santam

2024

REVIEWED INTERIM REPORT AND ORDINARY DIVIDEND DECLARATION

for the six months ended 30 June 2024

Contents

Salient features

CONVENTIONAL INSURANCE NET EARNED PREMIUM GROWTH

7%

(June 2023: 7%)

CONVENTIONAL INSURANCE NET UNDERWRITING MARGIN

6.5%

(June 2023: 3.8%)

GROUP GROSS CLAIMS PAID

R14.2 billion

(June 2023: R14.6 billion)

ALTERNATIVE RISK TRANSFER (ART) OPERATING RESULTS

R312 million

(June 2023: R174 million)

ECONOMIC CAPITAL COVERAGE RATIO

158%

(December 2023: 155%)

ANNUALISED RETURN ON SHAREHOLDERS' FUNDS

33.6%

(June 2023: 24.0%)

HEADLINE EARNINGS (CENTS PER SHARE)

1 578 cents

(June 2023: 1 170 cents)

EARNINGS (CENTS PER SHARE)

1 567 cents

(June 2023: 1 170 cents)

INTERIM DIVIDEND (CENTS PER SHARE)

535 cents

(June 2023: 495 cents)

Financial and operational review

Key features

Business volumes

- Good growth in premiums – reflects the strength of our client and intermediary relationships
- Traction from new strategic initiatives at MiWay
- MTN partnership exceeding expectations

Earnings

- Underwriting margin of 6.5% (June 2023: 3.8%) – within the target range despite adverse weather-related claims
- Improvement in the profitability of in-force book following underwriting actions
- Turnaround in Santam Re performance
- Favourable investment returns earned on insurance funds and capital portfolios
- Net income attributable to equity holders up 34%

Capital

- Annualised return on capital of 33.6% exceeded the hurdle rate of 24%
- Interim dividend of 535 cents per share, up 8.1%

Executive summary

Despite challenging operating conditions, the group performed well in the first half of 2024. Our diversification across market segments, insurance classes and geographies, coupled with the progress in executing our refreshed FutureFit strategy, provided a resilient base upon which we could build positive momentum.

We welcome progress in addressing the structural constraints to economic growth in South Africa, including electricity supply and transportation infrastructure, albeit at a slower-than-anticipated pace. Economic growth in this, our largest market, remained lacklustre, and unemployment remained at historically high levels. These conditions influenced our growth potential given the high level of penetration in the traditional insurance markets in South Africa, with these segments closely coupled to the performance of the economy and employment levels. Our strategy is responsive to these conditions, and we, therefore, focus on our direct channels, where we do not have a fair market share, and the non-traditional segments, which are much less penetrated and provide good prospects for accelerated growth while also driving enhanced inclusion. Opportunities for growth outside of South Africa were also more favourable given the group's low market share in global markets.

The claims environment also presented headwinds for the general insurance industry. The frequency and severity of losses from inclement weather conditions have increased substantially over the past decade, including in South Africa, which has traditionally been seen as a benign catastrophe environment. We protected the wealth and prosperity of our clients by offsetting R607 million of weather-related catastrophe losses that they incurred in the first half of 2024. Increases in motor repair costs remained above general inflationary levels.

We made significant progress in executing our refreshed FutureFit 2030 strategy, enabling us to successfully navigate these challenges to achieve a more normalised underwriting performance. Our new omni-channel operating model is fully vested. The enhanced focus on specific market segments and tailored distribution models, augmented by our investment in technology and operational processes to improve intermediary and client experience, is yielding positive results. We achieved solid premium growth across all channels and improved the group's net promotor score (a measure of customer experience and loyalty that signifies the ratio of supporters relative to detractors) from 52 at the end of 2023 to 56 at the end of June 2024. This is a proud achievement.

We remained steadfast in implementing several underwriting actions in response to the elevated claims frequency, severity and inflation experienced over the past few years. We have successfully addressed power surge losses and improved the profitability of the motor book. The property class is receiving attention, including the accelerated roll-out of geo-coding to enhance risk selection and rating, segmented premium increases, higher excess amounts for selected risks and expanded surveying. We made good progress in the roll-out of these initiatives, which will continue throughout the renewal cycle. Notwithstanding the impact of weather-related losses, the property actions are already positively contributing to our financial performance.

Santam Re concluded the restructuring of its portfolio in 2024, creating a more diversified and lower-risk base for future growth.

The strategic actions implemented to date benefitted the rate strength and profitability of the in-force book across the group, supporting the improvement in profitability in 2024. We need to continue with these actions to address the remaining pressure areas.

Our strength lies in the quality of our people. Investment in attracting and retaining the best skills available in the industry through a superior employee value proposition is a key priority. In 2024, we celebrated an improvement in our 'Top Employer South Africa' ranking from 10th to 8th position.

Our strategic progress contributed positively to our financial performance in 2024:

Performance measure	Long-term goal	1H2024 performance	Rating
Growth in size of book	CPI + GDP + 1 to 2% (7.3% – 8.3% for 1H2024)	Gross written premium (GWP): 8.1% Net earned premium (NEP): 7.1%	●
Net underwriting margin	5% – 10%	6.5%	●
Diversification • International • Direct	 >20% by 2030 >30% by 2030	 18% 19%	●
Return on capital	24%	33.6%	●
Dividend growth	In line with NEP (7.1% for 1H2024)	8.1%	●
Capital coverage ratio	145% – 165%	158%	●

Financial and operational review

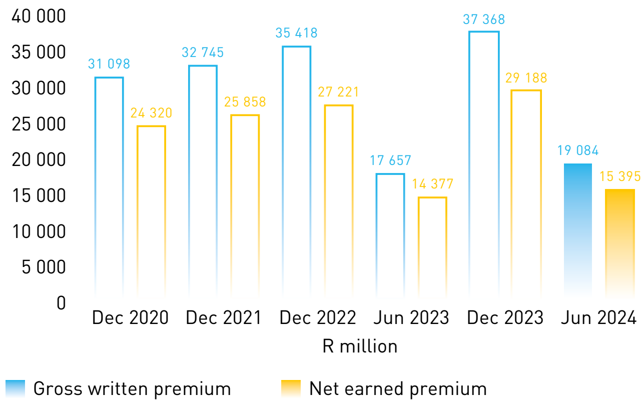
Investment market volatility persisted in the first half of 2024, with sentiment largely centred around the South African general election uncertainties. The formation of a Government of National Unity towards the end of June was well received by the markets, resulting in a rally across equities and fixed-interest investments. This contributed to a return on insurance funds of 2.3%. The 2024 net insurance margin of 8.8% compares to 6.0% in 2023.

The alternative risk transfer (ART) businesses delivered an excellent performance, supported by solid growth across all revenue lines.

Business volumes

GWP indicates the size of the business written by the group's distribution channels before allowing for reinsurance premiums paid. As it excludes reinsurance, it reflects the group's distribution capacity rather than earnings potential. NEP is, therefore, also disclosed as an indicator of the size of the business retained by the group. It relates to the portion of GWP after reinsurance recognised in the current reporting period regarding expired risk. GWP increased by 8%, while NEP increased by 7%. The lower growth level in NEP is primarily attributable to timing differences in the recognition of business written by Santam Re in 2024, which are expected to reverse in the second half of 2024.

Conventional business volumes



All business units contributed to the growth in GWP, except for Specialist Solutions.

Broker Solutions and Client Solutions continued to strengthen premium rates. The persistent underperformance of the property class necessitated higher-than-inflation premium increases as part of the package of underwriting actions. Motor premium increases were moderated given the improved performance of this book but are closely monitored to ensure that we keep track of claims inflation. Persistency experience has improved since the end of 2023.

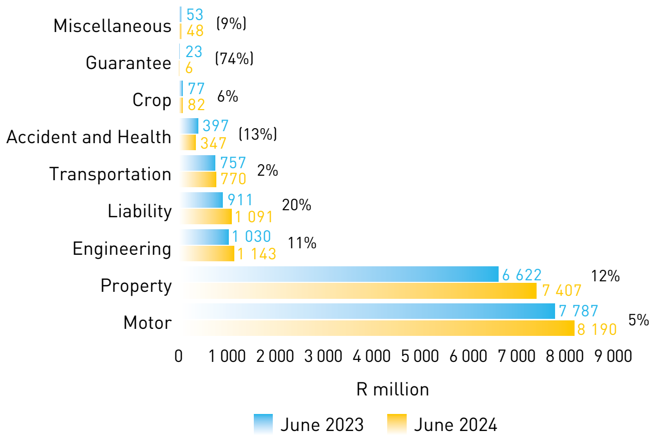
Partner Solutions grew strongly from a low base, supported by the transfer of the MTN in-force book to the Santam licence in the first quarter of 2024.

