	–	13
Acquisitions	168	804	–	470	–	1 442
Disposals	(299)	–	(47)	–	–	(346)
Reclassified to non-current assets held for sale	(1 825)	(129)	–	–	–	(1 954)
Foreign exchange movements	–	–	–	–	–	–
Settlements	–	–	–	–	–	–
Reconciliation of movements in level 3 assets and liabilities measured at fair value	–	–	–	–	–	–
Other movements	–	–	–	–	–	–
IFRS Transitional amounts	1	5	–	–	–	6
Transfer into level 3	–	–	–	–	–	–
Balance at 31 December 2023	6 989	2 960	532	5 912	517	16 910

R million	Term finance	Structured transaction liabilities	Total liabilities
2023			
Liabilities			
Balance at 1 January 2023	1 342	–	1 342
Total (gains)/loss in statement of comprehensive income[1]	235	7	242
Balance at 31 December 2023	1 577	7	1 584

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

Company

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

R million	Investment properties	Equities and similar securities	Interest-bearing investments	Investment Funds	Investment in subsidiaries, joint ventures and associated companies	Total assets
2024						
Assets						
Balance at 1 January 2024	6 643	2 869	1 002	5 903	116 431	132 848
Net (losses)/gains in statement of comprehensive income[1]	289	(1 130)	18	(887)	12 928	11 218
Acquisitions	64	235	–	1 668	11 039	13 006
Disposals	(259)	–	(22)	(451)	(4 073)	(4 805)
Reclassified as non-current assets held for sale	(341)	–	–	–	–	(341)
Fair value transfers	–	–	(517)	–	(7 614)	(8 131)
Transfers into level 3	–	–	–	–	11 907	11 907
Transfer out of level 3	–	–	–	–	(19 521)	(19 521)
Balance at 31 December 2024	6 396	1 974	481	6 233	128 711	143 795

R million	Loans from subsidiaries	Total liabilities
2024		
Liabilities		
Balance at 1 January 2024	28 795	28 795
Net issues	(1 197)	(1 197)
Balance at 31 December 2024	27 598	27 598

Notes to the annual financial statements continued

for the year ended 31 December 2024

37 Fair value disclosures continued

Company

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

R million	Investment properties	Equities and similar securities	Interest-bearing investments	Investment Funds	Investment in subsidiaries, joint ventures and associated companies	Total assets
2023						
Assets						
Balance at 1 January 2023	8 715	663	952	2 258	107 965	120 553
Net (losses)/gain in statement of comprehensive income[(1)]	(629)	1 463	50	3 184	4 324	8 392
Acquisitions	54	743	–	461	4 427	5 685
Disposals	(151)	–	–	–	(285)	(436)
Transfer from owner-occupied properties	–	–	–	–	–	–
Transfer from level 2	–	–	–	–	–	–
Reclassified as non-current assets held for sale	(1 347)	–	–	–	–	(1 347)
Other movements	1	–	–	–	–	1
Properties held for sale	–	–	–	–	–	–
Balance at 31 December 2023	6 643	2 869	1 002	5 903	116 431	132 848

R million	Loans from subsidiaries	Total liabilities
2023		
Liabilities		
Balance at 1 January 2023	31 114	31 114
Net issues	(2 319)	(2 319)
Balance at 31 December 2023	28 795	28 795

Gains/(losses) (realised and unrealised) included in statement of comprehensive income

R million	Group 2024	Group 2023	Company 2024	Company 2023
Total gains included in statement of comprehensive income for the period[(1)]	**(205)**	4 678	**11 218**	6 926
Total unrealised gains included in statement of comprehensive income for the period for assets held at the end of the reporting period[(1)]	**738**	4 070	**13 637**	8 124

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

Group

Transfers between levels

R million	Interest-bearing investments[(1)]	Investment funds	Total assets
Assets			
2024			
Transfer from level 1 to level 2	**–**	**–**	**–**
Transfer from level 2 to level 1	**350**	**–**	**350**
2023			
Transfer from level 1 to level 2	(83)	–	(83)
Transfer from level 2 to level 1	–	(244)	(244)

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

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Company

Transfers between levels

R million	Interest-bearing investments[(1)]	Investment funds	Total assets
Assets			
2024			
Transfer from level 1 to level 2	**–**	**–**	**–**
Transfer from level 2 to level 1	**350**	**–**	**350**
2023			
Transfer from level 1 to level 2	(83)	–	(83)
Transfer from level 2 to level 1	–	(244)	(244)

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

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

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

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37 Fair value disclosures

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

Group

Assets

R million	Total	Carrying amount: discount rate	Effect of a 1% increase in discount rate	Effect of a 1% decrease in discount rate	Carrying amount: capitalisation rate	Effect of a 1% increase in capitalisation rate	Effect of a 1% decrease in capitalisation rate	Carrying amount: Earnings multiple	Effect of a 1% increase in earnings multiple	Effect of a 1% decrease in earnings multiple
Investment properties										
2024										
Office buildings	**2 349**	**2 345**	**(66)**	**71**	**2 345**	**(88)**	**109**	**–**	**–**	**–**
Retail buildings	**3 403**	**3 404**	**(91)**	**96**	**3 403**	**(202)**	**255**	**–**	**–**	**–**
Industrial buildings	**648**	**648**	**(31)**	**32**	**648**	**(52)**	**64**	**–**	**–**	**–**
Undeveloped land	**513**	**–**	**–**	**–**	**18**	**2**	**(2)**	**495**	**50**	**(50)**
Total investment property	**6 913**	**6 397**	**(188)**	**199**	**6 414**	**(340)**	**426**	**495**	**50**	**(50)**
2023										
Office buildings	2 727	2 727	(93)	99	2 727	(127)	157	–	–	–
Retail buildings	3 454	3 454	(118)	123	3 454	(278)	354	–	–	–
Industrial buildings	465	465	(21)	23	465	(36)	44	–	–	–
Undeveloped land	343	17	(1)	1	17	(1)	1	326	33	(33)
Total investment property	6 989	6 663	(233)	246	6 663	(442)	556	326	33	(33)

(1) Investment properties comprise of Sanlam Life properties valued using capitalisation and discount rates, with sensitivities based on these two unobservable inputs.

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
Other investments						
2024						
Equities and similar securities	**2 255**	**225**	**(225)**	**–**	**–**	**–**
Investment funds[1]	**6 355**	**635**	**(635)**	**–**	**–**	**–**
Interest-bearing investments	**(481)**	**(48)**	**(57)**	**481**	**(26)**	**16**
Investment in joint ventures[2]	**524**	**52**	**(52)**	**–**	**–**	**–**
Total	**8 653**	**864**	**(969)**	**481**	**(26)**	**16**
2023						
Equities and similar securities	3 014	301	(301)	–	–	–
Investment funds[1]	5 912	591	(591)	–	–	–
Interest-bearing investments	46	5	(5)	486	(29)	29
Investment in joint ventures[2]	518	52	(52)	–	–	–
Total	9 490	949	(949)	486	(29)	29

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

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37 Fair value disclosures continued

Group

Liabilities

R million	2024 Carrying amount	2024 Effect of a 10% increase in value	2024 Effect of a 10% decrease in value	2023 Carrying amount	2023 Effect of a 10% increase in value	2023 Effect of a 10% decrease in value
Term finance	–	–	–	1 577	158	(158)
Derivative liabilities	–	–	–	7	1	(1)
Total liabilities	–	–	–	1 584	159	(159)

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

Company

Assets

R million	Total	Carrying amount: discount rate	Effect of a 1% increase in discount rate	Effect of a 1% decrease in discount rate	Carrying amount: capitalisation rate	Effect of a 1% increase in capitalisation rate	Effect of a 1% decrease in capitalisation rate
Investment properties							
2024							
Office buildings	2 346	2 345	(66)	71	2 345	(88)	109
Retail buildings	3 402	3 403	(91)	96	3 403	(202)	255
Industrial buildings	648	648	(31)	32	648	(52)	64
Total investment property	6 396	6 396	(188)	199	6 396	(342)	428
2023							
Office buildings	2 725	2 725	(93)	99	2 725	(127)	157
Retail buildings	3 453	3 453	(118)	123	3 453	(278)	354
Industrial buildings	465	465	(21)	23	465	(36)	44
Total investment property	6 643	6 643	(232)	245	6 643	(441)	555

(1) Investment properties comprise Sanlam Life properties valued using capitalisation and discount rates, with sensitivities based on these two unobservable inputs.

R million	Carrying amount	Effect of a 10% increase in multiple	Effect of a 10% decrease in multiple	Carrying amount(3)	Effect of a 1% increase in discount rate	Effect of a 1% decrease in discount rate
Other investments						
2024						
Equities and similar securities(4)	1 975	198	(198)	–	–	–
Interest-bearing investments	–	–	–	481	26	(16)
Investment in subsidiaries, joint ventures and associates(2)	–	–	–	128 711	(12 871)	12 871
Investment funds(4)	6 234	623	(623)	–	–	–
Total	8 209	821	(821)	129 192	(12 845)	12 855
2023						
Equities and similar securities	2 869	287	(287)	–	–	–
Interest-bearing investments	1 003	100	(100)	486	(29)	–
Investment in subsidiaries, joint ventures and associates(2)	–	–	–	126 131	1 261	(1 261)
Investment funds	5 903	590	(590)	–	–	–
Total	9 775	977	(977)	126 617	1 232	(1 261)

(2) Subsidiaries that conduct life insurance business are valued at embedded value plus a multiple of VNB and other subsidiaries are valued at DCF. Sensitivities for life insurance subsidiaries have been calculated as a 1% increase/decrease of the rate that is used to discount the value of in-force business. The valuation methodology for certain joint ventures changed from a discounted cash flow based methodology to an earnings multiple methodology.

(3) Represents mainly instruments valued on a discounted cash flow basis, with sensitivities based on changes in the discount rate.

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

Liabilities

R million	Carrying amount	Effect of a 10% increase in value	Effect of a 10% decrease in value
2024			
Loans from subsidiaries	27 598	2 760	(2 760)
Total liabilities	27 598	2 760	(2 760)
2023			
Loans from subsidiaries	28 795	2 880	(2 880)
Total liabilities	28 795	2 880	(2 880)

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38 Assets subject to offsetting, enforceable master netting arrangements and similar agreements

R million	Gross amounts of recognised financial instruments	Gross amounts of recognised financial instruments set-off in the statement of financial position	Net amounts of financial instruments presented in the statement of financial position	Related amounts not set off in the statement of financial position: Other financial instruments[1]	Related amounts not set off in the statement of financial position: Cash collateral received[2]	Net amount	Amounts not set off in the statement of financial position[3]	Total amounts recognised in the statement of financial position
Group								
31 December 2024								
Assets								
Cash and cash equivalents	–	–	–	–	–	–	31 358	31 358
Trading account assets	2 313	–	2 313	–	–	2 313	1 965	4 278
Structured transactions	18 060	(776)	17 284	–	–	17 284	15 808	33 092
Liabilities								
Trading account liabilities	4 463	–	4 463	–	–	4 463	1 968	6 431
Structured transactions[4]	9 508	(8 943)	565	–	–	565	12 273	12 838
31 December 2023								
Assets								
Cash and cash equivalents	–	–	–	–	–	–	23 086	23 086
Trading account assets	–	–	–	–	–	–	4 661	4 661
Structured transactions	11 067	(6 201)	4 866	–	–	4 866	21 313	26 179
Liabilities								
Trading account liabilities	–	–	–	–	–	–	7 555	7 555
Structured transactions[4]	2 821	(1 033)	1 788	–	–	1 788	10 497	12 285
Company								
31 December 2024								
Assets								
Cash and cash equivalents	–	–	–	–	–	–	8 851	8 851
Trading account assets	2 313	–	2 313	–	–	2 313	–	2 313
Structured transactions	18 060	(776)	17 284	–	–	17 284	11 245	28 529
Liabilities								
Trading account assets	4 463	–	4 463	–	–	4 463	–	4 463
Structured transactions[4]	9 509	(8 943)	566	–	–	566	9 154	9 720
31 December 2023								
Assets								
Cash and cash equivalents	–	–	–	–	–	–	8 479	8 479
Trading account assets	–	–	–	–	–	–	2 417	2 417
Structured transactions	11 069	(6 201)	4 868	–	–	4 868	17 950	22 820
Liabilities								
Structured transactions[4]	2 821	(1 033)	1 788	–	–	1 788	4 289	6 077

[1] The figures for other financial instruments column are made up of ISDA netting, CSA (Credit Support Agreement) collateral, repos and scrip received. These amounts have been limited to the net amount recognised on the statement of financial position.
[2] Amount used is the lower of collateral received or the value of the financial assets (normally the latter due to overcollateralisation). ISDA netting refers to the netting of derivative exposures to arrive at the net amount owed to and by each counterparty as envisaged in the ISDA agreements with these counterparties. Credit Support Agreements (CSA) have been signed with derivative counterparties to place collateral to offset the net exposures in footnote 1. Scrip lending agreements are governed by GMSLA agreements in terms of which the collateral provided and the scrip received can be netted. Security/collateral received refers to equity collateral that has been pledged to SanFin to cover events of default.
[3] Excludes enforceable netting arrangements.
[4] Structured transactions liabilities include derivative liabilities.

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39 Restatements

39.1 Collateral

Management restated the statement of financial position to appropriately present financial instruments meeting the definition of cash and cash equivalents as cash and cash equivalents (within working capital), which is required by IAS 7 Statement of Cash Flows. Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Credit Support Agreements (CSA) collateral provided to derivative counterparties as well as initial margins with the JSE in respect of exchange traded derivatives and Credit Support Agreements (CSA) collateral payable to derivative counterparties have been reclassified from cash and cash equivalents to trading account assets and trading account liabilities respectively as it did not meet the definition of cash and cash equivalents.

As a result of the correction of collateral balances, the statement of cash flows was corrected to amend cash and cash equivalents for 1 January 2023 and 31 December 2023.

The "cash and cash equivalents at the beginning of the year" and the "cash and cash equivalents at the end of the year", as well as trading assets and liabilities, were restated. In addition, the movement of above impact is included in operating activities in the statement of cash flows. The impact on the statement of financial position as well as the statement of cash flows is as follows:

Statements of financial position

	Group						Company					
R million	31 December 2023 As previously reported	Restatements	31 December 2023 Restated	1 January 2023 As previously reported	Restatements	1 January 2023 Restated	31 December 2023 As previously reported	Restatements	31 December 2023 Restated	1 January 2023 As previously reported	Restatements	1 January 2023 Restated
ASSETS												
Goodwill	3 930	–	3 930	1 990	–	1 990	753	–	753	753	–	753
Equipment	1 489	–	1 489	1 037	–	1 037	498	–	498	455	–	455
Right-of-use assets	1 139	–	1 139	908	–	908	181	–	181	202	–	202
Owner-occupied properties	1 015	–	1 015	686	–	686	645	–	645	568	–	568
Intangible assets	3 053		3 053	706	–	706	371		371	404	–	404
Contract cost on investment management services	2 822	–	2 822	3 128	–	3 128	2 741	–	2 741	2 754	–	2 754
Insurance contract assets	9 478	–	9 478	8 858	–	8 858	1 362	–	1 362	974	–	974
Reinsurance contract assets	14 530	–	14 530	18 680	–	18 680	4 389	–	4 389	4 204	–	4 204
Deferred tax	1 434	–	1 434	1 442	–	1 442	151	–	151	318	–	318
Investments	826 072	–	826 072	769 687	–	769 687	771 245	–	771 245	689 969	–	689 969
Investment properties	6 989	–	6 989	9 564	–	9 564	6 643	–	6 643	8 715	–	8 715
Investment in subsidiaries, associated companies and joint ventures	43 610	–	43 610	20 272	–	20 272	139 989	–	139 989	127 487	–	127 487
Equities and similar securities	158 708	–	158 708	185 887	–	185 887	77 516	–	77 516	73 959	–	73 959
Interest-bearing investments	250 806	–	250 806	243 385	–	243 385	163 780	–	163 780	141 270	–	141 270
Structured transactions	26 179	–	26 179	17 591	–	17 591	22 818	–	22 818	14 194	–	14 194
Investment funds	301 937	–	301 937	264 557	–	264 557	342 753	–	342 753	306 043	–	306 043
Deposits and similar securities	37 843	–	37 843	28 431	–	28 431	17 746	–	17 746	18 301	–	18 301
Trading account assets	229	4 432	4 661	139	5 163	5 302	229	2 188	2 417	139	2 808	2 947
Advances to customers	4 065	–	4 065	–	–	–	–	–	–	–	–	–
Non-current assets held for sale	47 213	–	47 213	111 606	–	111 606	2 207	–	2 207	860	–	860
Working capital assets	48 904	2 436	51 340	49 356	(1 300)	48 056	16 459	3 100	19 559	13 086	(643)	12 443
Trade and other receivables	18 270	–	18 270	14 285	–	14 285	7 510	–	7 510	4 445	–	4 445
Taxation	897	–	897	134	–	134	–	–	–	–	–	–
Short-term investments	9 087	–	9 087	5 373	–	5 373	3 570	–	3 570	1 170	–	1 170
Cash and cash equivalents	20 650	2 436	23 086	29 564	(1 300)	28 264	5 379	3 100	8 479	7 471	(643)	6 828
Total assets	965 373	6 868	972 241	968 223	3 863	972 086	801 231	5 288	806 519	714 686	2 165	716 851

