

# Profit Warning Announcement

Pursuant to the provisions of Paragraph G.05 (1) (f) and (2) of the Fifth Schedule of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002, Sanlam Kenya Plc hereby wishes to issue this profit warning notice and cautionary statement for the benefit of our esteemed investors and the general public.

Based on our un-audited half year financial results and factoring in figures and information currently at the Board's disposal, we wish to report that our projected net earnings for the period to 31st December 2018 will be potentially 25% lower than the reported earnings for the year ended 31st December 2017, largely due to the following factors;

1. The recent 100% impairment of financial assets covering corporate bonds investments placed in prior year periods in now distressed local enterprises.
2. The general impact of slower economic growth and continued interest rates capping effects within the period under review. This has adversely affected our non-bank financial services, investments and returns.

Consequently, Management in consultation with the Board will put together a turnaround strategy geared at advancing the Group's performance. The turnaround strategy will be focused on pursuing key programmes geared at elevating the business back on a profitability path through the following initiatives:

- An enhanced investment policy;
- Leadership change and management re-organisation; and
- Adoption of contemporary information technology tools to optimise operational efficiency.

The Board remains optimistic that these initiatives among others will provide a good foundation to revitalize the business. Collectively, we remain committed to ensuring that the business is fine tuned to deliver value for all our stakeholders.

By order of the Board



**Dr John PN Simba**  
**Chairman**

DISCLAIMER: This announcement is for information purposes only. It has been issued with the approval of the Capital Markets Authority pursuant to the Capital Markets (Securities) (Public Offerings, Listings and Disclosures) Regulations 2002 as amended. As a matter of policy, the Capital Markets Authority assumes no responsibility for the correctness of the statements appearing in this announcement.