MiWay's new inbound and tied agency strategies benefitted business insurance with growth in excess of 30% in this line of business. Personal lines business performed below expectations but improved on the growth achieved in the first half of 2023. Overall growth at 7% is a pleasing improvement on the 4% achieved in the first half of 2023.

Specialist Solutions experienced a marginal decline in business volumes. Casualty business was negatively affected by aggressive competitor pricing and business being placed directly in the global market. Protecting the group's profitability is paramount, and we were not prepared to follow the market's pricing levels. Engineering had a slower first half in 2024, which is not unusual given the uneven nature of this line of business, which is susceptible to timing differences. Crop business experienced lower volumes due to adverse planting conditions. All other major lines of business achieved good growth.

Santam Re achieved double-digit growth following the cancellation of underperforming business in 2023. The portfolio has been successfully restructured and is expected to improve profitability, as evidenced in the first half of 2024.

By insurance class



The motor class grew by 5%. Good growth in Broker Solutions and Client Solutions was partly offset by a more muted personal lines performance at MiWay and lower volumes at Santam Re following the portfolio restructuring. Specialist Solutions volumes were in line with 2023. Weak new vehicle sales trends in South Africa are dampening growth potential.

The property class grew by 12%, benefitting from the rate strengthening in the Broker Solutions and Client Solutions portfolios and the MTN Partnership in Partner Solutions.

The results on the Engineering book were primarily driven by strong growth at Santam Re following the portfolio restructuring, offsetting the softer period at Specialist Solutions.

Santam Re's contribution to the liability class more than doubled, partly offset by a decline in Specialist Solutions attributable to the competitive market conditions.

Geographical analysis

South Africa remains the most significant contributor to GWP at 82% (June 2023: 83%), with business from this market increasing by 7% to R15.7 billion (June 2023: R14.6 billion). GWP from outside South Africa contributed 18% (June 2023: 17%) of total GWP and grew by 11% to R3.4 billion (June 2023: R3.0 billion).

The partnership with SanlamAllianz across the African continent in specialist business continued to deliver positive results, with excellent GWP growth of 33% to R379 million (June 2023: R286 million).

Financial and operational review

Earnings

R million	June 2024	June 2023	Variance
Conventional	**2 050**	1 587	29%
Net insurance result	**1 352**	864	56%
Investment return on capital	**698**	723	(3%)
Net income ART	**326**	200	63%
Associated companies	**39**	45	(13%)
Amortisation and other	**(99)**	(34)	>(100%)
Income before tax and non-controlling interest	**2 316**	1 798	29%
Tax and non-controlling interest	**(598)**	(517)	(16%)
Net income	**1 718**	1 281	34%

Conventional insurance

R million	June 2024	% of NEP	June 2023	% of NEP
Gross written premium	**19 084**		17 657	
Net earned premium	**15 395**	**100%**	14 377	100%
Claims incurred	**9 595**	**62.3%**	9 491	66.0%
Acquisition cost	**4 807**	**31.2%**	4 341	30.2%
Commission	**2 392**	**15.5%**	2 170	15.1%
Management expenses	**2 415**	**15.7%**	2 171	15.1%
Underwriting result	**993**	**6.5%**	545	3.8%
Investment return on insurance funds	**359**	**2.3%**	319	2.2%
Net insurance result	**1 352**	**8.8%**	864	6.0%
Combined ratio		**93.5%**		96.2%

Net income increased by 34%, supported by a 29% increase in the earnings from conventional insurance and a 63% rise in ART earnings.

Underwriting result

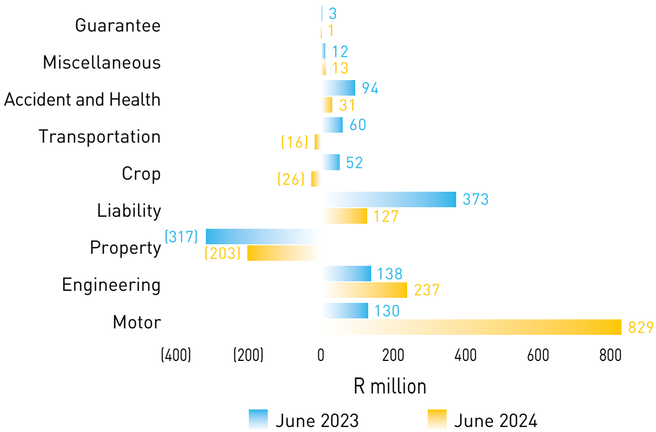
Underwriting profit increased by 82% at a margin of 6.5% for 2024, well within our 5% – 10% target range, albeit still below the mid-point. It compares to a margin of 3.8% in 2023.

Inclement weather conditions across the Western Cape, Eastern Cape and KwaZulu-Natal resulted in three catastrophe events with total losses of R607 million incurred net of reinsurance. This compares to weather-related catastrophe losses of R150 million in 2023. Other significant losses (net exposure of more than R10 million per event after reinsurance) amounted to R98 million, declining from R358 million in 2023.

The underwriting actions implemented at Broker Solutions and Client Solutions significantly improved the risk profile and rating strength of the group's in-force book. This created positive earnings momentum, which, together with favourable attritional loss experience, more than offset the R197 million increase in weather-related catastrophes and other significant losses within these business units.

All business units delivered underwriting margins in excess of 2023, except for Specialist Solutions, which declined slightly from a high comparative base. The Crop and Marine businesses incurred several large claims compared to a more benign claims environment in 2023.

By insurance class



The motor book showed a strong recovery, with all business units contributing to the excellent performance on the back of a reduction in claims frequency in South Africa. Claims inflation has not yet normalised and needs further attention. The comparable 2023 period included substantial losses from cancelled business outside South Africa.

Financial and operational review

Most of the weather-related and other large losses highlighted above impacted the property class, resulting in a net loss of R203 million. Improved risk selection and underwriting in response to the roll-out of geo-coding, prevented losses in excess of R150 million from these events.

Engineering delivered strong growth in underwriting results, benefiting from a decline in the frequency of significant losses.

Liability declined from a high base in 2023 but achieved margins in line with expectations for the year.

Transportation profits declined from R60 million in 2023 to a loss of R16 million in 2024. A solid contribution from Heavy Haulage was offset by several large claims in Marine.

Crop had a disappointing period as a result of increased hail-related claims as well as some drought-related claims in 2024.

Expense management

The net acquisition cost ratio increased marginally to 31.2% (June 2023: 30.2%), with the net commission ratio at 15.5% compared to 15.1% in 2023. The net commission ratio is influenced by the mix of business written between specialist, commercial and personal lines.

The management expense ratio remained well-controlled at 15.7% (June 2023: 15.1%) despite investment in strategic initiatives at MiWay, on the back of continued cost containment efforts.

Investment return on insurance funds

The investment return on insurance funds of 2.3% (June 2023: 2.2%) of net earned premium benefitted from solid returns on local and global fixed-income investments, the combination of a favourable investment market performance and an outperformance of portfolio benchmarks.

Investment return on capital

Investment return on capital declined from R723 million in 2023 to R698 million in 2024. This is mainly attributable to a decline in foreign exchange gains from R300 million in 2023 to R43 million in 2024, which offset higher interest income and a positive turnaround in fair value gains on equities and fixed-interest instruments. Investment return includes a contribution of R356 million from the Target shares held in respect of the general insurance operations in India and Malaysia (June 2023: R293 million).

Alternative risk transfer business

The ART business reported strong growth in profits of 63%, from R200 million in 2023 to R326 million in 2024. This is the combination of 79% growth in operating earnings to R312 million (June 2023: R174 million) and a decline in investment return earned on capital to R14 million (June 2023: R26 million). Good growth was experienced across all main income lines (fee income, investment margin and underwriting margins), supported by increased business under administration.

India/Malaysia general insurance businesses

Santam's share of the GWP of SGI in India and Pacific & Orient Insurance Co. Berhad (P&O) in Malaysia increased by 35%. SGI's contribution was 35% higher, with solid growth from all distribution channels.

Net insurance results decreased by 4%. The SGI underwriting performance benefitted from book growth and a favourable claims ratio, offset by lower return on insurance funds.

Capital management

No significant corporate actions were concluded in the first half of 2024.

The group and all of its principal subsidiaries remain well-capitalised. Based on the internal model, the group economic capital requirement at 30 June 2024 amounted to R9.0 billion (December 2023: R8.8 billion) compared to the actual capital of R14.3 billion (December 2023: R13.7 billion). This equates to an economic capital coverage ratio of 158% (December 2023: 155%), slightly above the midpoint of the capital target range of 145% to 165%. Santam Ltd, the primary operating entity, had an economic capital coverage ratio of 155% at 30 June 2024 and a regulatory capital coverage ratio of 161%, well above the risk appetite levels.