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39 Restatements continued

39.1 Collateral continued

Statements of financial position continued

R million	Group						Company					
	31 December 2023 As previously reported	Restatements	31 December 2023 Restated	1 January 2023 As previously reported	Restatements	1 January 2023 Restated	31 December 2023 As previously reported	Restatements	31 December 2023 Restated	1 January 2023 As previously reported	Restatements	1 January 2023 Restated
EQUITY AND LIABILITIES												
Capital and reserves												
Share capital and premium	5 000	–	5 000	5 000	–	5 000	5 000	–	5 000	5 000	–	5 000
Treasury shares	(265)	–	(265)	(159)	–	(159)	–	–	–	–	–	–
Other reserves	6 965	–	6 965	5 027	–	5 027	5 362	–	5 362	5 362	–	5 362
Retained earnings	76 728	–	76 728	73 616	–	73 616	115 599	–	115 599	104 140	–	104 140
Shareholders' fund	88 428	–	88 428	83 484	–	83 484	125 961	–	125 961	114 502	–	114 502
Non-controlling interest	7 155	–	7 155	13 244	–	13 244	–	–	–	–	–	–
Total equity	95 583	–	95 583	96 728	–	96 728	125 961	–	125 961	114 502	–	114 502
Insurance contract liabilities	193 374	–	193 374	205 389	–	205 389	155 501	–	155 501	144 942	–	144 942
Reinsurance contract liabilities	5 686	–	5 686	4 171	–	4 171	–	–	–	10	–	10
Investment contract liabilities	488 501	–	488 501	441 660	–	441 660	459 748	–	459 748	401 839	–	401 839
Term finance	12 850	–	12 850	6 856	–	6 856	4 392	–	4 392	2 031	–	2 031
Lease liabilities	1 455	–	1 455	1 170	–	1 170	238	–	238	257	–	257
Structured transactions liabilities	12 285	–	12 285	11 561	–	11 561	6 077	–	6 077	5 105	–	5 105
External investors in consolidated funds	76 176	–	76 176	88 813	–	88 813	–	–	–	–	–	–
Deferred tax	8 670	–	8 670	6 583	–	6 583	4 845	–	4 845	4 190	–	4 190
Trading account liabilities	687	6 868	7 555	736	3 863	4 599	–	5 288	5 288	–	2 165	2 165
Non-current liabilities held for sale	39 403	–	39 403	76 169	–	76 169	–	–	–	–	–	–
Collateral guarantee contracts	111	–	111	127	–	127	–	–	–	–	–	–
Loans payable: Related party	–	–	–	–	–	–	28 795	–	28 795	31 114	–	31 114
Working capital liabilities	30 592	–	30 592	28 260	–	28 260	15 674	–	15 674	10 696	–	10 696
Trade and other payables	28 508	–	28 508	26 716	–	26 716	14 389	–	14 389	10 021	–	10 021
Provisions	166	–	166	210	–	210	18	–	18	18	–	18
Taxation	1 918	–	1 918	1 334	–	1 334	1 267	–	1 267	657	–	657
Total equity and liabilities	965 373	6 868	972 241	968 223	3 863	972 086	801 231	5 288	806 519	714 686	2 165	716 851

Notes to the annual financial statements continued

for the year ended 31 December 2024

39 Restatements continued

39.2 Statements of cash flows

R million	Group: 31 December 2023 As previously reported	Group: Restatements	Group: 31 December 2023 Restated	Company: 31 December 2023 As previously reported	Company: Restatements	Company: 31 December 2023 Restated
Cash flow from operating activities	(19 289)	3 736	(15 553)	(1 742)	3 743	2001
Cash utilised in operations	(43 241)	3 736	(39 505)	(18 438)	3 743	(14 695)
Cash flow from investment activities	(1 247)	–	(1 247)	(2 720)	–	(2 720)
Cash flow from financing activities	1 280	–	1 280	2 276	–	2 276
Net (decrease)/increase in cash and cash equivalents	(19 256)	3 736	(15 520)	(2 186)	3 743	1 557
Net foreign exchange difference	418	–	418	94	–	94
Cash and cash equivalents at beginning of the year	41 912	(1 300)	40 612	7 471	(643)	6 828
Cash and cash equivalents at end of the year	23 074	2 436	25 510	5 379	3 100	8 479

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40 Principal subsidiaries

at 31 December 2024

	Country of incorporation	% interest	Fair value of interest in subsidiaries: Equities 2024 R million	Equities 2023 R million	Loans 2024 R million	Loans 2023 R million
Investment companies[2]						
U.R.D. Beleggings (Pty) Ltd.	RSA	100%	**22 082**	21 957	**(19 480)**	(19 305)
Property investment company[2]						
Rycklof Beleggings (Pty) Ltd.	RSA	100%	**1 464**	1 465	**(1 443)**	(1 443)
San Lameer (Pty) Ltd.	RSA	100%	**13**	13	**(7)**	(7)
Winter Robin Investments 26 (Pty) Ltd. (Waterfall Industrial)	RSA	100%	**248**	248	**–**	–
Edimed (Pty) Ltd.	RSA	100%	**76**	76	**(76)**	(76)
Asset Management[3]						
Glacier Financial Holdings (Pty) Ltd.	RSA	100%	**3 730**	3 366	**(29)**	26
Sanlam Private Investments	RSA	100%	**–**	–	**92**	1 488
Alexander Forbes	RSA	100%	**–**	188	**–**	26
Linked Investment Service Provider[3][4]						
Sanlam Linked Investments (Pty) Ltd.	RSA	100%	**108**	91	**(21)**	(31)
Administration Services[3][4]						
Simeka Health	RSA	100%	**70**	**66**	**–**	–
Sanlam Healthcare Management (Pty) Ltd.	RSA	100%	**–**	1	**–**	–
ACA Consultants and Actuaries	RSA	100%	**6**	40	**–**	–
African Rainbow Life	RSA	100%	**–**	15	**–**	–
Succession Financial Planning Advisory Services (Pty) Ltd.	RSA	100%	**8**	–	**10**	2
Afrocentric Invt Corp Ltd.	RSA	58,9%	**1 470**	1 632	**–**	–
Simeka Consultants and Actuaries	RSA	70%	**168**	–	**4**	–
Life Insurance[3][4]						
Brightrock Holdings (Pty) Ltd.	RSA	100%	**1 866**	1 696	**25**	1
Safrican Insurance Company Ltd.	RSA	100%	**2 348**	1 883	**(46)**	(43)
Sanlam Developing Markets Ltd.	RSA	100%	**15 898**	16 738	**412**	276
Sanlam Emerging Markets (Pty) Ltd.	RSA	100%	**52 352**	49 446	**3 005**	3 713
Sanlam Personal Loans (Pty) Ltd.	RSA	100%	**2 490**	2 152	**125**	11
Assupol Holdings (Pty) Ltd.	RSA	100%	**6 571**	**–**	**–**	-
Short-term insurance[5]						
Santam Ltd.	RSA	63%	**26 629**	19 434	**51**	22
MiWay	RSA	0%	**–**	–	**9**	5
NMS Insurance services (Pty) Ltd	RSA	60%	**406**	–	**–**	–
Dormant companies[2]						
Coris Capital Holdings (Pty) Ltd.	RSA	100%	**–**	–	**35**	32
Sankorp (Pty) Ltd.	RSA	100%	**701**	701	**(701)**	(701)
Electra Investments (South Africa) (Pty) Ltd.	RSA	100%	**6 306**	6 306	**(6 306)**	(6 306)
Electra Share Ventures (Pty) Ltd.	RSA	100%	**532**	532	**(532)**	(532)
Status Beleggings (Pty) Ltd.	RSA	100%	**406**	406	**(406)**	(406)
Other			**78**	127	**–**	–
Total			**146 026**	128 579	**(25 279)**	(23 248)

A register of all subsidiary companies is available for inspection at the registered office of Sanlam Life Insurance Limited.

(1) Except for Anson Holdings (Proprietary) Limited, loans are unsecured and are repayable on demand. No interest is charged but these arrangements are subject to revision from time to time.
(2) The company has subordinated its claim against certain subsidiaries in favour of other creditors of the subsidiary until such time as the subsidiaries assets fairly valued exceed its liabilities.
(3) The valuations of these unlisted entities are based on the fair values of the underlying net assets.
(4) These non-life valuations are determined and approved by Sanlam Non-Listed Asset Controlling Board.
(5) The valuations of the life businesses are based on embedded value plus a multiple of VNB. Non-life businesses are valued on a discounted cash flow (DCF) basis. Refer to note 8.3.3. The fair values disclosed are classified as level 3 instruments in terms of IFRS 13.
(6) The fair value of Santam is based on the listed share price.

Notes to the annual financial statements continued

for the year ended 31 December 2024

40 Principal subsidiaries continued

Analysis of the company's holdings in subsidiaries with significant non-controlling interests:

%	Santam Limited[1] 2024	Santam Limited[1] 2023	MCIS Insurance[2] 2024	MCIS Insurance[2] 2023	Afrocentric[3] 2024	Afrocentric[3] 2023	NMS Insurance Services (NMSIS) 2024
Shareholder's fund	62,58	62,58	51,00	51,00	58,85	59,00	60,00
Policyholder's fund	0,14	0,14	–	–	–	0,00	–
Non-controlling interest	37,28	37,28	49,00	49,00	41,15	41,00	40,00
Total	**100,00**	100,00	**100,00**	100,00	**100,00**	100,00	**100,00**

R million	Santam Limited[1] 2024	Santam Limited[1] 2023	MCIS Insurance[2] 2024	MCIS Insurance[2] 2023	Afrocentric[3] 2024	Afrocentric[3] 2023	NMS Insurance Services (NMSIS) 2024
Summarised statement of profit or loss for the year ending 31 December:							
Result from insurance operations	1 630	771	(190)	234	13	–	63
Revenue	364	464	–	–	6 745	3 947	–
Expenses	(1 461)	(1 219)	(30)	(52)	(6 506)	(3 691)	(2)
Share of profit of associates and joint ventures	88	786	–	–	(27)	(11)	–
Other income	6 086	4 823	65	97	–	–	–
Finance cost	(538)	(438)	(45)	(46)	–	(12)	–
Gross amortisation of intangible assets	(217)	(77)	(2)	(2)	(89)		–
Profit before tax	5 952	5 110	(202)	231	136	233	61
Income tax	(1 596)	(1 727)	(40)	(143)	(85)	(74)	(16)
Profit for the year	4 356	3 383	(242)	88	51	159	45
Total comprehensive income	4 356	3 455	(183)	142	52	159	45
Attributable to non-controlling interests	1 624	1 288	(90)	70	21	63	18
Dividends paid to non-controlling interests	(687)	(1 387)	–	(18)	(16)	(15)	–

Analysis of the company's holdings in subsidiaries with significant non-controlling interests:

R million	Santam Limited[1] 2024	Santam Limited[1] 2023	MCIS Insurance[2] 2024	MCIS Insurance[2] 2023	Afrocentric[3] 2024	Afrocentric[3] 2023	NMS Insurance Services (NMSIS) 2024
Summarised statement of financial position as at 31 December:							
Assets							
Investments	54 866	46 320	17 281	16 255	48	77	–
Assets of disposal group held for sale	–	–	–	–	–	–	
Other non-current assets	2 054	2 265	437	443	3 757	3 857	–
Other current assets	7 341	10 987	68	–	49	43	–
Cash and cash equivalents (working capital)	6 385	4 819	1 097	1 155	352	190	597
Trade and other receivables	2 793	3 531	184	201	1 111	1 303	695
Liabilities							
Insurance and reinsurance contract liabilities	(43 718)	(41 231)	(16 437)	(15 273)	–	–	(79)
Investment contract liabilities	(6 638)	(6 286)	–	–	–	–	–
Other non-current liabilities	(3 849)	(3 877)	(890)	(858)	(794)	(856)	–
Deferred tax (non-current)	(259)	(1 103)	(269)	(219)	(196)	(218)	(4)
Other current liabilities	(1 463)	(1 189)	(21)	(144)	(31)	(10)	(49)
Trade and other payables	(3 437)	(2 830)	(197)	(122)	(731)	(789)	(672)
Total equity	14 075	11 406	1 253	1 438	3 565	3 597	488
Attributable to:							
Equity holders of the parent	8 828	7 154	639	733	2 099	2 158	293
Non-controlling interest	5 247	4 252	614	705	1 466	1 439	195
Summarised statement of cash flows for the year ending 31 December:							
Operating	3 680	650	(1 011)	(86)	2 333	406	196
Investing	(139)	2 146	(43)	(34)	(86)	(173)	–
Financing	(1 960)	(3 335)	–	–	(147)	(47)	–
Net increase/(decrease) in cash and cash equivalents	1 581	(539)	(1 054)	(120)	2 100	186	196

[1] The financial information of Santam Limited, incorporated and operating mainly in South Africa, which has a material non-controlling interest has been summarised above. This information is provided based on amounts before inter-company eliminations.
[2] The financial information of MCIS Insurance, incorporated and operating in Malaysia.
[3] The financial information of Afrocentric Investment Corporation Limited, incorporated and operating mainly in South Africa, which has a material non-controlling has been summarised below. This information provided is based on amounts before inter-company eliminations.

Notes to the annual financial statements continued

for the year ended 31 December 2024

41 Unconsolidated structured entities

The group does not consolidate the structured entities where it either does not have the power to control the investment decisions or is exposed to significant variable returns from the structured entities.

The below table provides additional information on significant unconsolidated structured entities in which the group holds an interest.

Group

R million	Investment type	Nature and purpose of the business	How is the entity financed?	Carrying amount [1] 2024	Carrying amount [1] 2023	Investment returns [2] 2024	Investment returns [2] 2023
Amber House Fund 5 (RF) Limited	Floating rate notes	Special purpose vehicle set up by South African Home Loans (Pty) Ltd to finance mortgage loans.	Funding received from the South African capital market	971	972	92	24
Blue Diamond X Investments (RF) Limited	Floating rate notes	Special purpose entity set up for the purpose of issuing debt securities to repay existing credit facilities, refinance indebtedness, and for acquisition purposes. Proceeds from the issue of the notes for the purpose of acquiring and/or investing in participating assets	Funding received from the South African capital market	954	1082	83	100
South African Securitisation Programme (RF) Limited	Floating rate notes	Special purpose entity set up for the purpose of issuing debt securities to repay existing credit facilities, refinance indebtedness, and for acquisition purposes.	Funding received from the South African capital market	738	880	69	80

[1] Included in Interest-bearing investments at fair value through profit or loss in the statement of financial position. The carrying amount represents the Group's maximum exposure to credit risk.
[2] Consists of interest income and investment surpluses.

The group has not sponsored any significant unconsolidated structured entities in which it holds an interest.

Company

R million	Investment type	Nature and purpose of the business	How is the entity financed?	Carrying amount [1] 2024	Carrying amount [1] 2023	Investment returns [2] 2024	Investment returns [2] 2023
Amber House Fund 5 (RF) Limited	Floating rate notes	Special purpose vehicle set up by South African Home Loans (Pty) Ltd to finance mortgage loans.	Funding received from the South African capital market	971	972	92	24
Blue Diamond X Investments (RF) Limited	Floating rate notes	Special purpose entity set up for the purpose of issuing debt securities to repay existing credit facilities, refinance indebtedness, and for acquisition purposes. Proceeds from the issue of the notes for the purpose of acquiring and/or investing in participating assets.	Funding received from the South African capital market	950	1078	82	100
South African Securitisation Programme (RF) Limited	Floating rate notes	Special purpose entity set up for the purpose of issuing debt securities to repay existing credit facilities, refinance indebtedness, and for acquisition purposes.	Funding received from the South African capital market	728	856	68	78

[1] Included in Interest-bearing investments at fair value through profit or loss in the statement of financial position. The carrying amount represents the Group's maximum exposure to credit risk.
[2] Consists of interest income and investment surpluses.

The group has not sponsored any significant unconsolidated structured entities in which it holds an interest.

Notes to the annual financial statements continued

for the year ended 31 December 2024

42 Subsequent events

Shriram wealth management, stockbroking and asset management operations in India.

In early 2025, the group agreed transactions to subscribe for additional shares in Shriram's wealth and stockbroking businesses, increasing its effective economic shareholding from 26% to 50%. The group also subscribed for additional shares in Shriram's listed asset management operations, Shriram Asset Management Company, to increase its effective economic shareholding from 16,3% to 34,8%. These transactions remain subject to regulatory approvals. The combined capital outlay for these transactions is R946 million, funded from discretionary capital.

The asset and wealth management businesses have not been a strategic focus of the partnership to date but given the development of the Indian domestic market in recent years, supported by tailwinds of economic growth, financialisaton of savings and maturing capital markets, Sanlam believes that the opportunity is significant and of strategic importance. The financial impact is anticipated to be largely neutral on earnings and dividends in the early years, but it is expected to become accretive from year three onwards as the businesses experience significant asset growth.

Annexures to the annual financial statements

for the year ended 31 December 2024

Related parties

	Sanlam Life Insurance Ltd in company[1]	Country of registration
Company name		
Absa Consultants and Actuaries (Pty) Ltd	100%	RSA
African Rainbow Life Limited	100%	RSA
Brackenham Holdings (Pty) Ltd	100%	RSA
Brightrock Holdings (Pty) Ltd	100%	RSA
Channel Life Ltd	100%	RSA
Coris Capital Holdings (Pty) Ltd	100%	RSA
Edimed (Pty) Ltd	100%	RSA
Electra Investments (SA) (Pty) Ltd	100%	RSA
Electra Share Ventures (Pty) Ltd	100%	RSA
Glacier Financial Holdings (Pty) Ltd	100%	RSA
Infinit Group Risk Solutions (Pty) Ltd	100%	RSA
Phoenix Industriële Park (Pty) Ltd	100%	RSA
Rycklof-Beleggings (Pty) Ltd	100%	RSA
Safrican Insurance Company Ltd	100%	RSA
Sankorp (Pty) Ltd	100%	RSA
Sanlam Africa Credit Investments Ltd	100%	Mauritius
Sanlam Developing Markets Ltd	100%	RSA
Sanlam Emerging Markets (Pty) Ltd	100%	RSA
Sanlam Fundshares Nominee (Pty) Ltd	100%	RSA
Sanlam Healthcare Distribution Service Management (Pty) Ltd	100%	RSA
Sanlam Healthcare Management (Pty) Ltd	100%	RSA
Sanlam Linked Investments (Pty) Ltd	100%	RSA
Sanlam Share Account Nominee (Pty) Ltd	100%	RSA
Sanlam Swaziland (Pty) Ltd	100%	Swaziland
San Lameer (Pty) Ltd	100%	RSA
Santam Ltd	59,1%	RSA
Simeka Consultants & Actuaries (Pty) Ltd	30%	RSA
Simeka Employee Benefits Holdings (Pty) Ltd	70%	RSA
Simeka Health (Pty) Ltd	100%	RSA
Status-Beleggings (Pty) Ltd	100%	RSA
Succession Financial Planning Advisory Services (Pty) Ltd	75%	RSA
The Financial Services Exchange (Pty) Ltd	100%	RSA
U.R.D. Beleggings (Pty) Ltd	100%	RSA
Sanlam Personal Loans (Pty) Ltd	100%	RSA
Afrocentric Invt Corp Ltd	58,85%	RSA
Alexander Forbes (Pty) Ltd	100%	RSA
NMS Insurance Services (Pty) Ltd	60%	RSA
Assupol Holdings (Pty) Ltd	100%	RSA
NMS Insurance (SA) Ltd	60%	RSA
Associates[1]		
IFAnet Independent Distribution Services (Pty) Ltd	25,61%	RSA
Capital Legacy Solutions (Pty) Ltd	27,29%	RSA
Transparent Financial Services (Pty) Ltd	0%	RSA
Ubuntu-Botho Investment Holdings (Pty) Ltd (UBIH)	45%	RSA
African Rainbow Capital Financial Services Holdings (Pty) Ltd	25%	RSA
Capital Legacy Solutions (Pty) Ltd	26%	
Joint ventures[1]		
Waterfall JVCO 115 (Pty) Ltd	50%	RSA

[1] Percentage interest held directly by Life company.

