



2012 was a good year in many respects... but it also had its challenges.

Challenges:

It was the year that saw the Euro zone crisis persist, our economy experience unstable food prices, inflation rate rise close to 20pc and instability of the shilling rippling from the previous year. The year was also full of commercial unrest (strikes) which was probably a consequence of the impact of tough economic times on the normal 'mwananchi'. We cannot forget the increasing political temperatures ahead of the March 4th poll that as usual diverts some of the focus from economic activities.

Positives:

Amid these challenges, there are areas that performed pretty well. The equities and bond markets registered significant improvement. Continued improvement of transport and communication infrastructure and attention to life's essentials such as education and health sectors by the government positively impacted business. Central Bank's monetary policies worked, taming the exchange, interest and inflation rates, albeit with help from the good rains especially in the second half of the year.

It's a brand new year....2013

Although 2013 is an election year for Kenya, I hope it's going to be a defining one for the economy. While in 2008 the economic growth rate fell from 7.1pc to a mere 1.7pc, history should not repeat itself. Surely we have learnt. With the foundation that has been laid to propel the economy, the 5pc 2013 growth target should be achievable. With the improved business indicators such as better lending rates, better transport and communication networks and specifically the ever improving money transfer systems, investors will hopefully be able to carry on without undue hardship. Should the rains received in 2012 come in time in 2013, food production will be good helping keep the inflation rate reasonable. My take is that the economic outlook for 2013 is promising!

To our clients and partners.....

As has been our tradition at Pan Africa Life, we try to make sure your insurance and investment needs are taken care of, and in a way that suits your needs and your circumstances. We intend to continue with this tradition even as we explore new ways of conveniently distributing our services to you our client.

A few areas the Pan Africa Life family celebrated in 2012:

- Insurance Awards by Think Business
 - Customer Service Award - Winner
 - Life Insurer of the Year - 1st Runner up
 - Training award – 1st Runner up
 - Fraud detection and Prevention – 1st Runner up
 - Risk Management – 2nd Runner up
- Financial Reporting (FiRe) Awards 2012
 - Insurance category - Winner
- Company of the Year to Work for in 2012 by Deloitte
 - Insurance Category – Winner
 - Overall - No 8
- COYA 2012 awards by Kenya Institute of Management (KIM)
 - Leadership & Management Award – Winner
 - CEO of the year Award
- Association of Kenya Insurers (AKI) Sports
 - Best Man 200 & 100m
 - Best Lady 200m
 - Best 4*4 Men and Ladies
- Association of Kenya Insurers (AKI) Agent of the Year Award
 - Best Agent overall - Winner

A personal note to you for 2013

- ✓ Make it your responsibility to manage your finances. The best time to start planning for your future is now.
- ✓ Life Insurance is not a want (luxury), it is a need (essential). Insuring your car and leaving out your life is not in order.
- ✓ The younger you are the better it is to financially plan for your sunset days, it gives you time to make mistakes - and the price is lower!

Finally, as the poll date approaches, let us all remember that Kenya is bigger than any one individual. Vote wisely and may the candidates that we deserve win!

Happy 2013!

Regards,



Tom