



# 2024

## NOTICE OF THE ANNUAL GENERAL MEETING AND FORM OF PROXY

Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and the controlling company for its group of companies.





**2** Salient features **19** Shareholders' diary

**3** Letter to shareholders **20** Administration

**4** Notice of the Annual General Meeting (2024)  
Presentation of the Company's annual financial statements and the 2023 integrated annual reporting suite **21** Form of proxy

**5** Ordinary resolutions **24** Notes

**12** Special resolutions **28** Annexure 1: Summary consolidated financial statements

**FORM OF PROXY**

Inserted

# Salient features

For the 12 months ended 31 December 2023

CONVENTIONAL INSURANCE  
GROSS WRITTEN PREMIUM  
GROWTH

**6%**

(2022: 8%)

CONVENTIONAL  
INSURANCE NET  
UNDERWRITING MARGIN

**3.5%**

(2022: restated to 5.1%)

GROUP GROSS CLAIMS  
PAID

**R29.9 billion**

(2022: R29.8 billion)

WESTERN CAPE FLOODS  
GROSS CLAIMS PAID

**R403 million**

ALTERNATIVE RISK  
TRANSFER (ART)  
OPERATING RESULTS

**R443 million**

(2022: restated to R332 million)

ECONOMIC CAPITAL  
COVERAGE RATIO

**155%**

(2022: 156%)

RETURN ON  
SHAREHOLDERS' FUNDS

**28.5%**

(2022: restated to 18.5%)

HEADLINE EARNINGS PER  
SHARE

**2 310 cents**

(2022: restated to 1 817 cents)

EARNINGS PER SHARE

**2 973 cents**

(2022: restated to 1 806 cents)

FINAL DIVIDEND PER  
SHARE

**905 cents**

(2022: 845 cents)

# Letter to shareholders

Dear Shareholders,

On behalf of the Santam Limited (Santam) Board, you are hereby invited to participate in the annual general meeting (AGM) of Santam (the Company), which will be held and conducted entirely by electronic communication, on **Tuesday, 28 May 2024 at 14:00 SA time**.

The detailed notice of the AGM (the notice) and the supporting documentation are attached hereto. The notice is accompanied, where necessary, by explanatory notes setting out the reasons and effect of the proposed ordinary and special resolutions presented in the notice. This will assist shareholders in their deliberations for voting at the AGM.

The full integrated report is available on the Company's website at [www.santam.co.za](http://www.santam.co.za). In addition, the summarised financial statements are included with this notice (Annexure 1). The audited annual financial statements for the financial year ended 31 December 2023 can, furthermore, be accessed and viewed on the Company's website.

Certificated shareholders and dematerialised shareholders with "own-name" registration who are unable to attend the AGM and who wish to be represented at the AGM, must complete and lodge the enclosed proxy form in accordance with the instructions contained therein.

Dematerialised shareholders without "own-name" registration should contact their Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in their agreement to furnish them with their voting instructions, or if they wish to attend the AGM, obtain the necessary letters of representation.

Yours sincerely

**Ruwaida Eksteen**  
Group Company Secretary

**11 March 2024**

# Notice of the Annual General Meeting (2024)

## SANTAM LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number 1918/001680/06)

JSE share code: SNT & ISIN: ZAE000093779

LEI: 37890092DC55C7D94B35

NSX share code: SNM

A2X share code: SNT

Debt company code: BISAN

("Santam" or "the Company" or "the Group")

Notice is hereby given, in terms of sections 59 and 62(1) of the Companies Act (No. 71 of 2008), as amended (Companies Act), to shareholders recorded in the Company's securities register on Friday, 08 March 2024 that the next annual general meeting (the AGM/the meeting) of the shareholders of Santam will be held entirely by electronic communication on Tuesday, 28 May 2024 at 14:00\* to:

- (i) deal with such business as may lawfully be dealt with at the meeting; and
- (ii) consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, as read with the JSE Limited (JSE) Listings Requirements and the requirements of other stock exchanges on which the Company's ordinary shares are listed.

The record date, in terms of section 59 of the Companies Act, for shareholders to be recorded in the Company's securities register for them to be able to attend, participate in and vote at the meeting is Friday, 17 May 2024. The last day to trade in the Santam's shares is therefore Tuesday, 14 May 2024 in order to be recorded in the share register on the aforementioned record date.

Kindly note that meeting participants (including proxy holders) will be allowed to participate in the meeting electronically (online). All meeting participants (including proxy holders) will be required to provide reasonably satisfactory identification, before being entitled to participate in the meeting. Further information regarding the electronic registration process and participation at the meeting, is available on page 18.

Acceptable forms of identification include valid identity documents or barcoded identification smart cards, driver's licences and passports.

Voters will be able to submit their votes once the Chair of the meeting opened voting on the online platform.

## PRESENTATION OF THE COMPANY'S ANNUAL FINANCIAL STATEMENTS AND THE 2023 INTEGRATED ANNUAL REPORTING SUITE

The audited consolidated annual financial statements for the year ended 31 December 2023, including the auditors' report, the Audit Committee's report as well as the Directors' Report, the Integrated Annual Report, the Corporate Governance Report, the King IV<sup>TM</sup>(1) Disclosure Report and the Remuneration Report have been published and are available on the Company's website at [www.santam.co.za](http://www.santam.co.za). It can also be requested and obtained from the Company at its registered office during office hours.

A summarised version of the annual financial statements is enclosed with this notice of the AGM (Annexure 1).

The objective is to afford Santam's shareholders with an opportunity to formally consider the Company's annual reporting suite, including the consolidated audited financial statements for the year ended 31 December 2023 as required by section 30(3)(d) of the Companies Act.

\* The meeting will start promptly at 14:00 SA time. Due to the electronic voting system, no late registrations will be allowed on the day.

<sup>1</sup> Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

## ORDINARY RESOLUTIONS

Shareholders are herewith requested to consider and, if approved, to pass, with or without modification, the following 8 ordinary resolutions:

### **Percentage support required for ordinary resolutions numbers 1 to 8.**

For these ordinary resolutions to be adopted, the support of more than 50% (fifty percent) of the total number of votes per ordinary resolution, which the shareholders present or represented by proxy at the meeting are entitled to cast, is required, apart from ordinary resolution number 7, where the support of at least 75% (seventy-five percent) of the total number of votes is required.

Ordinary resolutions numbers 5.1 and 5.2 are non-binding advisory votes.

### **ORDINARY RESOLUTION NUMBER 1: THE APPOINTMENT OF THE INDEPENDENT EXTERNAL AUDITOR FOR THE 2024 FINANCIAL YEAR**

To appoint KPMG Inc. (KPMG), as nominated by the Company's Audit Committee, as the independent auditor with effect from the Company's 2024 financial year. It is to be noted that Mr Mark Danckwerts is the individual and designated independent auditor, who will undertake the Company's audit for the year ended 31 December 2024.

#### **Reason and effect**

*The reason for ordinary resolution number 1 is that the Companies Act and the JSE Listings Requirements require the appointment (or reappointment) of the Company's auditor each year at the AGM of the Company. To strengthen overall governance, Santam's Audit Committee recommended to the Board of directors of Santam (the Board) and the Company's shareholders, the appointment of KPMG as the independent external auditor for Santam with effect from the Company's 2024 financial year.*

*Furthermore, in terms of paragraphs 3.75 and 3.87 of the JSE Listings Requirements, the Audit Committee considered and satisfied itself that:*

- a) The independent auditor (KPMG), is registered with its regulator in the country of incorporation (the Republic of South Africa);*
- b) Mr Mark Danckwerts (the individual and designated independent auditor) is registered as an "assurance individual registered auditor" with their regulator;*
- c) The appointment of KPMG is made in accordance with the laws of incorporation and the Company laws applicable to Santam Limited;*
- d) The audit firm has, at all times, at least three individual auditors who are registered as "assurance individual registered auditors" with their regulator;*
- e) The audit firm has a firm-wide independent quality management inspection on the audit firm by its regulator – i.e. either in its regulator's current inspection cycle or a prior inspection cycle;*
- f) The auditor demonstrated that it has the necessary resources to carry out the relevant engagement, as required in the "auditing pronouncements" defined in Section 1 of the Auditing Profession Act (which includes paragraph 30 of ISQM 1); and*
- g) The auditor is not prohibited by its regulator from performing the relevant assurance engagement.*

### **ORDINARY RESOLUTION NUMBER 2: THE APPOINTMENT OF ADDITIONAL DIRECTORS**

To confirm the appointment of the following directors (ordinary resolution numbers 2.1 and 2.2) to the Board, as additional directors in terms of clause 25.11 of the Company's memorandum of incorporation (Moi), being eligible and having offered themselves for election.

## Reason and effect

*The reason for and effect of ordinary resolutions numbers 2.1 and 2.2 are to confirm the appointment of the directors appointed to the Board, as additional directors in terms of the Company's MoI.*

2.1 *Ms Lucia Swartz (independent non-executive director)*

2.2 *Mr Wikus Olivier (executive director)*

### **2.1 Ordinary resolution number 2.1: Appointment of Ms Lucia Swartz as an independent non-executive director**

To confirm the appointment of Ms Swartz as an additional independent non-executive director in terms of the Company's MoI, being eligible and having offered herself for election.

*Name:* Lucia Swartz (66)

*Appointed:* Independent non-executive director since June 2023

*Qualifications:* BA (Psychology and Geography)

*Santam and Santam committee memberships:* Chair of the Human Resources and Remuneration Committee (HRRC)

*Major external positions, directorships or associations:* Director on the boards of Mr Price Group Ltd, Tiger Brands Ltd, Fibretime Group (Pty) Ltd and Mazwie Viedges.

*Fields of expertise:* Human resources and general business

The Board recommends the confirmation of the appointment of Ms Swartz as an independent non-executive director.

### **2.2 Ordinary resolution number 2.2: Appointment of Mr Matthys Lodewikus (Wikus) Olivier as an executive director**

To confirm the appointment of Mr Olivier as an additional executive director in terms of the Company's MoI, being eligible and having offered himself for election.

*Name:* Wikus Olivier (50)

*Appointed:* Executive director since July 2023

*Qualifications:* CA(SA), Bachelor of Accountancy (Hons) Cum Laude

*Santam and Santam committee memberships:* Group Finance Director and Chief Financial Officer of Santam since July 2023. Non-executive director of the Centriq group of companies, the MiWay group of companies and the Santam Structured Insurance (SSI) group of companies as well as GNI, Emerald Risk Transfer, Mirabilis, Swanvest 120, Santam Namibia and Santam Namibia Holdings. Furthermore, he is a member of Santam's Group Exco, the Investment Committee and the Risk Committee.

*Major external positions, directorships or associations:* Non-executive director of Sanlam Allianz and Three Dot O (Pty) Ltd

*Fields of expertise:* Accounting, financial reporting, financial markets and investments, insurance, international business as well as general business and sustainability.

The Board recommends the confirmation of the appointment of Mr Olivier as an executive director.

## **ORDINARY RESOLUTION NUMBER 3: THE RE-ELECTION OF RETIRING NON-EXECUTIVE DIRECTORS**

To individually re-elect the following non-executive directors (ordinary resolutions numbers 3.1 to 3.4) of the Company who retire by rotation in terms of clause 25.3 of the Company's MoI, all being eligible and offering themselves for re-election.

## Reason and effect

*The reason for and effect of ordinary resolutions numbers 3.1 to 3.4 are to re-elect the following non-executive directors who retire by rotation in terms of clause 25.3 of the Company's MoI:*

3.1 *Ms Deborah (Debbie) Loxton (independent non-executive director)*

3.2 *Ms Mmaboshadi (Shadi) Chauke (independent non-executive director)*

3.3 *Mr Paul Hanratty (non-executive director)*

3.4 *Ms Abigail Mukhuba (non-executive director)*



### **3.1 Ordinary resolution number 3.1: The re-election of Ms Deborah Loxton as an independent non-executive director**

To re-elect Ms Loxton, who retires by rotation in terms of clause 25.3 of the Company's Mol, being eligible and offering herself for re-election.

*Name:* Deborah Loxton (60)

*Appointed:* Independent non-executive director since June 2021

*Qualifications:* CA(SA), Bachelor of Accounting, Bachelor of Commerce

*Santam and Santam committee memberships:* Chair of the Risk Committee and a member of the Audit Committee and the Investment Committee. She also serves as an independent non-executive director and the Chair of the board of the Centriq group of companies.

*Major external positions, directorships or associations:* A trustee on the Steenberg Homeowners Trust.

*Fields of expertise:* Audit, accounting, risk management, financial markets and investments, general business, governance, insurance and sustainability.

The Board recommends the re-election of Ms Loxton as an independent non-executive director.

### **3.2 Ordinary resolution number 3.2: The re-election of Ms Mmaboshadi Chauke as an independent non-executive director**

To re-elect Ms Chauke, who retires by rotation in terms of clause 25.3 of the Company's Mol, being eligible and offering herself for re-election.

*Name:* Mmaboshadi Chauke (44)

*Appointed:* Independent non-executive director since June 2021

*Qualifications:* CA(SA), Bachelor of Commerce, Bachelor of Accountancy

*Santam and Santam committee memberships:* Member of the Audit Committee, the Risk Committee and the Social, Ethics and Sustainability (SES) Committee. She also serves as an independent non-executive director and the Chair of the board of the MiWay group of companies.

*Major external positions, directorships or associations:* Independent non-executive director on the boards of Sanlam Developing Markets, Afrocentric Investment Corporation, The Small Enterprise Foundation, Mamor Capital Ventures (Pty) Ltd and Mamor Investments (Pty) Ltd.

*Fields of expertise:* Financial markets and investments, accounting, audit, risk management, general business, governance, sustainability and empowerment.

The Board recommends the re-election of Ms Chauke as an independent non-executive director.

### **3.3 Ordinary resolution number 3.3: The re-election of Mr Paul Hanratty as a non-executive director**

To re-elect Mr Hanratty, who retires by rotation in terms of clause 25.3 of the Company's Mol, being eligible and offering himself for re-election.

*Name:* Paul Hanratty (62)

*Appointed:* Non-executive director since August 2020

*Qualifications:* BBusSc (Hons), Fellow of Institute of Actuaries, Advanced Management Programme (Harvard Business School)

*Santam and Santam committee memberships:* Member of the HRRC and the Nominations Committee.

*Major external positions, directorships or associations:* Mr Hanratty is the Group Chief Executive Officer of Sanlam Ltd and Sanlam Life Insurance Ltd. He is also a non-executive director of Afrocentric Investments Corporation Ltd, Sanlam Allianz, Sanlam Investment Holdings (Pty) Ltd and SIH Capital Holdings (Pty) Ltd.

*Fields of expertise:* Actuarial, financial markets and investments, governance, risk, sustainability and general business.

The Board recommends the re-election of Mr Hanratty as a non-executive director.

#### **3.4 Ordinary resolution number 3.4: The re-election of Ms Abigail Mukhuba as a non-executive director**

To re-elect Ms Mukhuba, who retires by rotation in terms of clause 25.3 of the Company's MoI, being eligible and offering herself for re-election.

*Name:* Abigail Mukhuba (44)

*Appointed:* Non-executive director since November 2020

*Qualifications:* CA(SA), MCom (SA & International Taxation) Bachelor of Commerce (Hons) (Accounting), Bachelor of Accountancy, MBA

*Santam and Santam committee memberships:* Member of the Investment Committee and the Risk Committee.

*Major external positions, directorships or associations:* Finance director on the boards of Sanlam Ltd and Sanlam Life Insurance Ltd as well as a non-executive director of Sanlam Allianz and Sanlam Investments.

*Fields of expertise:* Accounting, financial reporting, tax and general business.

The Board recommends the re-election of Ms Mukhuba as a non-executive director.

## **ORDINARY RESOLUTION NUMBER 4: THE ELECTION AND REAPPOINTMENT OF THE MEMBERS OF THE AUDIT COMMITTEE**

To individually elect and reappoint the following independent non-executive directors (ordinary resolutions numbers 4.1 to 4.4) of the Company as members of the Audit Committee until the conclusion of the next AGM of the Company.

### **Reason and effect**

*The reason for and effect of ordinary resolutions numbers 4.1 to 4.4 relate to the members of the Audit Committee of the Company, being a statutory committee, who need to be appointed annually by the shareholders of the Company in terms of the requirements outlined in section 94(2) of the Companies Act.*

4.1 *Mr Preston Speckmann (independent non-executive director)*

4.2 *Mr Monwabisi Fandeso (independent non-executive director)*

4.3 *Ms Deborah Loxton (independent non-executive director)*

4.4 *Ms Mmaboshadi Chauke (independent non-executive director)*

#### **4.1 Ordinary resolution number 4.1: The election and reappointment of Mr Preston Speckmann as a member of the Audit Committee**

*Name:* Preston Speckmann (67)

*Appointed:* Independent non-executive director since February 2017

*Qualifications:* CA(SA), Hons B.Compt (SA)

*Santam and Santam committee memberships:* Chair of the Audit Committee, member of the Risk Committee and an independent non-executive director on the boards of the MiWay group of companies and the Centrig group of companies.

*Major external positions, directorships or associations:* Non-executive director on the boards of Safrikan Insurance Company Ltd, SIH Capital Holdings (Pty) Ltd and Impala Platinum Holdings Ltd.

*Fields of expertise:* Accounting, financial markets and investments, general business, international, information technology, governance, audit, risk management, sustainability and empowerment.

The Board recommends the election and reappointment of Mr Speckmann as an independent non-executive director to serve on the Company's Audit Committee.

#### **4.2 Ordinary resolution number 4.2: The election and reappointment of Mr Monwabisi Fandeso as a member of the Audit Committee**

*Name:* Monwabisi Fandeso (65)

*Appointed:* Independent non-executive director since January 2020

*Qualifications:* BSc (Hons), MBA

*Santam and Santam committee memberships:* Lead independent non-executive director, Chair of the Investment Committee, member of the Audit Committee, the Risk Committee and the Nominations Committee. He also serves as an independent non-executive director of the Centriq group of companies and as the Chair of the SSI group of companies.

*Major external positions, directorships or associations:* Independent non-executive director on the boards of Impact (Pty) Ltd, the Thebe Investment Corporation and BroLink (Pty) Ltd.

*Fields of expertise:* Accounting, financial markets and investments, general business, international, engineering, governance, audit, risk management, sustainability and empowerment.

The Board recommends the election and reappointment of Mr Fandeso as an independent non-executive director to serve on the Company's Audit Committee.

#### **4.3 Ordinary resolution number 4.3: The election and reappointment of Ms Deborah Loxton as a member of the Audit Committee**

*Name:* Deborah Loxton (60)

*Appointed:* Independent non-executive director since June 2021

*Qualifications:* CA(SA), Bachelor of Accounting, Bachelor of Commerce

*Santam and Santam committee memberships:* Chair of the Risk Committee and a member of the Audit Committee and the Investment Committee. She also serves as an independent non-executive director and Chair of the board of the Centriq group of companies.

*Major external positions, directorships or associations:* A trustee on the Steenberg Homeowners Trust.

*Fields of expertise:* Audit, accounting, risk management, financial markets and investments, general business, governance, insurance and sustainability.

The Board recommends the election and reappointment of Ms Loxton as an independent non-executive director to serve on the Company's Audit Committee.

#### **4.4 Ordinary resolution number 4.4: The election and reappointment of Ms Mmaboshadi Chauke as a member of the Audit Committee**

*Name:* Mmaboshadi Chauke (44)

*Appointed:* Independent non-executive director since June 2021

*Qualifications:* CA(SA), Bachelor of Commerce, Bachelor of Accountancy

*Santam and Santam committee memberships:* Member of the Audit Committee, the Risk Committee and the SES Committee. She also serves as an independent non-executive director and Chair of the board of the MiWay group of companies.

*Major external positions, directorships or associations:* Independent non-executive director on the boards of Santam Developing Markets, Afrocentric Investment Corporation, The Small Enterprise Foundation and Mamor Capital.

*Fields of expertise:* Financial markets and investments, accounting, audit, risk management, general business, governance, sustainability and empowerment.

The Board recommends the election and reappointment of Ms Chauke as an independent non-executive director to serve on the Company's Audit Committee.

## ORDINARY RESOLUTION NUMBER 5: A NON-BINDING ADVISORY VOTE ON THE COMPANY'S REMUNERATION POLICY AND ITS REMUNERATION IMPLEMENTATION REPORT

Shareholders are requested to cast a separate non-binding advisory vote on the Company's Remuneration Policy and its Remuneration Implementation Report as set out in Santam's 2023 Remuneration Report (available online at [www.santam.co.za](http://www.santam.co.za)).

### Reason and effect

*The King Report on Corporate Governance™ for South Africa, 2016 (King IV), principle 14, recommended practice 37 as well as paragraph 3.84(j) of the JSE Listings Requirements, provide that the Remuneration Policy and the Remuneration Implementation Report be tabled every year for separate non-binding advisory votes to shareholders at the Company's AGM.*

*Ordinary resolutions numbers 5.1 and 5.2 are of an advisory nature only and failure to pass any of these 2 (two) resolutions will therefore not have any legal consequences relating to existing arrangements. However, the Company's HRRC and the Santam Board will take the outcome of these votes and any comments raised by shareholders into consideration when considering the Company's Remuneration Policy.*

*Should 25% (twenty-five percent) or more of the voting rights exercised at the AGM be cast against any of the aforesaid 2 (two) resolutions, the Board will invite dissenting shareholders to engage with the HRRC on their concerns in line with the provisions of the JSE Listings Requirements.*

### **5.1 Ordinary resolution number 5.1: Non-binding advisory vote on the Company's Remuneration Policy**

Resolved that shareholders approve, by way of a non-binding advisory vote, the Company's Remuneration Policy as set out in Santam's 2023 Remuneration Report.

### **5.2 Ordinary resolution number 5.2: Non-binding advisory vote on the Company's Remuneration Implementation Report**

Resolved that shareholders approve, by way of a non-binding advisory vote, the Company's Remuneration Implementation Report as set out in Santam's 2023 Remuneration Report.

## ORDINARY RESOLUTION NUMBER 6: TO PLACE UNISSUED ORDINARY SHARES UNDER THE CONTROL OF THE DIRECTORS

To place all the unissued ordinary shares of the Company, as well as Santam shares held as treasury shares by subsidiaries of the Company (treasury shares), under the control of the directors of the Company, who are hereby authorised, subject to the provisions of the Companies Act and the JSE Listings Requirements, to allot and issue these unissued shares and/or dispose of these treasury shares at their discretion on such terms and conditions as and when they deem it fit to do so, until the next AGM, provided that:

- a) the aggregate number of ordinary shares to be allotted and issued as well as the treasury shares disposed of in terms of this resolution and ordinary resolution number 7 is limited to 5% (five percent) of the number of ordinary shares in issue as at the date of the notice of the meeting; and
- b) any issue of ordinary shares as an issue for cash as defined in the JSE Listings Requirements is in accordance with the restrictions contained in ordinary resolution number 7.

### Reason and effect

*The reason for ordinary resolution number 6 is that the Board requires authority from shareholders in terms of the Company's MoI to issue shares in the Company and/or dispose of treasury shares held by subsidiaries of the Company. This general authority, once granted, allows the Board (from time to time, when it is appropriate to do so), to issue shares or dispose of treasury shares as may be required, inter alia, in terms of capital-raising exercises and to maintain a healthy capital adequacy ratio. This general authority is subject to the restriction that it is limited to 5% (five percent) of the number of shares in issue as at the date of the notice of the meeting and outlined in ordinary resolution number 7.*

## ORDINARY RESOLUTION NUMBER 7: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

To grant to the directors, subject to the JSE Listings Requirements, the general authority to issue ordinary shares of one (1) cent each (or options to subscribe for, or securities that are convertible into such ordinary shares) and dispose of Santam shares held as treasury shares by subsidiaries of the Company (treasury shares) as an "issue for cash" as defined in the JSE Listings Requirements as and when suitable situations arise and on such terms and conditions as they deem fit, provided that the aggregate number of ordinary shares to be allotted and issued in terms of this resolution and ordinary resolution number 6, together with any treasury shares disposed of in terms of this resolution and ordinary resolution number 6, is limited to 5% (five percent) of the number of ordinary shares in issue at the date of the notice of this AGM.

To avoid doubt, it is recorded that a *pro rata* rights offer to shareholders is not an issue for cash as defined in the JSE Listings Requirements, and so this resolution and the restrictions contained herein do not apply to any such *pro rata* rights offered to shareholders.