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 30 June 2024 remained broadly in line with December 2023.

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 30 June 2024, the board approved an interim ordinary dividend of 535 cents per ordinary share in respect of the first half of the 2024 financial year, an increase of 8.1% on the interim dividend of 495 cents declared in respect of the 2023 financial year.

Prospects

General operating conditions are not expected to improve markedly in the remainder of 2024. Investor and business sentiment appears to be positive following the general elections in South Africa and an improvement in Eskom's electricity availability factor. Economic growth and employment levels should benefit over time but will likely remain subdued in the short term while other structural constraints persist. Personal disposable income will remain under pressure in South Africa until policy interest rates enter a declining cycle. The La Niña effect is expected in Q3 2024; this is anticipated to lead to increased rain alongside the traditional hail season in Q4. These factors add some volatility to the underlying underwriting margin.

Investment markets will likely remain volatile, especially in the context of escalating geopolitical risk on the international front and uncertain global election outcomes.

However, we remain confident in the group's prospects and the potential to deliver enhanced growth and profitability, as our FutureFit 2030 strategy has been tailored to the environment in which we operate. The management actions implemented to date, which we continue to roll out, create positive momentum into the year's second half.

Financial and operational review

Change in directors and board committees

There were no changes to the company's board of directors or the composition of the board committees since 31 December 2023.

Company secretary

R Eksteen served as the group company secretary during the reporting period.

Events after the reporting period

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

Declaration of ordinary dividend (Number 139)

Notice is hereby given that the board has declared a gross interim dividend of 535.00 cents (June 2023: 495.00 cents) per ordinary share for the six months ended 30 June 2024 to those members registered on the record date, being Friday, 20 September 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 428.00 cents per ordinary share payable to such shareholders.

JSE share code: SNT

ISIN: ZAE000093779

NSX share code: SNM

A2X share code: SNT

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: 535.00 cents

Net cash dividend amount per share: 428.00 cents

Issued shares at 29 August 2024: 115 131 417

Declaration date: Thursday, 29 August 2024

Last day to trade cum dividend: Tuesday, 17 September 2024

Shares trade ex-dividend: Wednesday, 18 September 2024

Record date: Friday, 20 September 2024

Payment date: Monday, 23 September 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 Wednesday, 18 September 2024, and Friday, 20 September 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 interim financial statements

The preparation of the reviewed interim financial statements was supervised by the group chief financial officer of Santam Ltd, ML (Wikus) Olivier CA(SA).

NT Moholi
Chairperson

TC Madzinga
Group chief executive officer

28 August 2024

Independent auditor's report on review of interim financial information

To the shareholders of Santam Ltd

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Santam Ltd ("the Group") as at 30 June 2024, the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with and containing the information required by IAS 34: *Interim Financial Reporting*, the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee ("collectively JSE Listings Requirements") and the South African Companies Act. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2024 is not prepared, in all material respects, in accordance with IAS 34: *Interim Financial Reporting*, the JSE Listings Requirements, JSE Debt Listing Requirements and the South African Companies Act.

KPMG Inc.
Registered Auditor

Per Mark Danckwerts
Chartered Accountant (SA)
Registered Auditor
Director
28 August 2024
4 Christiaan Barnard Street,
Foreshore, Cape Town

Condensed consolidated statement of financial position

	Notes	Reviewed as at 30 June 2024 R million	Audited as at 31 December 2023 R million
ASSETS			
Intangible assets		**1 186**	1 226
Property and equipment		**827**	877
Investment in associates		**541**	542
Strategic investment – unquoted Sanlam target shares	6	**2 287**	2 030
Deferred income tax		**326**	162
Financial assets at fair value through profit or loss	6	**47 278**	43 748
Insurance contract assets	7	**341**	426
Reinsurance contract assets	7	**7 695**	10 087
Loans and receivables		**2 951**	2 739
Current income tax		**250**	474
Cash and cash equivalents		**5 819**	4 819
Total assets		**69 501**	67 130
EQUITY			
Capital and reserves attributable to the company's equity holders			
Share capital		**103**	103
Treasury shares		**(869)**	(845)
Other reserves		**6**	10
Distributable reserves		**12 111**	11 424
		11 351	10 692
Non-controlling interest		**987**	714
Total equity		**12 338**	11 406
LIABILITIES			
Deferred income tax		**1 172**	1 103
Lease liabilities		**813**	824
Financial liabilities at fair value through profit or loss			
Debt securities	6	**3 058**	3 053
Investment contracts	6	**6 120**	6 286
Derivatives	6	**–**	7
Financial liabilities at amortised cost			
Repo liability		**835**	690
Collateral guarantee contracts		**114**	113
Insurance contract liabilities	7	**35 889**	34 650
Reinsurance contract liabilities	7	**5 776**	5 789
Provisions for other liabilities		**171**	141
Trade and other payables		**3 155**	2 830
Current income tax		**60**	238
Total liabilities		**57 163**	55 724
Total shareholders' equity and liabilities		**69 501**	67 130

Condensed consolidated statement of comprehensive income

	Notes	Reviewed Six months ended 30 June 2024 R million	Reviewed Six months ended 30 June 2023 R million
Insurance revenue		**24 634**	22 492
Insurance service expense		**(18 933)**	(17 777)
Net expense from reinsurance contracts held		**(3 777)**	(3 443)
Insurance service result		**1 924**	1 272
Finance expense from insurance contracts issued		**(1 013)**	(1 372)
Finance (expense)/income from reinsurance contracts held		**(127)**	308
Net insurance service result		**784**	208
Interest income on amortised cost instruments	8	**250**	274
Interest income on fair value through profit or loss instruments	8	**1 831**	1 272
Other investment (losses)/income	8	**(5)**	737
Net fair value gains on financial assets and liabilities at fair value through profit or loss	8	**485**	11
Other revenue		**179**	276
Investment management services fees		**(56)**	(56)
Net investment income and other revenue		**2 684**	2 514
Other operating expenses		**(470)**	(356)
Investment return allocated to structured products		**(270)**	–
Amortisation and impairment of intangible assets		**(28)**	(37)
Total other operating expenses		**(768)**	(393)
Result of operating activities		**2 700**	2 329
Other finance costs		**(269)**	(198)
Net income from associates		**39**	45
Income tax recovered from structured products		**83**	–
Profit before tax		**2 553**	2 176
Total tax expense		**(534)**	(830)
Tax expense allocated to shareholders	9	**(495)**	(452)
Tax expense allocated to cell owners and structured products	9	**(39)**	(378)
Profit for the period		**2 019**	1 346
Other comprehensive income, net of tax			
Items that may subsequently be reclassified to income			
Hedging reserve movement		**–**	(125)
Total comprehensive income for the period		**2 019**	1 221
Profit attributable to:			
– equity holders of the company		**1 718**	1 281
– non-controlling interest		**301**	65
		2 019	1 346
Total comprehensive income attributable to:			
– equity holders of the company		**1 718**	1 156
– non-controlling interest		**301**	65
		2 019	1 221
Earnings attributable to equity shareholders			
Earnings per share (cents)	11		
Basic earnings per share		**1 567**	1 170
Diluted earnings per share		**1 553**	1 158

Condensed consolidated statement of changes in equity

	Attributable to equity holders of the company						
	Share capital R million	Treasury shares R million	Other reserves R million	Distributable reserves R million	Total R million	Non-controlling interest R million	Total R million
Balance as at 1 January 2023	103	(713)	(63)	11 537	10 864	670	11 534
Profit for the year	–	–	–	3 250	3 250	133	3 383
Other comprehensive income:							
Hedging reserve movement	–	–	(87)	–	(87)	–	(87)
Hedging reserve released 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
Total comprehensive income for the year ended 31 December 2023	–	–	72	3 250	3 322	133	3 455
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
Balance as at 31 December 2023 (audited)	**103**	**(845)**	**10**	**11 424**	**10 692**	**714**	**11 406**
Profit/total comprehensive income for the period ended 30 June 2024	**–**	**–**	**–**	**1 718**	**1 718**	**301**	**2 019**
Issue of treasury shares in terms of share option schemes	**–**	**86**	**–**	**(86)**	**–**	**–**	**–**
Purchase of treasury shares	**–**	**(110)**	**–**	**–**	**(110)**	**–**	**(110)**
Share-based payment costs	**–**	**–**	**–**	**51**	**51**	**–**	**51**
Movement in foreign currency translation reserve	**–**	**–**	**(4)**	**–**	**(4)**	**–**	**(4)**
Dividends paid	**–**	**–**	**–**	**(996)**	**(996)**	**(28)**	**(1 024)**
Balance as at 30 June 2024 (reviewed)	**103**	**(869)**	**6**	**12 111**	**11 351**	**987**	**12 338**

