MEDIA RELEASE

Sanlam Kenya bounces back to profit

Financial services firm Sanlam Kenya, has bounced back to profitability, confirming the viability of its turnaround strategy.

The Nairobi Securities Exchange (NSE) listed firm has returned a KShs 639.7 million after-tax profit for the six-month period ending June 2019, a complete turnaround from last year's KShs 1.5 billion after-tax loss.

Speaking when he announced the firm's half-year earnings for 2019, Sanlam Kenya Group Chief Executive Officer Patrick Tumbo explained that deliberate efforts to re-orient the Group's business growth strategy were beginning to pay off.

"At Sanlam Kenya, we have been focusing on the growth of our core insurance business through strategic partnerships, human capital investment, revamped distribution strategy and other sales and marketing initiatives. This focus has seen us enjoy a growth in core insurance revenues by 17% to KShs 3.65 billion up from KShs 3.11 billion reported over the same period last year, despite an increasingly competitive market environment," said Tumbo.

The growth, he added, was also attributed to an improved investment performance and the positive impact of a revision in the statutory interest rate risk margin.

The Group's total income derived from net earned premiums, investment and miscellaneous income improved by 84% to KShs 4.6 billion from KShs 2.5 billion last year. Investments on the other hand reported impressive market value gains on Sanlam's equity and treasury bond portfolios raising the non-insurance incomes to KShs 1.9 billion compared to KShs 41 million over the same period last year.

While crediting the firm's accelerated growth to the support and dedication of its staff, sales agency network, intermediaries and other strategic partners, Tumbo said Sanlam Kenya remains focused on providing an excellent customer experience.

Tumbo said that efforts to recover the Group's impaired assets amounting to more than KShs 2.2 billion from institutions under financial distress, are still ongoing and remain a top priority for the business this year.

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