It is recorded that the JSE Listings Requirements currently contain the following requirements:

- a) that this general authority shall be valid until the Company's next AGM or for 15 (fifteen) months from the date of adoption of this resolution, whichever occurs first;
- b) that the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into or represent options in respect of a class already in issue;
- c) that the aggregate number of ordinary shares to be allotted and issued in terms of this resolution, together with any treasury shares disposed of in terms of this ordinary resolution number 7, is limited to 5% (five percent) of the number of ordinary shares in issue at the date of the notice of this AGM, such number being 115 131 417 ordinary shares in the Company's issued share capital, excluding treasury shares;
- d) that any equity securities issued under the authority during the period contemplated in (a) must be deducted from the number in (c);
- e) that, in the event of sub-division or consolidation of issued equity securities during the period contemplated in (a), the existing authority must be adjusted accordingly to represent the same allocation ratio;
- f) that the equity securities be issued, or treasury shares disposed of, to persons qualifying as public shareholders as defined in the JSE Listings Requirements;
- g) that, in determining the price at which an issue of shares or disposal of treasury shares will be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of the shares in question, as determined over the 30 (thirty) business days prior to the date that the price of the issue or disposal is agreed between the issuer and the party subscribing for or acquiring the securities;
- h) that, after the Company has issued equity securities or disposed of treasury shares in terms of an approved general issue for cash representing, on a cumulative basis within a financial year, 5% (five percent) or more of the number of equity securities in issue prior to that issue, the Company will publish an announcement containing full details of the issue in accordance with the JSE Listings Requirements; and
- i) related parties may participate in a general issue for cash through a bookbuild process provided:
  - (i) the approval by shareholders contemplated in paragraph 5.52(e) expressly affords the ability to the issuer to allow related parties to participate in a general issue for cash through a bookbuild process;
  - (ii) related parties may only participate with a maximum bid price at which they are prepared to take up shares or at book close price. In the event that there is a maximum bid price and the book closes at a higher price, the relevant related party will be "out of the book" and not be allocated shares; and
  - (iii) equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild.

#### Reason and effect

*To grant to the directors, subject to the JSE Listings Requirements, the general authority to issue ordinary shares and dispose of treasury shares as an issue for cash as defined in the JSE Listings Requirements.*

#### Percentage voting requirement

In order for this ordinary resolution number 7 to be adopted, the support of at least 75% (seventy-five percent) of votes cast by shareholders present or represented by proxy at the meeting are required, in terms of the JSE Listings Requirements.

### **ORDINARY RESOLUTION NUMBER 8: TO AUTHORISE ANY DIRECTOR OF THE COMPANY AND, WHERE APPLICABLE, THE GROUP COMPANY SECRETARY, TO IMPLEMENT THE AFORESAID ORDINARY RESOLUTIONS AND UNDERMENTIONED SPECIAL RESOLUTIONS**

To authorise any director of the Company and, where applicable, the Group Company Secretary, to do all such things, sign all such documentation and take all such actions as may be necessary to implement the aforesaid ordinary resolutions and undermentioned special resolutions.

#### Reason and effect

*To grant authorisation to any director of the Company and, where applicable, the Group Company Secretary, to implement the aforesaid ordinary and undermentioned special resolutions.*

## **SPECIAL RESOLUTIONS**

To consider and, if approved, to pass, with or without modification, the following 4 (four) special resolutions:

#### **Percentage support required for special resolutions numbers 1 to 4**

For these special resolutions to be adopted, the support per special resolution of at least 75% (seventy-five percent) of the total number of votes, which the shareholders present or are represented by proxy at the meeting are entitled to cast, is required.

### **A. SPECIAL RESOLUTION NUMBER 1: THE APPROVAL OF THE NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THEIR SERVICES RENDERED AS DIRECTORS**

#### **To resolve that:**

In terms of section 66(9) of the Companies Act, payment of the remuneration for their services as non-executive directors of Santam is approved for the period 1 July 2024 until 30 June 2025 as set out in the following table. These adjusted fees generally represent a 5.75% increase if compared to the fees approved by the shareholders at the Company's previous AGM in respect of the 12 months to 30 June 2024. It is also noteworthy to highlight that the adjusted fees are aligned to Santam's increase mandate and that the recommended fee structure for the period 1 July 2024 until 30 June 2025, was benchmarked considering the independent external guidance received from Willis Towers Watson and the Institute of Directors in South Africa (IoDSA).

#### Reason and effect

*The reason for and effect of special resolution number 1 are to approve the basis for calculating the remuneration payable by the Company to its non-executive directors for their services as directors of the Company for the period 1 July 2024 to 30 June 2025. Executive directors of the Company do not receive any fees for services rendered other than what have been reported in Santam's 2023 Remuneration Report which can be downloaded and accessed on the Company's website ([www.santam.co.za](http://www.santam.co.za)).*

## Proposed non-executive directors' fee schedule for 2024/2025

<b>Non-executive directors' and Board Committees' fees</b>	<b>Current R<sup>1</sup></b>	<b>Proposed R<sup>1</sup></b>
Chair of the Board (no attendance fees for meetings except for <i>ad hoc</i> Board or Board Committee meetings and then paid at the rate payable to non-executive directors)	1 586 250	1 677 459
Lead independent director (LID) annual retainer	565 000	644 100
Non-executive director annual retainer	327 825	346 675
Non-executive directors <sup>2</sup>	29 293	30 977
Audit Committee Chair <sup>3</sup>	66 623	74 617
Audit Committee member <sup>4</sup>	43 886	46 410
Risk Committee Chair <sup>3</sup>	66 623	70 453
Risk Committee member <sup>4</sup>	43 886	46 410
Investment Committee Chair <sup>3</sup>	43 886	50 030
Investment Committee member <sup>4</sup>	29 293	30 977
Human Resources and Remuneration Committee Chair <sup>3</sup>	45 896	50 485
Human Resources and Remuneration Committee member <sup>4</sup>	29 293	30 977
Social, Ethics and Sustainability Committee Chair <sup>3</sup>	43 886	46 410
Social, Ethics and Sustainability Committee member <sup>4</sup>	29 293	30 977
Nominations Committee Chair <sup>3</sup>	43 886	46 410
Nominations Committee member <sup>4</sup>	29 293	30 977
Special <i>ad hoc</i> and/or extraordinary Board and Board Committee meetings (i.e. an hourly rate – subject to a maximum fee of R29 400 per meeting)	5 288 per hour	5 592 per hour

<sup>1</sup> All fees are VAT exclusive.

<sup>2</sup> Attendance fee per scheduled Board meeting.

<sup>3</sup> Fee per scheduled Board Committee meeting chaired.

<sup>4</sup> Attendance fee per scheduled Board Committee meeting.

## B. SPECIAL RESOLUTION NUMBER 2: AUTHORITY TO THE COMPANY OR A SUBSIDIARY OF THE COMPANY TO ACQUIRE THE COMPANY'S SHARES

### To resolve that:

Pursuant to the Mol of the Company, the shareholders of the Company hereby approve, by way of a general approval, whether by way of a single transaction or a series of transactions:

- a) the purchase of any of its ordinary shares by the Company or any subsidiary of the Company; and
- b) the purchase by and/or transfer to the Company of any of its ordinary shares purchased by any of its subsidiaries pursuant to (a) above,

upon such terms and conditions and in such amounts as the Board of the Company or its subsidiaries may from time to time decide, but subject to the provisions of the Companies Act, the JSE Listings Requirements and the requirements of any other stock exchange on which the securities of the Company may be quoted or listed from time to time, and subject to such other conditions as may be imposed by other relevant authorities, provided that, in relation to purchases that are subject to the JSE Listings Requirements:

- i) the authority shall only be valid up to and including the date of the Company's next AGM or for 15 (fifteen) months from the date of this special resolution, whichever period is shorter;
- ii) ordinary shares to be purchased pursuant to (a) above may only be purchased through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty;
- iii) the general authority to purchase ordinary shares in the Company pursuant to (a) above be limited in any 1 (one) financial year to a maximum of 5% (five percent) of the Company's issued ordinary share capital of that class at the time the authority is granted;
- iv) purchases pursuant to (a) above may not be made at a price more than 10% (ten percent) above the weighted average traded price of the ordinary shares for the five (5) business days immediately preceding the date of the purchases;
- v) at any point in time, the Company may only appoint 1 (one) agent to effect any purchase on the Company's behalf or on behalf of any of its subsidiaries;
- vi) the Board of the Company has resolved:
  1. to authorise a purchase of ordinary shares in the Company,
  2. that the Company and each relevant subsidiary have passed the solvency and liquidity test as contemplated in the Companies Act, and
  3. that, since the solvency and liquidity test was performed, no material change occurred in the financial position of the Company or any relevant subsidiary;
- vii) the Company and its subsidiaries may not effect a repurchase during a prohibited period, as defined in the JSE Listings Requirements, unless a repurchase programme is in place where the dates and quantities of the ordinary shares to be traded during the relevant period are fixed (not subject to variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company will instruct an independent third party, which makes its investment decisions in relation to the Company's ordinary shares independently of, and not influenced by, the Company, prior to the commencement of the prohibited period, to execute the repurchase programme submitted to the JSE;
- viii) an announcement complying with paragraph 11.27 of the JSE Listings Requirements would be published by the Company:
  1. when the Company and/or its subsidiaries have cumulatively purchased 3% (three percent) of the initial number of ordinary shares in issue as at the time when the general authority was given; and
  2. thereafter, for each 3% (three percent) in aggregate of the initial number of ordinary shares in issue as at the time when the general authority was given, acquired by the Company and/or its subsidiaries; and
- ix) details of equity ordinary shares purchased during the period under review would be disclosed in the annual financial statements in accordance with paragraph 8.63(o) of the JSE Listings Requirements.

#### Reason and effect

*The reason for and effect of special resolution number 2 are to grant a general authority to enable the Company, or any subsidiary of the Company, to acquire ordinary shares that have been issued by the Company, including the subsequent purchase by or transfer to the Company of such ordinary shares held by any subsidiary.*



## DIRECTORS' STATEMENT

The Board resolved that it would authorise and implement a purchase of the Company's ordinary shares only if prevailing circumstances warrant this.

Having considered the effect of the maximum purchases, the Board reasonably concluded in relation to purchases that are subject to the JSE Listings Requirements that:

- a) after an acquisition, the Company will continue to comply with the JSE Listings Requirements concerning shareholder spread requirements;
- b) the Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of this notice of the AGM of the Company;
- c) the assets of the Company and its subsidiaries will be in excess of the liabilities of the Company and its subsidiaries for a period of 12 (twelve) months after the date of this notice of the AGM of the Company;
- d) the issued share capital and reserves of the Company and its subsidiaries will be adequate for the purposes of the business of the Company and its subsidiaries for a period of 12 (twelve) months after the date of this notice of the AGM of the Company; and
- e) The Company and its subsidiaries will have adequate working capital for ordinary business purposes for a period of 12 (twelve) months after the date of this notice of the AGM of the Company.

## DISCLOSURES IN TERMS OF PARAGRAPH 11.26(B) OF THE JSE LISTINGS REQUIREMENTS

The following disclosures are required in terms of paragraph 11.26(b) of the JSE Listings Requirements in relation to purchases that are subject to the JSE Listings Requirements, which appear in the Santam annual integrated reporting suite. It can also be accessed online at [www.santam.co.za](http://www.santam.co.za) for the purposes of special resolution number 2:

- a) Major shareholders (page 170 of the annual financial statements)
- b) Share capital of the Company (page 158 of the annual financial statements)
- c) Material changes (page 17 of this notice of the AGM)

## THE DIRECTORS' RESPONSIBILITY STATEMENT

The Board of directors, whose names appear in this notice and on pages 24 to 27 of Santam's 2023 corporate Governance Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 2, and certify that to the best of their knowledge and belief:

- a) there are no other facts, the omission of which would make any statement false or misleading;
- b) they have made all reasonable enquiries in this regard; and
- c) special resolution number 2 contains all the required information in terms of the Companies Act and the JSE Listings Requirements.

## C. SPECIAL RESOLUTION NUMBER 3: GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTION 44 OF THE COMPANIES ACT

### To resolve that:

As a general approval, the Board of the Company may, from time to time, during the 2 (two) years from the passing hereof authorise the Company, in terms of and subject to the provisions of section 44 of the Companies Act, to provide financial assistance by way of a loan, guarantee or the provision of security to any party, other than a director or prescribed officer of the Company or its related or inter-related companies or corporations, for the purpose of, or in connection with, the subscription or purchase of any securities issued or to be issued by a related or inter-related Company or corporation of the Company on such terms and conditions as the Board may determine.

## Reason and effect

*The reason for and effect of special resolution number 3 can be summarised as follows:*

- a) *The Company is from time to time, as an essential part of conducting the business of the Santam Group, required to provide financial assistance to parties by way of a loan, guarantee or the provision of security in respect of securities issued or to be issued by a related or inter-related company or corporation of the Company.*
- b) *In terms of the Companies Act, companies are required to obtain the approval of their shareholders by way of a special resolution in order to provide financial assistance to any party as contemplated in section 44(2) of the Companies Act. The Company therefore seeks general approval for the Board of the Company to authorise the provision by the Company of financial assistance by way of a loan, guarantee or the provision of security in respect of securities issued or to be issued by a related or inter-related company or corporation of the Company at any time, and from time to time, during the period of 2 (two) years commencing on the date of this special resolution number 3.*

## **D. SPECIAL RESOLUTION NUMBER 4: GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTION 45 OF THE COMPANIES ACT**

### **To resolve that:**

As a general approval, the Board of the Company, from time to time during the 2 (two) years from the passing hereof, authorise the Company, in terms of and subject to the provisions of section 45 of the Companies Act, to provide any type of direct or indirect financial assistance as defined in section 45 of the Companies Act, to a related or inter-related company or corporation of the Company, on such terms and conditions and for such amounts as the Board may determine.

## Reason and effect

*The reason for and effect of special resolution number 4 can be summarised as follows:*

- a) *The Company is from time to time, as an essential part of conducting the business of the Santam Group, required to provide financial assistance to related or inter-related companies or corporations of the Company 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 Companies Act.*
- b) *In terms of the Companies Act, companies are required to obtain the approval of their shareholders by way of a special resolution in order to provide financial assistance to any related or inter-related companies or corporations. The Company therefore seeks general approval for the Board of the Company to authorise the provision by the Company of all types of financial assistance to any such related or inter-related company or corporation as contemplated in section 45(2) of the Companies Act at any time and from time to time during the period of 2 (two) years, commencing on the date of this special resolution number 4. Notwithstanding such general approval, related party transactions remain subject to any applicable regulatory requirements on a transaction per transaction basis.*

## **REPORT BY THE SOCIAL, ETHICS AND SUSTAINABILITY (SES) COMMITTEE**

The Company's SES Committee's report as outlined in Santam's 2023 Corporate Governance Report on page 52 (which can be downloaded and accessed online at [www.santam.co.za](http://www.santam.co.za)), will serve as the SES Committee's report to the Company's shareholders on the matters within its mandate and will be presented at the AGM by a member of the Company's SES Committee. Any specific questions for/to the SES Committee may be sent to the Company's Head: Strategy and Investor Relations or the Group Company Secretary prior to the AGM on or before Wednesday, 22 May 2024.

## APPROVALS REQUIRED FOR RESOLUTIONS

- a) Ordinary resolutions numbers 1 to 8 require approval by more than 50% of the voting rights exercised on the resolutions, apart from ordinary resolution number 7, where the support of at least 75% (seventy-five percent) of the total number of votes is required.
- b) Ordinary resolutions numbers 5.1 and 5.2 are non-binding advisory votes.
- c) Special resolutions numbers 1 to 4 require approval by at least 75% of the voting rights exercised on these resolutions.

Equity securities held by a share trust or scheme will not have their votes considered for the purposes of resolutions passed in terms of the JSE Listings Requirements.

## MATERIAL CHANGES

Other than the facts and developments reported on in the 2023 integrated annual report and the 2023 corporate governance report, there has been no material change in the trading or financial position of the Company and its subsidiaries that occurred since the end of the last financial period for which either audited annual financial statements or unaudited interim reports have been published.

## GENERAL NOTES

1. The record date for the distribution of the notice of the AGM was set as close of business on Friday, 08 March 2024.
2. The record date to participate in and vote at the meeting was set as close of business on Friday, 17 May 2024. The last day to trade in the Company's shares on the JSE is therefore Tuesday, 14 May 2024, in order to be recorded in the share register on the record date.
3. A shareholder entitled to participate in, speak and vote at the meeting may appoint a proxy to participate in, speak and vote in his or her stead.
4. Santam shareholders who hold share certificates for their Santam ordinary shares or have dematerialised their Santam ordinary shares and have them registered in their own name, but who are unable to participate at the meeting and wish to be represented at the meeting, need to complete and return the enclosed proxy form, in accordance with the instructions contained therein, to the Transfer Secretaries Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (Private Bag X9000, Saxonwold, 2132) or they can email proxy@computershare.co.za.
5. For administrative purposes, it is requested that the proxy form be received by no later than 14:00 SA time on Monday, 27 May 2024. It may alternatively be emailed to proxy@computershare.co.za prior to the commencement of the meeting on Tuesday, 28 May 2024.
6. Santam ordinary shareholders who hold their dematerialised Santam ordinary shares through a Central Securities Depository Participant (CSDP), bank or broker nominee (Santam dematerialised shareholders) must provide their CSDP, bank or broker nominee with their voting instructions, in accordance with the agreement between them and their CSDP, bank or broker nominee. Should dematerialised Santam shareholders wish to cast their votes at the meeting, they must contact their CSDP, bank or broker nominee to issue them with the appropriate letter of representation. Santam does not accept responsibility for any failure on the part of the CSDP, bank or broker nominee with regard hereto.
7. A person representing a corporation/company/legal entity is not deemed to be a proxy. As such, a corporation/company/legal entity can only participate in a meeting through a natural person, duly authorised by way of a resolution to act as a representative. A notarial certified copy of such power of attorney or other documentary evidence establishing and confirming the authority of the person signing the proxy in a representative capacity, must be attached to the form of proxy. Such a person enjoys the same rights at the meeting as the shareholding corporation/company/legal entity that he/she represents by proxy.

8. In respect of a vote by a show of hands, every shareholder present as well as every proxy or duly authorised representative representing shareholders, shall have only 1 (one) vote irrespective of the number of shareholders or shares he or she represents or holds.
9. A resolution put to the vote shall be decided on a show of hands unless, before or on the declaration of the results of the show of hands, a poll shall be demanded by any person entitled to vote at the meeting. If a poll is so demanded, the resolutions put to the vote shall be decided on a poll. On a poll, every shareholder present or represented by proxy or a duly authorised representative shall each have 1 (one) vote for every Santam share held by that shareholder. Since the meeting is held by electronic communication, it has been agreed that the resolutions put to the vote shall be decided on a poll.
10. The Company's Mol provides for an electronic voting process. To this end, shareholders are advised that they, or their proxies, will be able to participate in the meeting by way of electronic communication.

## **ELECTRONIC REGISTRATION AND PARTICIPATION AT THE MEETING**

1. The AGM (including voting) will be conducted entirely by electronic communication as contemplated in section 63(2)(a) of the Companies Act and the Company's Mol. The procedure for participation by electronic communication is set out hereunder.
2. Shareholders who wish to participate in the AGM should either register online at [www.meetnow.global/za](http://www.meetnow.global/za) by no later than 14:00 on Monday, 27 May 2024 or submit a request to participate to [proxy@computershare.co.za](mailto:proxy@computershare.co.za). Shareholders may still register to participate in and/or vote electronically at the AGM after this date and time provided that, for those shareholders to participate in and/or vote electronically at the AGM, they must be verified and registered prior to exercising any rights at the AGM.
3. As part of the registration process, shareholders will be requested to upload and submit proof of identification (i.e. a copy of a valid identity document, or barcoded identification smart card, driver's licence or passport) and authority to do so (where acting in a representative capacity) as well as to provide details such as their name, surname, email address, contact number and the number of Santam shares held.
4. Following successful registration, the Company's Transfer Secretaries will provide shareholders with an invitation code to connect electronically to the AGM. Telephone lines will be made available for shareholders who want to ask questions at the meeting.
5. Shareholders who wish to ask questions telephonically must register their request in writing with the Group Company Secretary ([ruwaida.eksteen@santam.co.za](mailto:ruwaida.eksteen@santam.co.za)) by no later than 12:00 on Wednesday, 22 May 2024. The cost of the shareholder's phone call will be for his/her own account. Shareholders acknowledge that the telecommunication platforms are provided by a third party and indemnifies Santam against any claim arising in any way from the use or possession of the telecommunication lines. All shareholders who wish to call into the meeting to ask questions, would be provided a telephone number and a pin number on/or before the meeting commences at 14:00 on Tuesday, 28 May 2024.
6. Shareholders are kindly requested to log into the virtual meeting from 13:50 on the day of the meeting.
7. For any assistance and/or if any difficulty is experienced with the registration process outlined herein above, or logging into the AGM, shareholders are encouraged to request assistance by emailing [proxy@computershare.co.za](mailto:proxy@computershare.co.za).

By order of the Board

**Ruwaida Eksteen**  
Group Company Secretary  
Tyger Valley, Cape Town

11 March 2024

# Shareholders' diary

Financial year-end	31 December
Annual general meeting date	28 May 2024

## Reports

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Announcement of the results for the year ended 31 December 2023	29 February 2024
Integrated reporting suite for the year ended 31 December 2023 ( <i>publication date</i> )	11 March 2024
2024 AGM Notice and Form of Proxy ( <i>publication date</i> )	11 March 2024
2024 AGM Notice and Form of Proxy ( <i>distribution date</i> )	15 March 2024
Interim report for the six months ended 30 June 2024 ( <i>publication date</i> )	29 August 2024

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## Dividends

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Declaration of dividend for 2023	29 February 2024
Last date to trade cum dividend	18 March 2024
Shares to trade ex-dividend	19 March 2024
Record date for 2023 dividend	22 March 2024
Payment date of dividend for 2023	25 March 2024

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To allow for the dividend calculation, Santam's share register will be closed for all transfers, off-market transactions and dematerialisations or rematerialisations between Tuesday, 19 March 2024 and Friday, 22 March 2024, both days included.

Transactions on the JSE via Strate are not affected by this arrangement.

# Administration

## Registered Company name

Santam Limited

(Incorporated in the Republic of South Africa and an authorised financial services provider, Licence number 3416)

Registration number: 1918/001680/06

Tax reference number: 9475/144/71/4

LEI: 37890092DC55C7D94B35

ISIN: ZAE000093779

JSE share code: SNT

NSX share code: SNM

A2X share code: SNT

Debt company code: BISAN

## Registered business address

1 Sportica Crescent, Tyger Valley, Bellville, 7530

P.O. Box 3881, Tyger Valley, 7536

Tel: +27 (0) 21 915 7000

Fax: +27 (0) 21 914 0700

## Internet address

<https://www.santam.co.za>

## JSE Sponsors

Equity Sponsor: Investec Bank Limited

Debt Sponsor: Rand Merchant Bank (a division of FirstRand Bank Limited)

## Transfer Secretaries

Computershare Investor Services (Pty) Ltd

Company registered number: 2004/003647/07

Rosebank Towers

15 Biermann Avenue, Rosebank 2196, South Africa

Private Bag X9000, Saxonwold 2132, South Africa

Tel +27 (0) 11 370 5000

Fax +27 (0) 11 688 5200

[santamholders@computershare.co.za](mailto:santamholders@computershare.co.za)

## Non-executive directors

Mmaboshadi Chauke\*, Caroline da Silva\*, Monwabisi Fandeso (*LID*)\*, Paul Hanratty, Deborah Loxton\*, Lotz Mahlangu, Nombulelo Moholi (*Chair*)\*, Abigail Mukhuba, Junior Ngulube, Preston Speckmann\* and Lucia Swartz\*

## Executive directors

Tavaziva Madzinga (*Group Chief Executive Officer*) and Wikus Olivier (*Group Finance Director*)

## Group Company Secretary

Ruwaida Eksteen

## Head: Strategy and Investor Relations

Thabiso Rulashe

## Report fraud

Fraud line (South Africa): 0860 600 767

Fraud line (Namibia): 0800 002 020

Fraud line SMS: 31640

WhatsApp: +27 76 921 3347

Email: [forensic.services@santam.co.za](mailto:forensic.services@santam.co.za)

\* Independent non-executive director



# FORM OF PROXY

FOR THE ANNUAL GENERAL MEETING OF SANTAM SHAREHOLDERS: 28 MAY 2024

## SANTAM LTD

(Incorporated in the Republic of South Africa)

(Registration number: 1918/001680/06)

LEI: 37890092DC55C7D94B35

ISIN: ZAE000093779

JSE share code: SNT

NSX share code: SNM

A2X share code: SNT

Debt company code: BISAN

("Santam" or "the Company")

To be used by ordinary shareholders holding share certificates or own-name dematerialised shareholders or shareholders holding their Santam ordinary shares through a Central Securities Depository Participant (CSDP), bank or broker nominee wishing to appoint a proxy to act on their behalf at the annual general meeting (AGM) of shareholders of Santam ("Santam shareholders" or "shareholders") to be held entirely by electronic communication at **14:00 SA time on Tuesday, 28 May 2024** ("the meeting") and at any adjournment or postponement thereof. The meeting will start promptly at 14:00 due to the electronic voting system to be used. Late registrations will not be allowed. Shareholders are also referred to the notes overleaf.