	Attributable to equity holders of the company						
	Share capital R million	Treasury shares R million	Other reserves R million	Distributable reserves R million	Total R million	Non-controlling interest R million	Total R million
Balance as at 1 January 2023	103	(713)	(63)	11 537	10 864	670	11 534
Profit for the period	–	–	–	1 281	1 281	65	1 346
Other comprehensive income:							
Hedging reserve movement	–	–	(125)	–	(125)	–	(125)
Total comprehensive income for the period ended 30 June 2023	–	–	(125)	1 281	1 156	65	1 221
Issue of treasury shares in terms of share option schemes	–	84	–	(84)	–	–	–
Purchase of treasury shares	–	(220)	–	–	(220)	–	(220)
Share-based payment costs	–	–	–	57	57	–	57
Dividends paid	–	–	–	(929)	(929)	(40)	(969)
Issue of equity interest in cell captive	–	–	–	–	–	2	2
Balance as at 30 June 2023 (reviewed)	103	(849)	(188)	11 862	10 928	697	11 625

Condensed consolidated statement of cash flows

	Notes	Reviewed Six months ended 30 June 2024 R million	Restated[1] Reviewed Six months ended 30 June 2023 R million
Cash flows from operating activities			
Cash generated from operations		**4 326**	2 324
Dividends received[1]		**161**	84
Interest received[1]		**2 044**	1 264
Interest paid		**(224)**	(201)
Income tax paid		**(545)**	(570)
Net movement from acquisition and sale of financial assets		**(3 470)**	(2 761)
Net cash from operating activities		**2 292**	140
Cash flows from investing activities			
Acquisition of business, net of cash acquired	10	**(38)**	–
Proceeds from sale of equipment		**36**	–
Purchases of equipment		**(28)**	(26)
Purchases of intangible assets		**(8)**	(7)
Settlement of derivatives		**(2)**	(123)
Net cash used in investing activities		**(40)**	(156)
Cash flows from financing activities			
Purchase of treasury shares		**(110)**	(220)
Proceeds from issue of unsecured subordinated callable notes	6.2	**–**	1 000
Redemption of unsecured subordinated callable notes	6.2	**–**	(500)
Dividends paid to company's shareholders		**(996)**	(929)
Dividends paid to non-controlling interest		**(28)**	(40)
Equity interest issued to cell captive		**–**	2
Payment of principal element of lease liabilities		**(108)**	(82)
Net cash used in financing activities		**(1 242)**	(769)
Net increase/(decrease) in cash and cash equivalents		**1 010**	(785)
Cash and cash equivalents at beginning of the period		**4 819**	5 387
Exchange (losses)/gains on cash and cash equivalents		**(10)**	46
Cash and cash equivalents at end of the period		**5 819**	4 648

[1] Refer to note 16.1 for detail of restatement.

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with, and containing the information required by, IAS 34: *Interim Financial Reporting*, the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee ("collectively JSE Ltd Listings and Debt Listings Requirements") and the Companies Act 71 of 2008, as amended.

The condensed consolidated interim 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 condensed consolidated interim financial statements.

All amounts in the condensed consolidated interim 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 condensed consolidated interim financial statements 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:

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 16 for detail of the restatement.

No other material items requiring restatement were identified.

Standards effective in 2024

The following new IFRSs and/or IFRICs were effective for the first time from 1 January 2024:

- 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)*

The adoption of these amendments to IFRS did not have a material impact.

Standards not yet effective in 2024

- Amendments to IAS 21 *The effects of changes in foreign exchange rates (on lack of exchangeability)*
- IFRS 18 *Presentation and disclosure in financial statements*
- IFRS 19 *Subsidiaries without public accountability: Disclosures*
- Amendments to IAS 28 and IFRS 10 *Sale or contribution of assets between an investor and its associate or joint venture*
- Amendments to IFRS 9 and IFRS 7 related to the *Classification and measurement of financial instruments* as well as clarifying derecognition of financial asset or financial liability when settled through electronic payment systems

The group did not early adopt any of the IFRS accounting standards that are not yet effective. The group has started the process of assessing the potential impact of adopting the new standards and amendments.

3. Estimates

The preparation of condensed consolidated interim 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 condensed consolidated interim 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.

Notes to the condensed consolidated interim financial statements

4. 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 condensed consolidated interim 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 2023.

5. 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.

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 in India and Malaysia 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 condensed 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 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 Sanlam target shares.

Reconciliation of statement of comprehensive income to operating segments

Due to the implementation of IFRS 17, the segment report for the year ended 31 December 2023 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. This was similarly applied to the June 2023 segment report in these condensed consolidated interim financial statements. Refer to note 5.1.

Notes to the condensed consolidated interim financial statements

5. Segment information (continued)

5.1 Segment report

For the period ended 30 June 2024 (reviewed)

	OPERATING SEGMENTS				
	Conventional R million	Alternative risk transfer R million	Santam's share of Sanlam general insurance businesses[1] R million	Investment R million	Total R million
Insurance revenue – external	19 107	6 121	604	1 180	**27 012**
Insurance service expense	(15 632)	(4 149)	(443)	–	**(20 224)**
Claims	(10 004)	(3 001)	(245)	–	**(13 250)**
Commission	(3 213)	(671)	(122)	–	**(4 006)**
Admin expenses[2]	(2 415)	(477)	(76)	–	**(2 968)**
Net (expense)/income from reinsurance contracts held	(2 139)	(1 792)	(165)	–	**(4 096)**
Reinsurance premiums	(3 712)	(4 903)	(165)	–	**(8 780)**
Reinsurance claims	752	2 411	–	–	**3 163**
Reinsurance commission	821	700	–	–	**1 521**
Insurance service result	1 336	180	(4)	1 180	**2 692**
Finance (expense)/income from insurance contracts issued	(566)	(133)	–	–	**(699)**
Finance income/(expense) from reinsurance contracts held	223	71	–	–	**294**
Net insurance service result	993	118	(4)	1 180	**2 287**
Reallocation of investment revenue	–	–	–	(1 180)	**(1 180)**
Investment return on insurance funds	359	194	106	–	**659**
Interest income on amortised cost instruments	–	–	–	133	**133**
Interest income on fair value through profit or loss instruments	–	–	–	252	**252**
Other investment income/(losses)	–	–	–	187	**187**
Net fair value gains on financial assets and liabilities at fair value through profit or loss	–	–	–	399	**399**
Other revenue	68	–	–	–	**68**
Investment management services fees	–	–	–	(56)	**(56)**
Net investment income and other revenue	427	194	106	(265)	**462**
Other operating expenses	(158)	–	–	–	**(158)**
Investment return allocated to structured products	–	–	–	–	**–**
Amortisation and impairment of intangible assets[4]	(28)	–	–	–	**(28)**
Total other operating expenses	(186)	–	–	–	**(186)**
Results of operating activities	1 234	312	102	915	**2 563**
Other finance costs[3]	–	–	–	(184)	**(184)**
Net income from associates	–	–	–	39	**39**
Reallocation of operating result	–	–	(102)	–	**(102)**
Income tax recovered from structured products	–	–	–	–	**–**
Profit before tax	1 234	312	–	770	**2 316**
Insurance and investment activities	1 352	–	–	698	**2 050**
Other income and expenses	(118)	–	–	19	**(99)**
ART activities	–	312	–	14	**326**
Associates	–	–	–	39	**39**

1 Santam's share of Sanlam general insurance businesses' commission and claims included on a net basis within insurance service expenses.
2 Includes depreciation of R89 million for Conventional and R4 million for ART.
3 Finance costs relating to lease liabilities is included in operating result.
4 Amortisation of computer software is included as part of operating result.
5 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 profit or loss), and the reallocation of investment revenue for IFRS purposes.

