



GROUP FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

Group Statement of Comprehensive Income

	Year to 31 Dec 2016	Year to 31 Dec 2015
	KSh's'000	KSh's'000
Gross written premium	5,224,546	5,181,614
Outward reinsurance premium	(392,341)	(384,628)
Net written premium	4,832,205	4,796,986
Investment Income	2,518,645	2,388,531
Fair value gains	(450,341)	(637,144)
Fee and commissions earned	74,955	80,220
Other operating income (including property)	178,610	608,591
Other revenue	2,321,869	2,440,198
Total income	7,154,074	7,237,184
Gross benefits and claims paid	(4,193,984)	(3,620,249)
Reinsurers' share of claims	204,498	96,593
Net change in contract liabilities	(488,981)	(733,559)
Net claims and policyholders benefits	(4,478,467)	(4,257,215)
Cost of Sales	(28,009)	(63,178)
Commission payable	(660,731)	(834,991)
Operating and other expenses	(1,669,594)	(1,466,658)
Impairment of goodwill	-	(564,080)
Total benefits, claims and other expenses	(6,836,801)	(7,186,122)
Profit before share of profit of an associate	317,273	51,062
Share of profit of an associate	(220)	3,263
Profit before tax	317,053	54,325
Income tax expense	(246,430)	(26,975)
Profit for the year after tax	70,623	27,350
Other comprehensive income	-	-
Other comprehensive income net of tax	23,249	-
Total profit and other comprehensive income	93,872	27,350
Comprehensive income attributable to:		
Equity holders of the parent	106,061	(61,559)
Non controlling interest	(12,189)	88,909
Earnings Per Share		
Basic	0.63	(0.43)
Diluted	0.63	(0.43)
Shares used for calculating earnings per share	144,000,000	144,000,000

Group Statement of Financial Position

	2016	2015
Capital and reserves		
Share capital	720,000	720,000
Revaluation reserve	15,809	-
Statutory reserve	2,814,653	2,184,710
Retained earnings	219,746	811,364
Non-Controlling interest	162,036	85,973
Total capital and reserves	3,932,244	3,802,047
Assets		
Property and equipment	177,071	134,138
Intangible assets	116,661	129,821
Investment property	2,761,200	2,674,799
Investments in associate	21,572	21,792
Deferred tax	182,721	170,225
Loans	930,564	965,495
Held to maturity financial assets	8,836,392	8,069,169
Available for sale financial assets	104,653	80,364
Fair value through profit or loss financial assets	10,566,547	10,039,667
Reinsurance assets	554,983	326,697
Land and development (Inventory)	127,366	77,038
Insurance receivables	550,622	234,576
Income Tax receivable	65,583	27,329
Deferred acquisition costs	150,427	19,776
Receivable and other financial assets	798,792	222,224
Deposits with financial institutions	2,033,481	3,693,324
Cash and Bank balance	463,955	222,844
Total assets	28,442,590	27,109,278
Liabilities		
Insurance contract liabilities	12,704,048	11,397,467
Market linked insurance liabilities	7,653,977	8,269,515
Payable under deposit administration contracts	1,489,407	1,434,573
Provision for unearned premium	474,115	273,895
Deferred tax	844,396	655,413
Provisions	51,925	51,925
Current tax liabilities	8,668	4,438
Insurance payables	802,471	464,273
Payables and other charges	481,339	755,732
Total liabilities	24,510,346	23,307,231

The Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Abridged Cash Flow Statement are extracts from the Group's financial statements which were audited by PricewaterhouseCoopers and received an unqualified opinion.

Dr. JPN Simba

Mugo Kibati

Group Statement of Changes in Equity

	2016	2015
Share capital and Share premium	720,000	720,000
Opening reserves	2,996,074	3,173,202
Revaluation reserve	15,809	-
Income attributable to shareholders	106,061	(61,559)
Bonus issue	-	(115,569)
Transactions with minorities	(51,927)	-
Non controlling interest	162,036	85,973
Balance at end of the year	3,948,053	3,802,047

Abridged Cashflow Statement

	2016	2015
Cash flow from operating activities	(2,337,432)	(762,835)
Cash utilised in investing activities	882,375	697,707
Cash flows from financing activities	36,325	-
Net increase in cash resources	(1,418,732)	(65,128)
Cash resources at the beginning of the year	3,916,168	3,981,296
Cash resources at the end of the year	2,497,436	3,916,168

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SANLAM KENYA PLC

Opinion

The summary financial statements, which comprise the summary group statement of financial position at 31 December 2016 and the summary group statements of comprehensive income, changes in equity and cash flows for the year then ended are derived from the audited financial statements of Sanlam Kenya Plc and its subsidiaries (together, the "Group") for the year ended 31 December 2016.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements.

Summary financial statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 2 March 2017. That report also includes the 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 financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act 2015

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited 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*.

The engagement partner responsible for the audit resulting in this independent auditor's report is FCPA Richard Njoroge - P/No. 1244.

PricewaterhouseCoopers

Certified Public Accountants
Nairobi

11 April 2017

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 71st Annual General Meeting of the Company will be held at the Ballroom, Stanley, Kenyatta Avenue Nairobi on Friday 5th May 2017 at 10.00 am to conduct the following business:

- To table the proxies and note the presence of a quorum.
- To read the Notice convening the meeting.
- To confirm the minutes of the previous Annual General Meeting held on 20th May 2016.
- To consider, and if approved, adopt the Balance Sheet and Accounts for the year ended 31 December 2016 together with the reports of the Chairman, the Group Chief Executive, the Directors, the Auditor and the Statutory Actuary.
- To note that the Directors do not recommend the payment of Dividend for the financial year ended 31 December 2016.
- To elect Directors:
 - Mr Matthys Lodewikus Olivier, retires by rotation in accordance with the Company's Articles of Association and he offers himself for re-election.
 - Mr Julius Magabe, who was appointed a director on 19th August 2016, retires this being the first Annual General Meeting to be held since his appointment and being eligible offers himself for re-election
 - Mr Theuns Botha, who was appointed a director on 19th May 2016, retires this being the first Annual General Meeting to be held since his appointment and being eligible, offers himself for re-election
- To approve the Directors' remuneration.
- To note that the auditors, PricewaterhouseCoopers will continue in office in accordance with Section 721(2) of the Companies Act No. 17 of 2015 until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.
- To transact any other business with the permission of the Chair for which 48 hours notice had been given to the Company Secretary at the registered office of the Company.

By Order of the Board

Emma Wachira

Group Company Secretary
Date: 11th April 2017

Note:

- A member entitled to attend and vote at the meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company. To be valid, a proxy form, which is available from the Company's head office or the Share Registrar's offices, must be completed and signed by the member and must be lodged at the offices of the Company's Share Registrar's, Image Registrars, 5th Floor, Barclays Plaza, Loita Street, Kenya so as to arrive not later than 10.00 a.m. on 3rd May 2017.
- In accordance with the Company's Articles of Association, a copy of the entire Annual Report and Accounts will be available for viewing or from the Company's website www.sanlam.co.ke or from the registered office of the Company, Pan Africa House, Kenyatta Avenue, Nairobi. An abridged set of the Balance Sheet, Income Statement, Statement of Changes in Equity and Cashflow Statement for the year ended 31 December 2016 have been published in two daily newspapers with nationwide circulation.