Capital risk management

Capital and risk management report

Capital management

Objective

Responsible capital management and allocation are an essential component of meeting the group's strategic objective of shared value creation for all stakeholders, including maximising shareholder value. The capital value used by the group as the primary performance measurement base is group equity value (GEV). The management of the group's capital base requires a continuous review of optimal capital levels, including the use of alternative sources of funding, to maximise return on GEV (RoGEV) and ensure appropriate solvency levels as a safeguard to our clients, regulators and broader society. The group has an integrated capital and risk management approach. The amount of capital required by the various businesses is directly linked to their exposure to financial and operational risks. Accordingly, risk management is an important component of responsible capital management and allocation.

Capital allocation methodology

Group businesses are each allocated an optimal level of capital and are measured against appropriate return hurdles.

The methodology used to determine the allocation of required capital to South African covered business is aligned with the regulatory framework as defined in the South African Insurance Act 18 of 2017, and supporting Prudential Standards.

The group sets an appropriate level of required capital for Sanlam Life's covered business (defined below) under the Prudential Standards, based on a standard formula Solvency Capital Requirement (SCR) targeted cover range of between 150% and 200% over a five-year projection period. The minimum end of the targeted cover range is set such that Sanlam Life's covered business is expected to be able to absorb a combined economic shock, a pandemic/catastrophe shock and an operational risk event without breaching 100% of regulatory SCR cover. A similar methodology was followed to set ranges for the other South African life insurers. This approach remains aligned with the overarching principle to set the level and nature of the supporting capital taking cognisance of minimum regulatory capital requirements, as well as economic, risk and growth considerations. For the non-South African insurers, the group sets supporting capital levels according to risk appetites based on applicable local rules and operational requirements, but applying the same overarching principles as for South Africa.

The fair value of other group operations includes the working capital allocated to the respective operations. The group's approach to ensure appropriate working capital levels in these operations is twofold:

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

Covered business (life insurance operations)

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

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

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

Other group operations

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

Group estate committee

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

Discretionary capital

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

Capital adequacy

Sanlam group

For regulatory purposes, the group's consolidated capital adequacy is assessed under the Insurance Act 18 of 2017 and relevant Prudential Standards.

The group solvency ratio is assessed by comparing group eligible own funds (OF) to group SCR on the Prudential Standards basis.

The Prudential Standard requires insurance groups to calculate their group-wide capital adequacy using either the Deduction and Aggregation (D&A) method (default method) or, subject to the approval of the Prudential Authority (PA), the Accounting Consolidation (AC) method.

Sanlam uses the D&A method to assess group solvency for entities outside of South Africa. From December 2021, following PA approval, Sanlam started using the AC method for South African insurance entities. The key principles and requirements in relation to the assessment of group capital adequacy include:

- The capital adequacy of the insurance group must be assessed by aggregating adjusted solo OF and solo SCR of entities within the group, with intra-group transactions eliminated to avoid double-counting.
- The measurement of solo OF and solo SCR to be used in group calculations will depend on the type of entity and holding, and may be based on regulatory capital requirements that apply in other sectors (for non-insurers) as follows:
  - South African insurers: OF and SCR as prescribed under the Prudential Standards.
  - Non-South African insurers applying Solvency II: OF and standard formula SCR as prescribed under Solvency II.
  - Non-South African insurers regulated in non-equivalent jurisdictions: OF and SCR as prescribed under the Prudential Standards.
  - Regulated banks and credit institutions: Regulatory capital resources and capital requirements are determined in line with banking regulatory requirements ie, Basel III.
  - Other regulated entities (eg, asset managers): in line with applicable regulatory and/or prescribed capital requirements.
  - Other non-regulated entities including holding companies: where no capital requirements are prescribed: Adjusted IFRS net asset values for OF and SCR are based on the relevant prescribed equity stress under the Prudential Standards.
- The AC method allows for diversification between South African insurance subsidiaries. All other entities within the insurance group must be assessed using the D&A method.
- The determination of group eligible OF to consider potential restrictions on the availability of certain OF, including the fungibility and transferability of OF across the insurance group.
- A deduction for foreseeable dividends, which represent the proposed 2025 Sanlam Limited dividend, was made to eligible OF as at 31 December 2024.

The Sanlam group solvency cover was 168% at 31 December 2024, compared to 170% at 31 December 2023.

Capital and risk management report continued

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

Sanlam group solvency

at 31 December 2024

		Sanlam Limited		
R million	Own funds	SCR	Surplus	SCR cover
2024				
Sanlam Life	**152 233**	**65 885**	**86 348**	**231%**
Covered business	**40 485**	**24 074**	**16 411**	**168%**
Participations[1]	**108 624**	**40 935**	**67 689**	**265%**
Other capital	**3 124**	**876**	**2 248**	**357%**
Other group entities[2]	**84 831**	**44 591**	**40 240**	**190%**
SA insurance	**35 122**	**17 441**	**17 681**	**201%**
SA other	**12 485**	**6 357**	**6 128**	**196%**
Non-SA insurance	**27 969**	**16 577**	**11 392**	**169%**
Non-SA other	**9 255**	**4 216**	**5 039**	**220%**
Sanlam Life consolidation entries[3]	**(120 253)**	**(41 119)**	**(79 134)**	
Total Sanlam group own funds eligible to meet SCR	**116 811**	**69 357**	**47 454**	**168%**
Tier 1	**105 392**			
Tier 2	**8 433**			
Tier 3	**2 986**			
Total Sanlam group own funds eligible to meet SCR	**116 811**			

R million	Own funds	SCR	Surplus	SCR cover
2023				
Sanlam Life	137 027	55 833	81 194	245%
Covered business	37 074	21 808	15 266	170%
Participations[1]	92 864	32 904	59 960	282%
Other capital	7 089	1 121	5 968	632%
Other group entities[2]	68 214	35 273	32 941	193%
SA insurance	24 641	12 550	12 091	196%
SA other	4 415	2 064	2 351	214%
Non-SA insurance	22 255	12 954	9 301	172%
Non-SA other	16 903	7 705	9 198	219%
Sanlam Life consolidation entries[3]	(105 452)	(32 268)	(73 184)	
Total Sanlam group own funds eligible to meet SCR	99 789	58 839	40 951	170%
Tier 1	91 943			
Tier 2	6 509			
Tier 3	1 337			
Total Sanlam group own funds eligible to meet SCR	99 789			

[1] Investments in companies in which the insurer owns a significant proportion of the issued share capital or over which it exerts significant influence/control.
[2] Values are shown net of participations and gross of intra-group loans.
[3] Adjustments for Sanlam Life Intragroup participations.

Sanlam Life solo

For regulatory purposes, capital adequacy for the South African insurance operations is measured with reference to the standard formula as specified under the Prudential Standards.

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

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

Sanlam Life solvency

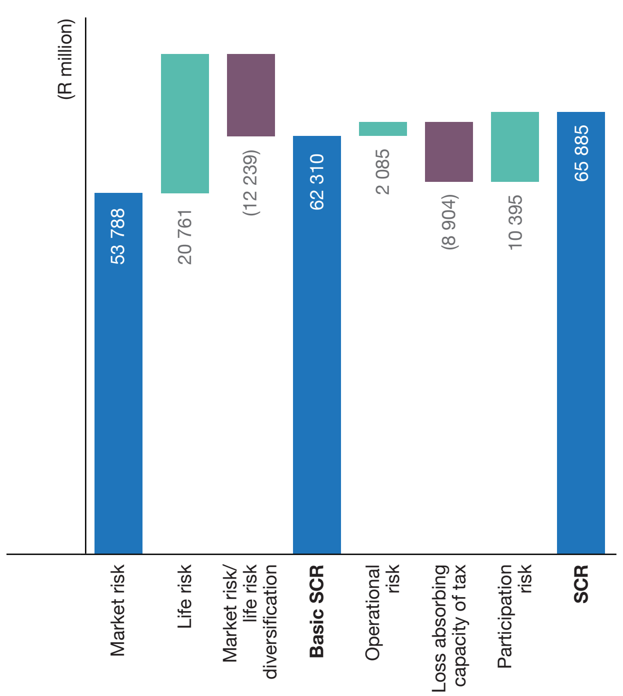
at 31 December 2024

	Sanlam Life Insurance Limited	
R million	**2024**	2023
Reconciliation of IFRS Shareholders' fund to Own Funds		
Shareholders' fund	**139 710**	125 961
Adjustments from IFRS to regulatory basis	**(15 375)**	(13 300)
Write-down intangibles	**(3 759)**	(3 865)
Regulatory adjustment to valuation basis	**(11 616)**	(9 435)
Regulatory basis adjustments to policyholder liabilities	**25 474**	24 149
Liability valuation adjustments	**43 103**	40 311
Impact of risk margin	**(9 786)**	(8 577)
Increase in net deferred tax liabilities resulting from liability valuation differences above	**(7 843)**	(7 585)
Add subordinated debt	**6 038**	4 072
Basic own funds	**155 847**	140 882
Statutory adjustments	**(3 614)**	(3 855)
Own funds eligible to meet SCR	**152 233**	137 027
SCR	**65 885**	55 833
SCR cover	**231%**	245%

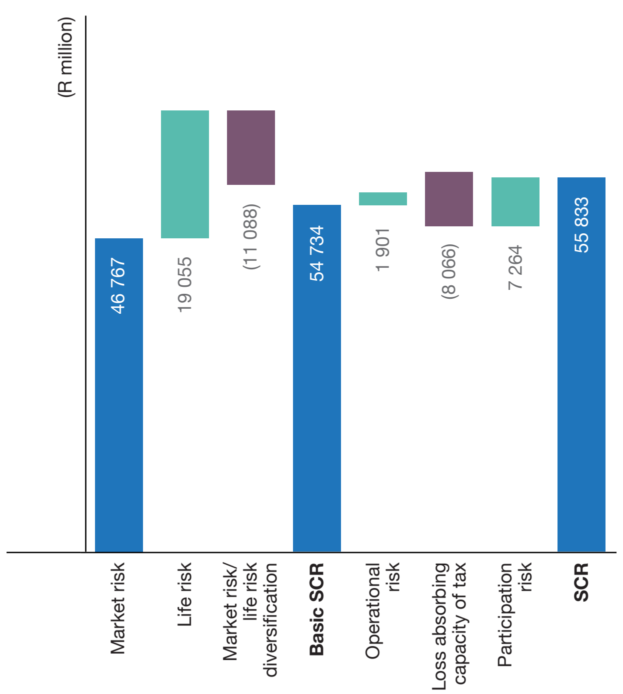
Sanlam Life solo SCR

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

31 December 2024 SCR



31 December 2023 SCR



Capital and risk management report continued

Sanlam Life covered business

For this view, the regulatory solvency balance sheet and SCR are adjusted to exclude strategic participations, cash available for dividend payments to Sanlam, discretionary capital and other capital not allocated to covered business. Sanlam sets the level of required capital for the Sanlam Life covered business on this view, based on a stated target SCR cover range of between 150% and 200%.

The SCR cover ratio for Sanlam Life covered business of 168% at 31 December 2024 remains within the stated target range.

Sensitivity analysis

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

Sanlam group	Own funds to meet eligible SCR		SCR		Surplus		SCR Cover	
R million	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Base position	**116 811**	99 789	**69 357**	58 838	**47 454**	40 951	**168%**	170%
Equities –30%[1]	**106 827**	91 677	**67 385**	57 428	**39 442**	34 249	**159%**	160%
Interest rates –1%	**117 353**	101 200	**70 326**	59 654	**47 027**	41 546	**167%**	170%
Credit spreads +1%	**113 949**	98 631	**69 651**	59 058	**44 298**	39 573	**164%**	167%
ZAR appreciation 10%	**112 996**	97 985	**69 283**	58 848	**43 713**	39 137	**163%**	167%
Shock scenario[2]	**100 203**	85 858	**66 899**	56 991	**33 304**	28 867	**150%**	151%

Sanlam company	Own funds to meet eligible SCR		SCR		Surplus		SCR Cover	
R million	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Base position	**152 233**	137 027	**65 885**	55 833	**86 348**	81 194	**231%**	245%
Equities –30%[1]	**113 479**	102 849	**45 269**	40 210	**68 210**	62 639	**251%**	256%
Interest rates –1%	**153 613**	138 334	**66 579**	56 420	**87 034**	81 914	**231%**	245%
Credit spreads +1%	**151 424**	136 420	**66 098**	56 031	**85 326**	80 389	**229%**	243%
ZAR appreciation 10%	**150 438**	135 357	**65 774**	55 751	**84 664**	79 606	**229%**	243%
Shock scenario[2]	**112 897**	101 854	**47 193**	41 178	**65 704**	60 676	**239%**	247%

(1) For the equity sensitivity, the value of participations in Sanlam Life is also assumed to decline by 30%, while the Sanlam group result considers the actual equity exposure within these participations.
(2) Equities decline by 30% and implied equity volatility increases by 25%, property values decline by 15%, fixed interest yields and inflation-linked real yields increase or decrease by 25% of the nominal or real yields, emerging market currencies decline by 20% against developed market currencies, and credit spreads widen by 1%.

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

Credit rating

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

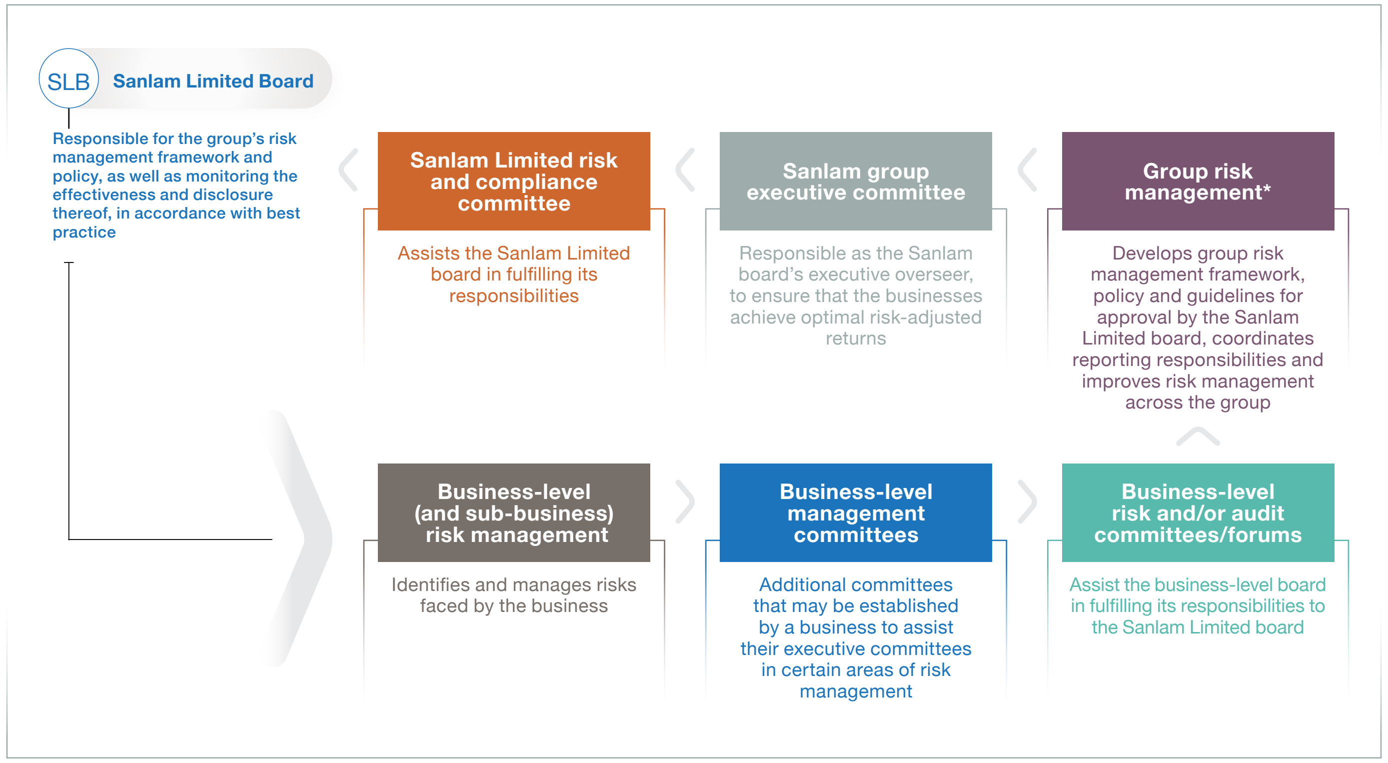
	Most recent ratings issued
Sanlam Life Insurance Limited	South Africa National Scale: zaAAA
Subordinated debt issued by Sanlam Life Insurance Limited	South Africa National Scale: zaAA-
Santam Limited	South Africa National Scale: zaAAA

