



*From the
desk of:*

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GM - Finance and Administration & Ag. CEO



PAN AFRICA LIFE

We have a sense for Life

2014 that was....

The year 2014 has been a full one both at industry and at business level. Here are some of the things that made highlights for us....

Pan Africa continues to grow

Pan Africa Asset Management

Our business has this year continued to grow in leaps and bounds. Early this year we launched our asset management business line. Pan Africa Asset Management is part of our long term business plan that will see us position ourselves as a fully fledged financial services provider. A client visiting with us can now have their life insurance and investment management needs served. Soon we will also be able to offer general insurance after the acquisition process which is already in good progress. That is what we have always looked forward to; to be a one stop shop for all financial needs of our esteemed clients. Yet we shall not stop there, we continue to look for areas of growth and operation excellence.

New Office Building

October 2014 marked the ground breaking of our new office building in Westlands, Nairobi. This project is going to be one of our biggest milestones as a business in terms of business growth and specifically investment diversification. The Kes 2.3 Billion worth building expected to be complete in the 2017 will be able to accommodate all our members of staff as well as tenants on several floors.

Business Environment

Global economic metrics slowed down in the third quarter with most forecasted growth rates being chopped down including the IMF's revision of the global rate to 3.3% in 2014. The latest negative outlook resulted from decreased demand in the crude oil commodity. Food price pressures have been a crucial underlying factor in the Kenyan economy given the drastic decline in the agricultural sector as seen in this year's GDP figures. The insufficient food production due to uneven climatic conditions such as sporadic rainfall had resulted to a spike in the current year's inflation levels. Coming to the year close however, we see the inflation pressures ease off from its year high of 8.4% to its current level of 6.09% in November.

The shilling has suffered substantially against the dollar arising from the expectation and ultimate close of the stimulus program by the Fed Reserve in the US economy. The cut in dollar inflows from the tourism, horticulture, tea and coffee output also added weighting to the shilling's

depreciation. The shilling is currently trading in the shaky levels of 90.45 with a consistent weakening seen at the close of 2014. Given the slump in oil prices, crude oil commodity importers in the short term period will be seen to benefit given the reduced burden on the import basket. With the recent revision of GDP statistic, Kenya is currently at a production output of 4.8 trillion to adjust its GDP growth rate to 5.7% from its previous 4.7%. The IMF indicated that Kenya would grow by 5.8% in the current year.

Business Performance

AKI Statistics

The Association of Kenya Insurers released the 2013 industry results. Insurance penetration in the Kenyan market remains low at 3.4%. The good news is that Pan Africa Life maintained good performance in both individual life and group life business.

Business Financial Results

Our half year results were quite impressive with a total premium income of Kes 2.6 Billion compared to Kes 1.9 Billion the same period last year. We look forward to finishing the year in good standing.

Product Offering

We have continued to improve our product offering, some of our newest products include unit trusts. We have also cemented new and existing key relationships with our business partners such as Airtel and Standard Chartered bank in an effort to enhance value addition to product offering and to satisfactorily satisfy our clients' dynamic needs. We will continue to utilize feedback from clients to keep offering better and better solutions.

This good performance cannot be achieved by one person. It is a combined effort and my appreciation goes to all our staff, financial advisors, shareholders and our always supportive clients.

Cancer Screening and Awareness

Through our golf series dubbed "Pan Africa Cancer Challenge", we carried out a free cancer screening and awareness campaign in eight counties across the country. Over 3500 people (golfers and communities) got access to free knowledge as well as screening for Prostate, Cervical and Breast cancer. We are humbled to have championed such a worthy and needed cause in this country and we thank all our partners. For more info please see www.palcancerchallenge.com.

Awards and Recognition

Through the year we have won several accolades that make us proud and are worth mentioning:

1. AKI Agent of the Year Awards (AAYA) 2014
Group Life best practice award – 2nd Runner up
Company of the year award – 1st Runner up
Life time award – Patrick Kimemia (Best male)

New business award – Patrick Kimemia – 2nd Runner up

2. Insurance Awards 2014

ICT award – Winner

Corporate social responsibility award – 2nd Runner up

Fraud detection and investigation award – 1st Runner up

3. Financial Reporting (FiRe) Awards 2014

Insurance category – 1st Runner up

4. ICT- Chief Information Officer Awards

Top 100 in Kenya

5. Sanlam Bancassurance Awards 2014

Best overall achiever – 2013