



MEDIA RELEASE

Sanlam Kenya maintains positive outlook ahead with Covid impact forecasted to dissipate

...posts a Kshs 43 million pretax profit in its 2020 full year results

25/03... The Nairobi Securities Exchange (NSE) listed firm, Sanlam Kenya PLC, a leading non-bank financial services firm in Kenya, has posted a Kshs 43 million pretax profit in its just-released full-year 2020 trading results, a 92 % decline against the Kshs 550 million in 2019 primarily attributed to the Covid-19 pandemic impact on the local and international economies.

Speaking when the firm's approved and released the results, Sanlam Kenya Plc Group Chairman Dr. John Simba said the effects of the Covid-19 pandemic on the local economy and foreign exchange rates adversely impacted the Group's net assets valuation.

In response to the challenging operating environment, the Group CEO, Dr Tumbo said, management focused on securing the employees' health and jobs, cost saving, new product development, innovation and delivery of sales and services online. As part of the business growth strategy, Sanlam Kenya's Life insurance subsidiary, in conjunction with Minet Kenya recently unveiled an innovative post-retirement insurance plan branded **RetireMed**. This product is designed to assist Kenyans save for their medical expenses in retirement.

Clients under the two Sanlam Kenya subsidiaries (Sanlam Life and Sanlam General Insurance) are also enjoying benefits under the recently unveiled Sanlam Assistance and the Sanlam Premium Rewards Loyalty Programme. The clients are enjoying exclusive rewards, including monthly discounts at local supermarkets, restaurants and pharmacies, and free round-the-clock access to Emergency support services.

Further efforts to develop and deliver to the market new products, Dr Tumbo said, are ongoing, backed by enhanced digitization of the firm's business processes to improve customer experience and satisfaction.

"The business retains a positive outlook for the year 2021 with all our operating ratios still robust. We remain committed to creating and protecting the wealth of our clients

and other stakeholders through innovative product offerings and employing the most efficient processes,” Dr Tumbo said. He added that “We will also continue to adapt to the evolving needs of our client base.”

He explained that, overall, Sanlam’s Gross premium income had increased by 24.4 % to Kshs 8.69 billion up from Kshs 6.99 billion posted the previous year due to growth in both the long and short-term insurance businesses. The firm’s total income he added had accelerated to Kshs 9.42 billion up from Kshs 8.89 billion recorded in 2019, representing a 6% growth.

With increased claims and lower investment returns, the firm closed the year on a Kshs 78 million after-tax loss representing a decline from the prior-year after-tax profit of Kshs 114million.

At the business operating level, the firm’s insurance subsidiaries, Sanlam Life and Sanlam General Insurance Ltd, generated Kshs 499 million and Kshs 138 million in after-tax profits.

Sanlam Life’s Gross written premium grew to Kshs 5.21 billion up from Kshs 4.38 billion posted the previous year. The firm’s investment income also maintained a positive trend growing to Kshs 2.33 billion from Kshs 2.20 billion in the prior year. The life insurance firm’s investments continued to hold steady at Kshs 26.3 billion, up from Kshs 24.7 billion posted the previous year and significantly buoyed by more than Kshs 20.48billion holding of government securities at the close of the trading year.

Sanlam General Insurance’s Gross written premium grew to Kshs 4.06 billion, up from Kshs 2.85 billion. The firm’s total income grew to Kshs 2.59 billion, up from Kshs 2.00 billion posted in 2019.

Looking ahead, Dr Simba reiterated that the Sanlam Kenya Board of Directors, are maintaining a positive outlook on the business as management continues to focus on execution of the Group’s strategic initiatives to achieve performance goals.

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