RECONCILING ITEMS

Sanlam target shares and investment revenue[5] R million	ART policyholder and investment return R million	Tax recovered from cell owners R million	Other income and expenses R million	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[3,4] R million	Total R million	Statement of compre-hensive income R million
(1 784)	–	–	26	(620)	–	–	**(2 378)**	**24 634**
443	–	–	175	620	–	53	**1 291**	**(18 933)**
245	–	–	(18)	–	–	–	**227**	**(13 023)**
122	–	–	–	620	–	–	**742**	**(3 264)**
76	–	–	193	–	–	53	**322**	**(2 646)**
165	198	(44)	–	–	–	–	**319**	**(3 777)**
165	–	–	–	1 521	–	–	**1 686**	**(7 094)**
–	198	(44)	–	–	–	–	**154**	**3 317**
–	–	–	–	(1 521)	–	–	**(1 521)**	**–**
(1 176)	198	(44)	201	–	–	53	**(768)**	**1 924**
–	(571)	–	–	–	257	–	**(314)**	**(1 013)**
–	(379)	–	–	–	(42)	–	**(421)**	**(127)**
(1 176)	(752)	(44)	201	–	215	53	**(1 503)**	**784**
1 180	–	–	–	–	–	–	**1 180**	**–**
(106)	–	–	–	–	(553)	–	**(659)**	**–**
–	117	–	–	–	–	–	**117**	**250**
–	1 026	–	–	–	553	–	**1 579**	**1 831**
–	23	–	–	–	(215)	–	**(192)**	**(5)**
–	86	–	–	–	–	–	**86**	**485**
–	–	–	111	–	–	–	**111**	**179**
–	–	–	–	–	–	–	**–**	**(56)**
1 074	1 252	–	111	–	(215)	–	**2 222**	**2 684**
–	–	–	(312)	–	–	–	**(312)**	**(470)**
–	(270)	–	–	–	–	–	**(270)**	**(270)**
–	–	–	–	–	–	–	**–**	**(28)**
–	(270)	–	(312)	–	–	–	**(582)**	**(768)**
(102)	230	(44)	–	–	–	53	**137**	**2 700**
–	(32)	–	–	–	–	(53)	**(85)**	**(269)**
–	–	–	–	–	–	–	**–**	**39**
102	–	–	–	–	–	–	**102**	**–**
–	–	83	–	–	–	–	**83**	**83**
–	198	39	–	–	–	–	**237**	**2 553**

Notes to the condensed consolidated interim financial statements

5. Segment information (continued)

5.1 Segment report (continued)

For the period ended 30 June 2023 (reviewed)

	OPERATING SEGMENTS				
	Conventional R million	Alternative risk transfer R million	Santam's share of Sanlam general insurance businesses[1] R million	Investment R million	Total R million
Insurance revenue	18 043	4 926	461	699	24 129
External	17 725	4 926	461	699	23 811
Intersegment[6]	318	–	–	–	318
Insurance service expense	(14 781)	(3 582)	(348)	–	(18 711)
Claims	(9 647)	(2 589)	(199)	–	(12 435)
Commission	(2 963)	(562)	(21)	–	(3 546)
Admin expenses[2]	(2 171)	(431)	(128)	–	(2 730)
Net (expense)/income from reinsurance contracts held	(2 460)	(1 361)	(123)	–	(3 944)
Reinsurance premiums	(3 666)	(4 112)	(123)	–	(7 901)
Reinsurance claims	413	2 106	–	–	2 519
Reinsurance commission	793	645	–	–	1 438
Insurance service result	802	(17)	(10)	699	1 474
Finance expense from insurance contracts issued	(545)	(58)	–	–	(603)
Finance income/(expense) from reinsurance contracts held	288	128	–	–	416
Net insurance service result	545	53	(10)	699	1 287
Reallocation of investment revenue	–	–	–	(699)	(699)
Investment return on insurance funds	319	121	116	–	556
Interest income on amortised cost instruments	–	–	–	137	137
Interest income on fair value through profit or loss instruments	–	–	–	308	308
Other investment income	–	–	–	389	389
Net fair value gains/(losses) on financial assets and liabilities at fair value through profit or loss	–	–	–	142	142
Other revenue	70	–	–	–	70
Investment management services fees	–	–	–	(56)	(56)
Net investment income and other revenue	389	121	116	221	847
Other operating expenses	(78)	–	–	–	(78)
Amortisation and impairment of intangible assets[4]	(26)	–	–	–	(26)
Total other operating expenses	(104)	–	–	–	(104)
Results of operating activities	830	174	106	920	2 030
Other finance costs[3]	–	–	–	(171)	(171)
Net income from associates	–	–	–	45	45
Reallocation of operating result	–	–	(106)	–	(106)
Profit before tax	830	174	–	794	1 798
Insurance and investment activities	864	–	–	723	1 587
Other income and expenses	(34)	–	–	–	(34)
ART activities	–	174	–	26	200
Associates	–	–	–	45	45

1 Santam's share of Sanlam general insurance businesses' commission and claims included on a net basis within insurance service expenses.
2 Includes depreciation of R105 million for Conventional and R4 million for ART.
3 Finance costs relating to lease liabilities is included in operating result.
4 Amortisation of computer software is included as part of operating result.
5 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 profit or loss), and the reallocation of investment revenue for IFRS purposes.
6 Intersegment revenue includes revenue earned from the Santam's share of Sanlam general insurance businesses segment.

RECONCILING ITEMS

Sanlam target shares and investment revenue[5] R million	ART investment return R million	Tax recovered from cell owners R million	Other income and expenses R million	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[3,4] R million	Total R million	Statement of comprehensive income R million
(1 160)	–	–	–	(477)	–	–	(1 637)	22 492
(1 160)	–	–	–	(477)	–	–	(1 637)	22 174
–	–	–	–	–	–	–	–	318
348	–	–	72	477	–	37	934	(17 777)
199	–	–	–	–	–	–	199	(12 236)
21	–	–	–	477	–	–	498	(3 048)
128	–	–	72	–	–	37	237	(2 493)
123	–	378	–	–	–	–	501	(3 443)
123	–	–	–	1 438	–	–	1 561	(6 340)
–	–	378	–	–	–	–	378	2 897
–	–	–	–	(1 438)	–	–	(1 438)	–
(689)	–	378	72	–	–	37	(202)	1 272
–	(395)	–	–	–	(374)	–	(769)	(1 372)
–	(205)	–	–	–	97	–	(108)	308
(689)	(600)	378	72	–	(277)	37	(1 079)	208
699	–	–	–	–	–	–	699	–
(116)	–	–	–	–	(440)	–	(556)	–
–	137	–	–	–	–	–	137	274
–	524	–	–	–	440	–	964	1 272
–	71	–	–	–	277	–	348	737
–	(131)	–	–	–	–	–	(131)	11
–	–	–	206	–	–	–	206	276
–	–	–	–	–	–	–	–	(56)
583	601	–	206	–	277	–	1 667	2 514
–	–	–	(278)	–	–	–	(278)	(356)
–	–	–	–	–	–	(11)	(11)	(37)
–	–	–	(278)	–	–	(11)	(289)	(393)
(106)	1	378	–	–	–	26	299	2 329
–	(1)	–	–	–	–	(26)	(27)	(198)
–	–	–	–	–	–	–	–	45
106	–	–	–	–	–	–	106	–
–	–	378	–	–	–	–	378	2 176

Notes to the condensed consolidated interim financial statements

5. Segment information (continued)

5.1 Segment report (continued)

Additional information on Conventional insurance activities

	Reviewed Six months ended 30 June 2024 R million	Restated[3] Reviewed Six months ended 30 June 2023 R million
Insurance revenue	**19 107**	18 043
Gross written premium	**19 084**	17 657
Unearned premium and experience adjustments	**23**	386
Net earned premium	**15 395**	14 377
Gross insurance revenue	**19 107**	18 043
Reinsurance cost	**(3 712)**	(3 666)
Net claims incurred	**9 595**	9 491
Gross claims cost	**10 570**	10 192
Gross claims incurred[3]	**10 004**	9 647
Unwinding of discount rate	**566**	545
Reinsurance claims	**(975)**	(701)
Reinsurance claims recovered[3]	**(752)**	(413)
Unwinding of discount rate	**(223)**	(288)
Net commission	**2 392**	2 170
Gross commission incurred	**3 213**	2 963
Reinsurance commission received	**(821)**	(793)
Management expenses[1, 2]	**2 415**	2 171
Net underwriting result	**993**	545
Investment return on insurance funds	**359**	319
Net insurance result	**1 352**	864
Other income	**68**	70
Other expenses	**(186)**	(104)
Profit before tax	**1 234**	830

1 Amortisation of computer software is included in management expenses.
2 Finance costs relating to lease liabilities is included in management expenses.
3 Comparative information was restated with a R280 million increase in gross claims incurred and reinsurance claims recovered, a R100 million increase in gross commission incurred and R100 million decrease in management expenses, as well as a R13 million increase in other expenses, to align to internal reporting provided to the CODM.

