

SANLAM KENYA PLC

PROFIT WARNING

The Board of Directors of Sanlam Kenya Plc ("SKP") makes this announcement pursuant to Part III, Section 19 and the Fifth Schedule of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002 and the continuing obligations of the Nairobi Securities Exchange Listing Manual Rule G.05 (1) (f) and 2.

The Board of Directors wishes to advise the shareholders and the general public that there will be a material difference between the projected SKP's Group's consolidated profit after tax ("profit") for the year ending 31 December 2016 by more than 25% of the level of profit earnings reported for the year ended 31 December 2015.

The anticipated decline in profit is mainly attributable to marked-to-market fair value losses on equity investments and government securities combined with a negative persistency experience in the life book, lower income from property sales and an increase in expenses related to the implementation of the new Group strategy.

Implementation of the group strategy commenced in 2016 with realisation of the benefits expected to start in 2017 with a marked improvement in overall growth and profitability.

By Order of the Board of Directors



Dr JPN Simba
Chairman

29 December 2016



Mugo Kibati
Group Chief Executive