Risk management

Governance framework and process

Governance structure

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



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

Capital and risk management report continued

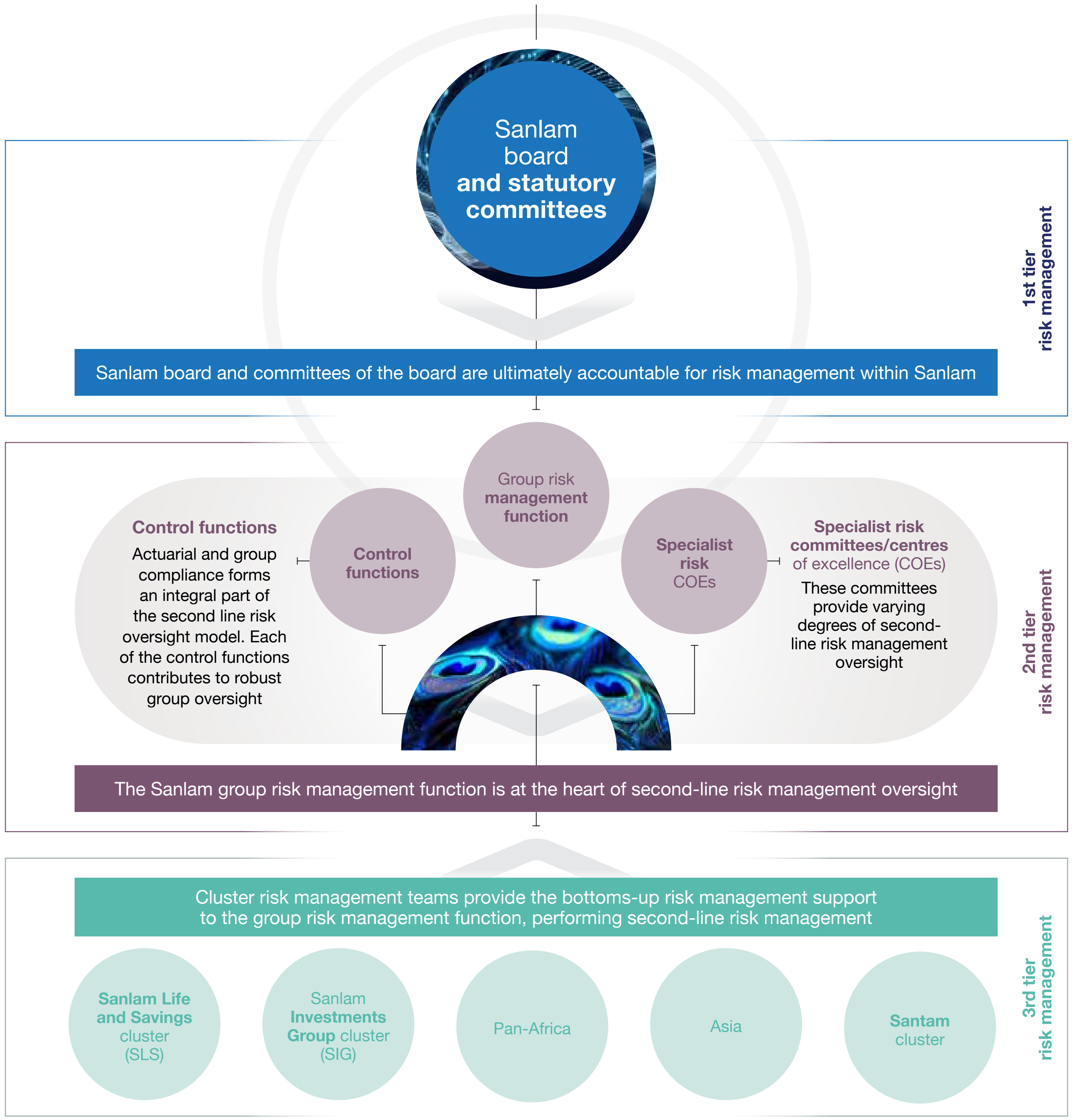
Role of group risk management

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

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

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

Overview of Sanlam group risk function



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

Other risk management/monitoring mechanisms

Mechanism	Role
Estate committees	Review and oversee the management of the group's capital base
Asset and liability committees	Determine appropriate investment policies and guidelines for policyholder portfolios where guarantees are provided
Credit committees	Oversee the identification, measurement and control of corporate credit risk exposure
Investment committees	Determine and monitor appropriate investment strategies for policyholder solutions
Group treasury function	Manage the liquidity risks in the borrowing functions of Sanlam
Non-listed asset controlling body	Review and approve the valuation of all unlisted assets in the group for recommendation to the Sanlam Limited board
Group risk forum	Aid co-ordination and transfer of knowledge between businesses and the group, and assists group risk management in identifying risks requiring escalation to the Sanlam Limited board
Group Finance Director	Ensure that sound financial practices are followed, adequate and accurate reporting occurs, and financial statement risk is minimised
Actuarial	Monitor and report on key risks affecting the life insurance operations. Determine capital requirements of the insurance operations and the potential impact of strategic decisions thereon, by using appropriate modelling techniques
Forensics	Investigate and report on fraud and illegal behaviour in businesses
Group secretariat and public officers	Review and report on corporate governance practices and structures. Report on applicable legal and compliance matters
Group compliance function	Facilitate management of compliance through analysing and advising on statutory and regulatory requirements, and monitoring implementation and execution thereof
Sanlam group technology (SGT)	Manage and report group-wide technology, cyber and information security risks
Risk officer (per business)	Assist business management in their implementation of the group risk management framework and policies, and to monitor the business's entire risk profile
Internal audit	Assist the Sanlam Limited board and management by monitoring the adequacy and effectiveness of risk management in businesses
Actuarial forum	Assist the audit committee and the risk and compliance committee on actuarial related matters. It also assists the actuarial control function in providing oversight over first line activities in group actuarial, most notably balance sheet management
Group digital and IT forum	Assist the risk and compliance committee on all group-related IT and digital matters and key risks are discussed at this forum
Group sustainability	Co-ordinating and report on group-wide ESG and sustainability strategies and provide insight into ESG-related risks

Capital and risk management report continued

Group risk policies

The main policies are listed below:

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

The following also cover aspects with linkage to risk management:

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

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

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

Sanlam group enterprise risk management policy and plan

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

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

Escalation of risks

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

Summary of Sanlam group's risk appetite

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

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

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

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

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

Sanlam group risk taxonomy

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

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

Assessment of the effectiveness of the risk management process

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

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

Risk types

The group is exposed to the following main risks:

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

Capital and risk management report continued

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

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

Capital and risk management report continued

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

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

Capital and risk management report continued

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

Management of general risks

Operational risk

Operational risk is mainly governed through the group operational risk management policy. This sets out the responsibilities for the following different lines of defence on how operational risk should be managed within the organisation:
- Business exco/senior management (first line);
- Risk management (second line); and
- Internal audit (third line).

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

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

Operational key risk indicators are also identified and tracked across the various businesses to identify and assess risks effectively.

The management of risks associated with human resources is not addressed in this report but included in the integrated report.

Technology, cyber and information security (IT) risk

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

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

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

Going concern/business continuity risk

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

Legal risk

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

Compliance risk

Laws and regulations

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

Compliance with client mandates

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

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

Financial crime/fraud risk

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

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

Taxation risk

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

Regulatory risk

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

Process risk

The risk of failed or inadequate internal processes is addressed through a combination of the following:
- A risk-based approach is followed in the design of operational processes and internal controls;
- Operational processes are properly documented;
- Employee training and the employment of a performance-based remuneration philosophy; and
- Internal audit review of key operational processes.
- Monitoring and oversight controls.

Project risk

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

Capital and risk management report continued

Outsourcing provider risk

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

Reputational risk

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

Conduct risk

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

Strategic risk

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

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

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

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

Risk management: Investment in associates and joint ventures

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

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

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

Management of financial reporting risks

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

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

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

Insurance risk

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

Exposure to insurance risk

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

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

Capital and risk management report continued

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

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

- For insurance contracts measured under the premium allocation approach, the insurance liabilities represent the portion of the premiums received which relates to the unexpired portion of the risk relating to future claims. For all measurement models the insurance liabilities also include a liability for incurred claims (claims provisions) where relevant. The measurement of insurance contracts is covered in further detail in the accounting policies on pages 199 to 203.

Underwriting and other insurance risks arise primarily from fluctuations in the timing, frequency and severity of insured events that adversely affects the policyholder or other beneficiary, and the premiums charged by the group not fully reflecting these risks. For life insurance business these risks arise if actual experience relating to mortality, longevity, disability and medical (morbidity) differs from that which was assumed. These risks mainly arise from the writing of life insurance risk business, such as:
- non-participating life annuities providing guaranteed income to annuitants for life; and
- other risk business providing guaranteed payments on death/disability (including funeral cover).

The group is also exposed to underwriting risk in respect of life insurance savings business for products where the group accepts significant insurance risk from the policyholder, such as:
- market-related savings contracts providing minimum investment guarantees on death or maturity, and/or rider benefits such as premium waivers on death; and
- universal life contracts providing guaranteed death cover.

- Underwriting and other insurance risks for general insurance business includes the risk that either premium or claims provisions turn out to be insufficient to pay insurance claims. The group's exposure to general insurance risks is mainly via Santam. The group defines general insurance risk to primarily include the following (covered in more detail in pages 282 to 286):
- underwriting risk;
- reinsurance risk; and
- reserve risk.

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

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

Persistency and expense risk are also relevant to investment contract business such as linked and market-related contracts without discretionary participation features (refer to the accounting policies on page 20 for further details). For investment contract business, earlier than expected surrenders will result in a financial loss to the group if upfront acquisition expenses incurred cannot be recovered from surrender/other charges levied. The next section is therefore also relevant to investment contract business in respect of persistency and expense risk.

Life insurance risk

Management of life insurance risk

Underwriting and other insurance risks

Underwriting risk

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

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

Claims development

The following table splits the liability (asset) for incurred claims between estimates of future claim payments that are expected to be resolved within 12 months, and estimates of future claim payments that are expected to extend beyond 12 months and therefore results in more uncertainty about the total amount and timing of future claim payments. The effect of discounting and the risk adjustment for non-financial risk are shown separately to obtain the aggregate liability (asset) for incurred claims split by line of business and measurement model as per notes 9.1 and 9.2 on page 103 to 105.

For life insurance contracts providing lump sum benefits, claims are typically settled shortly after being reported. For life insurance risk business, about 68% (or R13,4 billion) of the incurred claim amounts (net of reinsurance) are related to product types which provide a regular income stream to policyholders and therefore these claim payments are expected to extend beyond 12 months. This is mainly relevant to income protection and waiver of premium products that trigger payments to policyholders during periods of disability/sickness or on the death of a beneficiary. The claims liability for these claim payments will therefore be more sensitive to the risk of actual mortality/disability experience being different to that which was assumed.

The table below therefore includes additional information on the expected timing and amount of future claims cash flows for products where the regular stream of benefit payments extends beyond 12 months. Given the nature of these products, the comparison of actual claims with previous estimates of the undiscounted amount of the claims (i.e., claims development) is not considered useful information and has therefore not been included below. The number of claimants as well as the contractual benefit amounts are known at each reporting date for these products, however, the period over which the benefits will be payable will vary depending on actual mortality/disability experience and changes in the corresponding assumptions included in the probability-weighted estimates of future cash flows. Refer to note 28.2.2.2 on page 200 for further information on how the group has set assumptions with regard to future mortality, disability and disability payment termination. The sensitivity analysis further below also considers the possible impact on profit or loss of changes in the underwriting risk variables. For products with claim payments extending beyond 12 months, strengthening the assumptions related to future mortality/disability experience by 5%, could result in an increase in the liability (asset) for incurred claims of approximately 5%.

Capital and risk management report continued

Group 31 December 2024 R million	Total Gross of reinsurance	Total Net of reinsurance	Life insurance – Risk (Premium allocation approach) Gross of reinsurance	Life insurance – Risk (Premium allocation approach) Net of reinsurance	Life insurance – Risk (General model) Gross of reinsurance	Life insurance – Risk (General model) Net of reinsurance	Life insurance – Savings (Variable fee approach) Gross of reinsurance	Life insurance – Savings (Variable fee approach) Net of reinsurance
Amounts excluding the effect of discounting and risk adjustment for non-financial risk	27 410	20 337	19 792	15 126	7 152	4 745	466	466
Claim payments resolved within 12 months	8 259	6 909	4 700	4 520	3 093	1 923	466	466
Claim payments extending beyond 12 months	19 151	13 428	15 092	10 606	4 059	2 822	–	–
Income protection	17 228	11 505	14 649	10 163	2 579	1 342	–	–
<1 year	1 536	884	1 186	818	350	66	–	–
1 – 5 years	4 373	2 938	4 017	2 759	356	179	–	–
6 – 10 years	4 205	2 851	3 829	2 645	376	206	–	–
>10 years	7 114	4 832	5 617	3 941	1 497	891	–	–
Waiver of premium	1 137	1 137	–	–	1 137	1 137	–	–
<1 year	135	135	–	–	135	135	–	–
1 – 5 years	411	411	–	–	411	411	–	–
6 – 10 years	293	293	–	–	293	293	–	–
>10 years	298	298	–	–	298	298	–	–
Other	786	786	443	443	343	343	–	–
<1 year	204	204	192	192	12	12	–	–
1 – 5 years	178	178	128	128	50	50	–	–
6 – 10 years	147	147	81	81	66	66	–	–
>10 years	257	257	42	42	215	215	–	–
Effect of discounting	(9 593)	(6 848)	(7 557)	(5 303)	(2 036)	(1 545)	–	–
Risk adjustment for non-financial risk	696	545	645	501	25	18	26	26
Total liability/(asset) for incurred claims	18 513	14 034	12 880	10 324	5 141	3 218	492	492
31 December 2023								
Amounts excluding the effect of discounting and risk adjustment for non-financial risk	26 265	19 287	18 516	13 625	6 758	4 671	991	991
Claim payments resolved within 12 months	7 848	6 544	4 193	3 760	2 664	1 793	991	991
Claim payments extending beyond 12 months	18 417	12 743	14 323	9 865	4 094	2 878	–	–
Income protection	16 636	10 962	13 940	9 482	2 696	1 480	–	–
<1 year	1 547	864	1 157	797	390	67	–	–
1 – 5 years	4 097	2 752	3 760	2 574	337	178	–	–
6 – 10 years	3 903	2 617	3 553	2 410	350	207	–	–
>10 years	7 089	4 729	5 470	3 701	1 619	1 028	–	–
Waiver of premium	1 046	1 046	–	–	1 046	1 046	–	–
<1 year	131	131	–	–	131	131	–	–
1 – 5 years	383	383	–	–	383	383	–	–
6 – 10 years	274	274	–	–	274	274	–	–
>10 years	258	258	–	–	258	258	–	–
Other	735	735	383	383	352	352	–	–
<1 year	143	143	131	131	12	12	–	–
1 – 5 years	180	180	128	128	52	52	–	–
6 – 10 years	148	148	82	82	66	66	–	–
>10 years	264	264	42	42	222	222	–	–
Effect of discounting	(10 224)	(7 067)	(7 479)	(5 165)	(2 745)	(1 902)	–	–
Risk adjustment for non-financial risk	459	357	430	340	29	17	–	–
Total liability/(asset) for incurred claims	16 500	12 577	11 467	8 800	4 042	2 786	991	991

Company 31 December 2024 R million	Total Gross of reinsurance	Total Net of reinsurance	Life insurance – Risk (Premium allocation approach) Gross of reinsurance	Life insurance – Risk (Premium allocation approach) Net of reinsurance	Life insurance – Risk (General model) Gross of reinsurance	Life insurance – Risk (General model) Net of reinsurance	Life insurance – Savings (Variable fee approach) Gross of reinsurance	Life insurance – Savings (Variable fee approach) Net of reinsurance
Amounts excluding the effect of discounting and risk adjustment for non-financial risk	23 530	16 959	19 041	14 119	3 837	2 188	652	652
Claim payments resolved within 12 months	6 547	5 234	4 158	3 700	1 737	882	652	652
Claim payments extending beyond 12 months	16 983	11 725	14 883	10 419	2 100	1 306	–	–
Income protection	16 700	11 442	14 600	10 136	2 100	1 306	–	–
<1 year	1 245	852	1 163	801	82	51	–	–
1 – 5 years	4 285	2 928	4 010	2 757	275	171	–	–
6 – 10 years	4 146	2 845	3 823	2 644	323	201	–	–
>10 years	7 024	4 817	5 604	3 934	1 420	883	–	–
Other	283	283	283	283	–	–	–	–
<1 year	32	32	32	32	–	–	–	–
1 – 5 years	128	128	128	128	–	–	–	–
6 – 10 years	81	81	81	81	–	–	–	–
>10 years	42	42	42	42	–	–	–	–
Effect of discounting	(8 906)	(6 055)	(7 549)	(5 266)	(1 357)	(789)	–	–
Risk adjustment for non-financial risk	550	427	536	418	14	9	–	–
Total liability/(asset) for incurred claims	15 174	11 331	12 028	9 271	2 494	1 408	652	652
31 December 2023								
Amounts excluding the effect of discounting and risk adjustment for non-financial risk	23 775	16 972	18 070	13 221	5 053	3 100	652	652
Claim payments resolved within 12 months	6 854	5 726	3 845	3 454	2 357	1 620	652	652
Claim payments extending beyond 12 months	16 921	11 246	14 225	9 767	2 696	1 480	–	–
Income protection	16 636	10 961	13 940	9 482	2 696	1 480	–	–
<1 year	1 547	864	1 157	797	390	67	–	–
1 – 5 years	4 097	2 752	3 760	2 574	337	178	–	–
6 – 10 years	3 903	2 617	3 553	2 410	350	207	–	–
>10 years	7 089	4 728	5 470	3 701	1 619	1 028	–	–
Other	285	285	285	285	–	–	–	–
<1 year	33	33	33	33	–	–	–	–
1 – 5 years	128	128	128	128	–	–	–	–
6 – 10 years	82	82	82	82	–	–	–	–
>10 years	42	42	42	42	–	–	–	–
Effect of discounting	(10 166)	(6 273)	(7 589)	(5 126)	(2 577)	(1 148)	–	–
Risk adjustment for non-financial risk	437	341	417	329	20	13	–	–
Total liability/(asset) for incurred claims	14 046	11 040	10 898	8 424	2 496	1 965	652	652

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Catastrophe risk

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

Concentration risk

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

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

Non-participating life annuity payable per annum per life insured

	Number of lives			
	Group		Company	
R' 000	2024	2023	2024	2023
0 — 20	158 161	170 587	157 978	170 504
20 — 40	34 361	31 044	34 286	30 982
40 — 60	14 008	11 648	13 980	11 622
60 — 80	8 130	6 452	8 115	6 441
80 — 100	5 476	4 229	5 465	4 224
>100	21 595	14 231	21 495	14 191
	241 731	238 191	241 319	237 964

Group

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

Benefits insured per individual life	Number of lives		Before reinsurance		After reinsurance	
R'000	2024[(2)]	2023	2024[(2)] %	2023 %	2024[(2)] %	2023 %
0 – 500[(1)]	6 297 146	5 172 313	8	15	15	20
500 – 1 000	279 713	208 013	8	8	15	13
1 000 – 5 000	459 435	393 088	43	44	49	48
5 000 – 8 000	49 776	32 324	13	13	9	9
>8 000	42 898	23 432	28	20	12	10
	7 128 968	5 829 170	100	100	100	100

(1) Including funeral policies, the number of lives in the 0 – 500 band increases by 3 million (2023: 4,1 million). Benefits insured before reinsurance increased to 17% (2023: 26%) and after reinsurance increased to 27% (2023: 39%).
(2) The number of lives and benefits disclosed for the current year, include the Assupol entity acquired on 30 September 2024 and the Malaysian entity which is no longer held for sale as at 31 December 2024, but exclude the Capitec joint venture terminated on 31 October 2024. As such, the current year's disclosure is not comparable to that of last year.