Notes to the condensed consolidated interim financial statements

5. Segment information (continued)

5.1 Segment report (continued)

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

	Reviewed Six months ended 30 June 2024		Reviewed Six months ended 30 June 2023	
	Gross written premium R million	Underwriting result R million	Gross written premium R million	Underwriting result R million
Accident and health	**347**	**31**	397	94
Crop	**82**	**(26)**	77	52
Engineering	**1 143**	**237**	1 030	138
Guarantee	**6**	**1**	23	3
Liability	**1 091**	**127**	911	373
Miscellaneous	**48**	**13**	53	12
Motor	**8 190**	**829**	7 787	130
Property	**7 407**	**(203)**	6 622	(317)
Transportation	**770**	**(16)**	757	60
Total	**19 084**	**993**	17 657	545
Comprising				
Commercial insurance	**10 899**	**610**	10 309	516
Personal insurance	**8 185**	**383**	7 348	29
Total	**19 084**	**993**	17 657	545

Additional information on Alternative Risk Transfer insurance activities

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

	Reviewed Six months ended 30 June 2024 R million	Reviewed Six months ended 30 June 2023 R million
Income from clients	**393**	282
Participation in underwriting results[1]	**100**	47
	493	329
Administration expenses	**(181)**	(155)
Operating result before non-controlling interest and tax	**312**	174
Non-controlling interest	**(57)**	(18)
Operating result before tax	**255**	156

[1] This relates to Centriq and SSI's selective participation in underwriting risk across the portfolios of traditional insurance business.

Notes to the condensed consolidated interim financial statements

5. Segment information (continued)

5.2 Geographical analysis

	INSURANCE REVENUE		NON-CURRENT ASSETS	
	Reviewed Six months ended 30 June 2024 R million	Reviewed Six months ended 30 June 2023 R million	Reviewed as at 30 June 2024 R million	Audited as at 31 December 2023 R million
South Africa	**21 745**	19 565	**2 546**	2 635
Rest of Africa[1]	**1 322**	1 288	**8**	10
Other international	**2 171**	2 100	**2 287**	2 030
	25 238	22 953	**4 841**	4 675
Reconciling items[2]	**(604)**	(461)	**–**	–
Group total	**24 634**	22 492	**4 841**	4 675

1 Includes insurance revenue relating to Santam Namibia Ltd of R600 million (June 2023: R526 million).
2 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 profit or loss).

6. Financial assets and liabilities at fair value

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

	Reviewed as at 30 June 2024 R million	Audited as at 31 December 2023 R million
Financial assets mandatorily measured at fair value through profit or loss		
Strategic investment – unquoted Sanlam target shares	**2 287**	2 030
Financial assets at fair value through profit or loss	**47 278**	43 748
	49 565	45 778
Expected to be realised after 12 months[1]	**37 826**	32 251
Expected to be realised within 12 months	**11 739**	13 527

1 Including unquoted Sanlam target shares amounting to R2 287 million (December 2023: R2 030 million).

	Reviewed as at 30 June 2024 R million	Audited as at 31 December 2023 R million
Financial liabilities at fair value through profit or loss	**9 178**	9 346
Expected to be settled after 12 months	**4 384**	4 329
Expected to be settled within 12 months	**4 794**	5 017

Notes to the condensed consolidated interim financial statements

6. Financial assets and liabilities at fair value (continued)

6.1 Financial instruments measured at fair value on a recurring basis

The table below analyses financial instruments, carried at fair value through profit or loss, by valuation method. There were no significant changes in the valuation methods applied since 31 December 2023. 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: valued using quoted prices with the main assumption that quoted prices might require adjustments due to an inactive market.
  - » Unlisted equities and similar securities: 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.[1]
    - – Unquoted interest-bearing investments are valued using the DCF method, with main inputs being real interest rates, benchmark yield plus fixed spread or deposit rates based on market input.
  - » Structured transactions: valued using the DCF method, with main inputs being 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.[1]
  - » Derivatives: 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 period. 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.

All other financial instruments are held at amortised cost, and the carrying value approximates the fair value.

[1] These investments are classified as level 2 as the markets that they trade on are not considered to be active.

Notes to the condensed consolidated interim financial statements

6. Financial assets and liabilities at fair value (continued)

6.1 Financial instruments measured at fair value on a recurring basis (continued)

Reviewed as at 30 June 2024	Level 1 R million	Level 2 R million	Level 3 R million	Total R million
Equities and similar securities				
Listed equities and similar securities	**3 101**	**–**	**–**	**3 101**
Unlisted equities and similar securities	**–**	**–**	**2 428**	**2 428**
Interest-bearing investments				
Government interest-bearing investments	**–**	**6 204**	**–**	**6 204**
Corporate interest-bearing investments	**–**	**19 166**	**44**	**19 210**
Mortgages and loans	**–**	**133**	**–**	**133**
Structured transactions				
Structured notes	**–**	**316**	**–**	**316**
Investment funds	**–**	**12 298**	**–**	**12 298**
Deposits and similar securities	**–**	**5 875**	**–**	**5 875**
Financial assets at fair value through profit or loss	**3 101**	**43 992**	**2 472**	**49 565**
Debt securities	**–**	**3 058**	**–**	**3 058**
Investment contracts	**–**	**6 120**	**–**	**6 120**
Financial liabilities at fair value through profit or loss	**–**	**9 178**	**–**	**9 178**

Audited as at 31 December 2023	Level 1 R million	Level 2 R million	Level 3 R million	Total R million
Equities and similar securities				
Listed equities and similar securities	2 926	–	–	2 926
Unlisted equities and similar securities	–	2	2 171	2 173
Interest-bearing investments				
Government interest-bearing investments	–	5 336	–	5 336
Corporate interest-bearing investments	–	18 090	46	18 136
Mortgages and loans	–	125	–	125
Structured transactions				
Structured notes	–	296	–	296
Investment funds	–	10 324	–	10 324
Deposits and similar securities	–	6 462	–	6 462
Financial assets at fair value through profit or loss	2 926	40 635	2 217	45 778
Debt securities	–	3 053	–	3 053
Investment contracts	–	6 286	–	6 286
Derivative liabilities	–	–	7	7
Financial liabilities at fair value through profit or loss	–	9 339	7	9 346

Notes to the condensed consolidated interim financial statements

6. Financial assets and liabilities at fair value (continued)

6.1 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 assets/ (liabilities) R million	Total R million
30 June 2024 (reviewed)				
Opening balance	**2 171**	**46**	**(7)**	**2 210**
Settlements	**–**	**–**	**2**	**2**
Gains/(losses) recognised in profit or loss	**257**	**(2)**	**5**	**260**
Closing balance	**2 428**	**44**	**–**	**2 472**
31 December 2023 (audited)				
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 other comprehensive income	–	–	(87)	(87)
Closing balance	2 171	46	(7)	2 210

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

Of the R257 million gain (December 2023: R433 million gain) recognised on equity securities, a R257 million gain (December 2023: R433 million gain) relates to the Sanlam target shares, of which R25 million (December 2023: R121 million) relates to foreign exchange losses (December 2023: gains), and R282 million (December 2023: R312 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 investment portfolio were:

- In 2024, the increase in the value of SGI of R284 million (December 2023: R320 million) (excluding the impact of exchange rate movements) was attributable to higher new business volumes. SGI also reported a better claims experience than prior years and expects the claims ratio to gradually improve over the short term.

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 (December 2023: 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 R2 157 million (December 2023: R1 894 million). No other individual target share is material.

The fair value of the SGI target share is determined using a DCF model. Given the short-term 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.

Significant unobservable input used in this DCF model	Reviewed as at 30 June 2024	Audited as at 31 December 2023
Discount rate	**14.8%**	14.9%
Rand/Indian Rupee exchange rate	**0.219**	0.222
Average net insurance margin over a 10 year period	**17.4%**	20.2%

Notes to the condensed consolidated interim financial statements

6. Financial assets and liabilities at fair value (continued)

6.1 Financial instruments measured at fair value on a recurring basis (continued)

Impact on the investment of a 10% change in:	Reviewed as at 30 June 2024 Increase R million	Reviewed as at 30 June 2024 Decrease R million	Audited as at 31 December 2023 Increase R million	Audited as at 31 December 2023 Decrease R million
Discount rate	**(444)**	**705**	(365)	570
Rand/Indian rupee exchange rate	**216**	**(216)**	189	(189)
Average net insurance margin over a 10 year period	**175**	**(175)**	149	(149)

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.

6.2 Debt securities

The condensed consolidated interim financial statements do not include all information and disclosures relating to debt securities 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 changes to debt securities since 31 December 2023.

Santam's international credit rating was re-affirmed as BB in December 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.

6.3 Derivatives

At 30 June 2024, the group had exchange traded futures with an exposure value of R314 million (December 2023: R319 million). The exchange traded 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 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.

At 31 December 2023, the group had interest rate swaps and currency swaps (June 2024: 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.

The movement in the hedging instrument and hedged item during the year to 31 December 2023 was as follows:

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

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.