I/We, the addressee(s) above, hereby appoint: \_\_\_\_\_

1. \_\_\_\_\_ or failing him/her

2. \_\_\_\_\_ or failing him/her

### 3. the Chair of the Meeting

as my/our proxy to act for me/us and on my/our behalf at the meeting and at any adjournment or postponement thereof, for purposes of considering and, if approved, passing, with or without modification, the resolutions to be proposed thereat and to vote for or against such resolutions or abstain from voting in respect of the shares registered in my/our name as follows:

Please indicate with an "X" the instructions to your proxy in the spaces provided below. In the absence of such indication, the proxy will be entitled to exercise his/her own discretion in voting. (Also refer to the notes overleaf included in this form of proxy.)

RESOLUTIONS		For	Against	Abstain
1	<b>Ordinary resolution number 1:</b> To appoint KPMG as the independent external auditor for the 2024 financial year.			
2	<b>Ordinary resolution number 2:</b> To confirm the appointment of the following additional directors:			
	2.1 Ms Lucia Swartz (independent non-executive director)			
	2.2 Mr Wikus Olivier (executive director)			
3	<b>Ordinary resolution number 3:</b> To individually re-elect the following non-executive directors who are retiring by rotation:			
	3.1 Ms Deborah Loxton (independent non-executive director)			
	3.2 Ms Mmaboshadi Chauke (independent non-executive director)			
	3.3 Mr Paul Hanratty (non-executive director)			
	3.4 Ms Abigail Mukhuba (non-executive director)			
4	<b>Ordinary resolution number 4:</b> To individually elect and reappoint the following independent non-executive directors of the Company as members of the Audit Committee:			
	4.1 Mr Preston Speckmann (independent non-executive director)			
	4.2 Mr Monwabisi Fandeso (independent non-executive director)			
	4.3 Ms Deborah Loxton (independent non-executive director)			
	4.4 Ms Mmaboshadi Chauke (independent non-executive director)			



# FORM OF PROXY

FOR THE ANNUAL GENERAL MEETING OF SANTAM SHAREHOLDERS: 28 MAY 2024

## SANTAM LTD

(Incorporated in the Republic of South Africa)

(Registration number: 1918/001680/06)

LEI: 37890092DC55C7D94B35

ISIN: ZAE000093779

JSE share code: SNT

NGX share code: SNM

A2X share code: SNT

Debt company code: BISAN

("Santam" or "the Company")

Please indicate with an "X" the instructions to your proxy in the spaces provided below. In the absence of such indication, the proxy will be entitled to exercise his/her own discretion in voting. (Also refer to the notes overleaf included in this form of proxy.)

RESOLUTIONS		For	Against	Abstain
<b>5</b>	<b>Ordinary resolution number 5:</b> To cast a non-binding advisory vote on the Company's Remuneration Policy and its Remuneration Implementation Report			
5.1	Non-binding advisory vote on the Company's Remuneration Policy			
5.2	Non-binding advisory vote on the Company's Remuneration Implementation Report			
<b>6</b>	<b>Ordinary resolution number 6:</b> To place unissued shares under the control of the directors			
<b>7</b>	<b>Ordinary resolution number 7:</b> To grant to the directors the general authority to issue shares for cash			
<b>8</b>	<b>Ordinary resolution number 8:</b> To authorise any director of the Company and, where applicable, the Group Company Secretary, to implement the aforesaid ordinary and undermentioned special resolutions			
<b>A</b>	<b>Special resolution number 1:</b> To approve the remuneration of the non-executive directors of the Company for their services for the period 1 July 2024 to 30 June 2025			
<b>B</b>	<b>Special resolution number 2:</b> To grant authority to the Company or a subsidiary of the Company to acquire the Company's shares			
<b>C</b>	<b>Special resolution number 3:</b> To grant a general authority to provide financial assistance in terms of section 44 of the Companies Act			
<b>D</b>	<b>Special resolution number 4:</b> To grant a general authority to provide financial assistance in terms of section 45 of the Companies Act			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2024

Signature(s) \_\_\_\_\_ Assisted by (where applicable) \_\_\_\_\_

State capacity and name(s) when signing in representative or assisting capacity \_\_\_\_\_

Telephone number (daytime) \_\_\_\_\_ Email address \_\_\_\_\_

Each Santam shareholder is entitled to appoint a proxy (who need not be a shareholder of the company) to participate in, attend, speak and vote at the meeting, in place of such Santam shareholder.



## NOTES:

1. A proxy does not need to be a shareholder of the Company.
2. A shareholder may insert the name of 1 (one) or 2 (two) alternative proxies of his/her own choice in the space provided herein, with or without deleting the words "the Chair of the meeting". The shareholder and, if applicable, the person assisting the signatory must initial any such deletion. The person whose name appears first on the form of proxy and has not been deleted, and who is present at the meeting, will be entitled to act as proxy to the exclusion of those whose names follow.
3. Any alteration or correction must be initialled by the signatory and, if applicable, the person duly authorised to assist the signatory.
4. The Chair of the meeting may accept any form of proxy, provided that the Chair is satisfied as to the manner in which the shareholder concerned wishes to vote.
5. A copy of the power of attorney or such other documentary evidence, duly certified by a notary, establishing the authority of a person **signing this form of proxy in a representative capacity**, must be attached to this form, unless previously recorded by the Transfer Secretaries or waived by the Chair of the meeting. No further authorisation is therefore needed for such a shareholder to sign the form of proxy.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the meeting and/or speaking and voting in person thereat to the exclusion of any proxy appointed in terms of this form of proxy, should such shareholder wish to do so.
7. **Duly completed forms of proxy** must be lodged with or posted to the Company's Transfer Secretaries, namely Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold 2132) or it can be emailed to proxy@computershare.co.za. The said **form of proxy must be received by the Transfer Secretaries no later than 14:00 on Monday, 27 May 2024**. However, shareholders are entitled to vote up until **14:00 SA time on Tuesday, 28 May 2024**. The earlier deadline is applicable from an administrative perspective to process the votes accordingly.
8. **The meeting will start promptly at 14:00 SA time on Tuesday, 28 May 2024** due to the electronic voting system used. Late registrations will, therefore, not be allowed.
9. Where shares are held jointly, any one of such holders may sign a form of proxy as if such holder was solely entitled thereto, but if more than one such joint holder lodge a form of proxy, the proxy of that one of the said persons whose name appears first in the Company's share register will be accepted.
10. A minor must be assisted by his/her parent or legal guardian unless the relevant documents establishing his/her legal capacity are produced and have been registered by the Transfer Secretaries.
11. Every shareholder, every proxy or duly authorised representative representing shareholders will each have only one vote, irrespective of the number of shareholders or shares he/she represents or holds.
12. On a poll, every shareholder present in person or represented by proxy, or a duly authorised representative, will each have one vote for every share held by such shareholder.
13. A resolution put to the vote will be decided on a show of hands unless, before or on the declaration of the results of the show of hands, a poll is demanded by any person entitled to vote at the meeting. If a poll is demanded, the resolution put to the vote will be decided on a poll.
14. Santam's existing memorandum of incorporation provides for an electronic voting process.

# Notes

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# Annexure 1: Summary consolidated financial statements

## FINANCIAL AND OPERATIONAL REVIEW

### KEY FEATURES

- Santam's strong brand and diversification provided resilience amid challenging operating conditions
- Net income attributable to equity holders up 64%
- Return on capital of 28.5% exceeds hurdle rate
- Robust growth in net earned premiums reflects the strength of the Santam brand and distribution channels
- MiWay growth accelerating – solid progress with new strategic initiatives
- Underwriting actions yielding positive results
  - » A turnaround in the profitability of motor book – claims inflation and high-value vehicle theft successfully managed
  - » Power surge losses mitigated
- Exceptional underwriting performance by Specialist Solutions
- Conventional underwriting margin below target range due to adverse claims experience
- Strong investment returns earned on float and capital portfolios

### EXECUTIVE SUMMARY

The Group achieved a resilient performance in 2023 under challenging operating conditions. Our diversification across market segments, insurance classes and geographies enabled us to grow shareholder value in excess of our 24% hurdle rate. Our ability to demonstrate resilience is a testament to our business' core strength – we have a solid legacy and a consistent, proven record of sustainable value creation. We have faced extraordinary headwinds over the past number of years, and despite these, we have proven to be a resilient business, managing to achieve superior performance. This consistency makes us a trusted, reliable brand, able to deliver to the expectations of our diverse stakeholders.

We faced several challenges in 2022 that placed pressure on our growth prospects and underwriting results. We recognised that most of these conditions would persist into 2023, which eventually turned out even more challenging than we anticipated:

- The overall operating environment was not conducive to insurance growth. Weak economic growth in South Africa, our largest market, dented any prospects of a meaningful improvement in employment levels. Consumer disposable income also remained under pressure despite recent easing in inflation
- Adverse rainfall conditions drove high claims frequency in the first quarter of 2023, followed by two severe flooding events in the Western Cape province in June and September. The Türkiye earthquake in the first half of the year and hail in Gauteng during November contributed further to the losses from natural events
- Continuous electricity supply disruptions outpaced past experience by a significant margin, increasing the risk of losses from power surge claims
- Claims inflation also remained elevated, exacerbated by a weak Rand exchange rate
- The cost of reinsurance increased substantially following the significant losses experienced globally and in the South African market since 2020

We responded through several strategic and operational measures to navigate these conditions.

We refreshed the FutureFit strategy at the end of 2022, going live with a new omni-channel operating model on 1 January 2023. The Commercial and Personal multi-channel business was restructured into three business units to focus on the distribution channels where we interact directly with clients (Client Solutions), through brokers (Broker Solutions) and partnerships (Partner Solutions). The other client-facing businesses – MiWay, Specialist Solutions and Santam Re continue to provide growth and diversification benefits. These business units remain part of conventional insurance for segmental reporting purposes. The new operating model provided an immediate focus that enhanced our ability to weather the challenges.









Being a data-driven organisation is a key strategic enabler of the refreshed FutureFit strategy. We made good progress in driving value through better use of data, with several data-based use cases in the implementation phase. Among these is an expansion of our geocoding initiative, which creates a comprehensive risk-based view of property locations in South Africa. We gained significant traction in implementing geocoding, with approximately 86% of the core property book covered to date. We have seen the benefits with several losses avoided during the Western Cape floods through risk-mitigating actions we took in response to the geocoding initiative.

We continue to drive diversified growth, evidenced by a substantial profit contribution from the Specialist Solutions business that provided welcome relief to the adverse claims experience in the Broker Solutions, Client Solutions and Santam Re businesses.

We implemented several underwriting actions in response to the 2022 claims experience, including enhanced risk assessments in underwriting, segmented premium increases, changes to excess amounts and enhanced security requirements for high-risk vehicles. These actions are yielding positive results, with a marked turnaround in the profitability of the motor book and mitigation of power surge losses. The latter remains an insurable peril and an important value proposition for our clients.

We increased property rates as part of the management actions to date. However, the weather and fire-related claims experience in 2023 indicate that premiums, risk mitigation and surveying are not yet appropriate due to continued poor experience in this class of business.

These measures contributed positively to our financial performance in 2023.

Performance measure	Long-term goal	2023 performance	Rating
Growth in size of book	CPI + GDP + 1 to 2% (7.5% – 8.5% for 2023)	Gross written premium (GWP): 5.5% (9% excluding cancelled business)  Net earned premium (NEP): 5.8% (9% excluding cancelled business)	
Net underwriting margin	5% – 10%	3.5%	
Diversification			
• International	>20% by 2030	16%	
• Direct	>30% by 2030	17%	
Return on capital	24%	28.5%	
Dividend growth	In line with GWP (5.5% for 2023)	7%	
Capital coverage ratio	145% – 165%	155%	

Excluding large one-off items, an underwriting margin of 8.4% was achieved, which exceeds the comparable 6.0% in 2022. Investment market conditions were more favourable than in 2022, which, together with an outperformance of benchmarks, contributed to a return on insurance funds of 2.6% of net earned premiums compared to 1.2% in 2022. The 2023 net insurance margin of 6.1% compares to a margin of 6.3% in 2022.

The Alternative Risk Transfer (ART) businesses reported excellent operating results, supported by solid growth in fee income and positive investment and underwriting results.

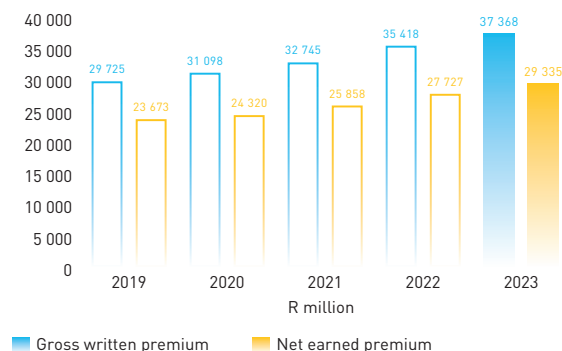
The adoption of IFRS 17 *Insurance contracts* (IFRS 17) did not have a material impact on the group's results. It also does not affect the group's key performance indicators and operational management.

## BUSINESS VOLUMES

NEP, a key indicator of the size of business retained, for Conventional insurance business increased by 5.8%. Risk management actions taken during the year had a negative impact of R579 million on the growth in NEP. These included pruning underperforming business at Santam Re and Broker Solutions, limiting concentration risk in selected portfolios and the non-renewal of business at Emerald that were inappropriately priced by the market. Excluding the impact of these actions, NEP grew by 8%. The risk management actions align with our strategic focus on enhancing shareholder value through profitable growth. We are prepared to lose premium volumes if we believe the business is unlikely to meet our return hurdles.

GWP, an indicator of the size of the business written before reinsurance, increased by 6% and by 9%, excluding the impact of the risk management actions highlighted above.

### CONVENTIONAL BUSINESS VOLUMES



#### By business unit

Broker Solutions, our most mature business, achieved good growth and realised the targeted premium increases in response to high claims inflation and frequency.

Client Solutions recorded acceptable growth, albeit lower than expectations. The business remained focused on managing the quality of business written.

The launch of new business through the MTN partnership resulted in a substantial increase in Partner Solutions' contribution from a low base. 151 339 policies, well in excess of initial expectations, have been sold since launch in April 2023 at attractive underwriting margins.

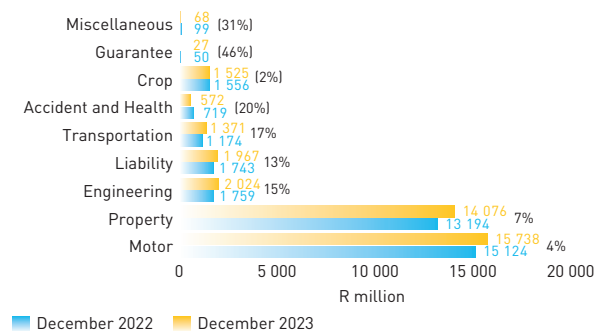


MiWay's monthly growth almost doubled towards the end of the year compared to the first-half 2023 results, ending at an increase of 5% for the full year. Commercial and value-added services continue to perform well, supported by an acceleration in personal lines sales. MiWay's focus on addressing all of the key pressure points, namely rejected debit orders, quote volumes, conversions, and average premiums, are yielding positive results. The new strategic initiatives (tied agency for commercial business and inbound marketing strategy) contributed to the growth.

Specialist Solutions achieved satisfactory overall growth. The impact of a high comparative base at Agri and the non-renewal of business at Emerald largely offset solid growth at the other business units.

Santam Re's cancellation of non-profitable business resulted in a decline in its contribution.

### By insurance class



The motor class recorded a growth of 4% in GWP. Double-digit growth from Broker Solutions' broker services distribution channel was partly offset by muted growth at MiWay and Outsourced Business and the cancellation of non-profitable business. Excluding the latter, the motor class grew by 7%.

GWP in the property class grew by 7%, attributable to solid growth at Santam Re and Broker Solutions. Specialist Solutions' volumes declined by 8% following the non-renewal of business at Emerald. Excluding cancelled business, property volumes grew by 11%.

The engineering class achieved excellent growth of 15%, recovering well from 2022 due to solid growth at Santam Re and new business at Mirabilis from outside South Africa.

Transportation GWP increased by 17%, with Santam Re and the Specialist Solutions business being the main contributors.

The liability class also performed well, supported by the Specialist Solutions businesses and Santam Re.

### Geographical analysis

South Africa remains the most significant contributor to GWP at 84% (2022: 85%), with GWP from this market increasing in line with inflation by 5% to R31.5 billion (2022: R30 billion). GWP from outside South Africa, written on the Santam Ltd and Santam Namibia Ltd licences, made up 16% (2022: 15%) of total GWP and grew by 7% to R5.8 billion (2022: R5.5 billion). Growth in the proportion of business written outside of South Africa was hampered by the cancelled business at Santam Re.

Our collaboration with Sanlam Pan-Africa (SPA) across the African continent in specialist business continues to yield positive results, with excellent GWP growth of 43% to R822 million (2022: R574 million), following solid growth achieved in the engineering and marine businesses.

## EARNINGS

	2023 R million	2022 R million	Variance
Conventional	2 910	2 328	25%
Net insurance result	1 790	1 743	3%
Investment return on capital	1 120	585	91%
Net income ART	516	368	40%
Associated companies	786	54	>100%
Amortisation and other	(113)	(24)	<(100%)
Income before tax and non-controlling interests	4 099	2 726	50%
Tax and non-controlling interests	(849)	(746)	(14%)
<b>Net income</b>	<b>3 250</b>	<b>1 980</b>	<b>64%</b>

### Conventional insurance

	2023 R million	% of NEP	2022 R million	% of NEP
<b>Gross written premium</b>	<b>37 368</b>		35 418	
Net earned premium	29 335	100.0	27 727	100.0
Claims incurred	19 420	66.2	18 030	65.0
Acquisition cost	8 884	30.3	8 295	29.9
Commission	4 049	13.8	3 860	13.9
Management expenses	4 835	16.5	4 435	16.0
<b>Underwriting result</b>	<b>1 031</b>	<b>3.5</b>	1 402	5.1
Investment return on insurance funds	759	2.6	341	1.2
<b>Net insurance result</b>	<b>1 790</b>	<b>6.1</b>	1 743	6.3
Combined ratio		<b>96.5</b>		94.9

Net income increased by 64%, benefitting from solid growth in ART earnings, favourable investment return earned across all fixed-interest portfolios, profit realised on the disposal of the group's interest in SAN JV and a revaluation of the economic interest held in Shriram General Insurance in India.

#### *Underwriting result*

Underwriting profit declined by 26% at a margin of 3.5% for 2023 compared to 5.1% in 2022.

Several large items impacted the comparability of the results:

- Claims from the Western Cape floods and the hail storm in Gauteng amounted to R403 million and R180 million, respectively
- Santam Re's performance was severely impacted by run-off losses in respect of the cancelled motor business (R401 million) (2022: R115 million) and exposure to the Türkiye earthquakes (R150 million). The remainder of the Santam Re book delivered a satisfactory performance despite some flooding claims in Australia and China
- Fire claims remain a concern, negatively impacting the profitability of the property class of business. Losses in excess of R20 million, predominantly related to fire claims, amounted to R422 million in 2023 compared to R388 million in 2022. This is a particular area of focus in 2024
- Reinstatement premiums of R85 million were incurred in 2023 with respect to large claims compared to R100 million in the comparative 2022 period (excluding the KZN flooding).
- The comparative period of 2022 included net losses from the KZN flooding of R567 million (including reinstatement premiums related thereto)
- COVID-19-related CBI reserves of R215 million were released in 2023, compared to R714 million in 2022. The release of reserves is mainly attributable to the actual claims being lower than initial estimates. The current estimate of Santam's gross liability for open CBI claims at 31 December 2023 is R158 million, which is mostly covered by reinsurance. No significant uncertainty remains in respect of the outstanding claims. As a result, we do not anticipate any further reserve releases

Adjusting for these, an underwriting margin of 8.4% was achieved compared to 6% in 2022. This improvement reflects the positive impact of the underwriting actions taken since the second half of 2022, as referred to above. We remain focused on the implementation of underwriting actions in response to the increase in frequency and severity of natural and fire-related losses. These include segmented premium and excess increases, more stringent limits on concentration risk, enhanced surveying, utilisation of reinsurance and co-insurance, and accelerated roll-out of the geocoding initiative.

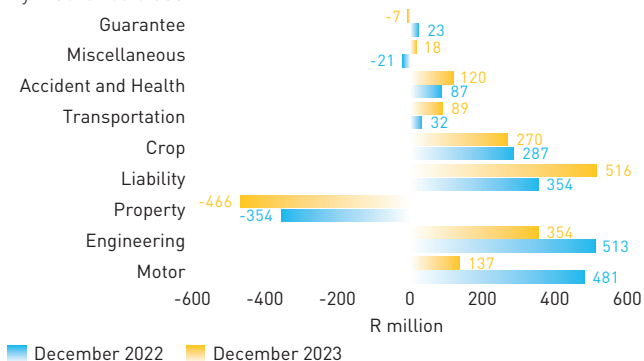
#### By business unit

Broker Solutions and Client Solutions were most significantly impacted by the weather-related attritional losses in the first quarter of 2023, the Western Cape flooding and the increase in the frequency and severity of fire claims. This was offset by an exceptional underwriting result from Specialist Solutions that exceeded the high base in 2022. Specialist Solutions benefitted in 2022 from a particularly benign claims environment at Agri, a relatively higher release of CBI reserves and positive claims development in the liability and engineering classes. Most lines of business experienced a lower frequency of large claims in 2023.

MiWay recorded a loss ratio of 59% (2022: 60%) and an underwriting profit of R168 million (2022: R254 million). Underwriting actions, which included claim efficiencies, segmented premium increases and adjusted risk covers, showed positive results. This was, however, offset by exposure to the Western Cape floods and the hail in Gauteng, as well as the investment in strategic initiatives. In addition, 2022 benefitted from lower employee variable incentive costs.

Santam Re reported an underwriting loss, negatively impacted by the losses highlighted above.

## By insurance class



The motor book showed a strong recovery following the implementation of the underwriting actions highlighted above, with profit from this line of business increasing by 5%, excluding the run-off losses in Santam Re of R401 million (2022: R115 million) and the November Gauteng motor hail claims of R89 million.

The weather and fire-related claims negatively impacted the underwriting result of the property class, which was, to some extent, offset by the release of the CBI claims provision. The property class, however, remained unprofitable.

Engineering delivered strong underwriting results, albeit lower than the comparative period in 2022, which benefitted from positive claim estimate adjustments.

The liability class continued to deliver favourable underwriting results with limited adverse claims development and a low frequency of large claims. The comparable period included positive claim estimate adjustments.

Transportation recovered well compared to 2022 when it experienced underwriting losses in the marine business from the KZN flooding.

Crop reported good results but declined from 2022. The comparable period benefitted from a remarkably benign claims environment.

## Expense management

The net acquisition cost ratio increased marginally to 30.3% (2022: 29.9%), with the net commission ratio at 13.8% compared to 13.9% in 2022.

The management expense ratio remained well-controlled at 16.5% (2022: 16.0%) on the back of continued focused cost containment efforts. The management expense ratio declined compared to 2022, excluding the positive impact of lower variable incentive costs in the comparable period.

## Investment return on insurance funds

The investment return on insurance funds of 2.6% (2022: 1.2%) of net earned premium improved significantly, benefiting from strong returns on local and global fixed-income investments compared to lacklustre overall returns in the comparable period, particularly the first half of 2022. Volatility in fixed-interest markets subsided somewhat in 2023, with global returns also benefitting from a weaker Rand exchange rate.

### *Investment return on capital*

Investment return on capital increased from R585 million in 2022 to R1.1 billion in 2023. This is mainly attributable to improved investment market performance, with unrealised fair value adjustments on equities and bonds turning around from a net loss in 2022 to a net gain in 2023. Investment return includes foreign exchange gains of R254 million (2022: R229 million) following a weaker Rand and an upward revaluation of the target shares of R433 million (2022: R346 million including the special dividend of R217 million received in respect of the KKR corporate action). The revaluation of the target shares in 2023 relates almost entirely to SGI and reflects an improved operational performance and prospects for the business, as well as foreign exchange gains. All key investment portfolios outperformed benchmarks, apart from equities, where the value bias resulted in some underperformance.

### Alternative Risk Transfer business

The ART business reported strong profits of R516 million (2022: R368 million), which is the combination of 33% growth in operating earnings to R443 million (2022: R332 million) and 103% growth in investment return earned on capital to R73 million (2022: R36 million). Good growth was experienced across all main income lines (fee income, investment margin and underwriting margins), reflecting increased business under administration and improved investment return earned on assets under management.

### India/Malaysia general insurance businesses

Santam's share of the Insurance revenue of SGI in India and Pacific & Orient Insurance Co. Berhad (P&O) in Malaysia increased by 31%. SGI's contribution increased by 41%, with solid growth from the Shriram Group and digital distribution channels. P&O continued to face significant competitive pricing in the market, depressing its contribution.