Company

Benefits insured per individual life	Number of lives		Before reinsurance		After reinsurance	
R'000	2024[(2)]	2023	2024[(2)] %	2023 %	2024[(2)] %	2023 %
0 – 500[(1)]	567 811	704 233	5	8	5	13
500 – 1 000	300 425	251 893	9	9	9	14
1 000 – 5 000	500 110	460 518	47	47	48	52
5 000 – 8 000	61 005	49 628	16	14	16	10
>8 000	40 777	34 919	23	22	22	11
	1 470 128	1 501 191	100	100	100	100

(1) Including funeral policies, the number of lives in the 0 – 500 band increases by 600 000 (2023: 700 000). Benefits insured before reinsurance increase to 6% (2023: 8%) and after reinsurance increase to 6% (2023: 8%).

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

Persistency risk

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

Expense risk

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

Sensitivity analysis

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

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

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

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

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

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

Group

31 December 2024	Change in CSM		Impact on profit or loss	
R million	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Life insurance – Risk (Premium allocation approach)				
Unpaid claims – 5% increase			(91)	(89)
Life insurance – Risk (General model)				
Mortality/morbidity rates – 5% decrease (annuities)	(653)	(653)	(50)	(50)
Mortality/morbidity rates – 5% decrease (other)	4 016	3 004	616	374
Lapse/surrender rates – 10% decrease	1 769	1 576	276	236
Expenses – 10% decrease	1 111	1 114	163	157
Life insurance – Savings (Variable fee approach)				
Mortality/morbidity rates – 5% decrease	17	17	4	4
Lapse/surrender rates – 10% decrease	92	92	12	12
Expenses – 10% decrease	81	81	12	12
31 December 2023				
Life insurance – Risk (Premium allocation approach)				
Unpaid claims – 5% increase			(106)	(105)
Life insurance – Risk (General model)				
Mortality/morbidity rates – 5% decrease	3 572	3 140	480	316
Lapse/surrender rates – 10% decrease	1 503	1 242	277	130
Expenses – 10% decrease	1 013	1 033	155	140
Life insurance – Savings (Variable fee approach)				
Mortality/morbidity rates – 5% decrease	9	9	2	2
Lapse/surrender rates – 10% decrease	102	102	8	8
Expenses – 10% decrease	113	113	15	15

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Company

31 December 2024	Change in CSM		Impact on profit or loss	
R million	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Life insurance – Risk (Premium allocation approach)				
Unpaid claims – 5% increase			(76)	(76)
Life insurance – Risk (General model)				
Mortality/morbidity rates – 5% decrease (annuities)	(652)	(652)	(50)	(50)
Mortality/morbidity rates – 5% decrease (other)	2 341	2 085	237	191
Lapse/surrender rates – 10% decrease	725	702	77	78
Expenses – 10% decrease	635	635	62	62
Life insurance – Savings (Variable fee approach)				
Mortality/morbidity rates – 5% decrease	16	16	4	4
Lapse/surrender rates – 10% decrease	88	88	11	11
Expenses – 10% decrease	77	77	12	12
31 December 2023				
Life insurance – Risk (Premium allocation approach)				
Unpaid claims – 5% increase			(74)	(74)
Life insurance – Risk (General model)				
Mortality/morbidity rates – 5% decrease	1 648	1 565	188	155
Lapse/surrender rates – 10% decrease	575	555	59	57
Expenses – 10% decrease	665	665	67	67
Life insurance – Savings (Variable fee approach)				
Mortality/morbidity rates – 5% decrease	9	9	2	2
Lapse/surrender rates – 10% decrease	98	98	8	8
Expenses – 10% decrease	109	109	14	14

General insurance risk

Management of general insurance risk

Underwriting and other insurance risks

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

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

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

Underwriting risk

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

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

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

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

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

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

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

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

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

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

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

Loss history	2024	2023	2022	2021[3]	2020[3]	2019[3]	2018[3]
Claims paid and provided %[1],[2]	61,1	66,2	65,0	62,0	68,2	62,1	60,3

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

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

Reinsurance risk

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

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

Reserve risk

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

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

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

Capital and risk management report continued

Claims development (only applicable to the group)

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

Estimates of claims (gross of reinsurance and undiscounted)

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

31 December 2023		Claims paid in respect of (ie, incident year)								
R million	Total	2023	2022	2021	2020	2019	2018	2017	2016	2015
Reporting year										
At end of accident year		18 186	16 544	14 357	11 138	11 680	10 804	12 114	10 414	12 335
– one year later			22 914	20 381	15 577	15 083	13 902	15 785	13 470	16 259
– two years later				22 474	16 966	15 514	15 693	16 344	13 837	17 225
– three years later					17 374	15 695	15 886	16 490	14 072	17 760
– four years later						15 818	15 978	16 641	14 593	18 608
– five years later							16 005	16 742	14 593	18 608
– six years later								16 742	14 593	18 608
– seven years later									14 593	18 608
– eight years later										18 608
Cumulative payments to date		(12 063)	(20 290)	(20 568)	(16 393)	(15 287)	(15 572)	(16 195)	(13 798)	(17 927)
Gross cumulative claims liabilities – 2015 to 2023	14 621	6 123	2 624	1 906	981	531	433	547	795	681
IBNR – best estimate	3 329									
Effect of discounting	(976)									
Risk adjustment for non-financial risk(1)	718									
Creditors and debtors included in liabilities for incurred claims(2)	1 828									
Gross liabilities for incurred claims	19 520									

Estimates of claims (net of reinsurance and undiscounted)

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

31 December 2023		Claims paid in respect of (ie, incident year)								
R million	Total	2023	2022	2021	2020	2019	2018	2017	2016	2015
Reporting year										
At end of accident year		13 106	12 908	12 017	10 375	10 429	9 716	9 935	9 208	10 399
– one year later			16 441	14 723	13 571	12 928	11 924	12 276	11 257	12 905
– two years later				15 065	14 163	13 220	12 244	12 517	11 461	13 422
– three years later					14 273	13 347	12 378	12 584	11 578	13 721
– four years later						13 438	12 432	12 697	11 903	13 880
– five years later							12 452	12 769	11 950	13 988
– six years later								12 769	11 950	13 988
– seven years later									11 950	13 988
– eight years later										13 988
Cumulative payments to date		(9 419)	(15 766)	(14 636)	(14 007)	(13 128)	(12 258)	(12 554)	(11 896)	(13 546)
Gross cumulative claims liabilities – 2015 to 2023	6 272	3 687	675	429	266	310	194	215	54	442
IBNR – best estimate	2 670									
Effect of discounting	(507)									
Risk adjustment for non-financial risk(1)	618									
Creditors and debtors included in liabilities for incurred claims(2)	1 647									
Gross liabilities for incurred claims	10 700									

(1) Includes attributable expenses and risk adjustment.
(2) Included unrealised forex, insurance related premiums receivables, commission and claims payables.

Concentration risk

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

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

			Gross insurance exposure (GWP)		Net insurance exposure (NEP)	
Primary catastrophe	**Main insurance class impacted**	**Main geographical location impacted**	**2024 R'million**	2023 R'million	**2024 R'million**	2023 R'million
Hail	Motor	Gauteng	**6 888**	6 808	**6 766**	6 638
Storm (Large)	Property	Western Cape, KwaZulu-Natal	**4 212**	3 925	**3 474**	3 205
Fire	Property	Western Cape, North West	**5 649**	5 493	**5 048**	4 874

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

Capital and risk management report continued

Sensitivity analysis (only applicable to the group)

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

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

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

31 December 2023	Impact on profit or loss	
R million	Gross of reinsurance	Net of reinsurance
General insurance (Premium allocation approach)		
Unpaid claims – 5% increase	(631)	(375)

Market risk

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

SanFin, which comprises Financing Solutions and Market Solutions, was formed to strengthen the financial risk management of the Sanlam balance sheet in collaboration with Sanlam balance sheet management and Sanlam group risk management. The aim is to centralise the management of shareholder interest rate risk, credit risk and liquidity risk (refer to pages 295 and 306 for further details on the management of credit risk and liquidity risk).

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

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

Exposure to, and management of, market risk

Use of derivatives

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

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

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

Investment management

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

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

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

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

Insurance operations and investment contract business

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

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

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

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

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

(1) For life insurance savings business, the majority of currency exposure results from offshore assets held in respect of market-related and smoothed-bonus business. Offshore exposure within these portfolios is desirable from a diversification perspective. Currency risk for general insurance business and the capital portfolio is covered in further detail on pages 289 to 291.

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

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

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

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

Capital and risk management report continued

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

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

The funding level of portfolios is bolstered through loans from the capital portfolio and cancellation of non-vested bonuses in instances where negative stabilisation reserves will not be eliminated by these management actions. At 31 December 2024, all material stable bonus business portfolios had a funding level in excess of the minimum reporting level of 92,5%. Market risk is borne by policyholders to the extent that the net investment returns are declared as bonuses. The capital portfolio is, however, exposed to some market risk as an underperformance in investment markets may result in an underfunded position that would require financial support from the capital portfolio.

The group primarily manages market risk as follows:

- **For life insurance risk and savings business, the asset portfolios backing the CSM and risk adjustment liabilities are primarily exposed to interest rate risk**, and to a lesser extent equity and property risk. For contracts measured under the general model, the CSM liabilities accrete interest at locked-in interest rates which were determined when the insurance contracts were issued. The CSM liabilities for life insurance risk business are therefore not sensitive to changes in interest rates, which could result in investment mismatch profits or losses from changes in the backing assets.
- **For life insurance savings business, the group typically matches the movements in the policyholder funds by holding assets based on the underlying items**. Underlying items comprise reference portfolios of investment assets that determine some of the amounts payable to the policyholders. The movements in the fair value of the underlying items are therefore broadly matched by equal and opposite movements in the backing assets. The group is therefore only exposed to changes in financial risk that impact the components of the liability other than the underlying items (ie, the variable fee) and the financial instruments backing these components. The variable fee is equal to the group's share of the fair value of the underlying items less the fulfilment cash flows that do not vary with underlying items (e.g., related to future risk claims/expenses, the cost of investment guarantees and the risk adjustment). However, the impact of changes in financial risk on the variable fee is recognised in the CSM and therefore deferred over the lifetime of the contracts.
- **For life insurance business, minimum investment guarantees are mainly relevant to savings business**. Market risk relating to guaranteed minimum benefits is managed by appropriate investment policies, determined by the asset liability committee (ALCO), and by adjusting the level of guarantees for new policies to prevailing market conditions. These investment policies are then reflected in the investment guidelines for the policyholder portfolios. The allowance for the cost of investment guarantees in the insurance liabilities are determined on a market consistent basis using stochastic modelling techniques (also referred to as the time value of financial options and guarantees (TVOGs)). These TVOGs are sensitive to movements in interest rates/equity prices as well as the implied volatility of interest rates/equity prices, with a reduction in interest rates/equity prices and/or an increase in implied interest rate/equity price volatility increasing the TVOGs.
- **Interest rate risk relating to non-participating life annuities** is managed by matching the best estimate liability as far as possible with assets, mostly interest-bearing, as well as derivatives to ensure that the change in value of assets and liabilities is closely matched for a change in interest rates. The hedging of interest-rate risk of the annuity profiles within SanFin is achieved mainly using bond derivatives (forwards and futures) and to a lesser extent using short-dated credit assets.
- **For other life insurance risk business, the group is exposed to market risk** to the extent of the investment of the backing assets in interest-bearing, equity and property investments. The risk is managed through investments in appropriate asset classes. A number of the products comprising this business are matched using interest-bearing instruments, similar to non-participating life annuities.
- **Market risk relating to smoothed-bonus business** is managed through an appropriate investment policy. ALCO oversees the investment policy for the various smoothed-bonus portfolios. Feedback on the investment policy and its implementation and the performance of the smoothed-bonus portfolios are provided quarterly to the Sanlam Limited board and Sanlam customer interest committee. The aim is to find the optimum balance between high investment returns (to be able to declare competitive bonus rates) and stable investment returns given the need to meet guaranteed benefits and to support the granting of stable bonus rates. The requirements for the investment management of each portfolio are set out in investment guidelines, which cover, *inter alia*, the following:
  - Limitations on exposure to volatile assets;
  - Benchmarks for the performance measurement of each asset class and limits on deviations from these benchmarks;
  - Credit risk limits;
  - Limits on asset concentration – with regard to investments in group-listed entities, the exposure of policyholders' portfolios to these investments is based on portfolio investment considerations and restricted with reference to a specific counter's weight in the benchmark portfolio;
  - Limits on exposure to some particular types of assets, such as unlisted equities, derivative instruments, property and hedge funds; and
  - Regulatory constraints.
- **Interest rate risk relating to investment contract business such as guaranteed plans, fixed return products and term certain annuities**, is managed by matching the liabilities with assets that have similar investment return profiles as the liabilities. These policies provide for guaranteed benefit amounts and are therefore exposed to interest rate risk, if the assets backing these liabilities do not provide a comparable yield to the guaranteed value.

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- **Market risk relating to general insurance business** is primarily managed as follows:
  - Foreign currency mismatch risk is mitigated by monitoring the level of foreign currency assets relative to foreign currency liabilities and foreign currency capital requirements. In terms of the group's risk management strategy, foreign currency risks can be assessed on a case-by-case basis to determine whether specific hedging requirements exist.
  - Exposure to interest rate risk is monitored through several methods that include scenario testing and stress testing using measures such as duration. The bond returns are modelled based on the historic performance of the individual bonds held in the portfolio and adjusted to reflect the current interest rates and inflation environment.
  - A long-term view is taken when agreeing equity investment mandates with the relevant portfolio managers and looks to build value over a sustained period of time rather than utilising high levels of purchases and sales in order to generate short-term gains from its equity holdings. Portfolio characteristics are analysed regularly and equity price risk is actively managed through a variety of modelling methods, and setting appropriate risk limits to ensure that no significant concentrations in individual companies arise.
- **Exposure of the capital portfolio to market risks** is controlled through comprehensive measures and limits. Continuous monitoring takes place to ensure that appropriate assets are held in support of the capital and investment return targets. Limits are applied in respect of the exposure to asset classes and individual counters.

Currency risk

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

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

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

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

Group

R million	Euro	United States dollar	British pound	Botswana pula	Indian rupee	Moroccan dirham	Egyptian pound	Malaysian ringgit	Other currencies	Total
31 December 2024										
Equities and similar securities	83	445	5	–	–	–	–	111	169	813
Equity-accounted investments[1]	–	5 251	–	2 662	14 283	11 732	3 249	433	2 120	39 730
Interest-bearing instruments	4	3 827	6	–	–	–	–	1 420	–	5 257
Government interest-bearing investments	–	1 268	–	–	–	–	–	824	–	2 092
Corporate interest-bearing investments	4	2 559	6	–	–	–	–	596	–	3 165
Investment funds	–	4 229	–	–	–	–	–	–	–	4 229
Deposits and similar securities	111	1 460	17	–	11	–	–	–	–	1 599
Reinsurance contract assets	1	1 827	–	–	–	59	–	–	–	1 887
Structured transactions	–	70	–	–	–	–	–	–	–	70
Net working capital	–	(1)	–	–	–	–	–	578	(1)	576
Cash and cash equivalents	–	6	–	–	–	–	–	165	–	171
Trade and other receivables	–	–	–	–	–	–	–	413	–	413
Trade and other payables	–	(7)	–	–	–	–	–	–	(1)	(8)
Insurance contract liabilities	(843)	(2 119)	–	–	(192)	(13)	–	–	–	(3 167)
Foreign currency exposure	(644)	14 989	28	2 662	14 102	11 778	3 249	2 542	2 288	50 994
Exchange rates (rand):										
Closing rate	19,54	18,87	23,63	1,35	0,22	1,86	0,37	4,21		
Average rate	19,81	18,32	23,42	1,35	0,22	1,84	0,42	4,01		

Capital and risk management report continued

Group

R million	Euro	United States dollar	British pound	Botswana pula	Indian rupee	Moroccan dirham	Egyptian pound	Malaysian ringgit	Other currencies	Total
31 December 2023										
Equities and similar securities	86	491	4	–	–	–	–	–	49	630
Equity-accounted investments[1]	–	5 232	–	3 191	15 647	11 297	3 269	447	793	39 876
Interest-bearing instruments	–	3 650	11	–	–	–	–	–	–	3 661
Government interest-bearing investments	–	369	–	–	–	–	–	–	–	369
Corporate interest-bearing investments	–	3 281	11	–	–	–	–	–	–	3 292
Investment funds	–	644	119	–	–	–	–	–	131	894
Deposits and similar securities	51	636	18	–	60	–	–	–	1	766
Reinsurance contract assets	37	2 147	–	–	–	68	–	–	–	2 252
Structured transactions	–	(7)	–	–	–	–	–	–	–	(7)
Non-current assets classified as held for sale[2]	–	–	–	–	–	–	–	18 054	–	18 054
Net working capital	–	(5)	–	–	–	–	–	–	–	(5)
Trade and other receivables	–	1	–	–	–	–	–	–	–	1
Cash and cash equivalents	–	4	–	–	–	–	–	–	–	4
Trade and other payables	–	(10)	–	–	–	–	–	–	–	(10)
Non-current liabilities classified as held for sale[2]	–	–	–	–	–	–	–	(16 616)	–	(16 616)
Insurance contract liabilities	(350)	(3 136)	–	–	(122)	(8)	–	–	(191)	(3 807)
Foreign currency exposure	(176)	9 652	152	3 191	15 585	11 357	3 269	1 885	783	45 698
Exchange rates (rand):										
Closing rate	20,20	18,29	23,31	1,37	0,22	1,86	0,60	4,01		
Average rate	19,93	18,44	22,91	1,38	0,22	1,82	0,60	4,05		

(1) Exposure to translation risk is also included for the equity accounted investments.