Notes to the condensed consolidated interim financial statements

7. Insurance and reinsurance contracts

	Notes	Reviewed as at 30 June 2024 R million	Audited as at 31 December 2023 R million
Insurance contract assets		**(341)**	(426)
Reinsurance contract assets		**(7 695)**	(10 087)
Insurance contract liabilities		**35 889**	34 650
Reinsurance contract liabilities		**5 776**	5 789
	7.1	**33 629**	29 926

7.1 Insurance and reinsurance contracts analysis

	Reviewed as at 30 June 2024			Audited as at 31 December 2023		
	Assets R million	Liabilities R million	Net (assets)/ liabilities R million	Assets R million	Liabilities R million	Net (assets)/ liabilities R million
Insurance contracts issued						
General insurance						
Premium allocation approach	**(288)**	**32 348**	**32 060**	(408)	32 047	31 639
General measurement model	**–**	**653**	**653**	–	675	675
	(288)	**33 001**	**32 713**	(408)	32 722	32 314
Life insurance						
Premium allocation approach	**(53)**	**327**	**274**	(18)	293	275
General measurement model	**–**	**2 561**	**2 561**	–	1 635	1 635
	(53)	**2 888**	**2 835**	(18)	1 928	1 910
Insurance contract (assets)/liabilities	**(341)**	**35 889**	**35 548**	(426)	34 650	34 224
Expected to be settled after 12 months	**–**	**6 377**	**6 377**	(2)	5 711	5 709
Expected to be settled within 12 months	**(341)**	**29 512**	**29 171**	(424)	28 939	28 515
Reinsurance contracts held						
General insurance						
Premium allocation approach	**(7 665)**	**101**	**(7 564)**	(9 361)	119	(9 242)
	(7 665)	**101**	**(7 564)**	(9 361)	119	(9 242)
Life insurance						
Premium allocation approach	**(28)**	**2**	**(26)**	(25)	3	(22)
General measurement model	**(2)**	**510**	**508**	(701)	3	(698)
	(30)	**512**	**482**	(726)	6	(720)
Third party cell insurance contracts						
General insurance						
Premium allocation approach	**–**	**1 384**	**1 384**	–	1 290	1 290
General measurement model	**–**	**1 466**	**1 466**	–	1 480	1 480
	–	**2 850**	**2 850**	–	2 770	2 770
Life insurance						
Premium allocation approach	**–**	**499**	**499**	–	483	483
General measurement model	**–**	**1 814**	**1 814**	–	2 411	2 411
	–	**2 313**	**2 313**	–	2 894	2 894
Reinsurance contract (assets)/liabilities	**(7 695)**	**5 776**	**(1 919)**	(10 087)	5 789	(4 298)
Expected to be recovered after 12 months	**(1 353)**	**18**	**(1 335)**	(1 967)	14	(1 953)
Expected to be recovered within 12 months	**(6 342)**	**5 758**	**(584)**	(8 120)	5 775	(2 345)

Notes to the condensed consolidated interim financial statements

8. Investment income and net gains/(losses) on financial assets and liabilities

	Reviewed Six months ended 30 June 2024 R million	Reviewed Six months ended 30 June 2023 R million
Investment income	**2 076**	2 283
Interest income derived from	**2 081**	1 546
Financial assets measured at amortised cost	**250**	274
Financial assets mandatorily measured at fair value through profit or loss	**1 831**	1 272
Other investment (losses)/income	**(5)**	737
Dividend income	**168**	102
Foreign exchange differences	**(173)**	635
Net gains on financial assets and liabilities at fair value through profit or loss	**485**	11
Net fair value gains on financial assets mandatorily at fair value through profit or loss	**543**	103
Net realised gains/(losses) on financial assets excluding derivative instruments	**74**	(46)
Net unrealised fair value gains on financial assets excluding derivative instruments	**469**	138
Net realised fair value gains on derivative instruments	**–**	11
Net fair value losses on financial liabilities designated as at fair value through profit or loss	**(58)**	(92)
Net fair value (losses)/gains on debt securities	**(6)**	2
Net fair value losses on investment contracts	**(52)**	(94)
	2 561	2 294

9. Income tax

	Reviewed Six months ended 30 June 2024 R million	Reviewed Six months ended 30 June 2023 R million
Normal taxation		
Current period	**619**	772
Prior period	**(13)**	1
Other taxes	**3**	2
Foreign taxation – current period	**33**	2
Total income taxation for the period	**642**	777
Deferred taxation		
Current period	**(108)**	53
Total deferred taxation for the period	**(108)**	53
Total taxation as per statement of comprehensive income	**534**	830
Income tax allocated to cell owners and structured products	**(39)**	(378)
Total tax expense attributable to shareholders	**495**	452
Profit before taxation per statement of comprehensive income	**2 553**	2 176
Adjustment for income tax allocated to cell owners and structured products	**(39)**	(378)
Total profit before tax attributable to shareholders	**2 514**	1 798

Notes to the condensed consolidated interim financial statements

9. Income tax (continued)

	Reviewed Six months ended 30 June 2024 R million	Reviewed Six months ended 30 June 2023 R million
Reconciliation of taxation rate (%)		
Normal South African taxation rate	**27.0**	27.0
Adjusted for:		
Disallowable expenses	**0.1**	0.3
Foreign tax differential	**(2.3)**	0.1
Exempt income[1]	**(1.4)**	(1.4)
Investment results	**(3.2)**	(0.7)
Income from associates	**(0.4)**	(0.7)
Previous period's overprovision	**(0.5)**	(0.1)
Other permanent differences	**0.4**	0.6
Net reduction	**(7.3)**	(1.9)
Effective rate attributable to shareholders (%)	**19.7**	25.1

[1] Exempt income consists mainly of dividends received.

10. Corporate transactions

For the period ended 30 June 2024

Acquisitions

MTN South Africa device insurance book

In January 2024, Santam Ltd acquired the device insurance book of MTN South Africa for R59 million in cash.

	R million
Details of the assets and liabilities acquired are as follows:	
Intangible assets – Key business relationships	**9**
Cash and cash equivalents	**21**
Insurance contract liabilities – deferred acquisition cost	**50**
Insurance contract liabilities – liability for incurred claims	**(21)**
Net asset value acquired/purchase consideration paid	**59**

For the year ended 31 December 2023

Refer to note 14 of the group's annual financial statements for the year ended 31 December 2023.

Notes to the condensed consolidated interim financial statements

11. Earnings per share

	Reviewed Six months ended 30 June 2024	Reviewed Six months ended 30 June 2023
Basic earnings per share		
Profit attributable to the company's equity holders (R million)	**1 718**	1 281
Weighted average number of ordinary shares in issue (million)	**109.63**	109.53
Earnings per share (cents)	**1 567**	1 170
Diluted earnings per share		
Profit attributable to the company's equity holders (R million)	**1 718**	1 281
Weighted average number of ordinary shares in issue (million)	**109.63**	109.53
Adjusted for share incentive schemes (million)	**1.02**	1.09
Weighted average number of ordinary shares for diluted earnings per share (million)	**110.65**	110.62
Diluted basic earnings per share (cents)	**1 553**	1 158
Headline earnings per share		
Profit attributable to the company's equity holders (R million)	**1 718**	1 281
Adjusted for:		
Impairment of intangible assets	**16**	–
Tax on impairment of intangible assets	**(4)**	–
Headline earnings (R million)	**1 730**	1 281
Weighted average number of ordinary shares in issue (million)	**109.63**	109.53
Headline earnings per share (cents)	**1 578**	1 170
Diluted headline earnings per share		
Headline earnings (R million)	**1 730**	1 281
Weighted average number of ordinary shares for diluted headline earnings per share (million)	**110.65**	110.62
Diluted headline earnings per share (cents)	**1 563**	1 158

12. Dividend per share

	Reviewed Six months ended 30 June 2024	Reviewed Six months ended 30 June 2023
Interim dividend per share (cents)[1]	**535**	495

[1] 2024: Approved (June 2023: Paid).

13. Related parties

During the first half of 2024, there have been no related party transactions that have materially affected the financial position or the results for the period. 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.

14. Subsequent events

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

Notes to the condensed consolidated interim financial statements

15. 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.