Net insurance results increased by 31%, supported by 35% growth at SGI. The SGI performance benefitted from book growth and reserve releases due to better-than-expected claims experience following good claims management.

## **CORPORATE TRANSACTIONS**

We received Competition Tribunal approval during the period to acquire the MTN device insurance book in South Africa. The transaction is part of the broader strategic alliance between Santam and MTN through aYo Holdings Limited, the MTN Group's InsurTech platform. This enabled us to commence writing new device insurance business through this arrangement during April 2023. Initial sales volumes are very promising.

The transfer of the in-force book of business received regulatory approval in December 2023. This part of the transaction is unconditional with an effective transfer date of 1 January 2024. This will add 340 000 policies to the Santam licence and an annualised GWP of R390 million on the transition date. Santam's net capital outlay for the acquisition will amount to approximately R59 million. The profit share arrangement allows for good margin retention in line with our return on capital hurdle rate for this business.

On 4 May 2022, we announced that we entered into an agreement with Allianz, in which Santam would dispose of its 10% interest in SAN JV to Allianz. The transaction closed in the second half of 2023, with disposal proceeds of some R2.6 billion received in September. On the same date, we also entered into a 12-month zero-cost collar of EUR125 million to protect the SAN JV sale proceeds from the Rand strengthening against the Euro. The structure provided full downside protection below a EUR/ZAR exchange rate of R16.66 and entitled us to share in Rand weakness against the Euro up to a cap of R19.16. The structure expired on 4 May 2023 at a negative fair value of R122 million, of which R35 million was recognised directly in equity in the 2022 financial statements in terms of hedge accounting requirements. This hedge accounting reserve has been recycled to the Statement of Comprehensive Income in 2023 to recognise the cumulative R122 million fair value loss as part of the profit on disposal of the investment.

The zero-cost collar was replaced with a forward exchange contract (FEC) on 4 May 2023, based on a notional amount of EUR125 million with cover up to 2 October 2023. The expiry date of the FEC was accelerated to align with the transaction closing date. The FEC rate at closing was broadly in line with the spot exchange rate.

## CAPITAL MANAGEMENT

### Capital management philosophy

The group's capital management philosophy remains focused on maximising return on shareholders' capital within an appropriate risk management framework that protects policyholder security. Aligned with this philosophy, return on capital is a key management performance indicator, which is also integrated into the vesting conditions of the group's short- and long-term incentive schemes.

Optimising return on capital over the long term requires the consideration and balancing of a number of factors that impact the amount of required capital as well as the expected future return, including but not limited to:

- Regulatory capital requirements set by the Prudential Authority in terms of the Solvency Assessment and Management (SAM) regime in South Africa
- The internal economic capital requirement, which is determined through the application of the group's Internal Capital Model
- The group risk appetite, which sets limits for, among others, earnings volatility and a target solvency range
- The utilisation of different sources of capital, including shareholders' equity and subordinated debt
- Strategic asset allocation within the investment portfolios, including the expected future returns on the various asset classes
- The mix of insurance business
- Counter-party exposure
- Reinsurance programmes

All of these factors are actively managed under the guidance of the Santam board and its investment committee. Santam targets a threshold return on capital of 24% over the long term.

Capital is allocated to the various businesses based on their mix of business, with the return on capital of each business and insurance class measured against the applicable threshold hurdle rate.

Carrying excess capital on the balance sheet is suboptimal as the threshold hurdle rate is well in excess of the expected investment return to be earned on the capital portfolio over the longer term. After allowing for potential corporate transactions, capital in excess of the group's requirements is commensurately returned to shareholders.

### Capital management actions during the year and economic solvency

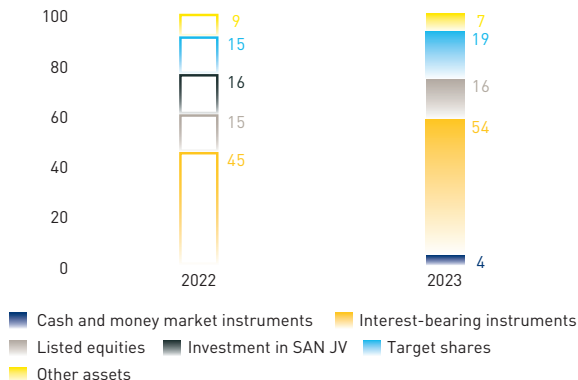
On 6 April 2023, Santam Limited issued additional five-year unsecured subordinated callable floating rate notes of R1 billion. The effective interest rate for the floating rate notes is equivalent to the three-month JIBAR plus a spread of 150 basis points. The notes have a maturity date of 6 April 2028. Santam also redeemed subordinated fixed rate notes issued in April 2016 of R500 million (with an effective interest rate of 11.77%), which became callable on 12 April 2023. The issued subordinated notes commensurately increased to R3 billion.

The board declared an interim dividend of 495 cents per ordinary share in August 2023, based on the group's solvency position at the time.

The disposal of the group's interest in SAN JV increased the group's capital coverage ratio in excess of the target range. The board commensurately declared a special dividend of 1 780 cents per ordinary share (total special dividend of approximately R2 billion) in September 2023 out of the disposal proceeds in line with the philosophy to return excess capital to shareholders.

The group and all of its principal subsidiaries remain well-capitalised. Based on the internal model, the group economic capital requirement at 31 December 2023 amounted to R8.8 billion (December 2022: R8.6 billion) compared to the actual capital of R13.7 billion (December 2022: R13.4 billion). This equates to an economic capital coverage ratio of 155% (December 2022: 156%), at the midpoint of the capital target range of 145% to 165%. Santam Limited, the primary operating entity, had an economic capital coverage ratio of 151% at 31 December 2023 and a regulatory capital coverage ratio of 178%, well above the risk appetite levels.

## SHAREHOLDERS' FUND ASSET MIX (%)



### Dividend

The group's ordinary dividend policy aims to achieve stable dividend growth in line with longer term sustainable business growth while maintaining the group solvency ratio within the target range. Special dividends are considered when the group solvency ratio is expected to exceed the upper end of the target range over the medium to long term after allowing for any potential corporate transactions under consideration.

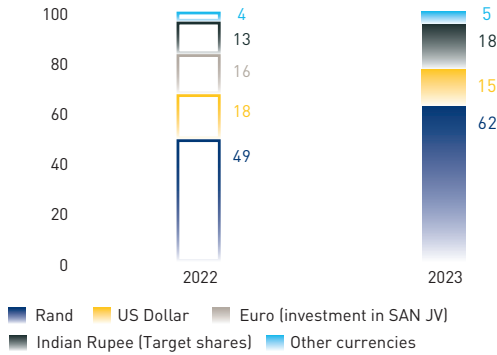
Given the group's sound solvency position at 31 December 2023, the board approved a final ordinary dividend of 905 cents per ordinary share in respect of the 2023 financial year, an increase of 7.1% on the final dividend of 845 cents declared in respect of the 2022 financial year.

Together with the interim dividend for the six months ended 30 June 2023 of 495 cents (June 2022: 462 cents), the total ordinary dividends declared in respect of the 2023 financial year amount to 1 400 cents per ordinary share, an increase of 7.1% on the total ordinary dividends of 1 307 cents declared in respect of the 2022 financial year. Including the special dividend of 1 780 cents declared in September 2023, total distributions to shareholders in respect of 2023 amount to 3 180 cents per ordinary share.

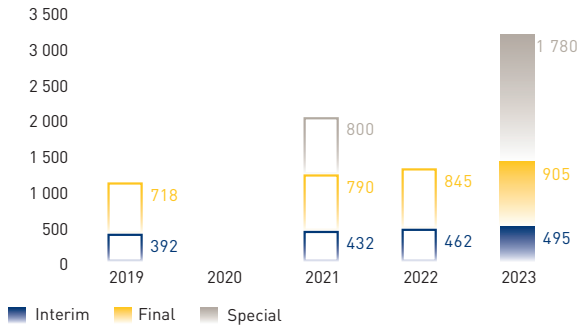
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No significant changes were made to the strategic asset allocation of the key investment portfolios. Therefore, the asset class and currency composition of the shareholder's fund at 31 December 2023 remained broadly in line with 2022.

## SHAREHOLDERS' FUND CURRENCY MIX (%)



## DIVIDENDS PER SHARE (CENTS)



## PROSPECTS

General operating conditions are not expected to improve markedly in 2024. Economic growth and employment levels will remain under pressure in South Africa, our main market, given structural limitations, in particular electricity supply and transport constraints that place severe pressure on economic activity and investor confidence. The joint effort between the government and the private sector to resolve these impediments provides some positive sentiment.

Personal disposable income should find some relief as both inflation and monetary interest rates have peaked by all indications. A decline in interest rates in the medium term will be supportive of GWP and NEP growth prospects.

We, however, remain confident in the group's prospects and the potential to deliver enhanced growth and profitability. The management actions in response to natural and fire-related losses will be a key contributor.

Investment markets are likely to remain volatile, especially in the context of escalating geopolitical risk. The non-Rand-denominated investments expose the group to foreign currency volatility but also provide a hedge against a weakening Rand's operational impact.



## ADOPTION OF IFRS 17

The group retrospectively applied the IFRS 17 *Insurance contracts* standard from 1 January 2023 and restated comparatives for the 2022 financial period. The key impacts on the group's results are as follows:

### Conventional business

- The underwriting result for conventional business under IFRS 17 is R100 million higher than IFRS 4 for the 2023 financial year (2022: R13 million). This primarily relates to the treatment of risk-attaching reinsurance contracts – under IFRS 17, the reinsurance cost is spread over the coverage period of the underlying risk compared to IFRS 4, where the reinsurance cost was spread over the reinsurance contract period.
- The claims incurred liability benefits from the impact of discounting under IFRS 17, especially with respect to the longer-tailed business (e.g. liability), compared to IFRS 4, where the claims reserves were not discounted. However, this is largely offset by the accretion of interest, which represents the unwinding of discounting recognised in prior periods.
- Reinstatement premiums are recognised as a claims expense under IFRS 17 compared to a reduction in net earned premium under IFRS 4. This results in an increase in net earned premium for segmental reporting purposes, with a corresponding increase in net claims incurred. This impact is particularly pronounced for the 2022 comparative period when the group incurred reinstatement premiums of R481 million (mainly relating to the KZN flood losses) compared to R85 million in 2023.
- All binder fees were recognised in administration costs under IFRS 4, whereas the component relating to sales activity is recognised in commission expenses under IFRS 17. This increases the commission ratio, with a corresponding decline in the management expense ratio for segmental reporting purposes.

A comparison of the key management performance ratios for conventional business is as follows:

	2023				2022			
	IFRS 17 R million	%	IFRS 4 R million	%	IFRS 17 R million	%	IFRS 4 R million	%
<b>NET INSURANCE RESULT</b>								
Net earned premiums	29 335	100.0	29 188	100.0	27 727	100.0	27 221	100.0
Claims incurred	19 420	66.2	19 370	66.4	18 030	65.0	17 588	64.6
Cost of acquisition	8 884	30.3	8 887	30.4	8 295	29.9	8 244	30.3
Commissions	4 049	13.8	3 910	13.4	3 860	13.9	3 661	13.5
Expenses	4 835	16.5	4 977	17.0	4 435	16.0	4 583	16.8
<b>Underwriting result</b>	<b>1 031</b>	<b>3.5</b>	<b>931</b>	<b>3.2</b>	1 402	5.1	1 389	5.1
Investment return on insurance funds	759	2.6	759	2.6	341	1.2	341	1.3
<b>Net insurance result</b>	<b>1 790</b>	<b>6.1</b>	<b>1 690</b>	<b>5.8</b>	1 743	6.3	1 730	6.4

We continue to disclose gross written premium (GWP) and net earned premium (NEP) as additional information in line with past practice. It should be noted that GWP and NEP are not metrics reported under IFRS but management performance metrics, which are reconciled to IFRS 17 insurance revenue in the segmental information.

### Alternative Risk Transfer business

The impact of the introduction of IFRS 17 on the Alternative Risk Transfer (ART) business is immaterial.

Net profit attributable to equity holders of the company

Net profit attributable to equity holders is R88 million higher under IFRS 17 than IFRS 4 for the 2023 financial year (2022: R10 million lower).

Net profit attributable to equity holders under IFRS 17 compares as follows to those prepared under IFRS 4:

	2023			2022		
	IFRS 17 R million	IFRS 4 R million	Diff %	IFRS 17 R million	IFRS 4 R million	Diff %
<b>Net insurance result</b>	<b>1 790</b>	<b>1 690</b>	<b>6</b>	1 743	1 730	1
Alternative risk transfer	516	516	–	368	390	(6)
Income from associated companies	786	786	–	54	54	–
Investment income	1 120	1 120	–	585	585	–
Amortisation of intangible assets	(31)	(31)	–	(23)	(23)	–
Other income and expenses	(82)	(82)	–	(1)	(2)	(50)
<b>Income before tax</b>	<b>4 099</b>	<b>3 999</b>	<b>3</b>	2 726	2 734	–
Taxation	(716)	(712)	1	(649)	(645)	1
<b>Income after tax</b>	<b>3 383</b>	<b>3 287</b>	<b>3</b>	2 077	2 089	(1)
Minority shareholders interest	(133)	(125)	6	(97)	(99)	(2)
<b>Net profit attributable to equity holders</b>	<b>3 250</b>	<b>3 162</b>	<b>3</b>	1 980	1 990	(1)

## EVENTS AFTER THE REPORTING PERIOD

In 2023, the company purchased MTN's device insurance book for R59 million. The transaction was subject to regulatory approval, which was received and the transaction became effective in January 2024.

There have been no other material changes in the affairs or financial position of the group since the statement of financial position date.

## CHANGE IN DIRECTORS AND BOARD COMMITTEES

The following changes took place on the company's board of directors during the year:

**Ms CD da Silva** – An existing independent, non-executive director on the board, appointed as a member of the human resources and remuneration committee with effect from 1 June 2023, to enhance the skill set of the committee.

**Ms LA Swartz** – Appointed as an independent, non-executive director to the board (and as a member of the human resources and remuneration committee) with effect from 1 June 2023, to enhance the overall skill set of the board.

**Mr HD Nel** – Resigned as finance director, group CFO and executive director from the board (and as a member of the risk and investment committees) with effect from 30 June 2023, to take up the role of Executive Head: Corporate Finance at the Sanlam Group. In addition he also resigned as Santam's debt officer with effect from 30 June 2023.

**Mr ML Olivier** – Appointed as finance director, group CFO and executive director to the board (and as a member of the risk and investment committees) with effect from 1 July 2023, to succeed HD Nel. In addition he was also appointed as Santam's debt officer with effect from 1 July 2023.

**Ms MLD Marole** – Retired as an independent, non-executive director from the board due to her long-standing tenure on the board of directors (and as chairperson of the human resources and remuneration committee, as the chairperson of the social, ethics and sustainability committee and as a member of the nomination committee) with effect from 1 October 2023. Consequently, Ms LA Swartz was appointed as the chairperson of the human resources and remuneration committee, Ms CD da Silva was appointed as the chairperson of the social, ethics and sustainability committee and Mr MP Fandeso was appointed to the nominations committee.

## DECLARATION OF ORDINARY DIVIDEND (NUMBER 138)

Notice is hereby given that the board has declared a gross final cash dividend of 905 cents (2022: 845 cents) per ordinary share to those members registered on the record date, Friday, 22 March 2024.

The dividend has been declared from income reserves. A dividend withholding taxation of 20% will be applicable to all shareholders who are not exempt, with a net dividend of 724 cents per ordinary share payable to such shareholders.

JSE share code: SNT

ISIN: ZAE000093779

A2X share code: SNT

NSX share code: SNM

Bond company code: BISAN

Company registration number: 1918/001680/06

Company tax reference number: 9475/144/71/4

LEI: 37890092DC55C7D94B35

Gross cash dividend amount per share: 905 cents

Net dividend amount per share: 724 cents

Issued shares at 29 February 2024: 115 131 417

Declaration date: Thursday, 29 February 2024

Last day to trade cum dividend: Monday, 18 March 2024

Shares trade ex-dividend: Tuesday, 19 March 2024

Record date: Friday, 22 March 2024

Payment date: Monday, 25 March 2024

To allow for the dividend calculation, Santam's share register will be closed for all transfers, off-market transactions and dematerialisations or rematerialisations between Tuesday, 19 March 2024, and Friday, 22 March 2024, both days inclusive. In terms of the dividends tax legislation, the dividends tax amount due will be withheld and paid over to the South African Revenue Service (SARS) by a nominee company, stockbroker or Central Securities Depository Participant (CSDP) (collectively Regulated Intermediary) on behalf of shareholders. Shareholders should seek their own advice on the tax consequences associated with the dividend and are encouraged to ensure their records are up to date so that the correct withholding tax is applied to their dividend.

## PREPARATION AND PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

The preparation of the audited annual financial statements was supervised by the Group Chief Financial Officer of Santam Ltd, ML (Wikus) Olivier CA(SA).



**NT Moholi**  
Chair

28 February 2024



**TC Madzinga**  
Group Chief Executive Officer

# Independent auditor's report on the summary consolidated financial statements

## TO THE SHAREHOLDERS OF SANTAM LIMITED

### OPINION

The summary consolidated financial statements of Santam Limited, set out on pages 43 to 91 of the Santam Notice of Annual General Meeting 2024, which comprise the summary consolidated statement of financial position as at 31 December 2023, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Santam Limited for the year ended 31 December 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited's (JSE) requirements for summary financial statements, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

### SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

### THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 28 February 2024. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

### DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the JSE's requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

*PricewaterhouseCoopers Inc.*

**PricewaterhouseCoopers Inc.**

Director: C van den Heever

Registered Auditor

Cape Town, South Africa

7 March 2024

The examination of controls over the maintenance and integrity of the group's website is beyond the scope of the review of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

# Summary consolidated statement of financial position

	Notes	Audited as at 31 December 2023 R million	Restated <sup>1</sup> Audited as at 31 December 2022 R million	Restated <sup>1</sup> Audited as at 1 January 2022 R million
<b>ASSETS</b>				
		1 226	1 073	989
		877	640	702
		542	467	2 284
	7	2 030	1 596	1 691
		162	139	130
	7	43 748	36 069	31 188
	8	426	797	190
	8	10 087	14 005	13 980
	9.1	–	1 768	–
	7	2 739	2 615	1 792
		474	96	5
		4 819	5 387	4 496
<b>Total assets</b>		<b>67 130</b>	<b>64 652</b>	<b>57 447</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to the company's equity holders</b>				
		103	103	103
		(845)	(713)	(570)
		10	(63)	37
		11 424	11 537	11 807
		10 692	10 864	11 377
<b>Non-controlling interest</b>		<b>714</b>	<b>670</b>	<b>634</b>
<b>Total equity</b>		<b>11 406</b>	<b>11 534</b>	<b>12 011</b>
<b>LIABILITIES</b>				
		1 103	100	70
		824	669	764
	7	3 053	2 539	2 552
	7	6 286	5 214	3 798
	7	7	35	1
		690	739	926
		113	129	155
	8	34 650	36 221	30 896
	8	5 789	4 144	3 438
		141	139	188
	7	2 830	2 855	2 243
		238	334	405
<b>Total liabilities</b>		<b>55 724</b>	<b>53 118</b>	<b>45 436</b>
<b>Total shareholders' equity and liabilities</b>		<b>67 130</b>	<b>64 652</b>	<b>57 447</b>

<sup>1</sup> Comparative information was restated for the initial application of IFRS 17, in addition to a reclassification of accrued interest. Refer to note 2 for additional information.

# Summary consolidated statement of comprehensive income

	Notes	Audited Year ended 31 December 2023 R million	Restated <sup>1</sup> Audited Year ended 31 December 2022 R million
Insurance revenue		46 882	43 082
Insurance service expense		(37 230)	(38 694)
Net expense from reinsurance contracts held		(6 835)	(1 728)
<b>Insurance service result</b>		<b>2 817</b>	<b>2 660</b>
Finance expenses from insurance contracts issued		(1 980)	(1 245)
Finance (expense)/income from reinsurance contracts held		(66)	658
<b>Net insurance service result</b>		<b>771</b>	<b>2 073</b>
Interest income on amortised cost instruments	10	466	276
Interest income on fair value through income instruments	10	2 733	1 688
Other investment income	10	745	696
Net fair value gains/(losses) on financial assets and liabilities at fair value through income	10	746	(550)
Other revenue		464	387
Investment management services fees		(125)	(124)
<b>Net investment income and other revenue</b>		<b>5 029</b>	<b>2 373</b>
Other operating expenses		(722)	(521)
Investment return allocated to structured products		(497)	(208)
Amortisation and impairment of intangible assets		(77)	(105)
<b>Total other operating expenses</b>		<b>(1 296)</b>	<b>(834)</b>
<b>Results of operating activities</b>		<b>4 504</b>	<b>3 612</b>
Other finance costs		(438)	(323)
Net income from associates and joint ventures		81	68
Income tax recovered from structured products		258	126
<b>Profit before tax</b>		<b>4 405</b>	<b>3 483</b>
<b>Total tax expense</b>		<b>(1 727)</b>	<b>(1 392)</b>
Tax expense allocated to shareholders	11	(716)	(649)
Tax expense allocated to cell owners and structured products	11	(1 011)	(743)
<b>Profit from continuing operations</b>		<b>2 678</b>	<b>2 091</b>
Profit/(loss) from discontinued operations	9.2	705	(14)
<b>Profit for the year</b>		<b>3 383</b>	<b>2 077</b>
<b>Other comprehensive income, net of tax</b>			
Items that may subsequently be reclassified to income			
Exchange differences on translation of discontinued operations	9.2	-	(57)
Hedging reserve movement		(87)	-
Hedging reserve release on sale of discontinued operations		122	-
Foreign currency translation and other non-distributable reserves released on sale of discontinued operations		37	-
<b>Total comprehensive income for the year</b>		<b>3 455</b>	<b>2 020</b>
<b>Profit attributable to:</b>			
- equity holders of the company		3 250	1 980
- non-controlling interest		133	97
		<b>3 383</b>	<b>2 077</b>
<b>Total comprehensive income attributable to:</b>			
- equity holders of the company		3 322	1 923
- non-controlling interest		133	97
		<b>3 455</b>	<b>2 020</b>
<b>Total comprehensive income for the year arises from:</b>			
Continuing operations		2 678	2 091
Discontinued operations		777	(71)
		<b>3 455</b>	<b>2 020</b>
<b>Earnings attributable to equity shareholders</b>			
<b>Earnings per share (cents)</b>	13		
Basic earnings per share		2 973	1 806
Diluted earnings per share		2 952	1 794

<sup>1</sup> Comparative information was restated for the initial application of IFRS 17. Refer to note 2 for additional information.

# Summary consolidated statement of changes in equity

	Attributable to equity holders of the company					Non-controlling interest R million	Total R million
	Share capital R million	Treasury shares R million	Other reserves R million	Distributable reserves R million	Total R million		
<b>Balance as at 1 January 2022</b>	103	(570)	37	11 862	11 432	630	12 062
IFRS 17 transitional adjustment	-	-	-	(55)	(55)	3	(52)
<b>Balance as at 1 January 2022 (restated)</b>	103	(570)	37	11 807	11 377	633	12 010
Profit for the year <sup>1</sup>	-	-	-	1 980	1 980	97	2 077
Other comprehensive income:							
Exchange differences on translation of discontinued operations	-	-	(57)	-	(57)	-	(57)
<b>Total comprehensive income for the year ended 31 December 2022<sup>1</sup></b>	-	-	(57)	1 980	1 923	97	2 020
Issue of treasury shares in terms of share option schemes	-	94	-	(94)	-	-	-
Purchase of treasury shares	-	(237)	-	-	(237)	-	(237)
Share-based payment costs	-	-	-	112	112	-	112
Hedging reserve movement	-	-	(35)	-	(35)	-	(35)
Share of associates' movements in other reserves	-	-	(8)	-	(8)	-	(8)
Issue of equity interest in cell captive	-	-	-	-	-	46	46
Repayment of equity interest in cell captive	-	-	-	-	-	(6)	(6)
Dividends paid	-	-	-	(2 264)	(2 264)	(98)	(2 362)
Non-controlling interest acquired	-	-	-	(4)	(4)	(2)	(6)
<b>Balance as at 31 December 2022<sup>1</sup></b>	<b>103</b>	<b>(713)</b>	<b>(63)</b>	<b>11 537</b>	<b>10 864</b>	<b>670</b>	<b>11 534</b>
Profit for the year	-	-	-	3 250	3 250	133	3 383
Other comprehensive income:							
Hedging reserve movement	-	-	(87)	-	(87)	-	(87)
Hedging reserve release on sale of discontinued operations	-	-	122	-	122	-	122
Foreign currency translation and other non-distributable reserves released on sale of discontinued operations	-	-	37	-	37	-	37
<b>Total comprehensive income for the year ended 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>72</b>	<b>3 250</b>	<b>3 322</b>	<b>133</b>	<b>3 455</b>
Issue of treasury shares in terms of share option schemes	-	89	-	(89)	-	-	-
Purchase of treasury shares	-	(221)	-	-	(221)	-	(221)
Share-based payment costs	-	-	-	117	117	-	117
Movement in foreign currency translation reserve	-	-	1	-	1	-	1
Transfer between equity holders and non-controlling interest	-	-	-	33	33	(33)	-
Dividends paid	-	-	-	(3 424)	(3 424)	(86)	(3 510)
Issue of equity interest in cell captive	-	-	-	-	-	30	30
<b>Balance as at 31 December 2023</b>	<b>103</b>	<b>(845)</b>	<b>10</b>	<b>11 424</b>	<b>10 692</b>	<b>714</b>	<b>11 406</b>

<sup>1</sup> Comparative information was restated for the initial application of IFRS 17. Refer to note 2 for additional information.