Company

R million	Euro	United States dollar	British pound	Indian rupee	Other currencies	Total
31 December 2024						
Equities and similar securities	25	239	5	1 028	169	1 466
Investment funds	–	4 012	–	–	–	4 012
Deposits and similar securities	–	53	–	11	–	64
Structured transactions	–	(73)	–	–	–	(73)
Net working capital	–	–	–	–	(1)	(1)
Trade and other payables	–	–	–	–	(1)	(1)
Foreign currency exposure	25	4 231	5	1 039	168	5 468
Exchange rates (rand):						
Closing rate	19,54	18,87	23,63	0,22		
Average rate	19,81	18,32	23,42	0,22		

R million	Euro	United States dollar	British pound	Indian rupee	Other currencies	Total
31 December 2023						
Equities and similar securities	28	298	4	–	49	379
Equity-accounted investments[1]	–	–	–	3 401	–	3 401
Interest-bearing instruments	–	51	–	–	–	51
Government interest-bearing investments	–	1	–	–	–	1
Corporate interest-bearing investments	–	50	–	–	–	50
Investment funds	–	644	119	–	131	894
Deposits and similar securities	–	(210)	1	60	1	(148)
Net working capital	1	(1)	–	–	–	–
Trade and other receivables	–	1	–	–	–	1
Cash and cash equivalents	1	–	–	–	–	1
Trade and other payables	–	(2)	–	–	–	(2)
Foreign currency exposure	29	782	124	3 461	181	4 577
Exchange rates (rand):						
Closing rate	20,20	18,29	23,31	0,22		
Average rate	19,93	18,44	22,91	0,22		

(1) Exposure to translation risk is also included for the equity accounted investments.

Sensitivity analysis

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

Group

	Impact on profit or loss	
31 December	10% weakening (increase in rand exchange rates)	10% strengthening (decrease in rand exchange rates)
R million	2024[1]	2024[1]
United States dollar	552	(552)
Moroccan dirham	5	(5)
Indian rupee	33	(33)
Malaysian ringgit	200	(200)

(1) The sensitivity analysis only includes information on the impact on profit or loss of changes in assumptions for the year ending 2024. Even though sensitivity models were not rerun for the prior reporting period, the group would not expect new insights to be provided from comparative results, and therefore the impacts at 31 December 2024 should be viewed as a proxy of both years.

Capital and risk management report continued

Interest rate risk

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

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

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

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

The management of interest rate risk has been covered in further detail on pages 178.

Sensitivity analysis

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

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

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

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

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

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

Group

R million	Impact on profit or loss 31 December 2024[(1)] 1% increase in interest rates	1% decrease in interest rates
Life insurance – Risk	(933)	748
Insurance contract balances (net of reinsurance contracts held)	4 202	(4 374)
Financial assets (including structured transaction liabilities) held in respect of insurance contracts	(5 135)	5 122
Life insurance – Savings	(7)	4
Insurance contract balances	195	(185)
Financial assets (including structured transaction liabilities) held in respect of insurance contracts	(202)	189
General insurance	(22)	(20)
Insurance contract balances (net of reinsurance contracts held)	68	(103)
Financial assets (including structured transaction liabilities)[(2)]	(90)	83
Capital portfolio (excluding general insurance)	(502)	500
Term finance – unsecured subordinated debt	52	(52)
Financial assets – held in respect of subordinated debt	(59)	63
Financial assets – held in respect of required capital and shareholders' fund reserves	(495)	489

(1) The sensitivity analysis only includes information on the impact on profit or loss of changes in assumptions for the year ending 2024. Even though sensitivity models were not rerun for the prior reporting period, the group would not expect new insights to be provided from comparative results, and therefore the impacts at 31 December 2024 should be viewed as a proxy of both years.
(2) Impact on profit or loss is based on all financial assets held on the balance sheet for Santam conventional business, including assets allocated to the capital portfolio, excluding assets held in respect of subordinated debt.

Company

R million	Impact on profit or loss 31 December 2024[(1)] 1% increase in interest rates	1% decrease in interest rates
Life insurance – Risk	(638)	582
Insurance contract balances (net of reinsurance contracts held)	4 977	(5 052)
Financial assets (including structured transaction liabilities) held in respect of insurance contracts	(5 615)	5 634
Life insurance – Savings	(3)	–
Insurance contract balances	185	(175)
Financial assets (including structured transaction liabilities) held in respect of insurance contracts	(188)	175
Capital portfolio (excluding general insurance)	(426)	426
Term finance – unsecured subordinated debt	8	(8)
Financial assets – held in respect of subordinated debt	(8)	8
Financial assets – held in respect of required capital and shareholders' fund reserves	(426)	426

(1) The sensitivity analysis only includes information on the impact on profit or loss of changes in assumptions for the year ending 2024. Even though sensitivity models were not rerun for the prior reporting period, the group would not expect new insights to be provided from comparative results, and therefore the impacts at 31 December 2024 should be viewed as a proxy of both years.

Capital and risk management report continued

Equity and property risk

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

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

Changes in equity and property prices also have an impact on insurance and investment contract liabilities where relevant.

The management of equity and property risk has been covered in pages 153 to 155.

Sensitivity analysis

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

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

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

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

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

31 December	Group Impact on profit or loss	Company Impact on profit or loss
	10% decrease in equity and property prices	10% decrease in equity and property prices
R million	2024[1]	2024[1]
Life insurance – Risk	(39)	(37)
Insurance contract balances (net of reinsurance contracts held)	5	5
Financial assets held in respect of insurance contracts	(44)	(42)
Life insurance – Savings	(75)	(75)
Insurance contract balances (net of reinsurance contracts held)	3 435	3 429
Financial assets held in respect of insurance contracts	(3 510)	(3 504)
General insurance	(612)	–
Financial assets[1]	(612)	–
Capital portfolio (excluding General insurance)	(480)	(372)
Financial assets – held in respect of required capital and shareholders' fund reserves	(480)	(372)

[1] The sensitivity analysis only includes information on the impact on profit or loss of changes in assumptions for the year ending 2024. Even though sensitivity models were not rerun for the prior reporting period, the group would not expect new insights to be provided from comparative results, and therefore the impacts at 31 December 2024 should be viewed as a proxy of both years.
[2] Impact on profit or loss is based on all financial assets held on the balance sheet for Santam conventional business, including assets allocated to the capital portfolio.

Credit risk

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

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

Sanlam recognises that a sound credit risk policy is essential to minimise the effect on the group as a result of loss owing to a major corporate failure and the possible systemic risk such a failure could lead to. The Sanlam corporate credit risk policy has been established for this purpose. Credit risk occurs owing to trading, investment, structured transactions and lending activities. The Sanlam Limited risk and compliance committee have delegated responsibility for credit risk management to the SIG central credit committee.

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

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

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

As far as possible, considering materiality and available risk indicators, facilities are reviewed on an annual basis by the appropriate approval authority. Where possible, Sanlam's interest is protected by obtaining acceptable security.

Covenants are also stipulated in the loan agreements, specifying actions that are agreed to. Compliance with these loan covenants is monitored on an ongoing basis for signs of deterioration in credit quality. A credit administration and reporting department is in place to implement risk control measures and maintain ongoing review of the credit reports and conditions, and to ensure overall compliance with the credit risk policy.

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

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

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

The group has considered the impact of changes in its own credit risk on the valuation of its liabilities at fair value. Credit risk changes will only have an impact in extreme situations and are not material for the 2024 and 2023 financial years. Given the strong financial position and rating of the group, the credit rating of its liabilities remained unchanged.

Capital and risk management report continued

Maximum exposure to credit risk

Sanlam's maximum exposure to credit risk is equivalent to the amounts recognised in the statement of financial position. Refer to the credit risk concentration by credit rating on pages 298 to 299 included in the capital risk management report as there are no financial guarantees provided to parties outside the group that is expected to result in an outflow of resources, nor are there any loan commitments provided that are irrevocable over the life of the facility or revocable only in adverse circumstances. Refer to note 31 on page 210, which discloses the possible obligations of the group.

Collateral and other credit enhancements

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

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

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

Retail credit

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

The balance of loans advanced by SPL to clients at 31 December 2024 is shown below:

R million	2024	2023
Gross balance	5 092	5 163
Expected credit losses	(879)	(1 098)
Net balance	4 213	4 065

The main risk emanating from the retail credit operations is credit risk. As SPL has become a wholly owned subsidiary since 2023, the group has been exposed to credit risk on the full value of the loans and advances, which is disclosed in note 14 on page 169.

Refer to the credit risk concentration by credit rating on pages 298 to 299 included in the capital risk management report.

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

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

Reinsurance credit risk

Sanlam makes use of reinsurance to:

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

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

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

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

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Capital and risk management report continued

Credit risk concentration by credit rating

Group

Insurance and investment contract balances	AAA %	AA %	A %	BBB %	BB %	B %	Not rated[2] %	Other %	Total %	Carrying value R million
31 December 2024										
Insurance contract assets	–	–	–	–	–	–	100	–	100	13 244
Reinsurance contracts assets	–	97	3	–	–	–	–	–	100	4 477
Interest-bearing instruments	–	1	5	6	73	14	1	1	100	212 550
Government interest-bearing investments	–	–	7	–	91	2	–	–	100	63 231
Corporate interest-bearing investments	–	1	5	10	69	11	3	1	100	116 375
Mortgages, policy and other loans	–	–	2	1	46	44	–	8	100	32 944
Structured transactions	–	10	8	18	60	2	3	–	100	29 210
Deposits and similar securities	–	1	6	16	63	3	10	–	100	21 167
Working capital assets	–	1	10	4	67	1	17	–	100	11 855
Trade and other receivables	–	–	3	2	12	–	83	–	100	2 432
Cash and cash equivalents	–	1	12	5	81	–	1	–	100	9 423
Structured transaction liabilities	–	(11)	(8)	(19)	(57)	(2)	(3)	–	(100)	(9 523)
Trading account assets	–	–	1	–	99	–	–	–	100	1 870
Trading account liabilities	–	–	(20)	(19)	(61)	–	–	–	(100)	(3 810)
Total	–	3	5	7	66	10	8	1	100	281 040
31 December 2023 – Restated[1]										
Insurance contract assets	–	–	–	–	–	–	100	–	100	9 070
Reinsurance contracts assets	–	48	38	–	14	–	–	–	100	5 169
Interest-bearing instruments	–	–	1	2	75	17	4	1	100	159 882
Government interest-bearing investments	–	–	–	–	94	6	–	–	100	51 781
Corporate interest-bearing investments	–	–	2	3	75	15	4	1	100	77 549
Mortgages, policy and other loans	–	–	–	5	44	37	11	3	100	30 552
Structured transactions	–	6	–	19	71	5	–	–	100	22 197
Deposits and similar securities	–	(5)	4	1	86	–	14	–	100	19 778
Working capital assets	–	–	–	–	10	1	89	–	100	9 237
Trade and other receivables	–	–	–	–	–	–	100	–	100	4 095
Cash and cash equivalents	–	–	–	–	18	–	82	–	100	5 142
Structured transaction liabilities	–	(8)	(2)	(18)	(68)	(4)	–	–	(100)	(6 045)
Trading account assets	–	3	13	–	84	–	–	–	100	1 830
Trading account liabilities	–	(11)	(30)	(14)	(45)	–	–	–	(100)	(4 470)
Total	–	1	2	3	68	13	12	1	100	216 648

[1] The prior year has been restated for the reclassification of reinsurance contract assets unrated and other rating bands and a reclassification of collateral pledged and received from cash and cash equivalents to trading account assets and liabilities, in order to align with the definition of cash and cash equivalents in IAS 7. Refer to note 39.
[2] In line with the group's credit risk policy, exposures relating to non-rated insurance and investment contract balances are managed within certain parameters.

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Capital and risk management report continued

Group

Capital portfolio	AAA %	AA %	A %	BBB %	BB %	B %	Not rated[(1)] %	Other %	Total %	Carrying value R million
31 December 2024										
Insurance contract assets	–	–	–	–	–	–	100	–	100	492
Reinsurance contracts assets	–	41	53	2	4	–	–	–	100	6 759
Interest-bearing instruments	–	1	6	26	59	7	2	–	100	43 929
Government interest-bearing investments	–	–	6	–	90	–	4	–	100	13 487
Corporate interest-bearing investments	1	2	6	44	43	4	–	–	100	26 200
Mortgages, policy and other loans	–	–	–	–	49	51	–	–	100	4 242
Structured transactions	–	–	43	18	33	6	–	–	100	1 310
Deposits and similar securities	–	–	9	–	73	–	18	–	100	1 924
Advances to customers[(2)]	–	–	–	–	–	–	100	–	100	4 213
Working capital assets	–	8	4	17	43	1	28	–	100	26 901
Trade and other receivables	–	–	–	–	–	–	100	–	100	7 217
Short-term investments	–	1	3	41	53	2	–	–	100	7 463
Cash and cash equivalents	–	17	8	13	62	–	–	–	100	12 221
Structured transaction liabilities	–	–	(18)	(1)	(79)	(2)	–	–	(100)	(855)
Trading account assets	–	–	–	2	60	–	38	–	100	533
Trading account liabilities	–	–	(12)	(6)	(25)	–	(57)	–	(100)	(1 503)
Total	–	6	9	20	46	4	15	–	100	83 703
31 December 2023 – Restated[(3)(4)]										
Insurance contract assets	–	–	–	–	–	–	–	100	100	408
Reinsurance contracts assets	–	43	50	1	5	–	1	–	100	9 361
Interest-bearing instruments	1	2	2	1	80	6	8	–	100	34 543
Government interest-bearing investments	2	–	–	–	96	2	–	–	100	10 844
Corporate interest-bearing investments	–	3	4	1	74	5	13	–	100	19 641
Mortgages, policy and other loans	–	–	–	3	66	23	6	2	100	4 058
Structured transactions	–	5	1	10	84	(1)	1	–	100	970
Deposits and similar securities	–	(4)	3	1	95	–	5	–	100	9 310
Advances to customers[(2)]	–	–	–	–	–	–	100	–	100	4 065
Working capital assets	–	1	–	–	40	–	59	–	100	27 774
Trade and other receivables	–	–	–	–	–	–	100	–	100	7 922
Short-term investments	–	–	–	–	61	–	39	–	100	9 087
Cash and cash equivalents	–	3	1	–	50	–	46	–	100	10 765
Structured transaction liabilities	–	(1)	–	(3)	(14)	–	(82)	–	(100)	(215)
Trading account assets	–	–	6	–	67	–	27	–	100	853
Trading account liabilities	–	(14)	(5)	(8)	(27)	–	(46)	–	(100)	(1 502)
Total	–	5	7	–	57	3	28	–	100	85 567

(1) In line with the group's credit risk policy, exposures relating to non-rated insurance and investment contract balances are managed within certain parameters.
(2) Advances to customers relates to Sanlam Personal Loans. Refer to retail credit section above for more information.
(3) The prior year has been restated for the reclassification of reinsurance contract assets unrated and other rating bands and a reclassification of collateral pledged and received from cash and cash equivalents to trading account assets and liabilities, in order to align with the definition of cash and cash equivalents in IAS 7. Refer to note 39.
(4) The prior year has been restated for the reclassification of reinsurance contract assets unrated and other rating bands.

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Insurance and investment contract balances	AAA %	AA %	A %	BBB %	BB %	B %	Not rated[2] %	Other %	Total %	Carrying value R million
31 December 2024										
Insurance contract assets	–	–	–	–	–	–	100	–	100	999
Reinsurance contracts assets	–	97	3	–	–	–	–	–	100	4 167
Interest-bearing instruments	–	1	2	3	77	15	1	2	100	193 689
Government interest-bearing investments	–	–	–	–	97	3	–	–	100	57 432
Corporate interest-bearing investments	–	1	3	5	75	13	2	1	100	103 321
Mortgages, policy and other loans	–	–	2	1	45	44	–	7	100	32 936
Structured transactions	–	11	8	19	57	2	2	–	100	27 789
Deposits and similar securities	–	1	7	4	63	6	19	–	100	12 061
Working capital assets	–	–	–	1	82	1	16	–	100	8 221
Trade and other receivables	–	–	–	–	–	–	100	–	100	1 350
Cash and cash equivalents	–	–	–	1	99	–	–	–	100	6 871
Structured transaction liabilities	–	(11)	(8)	(19)	(57)	(2)	(2)	–	(100)	(9 523)
Trading account assets	–	–	1	–	99	–	–	–	100	1 870
Trading account liabilities	–	–	(20)	(19)	(61)	–	–	–	(100)	(3 810)
Total	–	3	2	4	73	13	3	2	100	235 463
31 December 2023 – Restated[1]										
Insurance contract assets	–	–	–	–	–	–	100	–	100	1 362
Reinsurance contracts assets	–	56	44	–	–	–	–	–	100	4 390
Interest-bearing instruments	–	–	1	2	76	16	4	1	100	157 085
Government interest-bearing investments	–	–	–	–	93	7	–	–	100	50 836
Corporate interest-bearing investments	–	–	2	3	75	14	5	1	100	76 353
Mortgages, policy and other loans	–	–	–	5	43	38	11	3	100	29 896
Structured transactions	–	6	–	19	70	4	1	–	100	22 249
Deposits and similar securities	–	(7)	2	1	84	–	20	–	100	13 331
Working capital assets	–	–	–	–	–	–	100	–	100	7 506
Deposits and similar securities	–	–	–	–	–	–	100	–	100	3 283
Trade and other receivables	–	–	–	–	–	–	100	–	100	4 223
Structured transaction liabilities	–	(8)	(2)	(18)	(68)	(4)	–	–	(100)	(6 045)
Trading account assets	–	3	13	–	84	–	–	–	100	1 830
Trading account liabilities	–	(11)	(30)	(14)	(45)	–	–	–	(100)	(4 470)
Total	–	1	1	3	72	13	9	1	100	197 238

[1] The prior year has been restated for the reclassification of reinsurance contract assets unrated and other rating bands and a reclassification of collateral pledged and received from cash and cash equivalents to trading account assets and liabilities, in order to align with the definition of cash and cash equivalents in IAS 7. Refer to note 39.