15.1 Analysis of policyholder/shareholder statement of financial position

	Group Reviewed as at 30 June 2024 R million	Shareholder Reviewed as at 30 June 2024 R million	Policyholder/ cellholder Reviewed as at 30 June 2024 R million
ASSETS			
Intangible assets	**1 186**	**1 186**	**–**
Property and equipment	**827**	**827**	**–**
Investment in associates	**541**	**541**	**–**
Strategic investment – unquoted Sanlam target shares	**2 287**	**2 287**	**–**
Deferred income tax	**326**	**94**	**232**
Financial assets at fair value through profit or loss	**47 278**	**16 822**	**30 456**
Insurance contract assets	**341**	**181**	**160**
Reinsurance contract assets	**7 695**	**7 065**	**630**
Loans and receivables	**2 951**	**2 432**	**519**
Current income tax	**250**	**232**	**18**
Cash and cash equivalents	**5 819**	**3 754**	**2 065**
Total assets	**69 501**	**35 421**	**34 080**
EQUITY			
Capital and reserves attributable to the company's equity holders			
Share capital	**103**	**103**	**–**
Treasury shares	**(869)**	**(869)**	**–**
Other reserves	**6**	**6**	**–**
Distributable reserves	**12 111**	**12 111**	**–**
	11 351	**11 351**	**–**
Non-controlling interest	**987**	**527**	**460**
Total equity	**12 338**	**11 878**	**460**
LIABILITIES			
Deferred income tax	**1 172**	**1 062**	**110**
Lease liabilities	**813**	**813**	**–**
Financial liabilities at fair value through profit or loss			
Debt securities	**3 058**	**3 058**	**–**
Investment contracts	**6 120**	**18**	**6 102**
Financial liabilities at amortised cost			
Repo liability	**835**	**–**	**835**
Collateral guarantee contracts	**114**	**–**	**114**
Insurance contract liabilities	**35 889**	**15 457**	**20 432**
Reinsurance contract liabilities	**5 776**	**35**	**5 741**
Provisions for other liabilities	**171**	**171**	**–**
Trade and other payables	**3 155**	**2 878**	**277**
Current income tax	**60**	**51**	**9**
Total liabilities	**57 163**	**23 543**	**33 620**
Total shareholders' equity and liabilities	**69 501**	**35 421**	**34 080**

Notes to the condensed consolidated interim financial statements

15. Analysis of policyholder/shareholder financial position and results (continued)

15.1 Analysis of policyholder/shareholder statement of financial position (continued)

	Group 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
ASSETS			
Intangible assets	1 226	1 226	–
Property and equipment	877	877	–
Investment in associates	542	542	–
Strategic investment – unquoted Sanlam target shares	2 030	2 030	–
Deferred income tax	162	97	65
Financial assets at fair value through profit or loss	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
Total assets	67 130	36 409	30 721
EQUITY			
Capital and reserves attributable to the company's equity holders			
Share capital	103	103	–
Treasury shares	(845)	(845)	–
Other reserves	10	10	–
Distributable reserves	11 424	11 424	–
	10 692	10 692	–
Non-controlling interest	714	486	228
Total equity	11 406	11 178	228
LIABILITIES			
Deferred income tax	1 103	1 103	–
Lease liabilities	824	824	–
Financial liabilities at fair value through profit or loss			
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	141	141	–
Trade and other payables	2 830	2 496	334
Current income tax	238	226	12
Total liabilities	55 724	25 231	30 493
Total shareholders' equity and liabilities	67 130	36 409	30 721

Notes to the condensed consolidated interim financial statements

15. Analysis of policyholder/shareholder financial position and results (continued)

15.2 Analysis of policyholder/shareholder statement of comprehensive income

	Group Reviewed Six months ended 30 June 2024 R million	Shareholder Reviewed Six months ended 30 June 2024 R million	Policyholder/ cellholder Reviewed Six months ended 30 June 2024 R million
Insurance revenue	24 634	18 938	5 696
Insurance service expense	(18 933)	(15 126)	(3 807)
Net expense from reinsurance contracts held	(3 777)	(2 159)	(1 618)
Insurance service result	1 924	1 653	271
Finance expense from insurance contracts issued	(1 013)	(325)	(688)
Finance (expense)/income from reinsurance contracts held	(127)	191	(318)
Net insurance service result	784	1 519	(735)
Interest income on amortised cost instruments	250	133	117
Interest income on fair value through profit or loss instruments	1 831	805	1 026
Other investment (losses)/income	(5)	(28)	23
Net fair value gains on financial assets and liabilities at fair value through profit or loss	485	381	104
Other revenue	179	178	1
Investment management services fees	(56)	(51)	(5)
Net investment income and other revenue	2 684	1 418	1 266
Other operating expenses	(470)	(431)	(39)
Investment return allocated to structured products	(270)	–	(270)
Amortisation and impairment of intangible assets	(28)	(28)	–
Total other operating expenses	(768)	(459)	(309)
Result of operating activities	2 700	2 478	222
Other finance costs	(269)	(237)	(32)
Net income from associates	39	39	–
Income tax recovered from structured products	83	–	83
Profit before tax	2 553	2 280	273
Total tax expense	(534)	(495)	(39)
Tax expense allocated to shareholders	(495)	(495)	–
Tax expense allocated to cell owners and structured products	(39)	–	(39)
Profit for the period	2 019	1 785	234
Profit attributable to:			
– equity holders of the company	1 718	1 718	–
– non-controlling interest	301	67	234
	2 019	1 785	234

Notes to the condensed consolidated interim financial statements

15. Analysis of policyholder/shareholder financial position and results (continued)

15.2 Analysis of policyholder/shareholder statement of comprehensive income (continued)

	Reviewed Six months ended 30 June 2023 R million	Shareholder Reviewed Six months ended 30 June 2023 R million	Policyholder/ cellholder Reviewed Six months ended 30 June 2023 R million
Insurance revenue	22 492	17 908	4 584
Insurance service expense	(17 777)	(14 498)	(3 279)
Net expense from reinsurance contracts held	(3 443)	(2 517)	(926)
Insurance service result	1 272	893	379
Finance expense from insurance contracts issued	(1 372)	(906)	(466)
Finance income/(expense) from reinsurance contracts held	308	438	(130)
Net insurance service result	208	425	(217)
Interest income on amortised cost instruments	274	137	137
Interest income on fair value through profit or loss instruments	1 272	752	520
Other investment income	737	666	71
Net fair value gains/(losses) on financial assets and liabilities at fair value through profit or loss	11	118	(107)
Other revenue	276	253	23
Investment management services fees	(56)	(50)	(6)
Net investment income and other revenue	2 514	1 876	638
Other operating expenses	(356)	(325)	(31)
Amortisation and impairment of intangible assets	(37)	(37)	–
Total other operating expenses	(393)	(362)	(31)
Result of operating activities	2 329	1 939	390
Other finance costs	(198)	(197)	(1)
Net income from associates	45	45	–
Profit before tax	2 176	1 787	389
Total tax expense	(830)	(452)	(378)
Tax expense allocated to shareholders	(452)	(452)	–
Tax expense allocated to cell owners and structured products	(378)	–	(378)
Profit for the period	1 346	1 335	11
Profit attributable to:			
– equity holders of the company	1 281	1 281	–
– non-controlling interest	65	54	11
	1 346	1 335	11

Notes to the condensed consolidated interim financial statements

16. Restatements and changes in presentation

16.1 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.

The table below shows the impact of the change:

	Previously reported Reviewed Six months ended 30 June 2023 R million	Restatement Reviewed Six months ended 30 June 2023 R million	Restated Reviewed Six months ended 30 June 2023 R million
Net cash from operating activities			
Cash generated from operations	3 672	(1 348)	2 324
Dividends received	–	84	84
Interest received	–	1 264	1 264
Net impact	3 672	–	3 672

Administration

Non-executive directors

M Chauke, CD da Silva, MP Fandeso, PB Hanratty,
DEH Loxton, MM Mahlangeni, NT Moholi (chairperson),
AM Mukhuba, JJ Ngulube, PE Speckmann, LA Swartz

Executive directors

TC Madzinga (group chief executive officer)
ML Olivier (group chief financial officer)

Sponsors

Equity sponsor: Investec Bank Ltd
Debt sponsor: Rand Merchant Bank (a division of FirstRand Bank Ltd)

Transfer secretaries

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15 Biermann Avenue, Rosebank 2196
Private Bag X9000, Saxonwold 2132
Tel: 011 370 5000
Fax: 011 688 5216
www.computershare.com

Group company secretary

R Eksteen

Santam head office and registered address

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Tyger Valley, Bellville 7530
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Tel: 021 915 7000
Fax: 021 914 0700
www.santam.co.za

Registration number: 1918/001680/06
ISIN: ZAE000093779
JSE share code: SNT
NSX share code: SNM
A2X share code: SNT
Debt company code: BISAN
LEI: 37890092DC55C7D94B35

A copy of the set of condensed consolidated interim financial statements with the signatures of the directors is available at the company's registered office and through a secure electronic manner at the election of the person requesting inspection.

Santam is an authorised financial services provider (licence number 3416).

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