# Summary consolidated statement of cash flows

	Notes	Audited Year ended 31 December 2023 R million	Restated <sup>1</sup> Audited Year ended 31 December 2022 R million
<b>Cash flows from operating activities</b>			
Cash generated from operations		5 860	8 369
Dividends received <sup>1</sup>		178	457
Interest received <sup>1</sup>		2 688	1 541
Interest paid		(425)	(322)
Income tax paid		(1 220)	(1 545)
Net movement from acquisition and sale of financial assets		(6 414)	(4 957)
<b>Net cash from operating activities</b>		<b>667</b>	<b>3 543</b>
<b>Cash flows from investing activities</b>			
Proceeds from redemption of financial assets		-	92
Acquisition of subsidiaries, net of cash acquired	12	(99)	31
Purchases of equipment		(189)	(78)
Purchases of intangible assets		(82)	(58)
Proceeds from sale of intangible assets		-	16
Acquisition of associates and joint ventures	12	-	(2)
Proceeds from sale of non-current assets held for sale <sup>2</sup>		2 632	-
Settlement of zero cost collar		(122)	-
<b>Net cash from investing activities</b>		<b>2 140</b>	<b>1</b>
<b>Cash flows from financing activities</b>			
Purchase of treasury shares		(221)	(237)
Purchase of non-controlling interest in subsidiaries	12	-	(6)
Proceeds from issue of unsecured subordinated callable notes		1 000	1 000
Redemption of unsecured subordinated callable notes		(500)	(1 000)
Dividends paid to company's shareholders		(3 424)	(2 264)
Dividends paid to non-controlling interest		(86)	(98)
Equity interest issued to cell captive		30	46
Repayment of equity interest in cell captive		-	(6)
Payment of principal element of lease liabilities		(134)	(123)
<b>Net cash used in financing activities</b>		<b>(3 335)</b>	<b>(2 688)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(528)</b>	<b>856</b>
Cash and cash equivalents at beginning of year		5 387	4 496
Exchange (losses)/gains on cash and cash equivalents		(40)	35
<b>Cash and cash equivalents at end of year</b>		<b>4 819</b>	<b>5 387</b>

<sup>1</sup> Refer to note 18.2 for detail of restatement.

<sup>2</sup> Represents cash flow relating to disposal of discontinued operations.



# Notes to the summary consolidated financial statements

## 1. BASIS OF PREPARATION

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Ltd Listings and Debt Listings Requirements, and the requirements of the Companies Act 71 of 2008, as amended, applicable to summary consolidated financial statements. The JSE Ltd Listings and Debt Listings Requirements require the summary consolidated financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS® Accounting Standards and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The summary consolidated financial statements have been prepared on a going concern basis. In adopting the going concern basis, the board has reviewed the group's ongoing commitments for the next 12 months and beyond. The board's review included the group's strategic plans and updated financial forecasts including capital position, liquidity and credit facilities, and investment portfolio.

In the context of the current challenging environment, a range of downside scenarios have been considered. These include scenarios which reflect subdued economic activity, market volatility and increased climate-related claim events.

As a result, the board believes that the group is well placed to meet future capital requirements and liquidity demands. Based on this review no material uncertainties, that would require disclosure, have been identified in relation to the ability of the group to remain a going concern for at least the next 12 months, from the date of the approval of the summary consolidated financial statements.

All amounts in the summary consolidated financial statements are presented in South African Rand, rounded to the nearest million, unless otherwise stated.

## 2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated annual financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, except for those referred to below:

### RESTATEMENTS OTHER THAN ADOPTION OF IFRS 17

#### Restatement of statement of financial position

Accrued interest on financial assets was previously classified as loans and receivables, and has been restated to be appropriately included as part of the carrying value of financial assets. Refer to note 18 for detail of restatement.

#### Restatement of statement of comprehensive income

Investment management services fees (previously expenses for investment-related activities) have been moved on the statement of comprehensive income to be presented closer to other items of an investment nature.

## 2. ACCOUNTING POLICIES (CONTINUED)

### RESTATEMENTS OTHER THAN ADOPTION OF IFRS 17 (CONTINUED)

Restatement of statement of cash flows

Cash flows relating to dividends and interest received within operating activities have been restated to be presented separately in the statement of cash flows. Refer to note 18 for detail of restatement.

Standards effective in 2023

The following new IFRSs and/or IFRICs were effective for the first time from 1 January 2023:

- IFRS 17 *Insurance contracts*
- Amendments to IFRS 17 *Insurance contracts*
- Amendments to IAS 12 *Income taxes (deferred tax related to assets and liabilities arising from a single transaction)*
- Amendments to IAS 12 *Income taxes (Income Taxes on International Tax Reform – Pillar Two Model Rules)*
- Narrow scope amendments to IAS 1 *Presentation of financial statements*, Practice statement 2 and IAS 8 *Accounting policies (changes in accounting estimates and errors)*

The adoption of these amendments to IFRS did not have a material impact, apart from the first-time application of IFRS 17 *Insurance contracts* and the amendments.

Standards not yet effective in 2023

- Amendment to IAS 1 *Presentation of financial statements (classification of liabilities as current or non-current)*
- Amendment to IAS 1 *Presentation of financial statements (non-current liabilities with covenants)*
- Amendment to IFRS 16 *Leases (sale and leaseback)*
- Amendments to IAS 7 *Statement of cash flows* and IFRS 7 *Financial instruments: Disclosures (on supplier finance arrangements)*
- Amendments to IAS 21 *The effects of changes in foreign exchange rates (on lack of exchangeability)*

The group did not early adopt any of the IFRS standards that are not yet effective. The group does not anticipate that the adoption of the new standards will have a material impact.

### IFRS 17 INSURANCE CONTRACTS (IFRS 17)

Introduction

The IASB issued IFRS 17 in May 2017 and on 25 June 2020, the IASB issued amendments to the standard. The effective date of IFRS 17 is for annual reporting periods beginning on or after 1 January 2023. The group adopted the standard on 1 January 2023 and restated comparative information.

Project governance

The group's audit committee and an IFRS 17 steering committee provided oversight and governance of the implementation of the new standard. The steering committee comprised of senior management from various functions including finance, risk, information technology, operations and group internal audit.

Transition approach

The group adopted IFRS 17 as of 1 January 2023 on a fully retrospective basis for all its portfolios except for certain life contracts. For the life portfolios where the fully retrospective method was deemed impractical, the fair value approach was applied. Comparative information has been restated as required by the transitional provisions of IFRS 17. The R52 million transition impact in retained earnings is mainly attributable to the deferral of administration fee income related to the cell captive business, only to be released as the insurance service is provided. The change in carrying amounts of insurance and reinsurance assets and liabilities at the date of transition, has been recognised in retained earnings at 1 January 2022 (the comparative period).

## 2. ACCOUNTING POLICIES (CONTINUED)

### **IFRS 17 INSURANCE CONTRACTS (IFRS 17) (CONTINUED)**

Impact on opening reserves on transition to IFRS 17

	Impact on reserves at the beginning of 2022			Impact on reserves at the end of 2022		
	Audited as at	Restated	Audited as at	Audited as at	Restated	Audited as at
	31 December	IFRS 17	1 January	31 December	IFRS 17	31 December
	2021	restatement	2022	2022	restatement	2022
	R million	R million	R million	R million	R million	R million
Distributable reserves	11 862	(55)	11 807	11 602	(65)	11 537
Non-controlling interest	630	3	633	669	1	670

#### Impact of changes in tax legislation

National Treasury promulgated the 2022 Taxation Laws Amendment Act in January 2023, which contained the changes to section 28 of the Income Tax Act (the Act) to cater for the implementation of IFRS 17. The main objective of these changes was to ensure that section 28 is aligned to the terminology and principles of IFRS 17, as well as to mitigate unintended tax implications as a result of the transition from IFRS 4 to IFRS 17. A phase-in period of three years applies to non-life insurers in respect of the transition amount (phasing-in amount).

The insurance sector engaged with National Treasury in this regard to effect changes to the Act. The 2023 Taxation Laws Amendment Act was promulgated on 22 December 2023, effective for the group's 2023 financial year. The changes made to section 28 of the Act did not address all unintended consequences as the interpretation of the IFRS 17 disclosure requirements continued to evolve during the year.

Based on the current provisions of the Act, the phasing-in amount is calculated with reference to the difference between the total insurance liabilities determined under IFRS 4 to only a portion of the insurance liabilities determined under IFRS 17. This results in an overstatement of the phasing-in amount. A deferred tax liability has been raised for the phasing-in amount which will be phased in over 3 years and constitutes a timing difference. The Act also allows short-term insurers in the first year of assessment commencing on or after 1 January 2023, to deduct premium debtors and creditors taken into account in determining insurance liabilities under IFRS 17. However, debtors and creditors forming part of IFRS 17 insurance liabilities are not limited to only premium debtors and creditors. These amounts can also include additional debtors and creditors balances such as commissions payable to brokers. That results in an increase of the deduction and an unintended permanent difference. The deferred tax asset raised on the assessed loss has been reduced for this unintended permanent difference.

Further amendments to the legislation are therefore required to ensure certainty in interpretation and to remove unintended phase-in amounts due to the disclosure and reclassification of certain items in terms of IFRS 17. The required amendments to the phase-in approach are expected to only have an impact on the timing of tax payable from a cash flow perspective.

The group, together with the rest of the industry, have made further submissions to clarify and refine the wording of section 28 in this regard.

The current legislation results in an increase in the deferred tax liability recognised in respect of the shareholders' fund and policyholders/cell owners' interests of respectively R947 million and R77 million, with a corresponding decrease in tax payable in respect of the 2023 financial year. The impact in respect of policyholders/cell owners' interests are for the account of clients and do not affect after tax profit attributable to equity holders of the group.

### 3. ESTIMATES

The preparation of summary consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these summary consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated annual financial statements for the year ended 31 December 2023. Estimates and their underlying assumptions continue to be reviewed on an ongoing basis with revisions to estimates being recognised prospectively.

### 4. SIGNIFICANT EVENTS IN 2023 CLIMATE-RELATED CLAIM EVENTS

There were no individually significant weather and earthquake related claims in the year ended 31 December 2023.

### 5. RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk, foreign currency risk and derivatives risk), credit risk and liquidity risk. Insurance activities expose the group to insurance risk (including pricing risk, reserving risk, accumulation risk and reinsurance risk). The group is also exposed to operational risk and legal risk.

The capital risk management philosophy is to maximise the return on shareholders' capital within an appropriate risk framework.

The summary consolidated financial statements do not include all risk management information and disclosures required in the annual financial statements and should be read in conjunction with the group's annual financial statements for the year ended 31 December 2023.

There have been no material changes to the risk management policies since 31 December 2022.

### 6. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the chief executive officer, supported by the group executive committee.

The group conducts mainly insurance and investment activities.

#### INSURANCE ACTIVITIES

The group presents its insurance results in the following segments:

- Conventional insurance business written on insurance licences controlled by the group, consisting of Santam Broker Solutions, Santam Client Solutions, Santam Partner Solutions, Santam Specialist Solutions, MiWay and Santam Re;
- Alternative risk transfer (ART) insurance business written on the insurance licences of the Centriq Insurance group (Centriq) and the Santam Structured Insurance group (SSI); and
- Santam's share of the insurance results of the Sanlam general insurance businesses in India and Malaysia.

## **6. SEGMENT INFORMATION (CONTINUED)**

### **INSURANCE ACTIVITIES (CONTINUED)**

Conventional insurance is further analysed by insurance class. Operating segments are aggregated based on quantitative and/or qualitative significance. The performance of insurance activities is based on gross written premium as a measure of growth, with operating result as measure of profitability.

Growth is measured for the Sanlam general insurance businesses based on the insurance revenue generated by the underlying businesses. The information is considered to be a reallocation of fair value movements recognised on the Sanlam target shares. It is also included as reconciling items in order to reconcile to the summary consolidated statement of comprehensive income. Overall profitability is measured based on net investment income and fair value movements from Sanlam target share investments.

Insurance business denominated in foreign currencies is covered by foreign-denominated bank accounts and investment portfolios. Foreign exchange movements on underwriting activities are therefore offset against the foreign exchange movements recognised on the bank accounts and investment portfolios.

The investment return on insurance funds is calculated based on the day-weighted effective return realised by the group on the assets held to cover the group's net insurance working capital requirements.

### **INVESTMENT ACTIVITIES**

Investment activities are all investment-related activities undertaken by the group. Due to the nature of the activities conducted, investment activities are considered to be one operating segment. Investment activities are measured based on net investment income. Revenue is earned from the various investment portfolios managed in the form of interest, dividends and fair value gains or losses, as well as income from associates and joint ventures that are not considered to be strategic investments.

### **ALL ACTIVITIES**

Given the nature of the operations, there is no single external client that provides 10% or more of the group's revenues.

Santam Ltd is domiciled in South Africa. Geographical analysis of the insurance revenue and non-current assets is based on the countries in which the business is underwritten or managed. Non-current assets comprise goodwill and intangible assets, property and equipment, investments in associates and joint ventures, Sanlam target shares and non-current assets held for sale.

### **RESTATEMENT OF SEGMENT REPORT**

Due to the implementation of IFRS 17, the segment report was enhanced to provide more detailed disclosure to assist the CODM as well as users of the financial statements to better understand the impact of reclassifications and changes brought about by the implementation of the new standard. Refer to note 6.1.

## 6. SEGMENT INFORMATION (CONTINUED)

### 6.1 SEGMENT REPORT

For the year ended 31 December 2023

	OPERATING SEGMENTS				
	Conventional R million	Alternative risk transfer R million	Santam's share of Sanlam general insurance businesses <sup>1</sup> R million	Investment R million	Total R million
Insurance revenue	36 895	11 353	937	1 958	51 143
External	36 042	11 353	937	1 958	50 290
Intersegment <sup>4</sup>	853	-	-	-	853
Insurance service expense	(30 989)	(7 882)	(754)	-	(39 625)
Claims	(20 415)	(5 791)	(443)	-	(26 649)
Commission	(5 739)	(1 156)	(110)	-	(7 005)
Admin expenses <sup>2</sup>	(4 835)	(935)	(201)	-	(5 971)
Net (expense)/income from reinsurance contracts held	(4 250)	(3 338)	(209)	-	(7 797)
Reinsurance premiums	(7 560)	(9 480)	(209)	-	(17 249)
Reinsurance claims	1 620	4 763	-	-	6 383
Reinsurance commission	1 690	1 379	-	-	3 069
<b>Insurance service result</b>	<b>1 656</b>	<b>133</b>	<b>(26)</b>	<b>1 958</b>	<b>3 721</b>
Finance expenses from insurance contracts issued	(1 223)	-	-	-	(1 223)
Finance income/(expense) from reinsurance contracts held	598	(40)	-	-	558
<b>Net insurance service result</b>	<b>1 031</b>	<b>93</b>	<b>(26)</b>	<b>1 958</b>	<b>3 056</b>
Reallocation of investment revenue	-	-	-	(1 958)	(1 958)
Investment return on insurance funds	759	350	221	-	1 330
Interest income on amortised cost instruments	-	-	-	252	252
Interest income on fair value through income instruments	-	-	-	93	93
Other investment income	-	-	-	401	401
Net fair value gains on financial assets and liabilities at fair value through income	-	-	-	887	887
Other revenue	141	-	-	-	141
Investment management services fees	-	-	-	(125)	(125)
<b>Net investment income and other revenue</b>	<b>900</b>	<b>350</b>	<b>221</b>	<b>(450)</b>	<b>1 021</b>
Other operating expenses	(223)	-	-	-	(223)
Investment return allocated to structured products	-	-	-	-	-
Amortisation and impairment of intangible assets	(31)	-	-	-	(31)
<b>Total other operating expenses</b>	<b>(254)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(254)</b>

<sup>1</sup> Santam's share of Sanlam general insurance businesses' commission and claims included on a net basis within insurance service expenses.

<sup>2</sup> Includes depreciation of R240 million for Conventional and R8 million for ART.

<sup>3</sup> Finance costs relating to lease liabilities is included in operating result.

<sup>4</sup> Amortisation of computer software is included as part of operating result.

<sup>5</sup> Reconciling items consist of the reallocation of net operating results relating to the underlying investments of the Sanlam target shares for management reporting purposes (as a result of the investments in Sanlam target shares being carried at fair value through income), and the reallocation of investment revenue for IFRS purposes.

<sup>6</sup> Intersegment revenue includes revenue earned from the Santam's share of the Sanlam general insurance businesses segment.

RECONCILING ITEMS

Sanlam target shares and investment revenue <sup>5</sup> R million	ART investment return R million	Tax recovered from cell owners R million	Other income and expenses R million	Inward reinsurance commission R million	Foreign currency on technical reserves and investment return on insurance funds R million	Finance costs on leases and amortisation of intangible assets <sup>3,4</sup> R million	Total R million	Statement of comprehensive income R million
(2 895)	-	-	-	(1 366)	-	-	(4 261)	46 882
(2 895)	-	-	-	(1 366)	-	-	(4 261)	46 029
-	-	-	-	-	-	-	-	853
754	-	-	176	1 366	-	99	2 395	(37 230)
443	-	-	-	-	-	-	443	(26 206)
110	-	-	-	1 366	-	-	1 476	(5 529)
201	-	-	176	-	-	99	476	(5 495)
209	-	753	-	-	-	-	962	(6 835)
209	-	-	-	-	-	-	209	(17 040)
-	-	753	-	-	-	-	753	7 136
-	-	-	-	-	-	-	-	3 069
(1 932)	-	753	176	-	-	99	(904)	2 817
-	(475)	-	-	-	(282)	-	(757)	(1 980)
-	(668)	-	-	-	44	-	(624)	(66)
(1 932)	(1 143)	753	176	-	(238)	99	(2 285)	771
1 958	-	-	-	-	-	-	1 958	-
(221)	-	-	-	-	(1 109)	-	(1 330)	-
-	214	-	-	-	-	-	214	466
-	1 531	-	-	-	1 109	-	2 640	2 733
-	106	-	-	-	238	-	344	745
-	(141)	-	-	-	-	-	(141)	746
-	-	-	323	-	-	-	323	464
-	-	-	-	-	-	-	-	(125)
1 737	1 710	-	323	-	238	-	4 008	5 029
-	-	-	(499)	-	-	-	(499)	(722)
-	(497)	-	-	-	-	-	(497)	(497)
-	-	-	-	-	-	(46)	(46)	(77)
-	(497)	-	(499)	-	-	(46)	(1 042)	(1 296)

## 6. SEGMENT INFORMATION (CONTINUED)

### 6.1 SEGMENT REPORT (CONTINUED)

For the year ended 31 December 2023

	OPERATING SEGMENTS				
	Conventional R million	Alternative risk transfer R million	Santam's share of Sanlam general insurance businesses <sup>1</sup> R million	Investment R million	Total R million
<b>Results of operating activities</b>	<b>1 677</b>	<b>443</b>	<b>195</b>	<b>1 508</b>	<b>3 823</b>
Other finance costs <sup>3</sup>	-	-	-	(315)	(315)
Net income from associates and joint ventures	-	-	-	81	81
Reallocation of operating result	-	-	(195)	-	(195)
Income tax recovered from structured products	-	-	-	-	-
<b>Profit before tax from continuing operations</b>	<b>1 677</b>	<b>443</b>	<b>-</b>	<b>1 274</b>	<b>3 394</b>
Profit from discontinued operations	-	-	-	705	705
<b>Profit before tax from continuing and discontinued operations</b>	<b>1 677</b>	<b>443</b>	<b>-</b>	<b>1 979</b>	<b>4 099</b>
Insurance and investment activities	1 790	-	-	1 120	2 910
Other income and expenses	(113)	-	-	-	(113)
ART activities	-	443	-	73	516
Associates	-	-	-	81	81
Discontinued operations	-	-	-	705	705

<sup>1</sup> Santam's share of Sanlam general insurance businesses' commission and claims included on a net basis within insurance service expenses.

<sup>2</sup> Includes depreciation of R240 million for Conventional and R8 million for ART.

<sup>3</sup> Finance costs relating to lease liabilities is included in operating result.

<sup>4</sup> Amortisation of computer software is included as part of operating result.

<sup>5</sup> Reconciling items consist of the reallocation of net operating results relating to the underlying investments of the Sanlam target shares for management reporting purposes (as a result of the investments in Sanlam target shares being carried at fair value through income), and the reallocation of investment revenue for IFRS purposes.

<sup>6</sup> Intersegment revenue includes revenue earned from the Santam's share of the Sanlam general insurance businesses segment.



## RECONCILING ITEMS

Sanlam target shares and investment revenue <sup>5</sup> R million	ART investment return R million	Tax recovered from cell owners R million	Other income and expenses R million	Inward reinsurance commission R million	Foreign currency on technical reserves and investment return on insurance funds R million	Finance costs on leases and amortisation of intangible assets <sup>3,4</sup> R million	Total R million	Statement of comprehensive income R million
(195)	70	753	-	-	-	53	681	4 504
-	(70)	-	-	-	-	(53)	(123)	(438)
-	-	-	-	-	-	-	-	81
195	-	-	-	-	-	-	195	-
-	-	258	-	-	-	-	258	258
-	-	1 011	-	-	-	-	1 011	4 405
-	-	-	-	-	-	-	-	705
-	-	1 011	-	-	-	-	1 011	5 110

## 6. SEGMENT INFORMATION (CONTINUED)

### 6.1 SEGMENT REPORT (CONTINUED)

For the year ended 31 December 2022

#### OPERATING SEGMENTS

	Conventional R million	Alternative risk transfer R million	Santam's share of Sanlam general insurance businesses <sup>1</sup> R million	Investment R million	Total R million
<b>Insurance revenue</b>	34 974	9 331	716	664	45 685
External	34 307	9 331	716	664	45 018
Intersegment <sup>6</sup>	667	-	-	-	667
<b>Insurance service expense</b>	(33 222)	(6 969)	(691)	-	(40 882)
Claims	(23 315)	(5 088)	(438)	-	(28 841)
Commission	(5 472)	(1 066)	(29)	-	(6 567)
Admin expenses <sup>2</sup>	(4 435)	(815)	(224)	-	(5 474)
<b>Net (expense)/income from reinsurance contracts held</b>	(29)	(2 316)	(85)	-	(2 430)
Reinsurance premiums	(7 247)	(7 945)	(85)	-	(15 277)
Reinsurance claims	5 606	4 372	-	-	9 978
Reinsurance commission	1 612	1 257	-	-	2 869
<b>Insurance service result</b>	1 723	46	(60)	664	2 373
<b>Finance expenses from insurance contracts issued</b>	(701)	(243)	-	-	(944)
<b>Finance income from reinsurance contracts held</b>	380	308	-	-	688
<b>Net insurance service result</b>	1 402	111	(60)	664	2 117
Reallocation of investment revenue	-	-	-	(664)	(664)
Investment return on insurance funds	341	221	209	-	771
Interest income on amortised cost instruments	-	-	-	276	276
Interest income on fair value through income instruments	-	-	-	284	284
Other investment income	-	-	-	757	757
Net fair value losses on financial assets and liabilities at fair value through income	-	-	-	(351)	(351)
Other revenue	129	-	-	-	129
Investment management services fees	-	-	-	(124)	(124)
<b>Net investment income and other revenue</b>	470	221	209	178	1 078
Other operating expenses	(130)	-	-	-	(130)
Investment return allocated to structured products	-	-	-	-	-
Amortisation and impairment of intangible assets	(23)	-	-	-	(23)
<b>Total other operating expenses</b>	(153)	-	-	-	(153)

<sup>1</sup> Santam's share of Sanlam general insurance businesses' commission and claims included on a net basis within insurance service expenses.

<sup>2</sup> Includes depreciation of R203 million for Conventional and R11 million for ART.

<sup>3</sup> Finance costs relating to lease liabilities is included in operating result.

<sup>4</sup> Amortisation of computer software is included as part of operating result.

<sup>5</sup> Reconciling items consist of the reallocation of net operating results relating to the underlying investments of the Sanlam target shares for management reporting purposes (as a result of the investments in Sanlam target shares being carried at fair value through income), and the reallocation of investment revenue for IFRS purposes.