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

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Capital portfolio	AAA %	AA %	A %	BBB %	BB %	B %	Not rated[1] %	Other %	Total %	Carrying value R million
31 December 2024										
Interest-bearing instruments	–	–	–	2	80	15	2	–	100	15 894
Government interest-bearing investments	–	–	–	–	92	–	8	–	100	4 175
Corporate interest-bearing investments	–	–	–	5	90	5	–	–	100	7 213
Mortgages, policy and other loans	–	–	–	–	53	47	–	–	100	4 506
Structured transactions	–	–	76	–	13	11	–	–	100	740
Deposits and similar securities	–	–	15	–	50	–	35	–	100	948
Working capital assets	–	25	–	–	31	–	43	–	100	5 318
Trade and other receivables	–	–	–	–	–	–	100	–	100	2 299
Short-term investment	–	–	–	1	96	3	–	–	100	1 040
Cash and cash equivalents	–	67	–	–	33	–	–	–	100	1 979
Structured transaction liabilities	–	–	(77)	–	(13)	(10)	–	–	(100)	(197)
Trading account assets	–	–	–	–	55	–	45	–	100	443
Trading account liabilities	–	–	(28)	(15)	(56)	–	–	–	(100)	(654)
Total	–	6	2	1	66	11	15	–	100	22 492
31 December 2023 - Restated [2][3]										
Interest-bearing instruments	–	–	–	2	75	18	4	1	100	6 695
Government interest-bearing investments	–	–	–	–	94	6	–	–	100	3 779
Corporate interest-bearing investments	–	–	2	4	75	14	5	–	100	458
Mortgages, policy and other loans	–	–	–	5	43	38	11	3	100	2 458
Structured transactions	–	8	2	18	68	4	–	–	100	567
Deposits and similar securities	–	(8)	2	2	94	–	10	–	100	4 415
Advances to customers	–	–	–	–	–	–	100	–	100	4 065
Working capital assets	–	–	–	–	–	–	100	–	100	10 958
Trade and other receivables	–	–	–	–	–	–	100	–	100	3 136
Short-term investment	–	–	–	–	–	–	100	–	100	3 570
Cash and cash equivalents	–	–	–	–	–	–	100	–	100	4 252
Structured transaction liabilities	–	(9)	(3)	(18)	(67)	(3)	–	–	(100)	(33)
Trading account assets	–	–	8	–	53	–	39	–	100	589
Trading account liabilities	–	(26)	(9)	(15)	(50)	–	–	–	(100)	(815)
Total	–	(2)	–	1	35	5	61	–	100	26 441

[1] In line with the group's credit risk policy, exposures relating to non-rated insurance and investment contract balances are managed within certain parameters.
[2] The prior year has been restated for the reclassification of reinsurance contract assets unrated and other rating bands and a reclassification of collateral pledged and received from cash and cash equivalents to trading account assets and liabilities, in order to align with the definition of cash and cash equivalents in IAS 7. Refer to note 39.
[3] The prior year has been restated for the reclassification of reinsurance contract assets unrated and other rating bands.

Capital and risk management report continued

Liquidity risk

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

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

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

- Policyholder business: Life insurance and investment contract balances
- Capital portfolio:
  - General insurance; and
  - Subordinated debt.

Policyholder business: Life insurance and investment contract balances

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

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

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

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

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

The following table summarises the overall maturity profile of the policyholder business (Life insurance and investment contracts):

Group

Premium allocation approach [1]

R million	< 1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2024					
Life insurance contract balances					
Insurance contract assets	(42)	–	–	(27)	(69)
Reinsurance contract assets	(519)	(282)	(1 987)	–	(2 788)
Insurance contracts liabilities	2 042	3 143	6 941	362	12 488
Reinsurance contracts liabilities	497	–	–	–	497
Total life insurance contract balances	1 978	2 861	4 954	335	10 128
Other life insurance contract policyholder balances					
Investment assets	1 352	4 953	2 074	1 398	9 777
Properties	–	–	–	257	257
Equities and similar securities	–	–	–	240	240
Government interest-bearing investments	272	184	1 258	–	1 714
Corporate interest-bearing investments	582	3 617	542	84	4 825
Mortgages, policy and other loans	324	731	209	1	1 265
Structured transactions	162	415	65	1	643
Investment funds	–	–	–	815	815
Deposits and similar securities	12	6	–	–	18
Intangible assets	–	–	–	2	2
Lease liabilities	(1)	(1)	–	–	(2)
Deferred tax liability	(11)	–	–	–	(11)
Net working capital	362	–	–	–	362
Trade and other receivables	87	–	–	–	87
Trade and other payables	(28)	–	–	–	(28)
Cash and cash equivalents	303	–	–	–	303
Total life insurance contract policyholder balances	1 702	4 952	2 074	1 400	10 128

[1] The 2024 liquidity risk tables have been disaggregated per measurement model and per life insurance contract balances, investment contract balances and general insurance contract balances. The prior year was not re-presented.

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General measurement model [1]

R million	< 1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2024					
Life insurance contract balances					
Insurance contract assets	77	(478)	(12 511)	(263)	(13 175)
Reinsurance contract assets	(601)	(133)	(661)	(290)	(1 685)
Insurance contracts liabilities	1 230	1 844	9 079	97 904	110 057
Reinsurance contracts liabilities	1 809	(102)	22	–	1 729
Total life insurance contract balances	2 515	1 131	(4 071)	97 351	96 926
Other life insurance policyholder balances					
Investment assets	15 913	51 998	22 223	11 961	102 095
Properties	–	–	–	2 857	2 857
Equities and similar securities	–	–	–	2 413	2 413
Government interest-bearing investments	3 107	2 133	13 639	–	18 879
Corporate interest-bearing investments	7 080	36 883	5 508	944	50 415
Mortgages, policy and other loans	3 639	8 217	2 348	15	14 219
Structured transactions	1 817	4 663	728	7	7 215
Investment funds	–	–	–	5 725	5 725
Deposits and similar securities	270	102	–	–	372
Intangible assets	–	–	–	13	13
Lease liabilities	(3)	(5)	–	–	(8)
Deferred tax liability	(303)	–	–	–	(303)
Net working capital	(4 873)	2	–	–	(4 871)
Trade and other receivables	223	2	–	–	225
Trade and other payables	(8 063)	–	–	–	(8 063)
Cash and cash equivalents	2 967	–	–	–	2 967
Total life insurance policyholder balances	10 734	51 995	22 223	11 974	96 926

[1] The 2024 liquidity risk tables have been disaggregated per measurement model and per life insurance contract balances, investment contract balances and general insurance contract balances. The prior year was not re-presented.

Capital and risk management report continued

Variable fee approach[1]

R million	< 1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2024					
Life insurance contract balances					
Insurance contracts liabilities	2 126	8 273	21 937	42 636	74 972
Total life insurance contract balances	**2 126**	**8 273**	**21 937**	**42 636**	**74 972**
Other life insurance policyholder balances					
Investment assets	10 046	11 570	14 166	36 915	72 697
Properties	–	–	–	2 579	2 579
Equities and similar securities	–	–	–	14 126	14 126
Government interest-bearing investments	1 471	1 316	9 142	–	11 929
Corporate interest-bearing investments	1 737	8 276	4 552	182	14 747
Mortgages, policy and other loans	557	1 251	358	2	2 168
Structured transactions	283	727	114	1	1 125
Investment funds	–	–	–	20 025	20 025
Deposits and similar securities	5 998	–	–	–	5 998
Intangible assets	–	–	–	69	69
Non-current assets held for sale	2	–	–	–	2
Lease liabilities	(16)	(24)	–	–	(40)
Deferred tax liability	(211)	–	–	–	(211)
Net working capital	2 455	–	–	–	2 455
Trade and other receivables	127	–	–	–	127
Trade and other payables	(437)	–	–	–	(437)
Cash and cash equivalents	2 765	–	–	–	2 765
Total life insurance policyholder balances	**12 276**	**11 546**	**14 166**	**36 984**	**74 972**

[1] The 2024 liquidity risk tables have been disaggregated per measurement model and per life insurance contract balances, investment contract balances and general insurance contract balances. The prior year was not re-presented.

Net investment contract liabilities[1]

R million	< 1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2024					
Net investment contract balances					
Net investment contracts liabilities	17 814	56 471	113 913	365 968	554 166
Total net investment contract balances	**17 814**	**56 471**	**113 913**	**365 968**	**554 166**
Other net investment policyholder balances					
Investment assets	26 563	67 804	31 556	434 430	560 353
Properties	–	–	–	715	715
Equities and similar securities	–	–	–	69 448	69 448
Government interest-bearing investments	5 012	3 668	22 014	–	30 694
Corporate interest-bearing investments	6 565	34 077	4 778	938	46 358
Mortgages, policy and other loans	3 913	8 838	2 525	16	15 292
Structured transactions	4 738	13 522	1 896	75	20 231
Investment funds	–	–	–	362 837	362 837
Deposits and similar securities	6 335	7 699	343	401	14 778
Trading account assets	1 870	–	–	–	1 870
Non-current assets held for sale	3 473	–	–	–	3 473
Structured transactions liabilities	(2 398)	(6 155)	(961)	(9)	(9 523)
Deferred tax liability	(2 469)	–	–	–	(2 469)
Trading account liabilities	(3 809)	–	–	–	(3 809)
Net working capital	4 971	–	–	–	4 971
Trade and other receivables	2 124	–	–	–	2 124
Trade and other payables	(541)	–	–	–	(541)
Cash and cash equivalents	3 388	–	–	–	3 388
Total net investment policyholder balances	**28 201**	**61 649**	**30 595**	**434 421**	**554 866**

[1] The 2024 liquidity risk tables have been disaggregated per measurement model and per life insurance contract balances, investment contract balances and general insurance contract balances. The prior year was not re-presented.
[2] Undiscounted maturity analysis of net investment contract liabilities is not considered materially different to the discounted maturity analysis disclosed in the above table.

R million	<1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2023					
Insurance contract balances	5 776	10 218	11 200	122 016	149 210
Insurance contract assets	205	(370)	(6 942)	(1 963)	(9 070)
Reinsurance contract assets	(1 064)	(584)	(2 332)	(1 189)	(5 169)
Insurance contracts liabilities	3 562	10 532	20 474	126 084	160 652
Reinsurance contracts liabilities	3 073	640	–	(916)	2 797
Investment contracts liabilities	18 226	50 548	107 309	312 418	488 501
Total insurance and investment contract balances	24 002	60 766	118 509	434 434	637 711
Other policyholder balances					
Contract costs for investment management services	–	–	–	400	400
Investment assets	59 264	86 630	55 401	440 639	641 934
Properties	–	–	–	5 824	5 824
Equities and similar securities	–	–	–	78 591	78 591
Government interest-bearing investments	3 750	8 691	39 339	–	51 780
Corporate interest-bearing investments	17 682	49 759	9 560	545	77 546
Mortgages, policy and other loans	7 142	18 224	5 176	11	30 553
Structured transactions	18 044	2 974	1 180	–	22 198
Investment funds	–	–	–	355 664	355 664
Deposits and similar securities	12 646	6 982	146	4	19 778
Non-current assets held for sale	2 207	–	–	–	2 207
Structured transactions liabilities	(5 730)	(53)	(262)	–	(6 045)
Deferred tax liability	(2 388)	–	–	–	(2 388)
Net working capital[1]	1 603	–	–	–	1 603
Total policyholder balances	54 956	86 577	55 139	441 039	637 711

[1] Net working capital includes trade and other receivables and trade and other payables, taxation and cash and cash equivalents.

Company

Premium allocation approach[1]

R million	< 1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2024					
Life insurance contract balances					
Reinsurance contract assets	(477)	(283)	(1997)	–	(2 757)
Insurance contracts liabilities	1 675	3 134	6 494	316	11 619
Total life insurance contract balances	**1 198**	**2 851**	**4 497**	**316**	**8 862**
Other life insurance policyholder balances					
Investment assets	1 321	4 283	1 865	1 164	8 633
Properties	–	–	–	250	250
Equities and similar securities	–	–	–	185	185
Government interest-bearing investments	271	171	1 163	–	1 605
Corporate interest-bearing investments	564	2 966	428	84	4 042
Mortgages, policy and other loans	324	731	209	1	1 265
Structured transactions	162	415	65	1	643
Investment funds	–	–	–	643	643
Net working capital	229	–	–	–	229
Cash and cash equivalents	229	–	–	–	229
Total life insurance policyholder balances	**1 550**	**4 283**	**1 865**	**1 164**	**8 862**

[1] The 2024 liquidity risk tables have been disaggregated per measurement model and per life insurance contract balances, investment contract balances and general insurance contract balances. The prior year was not re-presented.

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General measurement model[1]

R million	< 1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2024					
Life insurance contract balances					
Insurance contract assets	(320)	(825)	380	(234)	(999)
Reinsurance contract assets	(584)	(97)	(440)	(289)	(1 410)
Insurance contracts liabilities	487	438	3 311	97 757	101 993
Total life insurance contract balances	(417)	(484)	3 251	97 234	99 584
Other life insurance policyholder balances					
Investment assets	14 833	48 133	20 958	13 081	97 005
Properties	–	–	–	2 813	2 813
Equities and similar securities	–	–	–	2 082	2 082
Government interest-bearing investments	3 043	1 924	13 071	–	18 038
Corporate interest-bearing investments	6 335	33 329	4 811	944	45 419
Mortgages, policy and other loans	3 638	8 217	2 348	15	14 218
Structured transactions	1 817	4 663	728	7	7 215
Investment funds	–	–	–	7 220	7 220
Deposits and similar securities	–	–	–	–	–
Net working capital	2 579	–	–	–	2 579
Cash and cash equivalents	2 579	–	–	–	2 579
Total life insurance policyholder balances	17 412	48 133	20 958	13 081	99 584

[1] The 2024 liquidity risk tables have been disaggregated per measurement model and per life insurance contract balances, investment contract balances and general insurance contract balances. The prior year was not re-presented.

Variable fee approach[1]

R million	< 1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2024					
Life insurance contract balances					
Insurance contracts liabilities	1 806	7 704	7 010	42 635	59 155
Total life insurance contract balances	1 806	7 704	7 010	42 635	59 155
Other life insurance policyholder balances					
Investment assets	9 485	9 309	7 538	30 822	57 154
Properties	–	–	–	2 348	2 348
Equities and similar securities	–	–	–	12 365	12 365
Government interest-bearing investments	1 429	903	6 139	–	8 471
Corporate interest-bearing investments	1 222	6 429	928	182	8 761
Mortgages, policy and other loans	553	1 250	357	2	2 162
Structured transactions	283	727	114	1	1 125
Investment funds	–	–	–	15 924	15 924
Deposits and similar securities	5 998				5 998
Net working capital	2 001	–	–	–	2 001
Cash and cash equivalents	2 001	–	–	–	2 001
Total life insurance policyholder balances	11 486	9 309	7 538	30 822	59 155

[1] The 2024 liquidity risk tables have been disaggregated per measurement model and per life insurance contract balances, investment contract balances and general insurance contract balances. The prior year was not re-presented.

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Net investment contract liabilities[1]

R million	< 1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2024					
Net investment contract balances					
Investment contracts liabilities	9 564	39 500	109 594	360 322	518 980
Total net investment contract balances	9 564	39 500	109 594	360 322	518 980
Other net investment policyholder balances					
Investment assets	24 900	57 654	30 648	413 664	526 866
Properties	–	–	–	715	715
Equities and similar securities	–	–	–	68 366	68 366
Government interest-bearing investments	4 947	3 127	21 244	–	29 318
Corporate interest-bearing investments	6 290	33 092	4 777	938	45 097
Mortgages, policy and other loans	3 913	8 837	2 525	16	15 291
Structured transactions	4 737	12 156	1 896	17	18 806
Investment funds	–	–	–	343 211	343 211
Deposits and similar securities	5 013	442	206	401	6 062
Trading account assets	1 870	–	–	–	1 870
Non-current assets held for sale	3 473	–	–	–	3 473
Structured transactions liabilities	(2 398)	(6 155)	(961)	(9)	(9 523)
Deferred tax liability	(2 469)	–	–	–	(2 469)
Trading account liabilities	(3 809)	–	–	–	(3 809)
Net working capital	2 572	–	–	–	2 572
Trade and other receivables	1 350	–	–	–	1 350
Trade and other payables	(142)	–	–	–	(142)
Taxation	(700)	–	–	–	(700)
Cash and cash equivalents	2 064	–	–	–	2 064
Total net investment policyholder balances	24 139	51 499	29 687	413 655	518 980

[1] The 2024 liquidity risk tables have been disaggregated per measurement model and per life insurance contract balances, investment contract balances and general insurance contract balances. The prior year was not re-presented.
[2] Undiscounted maturity analysis of net investment contract liabilities is not considered materially different to the discounted maturity analysis disclosed in the above table.