<sup>6</sup> Intersegment revenue includes revenue earned from the Santam's share of the Sanlam general insurance businesses segment.

<sup>7</sup> Comparative information was restated for the initial application of IFRS 17, refer to note 1 for additional information.

RECONCILING ITEMS

Sanlam target shares and investment revenue <sup>5</sup> R million	ART investment return R million	Tax recovered from cell owners R million	Other income and expenses R million	Inward reinsurance commission R million	Foreign currency reserves and investment return on insurance funds R million	Finance costs on leases and amortisation of intangible assets <sup>3,4</sup> R million	Total R million	Statement of comprehensive income R million
(1 380)	-	-	-	(1 223)	-	-	(2 603)	43 082
(1 380)	-	-	-	(1 223)	-	-	(2 603)	42 415
-	-	-	-	-	-	-	-	667
691	-	-	133	1 223	-	141	2 188	(38 694)
438	-	-	-	-	-	-	438	(28 403)
29	-	-	-	1 223	-	-	1 252	(5 315)
224	-	-	133	-	-	141	498	(4 976)
85	-	617	-	-	-	-	702	(1 728)
85	-	-	-	-	-	-	85	(15 192)
-	-	617	-	-	-	-	617	10 595
-	-	-	-	-	-	-	-	2 869
(604)	-	617	133	-	-	141	287	2 660
-	(347)	-	-	-	46	-	(301)	(1 245)
-	(100)	-	-	-	70	-	(30)	658
(604)	(447)	617	133	-	116	141	(44)	2 073
664	-	-	-	-	-	-	664	-
(209)	-	-	-	-	(562)	-	(771)	-
-	-	-	-	-	-	-	-	276
-	842	-	-	-	562	-	1 404	1 688
-	55	-	-	-	(116)	-	(61)	696
-	(199)	-	-	-	-	-	(199)	(550)
-	-	-	258	-	-	-	258	387
-	-	-	-	-	-	-	-	(124)
455	698	-	258	-	(116)	-	1 295	2 373
-	-	-	(391)	-	-	-	(391)	(521)
-	(208)	-	-	-	-	-	(208)	(208)
-	-	-	-	-	-	(82)	(82)	(105)
-	(208)	-	(391)	-	-	(82)	(681)	(834)

## 6. SEGMENT INFORMATION (CONTINUED)

### 6.1 SEGMENT REPORT (CONTINUED)

For the year ended 31 December 2022

#### OPERATING SEGMENTS

	Conventional R million	Alternative risk transfer R million	Santam's share of Sanlam general insurance businesses <sup>1</sup> R million	Investment R million	Total R million
<b>Results of operating activities</b>	1 719	332	149	842	3 042
Other finance costs <sup>2</sup>	-	-	-	(221)	(221)
Net income from associates and joint ventures	-	-	-	68	68
Reallocation of operating result	-	-	(149)	-	(149)
Income tax recovered from structured products	-	-	-	-	-
<b>Profit before tax from continuing operations</b>	1 719	332	-	689	2 740
Loss from discontinued operations	-	-	-	(14)	(14)
<b>Profit before tax from continuing and discontinued operations</b>	1 719	332	-	675	2 726
Insurance and investment activities	1 743	-	-	585	2 328
Other income and expenses	(24)	-	-	-	(24)
ART activities	-	332	-	36	368
Associates	-	-	-	68	68
Discontinued operations	-	-	-	(14)	(14)

<sup>1</sup> Santam's share of Sanlam general insurance businesses' commission and claims included on a net basis within insurance service expenses.

<sup>2</sup> Includes depreciation of R203 million for Conventional and R11 million for ART.

<sup>3</sup> Finance costs relating to lease liabilities is included in operating result.

<sup>4</sup> Amortisation of computer software is included as part of operating result.

<sup>5</sup> Reconciling items consist of the reallocation of net operating results relating to the underlying investments of the Sanlam target shares for management reporting purposes (as a result of the investments in Sanlam target shares being carried at fair value through income), and the reallocation of investment revenue for IFRS purposes.

<sup>6</sup> Intersegment revenue includes revenue earned from the Santam's share of the Sanlam general insurance businesses segment.

<sup>7</sup> Comparative information was restated for the initial application of IFRS 17, refer to note 1 for additional information.

RECONCILING ITEMS

Sanlam target shares and investment revenue <sup>5</sup> R million	ART investment return R million	Tax recovered from cell owners R million	Other income and expenses R million	Inward reinsurance commission R million	Foreign currency on technical reserves and investment return on insurance funds R million	Finance costs on leases and amortisation of intangible assets <sup>3,4</sup> R million	Total R million	Statement of comprehensive income R million
(149)	43	617	-	-	-	59	570	3 612
-	(43)	-	-	-	-	(59)	(102)	(323)
-	-	-	-	-	-	-	-	68
149	-	-	-	-	-	-	149	-
-	-	126	-	-	-	-	126	126
-	-	743	-	-	-	-	743	3 483
-	-	-	-	-	-	-	-	[14]
-	-	743	-	-	-	-	743	3 469

## 6. SEGMENT INFORMATION (CONTINUED)

### 6.1 SEGMENT REPORT (CONTINUED)

Additional information on Conventional insurance activities

	Audited Year ended 31 December 2023 R million	Restated <sup>3</sup> Audited Year ended 31 December 2022 R million
<b>Insurance revenue</b>	<b>36 895</b>	34 974
Gross written premium	<b>37 368</b>	35 418
Unearned premium and experience adjustments	<b>(473)</b>	(444)
<b>Net earned premium</b>	<b>29 335</b>	27 727
Gross insurance revenue	<b>36 895</b>	34 974
Reinsurance cost	<b>(7 560)</b>	(7 247)
<b>Net claims incurred</b>	<b>19 420</b>	18 030
Gross claims cost	<b>21 638</b>	24 016
Gross claims incurred	<b>20 415</b>	23 315
Unwinding of discount rate	<b>1 223</b>	701
Reinsurance claims	<b>(2 218)</b>	(5 986)
Reinsurance claims recovered	<b>(1 620)</b>	(5 606)
Unwinding of discount rate	<b>(598)</b>	(380)
<b>Net commission</b>	<b>4 049</b>	3 860
Gross commission incurred	<b>5 739</b>	5 472
Reinsurance commission received	<b>(1 690)</b>	(1 612)
<b>Management expenses<sup>1,2</sup></b>	<b>4 835</b>	4 435
<b>Net underwriting result</b>	<b>1 031</b>	1 402
Investment return on insurance funds	<b>759</b>	341
<b>Net insurance result</b>	<b>1 790</b>	1 743
Other income	<b>141</b>	129
Other expenses	<b>(254)</b>	(153)
<b>Profit before tax from continuing and discontinued operations</b>	<b>1 677</b>	1 719

<sup>1</sup> Amortisation of computer software is included in management expenses.

<sup>2</sup> Finance costs relating to lease liabilities is included in management expenses.

<sup>3</sup> Comparative information was restated for the initial application of IFRS 17.

## 6. SEGMENT INFORMATION (CONTINUED)

### 6.1 SEGMENT REPORT (CONTINUED)

The group's conventional insurance activities are spread over various classes of general insurance.

	Audited Year ended 31 December 2023		Audited Year ended 31 December 2022	
	Gross written premium R million	Underwriting result R million	Gross written premium R million	Restated <sup>1</sup> Underwriting result R million
Accident and health	572	120	719	87
Crop	1 525	270	1 556	287
Engineering	2 024	354	1 759	513
Guarantee	27	(7)	50	23
Liability	1 967	516	1 743	354
Miscellaneous	68	18	99	(21)
Motor	15 738	137	15 124	481
Property	14 076	(466)	13 194	(354)
Transportation	1 371	89	1 174	32
<b>Total</b>	<b>37 368</b>	<b>1 031</b>	<b>35 418</b>	<b>1 402</b>
<b>Comprising</b>				
Commercial insurance	22 519	1 053	21 327	1 287
Personal insurance	14 849	(22)	14 091	115
<b>Total</b>	<b>37 368</b>	<b>1 031</b>	<b>35 418</b>	<b>1 402</b>

<sup>1</sup> Comparative information was restated for the initial application of IFRS 17.

#### Additional information on Alternative Risk Transfer insurance activities

The group's alternative risk insurance activities can be analysed as follows:

	Audited Year ended 31 December 2023 R million	Restated <sup>2</sup> Audited Year ended 31 December 2022 R million
Income from clients	703	510
Participation in underwriting results <sup>1</sup>	85	114
	<b>788</b>	624
Administration expenses	(345)	(292)
<b>Operating result before non-controlling interest and tax</b>	<b>443</b>	332
Non-controlling interest	(38)	(51)
<b>Operating results before tax</b>	<b>405</b>	281

<sup>1</sup> This relates to Centriq and SSI's selective participation in underwriting risk across the portfolios of traditional insurance business.

<sup>2</sup> Comparative information was restated for the initial application of IFRS 17.

## 6. SEGMENT INFORMATION (CONTINUED)

### 6.2 GEOGRAPHICAL ANALYSIS

	INSURANCE REVENUE		NON-CURRENT ASSETS	
	Audited Year ended 31 December 2023 R million	Restated <sup>3</sup> Audited Year ended 31 December 2022 R million	Audited As at 31 December 2023 R million	Audited As at 31 December 2022 R million
South Africa	41 148	37 653	2 635	2 168
Rest of Africa <sup>1</sup>	2 533	2 557	10	1 781
Southeast Asia, India and Middle East	3 985	3 614	2 030	1 596
Other	153	286	–	–
	<b>47 819</b>	44 110	<b>4 675</b>	5 545
Reconciling items <sup>2</sup>	<b>(937)</b>	(1 028)	–	–
<b>Group total</b>	<b>46 882</b>	43 082	<b>4 675</b>	5 545

<sup>1</sup> Includes insurance revenue relating to Santam Namibia Ltd of R1 088 million (2022: R1 021 million).

<sup>2</sup> Reconciling items relate to the underlying investments included in the Sanlam target shares for management reporting purposes (as a result of the investments in Sanlam target shares being carried at fair value through income).

<sup>3</sup> Comparative information was restated for the initial application of IFRS 17.



## 7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

The group's financial assets and liabilities at fair value are summarised below by measurement category.

	Audited as at 31 December 2023 R million	Restated <sup>2</sup> Audited as at 31 December 2022 R million
<b>Financial assets mandatory measured at fair value through income</b>		
Strategic investment – unquoted Sanlam target shares	2 030	1 596
Financial assets at fair value through income	<b>43 748</b>	36 069
	<b>45 778</b>	37 665
Expected to be realised after 12 months <sup>1</sup>	<b>32 251</b>	26 391
Expected to be realised within 12 months	<b>13 527</b>	11 274
<sup>1</sup> Including unquoted Sanlam target shares amounting to R2 030 million (2022: R1 596 million).		
<b>Financial liabilities</b>		
Financial liabilities at fair value through income	<b>9 346</b>	7 788
Expected to be settled after 12 months	<b>4 329</b>	3 111
Expected to be settled within 12 months	<b>5 017</b>	4 677

<sup>2</sup> Comparative information was restated for the initial application of IFRS 17, in addition to a reclassification of accrued interest. Refer to note 2 for additional information.

## 7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE (CONTINUED)

### 7.1 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE ON A RECURRING BASIS

The table below analyses financial instruments, carried at fair value through income, by valuation method. There were no significant changes in the valuation methods applied since 31 December 2022. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Input other than quoted prices included within level 1 that is observable for the asset or liability, either directly (that is, by prices) or indirectly (that is, derived from prices). The fair value of level 2 instruments are determined as follows:
  - » Listed equities and similar securities are valued using quoted prices with the main assumption that quoted prices might require adjustments due to an inactive market.
  - » Unlisted equities and similar securities are valued using the discounted cash flow (DCF) or net asset value method based on market input.
  - » Interest-bearing investments:
    - Quoted interest-bearing investments are valued using yield of benchmark bond, DCF benchmarked against similar instruments with the same issuer, price quotations of the JSE interest rate market or issue price of external valuations based on market input.<sup>1</sup>
    - Unquoted interest-bearing investments are valued using DCF, real interest rates, benchmark yield plus fixed spread or deposit rates based on market input.
  - » Structured transactions are valued using DCF, real interest rates, benchmark yield plus fixed spread or deposit rates based on market input.
  - » Investment funds:
    - Quoted investment funds with underlying equity securities are valued using quoted prices with the main assumption that quoted prices might require adjustments due to an inactive market.
    - Quoted investment funds with underlying debt securities are valued using the DCF method, external valuations and published price quotations on the JSE equity and interest rate market or external valuations that are based on published market input with the main assumptions being market input, uplifted with inflation.<sup>1</sup>
  - » Derivatives are valued using the Black-Scholes model, net present value of estimated floating costs less the performance of the underlying index over contract term, DCF (using fixed contract rates and market-related variable rates adjusted for credit risk, credit default swap premiums, offset between strike price and market projected forward value, yield curve of similar market-traded instruments) with the main assumptions being market input, credit spreads and contract inputs.
- Level 3: Input for the asset or liability that is not based on observable data (that is, unobservable input).

There were no significant transfers between level 1 and level 2 during the current or prior year. The group recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

<sup>1</sup> These investments are classified as level 2 as the markets that they trade on are not considered to be active.

## 7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE (CONTINUED)

### 7.1 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE ON A RECURRING BASIS (CONTINUED)

Audited as at 31 December 2023

	Level 1 R million	Level 2 R million	Level 3 R million	Total R million
<b>Equities and similar securities</b>				
Listed equities and similar securities	2 926	–	–	2 926
Unlisted equities and similar securities	–	2	2 171	2 173
<b>Interest-bearing investments</b>				
Government interest-bearing investments	–	5 336	–	5 336
Corporate interest-bearing investments	–	18 090	46	18 136
Mortgages and loans	–	125	–	125
<b>Structured transactions</b>				
Structured notes	–	296	–	296
<b>Investment funds</b>	–	10 324	–	10 324
<b>Deposits and similar securities</b>	–	6 462	–	6 462
<b>Financial assets at fair value through income</b>	<b>2 926</b>	<b>40 635</b>	<b>2 217</b>	<b>45 778</b>
<b>Debt securities</b>	–	3 053	–	3 053
<b>Investment contracts</b>	–	6 286	–	6 286
<b>Derivative liabilities</b>	–	–	7	7
<b>Financial liabilities at fair value through income</b>	–	9 339	7	9 346

Audited as at 31 December 2022 (restated<sup>1</sup>)

	Level 1 R million	Level 2 R million	Level 3 R million	Total R million
<b>Equities and similar securities</b>				
Listed equities and similar securities	2 861	–	–	2 861
Unlisted equities and similar securities	–	–	1 738	1 738
<b>Interest-bearing investments</b>				
Government interest-bearing investments	–	4 675	–	4 675
Corporate interest-bearing investments	–	15 398	60	15 458
Mortgages and loans	–	88	–	88
<b>Structured transactions</b>				
Structured notes	–	241	–	241
<b>Investment funds</b>	–	9 065	–	9 065
<b>Deposits and similar securities</b>	–	3 539	–	3 539
<b>Financial assets at fair value through income</b>	<b>2 861</b>	<b>33 006</b>	<b>1 798</b>	<b>37 665</b>
<b>Debt securities</b>	–	2 539	–	2 539
<b>Investment contracts</b>	–	5 214	–	5 214
<b>Derivative liabilities</b>	–	–	35	35
<b>Financial liabilities at fair value through income</b>	–	7 753	35	7 788

<sup>1</sup> Restated for reclassification of accrued interest. Refer to note 18.1 for detail.

## 7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE (CONTINUED)

### 7.1 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE ON A RECURRING BASIS (CONTINUED)

The following table presents the changes in level 3 instruments:

	Equity securities R million	Interest-bearing investments R million	Derivative (liabilities)/ assets R million	Total R million
<b>31 December 2023</b>				
Opening balance	1 738	60	(35)	1 763
Settlements	-	-	122	122
Gains/(losses) recognised in profit or loss	433	(14)	(7)	412
Losses recognised directly in equity	-	-	(87)	(87)
<b>Closing balance</b>	<b>2 171</b>	<b>46</b>	<b>(7)</b>	<b>2 210</b>
<b>31 December 2022</b>				
Opening balance	1 765	60	(1)	1 824
Acquisitions	62	-	-	62
Redemptions/settlements	(92)	-	(23)	(115)
Gains recognised in profit or loss	3	-	24	27
Losses recognised directly in equity	-	-	(35)	(35)
<b>Closing balance</b>	<b>1 738</b>	<b>60</b>	<b>(35)</b>	<b>1 763</b>

The unquoted equity instruments recognised as level 3 instruments consist mainly of the participation target shares issued by Sanlam.

Of the R433 million gain (2022: R3 million gain) recognised on equity securities, a R433 million gain (2022: R3 million loss) relates to the Sanlam target shares, of which R121 million (2022: R58 million) relates to foreign exchange gains (2022: losses), and R312 million (2022: R55 million) to an increase in fair value in local currency terms. The key drivers of the fair value movements of Santam's share of the Sanlam target share investment portfolio (excluding foreign exchange gains) were:

- In 2023, the increase in the value of SGI of R320 million (2022: R187 million) (excluding the impact of exchange rate movements) was attributable to higher new business volumes, coupled with improved claims ratio for 2023. SGI also reported a better claims experience than prior years and expects the claims ratio to gradually improve over the short term.
- In April 2022, KKR, a leading global investment fund acquired a 9.99% stake in SGI from the Shriram group. Prior to the transaction, Santam held a 15% economic participatory interest in SGI by way of a target share issued by Sanlam, which target share references Sanlam's effective shareholding in SGI. The transaction diluted Sanlam's effective shareholding in SGI, resulting in a dilution of Santam's economic interest in SGI from 15.0% to 14.1%. The enterprise value attributed to SGI for purposes of the transaction was around R38 billion (Rs 18 000 crore) and exceeded Santam's internal valuation of SGI at 31 December 2022 of R10 billion (Rs 5 046 crore) for the 100% stake. Pursuant to the transaction, Santam received a distribution in respect of the SGI target share at the end of May 2022 amounting to R217 million.
- On 14 December 2022, Sanlam redeemed the target shares through which the Santam group held economic participation rights in the general insurance businesses of Sanlam in Africa (the African target shares). The African target shares were redeemed following the cash payment by Sanlam of aggregate redemption distributions to the amount of R126 million to Santam, comprising a capital distribution of R92 million and an income distribution of R34 million. The capital distribution was recognised directly in the statement of financial position as a reduction of the African target share investment value. The income distribution was recognised in the statement of comprehensive income, where it was countered with a release of the realised fair value adjustment of the same value. The Santam group retained its economic participation rights in the general insurance investments in India and Malaysia.

## **7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE (CONTINUED)**

### **7.1 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE ON A RECURRING BASIS (CONTINUED)**

Fair value (excluding Sanlam target shares) is determined based on valuation techniques where the input is determined by management, e.g. multiples of net asset value, and is not readily available in the market or where market observable input is significantly adjusted. Valuations are generally based on multiples of net asset value ranging between 0.6 and 1.0 (2022: 0.6 and 1.0). The value of unlisted equity instruments (excluding Sanlam target shares) is not material.

The fair value of the Sanlam target shares is determined using predominantly DCF models, with the remainder valued at or within close proximity of the latest available net asset value of the underlying company. The most significant investment relates to the target share which provides a participatory interest in SGI in India to the value of R1 894 million (2022: R1 459 million). No other individual target share is material.

The fair value of the SGI target share is determined using a DCF model, and significant assumptions are tested with local management as well as Santam's representative on the SGI board of directors. Given the short volatility of earnings patterns, the group uses a 10 year discounting period, rather than a five year one, in order to provide a more robust valuation of the SGI business. The 10 year DCF model discounts expected cash flows and a perpetual value (after providing for regulatory capital requirements) at an appropriate risk-adjusted discount rate. The most significant unobservable input used in this DCF model is the discount rate of 14.9% (2022: 15.1%). A Rand/Indian Rupee exchange rate of 0.222 (2022: 0.205) was used to translate the DCF valuation result in Indian Rupee to Rand. An average net insurance margin over a 10 year period of 20.2% (2022: 21.4%) was incorporated. Should the discount rate increase or decrease by 10%, the investment would decrease by R365 million (2022: R277 million) or increase by R570 million (2022: R438 million), respectively. If the relative foreign exchange rate increases or decreases by 10%, the fair value will increase or decrease by R189 million (2022: R146 million). Should the net insurance margin profile (projected over a period of 10 years) increase or decrease by 10%, the fair value will increase or decrease by R149 million (2022: R117 million). The remaining Sanlam target share is valued with reference to the net asset value of the underlying company and was mostly impacted by changes in the exchange rate.

### **7.2 DEBT SECURITIES**

During April 2016, the company issued unsecured subordinated callable fixed rate notes to the value of R500 million. The effective rate for the fixed rate notes amounted to 11.77%. The fixed rate notes of R500 million was redeemed on the optional redemption date of 12 April 2023.

During June 2017, the company issued additional unsecured subordinated callable floating rate notes to the value of R1 billion in anticipation of the redemption of the R1 billion subordinated debt issued in 2007 and redeemed in September 2017. The effective interest rate for the floating rate notes represented the three-month JIBAR plus 210 basis points. The notes have all been redeemed on the optional redemption date of 27 June 2022.

During November 2020, the company issued additional unsecured subordinated callable floating rate notes to the value of R1 billion. The effective interest rate for the floating rate notes represents the three-month JIBAR plus 198 basis points. The notes have an optional redemption date of 30 November 2025 with a final maturity date of 30 November 2030.

During May 2022, the company issued additional unsecured subordinated callable floating rate notes to the value of R1 billion. The effective interest rate for the floating rate notes represents the three-month JIBAR plus 159 basis points. The notes have an optional redemption date of 16 May 2027 with a final maturity date of 16 May 2032.

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.

## 7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE (CONTINUED)

### 7.2 DEBT SECURITIES (CONTINUED)

Per the conditions set by the Prudential Authority, Santam is required to maintain liquid assets equal to the value of the callable notes until maturity. The callable notes are therefore measured at fair value to minimise undue volatility in the statement of comprehensive income. The fair value of the fixed rate notes is calculated using the yield provided by the JSE and adding accrued interest. The fair value of the floating rate notes is calculated using the price provided by the JSE and adding accrued interest.

The South African Revenue Bank (SARB) has indicated its intention to move away from the Johannesburg Interbank Average Rate (JIBAR) and to create an alternative reference rate for South Africa, namely the South African Overnight index Average (ZARONIA). The transition from JIBAR to ZARONIA in South Africa is expected in 2025. It is not expected to have a material impact on the company or group.

Santam's international credit rating was re-affirmed as BB in March 2023. No reviewed credit rating has been issued since. The movement in the fair value of the unsecured subordinated callable notes is considered immaterial and mainly represents the market movement.

### 7.3 DERIVATIVES

At 31 December 2023, the group had exchange traded futures with an exposure value of R319 million (2022: R968 million). The exchange trades futures relate to interest rate derivatives used to manage interest rate risk in Santam's fixed income portfolios.

On 4 May 2022, Santam announced that it entered into an agreement with Allianz, in terms of which Santam will dispose of its 10% interest in SAN JV to Allianz. On the same day Santam entered into a 12-month zero-cost collar to the amount of EUR125 million to protect the sale proceeds from the Rand strengthening against the Euro. The structure provided full downside protection below a EUR/ZAR exchange rate of R16.66 and entitled Santam to share in Rand weakness against the Euro up to a cap of R19.16. On 31 December 2022 the fair value of the structure amounted to a R35 million liability. The collar was designated as a cash flow hedge instrument on 4 May 2022. The impact of this was that foreign currency losses of R35 million recognised on the collar since implementation date were not recognised in the statement of comprehensive income, but were accounted for as a hedging reserve. On expiry, the group decided not to renew the collar structure and paid a final settlement of R122 million per fin review and level 3 recon to the counterparty. The group had retained the cash flow hedge reserve until it was recycled to profit or loss on disposal of SAN JV.

On 4 May 2023, upon expiration of the above mentioned zero-cost collar, the transaction with Allianz had not been finalised. The group decided to continue hedging the transaction by entering into a forward exchange contract (FEC) on a notional amount of EUR125 million with cover up to 2 October 2023. The contract rate at expiry on 2 October 2023 would have been R20.58. However, on conclusion of the transaction the final gain on the FEC was less than R1 million.

On 30 June 2022, the group entered into a zero-cost collar over listed equities to the value of R1.4 billion, based on the SWIX 40, to provide capital protection under continued volatile market conditions. The structure offered full downside protection from the implementation level of 11 789, with upside participation (excluding dividends) of 0.78% and expired on 15 December 2022. The final loss on the contract was R90 million.

At 31 December 2023, the group had interest rate swaps and the currency swaps (2022: nil). The fair value of the swaps are disclosed on a net basis in the statement of financial position as well as the statement of comprehensive income due to the contractual right to settle the instrument on a net basis. They are classified as level 3 per the fair value hierarchy. The gross exposure asset and liability as at 31 December 2023 amounted to R22 million and R22 million respectively.

## 7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE (CONTINUED)

### 7.3 DERIVATIVES (CONTINUED)

The movement in the hedging instrument and hedged item during 2023 was as follows:

	Audited as at 31 December 2023		Audited as at 31 December 2022	
	Hedging instrument R million	Hedged item R million	Hedging instrument R million	Hedged item R million
Carrying/fair value beginning of the year	(35)	2 264	-	-
New hedge item	-	-	-	2 039
Movement in carrying/fair value	(87)	379	(35)	225
Settlements	122	(2 643)	-	-
Carrying/fair value end of the year	-	-	(35)	2 264

The hedging instrument was the foreign exchange collar which expired and settled in full. The hedge was replaced with an FEC contract, and the hedged item was the forecast transaction for the disposal of the group's interest in SAN JV. The hedge remained fully effective, and no hedge ineffectiveness was accounted for in profit or loss during the period.

## 8. INSURANCE AND REINSURANCE CONTRACTS

	Notes	Audited as at 31 December 2023 R million	Restated <sup>1</sup> Audited as at 31 December 2022 R million
Insurance contract assets		(426)	(797)
Reinsurance contract assets		(10 087)	(14 005)
Insurance contract liabilities		34 650	36 221
Reinsurance contract liabilities		5 789	4 144
	8.1	<b>29 926</b>	25 563

<sup>1</sup> Restated as a result of the adoption of IFRS 17.

## 8. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

### 8.1 INSURANCE AND REINSURANCE CONTRACTS BY LINE OF BUSINESS

	Audited as at 31 December 2023			Restated <sup>1</sup> Audited as at 31 December 2022		
	Assets R million	Liabilities R million	Net (assets)/ liabilities R million	Assets R million	Liabilities R million	Net (assets)/ liabilities R million
<b>Insurance contracts issued</b>						
<b>General insurance</b>						
Premium allocation approach	(408)	32 047	31 639	(696)	34 139	33 443
General measurement model	–	675	675	–	702	702
	<b>(408)</b>	<b>32 722</b>	<b>32 314</b>	<b>(696)</b>	<b>34 841</b>	<b>34 145</b>
<b>Life insurance</b>						
Premium allocation approach	(18)	293	275	(86)	329	243
General measurement model	–	1 635	1 635	(15)	1 051	1 036
	<b>(18)</b>	<b>1 928</b>	<b>1 910</b>	<b>(101)</b>	<b>1 380</b>	<b>1 279</b>
<b>Insurance contract (assets)/ liabilities</b>	<b>(426)</b>	<b>34 650</b>	<b>34 224</b>	<b>(797)</b>	<b>36 221</b>	<b>35 424</b>
Expected to be settled after 12 months	(2)	5 711	5 709	–	5 204	5 204
Expected to be settled within 12 months	<b>(424)</b>	<b>28 939</b>	<b>28 515</b>	<b>(797)</b>	<b>31 017</b>	<b>30 220</b>
<b>Reinsurance contracts held</b>						
<b>General insurance</b>						
Premium allocation approach	(9 361)	119	(9 242)	(13 472)	68	(13 404)
	<b>(9 361)</b>	<b>119</b>	<b>(9 242)</b>	<b>(13 472)</b>	<b>68</b>	<b>(13 404)</b>
<b>Life insurance</b>						
Premium allocation approach	(25)	3	(22)	(57)	71	14
General measurement model	(701)	3	(698)	(476)	4	(472)
	<b>(726)</b>	<b>6</b>	<b>(720)</b>	<b>(533)</b>	<b>75</b>	<b>(458)</b>
<b>Third party cell insurance contracts</b>						
<b>General insurance</b>						
Premium allocation approach	–	1 290	1 290	–	1 139	1 139
General measurement model	–	1 480	1 480	–	1 518	1 518
	<b>–</b>	<b>2 770</b>	<b>2 770</b>	<b>–</b>	<b>2 657</b>	<b>2 657</b>
<b>Life insurance</b>						
Premium allocation approach	–	483	483	–	373	373
General measurement model	–	2 411	2 411	–	971	971
	<b>–</b>	<b>2 894</b>	<b>2 894</b>	<b>–</b>	<b>1 344</b>	<b>1 344</b>
<b>Reinsurance contract (assets)/ liabilities</b>	<b>(10 087)</b>	<b>5 789</b>	<b>(4 298)</b>	<b>(14 005)</b>	<b>4 144</b>	<b>(9 861)</b>
Expected to be recovered after 12 months	(1 967)	14	(1 953)	(2 574)	4 025	1 451
Expected to be recovered within 12 months	<b>(8 120)</b>	<b>5 775</b>	<b>(2 345)</b>	<b>(11 431)</b>	<b>119</b>	<b>(11 312)</b>

<sup>1</sup> Comparative information was restated for the initial application of IFRS 17. Refer to note 2 for additional information.



## 8. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

### 8.2 MOVEMENT IN CARRYING AMOUNTS OF INSURANCE LIABILITIES AND ASSETS

#### 8.2.1 Insurance contracts – premium allocation approach

The summary consolidated financial statements do not include all insurance and reinsurance contracts disclosures required in the annual financial statements and should be read in conjunction with the group's annual financial statements for the year ended 31 December 2023. The notes containing the most significant portion of the business (insurance and reinsurance contracts relating to general insurance under the premium allocation approach) have been included as follows:

Insurance contracts – premium allocation approach	Audited as at 31 December 2023				
	Liability for remaining coverage	Liability for incurred claims			Total R million
	Present value of expected future cash flows R million	Present value of expected future cash flows R million	Risk adjustment for non-financial risk R million		
<b>General insurance</b>					
<b>Net insurance contract liabilities opening balance</b>	11 854	19 385	2 204	33 443	
Opening insurance contract assets	(894)	187	11	(696)	
Opening insurance contract liabilities	12 748	19 198	2 193	34 139	
<b>Insurance revenue</b>	(40 005)	–	–	(40 005)	
<b>Insurance service expenses</b>	5 251	28 410	(686)	32 975	
Incurred claims and other insurance services expenses	–	26 583	914	27 497	
Amortisation of insurance acquisition costs	5 251	–	–	5 251	
Changes to liabilities for incurred claims that relate to past service	–	1 827	(1 600)	227	
<b>Insurance service result</b>	(34 754)	28 410	(686)	(7 030)	
Finance expense from insurance contracts issued	539	1 382	95	2 016	
<b>Net movements recognised in the statement of comprehensive income</b>	(34 215)	29 792	(591)	(5 014)	
<b>Investment component</b>	(505)	505	–	–	
<b>Net insurance contract cash flows</b>	34 985	(31 775)	–	3 210	
Premiums received	39 741	–	–	39 741	
Claims and other insurance service expenses paid	–	(31 775)	–	(31 775)	
Insurance acquisition costs paid	(4 756)	–	–	(4 756)	
<b>Net insurance contract liabilities closing balance</b>	12 119	17 907	1 613	31 639	
Closing insurance contract assets	(659)	220	31	(408)	
Closing insurance contract liabilities	12 778	17 687	1 582	32 047	

## 8. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

### 8.2 MOVEMENT IN CARRYING AMOUNTS OF INSURANCE LIABILITIES AND ASSETS (CONTINUED)

#### 8.2.1 Insurance contracts – premium allocation approach (continued)

	Restated <sup>1</sup>			
	Audited as at 31 December 2022			
	Liability for remaining coverage	Liability for incurred claims		
	Present value of expected future cash flows R million	Present value of expected future cash flows R million	Risk adjustment for non- financial risk R million	Total R million
<b>Insurance contracts – premium allocation approach</b>				
<b>General insurance</b>				
<b>Net insurance contract liabilities opening balance</b>	7 578	20 144	1 684	29 406
Opening insurance contract assets	(145)	48	18	(79)
Opening insurance contract liabilities	7 723	20 096	1 666	29 485
<b>Insurance revenue</b>	(37 504)	–	–	(37 504)
<b>Insurance service expenses</b>	5 084	29 819	449	35 352
Incurred claims and other insurance services expenses	–	29 121	1 371	30 492
Amortisation of insurance acquisition costs	5 084	–	–	5 084
Changes to liabilities for incurred claims that relate to past service	–	698	(922)	(224)
<b>Insurance service result</b>	(32 420)	29 819	449	(2 152)
Finance expense from insurance contracts issued	305	692	71	1 068
<b>Net movements recognised in the statement of comprehensive income</b>	(32 115)	30 511	520	(1 084)
<b>Investment component</b>	(669)	669	–	–
<b>Net insurance contract cash flows</b>	37 060	(31 939)	–	5 121
Premiums received	41 899	–	–	41 899
Claims and other insurance service expenses paid	–	(31 939)	–	(31 939)
Insurance acquisition costs paid	(4 839)	–	–	(4 839)
<b>Net insurance contract liabilities closing balance</b>	11 854	19 385	2 204	33 443
Closing insurance contract assets	(894)	187	11	(696)
Closing insurance contract liabilities	12 748	19 198	2 193	34 139

<sup>1</sup> Refer to note 18.3 for the detail of the restatement.

## 8. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

### 8.2 MOVEMENT IN CARRYING AMOUNTS OF INSURANCE LIABILITIES AND ASSETS (CONTINUED)

#### 8.2.2 Reinsurance contracts – premium allocation approach

	Audited as at 31 December 2023			
	Asset for remaining coverage	Asset for incurred claims		
	Present value of expected future cash flows R million	Present value of expected future cash flows R million	Risk adjustment for non-financial risk R million	Total R million
<b>General insurance</b>				
<b>Net reinsurance contract assets opening balance</b>	1 564	(13 901)	(1 067)	(13 404)
Opening reinsurance contract assets	1 518	(13 923)	(1 067)	(13 472)
Opening reinsurance contract liabilities	46	22	–	68
<b>Reinsurance expenses</b>	6 724	–	–	6 724
<b>Reinsurance income</b>	–	(2 439)	407	(2 032)
Claims recovered and other reinsurance service income received	–	(2 214)	97	(2 117)
Other reinsurance service expenses recovered	–	276	–	276
Adjustments to incurred claims that relate to past service	–	(501)	310	(191)
<b>Net expenses/(income) from reinsurance contracts held</b>	6 724	(2 439)	407	4 692
Finance expense/(income) from reinsurance contracts held	3	(719)	(54)	(770)
<b>Net movements recognised in the statement of comprehensive income</b>	6 727	(3 158)	353	3 922
<b>Net reinsurance contract cash flows</b>	(8 713)	8 953	–	240
Premiums paid (net of ceding commissions)	(8 713)	–	–	(8 713)
Claims recovered and other reinsurance service income received	–	8 953	–	8 953
<b>Net reinsurance contract assets closing balance</b>	(422)	(8 106)	(714)	(9 242)
Closing reinsurance contract assets	(530)	(8 117)	(714)	(9 361)
Closing reinsurance contract liabilities	108	11	–	119

## 8. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

### 8.2 MOVEMENT IN CARRYING AMOUNTS OF INSURANCE LIABILITIES AND ASSETS (CONTINUED)

#### 8.2.2 Reinsurance contracts – premium allocation approach (continued)

	Restated <sup>1</sup>			
	Audited as at 31 December 2022			
	Asset for remaining coverage	Asset for incurred claims		
	Present value of expected future cash flows R million	Present value of expected future cash flows R million	Risk adjustment for non- financial risk R million	Total R million
<b>General insurance</b>				
<b>Net reinsurance contract assets opening balance</b>	(753)	(12 361)	(644)	(13 758)
Opening reinsurance contract assets	(838)	(12 361)	(634)	(13 833)
Opening reinsurance contract liabilities	85	–	(10)	75
<b>Reinsurance expenses</b>	6 425	–	–	6 425
<b>Reinsurance income</b>	–	(6 291)	(381)	(6 672)
Claims recovered and other reinsurance service income received	–	(5 551)	(700)	(6 251)
Adjustments to incurred claims that relate to past service	–	(740)	319	(421)
<b>Net expenses/(income) from reinsurance contracts held</b>	6 425	(6 291)	(381)	(247)
Finance income from reinsurance contracts held	(5)	(448)	(42)	(495)
<b>Net movements recognised in the statement of comprehensive income</b>	6 420	(6 739)	(423)	(742)
<b>Net reinsurance contract cash flows</b>	(4 103)	5 199	–	1 096
Premiums paid (net of ceding commissions)	(4 103)	–	–	(4 103)
Claims recovered and other reinsurance service income received	–	5 199	–	5 199
<b>Net reinsurance contract assets closing balance</b>	1 564	(13 901)	(1 067)	(13 404)
Closing reinsurance contract assets	1 518	(13 923)	(1 067)	(13 472)
Closing reinsurance contract liabilities	46	22	–	68

<sup>1</sup> Refer to note 18.3 for the detail of the restatement.

## 9. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

### 9.1 NON-CURRENT ASSETS HELD FOR SALE

	Audited as at 31 December 2023 R million	Audited as at 31 December 2022 R million
SAN JV	–	1 768
<b>Non-current assets held for sale</b>	<b>–</b>	<b>1 768</b>

On 4 May 2022, Santam announced that it entered into an agreement with Allianz, in terms of which Santam will dispose of its 10% interest in SAN JV to Allianz. The completion of the sale was subject to various regulatory approvals that were expected to be obtained before the end of 2023. The investment in SAN JV of R1 768 billion for group (previously included in "Investment in associates and joint ventures") had therefore been reclassified as "Non-current assets held for sale" from 30 June 2022.

In accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the asset held for sale was recognised at its carrying value as at 30 June 2022, being lower than the fair value less costs to sell. This was a non-recurring fair value based on the net asset value of the business. It was therefore also recognised within level 3 of the fair value hierarchy. Reserves relating to non-current assets held for sale were released on disposal.

On 4 September 2023 the regulatory approvals were fulfilled and the disposal became unconditional. The disposal proceeds of EUR126 million were received in cash. Refer to note 12 for detail.

Refer to note 8 of the group's annual financial statements for the year ended 31 December 2023, for information in respect of the hedging of the transaction against foreign currency risk.

### 9.2 DISCONTINUED OPERATIONS

Financial information relating to the discontinued operations for the year is set out below.

	Audited Year ended 31 December 2023 R million	Audited Year ended 31 December 2022 R million
Profit on sale of investment in SAN JV	<b>864</b>	–
Release of foreign currency translation and other non-distributable reserves on sale of investment	<b>(37)</b>	–
Release of hedging reserve on sale of investment	<b>(122)</b>	–
Loss from associate	–	(24)
Tax credit on loss from associate	–	10
<b>Profit/(loss) from discontinued operations</b>	<b>705</b>	<b>(14)</b>
Exchange differences on translation of discontinued operations	–	(57)
Hedging reserve movement	<b>(87)</b>	–
Hedging reserve release on sale of discontinued operations	<b>122</b>	–
Foreign currency translation and other non-distributable reserves released on sale of discontinued operations	<b>37</b>	–
<b>Other comprehensive income/(loss) from discontinued operations</b>	<b>72</b>	<b>(57)</b>
<b>Total comprehensive income/(loss) from discontinued operations</b>	<b>777</b>	<b>(71)</b>

On 4 September 2023 Santam concluded the disposal of its 10% interest in SAN JV to Allianz. Refer to note 12 for detail.

## 10. INVESTMENT INCOME AND NET GAINS/(LOSSES) ON FINANCIAL ASSETS AND LIABILITIES

	Audited Year ended 31 December 2023 R million	Restated <sup>1</sup> Audited Year ended 31 December 2022 R million
Investment income	<b>3 944</b>	2 660
Interest income derived from	<b>3 199</b>	1 964
Financial assets measured at amortised cost	<b>466</b>	276
Financial assets mandatorily measured at fair value through income	<b>2 733</b>	1 688
Other investment income	<b>745</b>	696
Dividend income	<b>205</b>	520
Foreign exchange differences <sup>1</sup>	<b>540</b>	176
Net gains/(losses) on financial assets and liabilities at fair value through income	<b>746</b>	(550)
Net fair value gains/(losses) on financial assets mandatorily at fair value through income	<b>947</b>	(600)
Net realised gains/(losses) on financial assets excluding derivative instruments	<b>242</b>	(128)
Net unrealised fair value gains/(losses) on financial assets excluding derivative instruments	<b>712</b>	(496)
Net realised fair value (losses)/gains on derivative instruments	<b>(7)</b>	24
Net fair value (losses)/gains on financial liabilities designated as at fair value through income	<b>(201)</b>	50
Net fair value gains on debt securities	<b>–</b>	25
Net fair value (losses)/gains on investment contracts	<b>(201)</b>	25
	<b>4 690</b>	2 110

<sup>1</sup> Restated as a result of adoption of IFRS17. Foreign exchange differences relating to insurance contracts are disclosed as part of finance expenses/income from insurance and reinsurance contracts.

## 11. INCOME TAX

	Audited Year ended 31 December 2023 R million	Restated <sup>2</sup> Audited Year ended 31 December 2022 R million
<b>Normal taxation</b>		
Current year	690	1 354
Prior year	4	(11)
Other taxes	1	2
Foreign taxation – current year	51	57
<b>Total income taxation for the year</b>	<b>746</b>	<b>1 402</b>
<b>Deferred taxation</b>		
Current year	981	(10)
<b>Total deferred taxation for the year</b>	<b>981</b>	<b>(10)</b>
<b>Total taxation as per statement of comprehensive income</b>	<b>1 727</b>	<b>1 392</b>
Income tax allocated to cell owners and structured products	(1 011)	(743)
<b>Total tax expense attributable to shareholders</b>	<b>716</b>	<b>649</b>
Profit before taxation per statement of comprehensive income from continuing and discontinued operations	5 110	3 469
Adjustment for income tax allocated to cell owners and structured products	(1 011)	(743)
<b>Total profit before tax attributable to shareholders from continuing and discontinued operations</b>	<b>4 099</b>	<b>2 726</b>
<b>Reconciliation of taxation rate (%)</b>		
Normal South African taxation rate	27.0	28.0
Adjusted for:		
Disallowable expenses	0.3	0.1
Foreign tax differential	(1.1)	0.1
Exempt income <sup>1</sup>	(1.0)	(4.0)
Investment results	(0.5)	1.3
Income from associates, joint ventures and discontinued operations	(7.2)	(0.5)
Previous year's underprovision/(overprovision)	0.1	(0.4)
Other permanent differences	(0.2)	(0.1)
Other taxes	0.1	(0.7)
Net reduction	(9.5)	(4.2)
<b>Effective rate attributable to shareholders (%)</b>	<b>17.5</b>	<b>23.8</b>

<sup>1</sup> Exempt income consists mainly of dividends received.

<sup>2</sup> Restated as a result of adoption of IFRS17.

## 12. CORPORATE TRANSACTIONS

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### Acquisitions

##### *Sentravaal Brokers (Pty) Ltd*

In July 2023, the Santam group acquired a 100% shareholding in Sentravaal Brokers (Pty) Ltd for R26.9 million in cash, in addition to contingent payments estimated at R12.9 million. Goodwill relates to synergies expected to be received.

	R million
<b>Details of the assets and liabilities acquired are as follows:</b>	
Intangible assets	32
Cash and cash equivalents	3
Current income tax	(1)
<b>Net asset value acquired</b>	<b>34</b>
Goodwill	6
Future contingent consideration payable	(13)
<b>Purchase consideration paid</b>	<b>27</b>

##### *In2Insure (Pty) Ltd intangible asset*

In September 2023, the Santam group purchased intangible assets of In2Insure (Pty) Ltd for R19 million in cash, in addition to contingent payments estimated at R9 million.

	R million
<b>Details of the assets and liabilities acquired are as follows:</b>	
Intangible assets	28
<b>Net asset value acquired</b>	<b>28</b>
Future contingent consideration payable	(9)
<b>Purchase consideration paid</b>	<b>19</b>

##### *Vulindlela Underwriting Managers (Pty) Ltd*

In October 2023, the Santam group acquired the remaining 53% in Vulindlela Underwriting Managers (Pty) Ltd for R14 million in cash, in addition to contingent payments estimated at R10 million. As a result of this transaction, the Santam group now effectively owns 100% shareholding in Vulindlela Underwriting Managers (Pty) Ltd, and it was classified as a subsidiary from November 2023. Goodwill relates to synergies expected to be received.

	R million
<b>Details of the assets and liabilities acquired are as follows:</b>	
Intangible assets	15
Property and equipment	1
Cash and cash equivalents	2
<b>Net asset value acquired</b>	<b>18</b>
Goodwill	25
Future contingent consideration payable	(10)
Gain on remeasurement to subsidiary	(19)
<b>Purchase consideration paid</b>	<b>14</b>



## 12. CORPORATE TRANSACTIONS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### Acquisitions (continued)

#### *IDWork (Pty) Ltd, trading as Kandua*

During December 2023, the Santam group purchased the underlying business of IDWork (Pty) Ltd, trading as Kandua for R42 million in cash. Due to the limited time available to perform a purchase price allocation a provisional allocation was recorded based on the IFRS historical cost values. Per IFRS 3 requirements a detailed valuation and allocation will be performed within 12 months of the purchase.

### Disposals

#### *SAN JV (RF) (Pty) Ltd*

On 4 May 2022, Santam announced that it entered into an agreement with Allianz, in terms of which Santam will dispose of its 10% interest in SAN JV to Allianz. The completion of the sale was subject to various regulatory approvals. The investment in SAN JV of R1 768 billion for group (previously included in "Investment in associates and joint ventures") was reclassified as "Non-current assets held for sale" from 30 June 2022.

In accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*, the assets held for sale were recognised at their carrying value as at 30 June 2022, being lower than the fair value less costs to sell. This is a non-recurring fair value based on the net asset value of the business. It is therefore also recognised within level 3 of the fair value hierarchy. Reserves relating to non-current assets held for sale were released on disposal.

On 4 May 2022, Santam also entered into a 12-month zero-cost collar to the amount of EUR125 million to protect the sale proceeds from the Rand strengthening against the Euro. The structure provides full downside protection below a EUR/ZAR exchange rate of R16.66 and entitles Santam to share in Rand weakness against the Euro up to a cap of R19.16. On 31 December 2022 the structure amounted to a R35 million liability. The collar was designated as a cash flow hedge instrument on 4 May 2022. The impact of this was that foreign currency losses of R35 million recognised on the collar since implementation date were not recognised in the statement of comprehensive income, but were accounted for as a hedging reserve. On expiry, Santam decided not to renew the collar structure and paid a final settlement of R122 million to the counterparty.

On 4 May 2023, upon expiration of the above mentioned zero-cost collar, the transaction with Allianz had not been finalised. The group decided to continue hedging the transaction by entering into a forward exchange contract (FEC) on a notional amount of EUR125 million with cover up to 2 October 2023. The contract rate at expiry on 2 October 2023 would have been R20.58. However, on conclusion of the transaction, the final gain on the FEC was less than R1 million.

On 4 September 2023 the regulatory approvals were fulfilled and the disposal became unconditional. As proceeds for the disposal the group received EUR126 million in cash, as well as a preference share in SAN JV RF (Pty) Ltd, a financial asset valued as a level 3 instrument. The preference share entitles Santam to receive future income upon the sale of two companies that was not within the scope of the Allianz transaction. Upon the disposal of Santam share in SAN JV, the profit on the sale of SAN JV was recognised in profit or loss, together with the release of the cashflow hedging reserve, translation reserve and other non-distributable reserves.

### Profit on the sale of SAN JV

	R million
Purchase consideration received in cash	2 632
Carrying value of Non-current asset held for sale	(1 768)
Fair value of preference share received <sup>1</sup>	-
Release of foreign currency translation and other non-distributable reserves on sale of investment	(37)
Release of hedging reserve on sale of investment	(122)
<b>Total profit on the sale of associate</b>	<b>705</b>

<sup>1</sup> Carrying value less than R1 million.

## 12. CORPORATE TRANSACTIONS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### Acquisitions

#### *Indwe Broker Holdings Group (Pty) Ltd*

In May 2022, the group acquired the remaining 76% shareholding in Indwe Broker Holdings Group (Pty) Ltd for R125 million in cash. As a result of this transaction, the Santam group now effectively owns 100% shareholding in Indwe Broker Holdings Group (Pty) Ltd, and it was classified as a subsidiary from May 2022. Goodwill relates to synergies expected to be received.

R million

#### Details of the assets and liabilities acquired are as follows:

Intangible assets	66
Property and equipment	30
Deferred income tax assets	8
Loans and receivables including insurance receivables	36
Current income tax	9
Cash and cash equivalents	156
Deferred income tax liabilities	(17)
Lease liabilities	(30)
Trade and other payables including insurance payables	(159)
<b>Net asset value acquired</b>	<b>99</b>
Goodwill	66
Investment in joint venture	(34)
Gain on remeasurement to subsidiary	(6)
<b>Purchase consideration paid</b>	<b>125</b>

#### *JaSure Financial Services (Pty) Ltd*

The Santam group purchased the 49% non-controlling interest effective 1 June 2022 for R6 million in cash. The group now effectively owns 100% shareholding in JaSure Financial Services (Pty) Ltd.