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R million	<1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2023					
Insurance contract balances	1 915	9 154	15 151	123 530	149 750
Insurance contract assets	–	–	(184)	(1 178)	(1 362)
Reinsurance contract assets	(758)	(344)	(2 123)	(1 164)	(4 389)
Insurance contracts liabilities	2 673	9 498	17 458	125 872	155 501
Investment contracts liabilities	10 907	35 226	105 392	308 222	459 747
Total insurance and investment contract balances	12 822	44 380	120 543	431 752	609 497
Other policyholder balances					
Contract costs for investment management services	–	–	–	400	400
Investment assets	55 943	81 367	54 797	419 662	611 769
Properties	–	–	–	5 824	5 824
Equities and similar securities	–	–	–	78 177	78 177
Government interest-bearing investments	3 603	8 497	38 735	–	50 835
Corporate interest-bearing investments	17 540	48 708	9 560	545	76 353
Mortgages, policy and other loans	6 486	18 224	5 176	11	29 897
Structured transactions	17 948	3 122	1 180	–	22 250
Investment funds	–	–	–	355 101	355 101
Deposits and similar securities	10 366	2 816	146	4	13 332
Non-current assets held for sale	2 207	–	–	–	2 207
Structured transactions liabilities	(5 731)	(53)	(262)	–	(6 046)
Deferred tax liability	(2 192)	–	–	–	(2 192)
Net working capital[3]	3 359	–	–	–	3 359
Total policyholder balances	53 586	81 314	54 535	420 062	609 497

[1] Net working capital includes trade and other receivables and trade and other payables, taxation and cash and cash equivalents.

General insurance (only applicable to the group)

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

The following table summarises the overall maturity profile of General insurance business (discounted values):

Premium allocation approach[1]

R million	< 1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2024					
General insurance contract balances					
Insurance contract assets	(492)	–	–	–	(492)
Reinsurance contract assets	(5 474)	(1 135)	(151)	–	(6 760)
Insurance contracts liabilities	29 666	4 185	545	–	34 396
Reinsurance contracts liabilities	1 558	–	–	–	1 558
Total general insurance contract balances	25 258	3 050	394	–	28 702
Other general insurance contract policyholder balances					
Investment assets	1 685	7 701	360	9 486	38 157
Corporate interest-bearing investments	1 446	7 671	360	–	9 477
Mortgages, policy and other loans	6	13	–	–	19
Investment funds	–	–	–	9 486	9 486
Deposits and similar securities	233	17	–	–	250
Trading account liabilities	15	–	–	–	15
Net working capital	9 455	–	–	–	9 455
Short-term investments	4 464	–	–	–	4 464
Cash and cash equivalents	4 991	–	–	–	4 991
Total general insurance contract policyholder balances	20 610	7 701	360	9 486	38 157

[1] The 2024 liquidity risk tables have been disaggregated per measurement model and per life insurance contract balances, investment contract balances and general insurance contract balances. The prior year was not re-presented.

General measurement model[1]

R million	< 1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2024					
General insurance contract balances					
Insurance contracts liabilities	640	–	–	–	640
Reinsurance contracts liabilities	1 449	–	–	–	1 449
Total general insurance contract balances	2 089	–	–	–	2 089
Other general insurance contract policyholder balances					
Investment assets	120	547	26	675	1 368
Corporate interest-bearing investments	103	546	26	–	675
Investment funds				675	675
Deposits and similar securities	17	1	–	–	18
Net working capital	721	–	–	–	721
Short-term investments	318	–	–	–	318
Cash and cash equivalents	403	–	–	–	403
Total general insurance contract policyholder balances	841	547	26	675	2 089

[1] The 2024 liquidity risk tables have been disaggregated per measurement model and per life insurance contract balances, investment contract balances and general insurance contract balances. The prior year was not re-presented.

R million	<1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2023					
General insurance contract balances					
Insurance contract assets	(406)	(2)	–	–	(408)
Reinsurance contract assets	(7 835)	(1 393)	(133)	–	(9 361)
Insurance contracts liabilities	28 236	4 100	386	–	32 722
Reinsurance contracts liabilities	2 889	–	–	–	2 889
Total general insurance contract balances	22 884	2 705	253	–	25 842
Other general insurance contract policyholder balances					
Investment assets	4 708	1 825	112	10 324	16 969
Corporate interest-bearing investments	583	852	112	–	1 547
Mortgages, policy and other loans	16	77	–	–	93
Investment funds	–	–	–	10 324	10 324
Deposits and similar securities	4 109	896	–	–	5 005
Net working capital	8 873	–	–	–	8 873
Cash and cash equivalents	4 054	–	–	–	4 054
Short-term investments	4 819	–	–	–	4 819
Total general insurance contract policyholder balances	13 581	1 825	112	10 324	25 842

Capital and risk management report continued

Subordinated debt

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

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

Group

R million	<1 year	1 – 5 years	> 5 years	Open-ended[3]	Total
31 December 2024					
Term finance liabilities	(1 253)	(7 021)	(2 019)	–	(10 293)
Interest-bearing liabilities[1]	(1 253)	(7 021)	(2 019)	–	(10 293)
Assets held in respect of term finance	2 121	5 812	1 927	433	10 293
Government interest-bearing investments	404	586	973	–	1 963
Corporate interest-bearing investments	848	4 836	953	–	6 637
Mortgages, policy and other loans	8	48	–	–	56
Structured transactions	102	325	1	–	428
Investment funds	–	–	–	433	433
Deposits and similar securities	711	17	–	–	728
Net working capital [1]	48	–	–	–	48
Net term finance liquidity position	868	(1 209)	(92)	433	–
31 December 2023[2]					
Term finance liabilities	(81)	(5 976)	(1 028)	–	(7 085)
Interest-bearing liabilities[1]	(81)	(5 976)	(1 028)	–	(7 085)
Assets held in respect of term finance	1 819	4 026	1 192	48	7 085
Government interest-bearing investments	149	241	361	–	751
Corporate interest-bearing investments	957	3 342	827	–	5 126
Mortgages, policy and other loans	14	64	–	–	78
Structured transactions	3	137	4	–	144
Investment funds	–	–	–	48	48
Deposits and similar securities	658	242	–	–	900
Net working capital[1]	38	–	–	–	38
Net term finance liquidity position	1 738	(1 950)	164	48	–

[1] Net working capital includes trade and other receivables and trade and other payables, taxation and cash and cash equivalents.
[2] The prior year has been restated to include Sanlam Life Insurance Limited, Santam Limited and Afrocentric subordinated bonds. In 2023 the table only included Sanlam Life Insurance Limited.
[3] Open ended is payable on demand.

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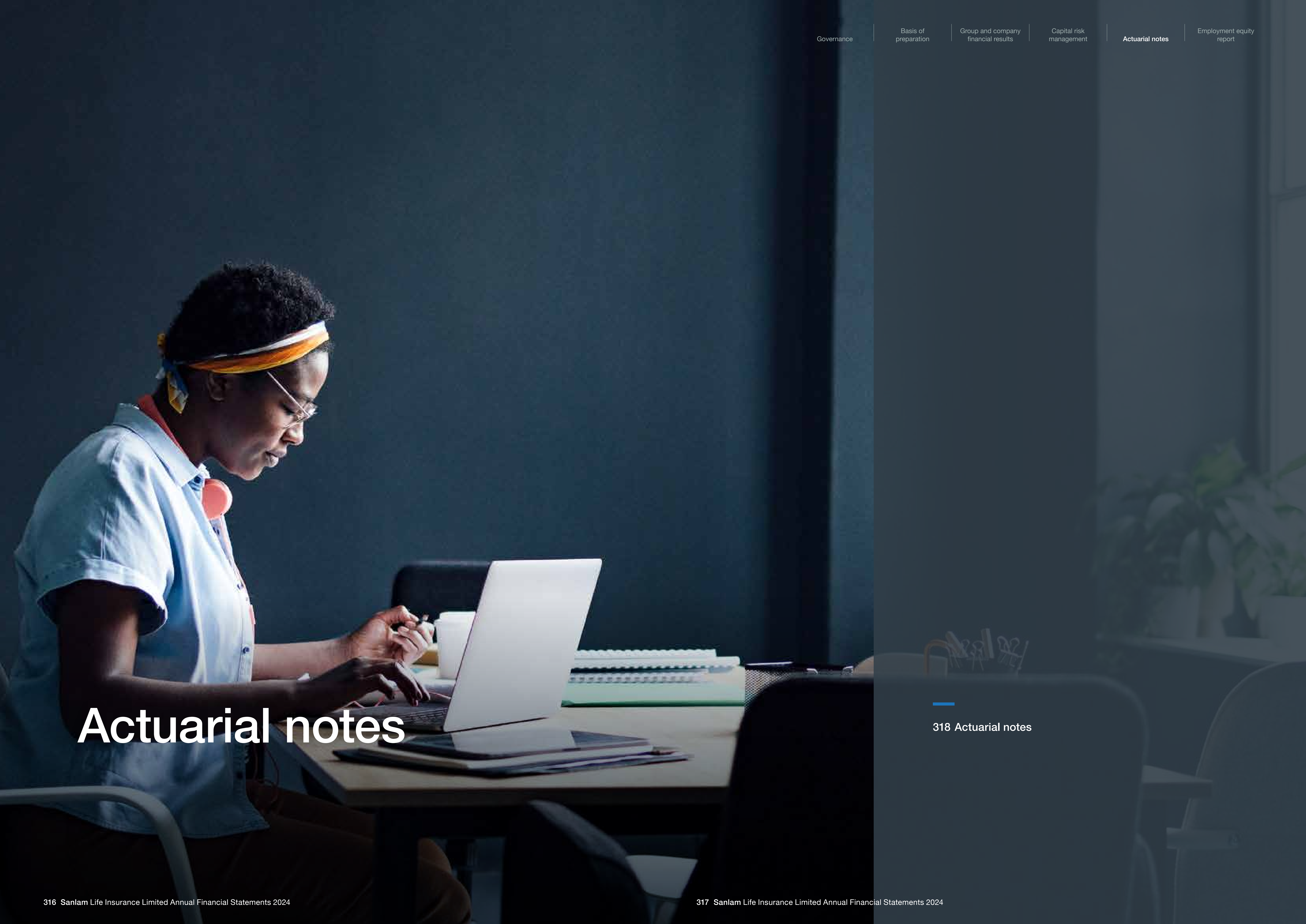
Company

R million	<1 year	1 – 5 years	> 5 years	Open-ended	Total
31 December 2024					
Term finance liabilities	(26)	(4 833)	(1 180)	–	(6 039)
Interest-bearing liabilities[1]	(26)	(4 833)	(1 180)	–	(6 039)
Assets held in respect of term finance	1 522	3 340	1 121	56	6 039
Government interest-bearing investments	404	65	641	–	1 110
Corporate interest-bearing investments	478	2 914	479	–	3 871
Mortgages, policy and other loans	7	32	–	–	39
Structured transactions	102	312	1	–	415
Investment funds	–	–	–	56	56
Cash, deposits and similar securities	506	17	–	–	523
Net working capital [1]	25	–	–	–	25
Net term finance liquidity position	1 496	(1 493)	(59)	56	–
31 December 2023					
Term finance liabilities	(36)	(2 967)	(1 028)	–	(4 031)
Interest-bearing liabilities[1]	(36)	(2 967)	(1 028)	–	(4 031)
Assets held in respect of term finance	1 399	2 142	442	48	4 031
Government interest-bearing investments	149	221	197	–	567
Corporate interest-bearing investments	659	1 515	245	–	2 419
Mortgages, policy and other loans	13	35	–	–	48
Structured transactions	3	129	–	–	132
Investment funds	–	–	–	48	48
Cash, deposits and similar securities	567	242	–	–	809
Net working capital [1]	8	–	–	–	8
Net term finance liquidity position	1 363	(825)	(586)	48	–

[1] Net working capital includes trade and other receivables and trade and other payables, taxation and cash and cash equivalents.
[2] An additional R2 billion unsecured debt was issued during 2024.
[3] Open ended is payable on demand.



Actuarial notes

Actuarial notes

Market consistent stochastic model used in reserving for embedded investment derivatives

Monte Carlo simulation techniques were used in the calculation of the liabilities in respect of embedded investment derivatives.

This was done using the output of a market-consistent stochastic model, which was calibrated as at 31 December 2023.

%	Dec 2024	Dec 2023
This stochastic model was used to price the following option contracts. (Prices are expressed as percentages of the nominal)		
A one-year at-the-money (spot) put on the FTSE/JSE TOP40 index	**4,8**	5,7
A one-year 80% at-the-money (80% spot) put on the FTSE/JSE TOP40 index	**1,0**	1,2
A one-year forward put on the FTSE/JSE TOP40 index	**6,5**	7,9
A five-year at-the-money (spot) put on the FTSE/JSE TOP40 index	**5,9**	6,6
A five-year put on the FTSE/JSE TOP40 index, with a strike price equal to (1.04)5 of spot	**11,1**	12,0
A five-year put on the FTSE/JSE TOP40 index, with a strike price equal to (1.04)5 of spot, on an underlying index constructed as 60% FTSE/JSE TOP40 and 40% ALBI, with rebalancing of the underlying index back to these weights taking place annually	**4,6**	4,9
A five-year forward put on the FTSE/JSE TOP40 index	**16,0**	18,0
A 20-year at-the-money (spot) put on the FTSE/JSE TOP40 index	**1,5**	0,9
A 20-year put on the FTSE/JSE TOP40 index, with a strike price equal to (1.04)20 of spot	**5,5**	3,3
A 20-year put based on an interest rate with a strike equal to the present five-year forward rate as at maturity of the put, which pays out if the five-year interest rate at the time of maturity (in 20 years) is lower than this strike	**0,2**	0,1
A 20-year forward put on the FTSE/JSE TOP40 index	**30,9**	31,7
The implied volatilities of these option contracts are as follows:		
A one-year at-the-money (spot) put on the FTSE/JSE TOP40 index	**17,5**	20,8
A one-year 80% at-the-money (80% spot) put on the FTSE/JSE TOP40 index	**21,7**	23,4
A one-year forward put on the FTSE/JSE TOP40 index	**16,9**	20,4
A five-year at-the-money (spot) put on the FTSE/JSE TOP40 index	**22,3**	24,6
A five-year put on the FTSE/JSE TOP40 index, with a strike price equal to (1.04)5 of spot	**21,2**	23,8
A five-year forward put on the FTSE/JSE TOP40 index	**20,6**	23,2
A 20-year at-the-money (spot) put on the FTSE/JSE TOP40 index	**33,7**	35,0
A 20-year put on the FTSE/JSE TOP40 index, with a strike price equal to (1.04)20 of spot	**31,8**	33,2
A 20-year forward put on the FTSE/JSE TOP40 index	**30,0**	30,1

The risk-free zero coupon yield curve (annually compounded) used to calibrate the market-consistent stochastic model, is shown in the table below. This yield curve is based on the zero coupon government bond curve.

%	Dec 2024	Dec 2023
1 year	**7,6**	8,5
2 years	**8,5**	8,7
3 years	**8,8**	8,9
4 years	**9,0**	9,3
5 years	**9,3**	9,7
10 years	**11,1**	12,1
15 years	**12,4**	14,0
20 years	**12,5**	14,5
25 years	**12,4**	14,1
30 years	**12,7**	14,7

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Employment equity report

Employment equity report

1. Workforce profile

1.1 Total number of employees (including employees with disabilities) in each of the following occupational levels:

	Male				Female				Foreign		Grand
Occupational level	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	total
Top management	3	–	1	5	2	–	–	–	2	–	13
Senior management	92	63	52	255	88	48	39	99	19	1	756
Middle management	467	412	236	727	536	455	208	717	34	16	3 808
Junior management	1 639	960	282	740	2 674	1 821	377	1 261	27	19	9 800
Semi-skilled	1 481	250	67	34	3 460	474	79	175	12	6	6 038
Unskilled	8	–	–	–	43	5	–	1	–	–	57
Grand total	3 690	1 685	638	1 761	6 803	2 803	703	2 253	94	42	20 472

1.2 Employees with disabilities in each of the following levels:

	Male				Female				Foreign		Grand
Occupational level	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	total
Top management	–	–	–	–	–	–	–	–	–	–	–
Senior management	1	2	–	6	–	3	–	–	–	–	12
Middle management	6	9	2	14	1	7	4	12	–	–	55
Junior management	28	11	4	18	32	34	5	27	–	–	159
Semi-skilled	42	13	–	4	87	12	2	12	–	–	172
Unskilled	–	–	–	–	1	–	–	–	–	–	1
Total	77	35	6	42	121	56	11	51	–	–	399

Administration

Registered name: Sanlam Life Insurance Limited

Registration number: 1998/021121/06

Internet address: http://www.sanlam.com

Directors:

Executive

PB Hanratty (ex officio)
AM Mukhuba (ex officio)

Non-executive
J van Zyl
PT Motsepe (Deputy Chair)
AD Botha
SA Nkosi

Independent Non-executive

TI Mvusi (Chair)
E Masilela
A Birrell
E Essoka
NAS Kruger
N Manyonga
M Mokoka
JP Möller (Chair of the audit committee)
KT Nondumo
W van Biljon
S Zinn
T Skweyiya

Executive Head: Investor Relations
Grant Davids

Company Secretary:
Adela Fortune

Registered office:
2 Strand Road, Bellville 7530, South Africa
Telephone +27 (0) 21 947 9111
Fax +27 (0) 21 947 3670
33”45’09.77S 18”38’28.32E

Postal address:
PO Box 1, Sanlamhof 7532

Changes to the Board

On 3 February 2025, Ms Thembisa Skweyiya stepped down as a non-executive director of Sanlam Life board as well as a member of the Customer Interest Committee, Risk and Compliance Committee, Non-executive Directors Committee and Independent Non-executive Directors Committee.

Temba Mvusi was appointed as an independent non-executive director on 7 March 2024, and was appointed as chair of the Sanlam Life board, effective 1 April 2024. He succeeded Elias Masilela, who stepped down as chair on 31 March 2024.

Availability of curriculum vitaes:

The curriculum vitaes of the directors are included in the Governance report on pages 12 and 13 and available at: (https://www.sanlam.com/downloads/governance/2024/Sanlam-Governance-Report-2024.pdf)

Sanlam

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