#### *Ctrl Investment Holdings (Pty) Ltd*

The Santam group purchased additional shares in Ctrl Investment Holdings (Pty) Ltd, effective 1 June 2022 for R2 million in cash, increasing the effective holding from 20.41% to 21.97%. The investment continues to be accounted for as an investment in associate.

### Disposals

#### *SAN JV (RF) (Pty) Ltd*

Refer to detail included for transactions for the year ended 31 December 2023.

## 13. EARNINGS PER SHARE

	Audited Year ended 31 December 2023	Restated <sup>1</sup> Audited Year ended 31 December 2022
<b>Basic earnings per share</b>		
Profit attributable to the company's equity holders (R million)	3 250	1 980
Weighted average number of ordinary shares in issue (millions)	109.33	109.61
Earnings per share (cents)	2 973	1 806
Continuing operations	2 328	1 819
Discontinued operations	645	(13)
<b>Diluted earnings per share</b>		
Profit attributable to the company's equity holders (R million)	3 250	1 980
Weighted average number of ordinary shares in issue (millions)	109.33	109.61
Adjusted for share incentive schemes	0.75	0.74
Weighted average number of ordinary shares for diluted earnings per share (millions)	110.08	110.35
<b>Diluted basic earnings per share (cents)</b>		
Continuing operations	2 952	1 794
Discontinued operations	2 312	1 807
Discontinued operations	640	(13)
<b>Headline earnings per share</b>		
Profit attributable to the company's equity holders (R million)	3 250	1 980
Adjusted for:		
Profit on disposal of intangible assets	-	(15)
Tax on profit on disposal of intangible assets	-	4
Profit on disposal of discontinued operations	(705)	-
Impairment of intangible assets	-	39
Tax on impairment of intangible assets	-	(10)
Gain on remeasurement to subsidiary	(19)	(6)
Headline earnings (R million)	2 526	1 992
<b>Weighted average number of ordinary shares in issue (millions)</b>		
	109.33	109.61
<b>Headline earnings per share (cents)</b>		
	2 310	1 817
Continuing operations	2 310	1 830
Discontinued operations	-	(13)
<b>Diluted headline earnings per share</b>		
Headline earnings (R million)	2 526	1 992
Weighted average number of ordinary shares for diluted headline earnings per share (millions)	110.08	110.35
Diluted headline earnings per share (cents)	2 295	1 805
Continuing operations	2 295	1 818
Discontinued operations	-	(13)

<sup>1</sup> Restated as a result of adoption of IFRS 17.

## 14. DIVIDEND PER SHARE

	Audited Year ended 31 December 2023	Audited Year ended 31 December 2022
Interim dividend per share (cents)	495	462
Final dividend per share (cents) <sup>1</sup>	905	845
Total dividend per share (cents)	1 400	1 307

<sup>1</sup> 2023: Approved (2022: Paid).

A special dividend of 1 780 cents per share was declared in September 2023 and paid in October 2023 (March 2022: 800 cents per share).

## 15. RELATED PARTIES

During 2023, there have been no related party transactions that have materially affected the financial position or the results for the year, except for the disposal of the investment in SAN JV. Refer to note 9 for detail. There have also been no changes in the nature of the related party transactions as disclosed in note 27 of the group's annual financial statements for the year ended 31 December 2023.

## 16. SUBSEQUENT EVENTS

In 2023, the company purchased MTN's device insurance book for R59 million. The transaction was subject to receiving regulatory approvals, which were received and the transaction became effective January 2024.

There have been no other material changes in the affairs or financial position of the company and its subsidiaries since the statement of financial position date.

## 17. ANALYSIS OF POLICYHOLDER/SHAREHOLDER FINANCIAL POSITION AND RESULTS

This note provides information on cellholder/policyholder versus shareholder statement of financial position and statement of comprehensive income. Cellholder/policyholder activities relates mainly to alternative risk transfer insurance business written on the insurance licences of Centriq and SSI.

## 17. ANALYSIS OF POLICYHOLDER/SHAREHOLDER FINANCIAL POSITION AND RESULTS (CONTINUED)

### 17.1 ANALYSIS OF POLICYHOLDER/SHAREHOLDER STATEMENT OF FINANCIAL POSITION

	Audited as at 31 December 2023 R million	Shareholder Audited as at 31 December 2023 R million	Policyholder/ cellholder Audited as at 31 December 2023 R million
<b>ASSETS</b>			
Intangible assets	1 226	1 226	–
Property and equipment	877	877	–
Investment in associates and joint ventures	542	542	–
Strategic investment – unquoted Sanlam target shares	2 030	2 030	–
Deferred income tax	162	97	65
Financial assets at fair value through income	43 748	17 165	26 583
Insurance contract assets	426	346	80
Reinsurance contract assets	10 087	8 419	1 668
Loans and receivables	2 739	2 179	560
Current income tax	474	441	33
Cash and cash equivalents	4 819	3 087	1 732
<b>Total assets</b>	<b>67 130</b>	<b>36 409</b>	<b>30 721</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the company's equity holders</b>			
Share capital	103	103	–
Treasury shares	(845)	(845)	–
Other reserves	10	10	–
Distributable reserves	11 424	11 424	–
	10 692	10 692	–
<b>Non-controlling interest</b>	714	486	228
<b>Total equity</b>	<b>11 406</b>	<b>11 178</b>	<b>228</b>
<b>LIABILITIES</b>			
Deferred income tax	1 103	1 103	–
Lease liabilities	824	824	–
Financial liabilities at fair value through income			
Debt securities	3 053	3 053	–
Investment contracts	6 286	–	6 286
Derivatives	7	7	–
Financial liabilities at amortised cost			
Repo liability	690	–	690
Collateral guarantee contracts	113	–	113
Insurance contract liabilities	34 650	17 332	17 318
Reinsurance contract liabilities	5 789	49	5 740
Provisions for other liabilities and charges	141	141	–
Trade and other payables	2 830	2 496	334
Current income tax	238	226	12
<b>Total liabilities</b>	<b>55 724</b>	<b>25 231</b>	<b>30 493</b>
<b>Total shareholders' equity and liabilities</b>	<b>67 130</b>	<b>36 409</b>	<b>30 721</b>

## 17. ANALYSIS OF POLICYHOLDER/SHAREHOLDER FINANCIAL POSITION AND RESULTS (CONTINUED)

### 17.1 ANALYSIS OF POLICYHOLDER/SHAREHOLDER STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Restated <sup>1</sup> Audited as at 31 December 2022 R million	Restated <sup>1</sup> Shareholder Audited as at 31 December 2022 R million	Restated <sup>1</sup> Policyholder/ cellholder Audited as at 31 December 2022 R million
<b>ASSETS</b>			
Intangible assets	1 073	1 073	–
Property and equipment	640	640	–
Investment in associates and joint ventures	467	467	–
Strategic investment – unquoted Sanlam target shares	1 596	1 596	–
Deferred income tax	139	76	63
Financial assets at fair value through income	36 069	13 552	22 517
Insurance contract assets	797	705	92
Reinsurance contract assets	14 005	12 331	1 674
Non-current assets held for sale	1 768	1 768	–
Loans and receivables	2 615	1 976	639
Current income tax	96	40	56
Cash and cash equivalents	5 387	4 090	1 297
<b>Total assets</b>	<b>64 652</b>	<b>38 314</b>	<b>26 338</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the company's equity holders</b>			
Share capital	103	103	–
Treasury shares	(713)	(713)	–
Other reserves	(63)	(63)	–
Distributable reserves	11 537	11 537	–
	10 864	10 864	–
<b>Non-controlling interest</b>	<b>670</b>	<b>496</b>	<b>174</b>
<b>Total equity</b>	<b>11 534</b>	<b>11 360</b>	<b>174</b>
<b>LIABILITIES</b>			
Deferred income tax	100	62	38
Lease liabilities	669	669	–
Financial liabilities at fair value through income			
Debt securities	2 539	2 539	–
Investment contracts	5 214	–	5 214
Derivatives	35	35	–
Financial liabilities at amortised cost			
Repo liability	739	–	739
Collateral guarantee contracts	129	–	129
Insurance contract liabilities	36 221	20 715	15 506
Reinsurance contract liabilities	4 144	21	4 123
Provisions for other liabilities and charges	139	139	–
Trade and other payables	2 855	2 503	352
Current income tax	334	271	63
<b>Total liabilities</b>	<b>53 118</b>	<b>26 954</b>	<b>26 164</b>
<b>Total shareholders' equity and liabilities</b>	<b>64 652</b>	<b>38 314</b>	<b>26 338</b>

<sup>1</sup> Comparative information was restated for the initial application of IFRS 17, in addition to a reclassification of accrued interest. Refer to note 2 for additional information.

## 17. ANALYSIS OF POLICYHOLDER/SHAREHOLDER FINANCIAL POSITION AND RESULTS (CONTINUED)

### 17.2 ANALYSIS OF POLICYHOLDER/SHAREHOLDER STATEMENT OF COMPREHENSIVE INCOME

	Audited Year ended 31 December 2023 R million	Shareholder Audited Year ended 31 December 2023 R million	Policyholder/ cellholder Audited Year ended 31 December 2023 R million
Insurance revenue	46 882	36 250	10 632
Insurance service expense	(37 230)	(30 015)	(7 215)
Net expenses from reinsurance contracts held	(6 835)	(4 240)	(2 595)
<b>Insurance service result</b>	<b>2 817</b>	<b>1 995</b>	<b>822</b>
Finance expenses from insurance contracts issued	(1 980)	(1 512)	(468)
Finance (expense)/income from reinsurance contracts held	(66)	646	(712)
<b>Net insurance service result</b>	<b>771</b>	<b>1 129</b>	<b>(358)</b>
Interest income on amortised cost instruments	466	252	214
Interest income on fair value through income instruments	2 733	1 202	1 531
Other investment income	745	639	106
Net fair value gains/(losses) on financial assets and liabilities at fair value through income	746	850	(104)
Other revenue	464	474	(10)
Investment management services fees	(125)	(114)	(11)
<b>Net investment and other revenue</b>	<b>5 029</b>	<b>3 303</b>	<b>1 726</b>
Other operating expenses	(722)	(671)	(51)
Investment return allocated to structured products	(497)	-	(497)
Amortisation and impairment of intangible assets	(77)	(77)	-
<b>Total other operating expenses</b>	<b>(1 296)</b>	<b>(748)</b>	<b>(548)</b>
<b>Results of operating activities</b>	<b>4 504</b>	<b>3 684</b>	<b>820</b>
Other finance costs	(438)	(374)	(64)
Net income from associates and joint ventures	81	81	-
Income tax recovered from structured products	258	-	258
<b>Profit before tax</b>	<b>4 405</b>	<b>3 391</b>	<b>1 014</b>
<b>Total tax expense</b>	<b>(1 727)</b>	<b>(716)</b>	<b>(1 011)</b>
Tax expense allocated to shareholders	(716)	(716)	-
Tax expense allocated to cell owners and structured products	(1 011)	-	(1 011)
<b>Profit from continuing operations</b>	<b>2 678</b>	<b>2 675</b>	<b>3</b>
Profit from discontinued operations	705	705	-
<b>Profit for the year</b>	<b>3 383</b>	<b>3 380</b>	<b>3</b>
<b>Profit attributable to:</b>			
- equity holders of the company	3 250	3 250	-
- non-controlling interest	133	130	3
	<b>3 383</b>	<b>3 380</b>	<b>3</b>

## 17. ANALYSIS OF POLICYHOLDER/SHAREHOLDER FINANCIAL POSITION AND RESULTS (CONTINUED)

### 17.2 ANALYSIS OF POLICYHOLDER/SHAREHOLDER STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Restated <sup>1</sup> Audited Year ended 31 December 2022 R million	Restated <sup>1</sup> Shareholder Audited Year ended 31 December 2022 R million	Restated <sup>1</sup> Policyholder/ cellholder Audited Year ended 31 December 2022 R million
Insurance revenue	43 082	34 360	8 722
Insurance service expense	(38 694)	(32 620)	(6 074)
Net (expense)/income from reinsurance contracts held	(1 728)	135	(1 863)
<b>Insurance service result</b>	<b>2 660</b>	<b>1 875</b>	<b>785</b>
Finance expenses from insurance contracts issued	(1 245)	(668)	(577)
Finance income from reinsurance contracts held	658	626	32
<b>Net insurance service result</b>	<b>2 073</b>	<b>1 833</b>	<b>240</b>
Interest income on amortised cost instruments	276	276	-
Interest income on fair value through income instruments	1 688	846	842
Other investment income	696	641	55
Net fair value losses on financial assets and liabilities at fair value through income	(550)	(351)	(199)
Other revenue	387	387	-
Investment management services fees	(124)	(124)	-
<b>Net investment income and other revenue</b>	<b>2 373</b>	<b>1 675</b>	<b>698</b>
Other operating expenses	(521)	(469)	(52)
Investment return allocated to structured products	(208)	-	(208)
Amortisation and impairment of intangible assets	(105)	(105)	-
<b>Total other operating expenses</b>	<b>(834)</b>	<b>(574)</b>	<b>(260)</b>
<b>Results of operating activities</b>	<b>3 612</b>	<b>2 934</b>	<b>678</b>
Other finance costs	(323)	(280)	(43)
Net income from associates and joint ventures	68	68	-
Income tax recovered from structured products	126	-	126
<b>Profit before tax</b>	<b>3 483</b>	<b>2 722</b>	<b>761</b>
<b>Total tax expense</b>	<b>(1 392)</b>	<b>(649)</b>	<b>(743)</b>
Tax expense allocated to shareholders	(649)	(649)	-
Tax expense allocated to cell owners and structured products	(743)	-	(743)
<b>Profit from continuing operations</b>	<b>2 091</b>	<b>2 073</b>	<b>18</b>
Loss from discontinued operations	(14)	(14)	-
<b>Profit for the year</b>	<b>2 077</b>	<b>2 059</b>	<b>18</b>
<b>Profit attributable to:</b>			
- equity holders of the company	1 980	1 980	-
- non-controlling interest	97	79	18
	<b>2 077</b>	<b>2 059</b>	<b>18</b>

<sup>1</sup> Restated as a result of adoption of IFRS17.



## 18. RESTATEMENTS AND CHANGES IN PRESENTATION

### 18.1 RESTATEMENT OF THE STATEMENT OF FINANCIAL POSITION

#### 18.1.1 Reclassification of accrued interest

Accrued interest on financial assets was previously classified as loans and receivables, and has been restated to be appropriately included as part of the carrying value of financial assets. In addition, loans to policyholders which were previously included as loans and receivables, have been reclassified to insurance contract liabilities.

The table below shows the impact of the change:

	Previously reported Audited as at 31 December 2022 R million	Restatement Audited as at 31 December 2022 R million	Restated Audited as at 31 December 2022 R million
<b>Financial assets at fair value through income (excluding derivatives)</b>			
<b>Equity securities</b>			
Listed equities and similar securities	2 861	-	2 861
Unlisted equities and similar securities	1 738	-	1 738
<b>Interest-bearing investments</b>			
Government interest-bearing investments	4 640	35	4 675
Corporate interest-bearing investments	15 340	118	15 458
Mortgages and loans	87	1	88
<b>Structured transactions</b>			
Structured notes	238	3	241
<b>Investment funds</b>	9 065	-	9 065
<b>Deposits and similar securities</b>	3 477	62	3 539
<b>Financial assets at fair value through income</b>	37 446	219	37 665
<b>Financial assets measured at amortised cost</b>			
Loans and receivables	3 690	(1 075)	2 615
<b>Net restatement of financial assets</b>	41 136	(856)	40 280

<sup>1</sup> Included in restatement is R856 million in loans to policyholders which were reclassified to insurance contract liabilities. Refer to note 18.3 for more detail.

#### 18.1.2 Reclassification of investment contracts

Investment contracts were reclassified to correctly classify certain contracts within the alternative risk transfer business as investment contracts. The balance as at 31 December 2021 was restated from R1 970 million to R3 798 million, and the balance as at 31 December 2022 was restated from R2 061 million to R5 214 million.

## 18. RESTATEMENTS AND CHANGES IN PRESENTATION (CONTINUED)

### 18.2 RESTATEMENT OF THE STATEMENT OF CASH FLOWS

Cash flows relating to dividends and interest received within operating activities have been restated to be presented separately in the statement of cash flows. This presentation is more relevant, as these amounts relate to a prominent part of the group's operating results and investment strategy. This presentation is in line with the industry. The comparative information has been restated accordingly.

Cash flows relating to income tax paid on behalf of third party reinsurance contracts, investment contracts and structured products have been restated to be presented correctly in the statement of cash flow. The group has a contractual arrangement to recoup the payments from these parties and as such, this was previously presented on a net basis. The enhanced presentation is more relevant, as these payments were made directly to the relevant tax authorities by the group. The comparative information has been restated accordingly.

The table below shows the impact of the change:

	Previously reported Audited Year ended 31 December 2022 R million	Restatement Audited Year ended 31 December 2022 R million	Restated Audited Year ended 31 December 2022 R million
<b>Net cash from operating activities</b>			
Cash generated from operations	9 624	(1 255)	8 369
Dividends received	-	457	457
Interest received	-	1 541	1 541
Income tax paid	(802)	(743)	(1 545)
<b>Net impact</b>	<b>8 822</b>	<b>-</b>	<b>8 822</b>

### 18.3 RESTATEMENTS RELATING TO CORRECTIONS TO THE INSURANCE AND REINSURANCE CONTRACTS

- a) In compliance with IFRS 17, Santam should present their inwards reinsurance revenue net of ceding commission. Due to a mapping error in preparing the financial statements, the ceding commission was not netted off against inward reinsurance revenue for the six months to June 2023 in the 30 June 2023 interim financial statements, as required. This resulted in the overstatement of insurance revenue and amortisation of insurance acquisition costs by R225 million. The ceding commission netted off against inward reinsurance revenue for the 31 December 2022 comparative year in the 30 June 2023 interim financial statement note was similarly understated by R1 171 million, therefore overstating insurance revenue by R1 171 million, with amortisation of insurance acquisition costs overstated by the same amount. The June 2023 statement of comprehensive income will be restated in the 2024 interim results.
- b) A reversal of binder fees relating to acquisition activities of R91 million were incorrectly included in incurred claims and other insurance services expenses in insurance service expenses. Under IFRS 17 this amount should form part of insurance acquisition costs of insurance service expenses. The note was corrected to correctly reflect the reversal of the binder fees against the amortisation of insurance acquisition cost line. There was no impact on the insurance service expenses as presented on the statement of comprehensive income.
- c) IFRS 17 requires changes in financial assumptions for insurance contracts issued to be accounted for as part of finance expenses from insurance contracts issued (insurance finance expense). In the 30 June 2023 interim financial statements, changes in financial assumptions were incorrectly mapped to insurance service expenses. The mapping was subsequently corrected which reduced finance expenses from insurance contracts issued and increased insurance service expenses with R240 million, respectively. This restatement impacted the 31 December 2022 comparative year presented in the 30 June 2023 interim financial statements in relation to the IFRS 17 adoption note.

## 18. RESTATEMENTS AND CHANGES IN PRESENTATION (CONTINUED)

### 18.3 RESTATEMENTS RELATING TO CORRECTIONS TO THE INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

- d) First party cell contracts are in the scope of IFRS 9. In the June 2023 interim financial statements, the investment return allocated to first party cell contracts of R208 million, as well as income tax recovered from first party cells of R126 million, were incorrectly mapped to the finance income from reinsurance contracts held, net expenses from reinsurance contracts held and finance expenses from insurance contracts issued, respectively. This was corrected to be presented as part of the investment return allocated to structured products (fair value movement) and Income tax recovered from structured products, in line with IFRS 9. This restatement impacted the 31 December 2022 comparative year presented in the 30 June 2023 interim financial statements in relation to the IFRS 17 adoption note. The June 2023 statement of comprehensive income will be restated in the 2024 interim results.
- e) IFRS 17 requires changes in financial assumptions for reinsurance contracts held to be accounted for as part of finance income from reinsurance contracts issued (Reinsurance finance (income)/expense). In the 30 June 2023 interim financial statements, changes in financial assumptions were mapped to net (expense)/income from reinsurance contracts held (Claims recovered and other reinsurance service income received). The mapping was subsequently corrected to reduce finance income from reinsurance contracts issued with R130 million relating to changes in financial assumptions, and remove the amount from net (expense)/income from reinsurance contracts held. This restatement impacted the 31 December 2022 comparative year presented in the 30 June 2023 interim financial statement note in relation to the adoption of IFRS 17.
- f) Santam discloses their reinsurance income net of compulsory reinstatement premiums, in compliance with IFRS 17. The compulsory reinstatement premiums of R480 million in the 30 June 2023 interim financial statement notes were however incorrectly disclosed as part of reinsurance expenses instead of being treated as part of reinsurance income in the note supporting the "Net expense from reinsurance contracts held" line item. This was corrected accordingly. There is no statement of comprehensive income impact.
- g) Before the adoption of IFRS 17, loans to policyholders were appropriately classified as IFRS 9 Loans and receivables (i.e. separately from the insurance contract). These loans however do not meet the requirements in IFRS 17 to be treated as separate IFRS 9 investment components. These policy loans amounting to R856 million were incorrectly treated as IFRS 9 loans and receivables and have subsequently been reclassified to the insurance contract liability for remaining cover, within the general insurance premium allocation approach disclosure group. The amounts disclosed in the December 2022 statement of financial position in the group's interim financial statements for the period ended 30 June 2023 were incorrect and have been restated.

## 18. RESTATEMENTS AND CHANGES IN PRESENTATION (CONTINUED)

### 18.3 RESTATEMENTS RELATING TO CORRECTIONS TO THE INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

The impact on the group's December 2022 and December 2021 statement of financial position, the 31 December 2022 insurance notes, as well as the 31 December 2022 statement of comprehensive income (not reported yet after the implementation of IFRS 17) was as follows:

R million	Previously reported Audited as at 31 December 2022	Restatement Audited as at 31 December 2022	
		a) Inwards reinsurance acquisition cost	b) Binder fees
<b>Note 8.2.1 general insurance under premium allocation approach</b>			
Net insurance contract liabilities opening balance	30 021	-	-
Insurance revenue	(38 675)	1 171	-
Amortisation of insurance acquisition costs	6 346	(1 171)	(91)
Incurred claims and other insurance service expenses	30 161	-	91
Finance expenses from insurance contracts issued	1 425	-	-
Premiums received	43 407	-	-
Net insurance contract liabilities closing balance	34 299	-	-
<b>Note 8.2.2 general reinsurance under premium allocation approach</b>			
Reinsurance expenses	6 905	-	-
Claims recovered and other reinsurance service income received	(6 727)	-	-
Adjustments to incurred claims that relate to past service	(421)	-	-
Reinsurance finance expenses/(income)	(534)	-	-
Total statement of financial position disclosure notes		-	-
<b>Statement of financial position</b>			
Loans and receivables	3 690	-	-
Insurance contract liabilities	(36 387)	-	-
<b>Statement of comprehensive income</b>			
Investment return allocated to structured products	-	-	-
Income tax recovered from structured products	-	-	-

R million	Previously reported Audited as at 31 December 2021	Restatement Audited as at 31 December 2021	
		a) Inwards reinsurance acquisition cost	b) Binder fees
<b>Statement of financial position</b>			
Loans and receivables	2 548	-	-
Insurance contract liabilities	(31 511)	-	-

Restatement  
Audited as at 31 December 2022

c) Claims cost allocation	d) First party cell contract reallocation	e and f) Reinsurance service expense	g) Policyholder loans	Restated Audited as at 31 December 2022
-	-	-	(615)	29 406
-	-	-	-	(37 504)
-	-	-	-	5 084
240	-	-	-	30 492
(240)	(117)	-	-	1 068
-	-	-	(241)	43 166
-	-	-	(856)	33 443
-	-	(480)	-	6 425
-	126	350	-	(6 251)
-	-	-	-	(421)
-	(91)	130	-	(495)
-	(82)	-	(856)	-
-	-	-	(856)	2 834
-	-	-	856	(35 531)
-	-	-	-	-
-	(208)	-	-	(208)
-	126	-	-	126
-	(82)	-	-	-

Restatement  
Audited as at 31 December 2021

c) Claims cost allocation	d) First party cell contract reallocation	e and f) Reinsurance service expense	g) Policyholder loans	Restated Audited as at 31 December 2021
-	-	-	(615)	1 933
-	-	-	615	(30 896)
-	-	-	-	-

# Notes

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# Contact

SANTAM HEAD OFFICE  
REGISTERED ADDRESS

1 Sportica Crescent, Tyger Valley,  
Bellville, 7530  
PO Box 3881,  
Tyger Valley, 7536  
Tel: 021 915 7000  
Fax: 021 914 0700

[www.santam.co.za](http://www.santam.co.za)

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